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Offered: 4/29/81  
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 437 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: An Act relating to permanent fund dividends and provid-  
7 ing a payment program for state residents for 1979 and  
8 1980; and providing for an effective date."

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

10 \* Section 1. LEGISLATIVE PURPOSE AND FINDINGS. (a) The purpose of this  
11 Act is to share directly with state residents a portion of the state's  
12 income from oil production.

13 (b) The legislature finds that it is in the public interest to provide  
14 all state residents with an immediate and direct benefit from the earnings  
15 of the Alaska permanent fund. The legislature further finds that state  
16 residents anticipated the payment to them of permanent fund dividends under  
17 AS 43.23, and many made commitments in accordance with their expectations.  
18 Because payment of permanent fund dividends continues to be delayed by  
19 litigation, the legislature had concluded that in order to make any distri-  
20 bution before the litigation is resolved, the distribution must be in equal  
21 amounts to each resident. Unlike the permanent fund dividend program,  
22 however, this per capita distribution does not provide an incentive for  
23 long-term residence in the state; it does not help to assure that the state  
24 will benefit in the future from a stable population; it does not encourage a  
25 long-term interest in prudent management of the Alaska permanent fund and  
26 the state's natural resources; and it does not recognize the many contribu-  
27 tions, both tangible and intangible, that individuals have made to the  
28 Alaska community during their previous periods of residence in the state.  
29 Thus, the method of distribution provided in this Act is not the method

1 preferred by the legislature. However, the legislature finds that the  
2 enactment of the permanent fund dividend program has raised expectations on  
3 the part of state residents to receive a direct benefit from the state's  
4 natural resource revenues, and that many residents have been counting on  
5 receiving dividend payments. As a result, an obligation now exists to  
6 fulfill those expectations by making an immediate distribution as an interim  
7 measure, pending resolution of the permanent fund dividend litigation. This  
8 obligation can be satisfied in part by the enactment of secs. 2 - 7 of this  
9 Act, which provide for a one-time distribution to residents under a method  
10 that does not raise the legal issues raised in the pending permanent fund  
11 dividend litigation.

12 \* Sec. 2. RESIDENCY PAYMENT. (a) An individual who is eligible under  
13 (b) of this section is entitled to an annual residency payment of \$600 per  
14 year for each full year that the individual was a state resident during  
15 calendar years 1979 and 1980.

16 (b) An individual is eligible to receive a residency payment under (a)  
17 of this section if he

18 (1) applies to the department for the payment; and

19 (2) is a state resident on the date of the application.

20 (c) A parent or guardian may claim a residency payment on behalf of a  
21 minor or incompetent who is eligible to receive a residency payment under  
22 this section.

23 (d) An individual who applies for a residency payment shall make and  
24 submit a statement of eligibility verified by him under penalty of perjury.  
25 The commissioner may require an individual to provide additional proof of  
26 eligibility including one or more affidavits from individuals having personal  
27 knowledge concerning the individual's eligibility.

28 (e) If an individual who is eligible under (b) of this section was a  
29 state resident for less than 12 months during 1979 or during 1980, the

1 individual is entitled to payment of a prorated dividend based on the number  
2 of months that the individual was a state resident during the year for which  
3 the prorated payment is made.

4 (f) The department shall prescribe and furnish an application form for  
5 claiming the residency payment which shall contain a statement of eligi-  
6 bility, a statement informing the applicant of the provisions of sec. 7 of  
7 this Act, and a certification of residency in the following form:

8 Under penalty of perjury, I certify that I am a state resident on the  
9 date of this application and I was a state resident during \_\_\_\_\_  
10 full months of 1979 and \_\_\_\_\_ full months of 1980 and that I  
11 understand that my claim for a residency payment is determined by the  
12 length of my residence in the state. I also understand that if I am  
13 convicted of falsely claiming a residency payment I will forfeit the  
14 residency payment and that I must repay any residency payment which has  
15 been paid to me. I understand that this penalty is in addition to any  
16 criminal penalties imposed.

17 \_\_\_\_\_  
18 (signature of individual)

19 \* Sec. 3. PENALTIES AND ENFORCEMENT. (a) In addition to any criminal  
20 penalties imposed by state law, if an individual is convicted of perjury or  
21 unsworn falsification for a statement made in a certification of residency,  
22 and the conviction is not reversed, that individual is not, and may never  
23 become, eligible for a residency payment, and he forfeits any residency  
24 payment paid to him.

25 (b) If the commissioner determines that a residency payment should not  
26 have been claimed by or paid to an individual, he may use any collection  
27 procedures or remedies available under this title to recover a residency  
28 payment which was improperly made.

29 \* Sec. 4. APPROPRIATIONS OF PERMANENT FUND INCOME. The legislature

1 shall appropriate at least 50 percent of the annual income of the Alaska  
2 permanent fund for 1979 and 1980 residency payments under this Act. If 50  
3 percent of the annual income of the Alaska permanent fund is not sufficient  
4 to pay all residency payments due under this Act, the legislature shall  
5 appropriate the additional amount needed from the general fund.

6 \* Sec. 5. DUTIES OF THE DEPARTMENT. The department shall

7 (1) present a request to the legislature for an appropriation for  
8 the residency payments required by sec. 2 of this Act;

9 (2) make the residency payments required by this Act from the  
10 appropriation made for that purpose;

11 (3) prescribe and distribute forms to the public so that the  
12 residency payments under this Act will be paid before October 15, 1981;

13 (4) assist residents of rural areas who because of language,  
14 illness, old age or inaccessibility to public transportation need assistance  
15 to establish eligibility and to apply for the residency payment provided by  
16 this Act.

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

18 (1) "Alaska permanent fund" means the fund established by art IX,  
19 sec. 15, of the state constitution;

20 (2) "commissioner" means the commissioner of revenue;

21 (3) "department" means the Department of Revenue;

22 (4) "individual" means a natural person;

23 (5) "state resident" means an individual who is physically present  
24 in the state with the intent to remain permanently in the state or, if he is  
25 not physically present in the state, intends to return to the state and he  
26 is absent for the following reasons:

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

29 (B) postsecondary education,

- 1 (C) military service,
- 2 (D) medical treatment,
- 3 (E) service in Congress, or
- 4 (F) other reasons which the commissioner may establish by
- 5 regulation under the Administrative Procedure Act (AS 44.62).

6 \* Sec. 7. If a payment is determined to be due to an individual under  
7 AS 43.23 for calendar year 1979 or 1980, the payment made to an individual  
8 under secs. 2 - 7 of this Act for that year shall be deducted from the  
9 amount due under AS 43.23 for that year.

10 \* Sec. 8. Section 4, ch. 21, SLA 1980 is repealed.

11 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-  
12 070(c).

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