

HOUSE BILL NO. 494

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES KOTT, Hawker, Foster, Meyer

Introduced: 2/16/04
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the disbursement of money by the state, including employment**
2 **compensation, unemployment payments, and permanent fund dividends, and to bank**
3 **investments and deposits by the state; and providing for an effective date."**

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

5 * **Section 1.** AS 03.20.030(a) is amended to read:

6 (a) Each agricultural and industrial fair association desiring to apply for an
7 operation and maintenance grant shall apply to the commissioner before August 1 of
8 the year preceding the fiscal year for which the grant is sought. It shall submit with
9 the application a planned program of operation and maintenance of the proposed fair,
10 the rules and regulations governing the fair, and a certificate signed by the president
11 and secretary of the association [,] certifying that the association will spend for the
12 proposed fair [,] a sum of money from their own funds equal in amount to the benefits
13 requested under this chapter. When satisfied that the association is entitled to receive
14 state aid under the provisions of this chapter, the commissioner shall **make a**

1 **disbursement to** [HAVE A WARRANT DRAWN IN FAVOR OF] the association [,]
 2 in the sum to which it is entitled. The commissioner shall pay annually the sum to be
 3 paid under the provisions of this chapter.

4 * **Sec. 2.** AS 03.20.035(a) is amended to read:

5 (a) Each agricultural and industrial fair association desiring to apply for a
 6 capital improvement grant shall apply to the commissioner before August 1 of the year
 7 preceding the fiscal year for which the grant is sought. It shall submit with the
 8 application a proposed long-term capital improvement plan of the fair covering five
 9 years from the time the application is submitted, which shall be certified by the
 10 president and secretary of the association as having been reviewed and approved by
 11 the governing body of the association. When satisfied that the association is entitled
 12 to receive state aid under the provisions of this section, the commissioner shall **make a**
 13 **disbursement to** [HAVE A WARRANT DRAWN IN FAVOR OF] the association [,]
 14 in the sum to which it is entitled.

15 * **Sec. 3.** AS 08.48.061(c) is amended to read:

16 (c) The board may make expenditures from appropriated funds for any
 17 purpose that is reasonably necessary for the proper performance of its duties under this
 18 chapter. This may include the expenses of the board delegates to meetings of councils
 19 of architect examiners, engineering examiners, land surveyor examiners, or landscape
 20 architect examiners, or any of their subdivisions. The total amount of **disbursements**
 21 [WARRANTS] issued in payment of the expenses incurred under this chapter may not
 22 exceed the amount of money appropriated by the legislature.

23 * **Sec. 4.** AS 22.05.140(b) is amended to read:

24 (b) A salary **disbursement** [WARRANT] may not be issued to a justice of the
 25 supreme court until the justice has filed with the state officer designated to issue salary
 26 **disbursements** [WARRANTS] an affidavit that no matter referred to the justice for
 27 opinion or decision has been uncompleted or undecided by the justice for a period of
 28 more than six months.

29 * **Sec. 5.** AS 22.07.090(b) is amended to read:

30 (b) A salary **disbursement** [WARRANT] may not be issued to a judge of the
 31 court of appeals until the judge has filed with the state officer designated to issue

1 salary **disbursements** [WARRANTS] an affidavit that no matter referred to the judge
 2 for opinion or decision has been uncompleted or undecided by the judge for a period
 3 of more than six months.

4 * **Sec. 6.** AS 22.10.190(b) is amended to read:

5 (b) A salary **disbursement** [WARRANT] may not be issued to a superior
 6 court judge until the judge has filed with the state officer designated to issue salary
 7 **disbursements** [WARRANTS] an affidavit that no matter referred to the judge for
 8 opinion or decision has been uncompleted or undecided by the judge for a period of
 9 more than six months.

10 * **Sec. 7.** AS 22.15.220(c) is amended to read:

11 (c) A salary **disbursement** [WARRANT] may not be issued to a district judge
 12 or magistrate until the judge or magistrate has filed with the state officer designated to
 13 issue salary **disbursements** [WARRANTS,] an affidavit that no matter referred to the
 14 judge or magistrate for opinion or decision has been uncompleted or undecided by the
 15 judge or magistrate for a period of more than six months.

16 * **Sec. 8.** AS 23.10.040(a) is amended to read:

17 (a) **Except as otherwise required by AS 37.25.050, an** [AN] employer of
 18 labor performing services in this state shall pay the wages or other compensation for
 19 the services with lawful money of the United States or with negotiable checks, drafts,
 20 or orders payable upon presentation without discount by a bank or depository inside
 21 the state.

22 * **Sec. 9.** AS 23.20.135(a) is amended to read:

23 (a) The commissioner of revenue is ex officio the treasurer and custodian of
 24 the fund and shall administer it as directed by the department. **Disbursements**
 25 [CHECKS OR WARRANTS] shall be issued **from** [ON] the fund in accordance with
 26 **AS 37.25.050 and** the regulations that the department adopts. The fund has three
 27 separate accounts:

- 28 (1) a clearing account,
- 29 (2) an unemployment trust fund account, and
- 30 (3) a benefit account.

31 * **Sec. 10.** AS 23.20.145(b) is amended to read:

1 (b) The department shall from time to time requisition from the
 2 unemployment trust fund amounts not exceeding the amounts standing to the state's
 3 account in the fund **that** [WHICH] it considers necessary for the payment of benefits
 4 for a reasonable future period. Upon receipt of an amount the department shall deposit
 5 the money to the benefit account. A [CHECK OR WARRANT FOR THE] payment
 6 [OF BENEFITS] may be **made** [ISSUED] solely from the benefit account.

7 * **Sec. 11.** AS 23.20.145(c) is amended to read:

8 (c) If money in the clearing account is not sufficient to provide for refunds of
 9 contributions erroneously collected and payable under AS 23.20.225 and
 10 23.20.526(a)(11), the department shall withdraw from the unemployment trust fund
 11 the amounts not exceeding the amount standing to this state's account in the fund **that**
 12 [WHICH] are necessary for the payment of the refunds, but no amounts may be
 13 withdrawn from the unemployment trust fund for the refund of interest and penalty
 14 payments. Upon receipt, the department, or the designee of the department, shall
 15 deposit this money to the clearing account. A [CHECK OR WARRANT FOR THE]
 16 payment of a refund shall be **made** [ISSUED] from the clearing account.

17 * **Sec. 12.** AS 23.20.145(d) is amended to read:

18 (d) Expenditures of the money in the benefit account and refunds from the
 19 clearing account are not subject to provisions of law requiring specific appropriations
 20 or other formal release by state officers of money in their custody. [ALL CHECKS
 21 OR WARRANTS ISSUED BY THE STATE FOR THE PAYMENT OF BENEFITS
 22 AND REFUNDS SHALL BEAR THE SIGNATURE OF THE COMMISSIONER OF
 23 ADMINISTRATION AND COUNTERSIGNATURE OF THE AUTHORIZED
 24 AGENT OF THE DEPARTMENT FOR THAT PURPOSE.]

25 * **Sec. 13.** AS 26.15.040(d) is amended to read:

26 (d) Money loaned shall be **disbursed from** [DELIVERED] to the borrower
 27 [IN THE FORM OF A WARRANT DRAWN ON] the treasury, vouchered in the
 28 manner prescribed for state disbursing officers, and charged against the Alaska World
 29 War II veterans' revolving fund. Each voucher shall be approved by the commissioner
 30 of community and economic development or any bonded deputy authorized to act as a
 31 certifying officer. Upon repayment of loans by installments, or otherwise, in

1 accordance with the prescribed terms, or upon liquidation by foreclosure or other
 2 process, or upon receipt of interest, the money so received shall be turned over to the
 3 commissioner of revenue for deposit in the Alaska World War II veterans' revolving
 4 fund.

5 * **Sec. 14.** AS 34.45.720(c) is amended to read:

6 (c) AS 34.45.110 - 34.45.780 do not apply to a **disbursement** [WARRANT]
 7 for the payment of a permanent fund dividend.

8 * **Sec. 15.** AS 37.05.180 is amended to read:

9 **Sec. 37.05.180. Limitation on payment disbursements [OF**
 10 **WARRANTS].** A **disbursement under AS 37.25.050(a)(2) from** [WARRANT
 11 UPON] the state treasury **shall** [MAY NOT] be **cancelled** [PAID] unless **collected by**
 12 **the recipient** [PRESENTED AT THE OFFICE OF THE COMMISSIONER OF
 13 REVENUE] within six months **after** [OF] the date of its issuance. A **disbursement**
 14 [WARRANT] not **collected** [PRESENTED] within that time is presumed abandoned,
 15 except where the **disbursement** [WARRANT] is for the payment of a permanent fund
 16 dividend or a benefit payment or refund under AS 14.25, AS 22.25, AS 26.05,
 17 AS 39.30, AS 39.35, AS 39.37, or AS 39.45. Money held for an abandoned
 18 **disbursement** [WARRANT] shall be delivered to the custody of the Department of
 19 Revenue to be administered as unclaimed property under AS 34.45.

20 * **Sec. 16.** AS 37.10.075(d) is amended to read:

21 (d) The Department of Revenue may deposit funds in banks inside or outside
 22 the state without requiring those banks in which the funds are deposited to pay interest
 23 on the deposits. It is the intention of the legislature that the department may
 24 compensate the banks for **handling** [CLEARING] state **disbursements**
 25 [WARRANTS] in a manner determined by the commissioner of revenue to be in the
 26 best interests of the state.

27 * **Sec. 17.** AS 37.10.078 is amended to read:

28 **Sec. 37.10.078. Prohibited deposits and investments in certain banks.** The
 29 commissioner of revenue may not make investments or deposits with a bank doing
 30 business in Alaska that has a general practice of

31 (1) charging a fee for **handling disbursements** [CASHING CHECKS

1 OR WARRANTS] issued by the state; or

2 (2) refusing to handle disbursements [CASH CHECKS OR
3 WARRANTS] issued by the state.

4 * **Sec. 18.** AS 37.10.100(b) is amended to read:

5 (b) However, if the sum recovered belongs to a city, school district, or
6 municipal government, the sum shall be transferred to it, less sums advanced by the
7 state in the suit, and not already repaid to it. The Department of Administration may
8 disburse [PAY] to the city, school district, or municipal corporation the sums
9 belonging to it [, UPON WARRANTS DRAWN AS PROVIDED BY LAW]. The
10 disbursements [WARRANTS] must be based upon vouchers approved by the
11 attorney general.

12 * **Sec. 19.** AS 37.25 is amended by adding a new section to read:

13 **Sec. 37.25.050. Required methods of disbursement.** (a) Notwithstanding
14 any provision of law to the contrary, unless federal law requires otherwise, a state
15 agency may not disburse money unless the disbursement is made

16 (1) by an electronic funds transfer to an account in a financial
17 institution; or

18 (2) from an account established by the state agency by contract with a
19 financial institution under which a person uses an electronic payment card issued by
20 the financial institution to access the money.

21 (c) In this section,

22 (1) "disbursement" includes wages and other employment benefits;

23 (2) "state agency" means a department, institution, board, commission,
24 division, authority, public corporation, committee, or other administrative unit of the
25 executive branch of state government, including the University of Alaska and the
26 Alaska Railroad Corporation.

27 * **Sec. 20.** AS 43.20.030(e) is amended to read:

28 (e) The department may credit or refund overpayments of taxes, taxes
29 erroneously or illegally assessed or collected, penalties collected without authority,
30 and taxes that are found unjustly assessed or excessive in amount, or otherwise
31 wrongfully collected. The department shall set limitations, specify the manner in

1 which claims for credits or refunds are made, and give notice of allowance or
 2 disallowance. When a refund is allowed to a taxpayer, it shall be paid out of the
 3 general fund **by a disbursement** [ON A WARRANT] issued under a voucher
 4 approved by the department.

5 * **Sec. 21.** AS 43.23.028(a) is amended to read:

6 (a) By October 1 of each year, the commissioner shall give public notice of
 7 the value of each permanent fund dividend for that year and notice of the information
 8 required to be disclosed under (3) of this subsection. In addition, the stub attached to
 9 each individual dividend [CHECK AND] direct deposit advice must

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

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

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

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

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

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

26 (i) felony; or

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

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

31 (A) obtain reimbursement for some of the costs imposed on the

1 state criminal justice system related to incarceration or probation of those
2 individuals;

3 (B) provide funds for services for and payments to crime
4 victims and for grants for the operation of domestic violence and sexual assault
5 programs;

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

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

11 * **Sec. 22.** AS 43.23.055(8) is amended to read:

12 (8) adopt regulations that establish procedures for an individual to
13 apply to have a dividend **disbursement under AS 37.25.050(a)(2)** [WARRANT]
14 reissued if it is [RETURNED TO THE DEPARTMENT AS UNDELIVERABLE OR
15 IT IS] not **collected** [PAID] within two years **after** [OF] the date of its issuance;
16 however, the department may not establish a time limit within which an application to
17 have a **disbursement** [WARRANT] reissued must be filed;

18 * **Sec. 23.** AS 43.40.070 is amended to read:

19 **Sec. 43.40.070. Refund disbursements [WARRANTS].** Upon approval of a
20 refund claim by the department, a **disbursement** [WARRANT] shall be **made from**
21 [DRAWN ON] the highway fuel tax account in the general fund in favor of the
22 applicant in the amount of the claim.

23 * **Sec. 24.** AS 44.21.040(a) is amended to read:

24 (a) The Department of Administration shall keep books of account in
25 permanent form of the claims presented and of the **disbursements made**
26 [WARRANTS DRAWN]. These records must show

27 (1) the name of the claimant; [,]

28 (2) the amount of the claim; [,]

29 (3) the date of its presentation; [,]

30 (4) the date of its allowance or disallowance; [,]

31 (5) the date and number of each **disbursement made** [WARRANT]

1 DRAWN]; [,]

2 (6) the name of the payee ; [,] and

3 (7) the appropriation **from** [AGAINST] which the **disbursement**
4 [WARRANT] is **made** [DRAWN].

5 * **Sec. 25.** AS 44.77.040(b) is amended to read:

6 (b) The department, after the hearing, may affirm, reverse, or modify its
7 original decision. Upon acceptance by the claimant of the decision of the department
8 or if the claimant does not obtain judicial review as set out in (c) of this section, the
9 department shall **make** [ISSUE] a **disbursement from** [WARRANT AGAINST] the
10 proper appropriation for the sum the department finds due the claimant.

11 * **Sec. 26.** AS 44.99.205(a) is amended to read:

12 (a) A state agency may not place a picture of an elected state official on an
13 application form [, A WARRANT,] or a direct deposit notice provided by the agency.

14 * **Sec. 27.** AS 44.99.205(b) is amended to read:

15 (b) A state agency may not place a message on or with an application form [,
16 A WARRANT,] or a direct deposit notice provided by the agency unless the message
17 is

18 (1) from a state agency employee who is not an elected state official;

19 and

20 (2) required by law, necessary for the operation of the document,
21 related to seasonal health issues including flu shot reminders, or related to a program
22 or activity of a state agency.

23 * **Sec. 28.** AS 45.95.020(d) is amended to read:

24 (d) Money loaned shall be delivered to the borrower **as provided** in
25 **AS 37.25.050** [THE FORM OF A WARRANT DRAWN ON THE TREASURY],
26 vouchered in the manner prescribed for state disbursing officers, and charged against
27 the small business revolving loan fund. Each voucher shall be approved by the
28 commissioner or a bonded deputy authorized to act as a certifying officer. Upon
29 repayment of loans by installments, or otherwise, in accordance with the prescribed
30 terms, or upon liquidation by foreclosure or other process, or upon receipt of interest,
31 the money so received shall be turned over to the commissioner of revenue for deposit

1 in the small business revolving loan fund.

2 * **Sec. 29.** AS 47.25.265 is amended to read:

3 **Sec. 47.25.265. Cancellation of disbursements [WARRANTS].** (a)
4 **Disbursements issued under AS 37.25.050(a)(2) for** [WARRANTS ISSUED TO] a
5 general relief assistance recipient after the date of death of the recipient shall be
6 [RETURNED TO THE DEPARTMENT OF ADMINISTRATION AND] canceled.

7 (b) General relief assistance **disbursements made under AS 37.25.050(a)(2)**
8 [WARRANTS ISSUED] before the death of the recipient but not **collected by the**
9 **recipient before** [NEGOTIATED AT] death shall be [RETURNED TO THE
10 DEPARTMENT OF ADMINISTRATION, AND SHALL BE] canceled, unless
11 claimed by the authorized representative of the estate of the recipient within 90 days
12 **after** [OF] the date of death.

13 (c) The state is not liable to the estate, heirs, or creditors of the deceased
14 general relief assistance recipient for payment on **disbursements** [WARRANTS]
15 canceled under (a) and (b) of this section.

16 * **Sec. 30.** AS 47.25.460(d) is amended to read:

17 (d) Each award shall be paid on a monthly basis. In case it is impracticable by
18 reason of slow or interrupted means of communication for a **disbursement**
19 [WARRANT] covering a month's assistance to reach the recipient in due course, the
20 department may transmit **disbursements** [WARRANTS] covering assistance for
21 future months and may deliver all of them to the recipient at one time.

22 * **Sec. 31.** AS 47.25.515 is amended to read:

23 **Sec. 47.25.515. Cancellation of disbursements [WARRANTS].** (a)
24 **Disbursements** [WARRANTS] issued to a recipient of assistance under AS 47.25.430
25 - 47.25.615 after the date of death of the recipient shall be [RETURNED TO THE
26 DEPARTMENT OF ADMINISTRATION AND] canceled.

27 (b) Assistance **disbursements under AS 37.25.050(a)(2)** [WARRANTS]
28 issued before the death of the recipient but not **collected before** [NEGOTIATED AT]
29 death shall be [RETURNED TO THE DEPARTMENT OF ADMINISTRATION,
30 AND SHALL BE] canceled, unless claimed by the authorized representative of the
31 estate of the recipient within 90 days **after** [OF] the date of death.

1 (c) The state is not liable to the estate, heirs, or creditors of the deceased
2 assistance recipient for payment on disbursements [WARRANTS] canceled under (a)
3 or (b) of this section.

4 * **Sec. 32.** AS 43.05.170 is repealed.

5 * **Sec. 33.** This Act takes effect January 1, 2006.