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Offered: 4/5/82  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 23 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for permanent fund dividends; and  
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. POLICY, PURPOSES, AND FINDINGS. (a) It is the policy of  
10 the state to promote the concept of government that derives its just powers  
11 from the people it serves by placing a substantial portion of Alaska's com-  
12 monly owned natural resource wealth into the hands of individual Alaskans.

13 (b) The purposes of this Act are to

14 (1) share a portion of the state's income derived from the develop-  
15 ment and production of the natural resources of the state directly and equit-  
16 ably with state residents; and

17 (2) encourage increased awareness and involvement by the residents  
18 of the state in the management and expenditure of the Alaska permanent fund  
19 (art. IX, sec. 15, Constitution of the State of Alaska).

20 (c) The legislature finds that

21 (1) equitable distribution of a portion of state wealth directly  
22 to the people of the state is in the public interest and serves a public  
23 purpose;

24 (2) distribution of a portion of state mineral resource revenues  
25 directly to state residents will maximize efficiency, promote individual  
26 freedom of choice, and stimulate private sector development through indivi-  
27 dual consumer choice;

28 (3) the costs for energy and housing paid by residents of the  
29 state are far higher than those paid by most citizens of the United States

1 and it is in the public interest to return to state residents a portion of  
2 the state's income from oil, gas, and other mineral production to help offset  
3 rising costs for energy and housing; and

4 (4) the search for additional mechanisms for a permanent program  
5 of equitable direct distribution of Alaska's wealth is important and should  
6 be continued.

7 \* Sec. 2. ELIGIBILITY FOR PERMANENT FUND DIVIDEND. (a) An individual is  
8 eligible to receive a one-time permanent fund dividend in the amount of  
9 \$1,000 if that individual

10 (1) applies to the Department of Revenue on a form prescribed by  
11 the department; and

12 (2) was a state resident for a period of at least six months  
13 immediately preceding the date of application.

14 (b) A parent or guardian may claim a permanent fund dividend on behalf  
15 of a minor or incompetent individual who is eligible to receive a payment  
16 under this section.

17 \* Sec. 3. PROOF OF ELIGIBILITY. (a) The commissioner shall adopt regu-  
18 lations for determining eligibility under this Act as emergency regulations  
19 under AS 44.62.250. The commissioner may require an individual to provide  
20 proof of eligibility, or may use other information available from other de-  
21 partments or agencies of the state to determine eligibility under this Act.

22 (b) The department shall prescribe and furnish an application form for  
23 claiming a permanent fund dividend that contains a statement of eligibility  
24 and a certification of residency in substantially the following form:

25 I certify that I am a state resident and have been a state  
26 resident for at least six months before the date of this appli-  
27 cation. I also understand that a false claim of residency to  
28 obtain a permanent fund dividend payment is a criminal offense  
29 and that if convicted I must repay all payments that have been

1       paid to me. I understand that this penalty is in addition to  
2       any criminal penalties imposed.

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(signature of individual  
or parent or guardian)

\* Sec. 4. PENALTIES AND ENFORCEMENT. (a) In addition to any criminal penalties imposed by law, if an individual is convicted of a crime in connection with a false statement made in a certification of residency for purposes of claiming a payment under this Act, and the conviction is not reversed, that individual is not eligible for a permanent fund dividend and must pay back any permanent fund dividend received.

(b) If a final determination is made that a payment has been improperly made to an individual, the commissioner may use the collection procedures or remedies set out in AS 43 to recover the permanent fund dividend.

\* Sec. 5. DUTIES OF THE DEPARTMENT. (a) The department shall adopt as emergency regulations under AS 44.62.250 procedures and time limits for claiming a permanent fund dividend under this Act. The deadline for claiming a permanent fund dividend under this Act may not be later than 120 days after the effective date of this Act. Payments shall be made as soon as possible after the department determines that an applicant is eligible for the payment.

(b) The department shall assist residents of rural areas who because of language, illness, old age, or inaccessibility need assistance to establish eligibility and to apply for the permanent fund dividend provided under this Act.

\* Sec. 6. EXEMPTIONS OF PERMANENT FUND DIVIDENDS. Fifty percent of a permanent fund dividend that is payable to or has been paid to an individual under this Act is exempt from levy, execution, garnishment, and other remedy for the collection of a debt. An exemption under this section may be claimed by an individual whether or not the payment has been commingled with other

1 money.

2 \* Sec. 7. ELIGIBILITY FOR STATE PUBLIC ASSISTANCE PAYMENTS. In determin-  
3 ing the eligibility of an individual for general relief medical assistance  
4 under AS 47, the Department of Health and Social Services may not consider a  
5 permanent fund dividend as income.

6 \* Sec. 8. DEFINITIONS. In this Act,

7 (1) "commissioner" means the commissioner of revenue;

8 (2) "department" means the Department of Revenue;

9 (3) "individual" means a natural person;

10 (4) "state resident" means an individual who is physically present  
11 in the state with the intent to remain permanently in the state or, if he is  
12 not physically present in the state, intends to return to the state and is  
13 absent for any of the following reasons:

14 (A) vocational, professional, or other special education for  
15 which a comparable program was not reasonably available in the state;

16 (B) postsecondary education;

17 (C) military service;

18 (D) medical treatment;

19 (E) service in Congress; or

20 (F) other reasons that the commissioner may establish by  
21 regulation under the Administrative Procedure Act (AS 44.62).

22 \* Sec. 9. AS 43.23 and secs. 1, 3 and 4, ch. 21, SLA 1980, as amended by  
23 sec. 1, ch. 60, SLA 1980, are repealed.

24 \* Sec. 10. AS 43.23.010(b) is amended to read:

25 (b) For each year, an individual is eligible to receive payment of  
26 the permanent fund dividends for which he is entitled under this section  
27 if he

28 [(1) IS AT LEAST 18 YEARS OF AGE; AND

29 (2)] is a state resident during all or part of the year for

1 which the permanent fund dividend is paid.

2 \* Sec. 11. AS 43.23.010 is amended by adding a new subsection to read:

3 (g) A parent or guardian may claim a permanent fund dividend on  
4 behalf of a minor or incompetent individual who is eligible to receive a  
5 payment under this section.

6 \* Sec. 12. Section 4, ch. 21, SLA 1980, is repealed.

7 \* Sec. 13. Sections 10 - 12 of this Act take effect immediately in accor-  
8 dance with AS 01.10.070(c).

9 \* Sec. 14. Sections 1 - 9 of this Act take effect on the date of a deci-  
10 sion by the United States Supreme Court that invalidates any portion of  
11 AS 43.23 or secs. 1, 3, and 4, ch. 21, SLA 1980, as amended by sec. 1, ch. 60,  
12 SLA 1980, or on July 10, 1982, whichever is earlier.