

**CS FOR HOUSE BILL NO. 337(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 2/23/00

Referred: Judiciary, Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to claims against permanent fund dividends to pay amounts  
2 owed to the Department of Labor and Workforce Development under the Alaska  
3 Employment Security Act and to fees for processing certain claims against  
4 permanent fund dividends; and providing for an effective date."

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

6 \* **Section 1.** AS 43.23.071 is amended to read:

7           **Sec. 43.23.071. Fees for processing claims and assignments.** The department  
8 shall by regulation adopted under AS 44.62 (Administrative Procedure Act) establish  
9 fees for processing claims on dividends received by the department under  
10 AS 43.23.065, [OR] 43.23.067, or 43.23.072 and for processing assignments of  
11 dividends received by the department under AS 43.23.069(b). The fees shall cover the  
12 administrative expenses of the department associated with the claims and assignments.  
13 Fees shall be deducted from the amount of the dividend remaining after payment of  
14 the portion claimed or assigned, or, if the entire dividend is claimed or assigned, the

1 fees shall be deducted before the dividend is paid to the creditor or assignee.

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

3 **Sec. 43.23.072. Claims for amounts owed under the Alaska Employment**  
4 **Security Act.** (a) AS 09.38 does not apply to permanent fund dividends taken by the  
5 Department of Labor and Workforce Development for a claim for payment for money  
6 owed under AS 23.20 (Alaska Employment Security Act). Notwithstanding AS 09.35,  
7 execution on a dividend claimed under this section is accomplished by delivering a  
8 certified claim to the Department of Revenue containing the following information:

9 (1) the name and social security number of the individual whose  
10 dividend is being claimed; if the Department of Labor and Workforce Development  
11 does not have access to the individual's social security number for this purpose, the  
12 department may supply other identification information authorized under regulations  
13 to make a claim under AS 43.23.065;

14 (2) the amount the individual owes on the claim for payment;

15 (3) a statement that

16 (A) the Department of Labor and Workforce Development has  
17 notified the individual that future permanent fund dividends of the individual  
18 will be taken to satisfy the claim for payment;

19 (B) the individual was notified of the right to request a hearing  
20 and allowed at least 30 days after the date of the notice described in (A) of this  
21 paragraph to request the Department of Labor and Workforce Development to  
22 hold a hearing on the claim;

23 (C) the claim for payment has not been contested, or, if  
24 contested, the issue has been resolved in favor of the Department of Labor and  
25 Workforce Development; and

26 (D) if the claim for payment has been contested and resolved  
27 in favor of the Department of Labor and Workforce Development, an appeal  
28 is not pending, the time limit for filing an appeal has expired, or the appeal has  
29 been resolved in favor of the department.

30 (b) If a permanent fund dividend is claimed under (a) of this section, the  
31 Department of Labor and Workforce Development shall, before submitting a claim for

1 payment under this section, notify the individual. The notice shall be sent to the  
2 mailing address provided in the individual's permanent fund dividend application and  
3 must provide the following information:

4 (1) the amount of the claim for payment;

5 (2) notice that the permanent fund dividend, or that portion of the  
6 permanent fund dividend that does not exceed the amount of the claim for payment,  
7 shall be paid to the Department of Labor and Workforce Development in accordance  
8 with priorities established in state law;

9 (3) notice that the individual has a right to request a hearing and has  
10 a specific time after the date that the notice is mailed in which to file with the  
11 Department of Labor and Workforce Development an objection to paying the claim  
12 from the individual's permanent fund dividend.

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

15 (1) is limited to issues of identity of the individual and whether an  
16 amount is still owing in the claim for payment; and

17 (2) may be conducted telephonically or in writing.

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

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

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

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

26 (e) The Department of Labor and Workforce Development may adopt  
27 regulations to implement or interpret this section under AS 44.62 (Administrative  
28 Procedure Act).

29 (f) In a claim for payment under this section, the Department of Labor and  
30 Workforce Development may include fines, penalties, overpayments, attorney fees,  
31 costs, and other amounts owed the department under other provisions of state law

1 under which the claim for payment is being made.

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

4 TRANSITION: REGULATIONS. Notwithstanding sec. 5 of this Act, the Department  
5 of Labor and Workforce Development may proceed to adopt regulations necessary to interpret  
6 or implement secs. 1 and 2 of this Act. The regulations take effect under AS 44.62  
7 (Administrative Procedure Act), but not before the effective date of secs. 1 and 2 of this Act.

8 \* **Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).

9 \* **Sec. 5.** Sections 1 and 2 of this Act take effect January 1, 2001.