

SENATE BILL NO. 240

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE BY REQUEST

Introduced: 2/11/26

Referred: Health & Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to permanent fund dividend raffles; creating the senior citizen grants
2 endowment fund and the senior citizen grants dividend raffle fund; authorizing
3 donations from permanent fund dividends for grants to organizations that provide
4 support for senior citizens and for entry into the senior citizen grants dividend raffle;
5 relating to transfers from the senior citizen grants endowment fund and the senior
6 citizen grants dividend raffle fund; relating to the duties of the Department of Revenue;
7 and relating to the definition of 'gambling.'"

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

9 * **Section 1.** AS 11.66.280(3) is amended to read:

10 (3) "gambling" means that a person stakes or risks something of value
11 upon the outcome of a contest of chance or a future contingent event not under the
12 person's control or influence, upon an agreement or understanding that that person or
13 someone else will receive something of value in the event of a certain outcome;

1 "gambling" does not include

2 (A) bona fide business transactions valid under the law of
3 contracts for the purchase or sale at a future date of securities or commodities
4 and agreements to compensate for loss caused by the happening of chance,
5 including contracts of indemnity or guaranty and life, health, or accident
6 insurance;

7 (B) playing an amusement device that

8 (i) confers only an immediate right of replay not
9 exchangeable for something of value other than the privilege of
10 immediate replay and does not contain a method or device by which the
11 privilege of immediate replay may be cancelled or revoked;

12 (ii) confers only tickets, credits, allowances, tokens, or
13 anything of value that can be redeemed for toys, candy, or electronic
14 novelties offered at the same facility where the amusement device is
15 located; or

16 (iii) allows a player to manipulate a claw machine or
17 similar device within an enclosure and enables a person to receive
18 merchandise directly from the machine;

19 (C) an activity authorized by the Department of Revenue under
20 AS 05.15; or

21 (D) a [THE] permanent fund dividend raffle authorized under
22 AS 43.23.230 or 43.23.238;

23 * **Sec. 2.** AS 43.23.055 is amended to read:

24 **Sec. 43.23.055. Duties of the department.** The department shall

25 (1) annually pay permanent fund dividends from the dividend fund;

26 (2) subject to AS 43.23.011 and (8) of this section, adopt regulations
27 under AS 44.62 (Administrative Procedure Act) that establish procedures and time
28 limits for claiming a permanent fund dividend; the department shall determine the
29 number of eligible applicants by October 1 of the year for which the dividend is
30 declared and pay the dividends by December 31 of that year;

31 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)

1 that establish procedures and time limits for an individual upon emancipation or upon
2 reaching majority to apply for permanent fund dividends not received during minority
3 because the parent, guardian, or other authorized representative did not apply on
4 behalf of the individual;

5 (4) assist residents of the state, particularly in rural areas, who, because
6 of language, disability, or inaccessibility to public transportation, need assistance to
7 establish eligibility and to apply for permanent fund dividends;

8 (5) use a list of individuals ineligible for a dividend under
9 AS 43.23.005(d) provided annually by the Department of Corrections and the
10 Department of Public Safety to determine the number and identity of those
11 individuals;

12 (6) adopt regulations that are necessary to implement AS 43.23.005(d)
13 and 43.23.048;

14 (7) adopt regulations that establish procedures for the parent, guardian,
15 or other authorized representative of a disabled individual to apply for prior year
16 permanent fund dividends not received by the disabled individual because no
17 application was submitted on behalf of the individual;

18 (8) adopt regulations that establish procedures for an individual to
19 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not
20 collected within two years after the date of its issuance; however, the department may
21 not establish a time limit within which an application to have a disbursement reissued
22 must be filed;

23 (9) provide any information, upon request, contained in permanent
24 fund dividend records to the child support services agency created in AS 25.27.010, or
25 the child support enforcement agency of another state, for child support purposes
26 authorized under law; if the information is contained in an electronic data base, the
27 department shall provide the requesting agency with either

28 (A) access to the data base; or

29 (B) a copy of the information in the data base and a statement
30 certifying its contents;

31 (10) establish a fraud investigation unit for the purpose of assisting the

1 (A) Department of Law in the prosecution of individuals who
 2 apply for or obtain a permanent fund dividend in violation of a provision in
 3 AS 11, by detecting and investigating those crimes; and

4 (B) commissioner to detect and investigate the claiming or
 5 paying of permanent fund dividends that should not have been claimed by or
 6 paid to an individual and to impose the penalties and enforcement provisions
 7 under AS 43.23.270;

8 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)
 9 so that contributions made under AS 43.23.130 are given a priority over donations
 10 made under AS 43.23.230 and 43.23.238 and that donations made under
 11 AS 43.23.230 are given priority over donations made under AS 43.23.238, if the
 12 total amount of contributions and donations elected by an applicant exceeds the
 13 amount of the permanent fund dividend that the applicant is entitled to receive;

14 (12) submit fingerprints and fees to the Department of Public Safety
 15 for a national criminal history record check under AS 12.62.400 for the purpose of
 16 determining a person's qualifications and suitability for administering the permanent
 17 fund dividend program under this chapter.

18 * **Sec. 3.** AS 43.23.230(a) is amended to read:

19 (a) The education dividend raffle fund is established as an account in the
 20 general fund. The commissioner shall manage the fund. Interest and other income
 21 received on money in the fund shall be separately accounted for and shall be
 22 appropriated to the fund. The fund consists of donations appropriated to the fund
 23 under (c) of this section. The commissioner shall use the education dividend raffle
 24 fund, without further appropriation, to pay for prizes as set out in (d) of this section
 25 and may use up to two percent of the balance of the fund but not more than \$500,000
 26 from the fund each fiscal year to pay the cost of administering the fund and for
 27 promotion and advertisement of the fund. When the balance of the education dividend
 28 raffle fund exceeds \$300,000,000 at the end of a fiscal year, the commissioner shall
 29 transfer the amount above \$300,000,000 to the education endowment fund established
 30 in AS 43.23.220. Money donated to the fund does not lapse.

31 * **Sec. 4.** AS 43.23.230(b) is amended to read:

1 (b) Notwithstanding AS 43.23.200, the department shall provide on the Alaska
2 permanent fund dividend application an option for an applicant who is 18 years of age
3 or older to direct that all or a portion of the applicant's dividend payment be donated
4 for educational purposes and to enter the education [PERMANENT FUND] dividend
5 raffle as provided in (d) [(c)] of this section. A donation under this section may be
6 \$100 or more, in increments of \$100, up to the total amount of the permanent fund
7 dividend that the applicant is entitled to receive.

8 * **Sec. 5.** AS 43.23.230(c) is amended to read:

9 (c) Of the donations received in a year under (b) of this section, the legislature
10 shall appropriate 25 percent to the education endowment fund established in
11 AS 43.23.220 and shall appropriate 25 percent to the education dividend raffle fund.
12 The legislature shall appropriate the remaining 50 percent of the donations received
13 under (b) of this section to the Department of Education and Early Development for
14 distribution as supplemental grants to school districts according to the average daily
15 membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D).

16 * **Sec. 6.** AS 43.23.230(d) is amended to read:

17 (d) At the beginning of each year, the commissioner shall conduct a public
18 drawing to award prizes from the education dividend raffle fund. Each \$100 donation
19 as provided in (b) of this section entitles a person to one entry into the raffle. The
20 prizes for the raffle shall be as follows:

21 (1) the first name drawn receives an amount equal to eight percent of
22 the balance of the education dividend raffle fund;

23 (2) the second name drawn receives an amount equal to four percent of
24 the balance of the education dividend raffle fund;

25 (3) the third name drawn receives an amount equal to two percent of
26 the balance of the education dividend raffle fund; and

27 (4) the fourth name drawn receives an amount equal to one percent of
28 the balance of the education dividend raffle fund.

29 * **Sec. 7.** AS 43.23 is amended by adding new sections to article 4 to read:

30 **Sec. 43.23.235. Senior citizen grants endowment fund.** (a) The senior citizen
31 grants endowment fund is established as a separate account in the general fund. The

1 fund consists of appropriations from

- 2 (1) donations to the fund under AS 43.23.238(b);
- 3 (2) transfers to the fund under AS 43.23.238(a);
- 4 (3) interest earned on the fund; and
- 5 (4) any other money appropriated to the fund.

6 (b) The commissioner is the fiduciary of the fund. In managing the fund, the
7 commissioner shall

- 8 (1) have the same powers and duties as provided in AS 37.10.071; and
- 9 (2) invest the fund in a manner likely to achieve at least a four percent
10 nominal return over a five-year period to meet the objectives of the fund.

11 (c) In managing the fund, the commissioner shall

- 12 (1) consider the status of the fund's capital and the income generated
13 on both current and probable future bases;
- 14 (2) determine the appropriate investment objectives;
- 15 (3) establish investment policies to achieve the objectives; and
- 16 (4) act only in regard to the best financial interests of the fund.

17 (d) On July 1 of each year, the commissioner shall

- 18 (1) determine the fund balance for the previously closed fiscal year,
19 including the earnings of the fund; and
- 20 (2) when the average market value for that fiscal year exceeds
21 \$1,000,000,000, transfer 4.5 percent of the average fiscal-year-end market value of the
22 balance of the fund for the last five fiscal years, including the fiscal year just ended,
23 and including any unrealized gains and losses, to the Department of Health for
24 distribution as grants to organizations that provide support for senior citizens as
25 specified in AS 43.23.238(c), subject to appropriation.

26 (e) Money appropriated to the fund does not lapse.

27 **Sec. 43.23.238. Senior citizen grants dividend raffle fund; dividend**
28 **donations to the fund; drawing.** (a) The senior citizen grants dividend raffle fund is
29 established as an account in the general fund. The commissioner shall manage the
30 fund. Interest and other income received on money in the fund shall be separately
31 accounted for and shall be appropriated to the fund. The fund consists of donations

1 appropriated to the fund under (c) of this section. The commissioner shall use the
2 senior citizen grants dividend raffle fund, without further appropriation, to pay for
3 prizes as set out in (d) of this section and may use up to two percent of the balance of
4 the fund but not more than \$500,000 from the fund each fiscal year to pay the cost of
5 administering the fund and for promotion and advertisement of the fund. When the
6 balance of the senior citizen grants dividend raffle fund exceeds \$300,000,000 at the
7 end of a fiscal year, the commissioner shall transfer the amount above \$300,000,000 to
8 the senior citizen grants endowment fund established in AS 43.23.235. Money donated
9 to the fund does not lapse.

10 (b) Notwithstanding AS 43.23.200, the department shall provide on the Alaska
11 permanent fund dividend application an option for an applicant who is 18 years of age
12 or older to direct that all or a portion of the applicant's dividend payment be donated
13 for senior citizen grants and to enter the senior citizen grants dividend raffle as
14 provided in (d) of this section. A donation under this section may be \$100 or more, in
15 increments of \$100, up to the total amount of the permanent fund dividend that the
16 applicant is entitled to receive.

17 (c) Of the donations received in a year under (b) of this section, the legislature
18 shall appropriate 25 percent to the senior citizen grants endowment fund established in
19 AS 43.23.235 and shall appropriate 25 percent to the senior citizen grants dividend
20 raffle fund. The legislature shall appropriate the remaining 50 percent of the donations
21 received under (b) of this section to the Department of Health for distribution as
22 grants, as follows:

23 (1) 50 percent to organizations that deliver meals to the homes of
24 seniors;

25 (2) 25 percent to organizations that provide transportation services to
26 seniors;

27 (3) 25 percent to organizations that provide supportive housing
28 services to seniors.

29 (d) At the beginning of each year, the commissioner shall conduct a public
30 drawing to award prizes from the senior citizen grants dividend raffle fund. Each \$100
31 donation as provided in (b) of this section entitles a person to one entry into the raffle.

1 The prizes for the raffle shall be as follows:

2 (1) the first name drawn receives an amount equal to eight percent of
3 the balance of the senior citizen grants dividend raffle fund;

4 (2) the second name drawn receives an amount equal to four percent of
5 the balance of the senior citizen grants dividend raffle fund;

6 (3) the third name drawn receives an amount equal to two percent of
7 the balance of the senior citizen grants dividend raffle fund; and

8 (4) the fourth name drawn receives an amount equal to one percent of
9 the balance of the senior citizen grants dividend raffle fund.

10 (e) Nothing in this section creates a dedicated fund.

11 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 **APPLICABILITY.** AS 43.23.235 and 43.23.238, added by sec. 7 of this Act, apply to
14 a permanent fund dividend applied for on or after January 1, 2027.