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**CS FOR HOUSE BILL NO. 75(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES SEATON, Kawasaki, Thompson, Peggy Wilson, Muñoz

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act amending certain audit requirements for entities receiving contributions from**  
2 **permanent fund dividends; requiring the three main campuses of the University of**  
3 **Alaska to apply to be included on the contribution list for contributions from permanent**  
4 **fund dividends; and requiring the university to pay an application fee for each campus**  
5 **separately listed on the contribution list for contributions from permanent fund**  
6 **dividends."**

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

8 \* **Section 1.** AS 43.23.062(b) is amended to read:

9 (b) The department shall list each [CAMPUS OF THE UNIVERSITY OF  
10 ALASKA AND SHALL LIST EACH OTHER] educational organization, community  
11 foundation, or charitable organization eligible under (c) and (d) of this section **and**  
12 **each university campus that applies under (m) of this section** on the contribution  
13 list. The department shall maintain an electronic database for the contribution list that

1 is accessible to the public and that permits searches by organization name, geographic  
2 location, and type. The department shall provide a statement of the contributions made  
3 by an individual that is suitable for federal income tax purposes to each individual  
4 who elects to contribute under (a) of this section.

5 \* **Sec. 2.** AS 43.23.062(d) is amended to read:

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

9 (1) before March 31 of the qualifying year, files an application for  
10 inclusion on the list for that dividend year on the form required by the department;

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

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

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

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

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

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

29 (8) has completed and provided to the department a financial audit  
30 with an unqualified opinion conducted by an independent certified public accountant  
31 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)

1 of this subsection applies [, OR IF THE ORGANIZATION IS EXEMPTED FROM  
2 FILING FORM 990, FOR THE FISCAL YEAR OF THE ORGANIZATION THAT  
3 ENDED IMMEDIATELY BEFORE THE CURRENT FISCAL YEAR]; this  
4 paragraph applies only to an organization **that is required by the federal**  
5 **government to complete a financial audit by an independent certified public**  
6 **accountant** [WITH A TOTAL ANNUAL BUDGET THAT EXCEEDS \$250,000  
7 DURING THE FISCAL YEAR TO WHICH THE AUDIT REQUIRED UNDER  
8 THIS PARAGRAPH APPLIES]; and

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

11 \* **Sec. 3.** AS 43.23.062(f) is amended to read:

12 (f) The department shall charge an application fee of \$250 for each  
13 educational organization, community foundation, or charitable organization that files  
14 an application under (d) of this section **or for each university campus that files an**  
15 **application under (m) of this section.** The application fees shall be separately  
16 accounted for under AS 37.05.142. The annual estimated balance in the account  
17 maintained under AS 37.05.142 for application fees collected under this subsection  
18 may be appropriated for costs of administering this section.

19 \* **Sec. 4.** AS 43.23.062 is amended by adding new subsections to read:

20 (m) The University of Alaska shall apply separately for each of the three main  
21 campuses to be listed on the contribution list for the current dividend year in the  
22 manner prescribed by the department. The University of Alaska may apply for each  
23 campus other than the three main campuses to be listed on the contribution list for the  
24 current dividend year in the manner prescribed by the department.

25 (n) In addition to the application fee in (f) of this section, the department shall  
26 withhold a coordination fee from each organization, foundation, or university campus  
27 that receives contributions under this section in the immediately preceding dividend  
28 year. The coordination fee for an organization, foundation, or university campus that  
29 receives contributions under this section shall be seven percent of the amount of  
30 contributions reported by the department under (j) of this section for the organization,  
31 foundation, or university campus for the immediately preceding dividend year. The

1 coordination fee shall be separately accounted for under AS 37.05.142 and shall be  
2 accounted for separately from the application fee collected under (f) of this section.  
3 The annual estimated balance in the account maintained under AS 37.05.142 for  
4 coordination fees collected under this subsection may be appropriated for costs of  
5 administering this section.