

ALASKA STATE LEGISLATURE

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Sectional Analysis of CS SB 78 (FIN) 30-LS0534\E

Section 1: Amends the definition of “gambling” in AS 11.66.280(3) to exclude the permanent fund dividend raffle in AS 43.23.064.

Section 2: Amends AS 43.23.055 to require the Department of Revenue to adopt regulations so that contributions under AS 43.23.062 are given priority over donations under AS 43.23.064 if the total amount of contributions and donations elected by an applicant exceeds the amount of the dividend the applicant is entitled to receive.

Section 3: Adds new sections to AS 43.23

Sec. 43.23.063: Creates an education endowment fund in the general fund. The fund consists of donations to the fund from permanent fund dividends (dividends) under AS 43.23.064(b), transfers to the fund under AS 43.23.064(c), interest, and any other money appropriated to the fund. Makes the commissioner of revenue the fiduciary of the fund. Sets the requirements for the commissioner to manage the fund. When the average market value of the fund exceeds \$1 billion, 4.5 percent of the average fiscal-year-end market value of the balance of the fund for the last five fiscal years is transferred to the public education fund, subject to appropriation.

Sec. 43.23.064: Creates the dividend raffle fund as an account in the general fund. Requires the commissioner of revenue to manage the fund. The fund consists of donations from dividends; interest and income earnings shall also be appropriated to the fund. This section allows the commissioner to use the fund without further appropriation to pay for prizes and to pay the cost of administering the fund. When the balance of the dividend raffle fund exceeds \$500 million at the end of the fiscal year, the commissioner shall transfer the amount above \$500 million to the education endowment fund. Allows a person to donate all or a portion of the person’s annual dividend, in increments of \$100. Twenty-five percent of the donations are appropriated to the education endowment fund, 25 percent of the donations are appropriated to the dividend raffle fund, and 50 percent of the donations are appropriated to the public education fund. This section entitles each \$100 donation to one entry into the drawing. The prizes are based on a percentage of the balance of the raffle fund.

Section 3: Provides an effective date of January 1, 2018.