



House Bill 97 Sectional Analysis

Section 1: Amends AS 38.05.940(c) to allow a veteran to apply one or more dividend land vouchers issued under AS 43.23.018 to the one-time purchase of discounted state land under AS 38.05.940(c) ("Land purchase price discount for veterans.")

Section 2: Amends AS 38.05.940(d) to limit a person using a dividend land voucher to purchase land under AS 43.23.018 to purchasing surface rights only, and to prohibit a person from applying a dividend land voucher to costs ineligible for a discount under the section.

Section 3: Amends AS 38.95 by adding three new sections.

Proposed AS 38.95.350 directs the Department of Natural Resources (DNR), on or after Jan. 1, 2022, to accept one or more dividend land vouchers at their face value for purchase of state land under land contracts. It prohibits DNR from accepting vouchers for payment of rents or fees or land purchases. A voucher will be exhausted after one use whether it covered the full land sale price or not, and applicants are entitled to no refund or other credit for any portion of the voucher's value remaining after such a sale.

Mental health trust land is excluded from state land that can be purchased with a voucher.

Proposed AS 38.95.360, requires DNR to report to the governor before September 1 of each year the number and total value of dividend land vouchers it accepted for payment in the previous fiscal year. The report shall include a recommendation for any additional appropriation for the Land Disposal Income Fund to account for decreases to the fund caused by acceptance of vouchers to pay for state land. Loss of these funds, if not replaced by another revenue source, will result in significant challenges to maintaining DNR's land sale programs.

Proposed AS 38.95.400 defines "department" to be DNR.

Section 4: Adds a new section, AS 43.23.018.

Subsection (a) directs DOR to allow a person using the electronic application for a Permanent Fund dividend – and not a person or public agency applying on behalf of another individual, or an assignee of the right to receive a dividend – to make an irrevocable election to receive a single dividend land voucher instead of a monetary dividend. It directs DOR, if unable during a dividend year to determine whether an applicant is eligible to receive a dividend, to void that applicant's election to receive a dividend land voucher; if later determined to be eligible, the applicant will be eligible to receive a monetary dividend, but not to elect to receive a dividend land voucher.

Subsection (b) sets the value of a dividend land voucher at twice the value of a monetary dividend as calculated under AS 43.23.025 if 50 percent of income available distribution was deposited into the Fund's dividend fund under AS 37.13.145(b).

Subsection (c) limits the use of vouchers only to purchase of land under AS 38.95.350.

Subsection (d) provides that vouchers issued under this section do not expire.

Subsection (e) makes vouchers transferable to any person. The Department of Revenue is required to keep records of voucher transfers. An action against the state related to transfer of a state land voucher is prohibited.

Subsection (f) provides that issuing a land dividend voucher creates no obligation on DNR to make any state land available for sale or to enter any land sale contract, nor does it confer eligibility to purchase state land.

Subsection (g) provides that the value of a voucher subject to garnishment is set under AS 43.23.140(e). The Department of Revenue shall issue land vouchers for the value remaining after such collection.

Section 5: Amends AS 43.23.045 by adding a new subsection (f), directing that the cash from foregone PFDs resulting from individual elections to receive state land will, after garnishment under AS 43.23.140, lapse to the General Fund.

Section 6: Amends AS 43.23.055 to conform the Revenue commissioner's duties to include issuing state land vouchers under AS 43.23.180; directs Revenue to develop regulations to establish procedures and time limits for voucher issuance and use, as well as for replacing a lost, stolen or destroyed land voucher; and directs Revenue to report annually to DNR both the number of individuals electing to receive land vouchers instead of monetary dividends, and the number and value of such vouchers issued.

Sections 7-8: Amends AS 43.23.140 by adding a new subsection (e) to specify that the value of a land voucher may only be garnished up to the amount available for garnishment from a monetary dividend.

Section 9: Adds a new subsection AS 43.23.240(d), directing the Department of Health and Social Services to consider a land voucher as income or resources of an applicant, in calculating that applicant's eligibility for public assistance programs it administers, and to notify all public assistance recipients of the effects of receiving a dividend land voucher.

Section 10: Adds a new subsection AS 43.23.250(b), to require financial needs-based programs administered by the state or by a state instrumentality or a municipality to consider the value of a dividend land voucher held by an applicant as income or resources in determining whether the person is eligible for the program.

Section 11: Adds a new subsection to AS 43.23.270. New subsection (f) applies the same penalties for violations of state law relating to Permanent Fund dividend eligibility and application, to dividend land vouchers eligibility and application.

Section 12: Establishes as the bill's effective date as January 1, 2022.