

1 IN THE HOUSE BY PEARCE AND POURCHOT

2 HOUSE BILL NO. 134

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act permitting payment of certain permanent fund  
7 dividends into the principal of the permanent fund."

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

9 \* Section 1. AS 43.23.005 is amended by adding a new subsection to  
10 read:

11 (d) A person who is eligible to receive a permanent fund divi-  
12 dend under this section may elect to receive the dividend in cash or  
13 have it deposited into the principal of the permanent fund. A person  
14 who is authorized to claim a dividend on behalf of another under (c)  
15 of this section may only receive the dividend in cash.

16 \* Sec. 2. AS 43.23.015(e) is amended to read:

17 (e) If a public agency claims a [PERMANENT FUND] dividend on  
18 behalf of an individual under this section, the public agency shall  
19 receive cash and hold the dividend in trust for the individual. Money  
20 held in trust under this subsection shall be invested by the commis-  
21 sioner in accordance with AS 37.10.070.

22 \* Sec. 3. AS 43.23.015 is amended by adding a new subsection to read:

23 (i) The permanent fund dividend application form shall be pre-  
24 pared to allow an applicant, other than a person who is claiming a  
25 dividend on behalf of another, to elect to receive the dividend in  
26 cash or to have it deposited into the principal of the permanent fund.

27 \* Sec. 4. AS 43.23.035(b) is amended to read:

28 (b) If the commissioner determines that a cash [PERMANENT FUND]  
29 dividend should not have been claimed by or paid to an individual, the

1 commissioner may use all collection procedures or remedies available  
2 for collection of taxes under this title to recover the payment of a  
3 permanent fund dividend that was improperly made. A notice of an  
4 improperly paid dividend must be sent to the individual within 10  
5 years after the improper payment. If notice is not sent within the  
6 10-year period, proceedings may not be commenced in court for recovery  
7 of the improper payment.

8 \* Sec. 5. AS 43.23.055 is amended to read:

9 Sec. 43.23.055. DUTIES OF THE DEPARTMENT. The department shall

10 (1) annually pay permanent fund dividends from the dividend  
11 fund to individuals who elect under AS 43.23.005(d) to receive cash  
12 and make payments to the principal of the permanent fund for indi-  
13 viduals who elect under AS 43.23.005(d) to make a deposit to the fund;

14 (2) adopt regulations under the Administrative Procedure  
15 Act (AS 44.62) that establish procedures and time limits for claiming  
16 a permanent fund dividend or for electing to have the dividend paid  
17 into the principal of the permanent fund; the department shall set the  
18 time limit for applications for permanent fund dividends so that the  
19 number of eligible applicants is determined by October 1 of the year  
20 for which the dividend is declared and permanent fund dividends for a  
21 year are paid before April 30 of the year following that year;

22 (3) adopt regulations under the Administrative Procedure  
23 Act (AS 44.62) that establish procedures and time limits for an indi-  
24 vidual upon emancipation or upon reaching majority to apply for perma-  
25 nent fund dividends not received during minority because the parent,  
26 guardian, or other authorized representative did not apply on behalf  
27 of the individual; and

28 (4) assist residents of the state, particularly in rural  
29 areas, who because of language, disability, or inaccessibility to

1 public transportation need assistance to establish eligibility and to  
2 apply for permanent fund dividends.

3 \* Sec. 6. AS 43.23.065(a) is amended to read:

4 (a) Except as provided in (b) of this section, 50 percent of a  
5 cash [THE ANNUAL] permanent fund dividend payment [PAYABLE TO AN  
6 INDIVIDUAL] is exempt from levy, execution, garnishment, attachment,  
7 or any other remedy for the collection of debt. This exemption  
8 applies to an eligible individual's permanent fund dividend both  
9 before and after payment is made to the individual.

10 \* Sec. 7. AS 43.23.065(b) is amended to read:

11 (b) An exemption is not available under this section for cash  
12 permanent fund dividend payments [DIVIDENDS] taken to satisfy

13 (1) child support obligations required by court order or  
14 decision of the child support enforcement agency under AS 47.23.140 -  
15 47.23.220;

16 (2) court ordered restitution under AS 12.55.045 - 12.55.-  
17 051 or 12.55.100;

18 (3) a court ordered probation fee under AS 12.55.105; or

19 (4) a debt owed by an eligible individual to an agency of  
20 the state, unless the debt is contested and an appeal is pending, or  
21 the time limit for filing an appeal has not expired.

22 \* Sec. 8. AS 43.23.065 is amended by adding a new subsection to read:

23 (d) The department shall require an individual to take a perma-  
24 nent fund dividend in cash if the department receives a levy, execu-  
25 tion, garnishment, attachment or other legal remedy for the collection  
26 of a past due debt described in (b) of this section.

27 \* Sec. 9. AS 43.23.095(6) is repealed and reenacted to read:

28 (6) "permanent fund dividend" means a right to receive a  
29 payment from the dividend fund or to elect to have the payment

1 deposited into the principal of the permanent fund.