

CS FOR HOUSE BILL NO. 11(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 5/16/25

Referred: Finance

Sponsor(s): REPRESENTATIVES PRAX, Saddler, Johnson, Tomaszewski, Schwanke, Vance, Coulombe, Elam, Ruffridge, Gray, Eischeid

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to contributions and donations from permanent fund dividends; and**
2 **relating to disclosures included with an individual permanent fund dividend."**

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

4 *** Section 1.** AS 43.23.028(a) is amended to read:

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

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

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

1 (3) disclose the amount by which each dividend has been reduced due
2 to each appropriation from the dividend fund, including amounts to pay the costs of
3 administering the dividend program and the hold harmless provisions of
4 AS 43.23.240;

5 (4) include a statement that an individual is not eligible for a dividend
6 when

7 (A) during the qualifying year, the individual was convicted of
8 a felony;

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

11 (i) felony; or

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

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

16 (A) provide funds for services for and payments to crime
17 victims and operating costs of the Violent Crimes Compensation Board;

18 (B) provide funds to pay restitution owed to crime victims;

19 (C) provide funds for grants to nonprofit organizations for
20 services for crime victims and for mental health services and substance abuse
21 treatment for offenders;

22 (D) provide funds for the office of victims' rights;

23 (E) provide funds to the Council on Domestic Violence and
24 Sexual Assault for grants for the operation of domestic violence and sexual
25 assault programs; and

26 (F) obtain reimbursement for some of the costs imposed on the
27 Department of Corrections related to incarceration or probation of those
28 individuals;

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

1 (7) disclose the total amount transferred or appropriated for the current
 2 fiscal year under AS 43.23.048 for each of the accounts, funds, and agencies listed in
 3 AS 43.23.048;

4 **(8) include a statement that the total amount of the dividend may**
 5 **be subject to federal individual income tax, regardless of donations or**
 6 **contributions made under AS 43.23.130, 43.23.135, or 43.23.230.**

7 * **Sec. 2.** AS 43.23.055 is amended to read:

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

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

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

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

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

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

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

29 (7) adopt regulations that establish procedures for the parent, guardian,
 30 or other authorized representative of a disabled individual to apply for prior year
 31 permanent fund dividends not received by the disabled individual because no

1 application was submitted on behalf of the individual;

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

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

12 (A) access to the data base; or

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

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

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

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

23 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)
24 so that, [CONTRIBUTIONS UNDER AS 43.23.130 ARE GIVEN A PRIORITY
25 OVER DONATIONS UNDER AS 43.23.230] if the total amount of contributions and
26 donations elected by an applicant exceeds the amount of the permanent fund dividend
27 that the applicant is entitled to receive, **contributions and donations are given the**
28 **following priority order:**

29 **(A) contributions under AS 43.23.130;**

30 **(B) donations under AS 43.23.230;**

31 **(C) contributions under AS 43.23.135.**

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

2 **Sec. 43.23.135. Contributions to the general and permanent funds. (a)**

3 Notwithstanding AS 43.23.200, the electronic Alaska permanent fund dividend
4 application must allow an applicant to direct that money be subtracted from the
5 dividend payment and contributed to the state general fund or the principal of the
6 permanent fund. A contribution to the state general fund or the principal of the
7 permanent fund may be \$25 dollars or more, in increments of \$25 dollars, up to the
8 total amount of the permanent fund dividend that the applicant is entitled to receive. If
9 the applicant's total amount of contributions under this subsection, when added to the
10 total amount of contributions under AS 43.23.130 and donations under AS 43.23.230,
11 exceeds the amount of the permanent fund dividend that the applicant is entitled to
12 receive, contributions under AS 43.23.130 and donations under AS 43.23.230 shall
13 have priority over contributions under this subsection. Money from a contribution
14 under this subsection or from the dividend fund may not be used for administrative
15 costs incurred in implementing this subsection.

16 (b) A public agency that claims a permanent fund dividend on behalf of an
17 individual under AS 43.23.015(e) may not elect to make contributions from the
18 dividend under this section.

19 (c) In preparing the electronic Alaska permanent fund dividend application,
20 the department shall ensure that the option to make a contribution under this section is
21 in a separate section of the application than the option to make a contribution under
22 AS 43.23.130.