

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 305
 (H) Publish Date: 2/15/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Noncompliance BRU Revenue Operations
with Selective Service Component Permanent Fund Dividend
 Sponsor Rep. Murkowski
 Requester Military and Veteran Affairs Component No. 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill amends the eligibility section of the Permanent Fund Dividend statutes by adding a section requiring that an individual who is required to register with the Selective Service System be in compliance during the qualifying year in order to be determined eligible for the dividend.

We do not expect this bill to have a fiscal effect on the operations of the Permanent Fund dividend program.

See Page 2 for further discussion.

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 Division Permanent Fund Dividend Date/Time 2/11/02 4:15 PM
 Approved by: Larry Persily, Deputy Commissioner Date 02/11/2002
 Agency Department of Revenue

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However, we do expect that this legislation will increase the number of eligibility determinations that go into review and appeal, as we expect a fair number of applicants will be denied each year for failure to register with Selective Service -- particularly in the first year of the new law. Young Alaska men in 1999 and 2000 averaged 86.5% compliance with Selective Service registration.

The bill carries a January 1, 2003 effective date, which would mean applicants for the October 2003 dividend would be judged on their compliance with Selective Service registration in 2002 — and we would expect that some applicants would be caught unaware of the new dividend eligibility rule until they were denied and it was too late to remedy the omission. (The new rule would be printed in the January 2003 application booklet.)

We also expect that an unknown number of applicants will be initially denied each year because of failures in data matches between the Dividend Division's information and computer tapes obtained from the Selective Service System. Although such errors (data entry, human error, hard-to-read hand-written applications) occur in any data match and can be corrected, the applicants will experience delays in receiving their dividend until they have cleared up any data errors in the matches.