

HOUSE BILL NO. 428

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES GRUENBERG, Ivan, Martin, Brown, Bruckman, Carney, Davidson, B.Davis, Ellis,
Grussendorf, G. Phillips

Introduced: 1/29/92

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to permanent fund dividends; and providing for an effective date."

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

3 * Section 1. INTENT. The change to the definition of residency in sec. 13 of this Act only clarifies
4 what the legislature has always intended the definition to be.

5 * Sec. 2. AS 34.45.370 is amended by adding a new subsection to read:

6 (c) A permanent fund dividend that is received by the state as abandoned property shall
7 be deposited into the dividend fund established under AS 43.23.045 and may be expended or
8 distributed according to regulations adopted by the commissioner of revenue.

9 * Sec. 3. AS 37.05.180 is amended to read:

10 Sec. 37.05.180. TWO-YEAR LIMITATION ON PAYMENT OF WARRANTS. A [NO]
11 warrant upon the state treasury may not be [IS] paid unless presented at the office of the
12 commissioner of revenue within two years of the date of its issuance. A warrant [ALL
13 WARRANTS] not presented within that time is [ARE] considered paid and money held at the
14 expiration of that time in a special fund or account for the payment of the warrant shall be

1 transferred to the general fund, except where transfer is prohibited by the federal government for
2 state participation in a federal program or the warrant represents payment of a permanent
3 fund dividend. Money held for the payment of a permanent fund dividend warrant shall
4 be transferred to the dividend fund established under AS 43.23.045 and may be expended
5 or distributed according to regulations adopted by the commissioner of revenue.

6 * Sec. 4. AS 43.23.005(a) is amended to read:

7 (a) An individual is eligible to receive one permanent fund dividend each year in an
8 amount to be determined under AS 43.23.025 if

9 (1) the individual applies to the department;

10 (2) [, AND IF (1)] on the date of application the individual is a state resident;

11 (3) [(2)] the individual was a state resident for [A PERIOD OF] at least one year
12 [12 CONSECUTIVE MONTHS] immediately preceding January 1 [APRIL 1] of the current
13 dividend year; [AND]

14 (4) [(3)] the individual has been physically present in the state at some time
15 during the prior [PERIOD BEGINNING JULY 1] two years before the current dividend year;
16 and

17 (5) the individual is

18 (A) a citizen of the United States;

19 (B) an alien lawfully admitted for permanent residence in the United
20 States;

21 (C) an alien with refugee status under federal law; or

22 (D) an alien that has been granted asylum under federal law [DATE
23 OF APPLICATION AND ENDING ON THE DATE OF APPLICATION].

24 * Sec. 5. AS 43.23.005(c) is amended to read:

25 (c) A parent, guardian, or other authorized representative may claim a permanent fund
26 dividend on behalf of an unemancipated minor or on behalf of a disabled or an incompetent
27 individual who is eligible to receive a payment under this section. Notwithstanding (a)(3) and
28 (4) of this subsection, a minor who is under two years of age on January 1 of the current
29 dividend year is eligible for the dividend if on the date of application at least one of the
30 minor's custodial parents or guardians is eligible for a dividend for that year, or the minor
31 is in the custody of the state.

1 * Sec. 6. AS 43.23.005(d) is amended to read:

2 (d) Notwithstanding the provisions of (a) - (c) of this section, an individual who has been
3 convicted of a felony is not eligible for a permanent fund dividend for a year when, during all
4 or part of the previous year [FISCAL YEAR ENDING JUNE 30 OF THE CURRENT YEAR],
5 as a result of the conviction, the individual is incarcerated. [THIS SUBSECTION APPLIES
6 WHETHER OR NOT THE INDIVIDUAL HAS APPLIED FOR THE DIVIDEND.]

7 * Sec. 7. AS 43.23.005(f) is amended to read:

8 (f) In a time of national military emergency, the commissioner may waive the
9 requirement of (a)(4) [(a)(3)] of this section for an individual absent from the state under military
10 orders while serving in the armed forces of the United States, or for the spouse and dependents
11 of that individual.

12 * Sec. 8. AS 43.23.015(a) is amended to read:

13 (a) The commissioner shall adopt regulations under the Administrative Procedure Act
14 (AS 44.62) for determining the eligibility of individuals for permanent fund dividends. The
15 commissioner may require an individual to provide proof of eligibility, and the commissioner
16 may use other information available from other state departments or agencies to determine the
17 eligibility of an individual. The commissioner shall consider all relevant circumstances in
18 determining the eligibility of an individual. However, the residency of an individual's
19 spouse may not be the only factor relied upon by the commissioner in determining the
20 residency of the individual.

21 * Sec. 9. AS 43.23.015(b) is amended to read:

22 (b) The department shall prescribe and furnish an application form for claiming a
23 permanent fund dividend. The application must include notice of the penalties provided for
24 under AS 43.23.035 and contain a statement of eligibility and a certification of residency, [IN
25 SUBSTANTIALLY THE FOLLOWING FORM:

26 I CERTIFY THAT

27 () I AM A STATE RESIDENT ON THE DATE OF THIS APPLICATION, I HAVE
28 BEEN A STATE RESIDENT FOR AT LEAST 12 MONTHS IMMEDIATELY
29 PRECEDING APRIL 1 OF THE CURRENT DIVIDEND YEAR, AND I HAVE BEEN
30 PHYSICALLY PRESENT IN THE STATE OF ALASKA AT SOME TIME DURING
31 THE PERIOD BEGINNING JULY 1 TWO YEARS BEFORE THE DATE OF

1 APPLICATION AND ENDING ON THE DATE OF THIS APPLICATION UNLESS
2 THIS REQUIREMENT HAS BEEN WAIVED UNDER AS 43.23.005(f); OR

3 () (NAME), THE INDIVIDUAL ON WHOSE BEHALF I AM APPLYING, IS A
4 STATE RESIDENT ON THE DATE OF THIS APPLICATION, HAS BEEN A STATE
5 RESIDENT FOR AT LEAST 12 MONTHS IMMEDIATELY PRECEDING APRIL 1 OF
6 THE CURRENT DIVIDEND YEAR, AND HAS BEEN PHYSICALLY PRESENT IN
7 THE STATE OF ALASKA AT SOME TIME DURING THE PERIOD BEGINNING
8 JULY 1 TWO YEARS BEFORE THE DATE OF APPLICATION AND ENDING ON
9 THE DATE OF THIS APPLICATION UNLESS THIS REQUIREMENT HAS BEEN
10 WAIVED UNDER AS 43.23.005(f).

11 I UNDERSTAND THAT A FALSE CLAIM OF ELIGIBILITY TO OBTAIN A
12 PERMANENT FUND DIVIDEND FOR MYSELF OR FOR ANOTHER IS A
13 CRIMINAL OFFENSE, THAT IF CONVICTED I WILL FORFEIT FUTURE
14 DIVIDENDS, AND THAT I MUST REPAY ALL DIVIDENDS THAT HAVE BEEN
15 PAID TO ME. I UNDERSTAND THAT IF I WILFULLY MISREPRESENT,
16 EXERCISE GROSS NEGLIGENCE, OR RECKLESSLY DISREGARD A MATERIAL
17 FACT REGARDING MY ELIGIBILITY FOR A PERMANENT FUND DIVIDEND I
18 WILL FORFEIT THE DIVIDEND, BE SUBJECT TO A CIVIL FINE OF UP TO \$5,000,
19 AND LOSE MY ELIGIBILITY FOR THE NEXT FIVE DIVIDENDS. I UNDERSTAND
20 THAT THESE PENALTIES ARE IN ADDITION TO ANY CRIMINAL PENALTIES
21 IMPOSED.

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(SIGNATURE OF INDIVIDUAL,
PARENT, GUARDIAN, OR OTHER
AUTHORIZED REPRESENTATIVE)]

26 * Sec. 10. AS 43.23.035(b) is amended to read:

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(b) If the commissioner determines that a permanent fund dividend should not have been claimed by or paid to an individual, the commissioner may use all collection procedures or remedies available for collection of taxes under this title to recover the payment of a permanent fund dividend that was improperly made. A notice of an improperly paid dividend must be sent to the individual within

1 (1) three years after the improper payment is sent; or
2 (2) six years after the improper payment is sent if the commissioner
3 determines that the individual exercised gross negligence or recklessly disregarded a
4 material fact in connection with a false statement made in an application [10 YEARS
5 AFTER THE IMPROPER PAYMENT. IF NOTICE IS NOT SENT WITHIN THE 10-YEAR
6 PERIOD, PROCEEDINGS MAY NOT BE COMMENCED IN COURT FOR RECOVERY OF
7 THE IMPROPER PAYMENT].

8 * Sec. 11. AS 43.23.035 is amended by adding a new subsection to read:

9 (d) If notice is not sent within the time required under (b) of this section, administrative
10 or judicial proceedings may not be commenced for recovery of an improperly paid dividend. The
11 time limitations of (b) of this section do not apply if a dividend is forfeited under (a) of this
12 section or if it is more probable than not that an individual has committed a crime in connection
13 with a false statement made in an application.

14 * Sec. 12. AS 43.23.055 is amended to read:

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

16 (1) annually pay permanent fund dividends from the dividend fund;

17 (2) adopt regulations under the Administrative Procedure Act (AS 44.62) that
18 establish procedures and time limits for claiming a permanent fund dividend; the department shall
19 set the time limit for applications for permanent fund dividends so that the number of eligible
20 applicants is determined by October 1 of the year for which the dividend is declared and
21 [PERMANENT FUND] dividends for a year are paid by December 31 of that year [BEFORE
22 APRIL 30 OF THE YEAR FOLLOWING THAT YEAR];

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

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

30 (5) annually determine, in cooperation with the Department of Corrections, the
31 number and identity of individuals ineligible for a permanent fund dividend under

1 AS 43.23.005(d);

2 (6) adopt regulations that are necessary to implement AS 43.23.005(d);

3 (7) adopt regulations that establish procedures for the parent, guardian, or other
4 authorized representative of a disabled individual to apply for prior year permanent fund
5 dividends not received by the disabled individual because no application was submitted on behalf
6 of the individual.

7 * Sec. 13. AS 43.23.095(8) is amended to read:

8 (8) "state resident" means an individual who is physically present in the state with
9 the intent to remain permanently in the state under the requirements of AS 01.10.055(a) and
10 (b) or, if the individual is not physically present in the state, intends to return to the state and
11 remain permanently in the state under the requirements of AS 01.10.055(c), and is absent
12 only for any of the following reasons:

13 (A) vocational, professional, or other specific education for which a
14 comparable program was not reasonably available in the state;

15 (B) secondary or postsecondary education;

16 (C) military service;

17 (D) medical treatment;

18 (E) service in Congress;

19 (F) other reasons which the commissioner may establish by regulation; or

20 (G) service in the Peace Corps;

21 * Sec. 14. AS 43.23.005(b) is repealed.

22 * Sec. 15. Notwithstanding permanent fund dividend application procedures or deadlines, an
23 individual who qualified for a dividend for 1992 because of the amendment to AS 43.23.005(c), made
24 in sec. 5 of this Act, or because of the amendment to AS 43.23.015(a), made in sec. 8 of this Act, may,
25 apply for the dividend by December 31, 1992. The Department of Revenue shall prepare a form for
26 applications under this section.

27 * Sec. 16. Sections 5 and 8 of this Act are retroactive to January 1, 1992.

28 * Sec. 17. Sections 1 - 3, 5, 8, 10, 11, 13, 15, and 16 of this Act take effect immediately under
29 AS 01.10.070(c).

30 * Sec. 18. Sections 4, 6, 7, 9, 12, and 14 of this Act take effect January 1, 1993.