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CS FOR SENATE BILL NO. 104(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS DYSON, Fairclough, Gardner, Ellis

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to appropriations from the dividend fund; creating the criminal fund;**
2 **relating to appropriations from the criminal fund for payments for crime victims, child**
3 **support arrearages, court-ordered rehabilitation program costs, and incarceration**
4 **costs; and providing for an effective date."**

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

6 *** Section 1.** AS 43.23.028 is amended to read:

7 **Sec. 43.23.028. Public notice.** (a) By October 1 of each year, the
8 commissioner shall give public notice of the value of each permanent fund dividend
9 for that year and notice of the information required to be disclosed under (3) of this
10 subsection. In addition, the stub attached to each individual dividend disbursement
11 advice must

12 (1) disclose the amount of each dividend attributable to income earned
13 by the permanent fund from deposits to that fund required under art. IX, sec. 15,
14 Constitution of the State of Alaska;

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

(3) disclose the amount by which each dividend has been reduced due to each appropriation from the dividend fund, including amounts to pay the costs of administering the dividend program and the hold harmless provisions of AS 43.23.075;

(4) include a statement that an individual is not eligible for a dividend when

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

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

(i) felony; or

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

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

(A) **provide funds for services for and payments to crime victims** [OBTAIN REIMBURSEMENT FOR SOME OF THE COSTS IMPOSED ON THE STATE CRIMINAL JUSTICE SYSTEM RELATED TO INCARCERATION OR PROBATION OF THOSE INDIVIDUALS];

(B) **make child support payments and reduce child support arrearages for the individuals;**

(C) **pay for court-ordered rehabilitation programs for the individuals; and**

(D) **obtain reimbursement for some of the costs of incarceration or probation of the individuals** [PROVIDE FUNDS FOR SERVICES FOR AND PAYMENTS TO CRIME VICTIMS AND FOR GRANTS FOR THE OPERATION OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT PROGRAMS];

(6) disclose the total amount that would have been paid during the previous fiscal year to individuals who were ineligible to receive dividends under AS 43.23.005(d) if they had been eligible;

(7) disclose the total amount appropriated for the current fiscal year under **AS 43.23.031 and** (b) of this section for each of the funds and agencies listed in **AS 43.23.031 and** (b) of this section.

(b) To the extent that amounts appropriated for a fiscal year do not exceed the total amount that would have been paid during the previous fiscal year to individuals who were ineligible to receive dividends under AS 43.23.005(d) or under AS 43.23.021(b) if they had been eligible, the notice requirements of (a)(3) of this section do not apply to appropriations from the dividend fund to **the criminal fund (AS 43.23.048) or, after the appropriation to the criminal fund, to**

(1) the crime victim compensation fund established under AS 18.67.162 for payments to crime victims;

(2) the Council on Domestic Violence and Sexual Assault established under AS 18.66.010 for grants for the operation of domestic violence and sexual assault programs;

(3) the Department of Corrections for incarceration and probation programs;

(4) the office of victims' rights;

(5) nonprofit victims' rights organizations for grants for services to crime victims; or

(6) the Department of Revenue for grants to minor children of incarcerated individuals under a grant program established by regulations of the Department of Revenue under AS 44.62 (Administrative Procedure Act).

* **Sec. 2.** AS 43.23 is amended by adding a new section to read:

Sec. 43.23.031. Appropriations from the criminal fund. (a) The legislature may appropriate amounts from the criminal fund (AS 43.23.048) to the following recipients in the priority order listed based on the amounts determined in (e) of this section:

(1) to the Violent Crimes Compensation Board for services for and

1 payments to crime victims;

2 (2) to the child support services agency for child support arrearages;

3 (3) to a state-approved rehabilitation program for court-ordered
4 rehabilitation program costs; or

5 (4) to the Department of Corrections for costs related to incarceration
6 or probation.

7 (b) By October 1 of each year, the Violent Crimes Compensation Board shall
8 send to the department the total amount of the compensable claims from the previous
9 fiscal year and the amount necessary to pay all of the compensable claims.

10 (c) By October 1 of each year, the child support services agency shall send to
11 the department the total amount of child support arrearages owed by incarcerated
12 individuals in the previous fiscal year.

13 (d) By October 1 of each year, the court system shall send to the department
14 the amount that is owed for court-ordered drug or alcohol treatment.

15 (e) The department shall use the amounts provided in AS 43.23.028(a)(6) in
16 combination with the amounts provided under (b) - (d) of this section to determine the
17 amount each state agency should receive from the criminal fund (AS 43.23.048) in
18 accordance with the priority order in (a) of this section.

19 (f) The department shall submit to the legislature a report listing the amounts
20 determined under (e) of this section. The report shall be submitted at the same time as
21 the governor's budget under AS 37.07.020.

22 * **Sec. 3.** AS 43.23 is amended by adding a new section to read:

23 **Sec. 43.23.048. Criminal fund.** The criminal fund is created as a separate
24 account in the dividend fund. The legislature shall appropriate from the dividend fund
25 each fiscal year an amount equal to the amount that would have been paid during the
26 previous fiscal year to individuals who were ineligible to receive dividends under
27 AS 43.23.005(d) if they had been eligible. Money in the fund may be appropriated in
28 accordance with AS 43.23.031. Nothing in this section creates a dedicated fund.

29 * **Sec. 4.** AS 43.23.055 is amended to read:

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

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

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

(3) adopt regulations under AS 44.62 (Administrative Procedure Act) that establish procedures and time limits for an individual upon emancipation or upon reaching majority to apply for permanent fund dividends not received during minority because the parent, guardian, or other authorized representative did not apply on behalf of the individual;

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

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

(6) adopt regulations that are necessary to implement AS 43.23.005(d) **and 43.23.031**;

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

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

(9) provide any information, upon request, contained in permanent fund dividend records to the child support services agency created in AS 25.27.010, or the child support enforcement agency of another state, for child support purposes

1 authorized under law; if the information is contained in an electronic data base, the
2 department shall provide the requesting agency with either

3 (A) access to the data base; or

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

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

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

10 (B) commissioner to detect and investigate the claiming or
11 paying of permanent fund dividends that should not have been claimed by or
12 paid to an individual and to impose the penalties and enforcement provisions
13 under AS 43.23.035;

14 **(11) use a list of individuals ineligible for a dividend under**
15 **AS 43.23.005(d) provided annually by the Department of Corrections and the**
16 **Department of Public Safety to determine the amount of child support**
17 **arrearages owed by those individuals.**

18 * **Sec. 5.** This Act takes effect July 1, 2014.