

Introduced: 1/13/81
Referred: State Affairs
and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for royalty oil premium payments to
7 state residents; and providing for an effective date."

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

9 * Section 1. LEGISLATIVE PURPOSE AND FINDINGS. (a) The purposes of
10 this Act are:

11 (1) to distribute to all state residents the premium earned from
12 the sale of the state's royalty share of oil held on December 19, 1980; and

13 (2) to share directly with all state residents a portion of the
14 state's income from oil production.

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

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

14 * Sec. 2. ROYALTY OIL PREMIUM PAYMENT. (a) An individual who is eligi-
15 ble under (b) of this section is entitled to a royalty oil premium payment
16 of \$193.

17 (b) An individual is eligible to receive the royalty oil premium pay-
18 ment under (a) of this section if the individual

19 (1) applies to the department for the payment before a date es-
20 tablished by the commissioner by regulation; and

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

22 (c) A custodian of a minor or incapacitated individual may apply on
23 behalf of the minor or incapacitated individual.

24 (d) An individual or custodian who applies for a royalty oil premium
25 payment shall make a statement of eligibility which must be signed by the
26 individual or the custodian of the individual. The commissioner may require
27 an individual or a custodian to provide additional proof of eligibility
28 including one or more affidavits from other persons having personal knowledge
29 concerning the individual's eligibility.

1 (e) The department shall prescribe and furnish an application form for
2 claiming the royalty oil premium payment which contains a statement of eli-
3 gibility, which must include a notice to the applicant that a false state-
4 ment made in the application form is a criminal offense.

5 (f) In addition to any criminal penalties imposed, if an individual is
6 convicted of theft in connection with obtaining a royalty oil premium payment
7 or of unsworn falsification for a statement made in a statement of eligibi-
8 lity on his own behalf or on behalf of a minor or incapacitated individual,
9 and the conviction is not reversed, that individual forfeits the royalty oil
10 premium payment.

11 (g) If the commissioner determines that a royalty oil premium payment
12 should not have been claimed by or paid to an individual, he may use any
13 collection procedures or remedies available under AS 43 to recover a royalty
14 oil premium payment which was improperly made.

15 (h) The department may adopt regulations to implement this section,
16 including provisions for establishing application filing deadlines, and
17 those regulations may be adopted as emergency regulations under AS 44.62.-
18 250 and 44.62.260.

19 (i) In this section,

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

21 (2) "custodian" means a parent or other relative who has custody
22 of a minor or incapacitated person, a guardian appointed by a court, or an
23 official in charge of a public or private agency which has custody of the
24 individual;

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

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

27 (5) "state resident" means an individual who is physically present
28 in the state for at least 30 consecutive days with the intent to remain
29 permanently in the state, or an individual who (A) is not physically present

1 in the state, (B) has been present in the state for at least 30 consecutive
2 days with the intent to remain permanently, (C) intends to return to the
3 state, (D) has not established residence in another state, and (E) is absent
4 from the state for any of the following reasons:

5 (i) vocational professional or other special education
6 for which a comparable program was not reasonably available in the
7 state,

8 (ii) postsecondary education,

9 (iii) military service,

10 (iv) medical treatment,

11 (v) service in Congress, or

12 (vi) other reasons which the commissioner may establish
13 by regulation.

14 * Sec. 3. This Act takes effect on the effective date of a version of an
15 Act entitled "An Act making a special appropriation for royalty oil premium
16 payments; and providing for an effective date."
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