



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue

COMMISSIONER'S OFFICE

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February 25, 2026

The Honorable Lyman Hoffman
Senate Finance Committee, Co-Chair
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801

The Honorable Donald Olson
Senate Finance Committee, Co-Chair
Alaska State Legislature
State Capitol, Room 508
Juneau, AK 99801

The Honorable Bert Stedman
Senate Finance Committee, Co-Chair
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801

Dear Co-Chairs Hoffman, Olson, and Stedman,

Thank you for allowing us the opportunity to address a question that was raised during the bill hearing on Senate Bill 167 to the Senate Finance Committee on February 24, 2026. Please find below the question and corresponding response.

Provide clarification on the fund source and the prior year liability reserve.

There is no separate reserve "fund" for prior year dividends; rather, the reserve is a part of the calculation of the dividend amount. Per statute, the calculation takes the current amount in the fund and subtracts, or reserves, amounts necessary to pay prior obligations, including prior year dividends for which potential recipients have successfully applied, but have not yet been paid. This calculation also reserves estimated amounts to pay prior year dividends for individuals who qualify to apply late under provisions in statute, primarily those who were under 18 during the application period(s).

This bill would create a new category of individual eligible to submit an application after the current statutory application deadline, which would increase the amount necessary to reserve for prior year dividends. This increase in reserve would reduce the amount available to pay current year dividends, which would either reduce the dividend amount if a set amount is appropriated to the fund, or would increase the amount necessary to appropriate to the fund if the Legislature appropriates an amount necessary to pay a certain dividend amount.

As required under AS 43.23.048(a), the department transfers from the Dividend Fund to the Restorative Justice Account an amount equal to the amount that would have otherwise been paid to individuals who were ineligible to receive dividends under AS 43.23.005(d). The Legislature makes appropriations from the Restorative Justice Account as designated by the statute, including appropriations to the Crime Victim Compensation Fund, the Office of Victims' Rights, grants to nonprofit organizations for crime victims and domestic violence and sexual assault programs, grants for mental health services, and to the Department of Corrections for costs related to incarceration or probation.

There is currently no provision in statute, nor does Senate Bill 167 create such a provision, to return any amounts from the Restorative Justice Account to the Dividend Fund for any individuals whose convictions were later overturned. As such, any dividends paid to individuals under the provisions of Senate Bill 167 would be in addition to amounts already transferred to the Restorative Justice Account for years during which they were disqualified from receiving dividends under AS 43.23.005(d).

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,



Janelle L. Earls

Acting Commissioner

cc: Jordan Shilling, Legislative Director, Office of the Governor
Lacey Sanders, Director, Office of Management and Budget