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Referred: Finance

6-1669J

Original sponsor(s): REP. BOUCHER, Gruenberg, Boyer, Davidson, Grussendorf, Brown, Kubina, M.Davis, Ulmer, Collins, Martin, Menard, Leman, Hudson, Donley, Ellis, Navarre, Hanley, C.Davis, Foster, Furnace, Koponen, Larson, MacLean, Miller, Phillips, Sharp, Shultz, Swackhammer, Zawacki, Finkelstein, Taylor

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 511 (State Affairs) am

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

1 trust for the felons' permanent fund dividends. About \$2,000,000 is in the  
2 interest-bearing trust. The amount of the 1989 permanent fund dividend  
3 received by each dividend recipient was reduced by the appropriations to  
4 the Departments of Corrections and Public Safety and by the creation of the  
5 interest-bearing trust. The legislature did not anticipate the felons'  
6 challenge and did not intend that the permanent fund dividend recipients  
7 should bear the costs of these 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 plus the  
29 actual interest accrued on that amount from the effective date of sec. 3 of

1 this Act until the effective date of this section, are appropriated to the  
2 general fund.

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

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

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