

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	HB 97
Fiscal Note Number:	3
(H) Publish Date:	2/18/2021

Identifier: 0612-DOR-PFD-02-10-2021
 Title: LAND VOUCHERS; PFDS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

Department: Department of Revenue
 Appropriation: Taxation and Treasury
 Allocation: Permanent Fund Dividend Division
 OMB Component Number: 981

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
OPERATING EXPENDITURES								
Personal Services	36.9							
Travel								
Services	3.7							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	40.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1050 PFD Fund (Other)	40.6							
Total	40.6	0.0						

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0							

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
 (Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/22

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Permanent Fund Dividend Division	Date:	02/10/2021 04:30 PM
Approved By:	Brian Fechter, Administrative Services Director	Date:	02/10/21
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

The purpose of this bill is to provide a method for Alaskans to use their Permanent Fund Dividend (PFD) to purchase state land through a land voucher program. Applicants would be able to choose the option on their online PFD application to allow them to receive a land voucher instead of a monetary dividend. The land voucher will be double the amount of the statutory dividend calculation set out in AS 43.23.025, but may only be used for the purchase of state land. The voucher does not expire and is transferable.

To participate in the land voucher program applicants must file their PFD application electronically, similar to other voluntary options. The voucher option will only be available on adult electronic applications. It will not be available to other online application types, nor on paper applications.

The Permanent Fund Dividend Division will need to add a land voucher option to the online PFD application. The Division will need to produce these vouchers through a special order with extensive design and security work. To produce the vouchers, administrative time is estimated to be roughly 60 hours at a rate of \$25 per hour for the first year (FY2022). Each additional year anticipates 20 hours for adjustments to the voucher and procurement of printing services. Roughly 50 vouchers are estimated to be printed per year. Depending on the quality and design of the vouchers, printing and postage is estimated to be \$1,250 annually. Costs will be absorbed by the division beyond the first year.

In addition, it is the duty of the division to adopt regulations under AS 44.62 that outline procedures and time limits for claiming a state land voucher as well as replacing lost, stolen, or destroyed vouchers. This work is only required in the first year, and will take an estimated 40 hours of work in total by the division's Director, Revenue Commissioner's Office, and the Department of Law. Estimated cost is 40 hours at an average rate of \$60 per hour for a total of \$2,400.

Total Costs for FY2022:
Administrative - \$1,500
Printing and Postage - \$1,250
Programming - \$35,400 (\$120/hour for 295 hours)
Regulations - \$2,400
Total Cost - \$40,550