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Referred: State Affairs and
Finance

6-0801A

1 IN THE SENATE

BY PEARCE

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SENATE BILL NO. 203

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to an option for receiving permanent
fund dividends in installment payments; and providing
for an effective date."

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

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* Section 1. AS 05.35.100(a) is amended to read:

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(a) There is created in the general fund an Alaska Winter Olympics account. The Department of Revenue shall prepare the permanent fund dividend application to allow applicants to designate that \$10 of the dividend be [SUBTRACTED FROM THEIR CHECK AND] contributed to the Alaska Winter Olympics account. Permanent fund dividend contributions shall be deposited in the Alaska Winter Olympics account. The Department of Revenue may use money in the Alaska Winter Olympics account to pay administrative costs incurred under this section.

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* Sec. 2. AS 43.23.005 is amended by adding a new subsection to read:

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(e) An individual who applies to receive a permanent fund dividend or to claim a dividend on behalf of another may on the application select a lump-sum payment of the entire amount or four approximately equal installment payments made over a 12-month period. A selection made under this subsection may not be changed.

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* Sec. 3. AS 43.23.025(a) is amended to read:

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(a) By October 1 of each year the commissioner shall give public notice of the value of each permanent fund dividend for that year. By December 1 of each year the first installment payment of that dividend shall be mailed to each eligible applicant who selects installment

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1 payments. The public notice shall contain a statement disclosing the
2 amount by which each individual dividend has been reduced in order to
3 pay the costs of administering the program and the hold harmless
4 provisions of AS 43.23.075. The commissioner shall also include the
5 statement on the stub attached to each individual dividend check. The
6 commissioner shall determine the value of a permanent fund dividend by

7 (1) determining the total amount available for dividend
8 payments, which equals

9 (A) the amount of income of the Alaska permanent fund
10 transferred to the dividend fund under AS 43.23.045(b) during the
11 current year;

12 (B) plus the unexpended and unobligated balances of
13 prior fiscal year appropriations that lapse into the dividend
14 fund under AS 43.23.045(d);

15 (C) less the amount necessary to pay dividends from
16 the dividend fund in the current year under AS 43.23.055(3);

17 (D) less the amount necessary to pay dividends from
18 the dividend fund due to eligible applicants who, as determined
19 by the department, filed for a previous year's dividend by the
20 filing deadline but who were not included in a previous year's
21 dividend computation;

22 (2) determining the number of individuals eligible to
23 receive a dividend [PAYMENT] for the current year; and

24 (3) dividing the amount determined under (1) of this sub-
25 section [SECTION] by the amount determined under (2) of this subsec-
26 tion [SECTION].

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

28 (a) In addition to any criminal penalties imposed by state law,
29 if an individual is convicted of a crime in connection with a false

1 statement made in a certification required under AS 43.23.015, and the
2 conviction is not reversed, that individual forfeits all permanent
3 fund dividends and dividend installments paid and is not eligible for
4 any other [A FUTURE] permanent fund dividend payment.

5 * Sec. 5. AS 43.23.035(b) is amended to read:

6 (b) If the commissioner determines that a permanent fund divi-
7 dend or installment should not have been claimed by or paid to an
8 individual, the commissioner may use all collection procedures or
9 remedies available for collection of taxes under this title to recover
10 the payment [OF A PERMANENT FUND DIVIDEND] that was improperly made.
11 A notice of an improperly paid dividend or dividend installment must
12 be sent to the individual within 10 years after the improper payment.
13 If notice is not sent within the 10-year period, proceedings may not
14 be commenced in court for recovery of the improper payment.

15 * Sec. 6. AS 43.23.055 is amended to read:

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

17 (1) [ANNUALLY] pay current permanent fund dividends from
18 the dividend fund in lump-sum or installment payments as directed by
19 eligible individuals, and pay dividends for a prior year in a lump
20 sum;

21 (2) adopt regulations under the Administrative Procedure
22 Act (AS 44.62) that establish procedures and time limits for claiming
23 a permanent fund dividend; the department shall set the time limit for
24 applications for permanent fund dividends so that the number of eligi-
25 ble applicants is determined by October 1 of the year for which the
26 dividend is declared and the first installment payment is mailed to
27 each eligible applicant who selects installment payments by December 1
28 of [PERMANENT FUND DIVIDENDS FOR A YEAR ARE PAID BEFORE APRIL 30 OF
29 THE YEAR FOLLOWING] that year;

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

7 (4) assist residents of the state, particularly in rural
8 areas, who because of language, disability, or inaccessibility to
9 public transportation need assistance to establish eligibility and to
10 apply for permanent fund dividends;

11 (5) annually determine, in cooperation with the Department
12 of Corrections, the number and identity of individuals ineligible for
13 a permanent fund dividend under AS 43.23.005(d); and

14 (6) adopt regulations that are necessary to implement
15 AS 43.23.005(d).

16 * Sec. 7. AS 43.23.065(a) is amended to read:

17 (a) Except as provided in (b) of this section, 50 percent of
18 each [THE] annual permanent fund dividend lump-sum or installment
19 payment [PAYABLE] to an individual is exempt from levy, execution,
20 garnishment, attachment, or any other remedy for the collection of
21 debt. This exemption applies to an eligible individual's permanent
22 fund dividend payment both before and after payment is made to the
23 individual.

24 * Sec. 8. AS 43.23.067(c) is amended to read:

25 (c) AS 44.62.330 - 44.62.630 apply to a hearing requested by an
26 individual under (b)(2) of this section. If a request for a hearing is
27 not received by the department within the required time limit, the
28 department shall pay in a lump sum to the Alaska Commission on Post-
29 secondary Education the amount of the permanent fund dividend that

1 does not exceed the amount of the claim. Notwithstanding any law to
2 the contrary, any dividend amount that exceeds the amount of the claim
3 shall be paid to the individual in a lump sum or in installments as
4 determined to be most efficient by the department.

5 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).