



Senate Bill 217
State Land Voucher; PFDs
Sectional Analysis 2/25/20

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

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

Section 3 – Amends AS 38.95 by adding two new sections. New section AS 38.95.350 directs the Department of Natural Resources (DNR), except as provided under AS 38.05.067 as (modified by Section 1), to accept one or more dividend land vouchers (issued under provisions enacted in Section 6) at their face value for purchase of state land under land contracts. It prohibits DNR from accepting vouchers for payment of rents or fees or land purchases other than as provided in this section, or for state land sales contracts entered into before January 1, 2021. A voucher will be exhausted after one use whether it covered the full land sale price or not, and applicants are entitled to no refund or other credit for any portion of the voucher’s value remaining after such a sale.

The second new section, AS 38.95.360, requires DNR to report to the governor before September 1 of each year the number and total value of dividend land vouchers it accepted for payment in the previous fiscal year. Such reports may include recommendations for changes in the requested appropriation for the Land Disposal Income Fund (LDIF). This provision is required because acceptance of state land vouchers will proportionately reduce revenues generated from state land sales that are deposited into the LDIF. Loss of these funds, if not replaced by another revenue source, will result in significant challenges to maintaining DNR’s land sale programs.

Section 4 - Adds a new section, AS 43.23.018. Subsection (a) directs DOR to allow a person using the electronic application for a Permanent Fund dividend – and not a person or public agency applying on behalf of another individual, or an assignee of the right to receive a dividend –to make an irrevocable election to receive a single dividend land voucher instead of a monetary dividend. It makes an assignee of the right to receive a dividend ineligible to elect to receive a dividend land voucher. It directs DOR, if unable during a dividend year to determine whether an applicant is eligible to receive a dividend, to void that applicant’s election to receive a dividend land voucher; if later determined to be eligible, the applicant will be eligible to receive a monetary dividend, but not to elect to receive a dividend land voucher.

Subsection (b) sets the value of a dividend land voucher at twice the value of a monetary dividend as calculated under AS 43.23.025 if 50 percent of income available distribution was deposited into the Fund's dividend fund under AS 37.13.145(b). Subsection (c) limits the use of vouchers only to purchase of land under AS 38.95.350 (as enacted by Section 4). Subsection (d) provides that vouchers issued under this section do not expire. Subsection (e) makes vouchers transferable to any person, bars the department from preventing or keeping records of transfers; and prohibits bringing action against the state related to transfer of a state land voucher. Subsection (f) provides that issuing a land dividend voucher creates no obligation on DNR to make any state land available for sale or to enter any land sale contract, nor does it represent DNR's statement as to the person's eligibility to purchase state land. Subsection (g) provides that the value of a voucher subject to attachment for debt collection is set under AS 43.23.140(e), and DNR shall issue land vouchers for the value remaining after such collection.

Section 5 – Amends AS 43.23.045 by adding a new subsection (f), directing that any value of Permanent Fund dividends remaining in the Alaska Permanent Fund's dividend account after individual elections to receive state land vouchers instead of monetary dividends will, after application of collection or garnishment action under AS 43.23.140, lapse back to the General Fund.

Section 6 – Amends AS 43.23.055 by expanding the DOR commissioner's duties to include issuing state land vouchers under AS 43.23.180; directs DOR to develop regulations to establish procedures and time limits for voucher issuance and use; and directs DOR to report annually to DNR both the number of individuals electing to receive land vouchers instead of monetary dividends, and the number and value of such vouchers issued.

Section 7 – Amends AS 43.23.140(a) to refer to the additional exception (enacted in Section 9) to the rule that 20 percent of an individual's Permanent Fund dividend is exempt from levy, execution, garnishment, attachment, or any other remedy for the collection of debt.

Section 8 – Amends AS 43.23.140 by adding a new subsection (e) to specify that the value of a land voucher may only be attached up to the amount available for garnishment from a monetary dividend, before the land voucher is issued, notwithstanding exceptions enumerated in AS 43.23.140(a) (established under Section 10) and AS 43.23.140(b).

Section 9 – Adds a new subsection AS 43.23.240(d), directing the Department of Health and Social Services (DHSS) to consider a land voucher issued under AS 43.23.018 as income or resources of an applicant, in calculating that applicant's eligibility for public assistance programs it administers, and to notify all public assistance recipients of the effects of receiving a dividend land voucher.

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

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

Section 12 – Establishes as the bill's effective date as January 1, 2021.