

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 128

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to an Alaska educational trust fund

7

and providing for voluntary contributions to the fund

8

from permanent fund dividends and payments from the

9

fund for education and for randomly selected benefi-

10

ciaries; and providing for an effective date."

11

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

12

* Section 1. AS 43.23.015(b) is amended to read:

13

(b) The department shall prescribe and furnish an application

14

form for claiming a permanent fund dividend. The application must

15

contain a statement of eligibility and a certification of residency in

16

substantially the following form:

17

I certify that

18

() I am a state resident on the date of this application and I have

19

been a state resident for at least six months immediately preceding

20

the date of this application; or

21

() (name), the individual on whose behalf I am applying, is a state

22

resident and has been a state resident for at least six months immedi-

23

ately preceding the date of this application.

24

I understand that a false claim of residency to obtain a permanent

25

fund dividend for myself or for another is a criminal offense and that

26

if convicted I will forfeit future permanent fund dividends and that I

27

must repay all permanent fund dividends that have been paid to me and

28

repay contributions to the Alaska educational trust fund that were

29

paid on my behalf, and that I will be ineligible to be a beneficiary

1 of the Alaska educational trust fund. I understand that this penalty
2 is in addition to any criminal penalties imposed.

3 _____
4 (signature of individual, parent, guardian,
5 or other authorized representative)

6 * Sec. 2. AS 43.23.035(a) is amended to read:

7 (a) In addition to any criminal penalties imposed by state law,
8 if an individual is convicted of a crime in connection with a false
9 statement made in a certification required under AS 43.23.015, and the
10 conviction is not reversed, that individual forfeits all permanent
11 fund dividends paid and contributions made to the Alaska educational
12 trust fund and is not eligible for a future permanent fund dividend or
13 to be a beneficiary of the Alaska educational trust fund.

14 * Sec. 3. AS 43.23.065(a) is amended to read:

15 (a) Except as provided in (b) of this section, 50 percent of the
16 annual permanent fund dividend payable to an individual is exempt from
17 levy, execution, garnishment, attachment, or any other remedy for the
18 collection of debt. This exemption applies to an eligible indivi-
19 dual's permanent fund dividend both before and after payment is made
20 to the individual. If an individual elects to contribute half of the
21 permanent fund dividend to the Alaska educational trust fund, the
22 portion of the dividend actually paid to the individual is not exempt
23 under this section.

24 * Sec. 4. AS 43.23.095 is amended by adding a new paragraph to read:

25 (9) "fund" means the Alaska educational trust fund.

26 * Sec. 5. AS 43.23 is amended by adding new sections to read:

27 ARTICLE 2. ALASKA EDUCATIONAL TRUST FUND.

28 Sec. 43.23.200. ALASKA EDUCATIONAL TRUST FUND. The Alaska
29 educational trust fund is created. The fund consists of voluntary

1 contributions transferred from permanent fund dividends to the fund
2 under AS 43.23.210 and earnings of the fund. The fund shall be
3 managed and invested by the board of trustees of the Alaska Permanent
4 Fund Corporation in accordance with the board's investment responsi-
5 bilities under AS 37.13.120.

6 Sec. 43.23.210. CONTRIBUTIONS TO THE FUND. (a) The commis-
7 sioner shall prepare the permanent fund dividend application to allow
8 individuals who are 18 years of age or older to elect to contribute
9 one-half of the dividend to the fund. A parent, guardian, or other
10 authorized representative who claims a permanent fund dividend on
11 behalf of an unemancipated minor or on behalf of an incompetent indi-
12 vidual under AS 43.23.015(c) may not elect to contribute to the fund
13 on behalf of that individual under this section.

14 (b) The commissioner shall pay one-half of the permanent fund
15 dividend of an individual who elects to contribute to the fund to that
16 individual and shall transfer the other half of the dividend to the
17 fund.

18 (c) The commissioner shall establish, by regulation, a deadline
19 for electing to contribute to the fund. Permanent fund dividend
20 applications containing an election to contribute to the fund that are
21 received after the date established by the commissioner shall be
22 treated as if the election to contribute to the fund had not been
23 made.

24 Sec. 43.23.220. COSTS OF ADMINISTRATION OF THE FUND. Each year
25 the commissioner may withdraw from the fund up to five percent of the
26 contributions for that year, excluding earnings of the fund, to pay
27 the costs of administering the fund and up to five percent of the
28 contributions for that year, excluding earnings of the fund, to pay
29 the costs of promoting and advertising the fund.

1 Sec. 43.23.230. BENEFICIARIES OF THE FUND. (a) Each year, the
2 commissioner shall randomly select .2 percent of the individuals who
3 contributed to the fund the prior year to be beneficiaries of the
4 fund. The base amount for determining the amount of payments to the
5 beneficiaries from the fund is equal to 10 percent of the portion of
6 the total contributions to the fund for the prior year remaining after
7 the withdrawals under AS 43.23.220, excluding earnings of the fund.
8 The commissioner shall make payments from the fund under this section
9 to the beneficiaries as follows:

10 (1) five percent of the beneficiaries shall receive 10
11 annual payments, each of which is equivalent to an equal share of 25
12 percent of the base amount;

13 (2) 10 percent of the beneficiaries shall receive a single
14 payment equivalent to an equal share of 50 percent of the base amount;

15 (3) 15 percent of the beneficiaries shall receive a single
16 payment equivalent to an equal share of 15 percent of the base amount;

17 (4) 20 percent of the beneficiaries shall receive a single
18 payment equivalent to an equal share of five percent of the base
19 amount; and

20 (5) 50 percent of the beneficiaries shall receive a single
21 payment equivalent to an equal share of five percent of the base
22 amount.

23 (b) The commissioner shall adopt regulations establishing the
24 process for determining the selection of beneficiaries.

25 Sec. 43.23.240. PAYMENTS TO PUBLIC SCHOOL FOUNDATION ACCOUNT.
26 At the beginning of each fiscal year the commissioner shall transfer
27 10 percent of the principal and earnings of the fund to the public
28 school foundation account (AS 14.17.010) to be used as provided in
29 AS 14.17.

1 * Sec. 6. INITIAL PAYMENT TO PUBLIC SCHOOL FOUNDATION ACCOUNT. Not-
2 withstanding other provisions of law, the first payment from the Alaska
3 educational trust fund to the public school foundation account under
4 AS 43.23.240, added by sec. 5 of this Act, shall be made at the beginning
5 of fiscal year 1990.

6 * Sec. 7. This Act takes effect July 1, 1987.