

CS FOR HOUSE BILL NO. 494(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/24/04

Referred: Today's Calendar

Sponsor(s): REPRESENTATIVES KOTT, Hawker, Foster, Meyer

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 provided 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** [DELIVERED] to the borrower **from**
 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 37.10.075(d) is amended to read:

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

15 * **Sec. 16.** AS 37.10.078 is amended to read:

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

19 (1) charging a fee for **handling disbursements** [CASHING CHECKS
 20 OR WARRANTS] issued by the state; or

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

23 * **Sec. 17.** AS 37.10.100(b) is amended to read:

24 (b) **If** [HOWEVER IF] the sum recovered **as described in (a) of this section**
 25 belongs to a city, school district, or municipal government, the sum shall be
 26 transferred to it, less sums advanced by the state in the suit [,] and not already repaid
 27 to it. The Department of Administration may **disburse** [PAY] to the city, school
 28 district, or municipal corporation the sums belonging to it [, UPON WARRANTS
 29 DRAWN AS PROVIDED BY LAW]. The **disbursements** [WARRANTS] must be
 30 based upon vouchers approved by the attorney general.

31 * **Sec. 18.** AS 37.25 is amended by adding a new section to read:

1 **Sec. 37.25.050. Methods of disbursement.** (a) Except as provided in (b) of
 2 this section, unless federal law requires otherwise, a state agency may not disburse
 3 money unless the disbursement is made

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

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

9 (b) A state agency is not required to use the disbursement methods described
 10 in (a) of the section if

11 (1) another state law or federal law requires that disbursement be made
 12 by another disbursement method;

13 (2) use of the disbursement methods would cause substantial hardship
 14 to the recipient of the disbursement;

15 (3) not more than five disbursements will be made to a recipient, or, on
 16 average, to each recipient entitled to disbursement under the program for which the
 17 disbursements are made;

18 (4) a person who sells goods or services to the state agency elects not
 19 to be paid by the disbursement methods;

20 (5) the disbursement is to a state employee and

21 (A) is the only disbursement that the state agency will make to
 22 the employee for the employment; or

23 (B) it is in the best interests of the state agency or the employee
 24 to use another disbursement method to pay the employee; or

25 (6) use of another disbursement method is in the best interests of the
 26 state agency.

27 (c) The commissioner of administration shall adopt regulations to implement
 28 (b) of this section.

29 (d) A state agency is not liable to pay a fee imposed by a recipient's financial
 30 institution for a disbursement made under (a) of this section.

31 (e) In this section,

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

2 (2) "state agency" means a department, institution, board, commission,
3 division, authority, public corporation, committee, or other administrative unit of the
4 executive branch of state government, including the University of Alaska.

5 * **Sec. 19.** AS 43.20.030(e) is amended to read:

6 (e) The department may credit or refund overpayments of taxes, taxes
7 erroneously or illegally assessed or collected, penalties collected without authority,
8 and taxes that are found unjustly assessed or excessive in amount, or otherwise
9 wrongfully collected. The department shall set limitations, specify the manner in
10 which claims for credits or refunds are made, and give notice of allowance or
11 disallowance. When a refund is allowed to a taxpayer, it shall be paid out of the
12 general fund **by a disbursement** [ON A WARRANT] issued under a voucher
13 approved by the department.

14 * **Sec. 20.** AS 43.23.028(a) is amended to read:

15 (a) By October 1 of each year, the commissioner shall give public notice of
16 the value of each permanent fund dividend for that year and notice of the information
17 required to be disclosed under (3) of this subsection. In addition, the stub attached to
18 each individual dividend **disbursement** [CHECK AND DIRECT DEPOSIT] advice
19 must

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

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

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

30 (4) include a statement that an individual is not eligible for a dividend
31 when

1 (A) during the qualifying year, the individual was convicted of
2 a felony;

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

5 (i) felony; or

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

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

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

13 (B) provide funds for services for and payments to crime
14 victims and for grants for the operation of domestic violence and sexual assault
15 programs;

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

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

21 * **Sec. 21.** AS 43.23.055(8) is amended to read:

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

28 * **Sec. 22.** AS 43.40.070 is amended to read:

29 **Sec. 43.40.070. Refund disbursements [WARRANTS].** Upon approval of a
30 refund claim by the department, a **disbursement** [WARRANT] shall be **made from**
31 [DRAWN ON] the highway fuel tax account in the general fund in favor of the

1 applicant in the amount of the claim.

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

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

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

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

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

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

10 (5) the date and number of each **disbursement made**; [WARRANT
11 DRAWN ,]

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

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

15 * **Sec. 24.** AS 44.77.040(b) is amended to read:

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

21 * **Sec. 25.** AS 44.99.205(a) is amended to read:

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

24 * **Sec. 26.** AS 44.99.205(b) is amended to read:

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

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

29 and

30 (2) required by law, necessary for the operation of the document,
31 related to seasonal health issues including flu shot reminders, or related to a program

1 or activity of a state agency.

2 * **Sec. 27.** AS 45.95.020(d) is amended to read:

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

12 * **Sec. 28.** AS 47.25.265 is amended to read:

13 **Sec. 47.25.265. Cancellation of disbursements [WARRANTS].** (a)
 14 **Disbursements** [WARRANTS] issued to a general relief assistance recipient after the
 15 date of death of the recipient shall be [RETURNED TO THE DEPARTMENT OF
 16 ADMINISTRATION AND] canceled.

17 (b) General relief assistance **disbursements made** [WARRANTS ISSUED]
 18 before the death of the recipient but not **collected by the recipient before**
 19 [NEGOTIATED AT] death shall be [RETURNED TO THE DEPARTMENT OF
 20 ADMINISTRATION, AND SHALL BE] canceled, unless claimed by the authorized
 21 representative of the estate of the recipient within 90 days **after** [OF] the date of death.

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

25 * **Sec. 29.** AS 47.25.460(d) is amended to read:

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

31 * **Sec. 30.** AS 47.25.515 is amended to read:

1 **Sec. 47.25.515. Cancellation of disbursements [WARRANTS].** (a)
 2 Disbursements [WARRANTS] issued to a recipient of assistance under AS 47.25.430
 3 - 47.25.615 after the date of death of the recipient shall be [RETURNED TO THE
 4 DEPARTMENT OF ADMINISTRATION AND] canceled.

5 (b) Assistance disbursements [WARRANTS] issued before the death of the
 6 recipient but not collected before [NEGOTIATED AT] death shall be [RETURNED
 7 TO THE DEPARTMENT OF ADMINISTRATION, AND SHALL BE] canceled,
 8 unless claimed by the authorized representative of the estate of the recipient within 90
 9 days after [OF] the date of death.

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

13 * **Sec. 31.** This Act takes effect January 1, 2006.