

**CS FOR SENATE BILL NO. 217(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

**BY THE SENATE RESOURCES COMMITTEE**

**Offered: 3/20/20**

**Referred: Finance**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the veterans' land purchase discount; establishing state land**  
2 **vouchers; relating to the permanent fund dividend; relating to the duties of the**  
3 **Department of Revenue; authorizing the Department of Natural Resources to accept**  
4 **state land vouchers; relating to eligibility for public assistance; and providing for an**  
5 **effective date."**

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

7 **\* Section 1.** AS 38.05.940(c) is amended to read:

8 (c) A veteran is entitled to only one discount under this section during the  
9 veteran's lifetime. **A veteran may apply one or more state land vouchers issued**  
10 **under AS 43.23.018 to the one-time purchase of land using the discount under**  
11 **this section.**

12 **\* Sec. 2.** AS 38.05.940(d) is amended to read:

13 (d) A discount under this section may be applied only to the acquisition of

1 surface rights to state land. A discount under this section may not be applied to survey  
 2 costs, road development costs, utility assessments, or other costs that the  
 3 commissioner determines are reimbursable to the state. **A state land voucher issued**  
 4 **under AS 43.23.018 that is applied to a discounted purchase under this section**  
 5 **may be applied only to the acquisition of surface rights to state land and may not**  
 6 **be applied to costs ineligible for a discount under this section.**

7 \* **Sec. 3.** AS 38.95 is amended by adding new sections to read:

8 **Article 8. State Land Vouchers.**

9 **Sec. 38.95.350. State land vouchers.** The department shall accept one or more  
 10 state land vouchers issued under AS 43.23.018 as payment for purchases of land, other  
 11 than mental health trust land, sold under land sales contracts under AS 38.05.065,  
 12 38.05.067, and 38.05.940 entered into on or after January 1, 2021. The department  
 13 may not accept a state land voucher as payment for any rents or purchases of state land  
 14 or payment of fees related to state land other than as provided in this section. A state  
 15 land voucher accepted for payment is exhausted regardless of whether the purchase  
 16 price of the land sold is less than the face value of the voucher. A purchaser is not  
 17 entitled to a refund or other credit when a state land voucher is accepted for payment.  
 18 Regardless of the price paid by a transferee of a state land voucher to the transferor,  
 19 the department shall accept the face value of the voucher as payment.

20 **Sec. 38.95.360. Report on state land vouchers.** Before September 1 of each  
 21 year, the department shall report to the governor the number and value of state land  
 22 vouchers accepted for payment during the previous fiscal year. The department shall  
 23 include in the report a recommendation on whether any additional appropriation to the  
 24 state land disposal income fund under AS 38.04.022 is needed to account for the  
 25 decrease in deposits to the fund because of the acceptance of state land vouchers.

26 **Sec. 38.95.400. Definition.** In AS 38.95.350 and 38.95.360, "department"  
 27 means the Department of Natural Resources.

28 \* **Sec. 4.** AS 43.23 is amended by adding a new section to read:

29 **Sec. 43.23.018. Election of state land voucher instead of a monetary**  
 30 **dividend.** (a) The department shall prepare the electronic Alaska permanent fund  
 31 dividend application to allow an applicant who files electronically to elect to receive a

1 single state land voucher instead of a monetary dividend. If the commissioner is  
2 unable to determine an applicant's eligibility to receive a permanent fund dividend  
3 under AS 43.23.015(a) during the dividend year, an election to receive a state land  
4 voucher is void. An election to receive a state land voucher is irrevocable. This  
5 election may not be made by a person or public agency submitting an application on  
6 behalf of another individual. An assignee of the right to receive a permanent fund  
7 dividend is ineligible to elect to receive a state land voucher.

8 (b) Notwithstanding the amount appropriated for the permanent fund dividend  
9 in a fiscal year, the value of each state land voucher must equal twice that of the  
10 permanent fund dividend as would be calculated under AS 43.23.025 for that fiscal  
11 year if 50 percent of the income available for distribution were transferred to the  
12 dividend fund under AS 37.13.145(b).

13 (c) A state land voucher may be accepted as payment for the purchase of land  
14 only as provided under AS 38.95.350.

15 (d) A state land voucher issued under this section does not expire.

16 (e) A state land voucher may be transferred to another person. Unless  
17 otherwise provided by law or contract, a state land voucher may be transferred in the  
18 same manner as other intangible property. The department shall keep records of any  
19 transfers. An action may not be brought against the state related to the transfer of a  
20 state land voucher.

21 (f) The issuance of a state land voucher by the department does not require the  
22 Department of Natural Resources to enter into a land sale contract or to make land  
23 available for purchase. The issuance of a state land voucher by the department is not a  
24 statement as to the eligibility of a person to purchase land from the Department of  
25 Natural Resources.

26 (g) The portion of a state land voucher subject to levy, execution,  
27 garnishment, attachment, or any other remedy for the collection of debt shall be  
28 determined under AS 43.23.140(e). The department shall issue a state land voucher for  
29 the value remaining after collection.

30 \* **Sec. 5.** AS 43.23.045 is amended by adding a new subsection to read:

31 (f) Any amount remaining as a result of individual elections to receive a state

1 land voucher instead of a monetary dividend, after the application of AS 43.23.140,  
2 lapses into the general fund.

3 \* **Sec. 6.** AS 43.23.055 is amended to read:

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

5 (1) annually pay permanent fund dividends from the dividend fund  
6 **and issue state land vouchers as applicable under AS 43.23.018;**

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

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

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

20 (5) use a list of individuals ineligible for a dividend under  
21 AS 43.23.005(d) provided annually by the Department of Corrections and the  
22 Department of Public Safety to determine the number and identity of those  
23 individuals;

24 (6) adopt regulations that are necessary to implement AS 43.23.005(d)  
25 and 43.23.048;

26 (7) adopt regulations that establish procedures for the parent, guardian,  
27 or other authorized representative of a disabled individual to apply for prior year  
28 permanent fund dividends not received by the disabled individual because no  
29 application was submitted on behalf of the individual;

30 (8) adopt regulations that establish procedures for an individual to  
31 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not

1 collected within two years after the date of its issuance; however, the department may  
 2 not establish a time limit within which an application to have a disbursement reissued  
 3 must be filed;

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

9 (A) access to the data base; or

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

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

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

16 (B) commissioner to detect and investigate the claiming or  
 17 paying of permanent fund dividends that should not have been claimed by or  
 18 paid to an individual and to impose the penalties and enforcement provisions  
 19 under AS 43.23.270;

20 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)  
 21 so that contributions under AS 43.23.130 are given a priority over donations under  
 22 AS 43.23.230 if the total amount of contributions and donations elected by an  
 23 applicant exceeds the amount of the permanent fund dividend that the applicant is  
 24 entitled to receive;

25 **(12) adopt regulations under AS 44.62 (Administrative Procedure**  
 26 **Act) that establish procedures and time limits for claiming a state land voucher**  
 27 **and for replacing a lost, stolen, or destroyed state land voucher;**

28 **(13) report to the Department of Natural Resources**

29 **(A) the number of individuals electing to receive a state**  
 30 **land voucher; and**

31 **(B) the number and value of state land vouchers issued;**

1                                   **(14) maintain a registry of state land voucher transfers.**

2   \* **Sec. 7.** AS 43.23.140(a) is amended to read:

3                   (a) Except as provided in (b) **and (e)** of this section, 20 percent of the annual  
4                   permanent fund dividend payable to an individual is exempt from levy, execution,  
5                   garnishment, attachment, or any other remedy for the collection of debt. No other  
6                   exemption applies to a dividend. Notwithstanding other laws, a writ of execution **on**  
7                   [UPON] a dividend that has not been delivered to the debtor may be served on the  
8                   commissioner by

9                                   (1) certified mail, return receipt requested; or

10                                  (2) a civilian process server licensed by the commissioner of public  
11                   safety using electronic execution procedures, as provided under regulations adopted by  
12                   the department.

13   \* **Sec. 8.** AS 43.23.140 is amended by adding a new subsection to read:

14                   (e) Notwithstanding (a) and (b) of this section, if a person elects to receive a  
15                   state land voucher instead of a monetary dividend, the value of the voucher may be  
16                   levied, executed on, garnished, attached, or otherwise collected as a remedy for debt  
17                   only up to the amount available for garnishment from a monetary dividend. Before a  
18                   voucher is issued, the department shall pay the amount to be collected under this  
19                   section from the amount determined for the individual's dividend payment under  
20                   AS 43.23.025.

21   \* **Sec. 9.** AS 43.23.240 is amended by adding a new subsection to read:

22                   (d) In determining the eligibility of an individual under a public assistance  
23                   program administered by the Department of Health and Social Services in which  
24                   eligibility for assistance is based on financial need, the Department of Health and  
25                   Social Services shall consider a state land voucher issued under AS 43.23.018 as  
26                   income or resources received by the recipient of public assistance or by a member of  
27                   the recipient's household. The Department of Health and Social Services shall notify  
28                   all recipients of public assistance of the effects of receiving a state land voucher.

29   \* **Sec. 10.** AS 43.23.250 is amended by adding a new subsection to read:

30                   (b) A program administered by the state, an instrumentality of the state, or a  
31                   municipality for which eligibility is based on financial need must consider a state land

1 voucher issued under AS 43.23.018 as income or resources.

2 \* **Sec. 11.** AS 43.23.270 is amended by adding a new subsection to read:

3 (f) The provisions of this section regarding payment of permanent fund  
4 dividends apply to state land vouchers issued under AS 43.23.018 unless context  
5 otherwise requires.

6 \* **Sec. 12.** This Act takes effect January 1, 2021.