

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 152

BY REPRESENTATIVE HOLLAND

1 Page 1, line 3, following "Act":

2 Insert "**relating to the application of the permanent fund dividend as a refundable**
3 **tax credit;**"

4
5 Page 1, line 1, following line 5:

6 Insert new bill sections to read:

7 **** Section 1.** AS 06.65.300 is amended to read:

8 **Sec. 06.65.300. Deposit from permanent fund dividend tax credit refund.**

9 A person who is eligible under AS 43.23 to receive a permanent fund dividend **tax**
10 **credit** may make a deposit into the program account of a designated beneficiary from
11 and up to the amount of the person's permanent fund dividend **tax credit refunded**
12 **under AS 43.22.090.**

13 *** Sec. 2.** AS 09.20.050(b) is amended to read:

14 (b) The jury list shall be based on a list prepared by the Department of
15 Revenue of all persons who filed an application for a [DISTRIBUTION OF
16 ALASKA] permanent fund **dividend tax credit** [INCOME] under AS 43.23 during
17 the current calendar year that shows an Alaska address, and of all persons who
18 volunteer for jury duty under (d) of this section. If considered necessary by the
19 administrative director of the Alaska Court System, the jury list shall incorporate a list
20 prepared by the Department of Administration of all persons who hold a valid Alaska
21 driver's license. The departments shall submit their respective lists to the Alaska Court
22 System not later than September 30 of each year. To the extent that it is available, the
23 departments shall include on the lists they submit the following information for each

1 person: first name, middle initial, and last name; mailing address, including the zip
2 code; and birth date.

3 * **Sec. 3.** AS 09.38.015(a) is amended to read:

4 (a) An individual is entitled to exemption of the following property:

5 (1) a burial plot for the individual and the individual's family;

6 (2) health aids reasonably necessary to enable the individual or a
7 dependent to work or to sustain health;

8 (3) benefits paid or payable for medical, surgical, or hospital care to
9 the extent they are or will be used to pay for the care;

10 (4) an award under AS 18.67 (Violent Crimes Compensation Board) or
11 a crime victim's reparations act of another jurisdiction;

12 (5) benefits paid or payable as a longevity bonus under AS 47.45;

13 (6) compensation or benefits paid or payable and exempt under federal
14 law;

15 (7) liquor licenses granted under AS 04;

16 (8) tuition credit or savings accounts under an education savings
17 account established under AS 14.40.802 or an advance college tuition savings contract
18 authorized under AS 14.40.809(a);

19 (9) a permanent fund dividend **tax credit refund** to the extent allowed
20 under AS 43.23.140;

21 (10) benefits paid or payable under AS 47.45.301 - 47.45.309.

22 * **Sec. 4.** AS 09.38.030(b) is amended to read:

23 (b) An individual who does not receive earnings [EITHER] weekly, semi-
24 monthly, or monthly is entitled to a maximum exemption for the aggregate value of
25 cash and other liquid assets available in any month of \$1,400, except as provided in (f)
26 and (h) of this section and in AS 09.38.050. The term "liquid assets" includes deposits,
27 securities, notes, drafts, accrued vacation pay, refunds, prepayments, and receivables,
28 but does not include **a permanent fund dividend tax credit refund** [DIVIDENDS]
29 before or after receipt by the individual.

30 * **Sec. 5.** AS 11.56.205(a) is amended to read:

31 (a) A person commits the crime of unsworn falsification in the first degree if

1 the person violates AS 11.56.210(a)(1) and the application is an application for a
2 permanent fund dividend **tax credit**.

3 * **Sec. 6.** AS 11.56.205(b) is amended to read:

4 (b) In this section,

5 (1) "application for a permanent fund dividend **tax credit**" includes a
6 written or electronic application and any other documentation submitted to support an
7 application for a permanent fund dividend **tax credit**;

8 (2) "permanent fund dividend **tax credit**" has the meaning given in
9 AS 43.23.295.

10 * **Sec. 7.** AS 11.56.800(a) is amended to read:

11 (a) A person commits the crime of false information or report if the person
12 knowingly

13 (1) gives false information to a peace officer

14 (A) with the intent of implicating another in an offense; or

15 (B) concerning the person's identity while the person is

16 (i) under arrest, detention, or investigation for a crime;

17 or

18 (ii) being served with an arrest warrant or being issued a

19 citation;

20 (2) makes a false report to a peace officer that a crime has occurred or
21 is about to occur;

22 (3) makes a false report or gives a false alarm, under circumstances not
23 amounting to terroristic threatening in the second degree under AS 11.56.810, that a
24 fire or other incident dangerous to life or property calling for an emergency response
25 has occurred or is about to occur;

26 (4) makes a false report to the Department of Natural Resources under
27 AS 46.17 concerning the condition of a dam or reservoir; or

28 (5) gives false information to a public employee relating to a person's
29 eligibility for a permanent fund dividend **tax credit** under AS 43.23 and the false
30 information does not also violate AS 11.56.205.

31 * **Sec. 8.** AS 11.66.280(3) is amended to read:

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

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

11 (B) playing an amusement device that

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

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

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

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

25 (D) the permanent fund dividend **tax credit refund** raffle
 26 authorized under AS 43.23.230;

27 * **Sec. 9.** AS 12.25.200(b) is amended to read:

28 (b) A citation issued under AS 12.25.180 or other law authorizing the issuance
 29 of a citation must be in writing and indicate, if applicable,

30 (1) the amount of bail or fine and the surcharge applicable to the
 31 offense;

- 1 (2) the procedure a person must follow in responding to the citation;
- 2 (3) that, if the person fails to pay the bail or fine, the person must
3 appear in court;
- 4 (4) that failure to pay the bail or fine or appear in court for an offense
5 involving a moving motor vehicle may result in
- 6 (A) suspension of the person's driver's license, privilege to
7 drive, or privilege to obtain a license; or
- 8 (B) attachment of the person's permanent fund dividend **tax**
9 **credit refunded under AS 43.22.090** to pay the fine plus court and collection
10 costs under AS 28.05.155; and
- 11 (5) that the person has a right to
- 12 (A) a trial;
- 13 (B) engage counsel;
- 14 (C) confront and question witnesses;
- 15 (D) testify;
- 16 (E) subpoena witnesses on the person's behalf.

17 * **Sec. 10.** AS 12.55.041(d) is amended to read:

18 (d) The court shall include a surcharge imposed under (a) of this section in the
19 judgment of conviction. The court shall include the imposition of a surcharge under
20 (c) of this section in the order revoking probation. For a surcharge that is not paid by
21 the person as required by this section, the state shall seek reimbursement from the
22 person's permanent fund dividend **tax credit refund** as provided under AS 43.23.140.
23 For purposes of collection and priority of attachment under AS 43.23.140, a surcharge
24 imposed under this section is accounted for in the same manner as a cost of
25 imprisonment under AS 28.35.030(k) and 28.35.032(o). The state may enforce
26 payment of a surcharge under this section under AS 09.35 as if it were a civil
27 judgment enforceable by execution. This subsection does not limit the authority of the
28 court to enforce surcharges.

29 * **Sec. 11.** AS 14.40.251(a) is amended to read:

30 (a) For the purposes of this chapter, tuition, a fee, or another charge to an
31 individual by the University of Alaska is in default after payment has become 180 or

1 more days past due. Upon default, the university may take the individual's permanent
2 fund dividend **tax credit refund** under AS 43.23.190.

3 * **Sec. 12.** AS 14.40.803(b) is amended to read:

4 (b) The fund consists of

5 (1) permanent fund dividend **tax credit refunds** and cash
6 contributions made under AS 14.40.807 under the terms of an advance college tuition
7 savings contract;

8 (2) appropriations, gifts, bequests, and contributions; and

9 (3) income and earnings of the fund.

10 * **Sec. 13.** AS 14.40.807(a) is amended to read:

11 (a) Contributions to the fund under the terms of an advance college tuition
12 savings contract may be made by direct cash payments or by contributions from
13 [THE] permanent fund dividend **tax credits refunded under AS 43.22.090**. The
14 Department of Revenue shall

15 (1) prepare the permanent fund dividend **tax credit** application to
16 allow an applicant or a parent, legal guardian, or other authorized representative of an
17 applicant who is an unemancipated minor to contribute 50 percent of a dividend **tax**
18 **credit refund** to the fund; and

19 (2) include with each application for a permanent fund dividend **tax**
20 **credit** an explanation of the advance college tuition savings program, including the
21 right to receive a refund, a disclosure of the potential tax liability of the fund, and
22 disclosure of the possible general effect of the tax liability on the advance college
23 tuition savings program.

24 * **Sec. 14.** AS 14.43.145(a) is amended to read:

25 (a) For the purposes of this chapter, a loan is in default after a loan payment
26 has become 180 or more days past due or, for a loan under AS 14.43.161 - 14.43.168
27 or 14.43.170 - 14.43.175, the default requirements established by the commission have
28 been met. Upon default,

29 (1) repayment of the remaining balance is accelerated and due;

30 (2) the commission may take the borrower's permanent fund dividend
31 **tax credit refund** under AS 43.23.160;

1 (3) the commission may issue an order to withhold and deliver under
2 AS 14.43.147;

3 (4) [REPEALED

4 (5)] the commission may record the lien created under AS 14.43.149;
5 and

6 **(5)** [(6)] the commission may establish an administrative collection
7 order under AS 14.43.151 - 14.43.155.

8 * **Sec. 15.** AS 15.07.050(a) is amended to read:

9 (a) Registration may be made

10 (1) in person before a registration official or through a voter
11 registration agency;

12 (2) by another individual on behalf of the voter if the voter has
13 executed a written general power of attorney or a written special power of attorney
14 authorizing that other individual to register the voter;

15 (3) by mail;

16 (4) by facsimile transmission, scanning, or another method of
17 electronic transmission that the director approves; or

18 (5) by completing a permanent fund dividend **tax credit** application
19 under AS 43.23.015.

20 * **Sec. 16.** AS 15.07.055(e) is amended to read:

21 (e) The director shall enter into an agreement with the Department of
22 Administration, the Department of Corrections, and the Department of Revenue to
23 match identifying information provided by a voter with existing identification records

24 (1) maintained by the administrative component of the Department of
25 Administration that administers motor vehicle and driver's license laws, by the
26 administrative component of the Department of Corrections that issues identification
27 cards, and by the administrative component of the Department of Revenue that
28 administers the permanent fund dividend **tax credit** laws; and

29 (2) bearing the same identifying number, name, and date of birth
30 provided on the registration.

31 * **Sec. 17.** AS 15.07.060(e) is amended to read:

1 (e) For an applicant requesting initial registration by mail, by facsimile or
2 other electronic transmission approved by the director under AS 15.07.050, or by
3 completing a permanent fund dividend **tax credit** application **under AS 43.23**, the
4 director shall verify the information provided in compliance with (a)(2) and (3) of this
5 section through state agency records described in AS 15.07.055(e). If the applicant
6 cannot comply with the requirement of (a)(2) of this section because the applicant has
7 not been issued any of the listed numbers, the applicant may instead submit a copy of
8 one of the following forms of identification: a driver's license, state identification card,
9 current and valid photo identification, birth certificate, passport, or hunting or fishing
10 license.

11 * **Sec. 18.** AS 15.07.064(g) is amended to read:

12 (g) Notwithstanding (a) - (f) of this section, the director may substitute a
13 mailing address provided by the voter for the permanent fund dividend **tax credit**
14 program under AS 43.23 as the mailing address for the voter on the registration
15 records of the director under procedures specified in regulations of the director if
16 necessary to maintain accuracy of voting registration records.

17 * **Sec. 19.** AS 15.07.070(i) is amended to read:

18 (i) The division shall register voters who submit an application to receive a
19 permanent fund dividend **tax credit** in accordance with (j) - (m) of this section.

20 * **Sec. 20.** AS 15.07.070(j) is amended to read:

21 (j) The division shall cooperate with the Department of Revenue under
22 AS 43.23.101 to ensure that the permanent fund dividend **tax credit** application form
23 furnished by the Department of Revenue under AS 43.23.015 allows an applicant, a
24 person who is designated in a power of attorney to act on behalf of an applicant, or a
25 person acting on behalf of a physically disabled applicant to submit voter registration
26 information required under AS 15.07.060(a)(1) - (4) and (7) - (9), and an attestation
27 that such information is true. The director may require proof of identification of the
28 applicant, if not already in the Department of Revenue's possession, as required by
29 regulations adopted by the director under AS 44.62 (Administrative Procedure Act).

30 * **Sec. 21.** AS 18.56.850(b) is amended to read:

31 (b) In the development of a home energy conservation or weatherization

1 program under (a) of this section, the corporation may not consider the value of
 2 Alaska longevity bonus payments under AS 47.45 or permanent fund **dividend tax**
 3 **credits refunded under AS 43.22.090** [DIVIDENDS UNDER AS 43.23] in
 4 determining whether a person meets income guidelines established under
 5 AS 18.56.088 and (a) of this section for a state or, to the extent permitted by federal
 6 law, a federal energy conservation or weatherization program.

7 * **Sec. 22.** AS 22.10.025(b) is amended to read:

8 (b) The superior court, in an action for divorce, separation, or child support,
 9 may issue orders to aid in the enforcement of child support, including orders requiring
 10 an individual who owes support under an order of support to

11 (1) make payments according to an approved payment plan;

12 (2) participate in appropriate work activities if the individual is not
 13 incapacitated; or

14 (3) complete and submit an application for a permanent fund dividend
 15 **tax credit** under AS 43.23.015 or provide proof to the agency or the court that the
 16 individual is not eligible for a dividend **tax credit** in a given year.

17 * **Sec. 23.** AS 28.05.155 is amended to read:

18 **Sec. 28.05.155. Court and collection costs.** If a person's **permanent fund**
 19 **dividend tax credit refunded under AS 43.22.090** [PERMANENT FUND
 20 DIVIDEND] is attached to pay the bail or fine for an offense involving a moving
 21 motor vehicle, the court shall increase the bail or fine of that person by at least

22 (1) \$25 for court costs; and

23 (2) \$10 for collection costs.

24 * **Sec. 24.** AS 28.35.030(k) is amended to read:

25 (k) Imprisonment required under (b)(1)(A) of this section shall be served at a
 26 community residential center or by electronic monitoring at a private residence under
 27 AS 33.30.065. If a community residential center or electronic monitoring at a private
 28 residence is not available, imprisonment required under (b)(1)(A) of this section may
 29 be served at another appropriate place determined by the commissioner of corrections.
 30 Imprisonment required under (b)(1)(B) - (F) of this section may be served at a
 31 community residential center or at a private residence if approved by the

1 commissioner of corrections. Imprisonment served at a private residence must include
2 electronic monitoring under AS 33.30.065. The cost of imprisonment resulting from
3 the sentence imposed under (b)(1) of this section shall be paid to the state by the
4 person being sentenced. The cost of imprisonment required to be paid under this
5 subsection may not exceed \$2,000. Upon the person's conviction, the court shall
6 include the costs of imprisonment as a part of the judgment of conviction. Except for
7 reimbursement from a permanent fund dividend **tax credit refund** as provided in this
8 subsection, payment of the cost of imprisonment is not required if the court determines
9 the person is indigent. For costs of imprisonment that are not paid by the person as
10 required by this subsection, the state shall seek reimbursement from the person's
11 permanent fund dividend **tax credit refund** as provided under AS 43.23.140. A
12 person sentenced under (b)(1)(B) of this section shall perform at least 160 hours of
13 community service work, as required by the director of the community residential
14 center or other appropriate place, or as required by the commissioner of corrections if
15 the sentence is being served at a private residence. In this subsection, "appropriate
16 place" means a facility with 24-hour on-site staff supervision that is specifically
17 adapted to provide a residence, and includes a correctional center, residential treatment
18 facility, hospital, halfway house, group home, work farm, work camp, or other place
19 that provides varying levels of restriction.

20 * **Sec. 25.** AS 28.35.032(o) is amended to read:

21 (o) Imprisonment required under (g)(1)(A) of this section shall be served at a
22 community residential center or by electronic monitoring at a private residence under
23 AS 33.30.065. If a community residential center or electronic monitoring at a private
24 residence is not available, imprisonment required under (g)(1)(A) of this section may
25 be served at another appropriate place determined by the commissioner of corrections.
26 Imprisonment required under (g)(1)(B) - (F) of this section may be served at a
27 community residential center or at a private residence if approved by the
28 commissioner of corrections. Imprisonment served at a private residence must include
29 electronic monitoring under AS 33.30.065. The cost of imprisonment resulting from
30 the sentence imposed under (g)(1) of this section shall be paid to the state by the
31 person being sentenced. The cost of imprisonment required to be paid under this

1 subsection may not exceed \$2,000. Upon the person's conviction, the court shall
2 include the costs of imprisonment as a part of the judgment of conviction. Except for
3 reimbursement from a permanent fund dividend **tax credit refund** as provided in this
4 subsection, payment of the cost of imprisonment is not required if the court determines
5 the person is indigent. For costs of imprisonment that are not paid by the person as
6 required by this subsection, the state shall seek reimbursement from the person's
7 permanent fund dividend **tax credit refund** as provided under AS 43.23.140. A
8 person sentenced under (g)(1)(B) of this section shall perform at least 160 hours of
9 community service work, as required by the director of the community residential
10 center or other appropriate place, or as required by the commissioner of corrections if
11 the sentence is being served at a private residence. In this subsection, "appropriate
12 place" means a facility with 24-hour on-site staff supervision that is specifically
13 adapted to provide a residence, and includes a correctional center, residential treatment
14 facility, hospital, halfway house, group home, work farm, work camp, or other place
15 that provides varying levels of restriction.

16 * **Sec. 26.** AS 29.45.030(f) is amended to read:

17 (f) To be eligible for an exemption under (e) of this section for a year, a
18 municipality may by ordinance require that an individual also meet requirements
19 under one of the following paragraphs: (1) the individual **must** [SHALL] be eligible
20 for a permanent fund dividend **tax credit** under AS 43.23.005 for that same year or for
21 the immediately preceding year; or (2) if the individual has not applied or does not
22 apply for one or both of the permanent fund **dividend tax credits** [DIVIDENDS], the
23 individual would have been eligible for one of the permanent fund **dividend tax**
24 **credits** [DIVIDENDS] identified in (1) of this subsection had the individual applied.
25 An exemption may not be granted under (e) of this section except upon written
26 application for the exemption. Each municipality shall, by ordinance, establish
27 procedures and deadlines for filing the application. The governing body of the
28 municipality for good cause shown may waive the claimant's failure to make timely
29 application for exemption and authorize the assessor to accept the application as if
30 timely filed. If an application is filed within the required time and is approved by the
31 assessor, the assessor shall allow an exemption in accordance with the provisions of

(e) of this section. If the application for exemption is approved after taxes have been paid, the amount of tax that the claimant has already paid for the property exempted shall be refunded to the claimant. The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed under (e) of this section, and shall require a disabled veteran claiming an exemption under (e) of this section to provide evidence of the disability rating. The assessor may require proof under this subsection at any time.

* **Sec. 27.** AS 29.60.860(c) is amended to read:

(c) For purposes of this section, the population of a municipality, reserve, or community shall be determined by using the numbers of permanent fund dividend **tax credit** recipients or other population data that the department determines is reliable. For purposes of determining the population of a borough, the population of each city in the borough shall be deducted from the total borough population.

* **Sec. 28.** AS 34.45.720(c) is amended to read:

(c) AS 34.45.110 - 34.45.780 do not apply to a [DISBURSEMENT FOR THE PAYMENT OF A] permanent fund dividend **tax credit refunded under AS 43.22.090.**

* **Sec. 29.** AS 36.10.005(c) is amended to read:

(c) The legislature finds that the following factors are reasonable but not exclusive indicators of the ratio of nonresident to resident employees in the state:

(1) the ratio of applicants for unemployment insurance who list out-of-state residences to applicants who list residences in the state;

(2) the ratio of employees who are subject to unemployment insurance coverage and who did not apply for or were denied a permanent fund dividend **tax credit** to employees who were found eligible for a dividend **tax credit**.

* **Sec. 30.** AS 37.05.180 is amended to read:

Sec. 37.05.180. Limitation on payment of warrants. A warrant **on** [UPON] the state treasury may not be paid unless presented at the office of the commissioner of revenue within six months of the date of its issuance. A warrant not presented within that time is presumed abandoned, except where the warrant is for the **issuance** [PAYMENT] of a permanent fund dividend **tax credit refund** or a benefit payment or

1 refund under AS 14.25, AS 22.25, AS 26.05, AS 39.30, AS 39.35, former AS 39.37,
2 or AS 39.45. Money held for an abandoned warrant shall be delivered to the custody
3 of the Department of Revenue to be administered as unclaimed property under
4 AS 34.45.

5 * **Sec. 31.** AS 37.05.215(g)(1) is amended to read:

6 (1) "expenditure" means a payment from the state treasury that is
7 greater than \$1,000 and that is made as a grant, subgrant, contract, subcontract, loan,
8 lease, cooperative agreement, purchase order, task order, delivery order, or other form
9 of financial transaction; "expenditure" does not include the transfer of money between
10 state agencies, salary and wage payments to state employees, benefit payments to a
11 member or former member of a state retirement system as defined in AS 40.25.151(e),
12 payment of state or federal assistance to an individual, **issuance** [OR PAYMENT] of a
13 permanent fund dividend **tax credit, or payment of a permanent fund dividend tax**
14 **credit refund**;

15 * **Sec. 32.** AS 37.05.540(b) is amended to read:

16 (b) Except for appropriations to the permanent fund or for Alaska permanent
17 fund **dividend tax credit refunds** [DIVIDENDS], appropriations to the budget
18 reserve fund, appropriations of revenue bond proceeds, appropriations required to pay
19 the principal and interest on general obligation bonds, and appropriations of money
20 received from a nonstate source in trust for a specific purpose, including revenue of a
21 public enterprise or public corporation of the state that issues revenue bonds,
22 appropriations from the mental health trust settlement income account (AS 37.14.036),
23 and appropriations made to the mental health trust fund (AS 37.14.031),
24 appropriations from the treasury made in a fiscal year may not exceed appropriations
25 made in the preceding fiscal year by more than five percent plus the change in
26 population and inflation since the beginning of the preceding fiscal year. For purposes
27 of applying this limit an appropriation is considered to be made in the fiscal year in
28 which it is enacted and a reappropriation remains attributed to the fiscal year in which
29 the original appropriation is enacted. The determination of the change in population
30 for purposes of this subsection shall be based on an annual estimate of population by
31 the Department of Labor and Workforce Development. The determination of the

1 change in inflation for purposes of this subsection shall be based on the Consumer
2 Price Index for all urban consumers for Anchorage prepared by the United States
3 Bureau of Labor Statistics. The amount of money received by the state that is subject
4 to the appropriation limit includes the balance in the general fund carried forward from
5 the preceding fiscal year.

6 * **Sec. 33.** AS 37.10.210(b) is amended to read:

7 (b) The Alaska Retirement Management Board consists of nine trustees, as
8 follows:

9 (1) two members, consisting of the commissioner of administration
10 and the commissioner of revenue;

11 (2) seven trustees appointed by the governor who meet the eligibility
12 requirements for an Alaska permanent fund dividend **tax credit** and who are
13 professionally credentialed or have recognized competence in investment
14 management, finance, banking, economics, accounting, pension administration, or
15 actuarial analysis as follows:

16 (A) two trustees who are members of the general public; the
17 trustees appointed under this subparagraph may not hold another state office,
18 position, or employment and may not be members or beneficiaries of a
19 retirement system managed by the board;

20 (B) one trustee who is employed as a finance officer for a
21 political subdivision participating in either the public employees' retirement
22 system or the teachers' retirement system;

23 (C) two trustees who are members of the public employees'
24 retirement system, selected from a list of four nominees submitted from among
25 the public employees' retirement system bargaining units;

26 (D) two trustees who are members of the teachers' retirement
27 system selected from a list of four nominees submitted from among the
28 teachers' retirement system bargaining units;

29 (E) the lists of the nominees shall be submitted to the governor
30 under (C) and (D) of this paragraph within the time period specified in
31 regulations adopted under AS 37.10.240(a)."

1

2 Page 1, line 6:

3 Delete "**Section 1**"4 Insert "**Sec. 34**"

5

6 Renumber the following bill sections accordingly.

7

8 Page 20, lines 10 - 19:

9 Delete all material and insert:

10 "**Sec. 43.22.090. Permanent fund dividend tax credit.** The department shall
 11 apply a permanent fund dividend as a tax credit against the tax due under this chapter.
 12 Any amount of the dividend remaining after application to the tax due under this
 13 chapter shall be refunded to the taxpayer."

14

15 Page 25, lines 25 - 30:

16 Delete all material and insert:

17 "*** Sec. 36.** AS 43.23.005(a) is amended to read:

18 (a) An individual is eligible to receive one permanent fund dividend **tax credit**
 19 each year in an amount [TO BE] determined **by the legislature in accordance with**
 20 [UNDER] AS 43.23.025 if the individual

21 (1) applies to the department;

22 (2) is a state resident on the date of application;

23 (3) was a state resident during the entire qualifying year;

24 (4) has been physically present in the state for at least 72 consecutive
 25 hours at some time during the prior two years before the current dividend **credit** year;

26 (5) is

27 (A) a citizen of the United States;

28 (B) an alien lawfully admitted for permanent residence in the
 29 United States;

30 (C) an alien with refugee status under federal law; or

31 (D) an alien that has been granted asylum under federal law;

1 (6) was, at all times during the qualifying year, physically present in
2 the state or, if absent, was absent only as allowed in AS 43.23.008; and

3 (7) was in compliance during the qualifying year with the military
4 selective service registration requirements imposed under 50 U.S.C. App. 453
5 (Military Selective Service Act), if those requirements were applicable to the
6 individual, or has come into compliance after being notified of the lack of compliance.

7 * **Sec. 37.** AS 43.23.005(c) is amended to read:

8 (c) A parent, guardian, or other authorized representative may **apply for**
9 [CLAIM] a permanent fund dividend **tax credit** on behalf of an unemancipated minor
10 or on behalf of a disabled or an incompetent individual who is eligible to receive a
11 **dividend tax credit** [PAYMENT] under this section. Notwithstanding (a)(2) - (4) of
12 this section, a minor is eligible for a dividend **tax credit** if, during the two calendar
13 years immediately preceding the current dividend **credit** year, the minor was born to
14 or adopted by an individual who is eligible for a dividend **tax credit** for the current
15 dividend **credit** year.

16 * **Sec. 38.** AS 43.23.005(d) is amended to read:

17 (d) Notwithstanding the provisions of (a) - (c) of this section, an individual is
18 not eligible for a permanent fund dividend **tax credit** for a [DIVIDEND] year when

19 (1) during the qualifying year, the individual was sentenced as a result
20 of conviction in this state of a felony;

21 (2) during all or part of the qualifying year, the individual was
22 incarcerated as a result of the conviction in this state of a

23 (A) felony; or

24 (B) misdemeanor if the individual has been convicted of

25 (i) a prior felony as defined in AS 11.81.900; or

26 (ii) two or more prior misdemeanors as defined in

27 AS 11.81.900.

28 * **Sec. 39.** AS 43.23.005(h) is amended to read:

29 (h) If an individual who would otherwise have been eligible for a permanent
30 fund dividend **tax credit** dies after applying for the dividend **tax credit** but before the
31 dividend **tax credit** is **issued** [PAID], the department shall **refund any remaining**

1 **amount of the dividend tax credit, after the dividend tax credit is applied against**
 2 **taxes under AS 43.22,** [PAY THE DIVIDEND] to a personal representative of the
 3 estate or to a successor claiming personal property under AS 13.16.680. If an
 4 individual who would otherwise have been eligible for a dividend **tax credit** and who
 5 did not apply for the dividend **tax credit** dies during the application period, a personal
 6 representative of the estate or a successor claiming personal property under
 7 AS 13.16.680 may apply for and **be issued** [RECEIVE] the dividend **tax credit on**
 8 **behalf of the individual.** If an individual who received a dividend **tax credit** for the
 9 year immediately before the qualifying year and who would otherwise have been
 10 eligible for a dividend **tax credit** dies during the qualifying year after having been a
 11 state resident for at least 180 days immediately before the date of death,
 12 notwithstanding (a)(1) - (3) and (a)(6) of this section, a personal representative of the
 13 estate or a successor claiming personal property under AS 13.16.680 may apply for
 14 and **be issued** [RECEIVE] the dividend **tax credit on behalf of the individual.**
 15 Notwithstanding AS 43.23.011, an application for a dividend **tax credit** may be filed
 16 by the personal representative or the successor under this subsection at any time before
 17 the end of the application period for the next dividend **tax credit** year.

18 * **Sec. 40.** AS 43.23.008(a) is amended to read:

19 (a) Subject to (b) and (d) of this section, an otherwise eligible individual who
 20 is absent from the state during the qualifying year remains eligible for a current year
 21 permanent fund dividend **tax credit** if the individual was absent

22 (1) receiving secondary or postsecondary education on a full-time
 23 basis; on a break or holiday from a secondary or postsecondary educational institution
 24 during an academic year, not including summer break, if the individual is enrolled in
 25 and attends the educational institution on a full-time basis before and after the break or
 26 holiday; or in an orientation program required as a condition of the secondary or
 27 postsecondary education and the individual immediately begins the education on a
 28 full-time basis after the completion of the orientation;

29 (2) receiving vocational, professional, or other specific education on a
 30 full-time basis for which, as determined by the Alaska Commission on Postsecondary
 31 Education, a comparable program is not reasonably available in the state; on a break or

1 holiday from the vocational, professional, or other specific training, not including
2 summer break, if the individual is enrolled in and attends the training on a full-time
3 basis before and after the break or holiday; or in an orientation program required as a
4 condition of the vocational, professional, or other specific training and the individual
5 immediately begins the training on a full-time basis after the completion of the
6 orientation;

7 (3) serving on active duty as a member of the uniformed services of
8 the United States or accompanying, as that individual's spouse, minor dependent, or
9 disabled dependent, an individual who is

10 (A) serving on active duty as a member of the uniformed
11 services of the United States; and

12 (B) eligible for a current year dividend **tax credit**;

13 (4) serving under foreign or coastal articles of employment aboard an
14 oceangoing vessel of the United States Merchant Marine or attending a vocational
15 program that

16 (A) trains students for a career in the United States Merchant
17 Marine;

18 (B) provides seagoing service that meets the requirements of
19 the United States Coast Guard for United States merchant marine
20 credentialing; and

21 (C) is approved by the United States Coast Guard;

22 (5) receiving continuous medical treatment recommended by a
23 licensed physician or convalescing as recommended by the physician who treated the
24 illness if the treatment or convalescence is not based on a need for climatic change;

25 (6) providing care for a parent, spouse, sibling, child, or stepchild with
26 a critical life-threatening illness whose treatment plan, as recommended by the
27 attending physician, requires travel outside the state for treatment at a medical
28 specialty complex;

29 (7) providing care for the individual's terminally ill family member;

30 (8) settling the estate of the individual's deceased parent, spouse,
31 sibling, child, or stepchild, provided the absence does not exceed 220 cumulative days;

- 1 (9) serving as a member of the United States Congress;
- 2 (10) serving on the staff of a member from this state of the United
3 States Congress;
- 4 (11) serving as an employee of the state in a field office or other
5 location;
- 6 (12) accompanying a minor who is absent under (5) of this subsection;
- 7 (13) accompanying another eligible resident who is absent for a reason
8 permitted under (1), (2), (5) - (12), (16), or (17) of this subsection as the spouse, minor
9 dependent, or disabled dependent of the eligible resident;
- 10 (14) serving as a volunteer in the federal peace corps program;
- 11 (15) because of training or competing as a member of the United States
12 Olympic Team or a United States national team for an Olympic sport;
- 13 (16) participating for educational purposes in a student fellowship
14 sponsored by the United States Department of Education or by the United States
15 Department of State;
- 16 (17) for any reason consistent with the individual's intent to remain a
17 state resident, provided the absence or cumulative absences do not exceed
- 18 (A) 180 days in addition to any absence or cumulative absences
19 claimed
- 20 (i) under (3) of this subsection if the individual is not
21 claiming an absence under (1), (2), or (4) - (16) of this subsection; or
- 22 (ii) under (5) of this subsection if the individual is not
23 claiming an absence under (1) - (4) or (6) - (16) of this subsection;
- 24 (B) 120 days in addition to any absence or cumulative absences
25 claimed under (1) - (3) of this subsection if the individual is not claiming an
26 absence under (4) - (16) of this subsection but is claiming an absence under (1)
27 or (2) of this subsection; or
- 28 (C) 45 days in addition to any absence or cumulative absences
29 claimed under (1) - (16) of this subsection if the individual is claiming an
30 absence under (4) - (16) of this subsection.

31 * **Sec. 41.** AS 43.23.011 is amended to read:

1 **Sec. 43.23.011. Application period.** (a) An application for a permanent fund
2 dividend **tax credit** shall be filed during the period that begins January 1 and ends
3 March 31 of that dividend **tax credit** year.

4 (b) An otherwise eligible individual may apply for a current year dividend **tax**
5 **credit** after March 31 of that year if the individual was eligible during the application
6 period under (a) of this section for hostile fire or imminent danger pay while serving
7 on active duty as a member of the armed forces of the United States. The individual
8 must apply under this subsection within 90 days after the last day the individual was
9 eligible for hostile fire or imminent danger pay. If the individual was eligible for
10 hostile fire or imminent danger pay on March 31 of the current dividend **credit** year,
11 the 90-day application period extension begins on the first day after March 31 that the
12 individual was no longer eligible for the pay.

13 (c) The commissioner may permit an individual to apply for a permanent fund
14 dividend **tax credit** for any year after the application deadline under (a) or (b) of this
15 section if the individual

16 (1) at any time during the application period for that dividend **tax**
17 **credit** established in (a) or (b) of this section,

18 (A) served on active duty as a member of the armed forces of
19 the United States; and

20 (B) was eligible for hostile fire or imminent danger pay; and

21 (2) demonstrates a reasonable cause for the delay in applying for that
22 dividend **tax credit**.

23 * **Sec. 42.** AS 43.23.015(a) is amended to read:

24 (a) The commissioner shall adopt regulations under **AS 44.62**
25 **(Administrative Procedure Act)** [THE ADMINISTRATIVE PROCEDURE ACT
26 (AS 44.62)] for determining the eligibility of **an individual for a dividend tax credit**
27 [INDIVIDUALS FOR PERMANENT FUND DIVIDENDS]. The commissioner may
28 require an individual to provide proof of eligibility, and the commissioner may use
29 other information available from other state departments or agencies to determine the
30 eligibility of an individual. The commissioner shall consider all relevant circumstances
31 in determining the eligibility of an individual. However, the residency of an

1 individual's spouse may not be the principal factor relied **on** [UPON] by the
2 commissioner in determining the residency of the individual.

3 * **Sec. 43.** AS 43.23.015(b) is amended to read:

4 (b) The department shall prescribe and furnish an application form for
5 [CLAIMING] a permanent fund dividend **tax credit**. The application must include

6 (1) notice of the penalties provided for under AS 43.23.270;

7 (2) a statement of eligibility and a certification of residency;

8 (3) the means for an applicant eligible to vote under AS 15.05, or a
9 person authorized to act on behalf of the applicant, to furnish information required by
10 AS 15.07.060(a)(1) - (4) and (7) - (9), and an attestation that such information is true.

11 * **Sec. 44.** AS 43.23.015(c) is amended to read:

12 (c) Except as provided in (d) of this section or as may be provided by
13 regulations adopted by the department, an individual must personally sign **an** [THE]
14 application for **a** permanent fund **dividend tax credit** [DIVIDENDS], including the
15 certification of residency required under (b) of this section.

16 * **Sec. 45.** AS 43.23.015(e) is amended to read:

17 (e) If a public agency claims a permanent fund dividend **tax credit refunded**
18 **under AS 43.22.090** on behalf of an individual, the public agency shall hold the
19 **refund** [DIVIDEND] in trust for the individual. Money held in trust under this
20 subsection shall be invested by the commissioner in accordance with AS 37.10.070.

21 * **Sec. 46.** AS 43.23.015(f) is amended to read:

22 (f) A minor or a disabled or an incompetent individual may not maintain a
23 claim against the state or an officer or employee of the state based on the manner in
24 which the parent, guardian, or authorized representative, other than a public agency of
25 the state, managed or disposed of **a** permanent fund **dividend tax credit refunded**
26 **under AS 43.22.090 that was** [DIVIDENDS] received on behalf of the minor or
27 disabled or incompetent individual.

28 * **Sec. 47.** AS 43.23.015(g) is amended to read:

29 (g) If an individual is aggrieved by a decision of the department determining
30 the individual's eligibility for a permanent fund dividend **tax credit** or the individual's
31 authority to claim a permanent fund dividend **tax credit refund** on behalf of another,

1 the individual may, upon payment of a \$25 appeal fee, request the department to
2 review its decision. Within 12 months after the administrative appeal is filed, the
3 department shall provide the individual with a final written decision. If the individual
4 is aggrieved by the decision of the department after all administrative proceedings, the
5 individual may appeal that decision to the superior court in accordance with
6 AS 44.62.560. An appeal to the court under this section does not entitle the aggrieved
7 individual to a trial de novo. The appeal shall be based on the record of the
8 administrative proceeding from which appeal is taken and the scope of appeal is
9 limited to matters contained in the record of the administrative proceeding. If, as a
10 result of an administrative proceeding or a court appeal, the individual prevails, the
11 \$25 appeal fee shall be returned to the individual by the department.

12 * **Sec. 48.** AS 43.23.015(h) is amended to read:

13 (h) The penalty and enforcement provisions of AS 43.23.270 apply to an
14 individual who **applies for** [CLAIMS] a permanent fund dividend **tax credit** on
15 behalf of another.

16 * **Sec. 49.** AS 43.23.015(j) is amended to read:

17 (j) The application form for claiming a permanent fund dividend **tax credit**
18 must include a place for the applicant to voluntarily indicate that the applicant is a
19 veteran, the branch of service, including the Alaska Territorial Guard, and the dates of
20 service. Notwithstanding AS 43.23.110, the department shall release information
21 provided under this subsection to the Department of Military and Veterans' Affairs and
22 may not otherwise release the information. The Department of Military and Veterans'
23 Affairs may only release the information to congressionally chartered veterans service
24 organizations in the state. The application form must contain notice that providing the
25 information under this subsection is voluntary, that the information will be released as
26 provided in this subsection, and that the veterans service organizations are not required
27 to keep it confidential.

28 * **Sec. 50.** AS 43.23.021 is amended to read:

29 **Sec. 43.23.021. Delayed issuance [PAYMENT] of certain dividend tax**
30 **credits [DIVIDENDS].** (a) Notwithstanding other provisions regarding the **issuance**
31 **[PAYMENT]** of permanent fund **dividend tax credits** [DIVIDENDS], if an

1 individual is required to register as a sex offender or child kidnapper under AS 12.63
 2 and has not registered or has not completed the required periodic verifications or
 3 notices required under AS 12.63, **issuance** [PAYMENT] of the dividend **tax credit**
 4 for that individual shall be delayed.

5 (b) If **issuance** [PAYMENT] of a dividend is delayed **under (a) of this**
 6 **section**, the department shall notify the individual in writing of the delayed
 7 [PAYMENT] status, explain the requirements of this section, and request proof of
 8 registration and compliance with the verifications and notices required under
 9 AS 12.63. The dividend may not be **issued** [PAID] unless, within one year after the
 10 notification, the department determines that the individual has registered and is in
 11 compliance with the verifications and notices required under AS 12.63.

12 (c) The **refunded portion of a** permanent fund dividend **tax credit** of an
 13 individual for whom **issuance of the tax credit** [PAYMENT] has been delayed, but
 14 that remains **eligible** [PAYABLE] under (b) of this section, is subject to levy,
 15 execution, garnishment, attachment, or any other remedy for the collection of debt.
 16 The department shall immediately **issue a** [PAY THAT] dividend **tax credit refund**,
 17 or the portion of it that has been claimed by a debtor, as provided in AS 43.23.140 -
 18 43.23.170.

19 (d) If an individual for whom **issuance** [PAYMENT OF] a permanent fund
 20 dividend **tax credit** has been delayed but remains **eligible** [PAYABLE] under (b) of
 21 this section dies before the dividend **tax credit** is **issued** [PAID OR PAYABLE], the
 22 department shall **issue any remaining amount of the dividend tax credit refunded**
 23 **under AS 43.22.090** [PAY THE DIVIDEND] to a personal representative of the
 24 individual's estate.

25 (e) The department shall include notice with the dividend **tax credit**
 26 application form of the requirements of (a) and (b) of this section.

27 * **Sec. 51.** AS 43.23.025(a) is amended to read:

28 (a) **Each** [BY OCTOBER 1 OF EACH] year, the **legislature may**
 29 [COMMISSIONER SHALL] determine the **amount** [VALUE] of each permanent
 30 fund dividend **tax credit and appropriate into the dividend fund an amount equal**
 31 **to the permanent fund dividend tax credit for each individual multiplied by the**

1 **number of individuals estimated to be eligible for the credit** [FOR THAT YEAR
2 BY

3 (1) DETERMINING THE TOTAL AMOUNT AVAILABLE FOR
4 DIVIDEND PAYMENTS, WHICH EQUALS

5 (A) THE AMOUNT OF INCOME OF THE ALASKA
6 PERMANENT FUND TRANSFERRED TO THE DIVIDEND FUND
7 UNDER AS 37.13.145(b) DURING THE CURRENT YEAR;

8 (B) PLUS THE UNEXPENDED AND UNOBLIGATED
9 BALANCES OF PRIOR FISCAL YEAR APPROPRIATIONS THAT LAPSE
10 INTO THE DIVIDEND FUND UNDER AS 43.23.045(d);

11 (C) LESS THE AMOUNT NECESSARY TO PAY PRIOR
12 YEAR DIVIDENDS FROM THE DIVIDEND FUND IN THE CURRENT
13 YEAR UNDER AS 43.23.005(h), 43.23.021, AND 43.23.055(3) AND (7);

14 (D) LESS THE AMOUNT NECESSARY TO PAY
15 DIVIDENDS FROM THE DIVIDEND FUND DUE TO ELIGIBLE
16 APPLICANTS WHO, AS DETERMINED BY THE DEPARTMENT, FILED
17 FOR A PREVIOUS YEAR'S DIVIDEND BY THE FILING DEADLINE
18 BUT WHO WERE NOT INCLUDED IN A PREVIOUS YEAR'S DIVIDEND
19 COMPUTATION;

20 (E) LESS APPROPRIATIONS FROM THE DIVIDEND
21 FUND DURING THE CURRENT YEAR, INCLUDING AMOUNTS TO
22 PAY COSTS OF ADMINISTERING THE DIVIDEND PROGRAM AND
23 THE HOLD HARMLESS PROVISIONS OF AS 43.23.240;

24 (2) DETERMINING THE NUMBER OF INDIVIDUALS ELIGIBLE
25 TO RECEIVE A DIVIDEND PAYMENT FOR THE CURRENT YEAR AND THE
26 NUMBER OF ESTATES AND SUCCESSORS ELIGIBLE TO RECEIVE A
27 DIVIDEND PAYMENT FOR THE CURRENT YEAR UNDER AS 43.23.005(h);
28 AND

29 (3) DIVIDING THE AMOUNT DETERMINED UNDER (1) OF
30 THIS SUBSECTION BY THE AMOUNT DETERMINED UNDER (2) OF THIS
31 SUBSECTION].

1 * **Sec. 52.** AS 43.23.028 is amended to read:

2 **Sec. 43.23.028. Public notice.** (a) By October 1 of each year, the
3 commissioner shall give public notice of the value of each permanent fund dividend
4 **tax credit** for that year and notice of the information required to be disclosed under
5 (3) of this subsection. In addition, the stub attached to each individual dividend **tax**
6 **credit** [DISBURSEMENT] advice must

7 (1) disclose the amount of each dividend **tax credit** attributable to
8 income earned by the permanent fund from deposits to that fund required under art.
9 IX, sec. 15, Constitution of the State of Alaska;

10 (2) disclose the amount of each dividend attributable to income earned
11 by the permanent fund from appropriations to that fund and from amounts added to
12 that fund to offset the effects of inflation;

13 (3) disclose the amount by which each dividend **tax credit** has been
14 reduced due to each appropriation from the dividend fund, including amounts to pay
15 the costs of administering the dividend **tax credit** program and the hold harmless
16 provisions of AS 43.23.240;

17 (4) include a statement that an individual is not eligible for a dividend
18 **tax credit** when

19 (A) during the qualifying year, the individual was convicted of
20 a felony;

21 (B) during all or part of the qualifying year, the individual was
22 incarcerated as a result of the conviction of a

23 (i) felony; or

24 (ii) misdemeanor if the individual has been convicted of
25 a prior felony or two or more prior misdemeanors;

26 (5) include a statement that the legislative purpose for making
27 individuals listed under (4) of this subsection ineligible is to

28 (A) provide funds for services for and payments to crime
29 victims and operating costs of the Violent Crimes Compensation Board;

30 (B) provide funds to pay restitution owed to crime victims;

31 (C) provide funds for grants to nonprofit organizations for

1 services for crime victims and for mental health services and substance abuse
2 treatment for offenders;

3 (D) provide funds for the office of victims' rights;

4 (E) provide funds to the Council on Domestic Violence and
5 Sexual Assault for grants for the operation of domestic violence and sexual
6 assault programs; and

7 (F) obtain reimbursement for some of the costs imposed on the
8 Department of Corrections related to incarceration or probation of those
9 individuals;

10 (6) disclose the total amount that would have been paid during the
11 previous fiscal year to individuals who were ineligible to **be issued dividend tax**
12 **credits** [RECEIVE DIVIDENDS] under AS 43.23.005(d) if they had been eligible;

13 (7) disclose the total amount transferred or appropriated for the current
14 fiscal year under AS 43.23.048 for each of the accounts, funds, and agencies listed in
15 AS 43.23.048.

16 (b) To the extent that amounts appropriated for a fiscal year do not exceed the
17 total amount that would have been **issued as dividend tax credits** [PAID] during the
18 previous fiscal year to individuals who were ineligible to receive **dividend tax credits**
19 [DIVIDENDS] under AS 43.23.005(d) or under AS 43.23.021(b) if they had been
20 eligible, the notice requirements of (a)(3) of this section do not apply to transfers from
21 the dividend fund to the restorative justice account (AS 43.23.048).

22 * **Sec. 53.** AS 43.23.045(d) is amended to read:

23 (d) **Except as provided in (f) of this section and unless** [UNLESS] specified
24 otherwise in an appropriation act, the unexpended and unobligated balance of an
25 appropriation to implement this chapter lapses into the dividend fund on June 30 of the
26 fiscal year for which the appropriation was made [AND SHALL BE USED IN
27 DETERMINING THE AMOUNT OF AND PAYING THE SUBSEQUENT YEAR'S
28 DIVIDEND AS PROVIDED IN AS 43.23.025(a)(1)(B)].

29 * **Sec. 54.** AS 43.23.045 is amended by adding a new subsection to read:

30 (f) The commissioner shall deposit amounts that are applied as permanent
31 fund dividend tax credits against the tax due under AS 43.22 and that are not refunded

1 under AS 43.22.090 into the general fund in the year in which the credits were
2 applied.

3 * **Sec. 55.** AS 43.23.048(a) is amended to read:

4 (a) The restorative justice account is created as a separate account in the
5 dividend fund. The commissioner shall transfer from the dividend fund to the
6 restorative justice account each fiscal year an amount equal to the amount that would
7 have been **issued** [PAID] during the previous fiscal year to individuals who were
8 ineligible to receive dividends under AS 43.23.005(d) if they had been eligible.

9 * **Sec. 56.** AS 43.23.055 is amended to read:

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

11 (1) **issue** [ANNUALLY PAY] permanent fund **dividend tax credit**
12 **refunds** [DIVIDENDS] from the dividend fund;

13 (2) subject to AS 43.23.011 and (8) of this section, adopt regulations
14 under AS 44.62 (Administrative Procedure Act) that establish procedures and time
15 limits for claiming a permanent fund dividend **tax credit**; the department shall
16 determine the number of eligible applicants by October 1 of the year for which the
17 dividend **tax credit** is declared [AND PAY THE DIVIDENDS BY DECEMBER 31
18 OF THAT YEAR];

19 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
20 that establish procedures and time limits for an individual upon emancipation or upon
21 reaching majority to apply for permanent fund **dividend tax credits** [DIVIDENDS]
22 not **issued** [RECEIVED] during minority because the parent, guardian, or other
23 authorized representative did not apply on behalf of the individual;

24 (4) assist residents of the state, particularly in rural areas, who, because
25 of language, disability, or inaccessibility to public transportation, need assistance to
26 establish eligibility and to apply for **a** permanent fund **dividend tax credit**
27 [DIVIDENDS];

28 (5) use a list of individuals ineligible for a dividend **tax credit** under
29 AS 43.23.005(d) provided annually by the Department of Corrections and the
30 Department of Public Safety to determine the number and identity of those
31 individuals;

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

3 (7) adopt regulations that establish procedures for the parent, guardian,
4 or other authorized representative of a disabled individual to apply for a prior year
5 permanent fund **dividend tax credit** [DIVIDENDS] not received by the disabled
6 individual because no application was submitted on behalf of the individual;

7 (8) adopt regulations that establish procedures for an individual to
8 apply to have a dividend **tax credit refund issued** [DISBURSEMENT] under
9 AS 37.25.050(a)(2) reissued if it is not collected within two years after the date of its
10 issuance; however, the department may not establish a time limit within which an
11 application to have a **refund** [DISBURSEMENT] reissued must be filed;

12 (9) provide any information, upon request, contained in permanent
13 fund dividend **tax credit** records to the child support services agency created in
14 AS 25.27.010, or the child support enforcement agency of another state, for child
15 support purposes authorized under law; if the information is contained in an electronic
16 data base, the department shall provide the requesting agency with either

17 (A) access to the data base; or

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

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

21 (A) Department of Law in the prosecution of individuals who
22 apply for or obtain a permanent fund dividend **tax credit or tax credit refund**
23 in violation of a provision in AS 11, by detecting and investigating those
24 crimes; and

25 (B) commissioner to detect and investigate the **issuance of a**
26 **permanent fund dividend tax credit** [CLAIMING] or paying of a permanent
27 fund **dividend tax credit refund** [DIVIDENDS] that should not have been
28 **issued** [CLAIMED BY] or paid to an individual and to impose the penalties
29 and enforcement provisions under AS 43.23.270;

30 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)
31 so that contributions under AS 43.23.130 are given a priority over donations under

1 AS 43.23.230 if the total amount of contributions and donations elected by an
 2 applicant exceeds the amount of the permanent fund dividend **tax credit refund** that
 3 the applicant is entitled to receive;

4 (12) submit fingerprints and fees to the Department of Public Safety
 5 for a national criminal history record check under AS 12.62.400 for the purpose of
 6 determining a person's qualifications and suitability for administering the permanent
 7 fund dividend **tax credit** program under this chapter;

8 **(13) adopt regulations under AS 44.62 (Administrative Procedure**
 9 **Act) to issue a refundable permanent fund dividend tax credit against the tax**
 10 **levied under AS 43.22; a tax credit issued in accordance with regulations adopted**
 11 **under this paragraph shall apply against an individual's tax liability for the tax**
 12 **year in which the dividend is determined under AS 43.23.025.**

13 * **Sec. 57.** AS 43.23.101 is amended to read:

14 **Sec. 43.23.101. Voter registration.** The commissioner shall establish by rule a
 15 schedule by which the commissioner will provide, and shall provide as soon as is
 16 practicable the director of elections with

17 (1) electronic records from the permanent fund dividend **tax credit**
 18 applications of the information required by AS 15.07.060(a)(1) - (4) and (7) - (9), and
 19 the attestation that such information is true, for each permanent fund dividend **tax**
 20 **credit** applicant who

21 (A) is a citizen of the United States; and

22 (B) is at least 18 years of age or will be within 90 days of the
 23 date of the application; and

24 (2) the mailing addresses for all permanent fund dividend **tax credit**
 25 applicants.

26 * **Sec. 58.** AS 43.23.110 is amended to read:

27 **Sec. 43.23.110. Applicant information confidential.** (a) Except as provided
 28 in (c) of this section, information on each permanent fund dividend **tax credit**
 29 application, except the applicant's name, is confidential. The department may only
 30 release information that is confidential under this section

31 (1) to a local, state, or federal government agency;

- 1 (2) in compliance with a court order;
- 2 (3) to the individual who or agency that files an application on behalf
3 of another;
- 4 (4) to a banking institution to verify the direct deposit of a permanent
5 fund dividend **tax credit refund** or correct an error in that deposit;
- 6 (5) as directed to do so by the applicant;
- 7 (6) to a contractor who has a contract with a person entitled to obtain
8 the information under (1) - (5) of this section to receive, store, or manage the
9 information on that person's behalf; a contractor receiving data under this paragraph
10 may only use the data as directed by and for the purposes of the person entitled to
11 obtain the information;
- 12 (7) to the division of elections as required by AS 43.23.101.

13 (b) Notwithstanding (a) of this section, the department may release the names
14 and addresses of permanent fund dividend **tax credit** applicants to a legislator of this
15 state and to the legislator's office staff for official legislative purposes.

16 (c) Information submitted on a permanent fund dividend **tax credit**
17 application that is used for the purpose of registering an applicant to vote under
18 AS 43.23.101 shall be kept confidential by the division of elections as provided in
19 AS 15.07.195.

20 * **Sec. 59.** AS 43.23.130(a) is amended to read:

21 (a) Notwithstanding AS 43.23.200, the Department of Revenue shall prepare
22 the electronic Alaska permanent fund dividend **tax credit** application to allow an
23 applicant who files electronically to direct that money be subtracted from **an amount**
24 **of a** [THE] dividend **tax credit refunded under AS 43.22.090** [PAYMENT] and
25 contributed to the crime victim compensation fund (AS 18.67.162), the peace officer
26 and firefighter survivors' fund, or one or more of the educational organizations,
27 community foundations, or charitable organizations that appear on the contribution list
28 contained in the application. A contribution to the crime victim compensation fund,
29 the peace officer and firefighter survivors' fund or to an organization may be \$25, \$50,
30 \$75, \$100, or more, in increments of \$50, up to the total amount of the permanent fund
31 dividend **tax credit refund** that the applicant is entitled to receive. If the total amount

1 of contributions elected by an applicant exceeds the amount of the permanent fund
 2 dividend **tax credit refund** that the applicant is entitled to receive, contributions shall
 3 be deducted from the **refund** [DIVIDEND] in the order of priority elected by the
 4 applicant on the application until the entire amount of the **refund** [DIVIDEND] that
 5 the applicant is entitled to receive is allocated for contribution. The electronic dividend
 6 **tax credit** application form must include notice that seven percent of the money
 7 contributed will be used for administrative costs incurred in implementing this section,
 8 and money from the dividend fund will not be used for that purpose.

9 * **Sec. 60.** AS 43.23.130(c) is amended to read:

10 (c) The department may not include a charitable organization, other than a
 11 community foundation, on the contribution list for a dividend **credit** year unless the
 12 purpose of the charitable organization is to provide services for youth development,
 13 workforce development, arts and culture, aid and services to the elderly, low-income
 14 individuals, individuals in emergency situations, victims of crime, disabled
 15 individuals, individuals with mental illness, primary, vocational, and higher education,
 16 health and dental care, recreational facilities, child abuse and neglect, economic
 17 development, food assistance, libraries, public broadcasting, recycling of waste,
 18 animal rescue, and zoos. The department may not include on the contribution list an
 19 educational organization, community foundation, or charitable organization that is the
 20 affiliate of a group. For purposes of this subsection,

21 (1) "affiliate" means an organization or foundation that directly or
 22 indirectly through one or more intermediaries controls, is controlled by, or is under
 23 common control with, a group;

24 (2) "group" has the meaning given in AS 15.13.400(8)(B).

25 * **Sec. 61.** AS 43.23.130(d) is amended to read:

26 (d) Except for each campus of the University of Alaska, the department may
 27 include an educational organization, community foundation, or charitable organization
 28 on the contribution list for a current dividend **credit** year only if the organization

29 (1) before March 31 of the qualifying year, files an application for
 30 inclusion on the list for that dividend **credit** year on the form required by the
 31 department;

1 (2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal
2 Revenue Code) as an educational or a charitable organization on the date of
3 application;

4 (3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3)
5 (Internal Revenue Code) as an educational or a charitable organization during the two
6 calendar years that immediately precede the year the application is filed;

7 (4) unless exempted under federal law, has a current Internal Revenue
8 Service Form 990 on file with the United States Department of the Treasury, Internal
9 Revenue Service, or, if the Internal Revenue Service has granted a filing extension for
10 the current year, has on file that form for the immediately preceding year;

11 (5) is directed by a voluntary board of directors or local advisory
12 board, a majority of whose members are residents of the state;

13 (6) if a community foundation, provided in the state aid during the two
14 calendar years that immediately precede the year the application is filed, or, if an
15 education organization or charitable organization, provided in the state services during
16 the two calendar years that immediately precede the year the application is filed;

17 (7) receives at least \$100,000 or five percent of its total annual
18 receipts, whichever is less, from contributions;

19 (8) has completed and provided to the department a financial audit
20 with an unqualified opinion conducted by an independent certified public accountant
21 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)
22 of this subsection applies; this paragraph applies only to an organization that is
23 required by the federal government to complete a financial audit by an independent
24 certified public accountant; and

25 (9) does not make grants or contributions to an organization that is
26 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

27 * **Sec. 62.** AS 43.23.130(e) is amended to read:

28 (e) Unless an appropriation specifically directs that the money be used for
29 costs incurred in implementing this section, the department may not use money from
30 the dividend fund for administrative costs incurred in implementing this section, even
31 if it has been appropriated for costs of administering the dividend **tax credit** program.

1 Contributions shall be distributed to each organization as soon as practicable.

2 * **Sec. 63.** AS 43.23.130(h) is amended to read:

3 (h) A public agency that claims a dividend **tax credit refund** on behalf of an
4 individual under AS 43.23.015(e) may not elect to make contributions from the
5 dividend **tax credit refund** under (a) of this section.

6 * **Sec. 64.** AS 43.23.130(l) is amended to read:

7 (l) The University of Alaska shall apply separately for each of the three main
8 campuses to be listed on the contribution list for the current dividend **credit** year in the
9 manner prescribed by the department. The University of Alaska may apply for each
10 campus other than the three main campuses to be listed on the contribution list for the
11 current dividend **credit** year in the manner prescribed by the department.

12 * **Sec. 65.** AS 43.23.130(m) is amended to read:

13 (m) In addition to the application fee in (f) of this section, the department shall
14 withhold a coordination fee from each organization, foundation, or university campus
15 that receives contributions under this section in the immediately preceding dividend
16 **credit** year. The coordination fee for an organization, foundation, or university
17 campus that receives contributions under this section shall be seven percent of the
18 amount of contributions reported by the department under (j) of this section for the
19 organization, foundation, or university campus for the immediately preceding dividend
20 **credit** year. The coordination fee shall be separately accounted for under
21 AS 37.05.142 and shall be accounted for separately from the application fee collected
22 under (f) of this section. The annual estimated balance in the account maintained
23 under AS 37.05.142 for coordination fees collected under this subsection may be
24 appropriated for costs of administering this section. The department may not withhold
25 a coordination fee for contributions to the crime victim compensation fund or the
26 peace officer and firefighter survivors' fund.

27 * **Sec. 66.** AS 43.23.140 is amended to read:

28 **Sec. 43.23.140. Exemption of and levy on permanent fund dividend tax**
29 **credit refunds** [DIVIDENDS]. (a) Except as provided in (b) of this section, 20
30 percent of the annual permanent fund dividend **tax credit refunded** [PAYABLE] to
31 an individual **under AS 43.22.090** is exempt from levy, execution, garnishment,

1 attachment, or any other remedy for the collection of debt. No other exemption applies
 2 to a dividend **tax credit refund**. Notwithstanding other laws, a writ of execution **on**
 3 **[UPON]** a dividend **tax credit refund** that has not been delivered to the debtor may be
 4 served on the commissioner by

5 (1) certified mail, return receipt requested; or

6 (2) a civilian process server licensed by the commissioner of public
 7 safety using electronic execution procedures, as provided under regulations adopted by
 8 the department.

9 (b) An exemption is not available under this section for permanent fund
 10 **dividend tax credit refunds** [DIVIDENDS] taken to satisfy

11 (1) child support obligations required by court order or decision of the
 12 child support services agency under AS 25.27.140 - 25.27.220;

13 (2) court ordered restitution under AS 12.55.045 - 12.55.051,
 14 12.55.100, or AS 47.12.120(b)(4);

15 (3) claims on defaulted education loans under AS 43.23.160;

16 (4) court ordered fines;

17 (5) writs of execution under AS 09.35 of a judgment that is entered

18 (A) against a minor in a civil action to recover damages and
 19 court costs;

20 (B) under AS 09.65.255 against the parent, parents, or legal
 21 guardian of an unemancipated minor;

22 (6) a debt owed by an eligible individual to an agency of the state,
 23 including the University of Alaska, unless the debt is contested and an appeal is
 24 pending, or the time limit for filing an appeal has not expired;

25 (7) a debt owed to a person for a program for the rehabilitation of
 26 perpetrators of domestic violence required under AS 12.55.101, AS 18.66.100(c)(15),
 27 AS 25.20.061(3), or AS 33.16.150(f)(2);

28 (8) a judgment for unpaid rent or damage owed to a landlord by an
 29 eligible individual that was a tenant of the landlord; in this paragraph, "tenant" has the
 30 meaning given in AS 34.03.360;

31 (9) court-ordered forfeiture of an appearance or performance bond

1 under AS 12.30.075.

2 (c) Claims listed in (b) of this section have priority in the order listed over
3 other claims on a permanent fund dividend **tax credit refund** whether payments are
4 sought through legal actions for the collection of debts or through assignments from
5 the debtor.

6 (d) An assignment of or levy, execution, garnishment, attachment, or other
7 remedy for the collection of debt applied to a dividend **tax credit refund** for a year
8 may not be accepted by the department before April 1 of that same year.
9 AS 09.38.080(c) and 09.38.085 do not apply to a levy on a permanent fund dividend
10 **tax credit refund**. Upon receipt of a writ of execution under (a) of this section or
11 another court order, the commissioner shall deliver to the court that portion of the
12 dividend **tax credit refund** executed on along with the case name and number. At the
13 time payment is made to the court, the department shall send notice to the court that
14 issued the writ or order and to the individual at the address provided in the individual's
15 dividend **tax credit** application or the electronic mail address at which the individual
16 has consented to receive notices or documents in a verifiable manner, as provided in
17 regulations adopted by the department. The notice must contain

18 (1) notification that all or part of the individual's dividend **tax credit**
19 **refund** has been seized under a writ of execution or court order;

20 (2) the name and address of the court that issued the writ or order;

21 (3) the case number for which the writ or order was issued;

22 (4) the amount seized under the writ or order; and

23 (5) notification that the individual has 30 days from the date the notice
24 is mailed in which to file with the court an objection to the seizure if a mistake has
25 been made.

26 * **Sec. 67.** AS 43.23.150(a) is amended to read:

27 (a) AS 09.38 does not apply to permanent fund **dividend tax credit refunds**
28 [DIVIDENDS] taken under AS 47.12.155(c). Notwithstanding AS 09.35, execution on
29 a dividend **tax credit refund** claimed under AS 47.12.155(c) is accomplished by
30 delivering a certified claim to the department containing the following information:

31 (1) the name and social security number of the individual whose

1 dividend **tax credit refund** is being claimed;

2 (2) the amount the individual owes on the reimbursement claim; and

3 (3) a statement that

4 (A) the Department of Family and Community Services has
5 notified the individual that future permanent fund **tax credit refunds**
6 [DIVIDENDS] of the individual will be taken to satisfy the reimbursement
7 claim;

8 (B) the individual was notified of the right to request a hearing
9 and allowed 30 days after the date of the notice described in (A) of this
10 paragraph to request the Department of Family and Community Services to
11 hold a hearing on the reimbursement claim;

12 (C) the reimbursement claim has not been contested, or, if
13 contested, that the issue has been resolved in favor of the Department of
14 Family and Community Services; and

15 (D) if the reimbursement claim has been contested and resolved
16 in favor of the Department of Family and Community Services, no appeal is
17 pending, the time limit for filing an appeal has expired, or the appeal has been
18 resolved in favor of the Department of Family and Community Services.

19 * **Sec. 68.** AS 43.23.150(b) is amended to read:

20 (b) The Department of Family and Community Services shall notify the
21 individual if a dividend **tax credit refund** is claimed under (a) of this section. The
22 notice shall be sent to the address provided in the individual's permanent fund
23 dividend **tax credit** application and must provide the following information:

24 (1) the amount of the reimbursement claim;

25 (2) notice that the permanent fund dividend **tax credit refund**, or that
26 portion of the permanent fund dividend **tax credit refund** that does not exceed the
27 amount of the reimbursement claim, shall be paid to the Department of Family and
28 Community Services; and

29 (3) notification that the individual has a right to request a hearing and
30 has 30 days after the date the notice is mailed in which to file with the Department of
31 Family and Community Services an objection to the dividend **tax credit refund** claim

1 if a mistake has been made.

2 * **Sec. 69.** AS 43.23.160(a) is amended to read:

3 (a) AS 09.38 does not apply to a permanent fund dividend **tax credit refund**
4 taken under AS 14.43.145. Notwithstanding AS 09.35, the Alaska Commission on
5 Postsecondary Education may take a permanent fund dividend **tax credit refund**
6 under AS 14.43.145 by delivering a claim to the department certifying the following
7 information:

8 (1) the name and social security number of the individual whose
9 **refund** [DIVIDEND] is being claimed;

10 (2) the amount the individual owes on a loan awarded under AS 14.43;
11 and

12 (3) a statement that the loan is in default under AS 14.43.145, or, if the
13 individual has requested review of the status of the loan under AS 14.43.145(c), that a
14 final determination has been made that the loan is in default.

15 * **Sec. 70.** AS 43.23.160(b) is amended to read:

16 (b) The Alaska Commission on Postsecondary Education shall notify the
17 individual of a claim under (a) of this section. The notice shall be sent to the address
18 provided in the individual's permanent fund dividend **tax credit** application and must
19 provide the following information:

20 (1) the amount of the claim;

21 (2) notice that the amount of the permanent fund dividend **tax credit**
22 **refund** up to the amount of the claim shall be paid to the Alaska Commission on
23 Postsecondary Education to be credited against the individual's loan balance; and

24 (3) the individual's right to a hearing under (c) of this section.

25 * **Sec. 71.** AS 43.23.160(c) is amended to read:

26 (c) Within 30 days after the date of the notice under (b) of this section, the
27 individual may request a hearing. AS 44.62.330 - 44.62.630 apply to a hearing under
28 this section. At the hearing, the borrower has the burden to show that

29 (1) the commission has not sent a notice of default in compliance with
30 AS 14.43.145(b);

31 (2) the notice of default has been rescinded after review under

1 AS 14.43.145(c); or

2 (3) the amount owed by the borrower is less than the amount claimed
3 from the permanent fund dividend **tax credit refund**.

4 * **Sec. 72.** AS 43.23.170(a) is amended to read:

5 (a) AS 09.38 does not apply to permanent fund **dividend tax credit refunds**
6 [DIVIDENDS] taken under AS 47.05.080(b). Notwithstanding AS 09.35, execution
7 on a dividend **tax credit refund** claimed under AS 47.05.080(b) is accomplished by
8 delivering a certified claim to the department containing the following information:

9 (1) the name and social security number of the individual whose
10 **refund** [DIVIDEND] is being claimed;

11 (2) the amount the individual owes on the overpayment claim; and

12 (3) a statement that

13 (A) the Department of Health has notified the individual that
14 future permanent fund **dividend tax credit refunds** [DIVIDENDS] of the
15 individual will be taken to satisfy the overpayment claim;

16 (B) the individual was notified of the right to request a hearing
17 and allowed 30 days from the date of the notice under (A) of this paragraph to
18 request the Department of Health to hold a hearing on the overpayment claim;

19 (C) the overpayment claim has not been contested, or, if
20 contested, that the issue has been resolved in favor of the Department of
21 Health; and

22 (D) if the overpayment claim has been contested and resolved
23 in favor of the Department of Health, no appeal is pending, the time limit for
24 filing an appeal has expired, or the appeal has been resolved in favor of the
25 Department of Health.

26 * **Sec. 73.** AS 43.23.170(b) is amended to read:

27 (b) The Department of Health shall notify the individual if a dividend **tax**
28 **credit refund** is claimed under (a) of this section. The notice shall be sent to the
29 address provided in the individual's permanent fund dividend **tax credit** application
30 and must provide the following information:

31 (1) the amount of the overpayment claim;

1 (2) notice that the amount of the permanent fund dividend **tax credit**
2 **refund** that does not exceed the amount of the overpayment claim shall be paid to the
3 Department of Health; and

4 (3) notification that the individual has a right to request a hearing and
5 has 30 days from the date the notice is mailed in which to file with the Department of
6 Health an objection to the dividend claim if a mistake has been made.

7 * **Sec. 74.** AS 43.23.180(a) is amended to read:

8 (a) AS 09.38 does not apply to permanent fund **tax credit refunds**
9 [DIVIDENDS] taken by the Department of Labor and Workforce Development for a
10 claim for payment of money owed under AS 23.20 (Alaska Employment Security
11 Act). Notwithstanding AS 09.35, execution on a dividend claimed under this section is
12 accomplished by delivering a certified claim to the Department of Revenue containing
13 the following information:

14 (1) the name and social security number of the individual whose
15 **refund** [DIVIDEND] is being claimed; if the Department of Labor and Workforce
16 Development does not have access to the individual's social security number for this
17 purpose, the department may supply other identification information authorized under
18 regulations to make a claim under AS 43.23.140;

19 (2) the amount the individual owes on the claim under AS 23.20;

20 (3) a statement that

21 (A) the Department of Labor and Workforce Development has
22 notified the individual that future permanent fund **dividend tax credit refunds**
23 [DIVIDENDS] of the individual will be taken to satisfy the claim under
24 AS 23.20;

25 (B) the individual was notified of the right to request a hearing
26 under AS 23.20 and the Department of Labor and Workforce Development has
27 allowed the individual at least 30 days after the date of the notice described in
28 (A) of this paragraph to request a hearing on the claim;

29 (C) the claim under AS 23.20 has not been contested, or, if
30 contested, the issue has been resolved in favor of the Department of Labor and
31 Workforce Development; and

(D) if the claim under AS 23.20 has been contested and resolved in favor of the Department of Labor and Workforce Development, an appeal is not pending, the time limit for filing an appeal has expired, or the appeal has been resolved in favor of the department.

* **Sec. 75.** AS 43.23.180(b) is amended to read:

(b) The Department of Labor and Workforce Development shall notify the individual if a dividend **tax credit refund** is claimed under (a) of this section. The notice shall be sent to the mailing address provided in the individual's permanent fund dividend **tax credit** application and must provide the following information:

(1) the amount of the claim under AS 23.20;

(2) notice that the permanent fund dividend **tax credit refund**, or that portion of the permanent fund dividend **tax credit refund** that does not exceed the amount of the claim under AS 23.20, shall be paid to the Department of Labor and Workforce Development in accordance with priorities established in state law;

(3) notice that the individual has a right to request a hearing and has a specific time after the date that the notice is mailed in which to file with the Department of Labor and Workforce Development an objection to paying the claim from the individual's permanent fund dividend **tax credit refund**.

* **Sec. 76.** AS 43.23.190(a) is amended to read:

(a) AS 09.38 does not apply to a permanent fund dividend **tax credit refund** taken under AS 14.40.251. Notwithstanding AS 09.35, the University of Alaska may take a permanent fund dividend **tax credit refund** under AS 14.40.251 by delivering a claim to the department certifying the following information:

(1) the name and social security number of the individual whose **refund** [DIVIDEND] is being claimed;

(2) the amount the individual owes the university; and

(3) a statement that

(A) the amount claimed is in default under AS 14.40.251;

(B) the university has notified the individual that future permanent fund **dividend tax credit refunds** [DIVIDENDS] will be taken to satisfy the claim;

1 (C) the individual was notified of the right to request a hearing
 2 and allowed 30 days after the date of the notice described in (B) of this
 3 paragraph to request the university to hold a hearing on the claim;

4 (D) the claim has not been contested or, if contested, the issue
 5 has been resolved in favor of the university; and

6 (E) if the claim has been contested and resolved in favor of the
 7 university, no appeal is pending, the time limit for filing an appeal has expired,
 8 or the appeal has been resolved in favor of the university.

9 * **Sec. 77.** AS 43.23.190(b) is amended to read:

10 (b) The University of Alaska shall notify the individual of a claim under (a) of
 11 this section. The notice shall be sent to the address provided in the individual's
 12 permanent fund dividend **tax credit** application and must provide the following
 13 information:

14 (1) the amount of the claim;

15 (2) notice that the amount of the permanent fund dividend **tax credit**
 16 **refund** up to the amount of the claim shall be paid to the university to be credited
 17 against the individual's default balance; and

18 (3) notice of the individual's right to a hearing under (c) of this section.

19 * **Sec. 78.** AS 43.23.190(c) is amended to read:

20 (c) Within 30 days after the date of the notice under (b) of this section, the
 21 individual may request a hearing. AS 44.62.330 - 44.62.630 apply to a hearing under
 22 this subsection. At the hearing, the individual has the burden to show that

23 (1) the university has not sent a notice of default in compliance with
 24 AS 14.40.251(b);

25 (2) the notice of default has been rescinded after review under
 26 AS 14.40.251(c); or

27 (3) the amount owed by the individual is less than the amount claimed
 28 from the permanent fund dividend **tax credit refund**.

29 * **Sec. 79.** AS 43.23.200(a) is amended to read:

30 (a) Except as provided in (b) of this section, a person eligible to receive a
 31 permanent fund dividend **tax credit refund** may not assign the right to the **refund**

1 [DIVIDEND]. An attempted assignment of the right to receive a permanent fund
2 dividend **tax credit refund** is against public policy and is void.

3 * **Sec. 80.** AS 43.23.200(b) is amended to read:

4 (b) A person may assign the right to receive a permanent fund dividend **tax**
5 **credit refund** to a federal, state, or municipal government agency or to a court.

6 * **Sec. 81.** AS 43.23.210 is amended to read:

7 **Sec. 43.23.210. Fees for processing claims and assignments.** The department
8 shall by regulation adopted under AS 44.62 (Administrative Procedure Act) establish
9 fees for processing claims on **permanent fund dividend tax credit refunds**
10 [DIVIDENDS] received by the department under AS 43.23.140, 43.23.160, or
11 43.23.180 and for processing assignments of **refunds** [DIVIDENDS] received by the
12 department under AS 43.23.200(b). The fees shall cover the administrative expenses
13 of the department associated with the claims and assignments. Fees shall be deducted
14 from the amount of the **refund** [DIVIDEND] remaining after payment of the portion
15 claimed or assigned, or, if the entire **refund** [DIVIDEND] is claimed or assigned, the
16 fees shall be deducted before the **refund** [DIVIDEND] is paid to the creditor or
17 assignee.

18 * **Sec. 82.** AS 43.23.230(a) is amended to read:

19 (a) The dividend **tax credit refund** raffle fund is established as an account in
20 the 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 dividend **tax credit refund**
24 raffle fund, without further appropriation, to pay for prizes as set out in (d) of this
25 section and may use up to two percent of the balance of the fund but not more than
26 \$500,000 from the fund each fiscal year to pay the cost of administering the fund and
27 for promotion and advertisement of the fund. When the balance of the dividend **tax**
28 **credit refund** raffle fund exceeds \$300,000,000 at the end of a fiscal year, the
29 commissioner shall transfer the amount above \$300,000,000 to the education
30 endowment fund established in AS 43.23.220. Money donated to the fund does not
31 lapse.

1 * **Sec. 83.** AS 43.23.230(b) is amended to read:

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

10 * **Sec. 84.** AS 43.23.230(c) is amended to read:

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

19 * **Sec. 85.** AS 43.23.230(d) is amended to read:

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

24 (1) the first name drawn receives an amount equal to eight percent of
25 the balance of the dividend **tax credit refund** raffle fund;

26 (2) the second name drawn receives an amount equal to four percent of
27 the balance of the dividend **tax credit refund** raffle fund;

28 (3) the third name drawn receives an amount equal to two percent of
29 the balance of the dividend **tax credit refund** raffle fund; and

30 (4) the fourth name drawn receives an amount equal to one percent of
31 the balance of the dividend **tax credit refund** raffle fund.

1 * **Sec. 86.** AS 43.23.240 is amended to read:

2 **Sec. 43.23.240. Eligibility for public assistance.** (a) In determining the
3 eligibility of an individual under a public assistance program administered by the
4 Department of Health in which eligibility for assistance is based on financial need, the
5 Department of Health may not consider a permanent fund dividend **tax credit refund**
6 as income or resources received by the recipient of public assistance or by a member
7 of the recipient's household unless required to do so by federal law or regulation. The
8 Department of Health shall notify all recipients of public assistance of the effects of
9 receiving a permanent fund dividend **tax credit refund**.

10 (b) An individual who is denied medical assistance under 42 U.S.C. 1396 -
11 1396p (Social Security Act, Title XIX) solely because of the receipt of a permanent
12 fund dividend **tax credit refund** by the individual or by a member of the individual's
13 household is eligible for state-funded medical assistance under AS 47.25.120 -
14 47.25.300 (general relief assistance program). The individual is entitled to receive, for
15 a period not to exceed four months, the same level of medical assistance as the
16 individual would have received under 42 U.S.C. 1396 - 1396p (Social Security Act,
17 Title XIX) had there been no permanent fund dividend **tax credit refund** program.

18 (c) An individual who is denied assistance solely because **a** permanent fund
19 **dividend tax credit refund** [DIVIDENDS] received by the individual or by a member
20 of the individual's household are counted as income or resources under federal law or
21 regulation is eligible for cash assistance under AS 47.25.120 - 47.25.300 (general
22 relief assistance program). Notwithstanding the limit in AS 47.25.130, the individual
23 is entitled to receive, for a period not to exceed four months, the same amount as the
24 individual would have received under other public assistance programs had there been
25 no permanent fund dividend **tax credit refund** program.

26 * **Sec. 87.** AS 43.23.250 is amended to read:

27 **Sec. 43.23.250. Eligibility for state programs.** A program administered by
28 the state or any of its instrumentalities or municipalities, the eligibility for which is
29 based on financial need, may not consider a permanent fund dividend **tax credit**
30 **refund** as income or resources unless required to do so by federal law or regulation.

31 * **Sec. 88.** AS 43.23.270(a) is amended to read:

1 (a) In addition to any criminal penalties imposed by state law, if an individual
 2 is convicted of a crime in connection with a false statement made in a certification
 3 required under AS 43.23.015, and the conviction is not reversed, that individual
 4 forfeits all permanent fund dividend tax credit refunds [DIVIDENDS] paid and is
 5 not eligible for a future permanent fund dividend tax credit.

6 * **Sec. 89.** AS 43.23.270(b) is amended to read:

7 (b) If the commissioner determines that a permanent fund dividend tax credit
 8 should not have been issued or refunded [CLAIMED BY OR PAID] to an individual,
 9 the commissioner may use all collection procedures or remedies available for
 10 collection of taxes under this title to recover the payment of a permanent fund
 11 dividend tax credit that was improperly made. A notice of an improperly paid
 12 dividend must be sent to the individual within

13 (1) three years after the improper payment is sent; or

14 (2) six years after the improper payment is sent if the commissioner
 15 determines that the individual exercised gross negligence or recklessly disregarded a
 16 material fact in connection with a false statement made in an application.

17 * **Sec. 90.** AS 43.23.270(c) is amended to read:

18 (c) In addition to any criminal penalties imposed by state law, if the
 19 department finds that an individual, in claiming a permanent fund dividend tax credit,
 20 or an individual, in certifying another person's eligibility, wilfully misrepresents,
 21 exercises gross negligence with respect to, or recklessly disregards a material fact
 22 pertaining to [,] eligibility, the department may issue an order against the individual
 23 for the

24 (1) forfeiture of the dividend tax credit or tax credit refund;

25 (2) imposition of a civil fine of up to \$3,000; and

26 (3) loss of eligibility to receive the next five dividend tax credits
 27 [DIVIDENDS] following the forfeited dividend tax credit or tax credit refund.

28 * **Sec. 91.** AS 43.23.270(d) is amended to read:

29 (d) If notice is not sent within the time required under (b) of this section,
 30 administrative or judicial proceedings may not be commenced for recovery of an
 31 improperly issued [PAID] dividend tax credit. The time limitations of (b) of this

1 section do not apply if a dividend **tax credit refund** is forfeited under (a) of this
 2 section or if it is more probable than not that an individual has committed a crime in
 3 connection with a false statement made in an application.

4 * **Sec. 92.** AS 43.23.295(5) is amended to read:

5 (5) "permanent fund dividend **tax credit**" means a right to **be issued a**
 6 **permanent fund dividend tax credit** [RECEIVE A PAYMENT FROM THE
 7 DIVIDEND FUND];

8 * **Sec. 93.** AS 43.23.295(6) is amended to read:

9 (6) "qualifying year" means the year immediately preceding January 1
 10 of the current dividend **credit** year;

11 * **Sec. 94.** AS 43.40.092(b)(1) is amended to read:

12 (1) the term "resident worker" means an individual who

13 (A) is physically present in the state with the intent to remain in
 14 the state indefinitely and has a home in the state;

15 (B) demonstrates that intent by maintaining a residence in the
 16 state;

17 (C) possesses a resident fishing, trapping, or hunting license, or
 18 **is issued** [RECEIVES] a permanent fund dividend **tax credit**; and

19 (D) may be required to state under oath that the individual is
 20 not claiming residency outside of the state or obtaining benefits under a claim
 21 of residency outside of the state;

22 * **Sec. 95.** AS 43.82.230(e)(3) is amended to read:

23 (3) "Alaska resident" means a natural person who

24 (A) receives a permanent fund dividend **tax credit** under
 25 AS 43.23; or

26 (B) is registered to vote under AS 15 and qualifies for a
 27 resident fishing, hunting, or trapping license under AS 16;

28 * **Sec. 96.** AS 44.64.030(a)(33) is amended to read:

29 (33) AS 43.23 (permanent fund **dividend tax credits** [DIVIDENDS]);

30 * **Sec. 97.** AS 44.99.205(c)(3) is amended to read:

31 (3) "program" includes the permanent fund dividend **tax credit**

1 program under AS 43.23 and the longevity bonus program under AS 47.45.010 -
2 47.45.160;

3 * **Sec. 98.** AS 45.35.040 is amended to read:

4 **Sec. 45.35.040. Prohibited provisions.** A lease-purchase agreement may not
5 contain

6 (1) a confession of judgment;

7 (2) a negotiable instrument;

8 (3) a security interest in, or another claim on, real or personal property
9 that is not the subject of the agreement;

10 (4) a wage assignment;

11 (5) an assignment of a [AN ALASKA] permanent fund dividend **tax**
12 **credit refund**;

13 (6) a waiver by the consumer of claims or defenses relating to the
14 agreement;

15 (7) a provision authorizing the lessor or a person acting on the lessor's
16 behalf to enter the consumer's premises or to commit a breach of the peace in the
17 repossession of personal property;

18 (8) an agreement by the consumer to pay attorney fees and costs,
19 except as allowed under court rules.

20 * **Sec. 99.** AS 47.05.080(b) is amended to read:

21 (b) A [THE] permanent fund dividend **tax credit refund** of a former recipient
22 of a public assistance program listed under (a) of this section may be taken under
23 AS 43.23.140(b)(6) and 43.23.170 to satisfy the balance due on a defaulted
24 overpayment claim.

25 * **Sec. 100.** AS 47.10.115(a) is amended to read:

26 (a) The department shall annually apply for a permanent fund dividend **tax**
27 **credit** and retain in trust under AS 43.23.015(e) for the benefit of the child the **tax**
28 **credit refund** [DIVIDEND] and accrued interest on the **refund** [DIVIDEND] if the
29 child is in the custody of the department when the application is due.

30 * **Sec. 101.** AS 47.12.155(c) is amended to read:

31 (c) If a court orders a minor's parent or guardian to participate in treatment

1 under (b) of this section, the court also shall order the parent or guardian to use any
 2 available insurance or another resource to cover the treatment, or to pay for the
 3 treatment if other coverage is unavailable. If the court determines that the parent or
 4 guardian is unable to pay for the treatment due to indigence and the department pays
 5 for the treatment, the department may seek reimbursement only from the indigent
 6 parent's or guardian's permanent fund dividend **tax credit refund**.

7 * **Sec. 102.** AS 47.12.155(d) is amended to read:

8 (d) **A** [THE] permanent fund dividend **tax credit refund** of an indigent parent
 9 or guardian participating in treatment ordered under (b) of this section may be taken
 10 under AS 43.23.140(b)(6) and 43.23.150 to satisfy the balance due on a
 11 reimbursement claim by the department under (c) of this section.

12 * **Sec. 103.** AS 47.55.020(d) is amended to read:

13 (d) Notwithstanding AS 47.55.070 and (b) of this section, a resident of a home
 14 whose income, assets, and other resources are insufficient to pay the monthly or daily
 15 rates set under AS 47.55.030(f) plus charges under AS 47.55.030(b), and who does not
 16 have private insurance to cover the cost of care, qualifies for payment assistance if the
 17 resident is otherwise in compliance with requirements under this chapter. The amount
 18 of payment assistance equals the amount needed, when added to other income and
 19 assets of the resident, to pay the monthly or daily rates set under AS 47.55.030(f) plus
 20 charges under AS 47.55.030(b). Payment assistance received by a home resident is a
 21 debt to the state. In determining the amount of payment assistance for which a home
 22 resident qualifies, the following income, assets, and other resources of the resident
 23 shall be disregarded:

24 (1) income from any source in an amount up to \$300 a month as
 25 established by the department by regulation;

26 (2) the following assets received under 43 U.S.C. 1601 et seq. (Alaska
 27 Native Claims Settlement Act):

28 (A) cash dividends and other income equal to at least \$2,000 as
 29 established by the department by regulation;

30 (B) stock;

31 (C) noncash dividends from stock; and

- 1 (D) land;
- 2 (3) a permanent fund dividend **tax credit or tax credit refund** issued
- 3 under **AS 43.22.090** [AS 43.23];
- 4 (4) compensation to volunteers under the federal retired and senior
- 5 volunteers (42 U.S.C. 5001), foster grandparents (42 U.S.C. 5011), and senior
- 6 companion (42 U.S.C. 5013) programs made in accordance with 42 U.S.C. 5044(f);
- 7 (5) federal World War II restitution payments made under 50 U.S.C.
- 8 App. 1989b-4 and c-5;
- 9 (6) payments under AS 18.67 (Violent Crimes Compensation Board);
- 10 (7) an amount, determined by the department by regulation, that is
- 11 sufficient for burial expenses of the resident, the resident's spouse, and dependents of
- 12 the resident;
- 13 (8) real property being used as the primary residence of the resident's
- 14 spouse or a dependent of the resident;
- 15 (9) other real or personal property equal to at least a total value of up
- 16 to \$10,000 as established by the department by regulation;
- 17 (10) federal payments that are excluded by law from income for
- 18 federal assistance purposes."

19

20 Renumber the following bill sections accordingly.

21

22 Page 26, line 3:

23 Delete "AS 43.22, added by sec. 2"

24 Insert "(a) AS 43.22, added by sec. 35"

25

26 Page 26, line 4:

27 Delete "sec. 2"

28 Insert "sec. 35"

29

30 Page 26, following line 4:

31 Insert new material to read:

1 (b) The following sections apply to offenses committed on or after the effective date
2 of this Act:

- 3 (1) AS 11.56.205(a), as amended by sec. 5 of this Act;
- 4 (2) AS 11.56.205(b), as amended by sec. 6 of this Act;
- 5 (3) AS 11.56.800(a), as amended by sec. 7 of this Act;
- 6 (4) AS 11.66.280(3), as amended by sec. 8 of this Act;
- 7 (5) AS 12.25.200(b), as amended by sec. 9 of this Act; and
- 8 (6) AS 12.55.041(d), as amended by sec. 10 of this Act.

9 * **Sec. 106.** The uncodified law of the State of Alaska is amended by adding a new section
10 to read:

11 TRANSITION. (a) A right, responsibility, liability, or other obligation related to the
12 former permanent fund dividend created by or under a law amended or repealed by this Act,
13 and in effect on the effective date of this Act, remains in effect notwithstanding this Act's
14 taking effect.

15 (b) The permanent fund dividend tax credit issued during calendar year 2026 under
16 AS 43.22.090, added by sec. 35 of this Act, applies to the 2026 tax year against the taxes
17 levied under AS 43.22, added by sec. 35 of this Act."
18

19 Renumber the following bill section accordingly.