

SENATE BILL NO. 217

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/21/20

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing state land vouchers; relating to restricted land sales for veterans;
2 relating to the veterans' land purchase discount; relating to the permanent fund
3 dividend; relating to the duties of the Department of Revenue; authorizing the
4 Department of Natural Resources to accept state land vouchers; relating to eligibility for
5 public assistance; and providing for an effective date."

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

7 * **Section 1.** AS 38.05.940(c) is amended to read:

8 (c) A veteran is entitled to only one discount under this section during the
9 veteran's lifetime. A veteran may apply one or more state land vouchers issued
10 under AS 43.23.018 to the one-time purchase of land using the discount under
11 this section.

12 * **Sec. 2.** AS 38.05.940(d) is amended to read:

13 (d) A discount under this section may be applied only to the acquisition of

surface rights to state land. A discount under this section may not be applied to survey costs, road development costs, utility assessments, or other costs that the commissioner determines are reimbursable to the state. **A state land voucher issued under AS 43.23.018 that is applied to a discounted purchase under this section may be applied only to the acquisition of surface rights to state land and may not be applied to costs ineligible for a discount under this section.**

* **Sec. 3.** AS 38.95 is amended by adding new sections to read:

Article 8. State Land Vouchers.

Sec. 38.95.350. Accepting state land vouchers. The department shall accept one or more state land vouchers issued under AS 43.23.018 as payment for purchases of land sold under land sales contracts under AS 38.05.065, 38.05.067, and 38.05.940 entered into on or after January 1, 2021. The department may not accept state land vouchers as payment for any rents, fees, or purchases of state land other than as provided in this section. A state land voucher accepted for payment is exhausted regardless of whether the purchase price of the land sold is less than the face value of the voucher. A purchaser is not entitled to any refund or other credit when a state land voucher is accepted for payment. Regardless of the price paid by a transferee of a state land voucher to the transferor, the department shall accept the face value of the voucher as payment.

Sec. 38.95.360. Report on state land vouchers. Before September 1 of each year, the department shall report to the governor the number and value of state land vouchers accepted for payment during the previous fiscal year. The department shall include in the report a recommendation on whether any additional appropriation to the state land disposal income fund under AS 38.04.022 is needed to account for the decrease in deposits to the fund because of the acceptance of state land vouchers.

* **Sec. 4.** AS 43.23 is amended by adding a new section to read:

Sec. 43.23.018. Election of state land voucher instead of a monetary dividend. (a) The Department of Revenue shall prepare the electronic Alaska permanent fund dividend application to allow an applicant who files electronically to elect to receive a single state land voucher instead of a monetary dividend. If the commissioner of revenue is unable to determine an applicant's eligibility to receive a

1 permanent fund dividend under AS 43.23.015(a) during the dividend year, an election
 2 to receive a state land voucher is void. An election to receive a state land voucher is
 3 irrevocable. This election may not be made by any person or public agency submitting
 4 an application on behalf of another individual. An assignee of the right to receive a
 5 permanent fund dividend is ineligible to elect to receive a state land voucher.

6 (b) Notwithstanding the amount appropriated for the permanent fund dividend
 7 in a fiscal year, each state land voucher shall have a value that is twice that of the
 8 permanent fund dividend as would be calculated under AS 43.23.025 for that fiscal
 9 year if 50 percent of the income available for distribution were transferred to the
 10 dividend fund under AS 37.13.145(b).

11 (c) A state land voucher may be accepted as payment for the purchase of land
 12 only as provided under AS 38.95.350.

13 (d) A state land voucher issued under this section does not expire.

14 (e) A state land voucher may be transferred to any person. Unless otherwise
 15 provided by law or contract, a state land voucher may be transferred in the same
 16 manner as other intangible property. The department may not approve or deny any
 17 transfer. The department may not keep records of any transfers. An action may not be
 18 brought against the state related to the transfer of a state land voucher.

19 (f) The issuance of a state land voucher by the department does not require the
 20 Department of Natural Resources to enter into any land sale contract or make any land
 21 available for purchase. The issuance of a state land voucher by the department is not a
 22 statement as to the eligibility of any person to purchase land from the Department of
 23 Natural Resources.

24 (g) The portion of a state land voucher subject to levy, execution,
 25 garnishment, attachment, or any other remedy for the collection of debt shall be
 26 determined under AS 43.23.140(e). The department shall issue a state land voucher for
 27 the value remaining after collection.

28 * **Sec. 5.** AS 43.23.045 is amended by adding a new subsection to read:

29 (f) Any amount remaining as a result of individual elections to receive a state
 30 land voucher instead of a monetary dividend, after the application of AS 43.23.140,
 31 lapses into the general fund.

1 * **Sec. 6.** AS 43.23.055 is amended to read:

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

3 (1) annually pay permanent fund dividends from the dividend fund **and**
 4 **issue state land vouchers as applicable under AS 43.23.018;**

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

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

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

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

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

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

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

1 must be filed;

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

7 (A) access to the data base; or

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

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

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

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

18 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)
19 so that contributions under AS 43.23.130 are given a priority over donations under
20 AS 43.23.230 if the total amount of contributions and donations elected by an
21 applicant exceeds the amount of the permanent fund dividend that the applicant is
22 entitled to receive;

23 **(12) adopt regulations under AS 44.62 (Administrative Procedure**
24 **Act) that establish procedures and time limits for claiming a state land voucher;**

25 **(13) report to the Department of Natural Resources**

26 **(A) the number of individuals electing to receive a state land**
27 **voucher; and**

28 **(B) the number and value of state land vouchers issued.**

29 * **Sec. 7.** AS 43.23.140(a) is amended to read:

30 (a) Except as provided in (b) **and (e)** of this section, 20 percent of the annual
31 permanent fund dividend payable to an individual is exempt from levy, execution,

garnishment, attachment, or any other remedy for the collection of debt. No other exemption applies to a dividend. Notwithstanding other laws, a writ of execution upon a dividend that has not been delivered to the debtor may be served on the commissioner by

(1) certified mail, return receipt requested; or

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

*** Sec. 8.** AS 43.23.140 is amended by adding a new subsection to read:

(e) Notwithstanding (a) and (b) of this section, if a person elects to receive a state land voucher instead of a monetary dividend, the value of the voucher may only be levied, executed upon, garnished, attached, or otherwise collected as a remedy for debt up to the amount available for garnishment from a monetary dividend. The amount to be collected under this section shall be paid by the department, before a voucher is issued, from the value determined for the individual's dividend payment under AS 43.23.025.

*** Sec. 9.** AS 43.23.240 is amended by adding a new subsection to read:

(d) In determining the eligibility of an individual under a public assistance program administered by the Department of Health and Social Services in which eligibility for assistance is based on financial need, the Department of Health and Social Services shall consider a state land voucher issued under AS 43.23.018 as income or resources received by the recipient of public assistance or by a member of the recipient's household. The Department of Health and Social Services shall notify all recipients of public assistance of the effects of receiving a state land voucher.

*** Sec. 10.** AS 43.23.250 is amended by adding a new subsection to read:

(b) A program administered by the state, an instrumentality of the state, or a municipality for which eligibility is based on financial need shall consider a state land voucher issued under AS 43.23.018 as income or resources.

*** Sec. 11.** AS 43.23.270 is amended by adding a new subsection to read:

(f) The provisions of this section regarding payment of permanent fund dividends apply to state land vouchers issued unless context otherwise requires.

1 * **Sec. 12.** This Act takes effect January 1, 2021.