

HOUSE BILL NO. 110

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE CARPENTER

Introduced: 3/13/23

Referred: House Special Committee on Ways and Means, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska permanent fund; relating to permanent fund dividends**
2 **and the dividend fund; transferring the dividend program from the Department of**
3 **Revenue to the Alaska Permanent Fund Corporation; relating to the duties of the**
4 **Department of Revenue; relating to the duties of the Alaska Permanent Fund**
5 **Corporation; and providing for an effective date."**

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

7 *** Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
8 to read:

9 LEGISLATIVE INTENT. (a) It is the intent of the legislature to

10 (1) stabilize annual permanent fund dividend payments;

11 (2) require the state to pay a statutorily determined dividend;

12 (3) transfer the permanent fund earnings to the dividend fund by statute and
13 not by appropriation;

(4) eliminate potentially conflicting statutory dividend calculations;

(5) remove from the review of courts in this state the constitutionality of the transfer of money from the permanent fund to the dividend fund.

(b) The legislature understands that an amendment to the Constitution of the State of Alaska is required to enable the dedication of permanent fund income.

* **Sec. 2.** AS 06.65.300 is amended to read:

Sec. 06.65.300. Deposit from permanent fund dividend. A person who is eligible under AS 37.13.400 - 37.13.660 [AS 43.23] to receive a permanent fund dividend may make a deposit into the program account of a designated beneficiary from and up to the amount of the person's permanent fund dividend.

* **Sec. 3.** AS 09.20.050(b) is amended to read:

(b) The jury list shall be based on a list prepared by the Alaska Permanent Fund Corporation [DEPARTMENT OF REVENUE] of all persons who filed an application for a distribution of Alaska permanent fund income under AS 37.13.400 - 37.13.660 [AS 43.23] during the current calendar year that shows an Alaska address, and of all persons who volunteer for jury duty under (d) of this section. If considered necessary by the administrative director of the Alaska Court System, the jury list shall incorporate a list prepared by the Department of Administration of all persons who hold a valid Alaska driver's license. The departments shall submit their respective lists to the Alaska Court System not later than September 30 of each year. To the extent that it is available, the departments shall include on the lists they submit the following information for each person: first name, middle initial, and last name; mailing address, including the zip code; and birth date. [THE LISTS SHALL BE RECORDED ON MAGNETIC TAPE COMPATIBLE WITH ALASKA COURT SYSTEM DATA PROCESSING EQUIPMENT.]

* **Sec. 4.** AS 09.38.015(a) is amended to read:

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

- (1) a burial plot for the individual and the individual's family;
- (2) health aids reasonably necessary to enable the individual or a dependent to work or to sustain health;
- (3) benefits paid or payable for medical, surgical, or hospital care to

1 the extent they are or will be used to pay for the care;

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

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

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

7 (7) liquor licenses granted under AS 04;

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

11 (9) a permanent fund dividend to the extent allowed under
12 AS 37.13.530 [AS 43.23.140];

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

14 * **Sec. 5.** AS 11.56.205(b)(2) is amended to read:

15 (2) "permanent fund dividend" has the meaning given in AS 37.13.900
16 [AS 43.23.295].

17 * **Sec. 6.** AS 11.56.800(a) is amended to read:

18 (a) A person commits the crime of false information or report if the person
19 knowingly

20 (1) gives false information to a peace officer

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

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

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

24 or

25 (ii) being served with an arrest warrant or being issued a
26 citation;

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

29 (3) makes a false report or gives a false alarm, under circumstances not
30 amounting to terroristic threatening in the second degree under AS 11.56.810, that a
31 fire or other incident dangerous to life or property calling for an emergency response

1 has occurred or is about to occur;

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

4 (5) gives false information to a public employee relating to a person's
5 eligibility for a permanent fund dividend under AS 37.13.400 - 37.13.660 [AS 43.23]
6 and the false information does not also violate AS 11.56.205.

7 * **Sec. 7.** AS 11.66.280(3) is amended to read:

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

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

18 (B) playing an amusement device that

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

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

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

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

(D) the permanent fund dividend raffle authorized under

AS 37.13.620 [AS 43.23.230];

* **Sec. 8.** AS 12.55.041(d) is amended to read:

(d) The court shall include a surcharge imposed under (a) of this section in the judgment of conviction. The court shall include the imposition of a surcharge under (c) of this section in the order revoking probation. For a surcharge that is not paid by the person as required by this section, the state shall seek reimbursement from the person's permanent fund dividend as provided under **AS 37.13.530** [AS 43.23.140]. For purposes of collection and priority of attachment under **AS 37.13.530** [AS 43.23.140], a surcharge imposed under this section is accounted for in the same manner as a cost of imprisonment under AS 28.35.030(k) and 28.35.032(o). The state may enforce payment of a surcharge under this section under AS 09.35 as if it were a civil judgment enforceable by execution. This subsection does not limit the authority of the court to enforce surcharges.

* **Sec. 9.** AS 14.40.251(a) is amended to read:

(a) For the purposes of this chapter, tuition, a fee, or another charge to an individual by the University of Alaska is in default after payment has become 180 or more days past due. Upon default, the university may take the individual's permanent fund dividend under **AS 37.13.580** [AS 43.23.190].

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

(a) Contributions to the fund under the terms of an advance college tuition savings contract may be made by direct cash payments or by contributions from the permanent fund dividend. The **Alaska Permanent Fund Corporation** [DEPARTMENT OF REVENUE] shall

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

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

1 program.

2 * **Sec. 11.** AS 14.40.807(b) is amended to read:

3 (b) The **Alaska Permanent Fund Corporation** [DEPARTMENT OF
4 REVENUE] shall pay contributions directly to the fund.

5 * **Sec. 12.** AS 14.43.145(a) is amended to read:

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

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

11 (2) the commission may take the borrower's permanent fund dividend
12 under **AS 37.13.550** [AS 43.23.160];

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

15 (4) [REPEALED]

16 (5) the commission may record the lien created under AS 14.43.149;
17 and

18 (6) the commission may establish an administrative collection order
19 under AS 14.43.151 - 14.43.155.

20 * **Sec. 13.** AS 15.07.050(a) is amended to read:

21 (a) Registration may be made

22 (1) in person before a registration official or through a voter
23 registration agency;

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

27 (3) by mail;

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

30 (5) by completing a permanent fund dividend application under
31 **AS 37.13.430** [AS 43.23.015].

1 * **Sec. 14.** AS 15.07.055(e) is amended to read:

2 (e) The director shall enter into an agreement with the Department of
3 Administration and the **Alaska Permanent Fund Corporation** [DEPARTMENT OF
4 REVENUE] to match identifying information provided by a voter with existing
5 identification records

6 (1) maintained by the administrative component of the Department of
7 Administration that administers motor vehicle and driver's license laws and by the
8 administrative component of the **Alaska Permanent Fund Corporation**
9 [DEPARTMENT OF REVENUE] that administers the permanent fund dividend laws;
10 and

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

13 * **Sec. 15.** AS 15.07.064(g) is amended to read:

14 (g) Notwithstanding (a) - (f) of this section, the director may substitute a
15 mailing address provided by the voter for the permanent fund dividend program under
16 **AS 37.13.400 - 37.13.660** [AS 43.23] as the mailing address for the voter on the
17 registration records of the director under procedures specified in regulations of the
18 director if necessary to maintain accuracy of voting registration records.

19 * **Sec. 16.** AS 15.07.070(f) is amended to read:

20 (f) Incomplete or inaccurate registration forms may not be accepted. A person
21 who submitted an incomplete or inaccurate registration form may register by
22 reexecuting and resubmitting a registration form in person, by mail, or by facsimile or
23 other electronic transmission approved by the director under AS 15.07.050. The
24 requirements of (c) or (d) of this section apply to a registration form resubmitted under
25 this subsection. Notwithstanding the foregoing, an application made under
26 **AS 37.13.430** [AS 43.23.015] that contains the information required by
27 AS 15.07.060(a)(1) - (4) and (7) - (9), and an attestation that **the** [SUCH] information
28 is true, **may** [SHALL] not be **considered** [DEEMED] an incomplete registration form
29 and shall be accepted in accordance with AS 15.07.070(i).

30 * **Sec. 17.** AS 15.07.070(j) is amended to read:

31 (j) The division shall cooperate with the **Alaska Permanent Fund**

1 **Corporation** [DEPARTMENT OF REVENUE] under **AS 37.13.500** [AS 43.23.101]
 2 to ensure that the permanent fund dividend application form furnished by the **Alaska**
 3 **Permanent Fund Corporation** [DEPARTMENT OF REVENUE] under
 4 **AS 37.13.430** [AS 43.23.015] allows an applicant, a person who is designated in a
 5 power of attorney to act on behalf of an applicant, or a person acting on behalf of a
 6 physically disabled applicant to submit voter registration information required under
 7 AS 15.07.060(a)(1) - (4) and (7) - (9), and an attestation that **the** [SUCH] information
 8 is true. The director may require proof of identification of the applicant, if not already
 9 in the **Alaska Permanent Fund Corporation's** [DEPARTMENT OF REVENUE'S]
 10 possession, as required by regulations adopted by the director under AS 44.62
 11 (Administrative Procedure Act).

12 * **Sec. 18.** AS 15.07.070(l) is amended to read:

13 (l) If an applicant does not decline to be registered as a voter within 30
 14 calendar days after the director issues the notification, the application under
 15 **AS 37.13.430** [AS 43.23.015] will constitute a completed registration form. The name
 16 of the applicant shall be placed on the master register if the director determines that
 17 the person is qualified to vote under AS 15.05.010, and the director shall forward to
 18 the applicant a registration card. If registration is denied, the applicant shall
 19 immediately be informed in writing that registration was denied and the reason for
 20 denial.

21 * **Sec. 19.** AS 18.56.850(b) is amended to read:

22 (b) In the development of a home energy conservation or weatherization
 23 program under (a) of this section, the corporation may not consider the value of
 24 Alaska longevity bonus payments under AS 47.45 or permanent fund dividends under
 25 **AS 37.13.400 - 37.13.660** [AS 43.23] in determining whether a person meets income
 26 guidelines established under AS 18.56.088 and (a) of this section for a state or, to the
 27 extent permitted by federal law, a federal energy conservation or weatherization
 28 program.

29 * **Sec. 20.** AS 21.55.500(19) is amended to read:

30 (19) "resident" means

31 (A) except for a federally defined eligible individual or TAA

1 eligible individual, an individual who meets the eligibility requirements in
 2 AS 37.13.400 [AS 43.23.005]; or

3 (B) for a federally defined eligible individual or TAA eligible
 4 individual, an individual who is legally domiciled in this state;

5 * **Sec. 21.** AS 22.10.025(b) is amended to read:

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

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

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

12 (3) complete and submit an application for a permanent fund dividend
 13 under AS 37.13.430 [AS 43.23.015] or provide proof to the agency or the court that
 14 the individual is not eligible for a dividend in a given year.

15 * **Sec. 22.** AS 22.15.050 is amended to read:

16 **Sec. 22.15.050. Actions not within civil jurisdiction.** The jurisdiction of the
 17 district courts does not extend to

18 (1) an action in which the title to real property is in question;

19 (2) an action of an equitable nature, except as otherwise provided by
 20 law;

21 **(3) review of the constitutionality of a transfer from the earnings**
 22 **reserve account to the dividend fund under AS 37.13.145(b).**

23 * **Sec. 23.** AS 23.40.210(e) is amended to read:

24 (e) In this section, "state resident" means an individual who is physically
 25 present in the state with the intent to remain permanently in the state under the
 26 requirements of AS 01.10.055 or, if the individual is not physically present in the
 27 state, intends to return to the state and remain permanently in the state under the
 28 requirements of AS 01.10.055 and is absent only temporarily for reasons allowed
 29 under AS 37.13.410 [AS 43.23.008] or a successor statute.

30 * **Sec. 24.** AS 24.65.105(a) is amended to read:

31 (a) Subject to appropriation, the office of victims' rights is authorized to pay

1 outstanding balances on orders of restitution under AS 12.55.045 or AS 47.12.120.
 2 The office of victims' rights shall coordinate and make payments from the restorative
 3 justice account (AS 37.13.480 [AS 43.23.048]) in accordance with the priority in (b)
 4 of this section. A crime victim may receive not more than \$10,000 from the restorative
 5 justice account, regardless of the amount of the order of restitution.

6 * **Sec. 25.** AS 24.65.105(c) is amended to read:

7 (c) The office of victims' rights shall adopt regulations under AS 44.62
 8 (Administrative Procedure Act) to establish a process for payments of restitution
 9 balances from the restorative justice account established in AS 37.13.480
 10 [AS 43.23.048].

11 * **Sec. 26.** AS 28.35.030(k) is amended to read:

12 (k) Imprisonment required under (b)(1)(A) of this section shall be served at a
 13 community residential center or by electronic monitoring at a private residence under
 14 AS 33.30.065. If a community residential center or electronic monitoring at a private
 15 residence is not available, imprisonment required under (b)(1)(A) of this section may
 16 be served at another appropriate place determined by the commissioner of corrections.
 17 Imprisonment required under (b)(1)(B) - (F) of this section may be served at a
 18 community residential center or at a private residence if approved by the
 19 commissioner of corrections. Imprisonment served at a private residence must include
 20 electronic monitoring under AS 33.30.065. The cost of imprisonment resulting from
 21 the sentence imposed under (b)(1) of this section shall be paid to the state by the
 22 person being sentenced. The cost of imprisonment required to be paid under this
 23 subsection may not exceed \$2,000. Upon the person's conviction, the court shall
 24 include the costs of imprisonment as a part of the judgment of conviction. Except for
 25 reimbursement from a permanent fund dividend as provided in this subsection,
 26 payment of the cost of imprisonment is not required if the court determines the person
 27 is indigent. For costs of imprisonment that are not paid by the person as required by
 28 this subsection, the state shall seek reimbursement from the person's permanent fund
 29 dividend as provided under AS 37.13.530 [AS 43.23.140]. A person sentenced under
 30 (b)(1)(B) of this section shall perform at least 160 hours of community service work,
 31 as required by the director of the community residential center or other appropriate

place, or as required by the commissioner of corrections if the sentence is being served at a private residence. In this subsection, "appropriate place" means a facility with 24-hour on-site staff supervision that is specifically adapted to provide a residence, and includes a correctional center, residential treatment facility, hospital, halfway house, group home, work farm, work camp, or other place that provides varying levels of restriction.

* **Sec. 27.** AS 28.35.032(o) is amended to read:

(o) Imprisonment required under (g)(1)(A) of this section shall be served at a community residential center or by electronic monitoring at a private residence under AS 33.30.065. If a community residential center or electronic monitoring at a private residence is not available, imprisonment required under (g)(1)(A) of this section may be served at another appropriate place determined by the commissioner of corrections. Imprisonment required under (g)(1)(B) - (F) of this section may be served at a community residential center or at a private residence if approved by the commissioner of corrections. Imprisonment served at a private residence must include electronic monitoring under AS 33.30.065. The cost of imprisonment resulting from the sentence imposed under (g)(1) of this section shall be paid to the state by the person being sentenced. The cost of imprisonment required to be paid under this subsection may not exceed \$2,000. Upon the person's conviction, the court shall include the costs of imprisonment as a part of the judgment of conviction. Except for reimbursement from a permanent fund dividend as provided in this subsection, payment of the cost of imprisonment is not required if the court determines the person is indigent. For costs of imprisonment that are not paid by the person as required by this subsection, the state shall seek reimbursement from the person's permanent fund dividend as provided under AS 37.13.530 [AS 43.23.140]. A person sentenced under (g)(1)(B) of this section shall perform at least 160 hours of community service work, as required by the director of the community residential center or other appropriate place, or as required by the commissioner of corrections if the sentence is being served at a private residence. In this subsection, "appropriate place" means a facility with 24-hour on-site staff supervision that is specifically adapted to provide a residence, and includes a correctional center, residential treatment facility, hospital, halfway house,

1 group home, work farm, work camp, or other place that provides varying levels of
2 restriction.

3 * **Sec. 28.** AS 29.45.030(f) is amended to read:

4 (f) To be eligible for an exemption under (e) of this section for a year, a
5 municipality may by ordinance require that an individual also meet requirements
6 under one of the following paragraphs: (1) the individual shall be eligible for a
7 permanent fund dividend under AS 37.13.400 [AS 43.23.005] for that same year or for
8 the immediately preceding year; or (2) if the individual has not applied or does not
9 apply for one or both of the permanent fund dividends, the individual would have been
10 eligible for one of the permanent fund dividends identified in (1) of this subsection
11 had the individual applied. An exemption may not be granted under (e) of this section
12 except upon written application for the exemption. Each municipality shall, by
13 ordinance, establish procedures and deadlines for filing the application. The governing
14 body of the municipality for good cause shown may waive the claimant's failure to
15 make timely application for exemption and authorize the assessor to accept the
16 application as if timely filed. If an application is filed within the required time and is
17 approved by the assessor, the assessor shall allow an exemption in accordance with the
18 provisions of (e) of this section. If the application for exemption is approved after
19 taxes have been paid, the amount of tax that the claimant has already paid for the
20 property exempted shall be refunded to the claimant. The assessor shall require proof
21 in the form the assessor considers necessary of the right to and amount of an
22 exemption claimed under (e) of this section, and shall require a disabled veteran
23 claiming an exemption under (e) of this section to provide evidence of the disability
24 rating. The assessor may require proof under this subsection at any time.

25 * **Sec. 29.** AS 37.13.140 is amended to read:

26 **Sec. 37.13.140. Income.** (a) Net income of the fund includes income of the
27 earnings reserve account established under AS 37.13.145. Net income of the fund shall
28 be computed annually as of the last day of the fiscal year in accordance with generally
29 accepted accounting principles, excluding any unrealized gains or losses. [INCOME
30 AVAILABLE FOR DISTRIBUTION EQUALS 21 PERCENT OF THE NET
31 INCOME OF THE FUND FOR THE LAST FIVE FISCAL YEARS, INCLUDING

1 THE FISCAL YEAR JUST ENDED, BUT MAY NOT EXCEED NET INCOME OF
 2 THE FUND FOR THE FISCAL YEAR JUST ENDED PLUS THE BALANCE IN
 3 THE EARNINGS RESERVE ACCOUNT DESCRIBED IN AS 37.13.145.]

4 (b) The corporation shall determine the amount available for **distribution**
 5 [APPROPRIATION] each year. The amount available for **distribution**
 6 [APPROPRIATION] is five percent of the average market value of the fund for the
 7 first five of the preceding six fiscal years, including the fiscal year just ended,
 8 computed annually for each fiscal year in accordance with generally accepted
 9 accounting principles. In this subsection, "average market value of the fund" includes
 10 the balance of the earnings reserve account established under AS 37.13.145, but does
 11 not include that portion of the principal attributed to the settlement of State v.
 12 Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District).

13 * **Sec. 30.** AS 37.13.145(b) is amended to read:

14 (b) **Each** [AT THE END OF EACH] fiscal year, the corporation shall transfer
 15 from the earnings reserve account to the dividend fund established under
 16 **AS 37.13.470** [AS 43.23.045], 50 percent of the income available for distribution
 17 under **AS 37.13.140(b) for the payment of permanent fund dividends and for**
 18 **administrative and associated costs for the fiscal year. A transfer under this**
 19 **subsection may not exceed the balance of the earnings reserve account**
 20 [AS 37.13.140].

21 * **Sec. 31.** AS 37.13.145(d) is amended to read:

22 (d) Notwithstanding (b) of this section, income earned on money awarded in
 23 or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior
 24 Court, First Judicial District), including settlement, summary judgment, or adjustment
 25 to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned
 26 on the money, or on the earnings of the money shall be treated in the same manner as
 27 other income of the Alaska permanent fund, except that it **may not be included in the**
 28 **computation of the income available for distribution,** is not available for **transfer**
 29 [DISTRIBUTION] to the dividend fund [, FOR TRANSFERS TO THE PRINCIPAL]
 30 under **(b)** [(c)] of this section [,] or for an appropriation under (e) of this section, and
 31 shall be annually deposited into the Alaska capital income fund (AS 37.05.565).

1 * **Sec. 32.** AS 37.13.145(e) is amended to read:

2 (e) **Each year, the** [THE] legislature may [NOT] appropriate **an amount** from
3 the earnings reserve account to the general fund [A TOTAL AMOUNT THAT
4 EXCEEDS THE AMOUNT AVAILABLE FOR APPROPRIATION UNDER
5 AS 37.13.140(b) IN A FISCAL YEAR].

6 * **Sec. 33.** AS 37.13.145(f) is amended to read:

7 (f) **Each year, the** [THE] combined total of the transfer under (b) of this
8 section and an appropriation under (e) of this section may not exceed **the lesser of**

9 **(1) the amount available for distribution [APPROPRIATION] under**
10 **AS 37.13.140(b); or**

11 **(2) the balance of the earnings reserve account.**

12 * **Sec. 34.** AS 37.13.300(c) is amended to read:

13 (c) Net income from the mental health trust fund may not be included in the
14 computation of **the** [NET] income [OR MARKET VALUE] available for distribution
15 [OR APPROPRIATION] under **AS 37.13.140(b)** [AS 37.13.140].

16 * **Sec. 35.** AS 37.13 is amended by adding new sections to read:

17 **Article 2B. Dividend Eligibility, Application, Amount.**

18 **Sec. 37.13.400. Eligibility.** (a) An individual is eligible to receive one
19 permanent fund dividend each year in an amount to be determined under
20 AS 37.13.450 if the individual

21 (1) applies to the corporation;

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 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 37.13.410; 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 (b) A parent, guardian, or other authorized representative may claim a
8 permanent fund dividend on behalf of an unemancipated minor or on behalf of a
9 disabled or an incompetent individual who is eligible to receive a payment under this
10 section. Notwithstanding (a)(2) - (4) of this section, a minor is eligible for a dividend
11 if, during the two calendar years immediately preceding the current dividend year, the
12 minor was born to or adopted by an individual who is eligible for a dividend for the
13 current dividend year.

14 (c) Notwithstanding the provisions of (a) and (b) of this section, an individual
15 is not eligible for a permanent fund dividend for a dividend year when

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

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

20 (A) felony; or

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

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

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

24 AS 11.81.900.

25 (d) The executive director may waive the requirement of (a)(4) of this section
26 for an individual absent from the state

27 (1) in a time of national military emergency under military orders
28 while serving in the armed forces of the United States, or for the spouse and
29 dependents of that individual; or

30 (2) while in the custody of the Department of Family and Community
31 Services in accordance with a court order under AS 47.10 or AS 47.12 and placed

1 outside of the state by the Department of Family and Community Services for
2 purposes of medical or behavioral treatment.

3 (e) For purposes of applying (c)(1) of this section, the date the court imposes a
4 sentence or suspends the imposition of sentence shall be treated as the date of
5 conviction. For purposes of applying (c)(2)(B) of this section, multiple convictions
6 arising out of a single criminal episode shall be treated as a single conviction.

7 (f) If an individual who would otherwise have been eligible for a permanent
8 fund dividend dies after applying for the dividend but before the dividend is paid, the
9 corporation shall pay the dividend to a personal representative of the estate or to a
10 successor claiming personal property under AS 13.16.680. If an individual who would
11 otherwise have been eligible for a dividend and who did not apply for the dividend
12 dies during the application period, a personal representative of the estate or a
13 successor claiming personal property under AS 13.16.680 may apply for and receive
14 the dividend. If an individual who received a dividend for the year immediately before
15 the qualifying year and who would otherwise have been eligible for a dividend dies
16 during the qualifying year after having been a state resident for at least 180 days
17 immediately before the date of death, notwithstanding (a)(1) - (3) and (6) of this
18 section, a personal representative of the estate or a successor claiming personal
19 property under AS 13.16.680 may apply for and receive the dividend. Notwithstanding
20 AS 37.13.420, an application for a dividend may be filed by the personal
21 representative or the successor under this subsection at any time before the end of the
22 application period for the next dividend year.

23 **Sec. 37.13.410. Allowable absences.** (a) Subject to (b) and (c) of this section,
24 an otherwise eligible individual who is absent from the state during the qualifying year
25 remains eligible for a current year permanent fund dividend if the individual was
26 absent

27 (1) receiving secondary or postsecondary education on a full-time
28 basis;

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;

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

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

(B) eligible for a current year dividend;

(4) serving under foreign or coastal articles of employment aboard an oceangoing vessel of the United States merchant marine;

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

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

(7) providing care for the individual's terminally ill family member; in this paragraph, "family member" means a person who is

(A) legally related to the individual through marriage or guardianship; or

(B) the individual's sibling, parent, grandparent, son, daughter, grandson, granddaughter, uncle, aunt, niece, nephew, or first cousin;

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

(9) serving as a member of the United States Congress;

(10) serving on the staff of a member from this state of the United States Congress;

(11) serving as an employee of the state in a field office or other location;

(12) accompanying a minor who is absent under (5) of this subsection;

(13) accompanying another eligible resident who is absent for a reason permitted under (1), (2), (5) - (12), (16), or (17) of this subsection as the spouse, minor

1 dependent, or disabled dependent of the eligible resident;

2 (14) serving as a volunteer in the federal peace corps program;

3 (15) because of training or competing as a member of the United States
4 Olympic Team or a United States national team for an Olympic sport;

5 (16) participating for educational purposes in a student fellowship
6 sponsored by the United States Department of Education or by the United States
7 Department of State;

8 (17) for any reason consistent with the individual's intent to remain a
9 state resident, provided the absence or cumulative absences do not exceed

10 (A) 180 days in addition to any absence or cumulative absences
11 claimed under (3) of this subsection if the individual is not claiming an absence
12 under (1), (2), or (4) - (16) of this subsection;

13 (B) 120 days in addition to any absence or cumulative absences
14 claimed under (1) - (3) of this subsection if the individual is not claiming an
15 absence under (4) - (16) of this subsection but is claiming an absence under (1)
16 or (2) of this subsection; or

17 (C) 45 days in addition to any absence or cumulative absences
18 claimed under (1) - (16) of this subsection if the individual is claiming an
19 absence under (4) - (16) of this subsection.

20 (b) An individual may not claim an allowable absence under (a)(1) - (16) of
21 this section unless the individual was a resident of the state for at least six consecutive
22 months immediately before leaving the state.

23 (c) After an individual has been absent from the state for more than 180 days
24 in each of the five preceding qualifying years, the corporation shall presume that the
25 individual is no longer a state resident. The individual may rebut this presumption by
26 providing clear and convincing evidence to the corporation that

27 (1) the individual was physically present in the state for at least 30
28 cumulative days during the past five years; and

29 (2) the individual is a state resident as defined in AS 37.13.900.

30 (d) To determine whether an individual intends to return and remain in the
31 state indefinitely, the corporation shall consider all relevant factors, including

1 (1) the length of time the individual was absent from the state
2 compared to the length of time the individual was physically present in the state;

3 (2) the frequency and duration of voluntary return trips to the state
4 during the past five years;

5 (3) whether the individual's intent to return to and remain in the state is
6 conditioned on future events beyond the individual's control;

7 (4) the ties the individual has established with the state or another
8 jurisdiction, as demonstrated by

9 (A) maintenance of a home;

10 (B) payment of resident taxes;

11 (C) registration of a vehicle;

12 (D) registration to vote and voting history;

13 (E) acquisition of a driver's license, business license, or
14 professional license; and

15 (F) receipt of benefits under a claim of residency in the state or
16 another jurisdiction;

17 (5) the priority that the individual gave the state on an employment
18 assignment preference list, including a list used by military personnel.

19 **Sec. 37.13.420. Application period.** (a) An application for a permanent fund
20 dividend shall be filed during the period that begins January 1 and ends March 31 of
21 that dividend year.

22 (b) An otherwise eligible individual may apply for a current year dividend
23 after March 31 of that year if the individual was eligible during the application period
24 under (a) of this section for hostile fire or imminent danger pay while serving on
25 active duty as a member of the armed forces of the United States. The individual must
26 apply under this subsection within 90 days after the last day the individual was eligible
27 for hostile fire or imminent danger pay. If the individual was eligible for hostile fire or
28 imminent danger pay on March 31 of the current dividend year, the 90-day application
29 period extension begins on the first day after March 31 that the individual was no
30 longer eligible for the pay.

31 (c) The executive director may permit an individual to apply for a permanent

1 fund dividend for any year after the application deadline under (a) or (b) of this section
2 if the individual

3 (1) at any time during the application period for that dividend
4 established in (a) or (b) of this section,

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

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

8 (2) demonstrates a reasonable cause for the delay in applying for that
9 dividend.

10 **Sec. 37.13.430. Application and proof of eligibility.** (a) The executive
11 director shall adopt regulations under AS 44.62 (Administrative Procedure Act) for
12 determining the eligibility of individuals for permanent fund dividends. The executive
13 director may require an individual to provide proof of eligibility, and the executive
14 director may use other information available from other state departments or agencies
15 to determine the eligibility of an individual. The executive director shall consider all
16 relevant circumstances in determining the eligibility of an individual. However, the
17 residency of an individual's spouse may not be the principal factor relied on by the
18 executive director in determining the residency of the individual.

19 (b) The corporation shall prescribe and furnish an application form for
20 claiming a permanent fund dividend. The application must include

21 (1) notice of the penalties provided for under AS 37.13.660;

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

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

26 (c) Except as provided in (d) of this section or as may be provided by
27 regulations adopted by the corporation, an individual must personally sign the
28 application for permanent fund dividends, including the certification of residency
29 required under (b) of this section.

30 (d) The application and certification of residency of an unemancipated
31 individual under 18 years of age or of a disabled or an incompetent individual must be

1 signed by the individual's parent, legal guardian, or other authorized representative.
2 An individual may complete, sign, and file an application on behalf of a member of
3 the armed forces of the United States who is serving on active duty outside of the
4 United States if the individual has a power of attorney from the member of the armed
5 forces that authorizes, in specific or general terms, the individual to file that
6 application.

7 (e) If a public agency claims a permanent fund dividend on behalf of an
8 individual, the public agency shall hold the dividend in trust for the individual. Money
9 held in trust under this subsection shall be invested by the board in accordance with
10 AS 37.10.070.

11 (f) A minor or a disabled or an incompetent individual may not maintain a
12 claim against the state or an officer or employee of the state based on the manner in
13 which the parent, guardian, or authorized representative other than a public agency of
14 the state managed or disposed of permanent fund dividends received on behalf of the
15 minor or disabled or incompetent individual.

16 (g) If an individual is aggrieved by a decision of the corporation determining
17 the individual's eligibility for a permanent fund dividend or the individual's authority
18 to claim a permanent fund dividend on behalf of another, the individual may, upon
19 payment of a \$25 appeal fee, request the corporation to review its decision. Within 12
20 months after the administrative appeal is filed, the corporation shall provide the
21 individual with a final written decision. If the individual is aggrieved by the decision
22 of the corporation after all administrative proceedings, the individual may appeal that
23 decision to the superior court in accordance with AS 44.62.560. An appeal to the court
24 under this section does not entitle the aggrieved individual to a trial de novo. The
25 appeal shall be based on the record of the administrative proceeding from which
26 appeal is taken and the scope of appeal is limited to matters contained in the record of
27 the administrative proceeding. If, as a result of an administrative proceeding or a court
28 appeal, the individual prevails, the \$25 appeal fee shall be returned to the individual
29 by the corporation.

30 (h) The penalty and enforcement provisions of AS 37.13.660 apply to an
31 individual who claims a permanent fund dividend on behalf of another.

1 (i) An indigent individual may apply for a waiver of the appeal fee required
2 under (g) of this section. The corporation shall prescribe and furnish a form for that
3 purpose. The corporation shall grant the waiver if, during the year immediately
4 preceding the year the form is submitted to the corporation, the individual was a
5 member of a family with an income equal to or less than the federal poverty guidelines
6 for Alaska set by the United States Department of Health and Human Services.

7 (j) The application form for claiming a permanent fund dividend must include
8 a place for the applicant to voluntarily indicate that the applicant is a veteran, the
9 branch of service, including the Alaska Territorial Guard, and the dates of service.
10 Notwithstanding AS 37.13.510, the corporation shall release information provided
11 under this subsection to the Department of Military and Veterans' Affairs and may not
12 otherwise release the information. The Department of Military and Veterans' Affairs
13 may only release the information to congressionally chartered veterans service
14 organizations in the state. The application form must contain notice that providing the
15 information under this subsection is voluntary, that the information will be released as
16 provided in this subsection, and that the veterans service organizations are not required
17 to keep it confidential.

18 **Sec. 37.13.440. Delayed payment of certain dividends.** (a) Notwithstanding
19 other provisions regarding the payment of permanent fund dividends, if an individual
20 is required to register as a sex offender or child kidnapper under AS 12.63 and has not
21 registered or has not completed the required periodic verifications or notices required
22 under AS 12.63, payment of the dividend for that individual shall be delayed.

23 (b) If payment of a dividend is delayed, the corporation shall notify the
24 individual in writing of the delayed payment status, explain the requirements of this
25 section, and request proof of registration and compliance with the verifications and
26 notices required under AS 12.63. The dividend may not be paid unless, within one
27 year after the notification, the corporation determines that the individual has registered
28 and is in compliance with the verifications and notices required under AS 12.63.

29 (c) The permanent fund dividend of an individual for whom payment has been
30 delayed, but that remains payable under (b) of this section, is subject to levy,
31 execution, garnishment, attachment, or any other remedy for the collection of debt.

1 The corporation shall immediately pay that dividend, or the portion of it that has been
 2 claimed by a debtor, as provided in AS 37.13.530 - 37.13.560.

3 (d) If an individual for whom payment of a permanent fund dividend has been
 4 delayed but remains payable under (b) of this section dies before the dividend is paid
 5 or payable, the corporation shall pay the dividend to a personal representative of the
 6 individual's estate.

7 (e) The corporation shall include notice with the dividend application form of
 8 the requirements of (a) and (b) of this section.

9 **Sec. 37.13.450. Payment; amount of dividend.** Each year, the corporation
 10 shall pay a permanent fund dividend to each eligible individual. By October 1 of each
 11 year, the executive director shall determine the value of each permanent fund dividend
 12 for that year by

13 (1) determining the total amount available for dividend payments,
 14 which equals

15 (A) the amount of income of the Alaska permanent fund
 16 transferred to the dividend fund under AS 37.13.145(b) during the current year;

17 (B) plus the unexpended and unobligated balances of prior
 18 fiscal year appropriations that lapse into the dividend fund under
 19 AS 37.13.470(b);

20 (C) less the amount necessary to pay prior year dividends from
 21 the dividend fund in the current year under AS 37.13.400(f), 37.13.440, and
 22 37.13.490(3) and (7);

23 (D) less the amount necessary to pay dividends from the
 24 dividend fund due to eligible applicants who, as determined by the corporation,
 25 filed for a previous year's dividend by the filing deadline but who were not
 26 included in a previous year's dividend computation;

27 (E) less appropriations from the dividend fund during the
 28 current year, including amounts to pay costs of administering the dividend
 29 program and the hold harmless provisions of AS 37.13.630;

30 (2) determining the number of individuals eligible to receive a
 31 dividend payment for the current year and the number of estates and successors

1 eligible to receive a dividend payment for the current year under AS 37.13.400(f); and
 2 (3) dividing the amount determined under (1) of this subsection by the
 3 amount determined under (2) of this subsection.

4 **Sec. 37.13.460. Public notice.** (a) By October 1 of each year, the executive
 5 director shall give public notice of the value of each permanent fund dividend for that
 6 year and notice of the information required to be disclosed under (3) of this
 7 subsection. In addition, the stub attached to each individual dividend disbursement
 8 advice must

9 (1) disclose the amount of each dividend attributable to income earned
 10 by the Alaska permanent fund from deposits to that fund required under art. IX, sec.
 11 15, Constitution of the State of Alaska;

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

15 (3) disclose the amount by which each dividend has been reduced due
 16 to each appropriation from the dividend fund, including amounts to pay the costs of
 17 administering the dividend program and the hold harmless provisions of
 18 AS 37.13.630;

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

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

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

25 (i) felony; or

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

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

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

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

(C) provide funds for grants to nonprofit organizations for services for crime victims and for mental health services and substance abuse treatment for offenders;

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

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

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

(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 37.13.400(c) if they had been eligible;

(7) disclose the total amount transferred or appropriated for the current fiscal year under AS 37.13.480 for each of the accounts, funds, and agencies listed in AS 37.13.480.

(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 37.13.400(c) or under AS 37.13.440(b) if they had been eligible, the notice requirements of (a)(3) of this section do not apply to transfers from the dividend fund to the restorative justice account (AS 37.13.480).

Article 2C. Dividend Fund and Administration of Dividend Program.

Sec. 37.13.470. Dividend fund. (a) The dividend fund is established as a separate fund in the corporation. The dividend fund shall be administered by the board and shall be invested by the board in the same manner as provided in AS 37.10.070.

(b) Unless specified otherwise in an appropriation act, the unexpended and unobligated balance of an appropriation to implement this chapter lapses into the dividend fund on June 30 of the fiscal year for which the appropriation was made and shall be used in determining the amount of and paying the subsequent year's dividend

1 as provided in AS 37.13.450(1)(B).

2 **Sec. 37.13.480. Restorative justice account.** (a) The restorative justice
3 account is created as a separate account in the dividend fund. The board shall transfer
4 from the dividend fund to the restorative justice account each fiscal year an amount
5 equal to the amount that would have been paid during the previous fiscal year to
6 individuals who were ineligible to receive dividends under AS 37.13.400(c) if they
7 had been eligible.

8 (b) The legislature may appropriate amounts from the account to the following
9 recipients in the priority order and percentages listed:

10 (1) 10 to 13 percent to the crime victim compensation fund established
11 under AS 18.67.162 for payments to crime victims and for operating costs of the
12 Violent Crimes Compensation Board;

13 (2) two to six percent to the office of victims' rights for payments to
14 crime victims as provided in AS 24.65.105 and for operating costs of the office of
15 victims' rights;

16 (3) one to three percent to nonprofit organizations to provide grants for
17 services for crime victims and domestic violence and sexual assault programs;

18 (4) one to three percent to nonprofit organizations to provide grants for
19 mental health services and substance abuse treatment for offenders; and

20 (5) 79 to 88 percent to the Department of Corrections for costs related
21 to incarceration or probation.

22 (c) A person who is subject to an order of restitution all or part of which is
23 paid under this section shall reimburse the state for the amount paid by the state. The
24 state may enforce payment of reimbursement under this subsection as if the
25 reimbursement were a civil judgment enforceable by execution.

26 (d) The legislature may appropriate money received under (c) of this section to
27 the restorative justice account.

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

29 **Sec. 37.13.490. Duties of the corporation.** The corporation shall

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

31 (2) subject to AS 37.13.420 and (8) of this section, adopt regulations

1 under AS 44.62 (Administrative Procedure Act) that establish procedures and time
2 limits for claiming a permanent fund dividend; the corporation shall determine the
3 number of eligible applicants by October 1 of the year for which the dividend is
4 declared and pay the dividends by December 31 of that year;

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

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

13 (5) use a list of individuals ineligible for a dividend under
14 AS 37.13.400(c) provided annually by the Department of Corrections and the
15 Department of Public Safety to determine the number and identity of those
16 individuals;

17 (6) adopt regulations that are necessary to implement AS 37.13.400(c)
18 and 37.13.480;

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

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

28 (9) provide any information, upon request, contained in permanent
29 fund dividend records to the child support services agency created in AS 25.27.010, or
30 the child support enforcement agency of another state, for child support purposes
31 authorized under law; if the information is contained in an electronic data base, the

1 corporation shall provide the requesting agency with either

2 (A) access to the data base; or

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

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

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

9 (B) executive director to detect and investigate the claiming or
10 paying of permanent fund dividends that should not have been claimed by or
11 paid to an individual and to impose the penalties and enforcement provisions
12 under AS 37.13.660;

13 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)
14 so that contributions under AS 37.13.520 are given a priority over donations under
15 AS 37.13.620 if the total amount of contributions and donations elected by an
16 applicant exceeds the amount of the permanent fund dividend that the applicant is
17 entitled to receive.

18 **Sec. 37.13.500. Voter registration.** The executive director shall establish by
19 rule a schedule by which the executive director will provide, and shall provide as soon
20 as is practicable the director of elections with

21 (1) electronic records from the permanent fund dividend applications
22 of the information required by AS 15.07.060(a)(1) - (4) and (7) - (9), and the
23 attestation that the information is true, for each permanent fund dividend applicant
24 who

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

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

28 (2) the mailing addresses for all permanent fund dividend applicants.

29 **Sec. 37.13.510. Applicant information confidential.** (a) Except as provided
30 in (c) of this section, information on each permanent fund dividend application, except
31 the applicant's name, is confidential. The corporation may only release information

1 that is confidential under this section

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

3 (2) in compliance with a court order;

4 (3) to the individual who or agency that files an application on behalf
5 of another;

6 (4) to a banking institution to verify the direct deposit of a permanent
7 fund dividend or correct an error in that deposit;

8 (5) as directed to do so by the applicant;

9 (6) to a contractor who has a contract with a person entitled to obtain
10 the information under (1) - (5) of this section to receive, store, or manage the
11 information on that person's behalf; a contractor receiving data under this paragraph
12 may only use the data as directed by and for the purposes of the person entitled to
13 obtain the information;

14 (7) to the division of elections as required by AS 37.13.500.

15 (b) Notwithstanding (a) of this section, the corporation may release the names
16 and addresses of permanent fund dividend applicants to a legislator of this state and to
17 the legislator's office staff for official legislative purposes.

18 (c) Information submitted on a permanent fund dividend application that is
19 used for the purpose of registering an applicant to vote under AS 37.13.500 shall be
20 kept confidential by the division of elections as provided in AS 15.07.195.

21 **Article 2D. Contributions and Deductions from Dividends; Claims; Assignments.**

22 **Sec. 37.13.520. Contributions from dividends.** (a) Notwithstanding
23 AS 37.13.590, the corporation shall prepare the electronic permanent fund dividend
24 application to allow an applicant who files electronically to direct that money be
25 subtracted from the dividend payment and contributed to the crime victim
26 compensation fund (AS 18.67.162), the peace officer and firefighter survivors' fund,
27 or one or more of the educational organizations, community foundations, or charitable
28 organizations that appear on the contribution list contained in the application. A
29 contribution to the crime victim compensation fund, the peace officer and firefighter
30 survivors' fund or to an organization may be \$25, \$50, \$75, \$100, or more, in
31 increments of \$50, up to the total amount of the permanent fund dividend that the

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

9 (b) The corporation shall list each educational organization, community
10 foundation, or charitable organization eligible under (c) and (d) of this section, each
11 university campus that applies under (l) of this section, the crime victim compensation
12 fund, and the peace officer and firefighter survivors' fund on the contribution list. The
13 corporation shall maintain an electronic database for the contribution list that is
14 accessible to the public and that permits searches by organization or fund name,
15 geographic location, and type. The corporation shall provide a statement of the
16 contributions made by an individual that is suitable for federal income tax purposes to
17 each individual who elects to contribute under (a) of this section.

18 (c) The corporation may not include a charitable organization, other than a
19 community foundation, on the contribution list for a dividend year unless the purpose
20 of the charitable organization is to provide services for youth development, workforce
21 development, arts and culture, aid and services to the elderly, low-income individuals,
22 individuals in emergency situations, victims of crime, disabled individuals, individuals
23 with mental illness, primary, vocational, and higher education, health and dental care,
24 recreational facilities, child abuse and neglect, economic development, food
25 assistance, libraries, public broadcasting, recycling of waste, animal rescue, and zoos.
26 The corporation may not include on the contribution list an educational organization,
27 community foundation, or charitable organization that is the affiliate of a group. In this
28 subsection,

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

1 (2) "group" has the meaning given in AS 15.13.400(9)(B).

2 (d) Except for each campus of the University of Alaska, the corporation may
3 include an educational organization, community foundation, or charitable organization
4 on the contribution list for a current dividend year only if the organization

5 (1) before March 31 of the qualifying year, files an application for
6 inclusion on the list for that dividend year on the form required by the corporation;

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

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

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

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

19 (6) if a community foundation, provided in the state aid during the two
20 calendar years that immediately precede the year the application is filed, or, if an
21 education organization or charitable organization, provided in the state services during
22 the two calendar years that immediately precede the year the application is filed;

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

25 (8) has completed and provided to the corporation a financial audit
26 with an unqualified opinion conducted by an independent certified public accountant
27 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)
28 of this subsection applies; this paragraph applies only to an organization that is
29 required by the federal government to complete a financial audit by an independent
30 certified public accountant; and

31 (9) does not make grants or contributions to an organization that is

1 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

2 (e) The corporation may not use money from the dividend fund for
3 administrative costs incurred in implementing this section. Contributions shall be
4 distributed to each organization as soon as practicable.

5 (f) The corporation shall charge an application fee of \$250 for each
6 educational organization, community foundation, or charitable organization that files
7 an application under (d) of this section or for each university campus that files an
8 application under (l) of this section. The application fees shall be separately accounted
9 for under AS 37.05.142. The annual estimated balance in the account maintained
10 under AS 37.05.142 for application fees collected under this subsection may be
11 appropriated for costs of administering this section.

12 (g) The corporation may use an agent or enter into a contract for the
13 implementation and operation of the contribution program under this section. Before
14 executing a contract with a corporation or other organization, the organization must
15 provide a copy of its policies and procedures to the corporation. A contract entered
16 into under this subsection is exempt from AS 36.30 (State Procurement Code).

17 (h) A public agency that claims a dividend on behalf of an individual under
18 AS 37.13.430(e) may not elect to make contributions from the dividend under (a) of
19 this section.

20 (i) The corporation may adopt regulations under AS 44.62 (Administrative
21 Procedure Act) to carry out the provisions of this section. Notwithstanding this
22 subsection and other provisions of law, a state agency, including the corporation, may
23 not adopt regulations or otherwise impose requirements or procedures on
24 organizations to implement, interpret, make specific, or otherwise carry out the
25 provisions of this section unless required by the federal government. If an organization
26 disagrees with an action of the corporation under this section and requests an
27 administrative hearing, the hearing shall be conducted by the office of administrative
28 hearings (AS 44.64.010).

29 (j) By January 20 of each year, the corporation shall prepare a report
30 identifying the organizations on the contribution list for the immediately preceding
31 year, together with the amount of contributions made to each of the organizations, and

1 shall notify the legislature that the report is available.

2 (k) A community foundation may not deposit contributions received under this
3 section into a fund that would be included in the definition of a donor advised fund
4 under 26 U.S.C. 4966(d)(2) (Internal Revenue Code).

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

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

24 (n) In this section,

25 (1) "community foundation" means a nonprofit, autonomous,
26 philanthropic institution that is organized and operated primarily as a permanent
27 collection of endowed funds for the long-term benefit of a defined geographic area
28 within one or more municipalities, that has a long-term goal of increasing its
29 permanent unrestricted charitable endowment to benefit the area served, that primarily
30 provides benefits by making grants and may also provide other forms of charitable
31 services, that makes grants that are not limited to providing one type of benefit or to

1 serving one population segment, and that makes grants to multiple grantees;

2 (2) "peace officer and firefighter survivors' fund" means the fund
3 established in AS 39.60.010(a).

4 **Sec. 37.13.530. Exemption of and levy on permanent fund dividends. (a)**

5 Except as provided in (b) of this section, 20 percent of the annual permanent fund
6 dividend payable to an individual is exempt from levy, execution, garnishment,
7 attachment, or any other remedy for the collection of debt. No other exemption applies
8 to a dividend. Notwithstanding other laws, a writ of execution on a dividend that has
9 not been delivered to the debtor may be served on the executive director by

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

11 (2) a civilian process server licensed by the executive director of
12 public safety using electronic execution procedures, as provided under regulations
13 adopted by the corporation.

14 (b) An exemption is not available under this section for permanent fund
15 dividends taken to satisfy

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

18 (2) court-ordered restitution under AS 12.55.045 - 12.55.051,
19 12.55.100, or AS 47.12.120(b)(4);

20 (3) claims on defaulted education loans under AS 37.13.550;

21 (4) court-ordered fines;

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

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

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

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

30 (7) a debt owed to a person for a program for the rehabilitation of
31 perpetrators of domestic violence required under AS 12.55.101, AS 18.66.100(c)(15),

AS 25.20.061(3), or AS 33.16.150(f)(2);

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

(9) court-ordered forfeiture of an appearance or performance bond under AS 12.30.075.

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

(d) An assignment of or levy, execution, garnishment, attachment, or other remedy for the collection of debt applied to a dividend for a year may not be accepted by the corporation before April 1 of that same year. AS 09.38.080(c) and 09.38.085 do not apply to a levy on a permanent fund dividend. Upon receipt of a writ of execution under (a) of this section or another court order, the executive director shall deliver to the court that portion of the dividend executed on along with the case name and number. At the time payment is made to the court, the corporation shall send to the individual at the address provided in the individual's dividend application and to the court that issued the writ or order a notice that contains

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

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

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

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

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

Sec. 37.13.540. Claims on reimbursement for court-ordered treatment. (a) AS 09.38 does not apply to permanent fund dividends taken under AS 47.12.155(c). Notwithstanding AS 09.35, execution on a dividend claimed under AS 47.12.155(c) is accomplished by delivering a certified claim to the corporation containing the following information:

1 (1) the name and social security number of the individual whose
2 dividend is being claimed;

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

4 (3) a statement that

5 (A) the Department of Family and Community Services has
6 notified the individual that future permanent fund dividends of the individual
7 will be taken to satisfy the reimbursement 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 (b) The Department of Family and Community Services shall notify the
20 individual if a dividend is claimed under (a) of this section. The notice shall be sent to
21 the address provided in the individual's permanent fund dividend application and must
22 provide the following information:

23 (1) the amount of the reimbursement claim;

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

27 (3) notification that the individual has a right to request a hearing and
28 has 30 days after the date the notice is mailed in which to file with the Department of
29 Family and Community Services an objection to the dividend claim if a mistake has
30 been made.

31 (c) AS 44.62.330 - 44.62.630 apply to a hearing requested by an individual

1 under (b)(3) of this section.

2 **Sec. 37.13.550. Claims of defaulted education loans.** (a) AS 09.38 does not
3 apply to a permanent fund dividend taken under AS 14.43.145. Notwithstanding
4 AS 09.35, the Alaska Commission on Postsecondary Education may take a permanent
5 fund dividend under AS 14.43.145 by delivering a claim to the corporation certifying
6 the following information:

7 (1) the name and social security number of the individual whose
8 dividend is being claimed;

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

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

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

18 (1) the amount of the claim;

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

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

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

26 (1) the Alaska Commission on Postsecondary Education has not sent a
27 notice of default in compliance with AS 14.43.145(b);

28 (2) the notice of default has been rescinded after review under
29 AS 14.43.145(c); or

30 (3) the amount owed by the borrower is less than the amount claimed
31 from the permanent fund dividend.

(d) If the amount owed by the borrower is determined under (c) of this section to be some amount greater than \$0, but less than the amount claimed, the Alaska Commission on Postsecondary Education may amend its claim to the amount determined to be owing.

Sec. 37.13.560. Claims on defaulted public assistance overpayment. (a) AS 09.38 does not apply to permanent fund dividends taken under AS 47.05.080(b). Notwithstanding AS 09.35, execution on a dividend claimed under AS 47.05.080(b) is accomplished by delivering a certified claim to the corporation containing the following information:

(1) the name and social security number of the individual whose dividend is being claimed;

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

(3) a statement that

(A) the Department of Health has notified the individual that future permanent fund dividends of the individual will be taken to satisfy the overpayment claim;

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

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

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

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

(1) the amount of the overpayment claim;

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

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

(c) AS 44.62.330 - 44.62.630 apply to a hearing requested by an individual under (b)(3) of this section.

Sec. 37.13.570. Claims for amounts owed under the Alaska Employment Security Act. (a) AS 09.38 does not apply to permanent fund dividends taken by the Department of Labor and Workforce Development for a claim for payment of money owed under AS 23.20 (Alaska Employment Security Act). Notwithstanding AS 09.35, execution on a dividend claimed under this section is accomplished by delivering a certified claim to the corporation containing the following information:

(1) the name and social security number of the individual whose dividend is being claimed; if the Department of Labor and Workforce Development does not have access to the individual's social security number for this purpose, the department may supply other identification information authorized under regulations to make a claim under AS 37.13.530;

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

(3) a statement that

(A) the Department of Labor and Workforce Development has notified the individual that future permanent fund dividends of the individual will be taken to satisfy the claim under AS 23.20;

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

(C) the claim under AS 23.20 has not been contested, or, if contested, the issue has been resolved in favor of the Department of Labor and 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.

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

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

(2) notice that the permanent fund dividend, or that portion of the permanent fund dividend 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.

(c) Except as provided in (d) of this section, AS 44.62.330 - 44.62.630 apply to a hearing requested by an individual under (b) of this section. The hearing

(1) is limited to issues of identity of the individual and whether an amount is still owing in the claim under AS 23.20; and

(2) may be conducted telephonically or in writing.

(d) If the Department of Labor and Workforce Development has a notification or hearing procedure established in statute or regulation, the corporation may instead use that notification and hearing procedure so long as

(1) the procedure provides at least the minimum time for notice specified in (a)(3)(B) of this section for the individual to request a hearing;

(2) the notice includes the statements required by (b) of this section; and

(3) the hearing is limited to the issues specified in (c)(1) of this section.

(e) The Department of Labor and Workforce Development may adopt

1 regulations to implement this section under AS 44.62 (Administrative Procedure Act).

2 (f) In a claim for payment under this section, the Department of Labor and
3 Workforce Development may include only fines, penalties, overpayments, attorney
4 fees, costs, and other amounts that

5 (1) are owed the department under other provisions of state law under
6 which the claim under AS 23.20 is being made; and

7 (2) have been established by court judgment or administrative order.

8 **Sec. 37.13.580. Claims of the University of Alaska.** (a) AS 09.38 does not
9 apply to a permanent fund dividend taken under AS 14.40.251. Notwithstanding
10 AS 09.35, the University of Alaska may take a permanent fund dividend under
11 AS 14.40.251 by delivering a claim to the corporation certifying the following
12 information:

13 (1) the name and social security number of the individual whose
14 dividend is being claimed;

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

16 (3) a statement that

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

18 (B) the university has notified the individual that future
19 permanent fund dividends will be taken to satisfy the claim;

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

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

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

28 (b) The University of Alaska shall notify the individual of a claim under (a) of
29 this section. The notice shall be sent to the address provided in the individual's
30 permanent fund dividend application and must provide the following information:

31 (1) the amount of the claim;

(2) notice that the amount of the permanent fund dividend up to the amount of the claim shall be paid to the university to be credited against the individual's default balance; and

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

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

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

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

(3) the amount owed by the individual is less than the amount claimed from the permanent fund dividend.

(d) If the amount owed is determined under (c) of this section to be some amount greater than \$0, but less than the amount claimed, the University of Alaska may amend its claim to the amount determined to be owing.

Sec. 37.13.590. Assignments. (a) Except as provided in (b) of this section, a person eligible to receive a permanent fund dividend may not assign the right to the dividend. An attempted assignment of the right to receive a permanent fund dividend is against public policy and is void.

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

(c) In this section, "state agency" includes a regional housing authority created under AS 18.55.996.

Sec. 37.13.600. Fees for processing claims and assignments. The corporation shall by regulation adopted under AS 44.62 (Administrative Procedure Act) establish fees for processing claims on dividends received by the corporation under AS 37.13.530, 37.13.550, or 37.13.570 and for processing assignments of dividends received by the corporation under AS 37.13.590(b). The fees shall cover the administrative expenses of the corporation associated with the claims and assignments. Fees shall be deducted from the amount of the dividend remaining after payment of

the portion claimed or assigned, or, if the entire dividend is claimed or assigned, the fees shall be deducted before the dividend is paid to the creditor or assignee.

Article 2E. Education Raffle.

Sec. 37.13.610. Education endowment fund. (a) The education endowment fund is established as a separate account in the general fund. The fund consists of appropriations from

- (1) donations to the fund under AS 37.13.620(b);
- (2) transfers to the fund under AS 37.13.620(a);
- (3) interest earned on the fund; and
- (4) any other money appropriated to the fund.

(b) The board is the fiduciary of the fund. In managing the fund, the board shall

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

(c) In managing the fund, the board shall

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

(d) On July 1 of each year, the executive director shall

- (1) determine the fund balance for the previously closed fiscal year, including the earnings of the fund; and
- (2) when the average market value for that fiscal year exceeds \$1,000,000,000, transfer 4.5 percent of the average fiscal-year-end market value of the balance of the fund for the last five fiscal years, including the fiscal year just ended, and including any unrealized gains and losses, to the Department of Education and Early Development for distribution as supplemental grants to school districts according to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D), subject to appropriation.

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

2 **Sec. 37.13.620. Dividend raffle fund; dividend donations to the dividend**
3 **raffle fund; drawing.** (a) The dividend raffle fund is established as an account in the
4 general fund. The board shall manage the fund. Interest and other income received on
5 money in the fund shall be separately accounted for and shall be appropriated to the
6 fund. The fund consists of donations appropriated to the fund under (c) of this section.
7 The board shall use the dividend raffle fund, without further appropriation, to pay for
8 prizes as set out in (d) of this section and may use up to two percent of the balance of
9 the fund but not more than \$500,000 from the fund each fiscal year to pay the cost of
10 administering the fund and for promotion and advertisement of the fund. When the
11 balance of the dividend raffle fund exceeds \$300,000,000 at the end of a fiscal year,
12 the board shall transfer the amount above \$300,000,000 to the education endowment
13 fund established in AS 37.13.610. Money donated to the fund does not lapse.

14 (b) Notwithstanding AS 37.13.590, the corporation shall provide on the
15 permanent fund dividend application an option for an applicant who is 18 years of age
16 or older to direct that all or a portion of the applicant's dividend payment be donated
17 for educational purposes and to enter the permanent fund dividend raffle as provided
18 in (c) of this section. A donation under this section may be \$100 or more, in
19 increments of \$100, up to the total amount of the permanent fund dividend that the
20 applicant is entitled to receive.

21 (c) Of the donations received in a year under (b) of this section, the legislature
22 shall appropriate 25 percent to the education endowment fund established in
23 AS 37.13.610 and shall appropriate 25 percent to the dividend raffle fund. The
24 legislature shall appropriate the remaining 50 percent of the donations received under
25 (b) of this section to the Department of Education and Early Development for
26 distribution as supplemental grants to school districts according to the average daily
27 membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D).

28 (d) At the beginning of each year, the executive director shall conduct a public
29 drawing to award prizes from the dividend raffle fund. Each \$100 donation as
30 provided in (b) of this section entitles a person to one entry into the raffle. The prizes
31 for the raffle shall be as follows:

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

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

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

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

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

Article 2F. Relationship of Dividend Program to Other Programs.

Sec. 37.13.630. Eligibility for public assistance. (a) In determining the eligibility of an individual under a public assistance program administered by the Department of Health in which eligibility for assistance is based on financial need, the Department of Health may not consider a permanent fund dividend as income or resources received by the recipient of public assistance or by a member of the recipient's household unless required to do so by federal law or regulation. The Department of Health shall notify all recipients of public assistance of the effects of receiving a permanent fund dividend.

(b) An individual who is denied medical assistance under 42 U.S.C. 1396 - 1396w-6 (Social Security Act, Title XIX) solely because of the receipt of a permanent fund dividend by the individual or by a member of the individual's household is eligible for state-funded medical assistance under AS 47.25.120 - 47.25.300 (general relief assistance program). The individual is entitled to receive, for a period not to exceed four months, the same level of medical assistance as the individual would have received under 42 U.S.C. 1396 - 1396w-6 (Social Security Act, Title XIX) had there been no permanent fund dividend program.

(c) An individual who is denied assistance solely because permanent fund dividends received by the individual or by a member of the individual's household are counted as income or resources under federal law or regulation is eligible for cash assistance under AS 47.25.120 - 47.25.300 (general relief assistance program). Notwithstanding the limit in AS 47.25.130, the individual is entitled to receive, for a

1 period not to exceed four months, the same amount as the individual would have
 2 received under other public assistance programs had there been no permanent fund
 3 dividend program.

4 **Sec. 37.13.640. Eligibility for state programs.** A program administered by
 5 the state or any of its instrumentalities or municipalities, the eligibility for which is
 6 based on financial need, may not consider a permanent fund dividend as income or
 7 resources unless required to do so by federal law or regulation.

8 **Article 2G. Dividend Program Enforcement; Penalties.**

9 **Sec. 37.13.650. Subpoena power.** (a) The executive director or the executive
 10 director's designee may issue subpoenas to compel the production of books, papers,
 11 correspondence, memoranda, and other records considered necessary as evidence in
 12 connection with an investigation under or the administration of this chapter.

13 (b) In case of refusal to obey a subpoena issued to any person under (a) of this
 14 section, the superior court may, upon application by the corporation, issue an order
 15 requiring the person to appear before the corporation to produce evidence if ordered.
 16 Failure to obey the order of the court is punishable as contempt.

17 (c) A person who, without just cause, fails or refuses to produce books,
 18 papers, correspondence, memoranda, and other records, if it is in the person's power to
 19 do so, in obedience to a subpoena of the corporation or an authorized representative of
 20 it, upon conviction, is punishable by a fine of not more than \$200, or by imprisonment
 21 for not more than 60 days, or by both. Each day the failure or refusal continues is a
 22 separate offense.

23 **Sec. 37.13.660. Penalties and enforcement.** (a) In addition to any criminal
 24 penalties imposed by state law, if an individual is convicted of a crime in connection
 25 with a false statement made in a certification required under AS 37.13.430, and the
 26 conviction is not reversed, that individual forfeits all permanent fund dividends paid
 27 and is not eligible for a future permanent fund dividend.

28 (b) If the executive director determines that a permanent fund dividend should
 29 not have been claimed by or paid to an individual, the executive director may use all
 30 collection procedures or remedies available for collection of taxes under this title to
 31 recover the payment of a permanent fund dividend that was improperly made. A

1 notice of an improperly paid dividend must be sent to the individual within

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

3 (2) six years after the improper payment is sent if the executive
4 director determines that the individual exercised gross negligence or recklessly
5 disregarded a material fact in connection with a false statement made in an
6 application.

7 (c) In addition to any criminal penalties imposed by state law, if the
8 corporation finds that an individual, in claiming a permanent fund dividend, or an
9 individual, in certifying another person's eligibility, willfully misrepresents, exercises
10 gross negligence with respect to, or recklessly disregards a material fact pertaining to,
11 eligibility, the corporation may issue an order against the individual for the

12 (1) forfeiture of the dividend;

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

14 (3) loss of eligibility to receive the next five dividends following the
15 forfeited dividend.

16 (d) If notice is not sent within the time required under (b) of this section,
17 administrative or judicial proceedings may not be commenced for recovery of an
18 improperly paid dividend. The time limitations of (b) of this section do not apply if a
19 dividend is forfeited under (a) of this section or if it is more probable than not that an
20 individual has committed a crime in connection with a false statement made in an
21 application.

22 (e) The provisions of AS 37.13.430(g) and (i) apply to a request for review of,
23 and to appeal of, a decision under (c) of this section by an individual aggrieved by the
24 decision. When all appeals have been exhausted under this chapter or the time when
25 all of the appeals that could have been taken has expired, the order issued imposing a
26 civil penalty, forfeiture, or loss of eligibility becomes final and enforceable in the
27 same manner as a judgment of the court.

28 * **Sec. 36.** AS 37.13.900 is amended by adding new paragraphs to read:

29 (4) "disabled" means physically or mentally unable to complete and
30 sign an application because of a serious emotional disturbance, visual, orthopedic, or
31 other health impairment, or developmental disability that is attributable to intellectual

1 disability, cerebral palsy, epilepsy, autism, or other cause; "disabled" does not mean
2 "incompetent";

3 (5) "dividend fund" means the fund established by AS 37.13.470;

4 (6) "executive director" means the executive director of the Alaska
5 Permanent Fund Corporation appointed under AS 37.13.100;

6 (7) "individual" means a natural person;

7 (8) "permanent fund dividend" means a right to receive a payment
8 from the dividend fund;

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

11 (10) "state resident" means an individual who is physically present in
12 the state with the intent to remain indefinitely in the state under the requirements of
13 AS 01.10.055 or, if the individual is not physically present in the state, intends to
14 return to the state and remain indefinitely in the state under the requirements of
15 AS 01.10.055;

16 (11) "year" means a calendar year.

17 * **Sec. 37.** AS 43.82.230(e)(3) is amended to read:

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

19 (A) receives a permanent fund dividend under **AS 37.13.400 -**

20 **37.13.660** [AS 43.23]; or

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

23 * **Sec. 38.** AS 44.64.030(a)(33) is amended to read:

24 (33) **AS 37.13.400 - 37.13.660** [AS 43.23] (permanent fund
25 dividends);

26 * **Sec. 39.** AS 44.99.205(c)(3) is amended to read:

27 (3) "program" includes the permanent fund dividend program under
28 **AS 37.13.400 - 37.13.660** [AS 43.23] and the longevity bonus program under
29 AS 47.45.010 - 47.45.160;

30 * **Sec. 40.** AS 47.05.080(b) is amended to read:

31 (b) The permanent fund dividend of a former recipient of a public assistance

1 program listed under (a) of this section may be taken under AS 37.13.530(b)(6) and
 2 37.13.560 [AS 43.23.140(b)(6) AND 43.23.170] to satisfy the balance due on a
 3 defaulted overpayment claim.

4 * **Sec. 41.** AS 47.10.115(a) is amended to read:

5 (a) The department shall annually apply for a permanent fund dividend and
 6 retain in trust under AS 37.13.430(e) [AS 43.23.015(e)] for the benefit of the child the
 7 dividend and accrued interest on the dividend if the child is in the custody of the
 8 department when the application is due.

9 * **Sec. 42.** AS 47.12.155(d) is amended to read:

10 (d) The permanent fund dividend of an indigent parent or guardian
 11 participating in treatment ordered under (b) of this section may be taken under
 12 AS 37.13.530(b)(6) and 37.13.540 [AS 43.23.140(b)(6) AND 43.23.150] to satisfy
 13 the balance due on a reimbursement claim by the department under (c) of this section.

14 * **Sec. 43.** AS 47.55.020(d) is amended to read:

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

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

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

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

- 1 (B) stock;
- 2 (C) noncash dividends from stock; and
- 3 (D) land;
- 4 (3) a permanent fund dividend issued under AS 37.13.400 - 37.13.660
- 5 [AS 43.23];
- 6 (4) compensation to volunteers under the federal retired and senior
- 7 volunteers (42 U.S.C. 5001), foster grandparents (42 U.S.C. 5011), and senior
- 8 companion (42 U.S.C. 5013) programs made in accordance with 42 U.S.C. 5044(f);
- 9 (5) federal World War II restitution payments made under 50 U.S.C.
- 10 App. 1989b-4 and c-5;
- 11 (6) payments under AS 18.67 (Violent Crimes Compensation Board);
- 12 (7) an amount, determined by the department by regulation, that is
- 13 sufficient for burial expenses of the resident, the resident's spouse, and dependents of
- 14 the resident;
- 15 (8) real property being used as the primary residence of the resident's
- 16 spouse or a dependent of the resident;
- 17 (9) other real or personal property equal to at least a total value of up
- 18 to \$10,000 as established by the department by regulation;
- 19 (10) federal payments that are excluded by law from income for
- 20 federal assistance purposes.

21 * **Sec. 44.** AS 37.13.145(c); AS 43.23.005, 43.23.008, 43.23.011, 43.23.015, 43.23.021,

22 43.23.025, 43.23.028, 43.23.045, 43.23.048, 43.23.055, 43.23.101, 43.23.110, 43.23.130,

23 43.23.140, 43.23.150, 43.23.160, 43.23.170, 43.23.180, 43.23.190, 43.23.200, 43.23.210,

24 43.23.220, 43.23.230, 43.23.240, 43.23.250, 43.23.260, 43.23.270, and 43.23.295 are

25 repealed.

26 * **Sec. 45.** The uncoded law of the State of Alaska is amended by adding a new section to

27 read:

28 APPLICABILITY. (a) AS 11.56.800, as amended by sec. 6 of this Act, applies to

29 offenses committed on or after the effective date of this Act.

30 (b) AS 12.55.041(d), as amended by sec. 8 of this Act, applies to a surcharge imposed

31 on or after the effective date of this Act, for offenses committed on or after the effective date

1 of this Act.

2 * **Sec. 46.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 TRANSITION. (a) On July 1, 2024, the Department of Administration shall transfer
5 the balance of dividend fund established under AS 43.23.045 to the dividend fund established
6 under AS 37.13.470.

7 (b) At the request of the Alaska Permanent Fund Corporation, the Department of
8 Revenue shall provide information contained in permanent fund dividend records collected
9 before July 1, 2024, to the Alaska Permanent Fund Corporation.

10 (c) All contracts, rights, liabilities, or other obligations of the Department of Revenue
11 related to administration of the permanent fund under AS 43.23 that are created by or under a
12 law amended or repealed by this Act, and in effect on the effective date of this section, remain
13 in effect notwithstanding this Act's taking effect, with all contracts, rights, liabilities, or
14 obligations. The Department of Revenue may, at the request of the Alaska Permanent Fund
15 Corporation, transfer a contract, right, liability or other obligation related to the administration
16 of the permanent fund to the Alaska Permanent Fund Corporation.

17 * **Sec. 47.** This Act takes effect July 1, 2024.