

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 273(STA)
 (H) Publish Date: 1/30/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title PFD: Delayed payments for eligible ab RDU Revenue Programs & Support
 Component Permanent Fund Dividend
 Sponsor Weyhrauch, et al
 Requester _____ Component No. 981

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 (FY2005) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 273 delays payment of dividends for Alaskans who are out of state on allowable absences until the individual returns to Alaska for one year without allowable absences. If an individual fails to otherwise maintain eligibility for any year, the individual's eligibility for the delayed dividends is terminated and the delayed dividends will not be paid.

PFD will review all applications for those with allowable absences exceeding 180 days, determine eligibility, and pend payment for those who are otherwise eligible. In 2004, approximately 17,000 applicants were out of state for more than 180 days on allowable absences.

Prepared by: Sharon Barton Phone 907-465-4785
 Division Permanent Fund Dividend Date/Time 1/6/06 3:19 PM
 Approved by: Jerry Burnett Date 1/6/2006
 Agency Department of Revenue

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**STATE OF ALASKA
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BILL NO. CSHB 273(STA)

ANALYSIS CONTINUATION

PFD will calculate and reserve in the Permanent Fund Dividend Fund the amount needed to pay delayed dividends each year. Funds for delayed payments for those who do not return to the state will be released each year as appropriate and included in the dividend calculation for that year.

Interest earned on funds held for delayed payments will be deposited in the General Fund.

PFD records indicate "failure to return" rates for the four largest absentee groups as follows:

Accompanying others	81%
Active military	66%
Students	64%
Medical	40%

Over a ten year period, 1996-2005, PFD projects that the total of \$181.8 million was paid to individuals who did not or will not return to the state.

Incremental costs will be minimal and can be covered within the PFD 2006 budget.