

**CS FOR SENATE BILL NO. 104(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 2/14/14

Referred: Finance

Sponsor(s): SENATORS DYSON, Fairclough, Gardner, Ellis

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to appropriations from the dividend fund; creating the criminal fund;**  
2 **relating to appropriations from the criminal fund for payments for crime victims,**  
3 **operating costs of the Violent Crimes Compensation Board, child support arrearages,**  
4 **court-ordered rehabilitation program costs, and incarceration costs; and providing for**  
5 **an effective date."**

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

7 **\* Section 1.** AS 43.23.028 is amended to read:

8 **Sec. 43.23.028. Public notice.** (a) By October 1 of each year, the  
9 commissioner shall give public notice of the value of each permanent fund dividend  
10 for that year and notice of the information required to be disclosed under (3) of this  
11 subsection. In addition, the stub attached to each individual dividend disbursement  
12 advice must

13 (1) disclose the amount of each dividend attributable to income earned

1 by the permanent fund from deposits to that fund required under art. IX, sec. 15,  
2 Constitution of the State of Alaska;

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

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

10 (4) include a statement that an individual is not eligible for a dividend  
11 when

12 (A) during the qualifying year, the individual was convicted of  
13 a felony;

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

16 (i) felony; or

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

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

21 (A) **provide funds for services for and payments to crime**  
22 **victims and operating costs of the Violent Crimes Compensation Board**  
23 [OBTAIN REIMBURSEMENT FOR SOME OF THE COSTS IMPOSED ON  
24 THE STATE CRIMINAL JUSTICE SYSTEM RELATED TO  
25 INCARCERATION OR PROBATION OF THOSE INDIVIDUALS];

26 (B) **make child support payments and reduce child support**  
27 **arrearages for the individuals;**

28 (C) **pay for court-ordered rehabilitation programs for the**  
29 **individuals; and**

30 (D) **obtain reimbursement for some of the costs of**  
31 **incarceration or probation of the individuals** [PROVIDE FUNDS FOR

1 SERVICES FOR AND PAYMENTS TO CRIME VICTIMS AND FOR  
 2 GRANTS FOR THE OPERATION OF DOMESTIC VIOLENCE AND  
 3 SEXUAL ASSAULT 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 **AS 43.23.031 and** (b) of this section for each of the funds and agencies listed in  
 9 **AS 43.23.031 and** (b) of this section.

10 (b) To the extent that amounts appropriated for a fiscal year do not exceed the  
 11 total amount that would have been paid during the previous fiscal year to individuals  
 12 who were ineligible to receive dividends under AS 43.23.005(d) or under  
 13 AS 43.23.021(b) if they had been eligible, the notice requirements of (a)(3) of this  
 14 section do not apply to appropriations from the dividend fund to **the criminal fund**  
 15 **(AS 43.23.048) or, after the appropriation to the criminal fund, to**

16 (1) the crime victim compensation fund established under  
 17 AS 18.67.162 for payments to crime victims **and for the operating costs of the**  
 18 **Violent Crimes Compensation Board;**

19 (2) the Council on Domestic Violence and Sexual Assault established  
 20 under AS 18.66.010 for grants for the operation of domestic violence and sexual  
 21 assault programs;

22 (3) the Department of Corrections for incarceration and probation  
 23 programs;

24 (4) the office of victims' rights;

25 (5) nonprofit victims' rights organizations for grants for services to  
 26 crime victims; or

27 (6) the Department of Revenue for grants to minor children of  
 28 incarcerated individuals under a grant program established by regulations of the  
 29 Department of Revenue under AS 44.62 (Administrative Procedure Act).

30 \* **Sec. 2.** AS 43.23 is amended by adding a new section to read:

31 **Sec. 43.23.031. Appropriations from the criminal fund.** (a) The legislature

1 may appropriate amounts from the criminal fund (AS 43.23.048) to the following  
2 recipients in the priority order listed based on the amounts determined in (e) of this  
3 section:

4 (1) to the crime victim compensation fund established under  
5 AS 18.67.162 for payments to crime victims and for operating costs of the Violent  
6 Crimes Compensation Board;

7 (2) to the child support services agency for child support arrearages  
8 owed to a child's custodian or guardian when the child to whom a support order  
9 applies is under 19 years of age; payments to a child's custodian or guardian for child  
10 support arrearages under this paragraph are limited to the amount of the dividend paid  
11 to an eligible individual in the previous year;

12 (3) to the Department of Corrections for court-ordered rehabilitation  
13 program costs; or

14 (4) to the Department of Corrections for costs related to incarceration  
15 or probation.

16 (b) By October 1 of each year, the Violent Crimes Compensation Board shall  
17 send to the office of management and budget the total amount of the compensable  
18 claims from the previous fiscal year, the amount necessary to pay those compensable  
19 claims, and the amount needed for the operating costs of the board.

20 (c) By October 1 of each year, the child support services agency shall send to  
21 the office of management and budget the total amount of child support arrearages  
22 owed by incarcerated individuals in the previous fiscal year.

23 (d) By October 1 of each year, the Department of Corrections shall send to the  
24 office of management and budget the amount that is owed for court-ordered drug or  
25 alcohol treatment.

26 (e) The office of management and budget shall use the amounts provided in  
27 AS 43.23.028(a)(6) in combination with the amounts provided under (b) - (d) of this  
28 section to determine the amount each state agency should receive from the criminal  
29 fund (AS 43.23.048) in accordance with the priority order in (a) of this section.

30 (f) The office of management and budget shall submit to the legislature a  
31 report listing the amounts determined under (e) of this section. The report shall be

1 submitted at the same time as the governor's budget under AS 37.07.020.

2 \* **Sec. 3.** AS 43.23 is amended by adding a new section to read:

3 **Sec. 43.23.048. Criminal fund.** The criminal fund is created as a separate  
4 account in the dividend fund. The legislature shall appropriate from the dividend fund  
5 each fiscal year an amount equal to the amount that would have been paid during the  
6 previous fiscal year to individuals who were ineligible to receive dividends under  
7 AS 43.23.005(d) if they had been eligible. Money in the fund may be appropriated in  
8 accordance with AS 43.23.031. Nothing in this section creates a dedicated fund.

9 \* **Sec. 4.** AS 43.23.055 is amended to read:

10 **Sec. 43.23.055. Duties of the department.** The department shall

11 (1) annually pay permanent fund dividends from the dividend fund;

12 (2) subject to AS 43.23.011 and [PARAGRAPH] (8) of this section,  
13 adopt regulations under AS 44.62 (Administrative Procedure Act) that establish  
14 procedures and time limits for claiming a permanent fund dividend; the department  
15 shall determine the number of eligible applicants by October 1 of the year for which  
16 the dividend is declared and pay the dividends by December 31 of that year;

17 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)  
18 that establish procedures and time limits for an individual upon emancipation or upon  
19 reaching majority to apply for permanent fund dividends not received during minority  
20 because the parent, guardian, or other authorized representative did not apply on  
21 behalf of the individual;

22 (4) assist residents of the state, particularly in rural areas, who, because  
23 of language, disability, or inaccessibility to public transportation, need assistance to  
24 establish eligibility and to apply for permanent fund dividends;

25 (5) use a list of individuals ineligible for a dividend under  
26 AS 43.23.005(d) provided annually by the Department of Corrections and the  
27 Department of Public Safety to determine the number and identity of those  
28 individuals;

29 (6) adopt regulations that are necessary to implement AS 43.23.005(d)

30 **and 43.23.031;**

31 (7) adopt regulations that establish procedures for the parent, guardian,

1 or other authorized representative of a disabled individual to apply for prior year  
 2 permanent fund dividends not received by the disabled individual because no  
 3 application was submitted on behalf of the individual;

4 (8) adopt regulations that establish procedures for an individual to  
 5 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not  
 6 collected within two years after the date of its issuance; however, the department may  
 7 not establish a time limit within which an application to have a disbursement reissued  
 8 must be filed;

9 (9) provide any information, upon request, contained in permanent  
 10 fund dividend records to the child support services agency created in AS 25.27.010, or  
 11 the child support enforcement agency of another state, for child support purposes  
 12 authorized under law; if the information is contained in an electronic data base, the  
 13 department shall provide the requesting agency with either

14 (A) access to the data base; or

15 (B) a copy of the information in the data base and a statement  
 16 certifying its contents;

17 (10) establish a fraud investigation unit for the purpose of assisting the

18 (A) Department of Law in the prosecution of individuals who  
 19 apply for or obtain a permanent fund dividend in violation of a provision in  
 20 AS 11, by detecting and investigating those crimes; and

21 (B) commissioner to detect and investigate the claiming or  
 22 paying of permanent fund dividends that should not have been claimed by or  
 23 paid to an individual and to impose the penalties and enforcement provisions  
 24 under AS 43.23.035;

25 **(11) use a list of individuals ineligible for a dividend under**  
 26 **AS 43.23.005(d) provided annually by the Department of Corrections and the**  
 27 **Department of Public Safety to determine the amount of child support**  
 28 **arrearages owed by those individuals.**

29 \* **Sec. 5.** This Act takes effect July 1, 2014.