

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

5/24/84

Date 5/30/84

Mr. President

The Committee on FINANCE considered CSHB 564 (SA)  
use of permanent fund dividends to satisfy debts owed to the state; eff.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and ~~attached~~ <sup>delete House Finance</sup> "LETTER OF INTENT"  NEW FISCAL NOTE  
FIN 5/10/84
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
\_\_\_\_\_  
*[Handwritten signatures]*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
*[Handwritten signatures]*  
\_\_\_\_\_  
\_\_\_\_\_

Chairman

Chairman recommendation

Offered: 3/6/84  
Referred: Finance

Original sponsors: Bettisworth and Cowdery

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE BILL NO. 564 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to use of permanent fund dividends  
7 to satisfy debts owed to the state; and providing for  
8 an effective date."

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

10 \* Section 1. AS 43.23.065 is amended to read:

11 Sec. 43.23.065. EXEMPTION OF PERMANENT FUND DIVIDENDS. Fifty  
12 percent of the annual permanent fund dividend payable to an individual  
13 is exempt from levy, execution, garnishment, attachment, or any other  
14 remedy for the collection of debt. This exemption applies to an  
15 eligible individual's permanent fund dividend both before and after  
16 payment is made to the individual. An [NO] exemption is not available  
17 under this section for permanent fund dividends taken to satisfy (1)  
18 child support obligations required by court order or decision of the  
19 child support enforcement agency under AS 47.23.140 - 47.23.220: (2) a  
20 debt owed by an eligible individual to an agency of the state, unless  
21 the debt is contested and an appeal is pending, or the time limit for  
22 filing an appeal has not expired. A child support obligation under  
23 (1) of this section has priority over a debt owed to an agency of the  
24 state, and a permanent fund dividend may not be taken to satisfy a  
25 debt under (2) of this section until any portion of the dividend  
26 necessary to satisfy a child support obligation has been taken.

27 \* Sec. 2. This Act applies to permanent fund dividends issued for 1984  
28 and subsequent years.

29 \* Sec. 3. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

2

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

*Accompanied Bill  
into Committee*

Revision Date May 16, 1984

I. REQUEST

Bill/Resolution No: CSHB 564 (SA)  
Title: An Act relating to use of permanent fund dividends to satisfy debts owed to the state  
Sponsor: House State Affairs Committee  
Requestor: Senate State Affairs Comm.  
Date of Request: May 14, 1984

FISCAL DETAIL

Agency Affected: Revenue  
Program Category Affected: General Government  
BRU, Program of Subprogram(s) Affected: Revenue Management and Collections

II. EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	49.7	-	-	-	-
200 TRAVEL	-	5.0	-	-	-	-
300 CONTRACTUAL	-	2.0	-	-	-	-
400 SUPPLIES	-	.5	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	56.7	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	45.0	49.1	28.8	15.8	8.9

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	56.7	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	56.7	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	2	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: General Funds. See attached analysis.

IV. ANALYSIS: See attached narrative.

Prepared By: Thomas C. Williams, Director  
Division: Enforcement

Phone: 465-2366  
Date: May 16, 1984

Approved by Commissioner: Robt D. Hoff  
Agency: Revenue

Date: 5/16/84

Distribution (by Agency preparing fiscal note):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget

5590

Department of Revenue  
Analysis of CSHB 564 (State Affairs)  
 May 16, 1984

A. Assumptions

1. The PFD program is retained and there are no substantive changes to the current program.
2. Individual dividend payments over the next five years are as follows:

Dividend Year	84	85	86	87	88
Paid in FY	85	86	87	88	89
Dividend Amount	\$357	\$431	\$514	\$564	\$606

3. The average accounts receivable (a/r) attachment is estimated to amount to 84-88% of the value of an attached dividend. Currently 1982 PFD a/r attachments average approximately 44% of the value of dividends attached while 1983 PFD a/r attachments average approximately 48%. Accordingly, we could expect an increase of approximately 40% of each dividend attached.
4. The number of a/r attachments on PFD applications is likely to decrease 10% per year until FY '86 and then by 50% per year. This change will result largely from the lapsing of the 6 year statute of limitations on the repeal of income taxes in 1978. Under this scenario the number of attachments would likely be as follows:

Fiscal Year	84	85	86	87	88	89
Est. Attachments	350	315	285	140	70	35

B. Program Summary

The legislative intent added by the House Finance Committee will in certain cases, require a hearing officer to evaluate the effect of allowing the state to attach 100% of an eligible applicant's Permanent Fund Dividend to satisfy debts owed to the State. In addition this function would require clerical support.

Personal Services (100)

Hearing Officer (R25)	6 months @ \$6,070	\$36,420
Clerk Typist III (R8)	6 months @ \$2,130	<u>12,780</u>

Total Personal Services (100) \$49,200

Travel (200)

To applicant's geographic area 5,000

Contractual Services (300)

Word Processing, printing, postage, etc. 2,000

Department of Revenue  
Analysis of CSHB 564 (State Affairs)  
 May 16, 1984

B. Program Summary (continued)

Supplies (400)

General Office Supplies	500
<u>Total</u>	\$56,700

C. Revenue Computations

Increased Revenue:

<u>Dividend Year</u>	<u>Fiscal Year</u>	<u>A (2) Dividend Amount</u>	x	<u>A (3) Average Increase</u>	x	<u>A (4) Est a/r Attachment</u>	=	<u>Income in Revenue (x 1000)</u>
84	85	\$357	x	.40	x	315	=	\$ 45.0
85	86	431	x	.40	x	285	=	49.1
86	87	514	x	.40	x	140	=	28.8
87	88	564	x	.40	x	70	=	15.8
88	89	606	x	.40	x	35	=	8.9
<b>Total Amount of Increase Over 5 Years</b>								<b>\$147.6</b>

D. Impact of 100% Accounts Receivable Offset on Enforcement Division  
 Collection Activities:

Although the additional revenue collected by Enforcement is relatively small, the impact on our collection efforts may be more significant. The additional offset provision will likely allow us to close more cases with a minimal amount of collection effort when the tax liability is small. This would allow more of our current resources to be devoted to more difficult cases where the tax liability is larger.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date May 16, 1984

I. REQUEST

Bill/Resolution No: CSHB 564 (SA)  
Title: An Act relating to use of permanent fund dividends to satisfy debts owed to the state  
Sponsor: House State Affairs Committee  
Requestor: Senate State Affairs Comm.  
Date of Request: May 14, 1984

FISCAL DETAIL

Agency Affected: Revenue  
Program Category Affected: General Government  
BRU, Program of Subprogram(s) Affected: Revenue Management and Collections

II. EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES	-	49.2	-	-	-	-
200 TRAVEL	-	5.0	-	-	-	-
300 CONTRACTUAL	-	2.0	-	-	-	-
400 SUPPLIES	-	.5	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	56.7	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	45.0	49.1	28.8	15.8	8.9

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	56.7	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	56.7	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	2	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: General Funds. See attached analysis.

IV. ANALYSIS: See attached narrative.

Prepared By: Thomas C. Williams, Director  
Division: Enforcement

Phone: 465-2366  
Date: May 16, 1984

Approved by Commissioner: [Signature]  
Agency: Revenue

Date: 5/16/84

Distribution (by Agency preparing fiscal note):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget

5590

Department of Revenue  
Analysis of CSHB 564 (State Affairs)  
 May 16, 1984

A. Assumptions

1. The PFD program is retained and there are no substantive changes to the current program.
2. Individual dividend payments over the next five years are as follows:

Dividend Year	84	85	86	87	88
Paid in FY	85	86	87	88	89
Dividend Amount	\$357	\$431	\$514	\$564	\$606

3. The average accounts receivable (a/r) attachment is estimated to amount to 84-88% of the value of an attached dividend. Currently 1982 PFD a/r attachments average approximately 44% of the value of dividends attached while 1983 PFD a/r attachments average approximately 48%. Accordingly, we could expect an increase of approximately 40% of each dividend attached.
4. The number of a/r attachments on PFD applications is likely to decrease 10% per year until FY '86 and then by 50% per year. This change will result largely from the lapsing of the 6 year statute of limitations on the repeal of income taxes in 1978. Under this scenario the number of attachments would likely be as follows:

Fiscal Year	84	85	86	87	88	89
Est. Attachments	350	315	285	140	70	35

B. Program Summary

The legislative intent added by the House Finance Committee will in certain cases, require a hearing officer to evaluate the effect of allowing the state to attach 100% of an eligible applicant's Permanent Fund Dividend to satisfy debts owed to the State. In addition this function would require clerical support.

Personal Services (100)

Hearing Officer (R25)	6 months @ \$6,070	\$36,420
Clerk Typist III (R8)	6 months @ \$2,130	<u>12,780</u>

Total Personal Services (100) \$49,200

Travel (200)

To applicant's geographic area 5,000

Contractual Services (300)

Word Processing, printing, postage, etc. 2,000

Department of Revenue  
Analysis of CSHB 564 (State Affairs)  
 May 16, 1984

B. Program Summary (continued)

Supplies (400)

General Office Supplies	500
<u>Total</u>	\$56,700

C. Revenue Computations

Increased Revenue:

<u>Dividend Year</u>	<u>Fiscal Year</u>	<u>A (2) Dividend Amount</u>	x	<u>A (3) Average Increase</u>	x	<u>A (4) Est a/r Attachment</u>	=	<u>Income in Revenue (x 1000)</u>
84	85	\$357	x	.40	x	315	=	\$ 45.0
85	86	431	x	.40	x	285	=	49.1
86	87	514	x	.40	x	140	=	28.8
87	88	564	x	.40	x	70	=	15.8
88	89	606	x	.40	x	35	=	8.9
<u>Total Amount of Increase Over 5 Years</u>								\$147.6

D. Impact of 100% Accounts Receivable Offset on Enforcement Division  
 Collection Activities:

Although the additional revenue collected by Enforcement is relatively small, the impact on our collection efforts may be more significant. The additional offset provision will likely allow us to close more cases with a minimal amount of collection effort when the tax liability is small. This would allow more of our current resources to be devoted to more difficult cases where the tax liability is larger.

CC

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE  
LETTER OF INTENT  
FOR  
COMMITTEE SUBSTITUTE FOR HOUSE BILL 564 (STATE AFFAIRS)

It is the intent of the legislature that the Department of Revenue designate a hearing officer who will consider the existence of unusual economic conditions in certain documented cases of economic hardship in the geographic area in which an individual resides, and the effect that using this section, to collect debts owed to the state, would have on the individuals health and safety.



---

Al Adams, Chairman  
House Finance Committee

*Letter of Intent/ House Finance. Adopted by House May 3, 1984*

936

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

5/4/84

Date

May 23, 1984

Mr. President

The Committee on STATE AFFAIRS considered CSHB 564(SA) use of permanent fund devidends to satisfy debts owed to the state; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- [ ] do pass
[ ] do pass with attached amendment(s)
[ ] replace with/or adopt CS for
[ ] new title
[ ] same title and recommends
[ ] and attached a "LETTER OF INTENT"
[ ] reports it back without recommendation.
[ ] recommends referral to Committee

added fiscal note
NEW FISCAL NOTE

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS

1 Keller
1 Curtis Stankulovich
1 Bob Polus
1 Bill Gray

The committee recommends the letter of intent not be adopted

V. Fischer
Chairman
de pass
Chairman recommendation

*Recompensed Bill  
into committee*

*48123*

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date 3/2/84

I. REQUEST Page 1 of 2  
Bill/Resolution No: CSHB 564 (SA)  
Title: An Act relating to use of  
permanent fund dividends to satisfy  
debts owed to the state  
Original Sponsors: Bettisworth & Cowdery  
Requestor: House State Affairs Committee  
Date of Request:

FISCAL DETAIL  
Agency Affected: Revenue  
Program Category Affected: Revenue  
Management and Collections  
BRU, Program of Subprogram(s) Affected:  
Enforcement

II. EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	45.0	49.1	28.8	15.8	8.9

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No increased expenditures are anticipated.

IV. ANALYSIS: See attached narrative.

Prepared By: Thomas C. Williams  
Division: Enforcement

Phone: 465-2366  
Date: March 1, 1984

Approved by Commissioner: James P. Kelly  
Agency: Revenue

Date: 3/2/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget

Enforcement Division  
Analysis of CSHB 564 (SA)  
 March 1, 1984

A. Assumptions

1. The PFD program is retained and there are no substantive changes to the current program.
2. Individual dividend payments over the next five years are as follows:

Dividend Year	84	85	86	87	88
Paid in FY	85	86	87	88	89
Dividend Amount	\$357	\$431	\$514	\$564	\$606

3. The average accounts receivable (a/r) attachment is estimated to amount to 84-88% of the value of an attached dividend. Currently 1982 PFD a/r attachments average approximately 44% of the value of dividends attached while 1983 PFD a/r attachments average approximately 48%. Accordingly, we could expect an increase of approximately 40% of each dividend attached.
4. The number of a/r attachments on PFD applications is likely to decrease 10% per year until FY '86 and then by 50% per year. This change will result largely from the lapsing of the 6 year statute of limitations on the repeal of income taxes in 1978. Under this scenario the number of attachments would likely be as follows:

Fiscal Year	84	85	86	87	88	89
Est. Attachments	350	315	285	140	70	35

B. Program Summary

This bill requires no significant program changes.

C. Computations

<u>Dividend Year</u>	<u>Fiscal Year</u>	<u>A (2) Dividend Amount</u>	<u>x</u>	<u>A (3) Average Increase</u>	<u>x</u>	<u>A (4) Est a/r Attachment</u>	<u>=</u>	<u>Income in Revenue (x 1000)</u>
84	85	\$357	x	.40	x	315	=	\$ 45.0
85	86	431	x	.40	x	285	=	49.1
86	87	514	x	.40	x	140	=	28.8
87	88	564	x	.40	x	70	=	15.8
88	89	606	x	.40	x	35	=	8.9
Total Amount of Increase Over 5 Years								<u>\$147.6</u>

D. Economic Impact

This bill has no significant impact on the State's economy.

E. Impact on Local Governments

This bill has no impact on Local Governments.

Enforcement Division  
Analysis of CSHB 564 (SA)  
March 1, 1984

Impact of 100% Accounts Receivable Offset on Enforcement Division Collection Activities:

Although the additional revenue collected by Enforcement is relatively small, the impact on our collection efforts may be more significant. The additional offset provision will likely allow us to close more cases with a minimal amount of collection effort when the tax liability is small. This would allow more of our current resources to be devoted to more difficult cases where the tax liability is larger.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date 3/2/84

I. REQUEST Page 1 of 2  
 Bill/Resolution No: CSHB 564 (SA)  
 Title: An Act relating to use of permanent fund dividends to satisfy debts owed to the state  
 Original Sponsors: Bettisworth & Cowdery  
 Requestor: House State Affairs Committee  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL  
 Agency Affected: Revenue  
 Program Category Affected: Revenue Management and Collections  
 BRU, Program of Subprogram(s) Affected: Enforcement

II. EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	45.0	49.1	28.8	15.8	8.9

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No increased expenditures are anticipated.

IV. ANALYSIS: See attached narrative.

Prepared By: Thomas C. Williams  
 Division: Enforcement  
 Approved by Commissioner: James P. Williams  
 Agency: Revenue

Phone: 465-2366  
 Date: March 1, 1984  
 Date: 3/2/84

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget

Enforcement Division  
Analysis of CSHB 564 (SA)  
 March 1, 1984

A. Assumptions

1. The PFD program is retained and there are no substantive changes to the current program.
2. Individual dividend payments over the next five years are as follows:

Dividend Year	84	85	86	87	88
Paid in FY	85	86	87	88	89
Dividend Amount	\$357	\$431	\$514	\$564	\$606

3. The average accounts receivable (a/r) attachment is estimated to amount to 84-88% of the value of an attached dividend. Currently 1982 PFD a/r attachments average approximately 44% of the value of dividends attached while 1983 PFD a/r attachments average approximately 48%. Accordingly, we could expect an increase of approximately 40% of each dividend attached.
4. The number of a/r attachments on PFD applications is likely to decrease 10% per year until FY '86 and then by 50% per year. This change will result largely from the lapsing of the 6 year statute of limitations on the repeal of income taxes in 1978. Under this scenario the number of attachments would likely be as follows:

Fiscal Year	84	85	86	87	88	89
Est. Attachments	350	315	285	140	70	35

B. Program Summary

This bill requires no significant program changes.

C. Computations

<u>Dividend Year</u>	<u>Fiscal Year</u>	<u>A (2) Dividend Amount</u>	x	<u>A (3) Average Increase</u>	x	<u>A (4) Est a/r Attachment</u>	=	<u>Income in Revenue (x 1000)</u>	
84	85	\$357	x	.40	x	315	=	\$ 45.0	
85	86	431	x	.40	x	285	=	49.1	
86	87	514	x	.40	x	140	=	28.8	
87	88	564	x	.40	x	70	=	15.8	
88	89	606	x	.40	x	35	=	8.9	
Total Amount of Increase Over 5 Years								=	<u>\$147.6</u>

D. Economic Impact

This bill has no significant impact on the State's economy.

E. Impact on Local Governments

This bill has no impact on Local Governments.

Enforcement Division  
Analysis of CSHB 564 (SA)  
March 1, 1984

Impact of 100% Accounts Receivable Offset on Enforcement Division Collection Activities:

Although the additional revenue collected by Enforcement is relatively small, the impact on our collection efforts may be more significant. The additional offset provision will likely allow us to close more cases with a minimal amount of collection effort when the tax liability is small. This would allow more of our current resources to be devoted to more difficult cases where the tax liability is larger.

*Alaska* HOUSING FINANCE CORPORATION



February 28, 1984

The Honorable Bob Battisworth  
House of Representatives  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Representative Battisworth:

An inquiry has been made by your office as to how HB 564 would affect AHFC.

The Corporation has not in the past utilized the option to attach permanent fund dividends. AHFC most frequently uses a summary foreclosure process and deficiency judgments are prohibited.

Although we currently do not pursue judicial foreclosure (under which a deficiency judgment could be obtained) that does not mean we would not in the future. That decision, however, would be based on the amount of the dividend that could be attached.

Sincerely,

Michael S. Lynch  
Executive Director

MSL:sel