

SENATE CS FOR CS FOR HOUSE BILL NO. 494(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/7/04

Referred: Rules

Sponsor(s): REPRESENTATIVES KOTT, Hawker, Foster, Meyer, Dahlstrom, Lynn, Seaton

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the methods of disbursement of money by the state, including**
2 **employment compensation, unemployment payments, and permanent fund dividends,**
3 **and to bank 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 14.40.841 is amended to read:

24 **Sec. 14.40.841. Alaska Aerospace Development Corporation**
 25 **[REVOLVING] fund.** The Alaska Aerospace Development Corporation
 26 [REVOLVING] fund is established in the corporation. The [REVOLVING] fund
 27 consists of appropriations made to the [REVOLVING] fund by the legislature, and
 28 rents, fees, or other money or assets transferred to the [REVOLVING] fund by the
 29 corporation. Amounts deposited in the [REVOLVING] fund may be pledged to the
 30 payment of bonds of the corporation or expended for the purposes of the corporation
 31 under AS 14.40.821 - 14.40.990.

1 * **Sec. 5.** AS 14.40.841 is amended by adding a new subsection to read:

2 (b) The corporation shall have custody of the fund and shall be responsible for
3 its management. The corporation is the fiduciary of the fund under AS 37.10.071 and
4 may invest amounts in the fund in accordance with an investment policy adopted by
5 the corporation. Notwithstanding AS 37.10.010 - 37.10.050, the corporation may
6 make disbursements from the fund in accordance with AS 37.25.050.
7 Notwithstanding AS 37.05.130 and 37.05.140, the corporation shall report
8 disbursements from the fund annually in accordance with AS 14.40.866(b)(1). An
9 appropriation made to the fund by the legislature shall be transferred from the state
10 treasury to the corporation for deposit in the fund.

11 * **Sec. 6.** AS 22.05.140(b) is amended to read:

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

17 * **Sec. 7.** AS 22.07.090(b) is amended to read:

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

23 * **Sec. 8.** AS 22.10.190(b) is amended to read:

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

29 * **Sec. 9.** AS 22.15.220(c) is amended to read:

30 (c) A salary **disbursement** [WARRANT] may not be issued to a district judge
31 or magistrate until the judge or magistrate has filed with the state officer designated to

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

4 * **Sec. 10.** AS 23.10.040(a) is amended to read:

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

10 * **Sec. 11.** AS 23.20.135(a) is amended to read:

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

- 16 (1) a clearing account,
- 17 (2) an unemployment trust fund account, and
- 18 (3) a benefit account.

19 * **Sec. 12.** AS 23.20.145(b) is amended to read:

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

26 * **Sec. 13.** AS 23.20.145(c) is amended to read:

27 (c) If money in the clearing account is not sufficient to provide for refunds of
 28 contributions erroneously collected and payable under AS 23.20.225 and
 29 23.20.526(a)(11), the department shall withdraw from the unemployment trust fund
 30 the amounts not exceeding the amount standing to this state's account in the fund **that**
 31 [WHICH] are necessary for the payment of the refunds, but no amounts may be

1 withdrawn from the unemployment trust fund for the refund of interest and penalty
 2 payments. Upon receipt, the department, or the designee of the department, shall
 3 deposit this money to the clearing account. A [CHECK OR WARRANT FOR THE]
 4 payment of a refund shall be **made** [ISSUED] from the clearing account.

5 * **Sec. 14.** AS 23.20.145(d) is amended to read:

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

13 * **Sec. 15.** AS 26.15.040(d) is amended to read:

14 (d) Money loaned shall be **disbursed** [DELIVERED] to the borrower **from**
 15 [IN THE FORM OF A WARRANT DRAWN ON] the treasury, vouchered in the
 16 manner prescribed for state disbursing officers, and charged against the Alaska World
 17 War II veterans' revolving fund. Each voucher shall be approved by the commissioner
 18 of community and economic development or any bonded deputy authorized to act as a
 19 certifying officer. Upon repayment of loans by installments, or otherwise, in
 20 accordance with the prescribed terms, or upon liquidation by foreclosure or other
 21 process, or upon receipt of interest, the money so received shall be turned over to the
 22 commissioner of revenue for deposit in the Alaska World War II veterans' revolving
 23 fund.

24 * **Sec. 16.** AS 34.45.720(c) is amended to read:

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

27 * **Sec. 17.** AS 37.10.075(d) is amended to read:

28 (d) The Department of Revenue may deposit funds in banks inside or outside
 29 the state without requiring those banks in which the funds are deposited to pay interest
 30 on the deposits. It is the intention of the legislature that the department may
 31 compensate the banks for **handling** [CLEARING] state **disbursements**

1 [WARRANTS] in a manner determined by the commissioner of revenue to be in the
2 best interests of the state.

3 * **Sec. 18.** AS 37.10.078 is amended to read:

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

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

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

11 * **Sec. 19.** AS 37.10.100(b) is amended to read:

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

19 * **Sec. 20.** AS 37.25 is amended by adding a new section to read:

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

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

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

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

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

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

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

6 (4) a vendor or grantee elects not to be paid by the disbursement
7 methods;

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

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

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

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

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

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

19 (e) In this section,

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

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

24 * **Sec. 21.** AS 43.20.030(e) is amended to read:

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

1 approved by the department.

2 * **Sec. 22.** AS 43.23.028(a) is amended to read:

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

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

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

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

18 (4) include a statement that an individual is not eligible for a dividend
19 when

20 (A) during the qualifying year, the individual was convicted of
21 a felony;

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

24 (i) felony; or

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

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

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

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

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

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

9 * **Sec. 23.** AS 43.23.055(8) is amended to read:

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

16 * **Sec. 24.** AS 43.40.070 is amended to read:

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

21 * **Sec. 25.** AS 44.21.040(a) is amended to read:

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

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

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

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

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

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

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

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

3 * **Sec. 26.** AS 44.77.040(b) is amended to read:

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

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

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

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

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

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

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

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

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

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

8 **Sec. 47.25.515. Cancellation of disbursements [WARRANTS].** (a)
9 **Disbursements** [WARRANTS] issued to a recipient of assistance under AS 47.25.430
10 - 47.25.615 after the date of death of the recipient shall be [RETURNED TO THE
11 DEPARTMENT OF ADMINISTRATION AND] canceled.

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

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

20 * **Sec. 31.** Sections 4 and 5 of this Act take effect July 1, 2004.

21 * **Sec. 32.** Except as provided by sec. 31 of this Act, this Act takes effect January 1, 2006.