

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 171(FIN)

BY REPRESENTATIVE THOMAS

1 Page 1, line 2, following "year":

2 Insert ", relating to contributions from permanent fund dividends"

3

4 Page 2, line 7:

5 Delete all material and insert:

6 **"* Sec. 2.** AS 43.23.062(a) is amended to read:

7 (a) Notwithstanding AS 43.23.069, the Department of Revenue shall prepare
8 the electronic Alaska permanent fund dividend application to allow an applicant who
9 files electronically to direct that money be subtracted from the dividend payment and
10 contributed to one or more of the educational organizations, community foundations,
11 or charitable organizations that appear on the contribution list contained in the
12 application. A contribution to an organization may be \$25, \$50, \$75, \$100, or more, in
13 increments of \$50, up to the total amount of the permanent fund dividend that the
14 applicant is entitled to receive. If the total amount of contributions elected by an
15 applicant exceeds the amount of the permanent fund dividend that the applicant is
16 entitled to receive, contributions shall be deducted from the dividend in the order of
17 priority elected by the applicant on the application until the entire amount of the
18 dividend that the applicant is entitled to receive is allocated for contribution. The
19 electronic dividend application form must include notice that

20 [(1) CONTRIBUTION CHANGES MAY NOT BE MADE AFTER
21 THE APPLICANT FILES THE ELECTRONIC PERMANENT FUND DIVIDEND
22 APPLICATION; AND

23 (2)] no money contributed will be used for administrative costs

1 incurred in implementing this section, and money from the dividend fund will not be
2 used for that purpose.

3 * **Sec. 3.** AS 43.23.062(b) is amended to read:

4 (b) The department shall list each campus of the University of Alaska and
5 shall list each other educational organization, community foundation, or charitable
6 organization eligible under (c) and (d) of this section on the contribution list. The
7 department shall maintain an electronic database for the contribution list that is
8 accessible to the public and that permits searches by organization name,
9 geographic location, and type [BY GEOGRAPHIC REGION IN RANDOM
10 ORDER, AND THE ORDER SHALL BE CHANGED EACH YEAR. ON THE
11 CONTRIBUTION LIST, ORGANIZATIONS SHALL ALSO BE GROUPED BY
12 TYPE WITHIN EACH GEOGRAPHIC REGION]. The department shall provide a
13 statement of the contributions made by an individual that is suitable for federal income
14 tax purposes to each individual who elects to contribute under (a) of this section.

15 * **Sec. 4.** AS 43.23.062(c) is amended to read:

16 (c) The department may not include a charitable organization, other than a
17 community foundation, on the contribution list for a dividend year unless the purpose
18 of the charitable organization is to provide services [PROGRAMS] for youth
19 development, workforce development, arts and culture, aid and services to the elderly,
20 low-income individuals, individuals in emergency situations, victims of crime,
21 disabled individuals, individuals with mental illness, primary, vocational, and higher
22 education, health and dental care, recreational facilities, child abuse and neglect,
23 economic development, food assistance, libraries, public broadcasting, recycling of
24 waste, animal rescue, and zoos. The department may not include on the contribution
25 list an educational organization, community foundation, or charitable organization that
26 is the affiliate of a group. For purposes of this subsection,

27 (1) "affiliate" means an organization or foundation that directly or
28 indirectly through one or more intermediaries controls, is controlled by, or is under
29 common control with, a group;

30 (2) "group" has the meaning given in AS 15.13.400(8)(B).

31 * **Sec. 5.** AS 43.23.062(d) is amended to read:

(d) Except for each campus of the University of Alaska, the department may include an educational organization, community foundation, or charitable organization on the contribution list for a current dividend year only if the organization

(1) before **March 31** [JUNE 15] of the qualifying year, files an application for inclusion on the list for that dividend year on the form required by the department;

(2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization on the date of application;

(3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization during the two calendar years that immediately precede the year the application is filed;

(4) **unless exempted under federal law,** has a current Internal Revenue Service Form 990 on file with the United States Department of the Treasury, Internal Revenue Service, or, if the Internal Revenue Service has granted a filing extension for the current year, has on file that form for the immediately **preceding** [PRECEEDING] year;

(5) is directed by a voluntary board of directors or local advisory board, **a majority of** whose members are residents of the state;

(6) **if a community foundation,** provided in the state aid **during the two calendar years that immediately precede the year the application is filed,** or, **if an education organization or charitable organization, provided in the state** services during the two calendar years that immediately precede the year the application is filed;

(7) receives at least \$100,000 or five percent of its total annual receipts, whichever is less, from contributions;

(8) has completed and provided to the department a financial audit with an unqualified opinion conducted by an independent certified public accountant for the fiscal year to which the Internal Revenue Service Form 990 required under (4) of this subsection applies, **or if the organization is exempted from filing Form 990, for the fiscal year of the organization that ended immediately before the current**

1 **fiscal year**; this paragraph applies only to an organization with a total annual budget
 2 that exceeds \$250,000 during the fiscal year to which the **audit** [INTERNAL
 3 REVENUE SERVICE FORM 990] required under [(4) OF] this **paragraph**
 4 [SUBSECTION] applies; and

5 (9) does not make grants or contributions to an organization that is
 6 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

7 * **Sec. 6.** AS 43.23.062(i) is amended to read:

8 (i) The department may adopt regulations under AS 44.62 (Administrative
 9 Procedure Act) to carry out the provisions of this section. **Notwithstanding this**
 10 **subsection and other provisions of law, a state agency, including the department,**
 11 **may not adopt regulations or otherwise impose requirements or procedures on**
 12 **organizations to implement, interpret, make specific, or otherwise carry out the**
 13 **provisions of this section unless required by the federal government.** If an
 14 organization disagrees with an action of the department under this section and requests
 15 an administrative hearing, the hearing shall be conducted by the office of
 16 administrative hearings (AS 44.64.010).

17 * **Sec. 7.** AS 43.23.062 is amended by adding a new subsection to read:

18 (I) A community foundation may not deposit contributions received under this
 19 section into a fund that would be included in the definition of a donor advised fund
 20 under 26 U.S.C. 4966(d)(2) (Internal Revenue Code).

21 * **Sec. 8.** Sections 4 and 6, ch. 41, SLA 2008 are repealed.

22 * **Sec. 9.** Sections 1 - 7 of this Act take effect January 1, 2011."