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and Fanning

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) am

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 revenues 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 the state's income
22 derived from the development and production of the natural resources of the
23 state directly to the people of the state is in the public interest and
24 serves a public purpose;

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

29 (3) the costs for energy and housing paid by residents of the

1 state are far higher than those paid by most citizens of the United States
2 and it is in the public interest to return to state residents a portion of
3 the state's income from oil, gas, and other mineral production to help offset
4 rising costs for energy and housing.

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

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

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

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

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

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

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

(signature of individual
or parent or guardian)

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

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

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

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

23 * Sec. 6. EXEMPTIONS OF PERMANENT FUND DIVIDENDS. Fifty percent of a
24 permanent fund dividend that is payable to or has been paid to an individual
25 under this Act is exempt from levy, execution, garnishment, and other remedy
26 for the collection of a debt. An exemption under this section may be claimed
27 by an individual whether or not the payment has been commingled with other
28 money. No exemption is available under this section for permanent fund
29 dividends taken to satisfy child support obligations required by court order.

1 * Sec. 7. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In determining the
2 eligibility of an individual under a public assistance program administered
3 by the Department of Health and Social Services and in which eligibility for
4 assistance is based on financial need, the Department of Health and Social
5 Services shall, to the extent allowed by federal law or regulation, not
6 consider a permanent fund dividend as income or resources for the month the
7 dividend was received by the recipient of public assistance. The Department
8 of Health and Social Services shall notify all recipients of public assist-
9 ance of the effects of receiving a permanent fund dividend.

10 (b) An individual who is denied medical assistance under Title XIX of
11 the federal Social Security Act (42 USC 1396 et seq) solely because of the
12 receipt of a permanent fund dividend shall be eligible for state-funded
13 medical assistance under the General Relief Assistance program (AS 47.25.120-
14 300). The individual shall receive the same level of medical assistance as
15 the individual would have received under Title XIX of the federal Social
16 Security Act had there been no permanent fund dividend program.

17 (c) An individual who is denied cash assistance because permanent fund
18 dividends are counted as income or resources under federal law or regulation
19 shall be eligible for cash assistance under the General Relief Assistance
20 program (AS 47.25.125 - 300). The individual shall, despite the limit in
21 AS 47.25.130, receive the same amount as the individual would have received
22 under other public assistance programs had there been no permanent fund
23 dividend program.

24 * Sec. 8. ELIGIBILITY FOR STATE PROGRAMS. No program administered by the
25 state or any of its instrumentalities or municipalities, the eligibility for
26 which is based upon financial need, shall consider a permanent fund dividend
27 as income or resources unless required to do so by federal law or regulation.

28 * Sec. 9. DEFINITIONS. In this Act,

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

1 (2) "department" means the Department of Revenue;
2 (3) "individual" means a natural person;
3 (4) "state resident" means an individual who is physically present
4 in the state with the intent to remain permanently in the state or, if he is
5 not physically present in the state, intends to return to the state and is
6 absent for any of the following reasons:

7 (A) vocational, professional, or other special education for
8 which a comparable program was not reasonably available in the state;
9 (B) postsecondary education;
10 (C) military service;
11 (D) medical treatment;
12 (E) service in Congress; or
13 (F) other reasons that the commissioner may establish by
14 regulation under the Administrative Procedure Act (AS 44.62).

15 * Sec. 10. AS 43.23 and secs. 1, 3 and 4, ch. 21, SLA 1980, as amended by
16 sec. 1, ch. 60, SLA 1980, are repealed.

17 * Sec. 11. AS 43.23.010(b) is amended to read:

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

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

22 (2)] is a state resident during all or part of the year for
23 which the permanent fund dividend is paid.

24 * Sec. 12. AS 43.23.010 is amended by adding a new subsection to read:

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

28 * Sec. 13. Section 4, ch. 21, SLA 1980, is repealed.

29 * Sec. 14. Sections 11 - 13 of this Act take effect immediately in accor-

1 dance with AS 01.10.070(c).

2 * Sec. 15. Sections 1 - 10 of this Act take effect on the date of a deci-
3 sion by the United States Supreme Court that invalidates any portion of
4 AS 43.23 or secs. 1, 3, and 4, ch. 21, SLA 1980, as amended by sec. 1, ch. 60,
5 SLA 1980, or on July 10, 1982, if the United States Supreme Court has not
6 reached a decision by that date.

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