

SENATE CS FOR CS FOR HOUSE BILL NO. 2(FIN) am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/16/98

Offered: 2/10/98

Sponsor(s): REPRESENTATIVES KOTT AND MULDER, Kubina, Martin, Davies, Williams, Hudson, Rokeberg, Ryan, James, Elton, Croft

A BILL

FOR AN ACT ENTITLED

**1 "An Act requiring, for purposes of permanent fund dividend eligibility, an
2 individual to have been physically present in the state for at least 72 consecutive
3 hours during the prior two years before the current dividend year; relating, for
4 purposes of permanent fund dividend eligibility, to allowable absences for
5 secondary and postsecondary education on a full-time basis, vocational, professional,
6 or other education on a full-time basis when a comparable program is not
7 reasonably available in the state, serving on active duty as a member of the
8 armed forces of the United States, receiving continuous medical treatment or
9 convalescing if the treatment or convalescence is not based on a need for climatic
10 change, providing care for certain relatives with critical life-threatening illnesses,
11 providing care for certain terminally ill relatives, settling the estates of certain
12 relatives, serving as a member of the United States Congress, serving on the staff**

1 of a member from this state of the United States Congress, serving as an
 2 employee of the state, accompanying certain ill minors, accompanying another
 3 eligible resident who is absent for an allowable reason as the spouse, minor
 4 dependent, or disabled dependent of the eligible resident, or for any reason
 5 consistent with an individual's intent to remain a state resident; prohibiting, for
 6 purposes of permanent fund dividend eligibility, an individual from claiming an
 7 allowable absence unless the individual was a resident for at least six consecutive
 8 months immediately before leaving the state; making ineligible, for purposes of
 9 permanent fund dividend eligibility, certain individuals who are absent for more
 10 than 180 days during each of 10 qualifying years; relating to the definition of
 11 state 'resident' for purposes of permanent fund dividend eligibility and requiring
 12 a state resident to have the intent to remain indefinitely; relating to the qualifying
 13 year and defining that term for purposes of the permanent fund dividend
 14 program; relating to the eligibility for 1998 permanent fund dividends of certain
 15 spouses and dependents of eligible individuals; and providing for an effective
 16 date."

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

18 * **Section 1.** AS 23.40.210(e) is amended to read:

19 (e) In this section, "state resident" means an individual who is physically
 20 present in the state with the intent to remain permanently in the state under the
 21 requirements of AS 01.10.055 or, if the individual is not physically present in the state,
 22 intends to return to the state and remain permanently in the state under the
 23 requirements of AS 01.10.055 [,] and is absent only temporarily for reasons allowed
 24 under AS 43.23.008 [AS 43.23.095(8)] or a successor statute.

25 * **Sec. 2.** AS 43.23.005(a) is amended to read:

1 (a) An individual is eligible to receive one permanent fund dividend each year
2 in an amount to be determined under AS 43.23.025 if **the individual**

3 (1) [THE INDIVIDUAL] applies to the department;

4 (2) [ON THE DATE OF APPLICATION THE INDIVIDUAL] is a
5 state resident **on the date of application**;

6 (3) [THE INDIVIDUAL] was a state resident **during** [FOR AT
7 LEAST] the **entire qualifying** [CALENDAR YEAR IMMEDIATELY PRECEDING
8 JANUARY 1 OF THE CURRENT DIVIDEND] year;

9 (4) [THE INDIVIDUAL] has been physically present in the state at
10 some time during the prior two [CALENDAR] years before the current dividend year;
11 [AND]

12 (5) [THE INDIVIDUAL] is

13 (A) a citizen of the United States;

14 (B) an alien lawfully admitted for permanent residence in the
15 United States;

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

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

18 **and**

19 **(6) was, at all times during the qualifying year, physically present**
20 **in the state or, if absent, was absent only as allowed in AS 43.23.008.**

21 * **Sec. 3.** AS 43.23.005(a) is amended to read:

22 (a) An individual is eligible to receive one permanent fund dividend each year
23 in an amount to be determined under AS 43.23.025 if the individual

24 (1) applies to the department;

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

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

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

29 (5) is

30 (A) a citizen of the United States;

31 (B) an alien lawfully admitted for permanent residence in the

1 United States;

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

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

4 and

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

7 * **Sec. 4.** AS 43.23.005(d) is amended to read:

8 (d) Notwithstanding the provisions of (a) - (c) of this section, an individual is
9 not eligible for a permanent fund dividend for a dividend year when

10 (1) during the **qualifying** [CALENDAR YEAR IMMEDIATELY
11 PRECEDING THAT DIVIDEND] year the individual was sentenced as a result of
12 conviction in this state of a felony;

13 (2) during all or part of the **qualifying** [CALENDAR YEAR
14 IMMEDIATELY PRECEDING THAT DIVIDEND] year, the individual was
15 incarcerated as a result of the conviction in this state of a

16 (A) felony; or

17 (B) misdemeanor if the individual has been convicted of two or
18 more prior crimes as defined in AS 11.81.900.

19 * **Sec. 5.** AS 43.23 is amended by adding a new section to read:

20 **Sec. 43.23.008. Allowable absences during the years of 1998, 1999, and**
21 **2000.** (a) Subject to (b) and (c) of this section, an otherwise eligible individual who
22 is absent from the state during the qualifying year remains eligible for a 1999, 2000,
23 or 2001 permanent fund dividend if the individual was absent

24 (1) receiving secondary or postsecondary education on a full-time
25 basis;

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

29 (3) serving on active duty as a member of the armed forces of the
30 United States;

31 (4) receiving continuous medical treatment recommended by a licensed

1 physician or convalescing as recommended by the physician that treated the illness if
2 the treatment or convalescence is not based on a need for climatic change;

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

7 (6) providing care for the individual's terminally ill parent, spouse,
8 sibling, child, or stepchild;

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

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

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

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

16 (11) accompanying a minor who is absent under (4) of this subsection;

17 (12) accompanying another eligible resident who is absent for a reason
18 permitted under this subsection as the spouse, minor dependent, or disabled dependent
19 of the eligible resident;

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

22 (A) 180 days if the individual is not claiming an absence under
23 (1) - (12) of this subsection;

24 (B) 120 days in addition to any absence or cumulative absences
25 claimed under (1) or (2) of this subsection if the individual is not claiming an
26 absence under (3) - (12) of this subsection; or

27 (C) 45 days in addition to any absence or cumulative absences
28 claimed under (1) - (12) of this subsection.

29 (b) An individual may not claim an allowable absence under (a)(1) - (12) of
30 this section unless the individual was a resident of the state for at least six consecutive
31 months immediately before leaving the state.

1 (c) An otherwise eligible individual who has been eligible for the immediately
 2 preceding 10 dividends despite being absent from the state for more than 180 days in
 3 each of the related 10 qualifying years is only eligible for the current year dividend
 4 if the individual was absent 180 days or less during the qualifying year. This
 5 subsection does not apply to an absence under (a)(8) or (9) of this section or to an
 6 absence under (a)(12) of this section if the absence is to accompany an individual who
 7 is absent under (a)(8) or (9) of this section.

8 * **Sec. 6.** AS 43.23.028(a) is amended to read:

9 (a) By October 1 of each year, the commissioner shall give public notice of
 10 the value of each permanent fund dividend for that year and notice of the information
 11 required to be disclosed under (3) of this subsection. In addition, the stub attached to
 12 each individual dividend check and direct deposit advice must

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

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

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

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

24 (A) during the **qualifying** [CALENDAR YEAR
 25 IMMEDIATELY PRECEDING THAT DIVIDEND] year the individual was
 26 convicted of a felony;

27 (B) during all or part of the **qualifying** [CALENDAR YEAR
 28 IMMEDIATELY PRECEDING THAT DIVIDEND] year, the individual was
 29 incarcerated as a result of the conviction of a

30 (i) felony; or

31 (ii) misdemeanor if the individual has been convicted of

1 two or more prior crimes;

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

4 (A) obtain reimbursement for some of the costs imposed on the
5 state criminal justice system related to incarceration or probation of those
6 individuals;

7 (B) provide funds for payments to crime victims and for grants
8 for the operation of domestic violence and sexual assault programs;

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

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

14 * **Sec. 7.** AS 43.23.095(8) is amended to read:

15 (8) "state resident" means an individual who is physically present in the
16 state with the intent to remain **indefinitely** [PERMANENTLY] in the state under the
17 requirements of AS 01.10.055 or, if the individual is not physically present in the state,
18 intends to return to the state and remain **indefinitely** [PERMANENTLY] in the state
19 under the requirements of AS 01.10.055 [, AND IS ABSENT ONLY FOR ANY OF
20 THE FOLLOWING REASONS:

21 (A) VOCATIONAL, PROFESSIONAL, OR OTHER SPECIFIC
22 EDUCATION FOR WHICH A COMPARABLE PROGRAM WAS NOT
23 REASONABLY AVAILABLE IN THE STATE;

24 (B) SECONDARY OR POSTSECONDARY EDUCATION;

25 (C) MILITARY SERVICE;

26 (D) MEDICAL TREATMENT;

27 (E) SERVICE IN CONGRESS;

28 (F) OTHER REASONS WHICH THE COMMISSIONER MAY
29 ESTABLISH BY REGULATION;

30 (G) SERVICE IN THE PEACE CORPS;

31 (H) TO CARE FOR THE INDIVIDUAL'S TERMINALLY ILL

1 PARENT, SPOUSE, SIBLING, CHILD, OR STEPCHILD;

2 (I) FOR UP TO 220 DAYS TO SETTLE THE ESTATE OF
3 THE INDIVIDUAL'S DECEASED PARENT, SPOUSE, SIBLING, CHILD,
4 OR STEPCHILD; OR

5 (J) TO CARE FOR A PARENT, SPOUSE, SIBLING, CHILD,
6 OR STEPCHILD WITH A CRITICAL LIFE-THREATENING ILLNESS
7 WHOSE TREATMENT PLAN, AS RECOMMENDED BY THE ATTENDING
8 PHYSICIAN, REQUIRES TRAVEL OUTSIDE THE STATE FOR
9 TREATMENT AT A MEDICAL SPECIALTY COMPLEX];

10 * **Sec. 8.** AS 43.23.095 is amended by adding a new paragraph to read:

11 (10) "qualifying year" means the year immediately preceding January 1
12 of the current dividend year.

13 * **Sec. 9.** APPLICATION. AS 43.23.008(c), enacted by sec. 5 of this Act, applies only to
14 periods of absence during January 1, 1998, and thereafter.

15 * **Sec. 10.** PERMANENT FUND DIVIDENDS FOR CERTAIN SPOUSES AND
16 DEPENDENTS. (a) Notwithstanding the provision in AS 43.23.015(a) that the residency of
17 an individual's spouse may not be the principal factor relied upon in determining the residency
18 of the individual, an individual is eligible for a 1998 dividend if the individual was absent
19 from the state while accompanying, as the spouse, minor dependent, or disabled dependent,
20 another person who was eligible for that dividend and was absent for a reason permitted
21 under AS 43.23.095(8), as that statute read at the time of the absence. An individual is
22 eligible for a 1998 dividend under this subsection only if the individual would have been
23 otherwise eligible for the 1998 dividend and

24 (1) applied for the 1998 dividend during the 1998 application period; or

25 (2) if the individual did not apply during the 1998 application period, applies
26 for the 1998 dividend before the end of the 1999 application period.

27 (b) The Department of Revenue shall prescribe and furnish an application form for
28 claiming a 1998 dividend under (a)(2) of this section.

29 * **Sec. 11.** Section 10 of this Act is retroactive to January 1, 1998.

30 * **Sec. 12.** Sections 10 and 11 of this Act take effect immediately under AS 01.10.070(c).

31 * **Sec. 13.** Sections 1, 2, and 4 - 9 of this Act take effect January 1, 1999.

1 * **Sec. 14.** Section 3 of this Act takes effect January 1, 2000.