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1 IN THE HOUSE

2

HOUSE BILL NO. 511

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to reimburse
7 the dividend fund for appropriations from the divi-
8 dend fund in fiscal year 1990 for prisoner gate
9 money, sex offender treatment programs, and the
10 Violent Crimes Compensation Board made in expectation
11 that permanent fund dividends would be denied to
12 incarcerated felons; making an appropriation of
13 certain funds in an interest-bearing trust to the
14 general fund and an appropriation of the remaining
15 funds to the dividend fund, in the event that the
16 state prevails in whole or in part in the appeal of
17 the superior court decisions in Anthony v. State and
18 Snyder v. Department of Revenue; and providing for an
19 effective date."

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

21 * Section 1. The legislature has adopted a policy to deny benefits of
22 the permanent fund to incarcerated felons. To implement this policy, in
23 1988 the legislature disqualified incarcerated felons from receiving perma-
24 nent fund dividends. In 1989 the legislature appropriated \$1,500,000 from
25 felons' permanent fund dividends to the Departments of Corrections and
26 Public Safety. Legal challenges by incarcerated felons subsequently caused
27 superior courts to rule that the law denying permanent fund dividends to
28 felons is unconstitutional. Pending review by the Alaska Supreme Court, a
29 superior court created an interest-bearing trust for the felons' permanent

1 fund dividends. About \$2,000,000 is in the interest-bearing trust. The
2 amount of the 1989 permanent fund dividend received by each dividend recip-
3 ient was reduced by the appropriations to the Departments of Corrections
4 and Public Safety and by the creation of the interest-bearing trust. The
5 legislature did not anticipate the felons' challenge and did not intend
6 that the permanent fund dividend recipients should bear the costs of these
7 programs and the interest-bearing trust.

8 * Sec. 2. PURPOSE. It is the purpose of this Act to

9 (1) restore the \$1,500,000 that was appropriated from the divi-
10 dend fund, plus interest, by making an appropriation from the general fund
11 to the dividend fund; and

12 (2) if the state prevails on appeal and obtains a reversal in
13 whole or in part of the superior court decisions that resulted in the
14 interest-bearing trust being created, appropriate up to \$1,500,000, plus
15 interest, from the money placed into the interest-bearing trust to the
16 general fund, and appropriate the remaining funds to the dividend fund.

17 * Sec. 3. The sum of \$1,500,000, plus interest at 10.5 percent per
18 annum from the date that funds were transferred from the dividend fund to
19 the Department of Corrections and to the Department of Public Safety until
20 the effective date of this section, is appropriated from the general fund
21 to the dividend fund (AS 43.23.045) for payment in 1990 to individuals
22 entitled to receive a 1990 permanent fund dividend.

23 * Sec. 4. If the Alaska Supreme Court reverses in whole or in part the
24 decisions of the superior courts in Anthony v. State (3PA-88-1009 Civ.) and
25 Snyder v. Department of Revenue (3AN-89-3807 Civ.), upon final judicial
26 disposition of the funds in the interest-bearing trust established by the
27 superior court in Anthony, the funds remaining in the trust, not to exceed
28 an amount equal to the amount appropriated by sec. 3 of this Act, are
29 appropriated to the general fund.

1 * Sec. 5. If the Alaska Supreme Court reverses in whole or in part the
2 decision of the superior court in Anthony v. State (3PA-88-1009 Civ.) and
3 Snyder v. Department of Revenue (3AN-89-3807 Civ.), upon final judicial
4 disposition of the funds remaining in the interest-bearing trust estab-
5 lished by the superior court in Anthony, the funds remaining in the trust
6 after the appropriation of funds under sec. 4 of this Act, are appropriated
7 to the dividend fund (AS 43.23.045).

8 * Sec. 6. Sections 1 - 3 of this Act take effect immediately under
9 AS 01.10.070(c).

10 * Sec. 7. Sections 4 - 5 of this Act take effect on the date of a
11 decision by the Alaska Supreme Court reversing in whole or in part the
12 superior court decisions in Anthony v. State (3PA-88-1009 Civ.) and Snyder
13 v. Department of Revenue (3AN-89-3807 Civ.).