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**CS FOR SENATE BILL NO. 104(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS DYSON, Fairclough, Gardner, Ellis

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to appropriations from the dividend fund; creating the criminal fund;**  
2 **relating to appropriations from the criminal fund for payments for crime victims, child**  
3 **support arrearages, court-ordered rehabilitation program costs, and incarceration**  
4 **costs; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 \* **Section 1.** AS 43.23.028 is amended to read:

7 **Sec. 43.23.028. Public notice.** (a) By October 1 of each year, the  
8 commissioner shall give public notice of the value of each permanent fund dividend  
9 for that year and notice of the information required to be disclosed under (3) of this  
10 subsection. In addition, the stub attached to each individual dividend disbursement  
11 advice must

12 (1) disclose the amount of each dividend attributable to income earned  
13 by the permanent fund from deposits to that fund required under art. IX, sec. 15,  
14 Constitution of the State of Alaska;

1 (2) disclose the amount of each dividend attributable to income earned  
2 by the permanent fund from appropriations to that fund and from amounts added to  
3 that fund to offset the effects of inflation;

4 (3) disclose the amount by which each dividend has been reduced due  
5 to each appropriation from the dividend fund, including amounts to pay the costs of  
6 administering the dividend program and the hold harmless provisions of  
7 AS 43.23.075;

8 (4) include a statement that an individual is not eligible for a dividend  
9 when

10 (A) during the qualifying year, the individual was convicted of  
11 a felony;

12 (B) during all or part of the qualifying year, the individual was  
13 incarcerated as a result of the conviction of a

14 (i) felony; or

15 (ii) misdemeanor if the individual has been convicted of  
16 a prior felony or two or more prior misdemeanors;

17 (5) include a statement that the legislative purpose for making  
18 individuals listed under (4) of this subsection ineligible is to

19 (A) **provide funds for services for and payments to crime**  
20 **victims** [OBTAIN REIMBURSEMENT FOR SOME OF THE COSTS  
21 IMPOSED ON THE STATE CRIMINAL JUSTICE SYSTEM RELATED TO  
22 INCARCERATION OR PROBATION OF THOSE INDIVIDUALS];

23 (B) **make child support payments and reduce child support**  
24 **arrears for the individuals;**

25 (C) **pay for court-ordered rehabilitation programs for the**  
26 **individuals; and**

27 (D) **obtain reimbursement for some of the costs of**  
28 **incarceration or probation of the individuals** [PROVIDE FUNDS FOR  
29 SERVICES FOR AND PAYMENTS TO CRIME VICTIMS AND FOR  
30 GRANTS FOR THE OPERATION OF DOMESTIC VIOLENCE AND  
31 SEXUAL ASSAULT PROGRAMS];

1 (6) disclose the total amount that would have been paid during the  
2 previous fiscal year to individuals who were ineligible to receive dividends under  
3 AS 43.23.005(d) if they had been eligible;

4 (7) disclose the total amount appropriated for the current fiscal year  
5 under **AS 43.23.031 and** (b) of this section for each of the funds and agencies listed in  
6 **AS 43.23.031 and** (b) of this section.

7 (b) To the extent that amounts appropriated for a fiscal year do not exceed the  
8 total amount that would have been paid during the previous fiscal year to individuals  
9 who were ineligible to receive dividends under AS 43.23.005(d) or under  
10 AS 43.23.021(b) if they had been eligible, the notice requirements of (a)(3) of this  
11 section do not apply to appropriations from the dividend fund to **the criminal fund**  
12 **(AS 43.23.048) or, after the appropriation to the criminal fund, to**

13 (1) the crime victim compensation fund established under  
14 AS 18.67.162 for payments to crime victims;

15 (2) the Council on Domestic Violence and Sexual Assault established  
16 under AS 18.66.010 for grants for the operation of domestic violence and sexual  
17 assault programs;

18 (3) the Department of Corrections for incarceration and probation  
19 programs;

20 (4) the office of victims' rights;

21 (5) nonprofit victims' rights organizations for grants for services to  
22 crime victims; or

23 (6) the Department of Revenue for grants to minor children of  
24 incarcerated individuals under a grant program established by regulations of the  
25 Department of Revenue under AS 44.62 (Administrative Procedure Act).

26 \* **Sec. 2.** AS 43.23 is amended by adding a new section to read:

27 **Sec. 43.23.031. Appropriations from the criminal fund.** (a) The legislature  
28 may appropriate amounts from the criminal fund (AS 43.23.048) to the following  
29 recipients in the priority order listed based on the amounts determined in (e) of this  
30 section:

31 (1) to the Violent Crimes Compensation Board for services for and

1 payments to crime victims;

2 (2) to the child support services agency for child support arrearages;

3 (3) to a state-approved rehabilitation program for court-ordered  
4 rehabilitation program costs; or

5 (4) to the Department of Corrections for costs related to incarceration  
6 or probation.

7 (b) By October 1 of each year, the Violent Crimes Compensation Board shall  
8 send to the department the total amount of the compensable claims from the previous  
9 fiscal year and the amount necessary to pay all of the compensable claims.

10 (c) By October 1 of each year, the child support services agency shall send to  
11 the department the total amount of child support arrearages owed by incarcerated  
12 individuals in the previous fiscal year.

13 (d) By October 1 of each year, the court system shall send to the department  
14 the amount that is owed for court-ordered drug or alcohol treatment.

15 (e) The department shall use the amounts provided in AS 43.23.028(a)(6) in  
16 combination with the amounts provided under (b) - (d) of this section to determine the  
17 amount each state agency should receive from the criminal fund (AS 43.23.048) in  
18 accordance with the priority order in (a) of this section.

19 (f) The department shall submit to the legislature a report listing the amounts  
20 determined under (e) of this section. The report shall be submitted at the same time as  
21 the governor's budget under AS 37.07.020.

22 \* **Sec. 3.** AS 43.23 is amended by adding a new section to read:

23 **Sec. 43.23.048. Criminal fund.** The criminal fund is created as a separate  
24 account in the dividend fund. The legislature shall appropriate from the dividend fund  
25 each fiscal year an amount equal to the amount that would have been paid during the  
26 previous fiscal year to individuals who were ineligible to receive dividends under  
27 AS 43.23.005(d) if they had been eligible. Money in the fund may be appropriated in  
28 accordance with AS 43.23.031. Nothing in this section creates a dedicated fund.

29 \* **Sec. 4.** AS 43.23.055 is amended to read:

30 **Sec. 43.23.055. Duties of the department.** The department shall

31 (1) annually pay permanent fund dividends from the dividend fund;

1 (2) subject to AS 43.23.011 and [PARAGRAPH] (8) of this section,  
2 adopt regulations under AS 44.62 (Administrative Procedure Act) that establish  
3 procedures and time limits for claiming a permanent fund dividend; the department  
4 shall determine the number of eligible applicants by October 1 of the year for which  
5 the dividend is declared and pay the dividends by December 31 of that year;

6 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)  
7 that establish procedures and time limits for an individual upon emancipation or upon  
8 reaching majority to apply for permanent fund dividends not received during minority  
9 because the parent, guardian, or other authorized representative did not apply on  
10 behalf of the individual;

11 (4) assist residents of the state, particularly in rural areas, who, because  
12 of language, disability, or inaccessibility to public transportation, need assistance to  
13 establish eligibility and to apply for permanent fund dividends;

14 (5) use a list of individuals ineligible for a dividend under  
15 AS 43.23.005(d) provided annually by the Department of Corrections and the  
16 Department of Public Safety to determine the number and identity of those  
17 individuals;

18 (6) adopt regulations that are necessary to implement AS 43.23.005(d)  
19 **and 43.23.031;**

20 (7) adopt regulations that establish procedures for the parent, guardian,  
21 or other authorized representative of a disabled individual to apply for prior year  
22 permanent fund dividends not received by the disabled individual because no  
23 application was submitted on behalf of the individual;

24 (8) adopt regulations that establish procedures for an individual to  
25 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not  
26 collected within two years after the date of its issuance; however, the department may  
27 not establish a time limit within which an application to have a disbursement reissued  
28 must be filed;

29 (9) provide any information, upon request, contained in permanent  
30 fund dividend records to the child support services agency created in AS 25.27.010, or  
31 the child support enforcement agency of another state, for child support purposes

1 authorized under law; if the information is contained in an electronic data base, the  
2 department shall provide the requesting agency with either

3 (A) access to the data base; or

4 (B) a copy of the information in the data base and a statement  
5 certifying its contents;

6 (10) establish a fraud investigation unit for the purpose of assisting the

7 (A) Department of Law in the prosecution of individuals who  
8 apply for or obtain a permanent fund dividend in violation of a provision in  
9 AS 11, by detecting and investigating those crimes; and

10 (B) commissioner to detect and investigate the claiming or  
11 paying of permanent fund dividends that should not have been claimed by or  
12 paid to an individual and to impose the penalties and enforcement provisions  
13 under AS 43.23.035;

14 **(11) use a list of individuals ineligible for a dividend under**  
15 **AS 43.23.005(d) provided annually by the Department of Corrections and the**  
16 **Department of Public Safety to determine the amount of child support**  
17 **arrears owed by those individuals.**

18 \* **Sec. 5.** This Act takes effect July 1, 2014.