

SENATE CS FOR CS FOR HOUSE BILL NO. 392(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE

Offered: 5/10/94
Referred: Today's Calendar

Sponsor(s): REPRESENTATIVES PARNELL, Mulder

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the confidentiality of permanent fund dividend application
 2 information; relating to the permanent fund dividend program; and providing for
 3 an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1. AS 14.43.120(i) is amended to read:**

6 (i) If a loan is in default, the commission shall notify the borrower that
 7 repayment of the remaining balance is accelerated and due by sending the borrower
 8 a notice by registered or certified mail. The permanent fund dividend of a borrower
 9 may be taken under AS 43.23.065(b)(4) [AS 43.23.065(b)(3)] to satisfy the balance
 10 due on the defaulted loan.

11 * **Sec. 2. AS 43.23.005(a) is amended to read:**

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

14 (1) [THE INDIVIDUAL] applies to the department;

1 (2) [ON THE DATE OF APPLICATION THE INDIVIDUAL] is a
2 state resident on the date of application;

3 (3) [THE INDIVIDUAL] was a state resident for at least the calendar
4 year immediately preceding January 1 of the current dividend year;

5 (4) [THE INDIVIDUAL] has been physically present in the state at
6 some time during the prior two calendar years before the current dividend year; [AND]

7 (5) [THE INDIVIDUAL] is

8 (A) a citizen of the United States;

9 (B) an alien lawfully admitted for permanent residence in the
10 United States;

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

12 (D) an alien that has been granted asylum under federal law;

13 and

14 (6) was, during the entire period described in (3) of this subsection,
15 present in the state or, if absent, was absent only as allowed in AS 43.23.008.

16 * Sec. 3. AS 43.23.005(c) is amended to read:

17 (c) A parent, guardian, or other authorized representative who meets the
18 requirements of (a)(2) - (6) of this section may claim a permanent fund dividend on
19 behalf of an unemancipated minor or on behalf of a disabled or an incompetent
20 individual who is eligible to receive a payment under this section. Notwithstanding
21 (a)(2) - (4) of this section and AS 43.23.008(b), a minor who is otherwise eligible is
22 eligible for a dividend if, during the two calendar years immediately preceding the
23 current dividend year, the minor was born to or adopted by an individual who is
24 eligible for a dividend for the current dividend year.

25 * Sec. 4. AS 43.23.005(d) is amended to read:

26 (d) Notwithstanding the provisions of (a) - (c) of this section, an individual
27 who has been convicted of a felony is not eligible for a permanent fund dividend for
28 a year when, during all or part of the previous calendar year, as a result of the
29 conviction, the individual is incarcerated. This subsection does not apply if the
30 conviction is reversed. An action taken under AS 12.55.085 - 12.55.110 does not
31 constitute reversal of a conviction for purposes of this subsection.

1 * **Sec. 5.** AS 43.23 is amended by adding a new section to read:

2 **Sec. 43.23.008. ALLOWABLE ABSENCES.** (a) Subject to (b) of this
3 section, an otherwise eligible individual who is absent from the state during the
4 calendar year immediately preceding the current dividend year remains eligible for the
5 dividend if the individual was absent

6 (1) receiving full-time technical training as part of a career education
7 program recognized by the Alaska Commission on Postsecondary Education;

8 (2) attending full-time an academic institution, seminar, or other
9 program for continuing professional educational development, including a sabbatical,
10 legal, or accounting program, recognized by the Alaska Commission on Postsecondary
11 Education;

12 (3) attending a special education program to assist in the treatment of
13 learning or physical disabilities or the treatment of mental disorders if attendance is
14 recommended by a licensed physician, psychologist, physical therapist, or the
15 commissioner of education;

16 (4) attending full-time at an educational institution in grades 7 through
17 12;

18 (5) attending full-time at an accredited college, university, or junior or
19 community college in a program leading to an associate, baccalaureate, or graduate
20 degree;

21 (6) serving on active duty as a member of the armed forces of the
22 United States;

23 (7) receiving continuous medical treatment recommended by a licensed
24 physician or convalescing as recommended by the physician that treated the illness if
25 the treatment or convalescence is not based on a need for climatic change;

26 (8) accompanying a minor who is absent under (7) of this subsection;

27 (9) serving as a member of the United States Congress;

28 (10) serving on the staff of a member of the United States Congress
29 from the state;

30 (11) serving as a full-time volunteer in the Peace Corps;

31 (12) serving as an employee of the state, including employment in a

1 field office;

2 (13) in the custody of the state;

3 (14) actively participating on a United States national athletic team as
4 an eligible athlete as defined by the International Federation and National Governing
5 Body for each nonprofessional sport;

6 (15) accompanying an eligible individual as the spouse, minor
7 dependent, or disabled dependent of the eligible individual;

8 (16) for a reason consistent with the individual's intent to remain a
9 resident, provided the absence or cumulative absences do not exceed

10 (A) 180 days if the individual is not claiming an absence under
11 (1) - (15) of this subsection and provided that the individual

12 (i) established the individual's principal home in this
13 state before leaving this state;

14 (ii) has not taken an action inconsistent with an intent
15 to maintain the individual's principal home in this state;

16 (iii) has not taken an action to establish or maintain a
17 principal home outside of this state;

18 (iv) returned to the individual's principal home in this
19 state at the conclusion of the absence;

20 (B) the greater of 90 days, one school semester during which
21 the individual was enrolled, or one school quarter during which the individual
22 was enrolled, in addition to any absence or cumulative absences claimed under
23 (1) or (5) of this subsection if the individual is not claiming any absence under
24 (2) - (4) or (6) - (15) of this subsection; or

25 (C) 45 days in addition to any absence or cumulative absences
26 claimed under (1) - (15) of this subsection.

27 (b) An individual who is otherwise eligible and who is absent for more than
28 180 days during the calendar year immediately preceding January 1 of the current
29 dividend year remains eligible for the dividend only if the individual was a resident
30 of the state for at least six consecutive months immediately before leaving the state.

31 * Sec. 6. AS 43.23.015(b) is amended to read:

1 (b) The department shall prescribe and furnish an application form for claiming
2 a permanent fund dividend. The application must include

3 (1) notice of the penalties provided for under AS 43.23.035; [AND
4 CONTAIN]

5 (2) a statement of eligibility and a certification of residency to be
6 signed by the applicant or appropriate representative if the application is filed
7 under AS 43.23.005(c) or 43.23.015(e); and

8 (3) a statement to be signed by

9 (A) two other people who can attest to the eligibility of the
10 applicant; or

11 (B) one other person who can attest to the eligibility of the
12 applicant if the application is filed under AS 43.23.005(c) or 43.23.015(e).

13 * Sec. 7. AS 43.23.035(a) is amended to read:

14 (a) In addition to any criminal penalties imposed by state law, if an individual
15 is convicted of a crime in connection with a false statement made in a certification
16 required under AS 43.23.015, and the conviction is not reversed, that individual forfeits
17 all permanent fund dividends paid and is not eligible for a future permanent fund
18 dividend. An action taken under AS 12.55.085 - 12.55.110 does not constitute
19 reversal of a conviction for purposes of this subsection.

20 * Sec. 8. AS 43.23.035(d) is amended to read:

21 (d) If notice is not sent within the time required under (b) of this section,
22 administrative or judicial proceedings may not be commenced for recovery of an
23 improperly paid dividend. The time limitations of (b) of this section do not apply

24 (1) to a duplicate payment of a dividend;

25 (2) if a dividend is forfeited under (a) of this section; or

26 (3) if it is more probable than not that an individual has committed a
27 crime in connection with a false statement made in an application.

28 * Sec. 9. AS 43.23.035 is amended by adding new subsections to read:

29 (e) Except as provided in (f) of this section, the department may not, during
30 the time in which an appeal may be filed or while an appeal is pending, pay a
31 dividend to an individual who, as a result of a proceeding under this section, owes

1 money to the state.

2 (f) The department shall pay to an individual who is not the subject of a
3 criminal investigation under this section any prior year dividend for which the
4 individual is eligible if, by September 30 of the year following the year for which the
5 dividend is declared, the

6 (1) individual has not exhausted the individual's appeal rights related
7 to the money owed to the state as a result of a proceeding under this section; and

8 (2) department has not issued a formal hearing decision affirming that
9 the individual owes money to the state as a result of a proceeding under this section.

10 * Sec. 10. AS 43.23.055 is amended to read:

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

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

13 (2) subject to AS 43.23.011 and paragraph (8) of this section, adopt
14 regulations under AS 44.62 (Administrative Procedure Act) that establish procedures
15 and time limits for claiming a permanent fund dividend and for providing missing
16 or additional information; the department shall determine the number of eligible
17 applicants by October 1 of the year for which the dividend is declared and pay the
18 dividends by December 31 of that year;

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

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

27 (5) use a list of individuals ineligible for a dividend under
28 AS 43.23.005(d) provided annually by [ANNUALLY DETERMINE, IN
29 COOPERATION WITH] the Department of Corrections to determine [,] the number
30 and identity of those individuals [INELIGIBLE FOR A PERMANENT FUND
31 DIVIDEND UNDER AS 43.23.005(d)];

- 1 (6) adopt regulations that are necessary to implement AS 43.23.005(d);
2 (7) adopt regulations that establish procedures for the parent, guardian,
3 or other authorized representative of a disabled individual to apply for prior year
4 permanent fund dividends not received by the disabled individual because no
5 application was submitted on behalf of the individual;
6 (8) adopt regulations that establish procedures for an individual to apply
7 to have a dividend warrant reissued if it is returned to the department as undeliverable
8 or it is not paid within two years of the date of its issuance; however, the department
9 may not establish a time limit within which an application to have a warrant reissued
10 must be filed;
11 (9) adopt regulations establishing an optional longevity bonus program
12 to provide for the direct payment by the department of an individual's permanent fund
13 dividend to an annuity program selected by the individual.

14 * Sec. 11. AS 43.23.065(a) is amended to read:

15 (a) Except as provided in (b) of this section, 45 percent of an individual's
16 [THE ANNUAL] permanent fund dividend [PAYABLE TO AN INDIVIDUAL] is
17 exempt from levy, execution, garnishment, attachment, or any other remedy for the
18 collection of debt. This exemption applies to an eligible individual's permanent fund
19 dividend both before and after payment is made to the individual. No other exemption
20 applies to a dividend. Notwithstanding other laws, a writ of execution upon a dividend
21 that has not been delivered to the debtor may be served on the commissioner by
22 certified mail, return receipt requested. Upon receipt of a writ by certified mail, return
23 receipt requested, the commissioner shall deliver that portion of the dividend executed
24 upon to the court along with the case name and number.

25 * Sec. 12. AS 43.23.065(b) is amended to read:

26 (b) An exemption is not available under this section for permanent fund
27 dividends taken to satisfy

28 (1) amounts owed to the state under AS 43.23.035(a) or (b);

29 (2) child support obligations required by court order or decision of the
30 child support enforcement agency under AS 25.27.140 - 25.27.220;

31 (3) [(2)] court ordered restitution under AS 12.55.045 - 12.55.051 or

1 12.55.100;

2 ~~(4)~~ [(3)] claims on defaulted scholarship loans under AS 43.23.067;

3 ~~(5)~~ [(4)] court ordered fines; or

4 ~~(6)~~ [(5)] a debt, other than a debt under (1) - (5) of this subsection.

5 owed by an eligible individual to an agency of the state, unless the debt is contested
6 and an appeal is pending, or the time limit for filing an appeal has not expired.

7 * Sec. 13. AS 43.23.065(d) is amended to read:

8 (d) The department may not accept an [AN] assignment of a current year
9 dividend or a levy, execution, garnishment, attachment, or other remedy for the
10 collection of debt applied to a current year dividend [FOR A YEAR MAY NOT BE
11 ACCEPTED BY THE DEPARTMENT] before April 1 of the current dividend
12 [THAT SAME] year. AS 09.38.080(c) and 09.38.085 do not apply to a levy on a
13 permanent fund dividend. The department shall include the case number with a
14 dividend or portion of a dividend transmitted to the court in response to a writ of
15 execution or other court order. At the time payment is made to the court, the
16 department shall send to the individual at the address provided in the individual's
17 dividend application and to the court that issued the writ or order a notice that contains

18 (1) notification that all or part of the individual's dividend has been
19 seized under a writ of execution or court order;

20 (2) the name and address of the court that issued the writ or order;

21 (3) the case number for which the writ or order was issued;

22 (4) the amount seized under the writ or order; and

23 (5) notification that the individual has 30 days from the date the notice
24 is mailed in which to file with the court an objection to the seizure if a mistake has
25 been made.

26 * Sec. 14. AS 43.23.069(b) is amended to read:

27 (b) A person may assign the right to receive a permanent fund dividend to a
28 (1) federal, state, or municipal government agency for a debt owed to
29 or administered by the agency; or

30 (2) [TO A] court for a debt owed to the court or a government
31 agency, or for restitution ordered under AS 12.55.045 - 12.55.051, 12.55.100, or

1 AS 47.10.080(b)(4).

2 * **Sec. 15.** AS 43.23 is amended by adding a new section to read:

3 **Sec. 43.23.089. RELEASE OF INFORMATION.** (a) Except to the extent
4 required under AS 24.20.271 and AS 24.55.160 - 24.55.170, required for the
5 administration of the permanent fund dividend program, and as provided in this
6 section, information related to an individual's application or dividend, including a
7 dividend eligibility determination made by the department, is confidential. Except as
8 provided in (e) of this section, the department shall provide information related to an
9 individual's application or dividend to that individual upon the request of that
10 individual. Notwithstanding the fact that information may not be subject to public
11 inspection under AS 09.25.110 - 09.25.140, with respect to information related to an
12 individual's application or dividend, the department shall comply with AS 44.99.300 -
13 44.99.350.

14 (b) The following information is subject to release by the department under the
15 following conditions:

16 (1) to any person who makes a written request and pays a fee set by
17 the department under AS 09.25.110 or 09.25.115, the names and mailing addresses of
18 applicants;

19 (2) to the federal court system for use in developing a jury list and to
20 the state court system for use in developing a jury list under AS 09.20.050, the names,
21 mailing addresses, birth dates, and social security numbers of applicants who are
22 United States citizens 18 years old or older;

23 (3) to the division of elections at the discretion of the department for
24 use in voter registration drives, the names, mailing addresses, and birth dates of
25 applicants who are 18 years old or older;

26 (4) to the Alaska Commission on Postsecondary Education, information
27 for use in the collection of money owed to the commission, and for use in eligibility
28 determinations by the commission;

29 (5) to the Department of Administration, information for use in
30 confirming eligibility for the longevity bonus program and compliance with state
31 employment requirements and claims;

1 (6) to the Department of Health and Social Services, the names, mailing
2 addresses, birth dates, social security numbers of applicants, and necessary payment
3 information to administer the following programs:

4 (A) permanent fund dividend hold harmless under
5 AS 43.23.075;

6 (B) public assistance under AS 47.05 and AS 47.25;

7 (C) medical assistance under AS 47.07;

8 (D) care of children under AS 47.10.230 - 47.10.260;

9 (E) Social Security Act Supplemental Security Income Program
10 under 42 U.S.C. 1381 - 1383;

11 (7) to the Department of Labor, information for use in determining
12 compliance with resident hire requirements, determining characteristics and trends of
13 Alaska's labor force and population, and collecting amounts due to the unemployment
14 compensation fund;

15 (8) to the Department of Law, the names, mailing addresses, birth
16 dates, and social security numbers of applicants for use in the collection of money
17 owed to the state, and for use in investigations by the Department of Law;

18 (9) to the Department of Revenue,

19 (A) child support enforcement division, the names, mailing
20 addresses, birth dates, social security numbers, birth states, and birth names of
21 applicants and other individuals who filed with an applicant for use in the
22 collection of money owed to the state or another, and for use in child support
23 investigations by the state;

24 (B) income and excise audit division, the names, mailing
25 addresses, birth dates, social security numbers, birth states, and birth names of
26 applicants and other individuals who filed with an applicant for use in locating
27 individuals for whom the state has unclaimed property under AS 34.45;

28 (10) to a municipality, the names, mailing addresses, birth dates, and
29 social security numbers of all current dividend year applicants to help the municipality
30 identify and locate individuals who owe a debt to the municipality for use in the
31 collection of money owed to the municipality;

1 (11) to a municipality of this or another state, a state, or the federal
2 government, information

3 (A) to which an applicant has authorized access as a condition
4 of qualification for or participation in a government program;

5 (B) for use in a criminal investigation by the requesting
6 government if the department receives a request from the municipal, state, or
7 federal government;

8 (12) to the United States Department of Treasury, Internal Revenue
9 Service, information for use in the collection of money owed to the federal government
10 and for use in tax compliance investigations by the Internal Revenue Service;

11 (13) to the United States Selective Service System, the names, mailing
12 addresses, birth dates, and social security numbers of all current dividend year
13 applicants between 17 and 28 years of age for determining compliance with federal
14 selective service laws;

15 (14) to a process server at the discretion of the department, information
16 related to payments made by the department to the process server;

17 (15) to a person who has filed an application on behalf of another
18 individual, information regarding the eligibility status of that individual;

19 (16) to the office of a legislator or the governor, information regarding
20 an application filed by an individual if the individual has requested assistance from the
21 legislator or the governor in a matter concerning the application.

22 (c) Notwithstanding (b) of this section, the department may release information
23 regarding a bank, credit union, savings and loan, or other financial account of an
24 individual only if the department

25 (1) receives authorization from the individual to release the information;

26 (2) receives a court order directing that the information be released;

27 (3) receives a request from a municipality, the state, or the federal
28 government and the information is sought in connection with a criminal investigation
29 by the requesting government; or

30 (4) makes use of the information to recover an improperly paid
31 dividend or collect a penalty under AS 43.23.035.

1 (d) The department shall release on request of an adult or emancipated minor
2 information pertaining to all applications filed with the application of the requestor.

3 (e) Notwithstanding other provisions of law and except as required by court
4 order, if an individual who provides the department with information that might
5 disqualify another individual from receiving a dividend requests nondisclosure, the
6 department may not disclose the identity of the individual who provides the
7 information.

8 (f) Notwithstanding (b) and (c) of this section, the department may not release
9 an individual's social security number unless release of the number is required by
10 federal law or the individual has been notified that the department may release the
11 number.

12 (g) Information that the department is authorized to release under this section
13 only for specified uses may not be released until the department obtains a written
14 agreement executed by the requestor. The agreement must contain

15 (1) notice that the information is confidential;

16 (2) a summary of the provisions of AS 11.56.860;

17 (3) a list of the uses that may be made of the information; and

18 (4) a statement by the requestor agreeing to use the information only

19 for the purposes listed.

20 * Sec. 16. AS 43.23.095 is amended to read:

21 Sec. 43.23.095. DEFINITIONS. In this chapter,

22 (1) "Alaska permanent fund" means the fund established by art. IX,
23 sec. 15 of the state constitution;

24 (2) [REPEALED

25 (3) REPEALED

26 (4)] "disabled" means physically or mentally unable to complete and
27 sign an application due to a serious emotional disturbance, visual, orthopedic, or other
28 health impairment, or developmental disability that is attributable to mental retardation,
29 cerebral palsy, epilepsy, autism or other cause; "disabled" does not mean
30 "incompetent";

31 (3) [(5)] "dividend fund" means the fund established by AS 43.23.045;

1 (4) [(6)] "individual" means a natural person;
2 (5) [(7)] "permanent fund dividend" means a right to receive a payment
3 from the dividend fund;

4 (6) [(8)] "state resident" means an individual who is physically present
5 in the state with the intent to remain permanently in the state under the requirements
6 of AS 01.10.055 or, if the individual is not physically present in the state, maintains
7 and demonstrates at all times an intent [INTENDS] to return to the state to [AND]
8 remain permanently in the state under the requirements of AS 01.10.055 [, AND IS
9 ABSENT ONLY FOR ANY OF THE FOLLOWING REASONS:

10 (A) VOCATIONAL, PROFESSIONAL, OR OTHER SPECIFIC
11 EDUCATION FOR WHICH A COMPARABLE PROGRAM WAS NOT
12 REASONABLY AVAILABLE IN THE STATE;

13 (B) SECONDARY OR POSTSECONDARY EDUCATION;

14 (C) MILITARY SERVICE;

15 (D) MEDICAL TREATMENT;

16 (E) SERVICE IN CONGRESS;

17 (F) OTHER REASONS WHICH THE COMMISSIONER MAY
18 ESTABLISH BY REGULATION; OR

19 (G) SERVICE IN THE PEACE CORPS;

20 (9) "YEAR" MEANS A CALENDAR YEAR].

21 * Sec. 17. PERMANENT FUND DIVIDENDS FOR CERTAIN SPOUSES AND
22 DEPENDENTS. Notwithstanding the provision in AS 43.23.015(a) that the residency of an
23 individual's spouse may not be the principal factor relied upon in determining the residency
24 of the individual, an otherwise eligible individual who applied for a 1992 or 1993 permanent
25 fund dividend within the time prescribed by law is eligible for the dividend even if the
26 individual was absent from the state while accompanying as the spouse, minor dependent, or
27 disabled dependent another person who was absent for a reason permitted under former
28 AS 43.23.095(8) and was eligible for that dividend.

29 * Sec. 18. Sections 1 - 3, 5, 6, 10 - 14, and 16 of this Act are retroactive to January 1,
30 1994.

31 * Sec. 19. Sections 1 - 3, 5, 6, and 8 - 18 of this Act take effect immediately under

1 AS 01.10.070(c).

2 * Sec. 20. Sections 4 and 7 of this Act take effect January 1, 1995.