

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 05/22/84

REQUEST

Bill/Resolution No: SCS CSHB 575 (Jud)
 Title: An Act relating to satisfaction
of orders of restitution from
Permanent Fund Dividends
 Sponsor: Senate Judiciary Committee
 Requestor: Senate Finance Committee

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: General Government
 BRU, Program or Subprogram(s) Affected: Permanent Fund Dividend
 Date of Request: May 21, 1984

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	33.6	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	1.0	-	-	-	-
400 SUPPLIES	-	.2	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	34.8	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	34.8	-	-	-	-
TOTAL	-	34.8	-	-	-	-

POSITIONS:

FULL-TIME	-	1	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Dividend fund established by AS 43.23.045.

ANALYSIS: Please see attached narrative for analysis.

Prepared By: Thomas C. Williams, Director

Division: Enforcement

Phone: 465-2366

Date: May 22, 1984

Approved by Commissioner: Boone Pittells

Agency: Department of Revenue

Date: May 22, 1984

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Revenue
Analysis of SCS CSHB 575 (Judiciary)
May 22, 1984

A. Program Effects

Sections 1 and 2 effectively allow a certified copy of a court order of restitution to serve as a garnishment of an eligible person's Permanent Fund Dividend. It also allows the garnishment to stand until satisfied.

The Department of Revenue currently accepts and processes garnishments against Permanent Fund Dividends. If the court orders submitted provides sufficient information to match the court order with an application on file the impact could likely be absorbed by our current staff. If the court orders does not contain sufficient information to match the order to an already filed application, the Department would be required to request additional information from the court system in order to process the garnishment.

Section 3 allows an order of restitution to serve as an application for a Permanent Fund Dividend. This section would, at best, be difficult to administer.

First the legal question of whether income can be forced on an individual may be addressed by an individual not willing to have an application submitted on his or her behalf. Even if there is no legal challenge, the question of a defendant eligibility is still a major administrative burden.

Currently AS 43.23.005 requires an applicant to:

- a. be a state resident on the date of application; and
- b. have been a state resident for the six month eligibility period.

AS 43.23.015 also requires an applicant to certify their eligibility. Since the court order will neither contain sufficient information to establish residency or the applicant's certification to his residency, the Department of Revenue will be required to request additional information from the defendant and/or the court which ordered the restitution.

If the applicant declined and/or the court was unable to provide sufficient information to determine the residency of the defendant, we would be required to deny the application. In addition, because the order serves as an application for each subsequent year until the order is satisfied, the residency verification will be required annually.

Section 7 provides for this act to be effective for the 1984 Permanent Fund Dividend year. If court orders for restitution are to serve as applications the department would likely adopt emergency regulations which would allow only those court orders filed by June 30, 1984 to serve as applications for 1984. This would be consistent with the current filing deadline for 1984 applications under 15 AAC 23.625.

Court orders for restitution provided after June 30, 1984 would serve as garnishments on independently filed applications and/or serve as applications for 1985 Permanent Fund Dividends.

Department of Revenue
Analysis of SCS CSHB 575 (Judiciary)
May 22, 1984

B. Assumptions

1. The PFD program is retained and there are no other substantive changes to the program.
2. The courts will routinely file orders of restitution with the Department of Revenue without first determining the defendants eligibility for a Permanent Fund Dividend.

C. Program Summary

This bill would require one full time PFD Investigator who would be assigned restitution applications on a project basis. The primary functions of this position would be to conduct confirming investigations on defendant orders to pay restitution, resolve instances where an individual was inappropriately identified as owing restitution, respond to related inquiries, and hold informal conferences. In addition, there would be associated contractual services and supply costs.

Personal Services (100)

PFD Investigator II (R13) 12 months @ \$2,800/mo.	<u>\$33,600</u>
---	-----------------

Contractual Services (300)

Telephone, form letters, postage, etc.	<u>1,000</u>
--	--------------

Supplies (400)

General Office Supplies	<u>200</u>
-------------------------	------------

<u>Total</u>	<u>\$34,800</u>
--------------	-----------------

Offered: 5/19/84
Referred: Finance

Original sponsors: Barnes, Hayes,
Bussell, et al

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 575 (Judiciary)

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 satisfaction of orders of resti-
7 tution from permanent fund dividends; and providing
8 for an effective date."

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

10 * Section 1. AS 12.55.045 is amended by adding a new subsection to
11 read:

12 (d) If a defendant is unable to immediately satisfy an order of
13 restitution, and the defendant is eligible for a permanent fund divi-
14 dend under AS 43.23, the court may submit a certified copy of the
15 order of restitution to the Department of Revenue for payment from the
16 defendant's permanent fund dividend. An order submitted to the
17 department under this subsection applies to each succeeding permanent
18 fund dividend of a defendant until the order of restitution has been
19 satisfied.

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

21 (d) Notwithstanding the provisions of (a) - (c) of this section,
22 an individual who has an unsatisfied order of restitution submitted to
23 the department under AS 12.55.045(d) may not receive a permanent fund
24 dividend until the order has been satisfied. An amount equal to the
25 money that would have been paid to the individual as a permanent fund
26 dividend shall be paid to the victim of the offense as set out in the
27 order of restitution submitted to the department under AS 12.55.-
28 045(d).

29 * Sec. 3. AS 43.23.015 is amended by adding a new subsection to read:

1 (i) Notwithstanding the provisions of AS 43.23.005(a) and (a) -
2 (f) of this section, an unsatisfied order of restitution submitted to
3 the department under AS 12.55.045(d) operates as an application for a
4 dividend for the individual who is the subject of the order.

5 * Sec. 4. AS 43.23.025 is amended by adding a new subsection to read:

6 (b) For the purpose of calculating the amount of a permanent
7 fund dividend under (a) of this section, an individual with an unsat-
8 isfied order of restitution submitted to the department under AS 12.-
9 55.045(d) who is otherwise eligible for a permanent fund dividend is
10 considered to be an eligible individual.

11 * Sec. 5. AS 43.23.055, as amended by ch. 43, SLA 1984, is amended to
12 read:

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

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

16 (2) adopt regulations under the Administrative Procedure
17 Act (AS 44.62) that establish procedures and time limits for claiming
18 a permanent fund dividend; the department shall set the time limit for
19 applications for permanent fund dividends so that the number of eligi-
20 ble applicants is determined by October 1 of the year for which the
21 dividend is declared and permanent fund dividends for a year are paid
22 before April 30 of the year following that year;

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

29 (4) assist residents of the state, particularly in rural

1 areas, who because of language, disability, or inaccessibility to
2 public transportation need assistance to establish eligibility and to
3 apply for permanent fund dividends; and

4 (5) adopt regulations under the Administrative Procedure
5 Act (AS 44.62) that establish procedures and time limits for payment
6 of permanent fund dividends to victims under unsatisfied orders of
7 restitution submitted to the department under AS 12.55.045(d); the
8 department may establish a procedure for proving satisfaction of an
9 order submitted under AS 12.55.045(d).

10 * Sec. 6. 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 child
18 support obligations required by court order, a [OR] decision of the
19 child support enforcement agency under AS 47.23.140 - 47.23.220, or an
20 order of restitution submitted to the department under AS 12.55.-
21 045(d). If a child support obligation and an order of restitution are
22 both outstanding against an individual, the child support obligation
23 shall be given preference.

24 * Sec. 7. This Act applies only to permanent fund dividends for years
25 after 1983.

26 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

Received
SFC 5/23/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 05/22/84

REQUEST

Bill/Resolution No: SCS CSHB 575 (Jud)
Title: An Act relating to satisfaction
of orders of restitution from
Permanent Fund Dividends
Sponsor: Senate Judiciary Committee
Requestor: Senate Finance Committee

FISCAL DETAIL

Agency Affected: Revenue
Program Category Affected: General Government
BRU, Program or Subprogram(s) Affected: Permanent Fund Dividend
Date of Request: May 21, 1984

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	33.6	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	1.0	-	-	-	-
400 SUPPLIES	-	.2	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	34.8	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	34.8	-	-	-	-
TOTAL	-	34.8	-	-	-	-

POSITIONS:

FULL-TIME	-	1	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Dividend fund established by AS 43.23.045.

ANALYSIS: Please see attached narrative for analysis.

Thomas C. Williams

Prepared By: Thomas C. Williams, Director

Division: Enforcement

Phone: 465-2366

Date: May 22, 1984

Approved by Commissioner: *Ronnie Pittman*

Agency: Department of Revenue

Date: May 22, 1984

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Department of Revenue
Analysis of SCS CSHB 575 (Judiciary)
May 22, 1984

A. Program Effects

Sections 1 and 2 effectively allow a certified copy of a court order of restitution to serve as a garnishment of an eligible person's Permanent Fund Dividend. It also allows the garnishment to stand until satisfied.

The Department of Revenue currently accepts and processes garnishments against Permanent Fund Dividends. If the court orders submitted provides sufficient information to match the court order with an application on file the impact could likely be absorbed by our current staff. If the court orders does not contain sufficient information to match the order to an already filed application, the Department would be required to request additional information from the court system in order to process the garnishment.

Section 3 allows an order of restitution to serve as an application for a Permanent Fund Dividend. This section would, at best, be difficult to administer.

First the legal question of whether income can be forced on an individual may be addressed by an individual not willing to have an application submitted on his or her behalf. Even if there is no legal challenge, the question of a defendant eligibility is still a major administrative burden.

Currently AS 43.23.005 requires an applicant to:

- a. be a state resident on the date of application; and
- b. have been a state resident for the six month eligibility period.

AS 43.23.015 also requires an applicant to certify their eligibility. Since the court order will neither contain sufficient information to establish residency or the applicant's certification to his residency, the Department of Revenue will be required to request additional information from the defendant and/or the court which ordered the restitution.

If the applicant declined and/or the court was unable to provide sufficient information to determine the residency of the defendant, we would be required to deny the application. In addition, because the order serves as an application for each subsequent year until the order is satisfied, the residency verification will be required annually.

Section 7 provides for this act to be effective for the 1984 Permanent Fund Dividend year. If court orders for restitution are to serve as applications the department would likely adopt emergency regulations which would allow only those court orders filed by June 30, 1984 to serve as applications for 1984. This would be consistent with the current filing deadline for 1984 applications under 15 AAC 23.625.

Court orders for restitution provided after June 30, 1984 would serve as garnishments on independently filed applications and/or serve as applications for 1985 Permanent Fund Dividends.

Department of Revenue
Analysis of SCS CSHB 575 (Judiciary)
May 22, 1984

B. Assumptions

1. The PFD program is retained and there are no other substantive changes to the program.
2. The courts will routinely file orders of restitution with the Department of Revenue without first determining the defendants eligibility for a Permanent Fund Dividend.

C. Program Summary

This bill would require one full time PFD Investigator who would be assigned restitution applications on a project basis. The primary functions of this position would be to conduct confirming investigations on defendant orders to pay restitution, resolve instances where an individual was inappropriately identified as owing restitution, respond to related inquiries, and hold informal conferences. In addition, there would be associated contractual services and supply costs.

Personal Services (100)

PFD Investigator II (R13) 12 months @ \$2,800/mo.	<u>\$33,600</u>
---	-----------------

Contractual Services (300)

Telephone, form letters, postage, etc.	<u>1,000</u>
--	--------------

Supplies (400)

General Office Supplies	<u>200</u>
-------------------------	------------

<u>Total</u>	<u>\$34,800</u>
--------------	-----------------

Offered: 3/8/84
For Today's Calendar

Original sponsors: Barnes, Hayes,
Bussell, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 575 (Finance) (title am)
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 permanent fund dividends for
7 individuals incarcerated after conviction for a
8 felony; and providing for an effective date."

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

10 * Section 1. AS 43.23.005 is amended by adding a new subsection to
11 read:

12 (d) Notwithstanding the provisions of (a) - (c) of this section,
13 an individual who has been convicted of a felony is not eligible for a
14 permanent fund dividend for a year when, during all or part of the
15 eligibility period for that year's dividend, as a result of the con-
16 viction the individual is incarcerated for the felony. An individual
17 incarcerated in accordance with this subsection is considered to be
18 ineligible whether or not the individual has applied for the dividend.

19 * Sec. 2. AS 43.23.025 is amended by adding a new subsection to read:

20 (b) for the purpose of calculating the amount of a permanent
21 fund dividend under (a) of this section an individual who is ineli-
22 gible to receive a dividend under the provisions of AS 43.23.005(d)
23 shall be considered to be an eligible individual.

24 * Sec. 3. AS 43.23.055 is amended to read:

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

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

28 (2) adopt regulations under the Administrative Procedure
29 Act (AS 44.62) that establish procedures and time limits for claiming

1 a permanent fund dividend; the department shall set the time limit for
2 applications for permanent fund dividends so that the number of eli-
3 gible applicants is determined by December 1 of the year for which the
4 dividend is declared and permanent fund dividends for a year are paid
5 before April 30 of the year following that year;

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

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

16 (5) annually determine, in cooperation with the Department
17 of Health and Social Services, the number and identity of individuals
18 ineligible for a permanent fund dividend under AS 43.23.005(d);

19 (6) adopt other regulations that are necessary to implement
20 the provisions of this chapter.

21 * Sec. 4. This Act applies only to eligibility for permanent fund
22 dividends for years after 1983.

23 * Sec. 5. It is the intent of the legislature that an amount approxi-
24 mately equal to the money that would otherwise be paid as permanent fund
25 dividends to individuals ineligible under AS 43.23.005(d), enacted by sec.
26 1 of this Act be appropriated annually from the dividend fund to the crime
27 victim compensation fund (AS 18.67.162), to be used for the purposes stated
28 in AS 18.67.

29 * Sec. 6. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

- Section 1) When a defendant is unable to immediately satisfy an order of restitution, the defendant's permanent fund dividend and subsequent P.F. dividend checks are applied to the order of restitution until the order has been satisfied.
- Section 2) Person who has an unsatisfied order of restitution may not receive a dividend until the order has been satisfied. The amount of the dividend shall be paid to the victim as set out in the restitution order.
- Section 3) An unsatisfied order of restitution submitted to the Department becomes equivalent to a permanent fund dividend application for the subject of the order.
- Section 4) Individual with an unsatisfied order of restitution who is otherwise eligible for a dividend is considered to be an eligible individual for the purposes of calculating the amount of PF dividends.
- Section 5) Expands the duties of the department to include the ability to adopt procedures and time limits for payment of P.F. dividends to victims under unsatisfied orders of restitution. Also, the Department may adopt regs for proving satisfaction of an order submitted under 12.55.045(d).
- Section 6) The exemption provisions for P.F. dividends do not apply to either child support obligations or orders of restitution. In the event that both obligations are outstanding against an individual, the child support obligation shall be given preference.
- Section 7) Applies only to PF dividends for years after 1983.
- Section 8) Immediate effective date.

STATE OF ALASKA

DEPARTMENT OF LAW

CRIMINAL DIVISION PRETRIAL DIVERSION PROGRAM

April 23, 1984

BILL SHEFFIELD, GOVERNOR

REPLY TO:

- POUCH KT
JUNEAU, ALASKA 99811
PHONE: (907) 465-3678
- 941 W 4th ST.
ANCHORAGE, ALASKA 99501
PHONE: (907) 278-3508
- 733 7th AVE.
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-7713

The Honorable Bill Ray, Chairman
Senate Judiciary Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Re: Constitutionality of denial of
permanent fund dividends to
individuals incarcerated after
conviction of a felony

Dear Senator Ray:

You have requested our opinion on the constitutionality of CSHB 575 (Finance) (title am), which denies permanent fund dividends to individuals incarcerated after conviction for a felony. Specifically you question whether denial to the broad class defined as convicted, incarcerated felons violates rights to equal protection of law guaranteed under the 14th Amendment to the United States Constitution and under Article I, Section 1 of the Constitution of the State of Alaska. After reviewing the applicable law, it is our opinion that denial of permanent fund dividends to this class of individuals is not a violation of equal protection.

When reviewing equal protection questions it is necessary first to determine the nature of the right being denied, as this is determinative of the test to be applied. If the legislation in question affects a fundamental right, or if the class of persons being affected is characterized by a particular race, creed or national origin, the subject matter requires the application of strict scrutiny, i.e., a burden of showing that the legislation furthers a compelling state interest. In the absence of a fundamental right, or a suspect classification, the standard of review applied is essentially one of rational basis, i.e., a showing of a legitimate state interest which is rationally served. Under the rational basis test, in order for a classification to survive judicial scrutiny, the classification "must be reasonable, not arbitrary, and must rest upon some ground of difference having a fair and substantial relation to the object of the legislation, so that all persons similarly

circumstanced shall be treated alike." State v. Wylie, 516 P.2d 142, 145 (Alaska 1973). However, the more important that the right is, the more closely the court will review whether the means chosen to effect the state's interest are rationally related to the purpose of the law. Isakson v. Rickey, 550 P.2d 359 (Alaska 1976); State v. Erickson, 574 P.2d 1 (Alaska 1978).

Initially, it is clear that the class of convicted felons is not a racial or religious class of persons. Moreover, the intimation of the U.S. Supreme Court in Zobel v. Williams, 457 U.S. 55 (1982), as well as the findings of the Alaska Supreme Court in Williams v. Zobel, 619 P.2d 448 (Alaska 1980), is that permanent fund dividends are not "fundamental rights," but rather lesser benefits conferred by the state. As such, the test to be applied would not be one of a compelling state interest.

In applying the rational basis test, the classification will be analyzed in terms of the legislative purposes of the enactment and the means chosen to further those purposes. Hilbers v. Municipality of Anchorage, 611 P.2d 31 (Alaska 1980); Commercial Fisheries Entry Commission v. Apokedak, 606 P.2d 1255 (Alaska 1980). The purposes sought to be furthered under CSHB 575 (Finance) (title am) are assumed from Section 5 of the bill, the intent section. Money which would normally be appropriated under the permanent fund dividend program to the class of convicted incarcerated felons is directed to be reappropriated to the Crime Victim's Compensation Fund, AS 18.67.162. This Fund was established to compensate the victims of certain violent felonies for actual and reasonable expenses incurred by reason of the victim's status. In sum, convicted, incarcerated felons who would normally receive a monetary benefit are being required to assume some of the costs attendant to the criminal justice system.

The question then, is whether the means chosen to carry out this purpose are rational. This question is directly related to your further inquiry whether it is a rational purpose to require all convicted, incarcerated felons to assume some of the costs of a criminal justice program which benefits a narrow class of victims, i.e., victims of violent felonies, especially when a member of the felon class may be incarcerated for a non-violent, victimless crime. While such an argument could legitimately be made and may be upheld by a court, there is a stronger argument in requiring a certain class of offenders (those

The Honorable Bill Ray, Chairman
Senate Judiciary Committee

April 23, 1984
Page 3

who incur the highest cost to the criminal justice system) to assume a portion of the overall system cost especially in days of declining revenues and increasing costs to the criminal justice system. Naturally, this argument is substantially strengthened if the intent section of the bill is broadened to include all state victim service programs as recipients of these monies, or more appropriately as suggested by Senator Josephson, to the Department of Corrections to pay for prison operations.

Nonetheless, considering that courts have upheld the denial of more fundamental rights to similar classes of individuals¹ in spite of the admonishments in Meachum v. Fano, 427 U.S. 215, 225 (1976)

...that the convicted felon does not forfeit all constitutional protection by reason of his conviction and confinement in prison,

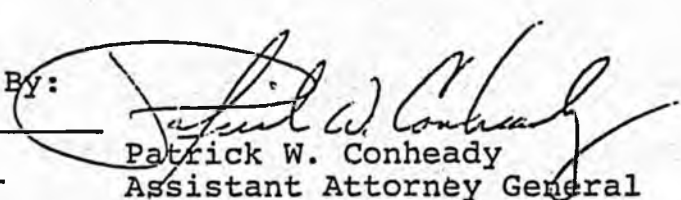
we believe that this legislation is reasonable, not clearly arbitrary, and rationally furthers a legitimate state purpose.

Respectfully submitted,

NORMAN C. GORSUCH
ATTORNEY GENERAL

DANIEL W. HICKEY
CHIEF PROSECUTOR

By: _____


Patrick W. Conheady
Assistant Attorney General

1/ Although the Alaska Supreme Court declared AS 33.30.310 unconstitutional to the extent it denied a parolee the right to initiate a civil suit, Bush v. Reid, 516 P.2d 1215 (1973), statutes such as AS 15.05.030 (denying certain felons the right to vote) have been upheld. Richardson v. Ramirez, 418 U.S. 24 (1974). Likewise, courts have recently upheld restrictions on a paroled felon's right to return to his home state, Bagley v. Harvey, 718 F.2d 9215 (9th Cir. 1983), as well as banishment as a condition and for the term of probation. Cobb v. State, 437 So.2d 1218 (Miss 1983).

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/9/84

Date May 18, 1984

Mr. President

The Committee on JUDICIARY considered CSHB 575(Fin)(title am)

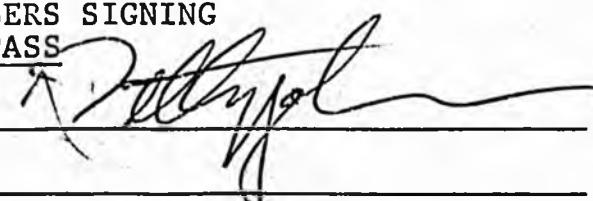
permanent fund dividends for individuals incarcerated after conviction for a felony; efd.

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 5 CS for CS HB 575 (Jud)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING

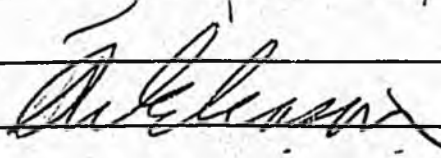
DO PASS



MEMBERS HAVING

OTHER RECOMMENDATIONS

Engler N/R



Bill Ray

Chairman

DO PASS

Chairman recommendation

come w/ bill

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 03/07/84

Page 1 of 3

REQUEST
Bill/Resolution No: CSHB 575 (Fin)
Title: An Act relating to permanent fund dividends
Sponsor: House Finance Committee
Requestor: House Finance Committee
Date of Request: March 6, 1984

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: General Government
BRU, Program or Subprogram(s) Affected: Permanent Fund Dividend

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	33.6	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	1.0	-	-	-	-
400 SUPPLIES	-	.2	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	34.8	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	34.8	-	-	-	-
<u>TOTAL</u>	-	34.8	-	-	-	-

POSITIONS:

FULL-TIME	-	1	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Dividend fund established by AS 43.23.045.

ANALYSIS: Please see attached narrative for analysis.

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

Phone: 465-2366
Date: March 7, 1984

Approved by Commissioner: [Signature]
Agency: DAK

Date: 3/7/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

nc (Fin) - app.

A. Program Effects

Section 1 further defines the eligibility requirements of AS 43.23.005 by adding a new subsection which declares convicted felons who are incarcerated ineligible to receive a permanent fund dividend if they were incarcerated for said felony during any part of the eligibility period for a particular year's dividend. For example, the six-month eligibility period for the 1984 dividend is October 1, 1983 through March 31, 1984. Under this bill, an individual who was incarcerated for a felony conviction during this period or was incarcerated during any part of this period, would be ineligible for a 1984 permanent fund dividend.

Section 1 also provides that the Department of Health & Social Services will provide a magnetic tape to the Department of Revenue, once a year within 60 days of the close of the PFD eligibility period, listing all convicted felons who were incarcerated during any part of the eligibility period. Modifications will need to be made to the PFD system to do a cross-match on at least all adult applications, so those which appear to be felons can be individually identified and reviewed. The Department of Revenue will, of course, have to be extremely careful that a "non-felon" is not accidentally denied on the grounds of felony conviction. The estimated resources necessary to accomplish this task are identified below under C. Program Summary.

Section 2, combined with the added subsections in Section 3, require the Department of Revenue to estimate the number of convicted felons under sentence for felony as described in Section 1.

Under Section 5, the dividends otherwise payable to the estimated number of individuals, whether or not they file, would then be presumably reappropriated the next legislative session to the Crime Victim Compensation Fund. Since the value of an individual dividend is not known until some time in the fall of a given dividend year, the Legislature would not be able to appropriate the amount described in Section 5 until the session following the dividend year. Since the funds were originally appropriated for the purpose of paying dividends, a reappropriation for the purpose described in AS 18.67 would seem appropriate.

B. Assumptions

1. The PFD program is retained and there are no other substantive changes to the program.
2. The Department of Health and Social Services can provide the Department of Revenue with a magnetic tape accurately identifying all convicted felons who were incarcerated during any part of the eligibility period.

C. Program Summary

This bill would require one full time PFD Investigator who would be assigned felons on a project basis. The primary functions of this position would be to conduct confirming investigations on a portion of applicants identified as felons, resolve instances where an individual was inappropriately identified as a felon, respond to related inquiries, process denials of felons under sentence who do apply, and hold informal conferences related to appeals from felons under sentence. In addition, there would be associated contractual services and supply costs.

Personal Services (100)

PFD Investigator II (R13) 12 months @ \$2,800/mo. \$33,600

Contractual Services (300)

Telephone, form letters, postage, etc. 1,000

Supplies (400)

General Office Supplies 200

Total \$34,800

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 03/07/84

Page 1 of 3

REQUEST
 Bill/Resolution No: CSHB 575 (Fin)
 Title: An Act relating to permanent fund dividends
 Sponsor: House Finance Committee
 Requestor: House Finance Committee
 Date of Request: March 6, 1984

FISCAL DETAIL
 Agency Affected: Revenue
 Program Category Affected: General Government
 BRU, Program or Subprogram(s) Affected: Permanent Fund Dividend

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	33.6	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	1.0	-	-	-	-
400 SUPPLIES	-	.2	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	34.8	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	34.8	-	-	-	-
TOTAL	-	34.8	-	-	-	-

POSITIONS:

FULL-TIME	-	1	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Dividend fund established by AS 43.23.045.

ANALYSIS: Please see attached narrative for analysis.

Prepared By: Thomas C. Williams, Director

Division: Enforcement

Phone: 465-2366

Date: March 7, 1984

Approved by Commissioner: [Signature]

Agency: DOR

Date: 3/7/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

nc (Fin) - add.

A. Program Effects

Section 1 further defines the eligibility requirements of AS 43.23.005 by adding a new subsection which declares convicted felons who are incarcerated ineligible to receive a permanent fund dividend if they were incarcerated for said felony during any part of the eligibility period for a particular year's dividend. For example, the six-month eligibility period for the 1984 dividend is October 1, 1983 through March 31, 1984. Under this bill, an individual who was incarcerated for a felony conviction during this period or was incarcerated during any part of this period, would be ineligible for a 1984 permanent fund dividend.

Section 1 also provides that the Department of Health & Social Services will provide a magnetic tape to the Department of Revenue, once a year within 60 days of the close of the PFD eligibility period, listing all convicted felons who were incarcerated during any part of the eligibility period. Modifications will need to be made to the PFD system to do a cross-match on at least all adult applications, so those which appear to be felons can be individually identified and reviewed. The Department of Revenue will, of course, have to be extremely careful that a "non-felon" is not accidentally denied on the grounds of felony conviction. The estimated resources necessary to accomplish this task are identified below under C. Program Summary.

Section 2, combined with the added subsections in Section 3, require the Department of Revenue to estimate the number of convicted felons under sentence for felony as described in Section 1.

Under Section 5, the dividends otherwise payable to the estimated number of individuals, whether or not they file, would then be presumably reappropriated the next legislative session to the Crime Victim Compensation Fund. Since the value of an individual dividend is not known until some time in the fall of a given dividend year, the Legislature would not be able to appropriate the amount described in Section 5 until the session following the dividend year. Since the funds were originally appropriated for the purpose of paying dividends, a reappropriation for the purpose described in AS 18.67 would seem appropriate.

B. Assumptions

1. The PFD program is retained and there are no other substantive changes to the program.
2. The Department of Health and Social Services can provide the Department of Revenue with a magnetic tape accurately identifying all convicted felons who were incarcerated during any part of the eligibility period.

C. Program Summary

This bill would require one full time PFD Investigator who would be assigned felons on a project basis. The primary functions of this position would be to conduct confirming investigations on a portion of applicants identified as felons, resolve instances where an individual was inappropriately identified as a felon, respond to related inquiries, process denials of felons under sentence who do apply, and hold informal conferences related to appeals from felons under sentence. In addition, there would be associated contractual services and supply costs.

Personal Services (100)

PFD Investigator II (RL3) 12 months @ \$2,800/mo. \$33,600

Contractual Services (300)

Telephone, form letters, postage, etc. 1,000

Supplies (400)

General Office Supplies 200

Total \$34,800

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Came w/ bill

REQUEST
 Page 1 of 3
 Bill/Resolution No: CSHB 575 (Jud)
 Title: An act relating to permanent fund dividends.
 Sponsor: Barnes
 Requestor: Judiciary
 Date of Request: 02/06/84

Revision Date
FISCAL DETAIL
 Agency Affected: Revenue
 Program Category Affected: General Government
 BRU, Program of Subprogram(s) Affected: Permanent Fund Dividend

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	33,600	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	4,502	-	-	-	-
400 SUPPLIES	-	200	-	-	-	-
500 EQUIPMENT	-	3,225	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	41,527	-	-	-	-
<u>CAPITAL</u>	-	-0-	-	-	-	-
<u>REVENUE</u>	-	-0-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-0-	-	-	-	-

POSITIONS:

FULL-TIME	-	-1-	-	-	-	-
PART-TIME	-	-0-	-	-	-	-
TEMPORARY	-	-0-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached analysis.

Prepared By: Ervin B. Jones
 Division: Administrative Services

Phone: 465-2313
 Date: 02/10/84

Approved by Commissioner: Thomas M. Rillo
 Agency: Revenue

Date: 2/15/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

105 (Jud)

Analysis:

CSHB575(Jud)

Page 2 of 3

Section 1 of the bill provides for two changes to the current law. First, it provides that convicted felons are ineligible for a permanent fund dividend for any year, when during all or part of that year as a result of their felony conviction, the individual was:

- a. incarcerated
- b. on probation
- c. on parole
- d. under a suspended imposition of sentence.

Secondly, it provides that an amount equal to the foregone dividend would be transferred to the crime victim compensation fund.

There are several major factors which make the provisions of this section, as written, difficult to administer:

1. The permanent fund dividend program is designed by statute to make payments for the same given year for which applications are filed. For example, the 1983 dividend was declared on September 1, 1983, and largely paid by December 31, 1983, based on applications received during the filing period April 1 - June 30, 1983. Assuming the Department of Revenue was able to sort out applications filed by convicted felons who met the requirements of Section 1, we would have to hold all payments until the end of the dividend year, in order to review all applications for "felon status" through the whole year including December. This would not necessarily change the filing period or the declaration date, but would mandate payments being made no sooner than January or February of the year following the dividend year. After the department makes one last massive cross examination of all applications filed, probably in January following the dividend year. The department would still attempt to make all payments by April 30 of the year following the dividend year.
2. The second problem is determining which PFD applicants are convicted felons who meet the statutory test (i.e. incarcerated, on probation, etc.). For the department to identify those persons would require a one-time matching of the PFD master file for a given year against a currently non-existent data base of all Alaskans who met the prescribed condition during the preceding dividend year. This cross match is the one described above as taking place in January following the dividend year. Creating the needed data base would involve two steps:
 - a) Using the OPSIS data base recently established by the Corrections Department, Health & Social Services would need to build a file of all convicted felons who as a result of their felony conviction were, at any time during the dividend year:
 - 1) incarcerated (in or out of Alaska)
 - 2) on probation (in or out of Alaska)
 - 3) on parole (in or out of Alaska).

It should be noted that Corrections has no control over, or records of, convicted felons under suspended imposition of sentence, nor does Corrections have any record of, or knowledge of, Alaska residents who

are convicted of felonies outside Alaska and are still outside Alaska imprisoned, on parole, on probation, or under suspended sentence. Roger Lang, Deputy Commissioner of Administration for Corrections expressed the opinion that the incidences of the latter would be negligible.

- b) Literally building a tracking system of those felons under suspended sentence. Apparently, individual courts keep these records separately, in a non-computerized fashion. If it is the Legislature's final decision that such a system be created, I think a great deal of study and research, probably by a consultant, would be needed before even an estimate of cost could be arrived at. Deputy Commissioner Lang suggests that the number of convicted felons under suspended sentence in Alaska might be so low as to render the search cost-ineffective.
3. Transferring an amount equivalent to the dividend that is denied the felon applicant to the crime victim compensation fund indirectly funds the crime victim compensation fund (previously strictly a general fund appropriation) from the earnings of the Permanent Fund. Since the number of felons filing will very shortly drop off sharply (when they realize they won't be paid), a more direct appropriation to the crime victims compensation fund would appear to be more beneficial.

In summary, to the extent that a data base is available which identifies the subject felons, and to the extent that they file applications, the Department of Revenue will be able to deny their applications. The cost of doing so, with the exception of suspended sentences, will be very low. The Enforcement Division will need one full-time investigator as reflected on the attached analysis. The postponement of all payments by several months will obviously irritate the general public. For this reason, the department recommends that lines 13, 14 and 15 of the bill be changed to read " . . . permanent fund dividend for a year when, during all or part of the eligibility period for that year's dividend, [that year] as a result of the conviction the individual is incarcerated, on probation, on parole or under a suspended imposition of sentence." This would enable the department to process applications against a fixed file of subject felons and to make payments as soon as the dividend amount is declared.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 3
REQUEST
Bill/Resolution No: CSHB 575(Jud)
Title: An act relating to permanent
fund dividends.
Sponsor: Barnes
Requestor: Judiciary
Date of Request: 02/06/84

Revision Date

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected:
General Government
BRU, Program of Subprogram(s) Affected:
Permanent Fund Dividend

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	33,600	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	4,502	-	-	-	-
400 SUPPLIES	-	200	-	-	-	-
500 EQUIPMENT	-	3,225	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	41,527	-	-	-	-
<u>CAPITAL</u>	-	-0-	-	-	-	-
<u>REVENUE</u>	-	-0-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-0-	-	-	-	-

POSITIONS:

FULL-TIME	-	-1-	-	-	-	-
PART-TIME	-	-0-	-	-	-	-
TEMPORARY	-	-0-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached analysis.

Prepared By: Ervin B. Jones
 Division: Administrative Services

Phone: 465-2313
 Date: 02/10/84

Approved by Commissioner: Thomas Mitchell
 Agency: Revenue

Date: 2/15/84

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

05 (Jud)

Analysis:

CSHB575(Jud)

Page 2 of 3

Section 1 of the bill provides for two changes to the current law. First, it provides that convicted felons are ineligible for a permanent fund dividend for any year, when during all or part of that year as a result of their felony conviction, the individual was:

- a. incarcerated
- b. on probation
- c. on parole
- d. under a suspended imposition of sentence.

Secondly, it provides that an amount equal to the foregone dividend would be transferred to the crime victim compensation fund.

There are several major factors which make the provisions of this section, as written, difficult to administer:

1. The permanent fund dividend program is designed by statute to make payments for the same given year for which applications are filed. For example, the 1983 dividend was declared on September 1, 1983, and largely paid by December 31, 1983, based on applications received during the filing period April 1 - June 30, 1983. Assuming the Department of Revenue was able to sort out applications filed by convicted felons who met the requirements of Section 1, we would have to hold all payments until the end of the dividend year, in order to review all applications for "felon status" through the whole year including December. This would not necessarily change the filing period or the declaration date, but would mandate payments being made no sooner than January or February of the year following the dividend year. After the department makes one last massive cross examination of all applications filed, probably in January following the dividend year. The department would still attempt to make all payments by April 30 of the year following the dividend year.
2. The second problem is determining which PFD applicants are convicted felons who meet the statutory test (i.e. incarcerated, on probation, etc.). For the department to identify those persons would require a one-time matching of the PFD master file for a given year against a currently non-existent data base of all Alaskans who met the prescribed condition during the preceding dividend year. This cross match is the one described above as taking place in January following the dividend year. Creating the needed data base would involve two steps:
 - a) Using the OPSIS data base recently established by the Corrections Department, Health & Social Services would need to build a file of all convicted felons who as a result of their felony conviction were, at any time during the dividend year:
 - 1) incarcerated (in or out of Alaska)
 - 2) on probation (in or out of Alaska)
 - 3) on parole (in or out of Alaska).

It should be noted that Corrections has no control over, or records of, convicted felons under suspended imposition of sentence, nor does Corrections have any record of, or knowledge of, Alaska residents who

are convicted of felonies outside Alaska and are still outside Alaska imprisoned, on parole, on probation, or under suspended sentence. Roger Lang, Deputy Commissioner of Administration for Corrections expressed the opinion that the incidences of the latter would be negligible.

- b) Literally building a tracking system of those felons under suspended sentence. Apparently, individual courts keep these records separately, in a non-computerized fashion. If it is the Legislature's final decision that such a system be created, I think a great deal of study and research, probably by a consultant, would be needed before even an estimate of cost could be arrived at. Deputy Commissioner Lang suggests that the number of convicted felons under suspended sentence in Alaska might be so low as to render the search cost-ineffective.
3. Transferring an amount equivalent to the dividend that is denied the felon applicant to the crime victim compensation fund indirectly funds the crime victim compensation fund (previously strictly a general fund appropriation) from the earnings of the Permanent Fund. Since the number of felons filing will very shortly drop off sharply (when they realize they won't be paid), a more direct appropriation to the crime victims compensation fund would appear to be more beneficial.

In summary, to the extent that a data base is available which identifies the subject felons, and to the extent that they file applications, the Department of Revenue will be able to deny their applications. The cost of doing so, with the exception of suspended sentences, will be very low. The Enforcement Division will need one full-time investigator as reflected on the attached analysis. The postponment of all payments by several months will obviously irritate the general public. For this reason, the department recommends that lines 13, 14 and 15 of the bill be changed to read " . . . permanent fund dividend for a year when, during all or part of the eligibility period for that year's dividend, [that year] as a result of the conviction the individual is incarcerated, on probation, on parole or under a suspended imposition of sentence." This would enable the department to process applications against a fixed file of subject felons and to make payments as soon as the dividend amount is declared.

Offered: 3/8/84
For Today's Calendar

Original sponsors: Barnes, Hayes,
Bussell, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 575 (Finance) (title am)

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 permanent fund dividends for individuals incarcerated after conviction for a felony; and providing for an effective date."

7

8

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

10 * Section 1. AS 43.23.005 is amended by adding a new subsection to
11 read:

12 (d) Notwithstanding the provisions of (a) - (c) of this section,
13 an individual who has been convicted of a felony is not eligible for a
14 permanent fund dividend for a year when, during all or part of the
15 eligibility period for that year's dividend, as a result of the con-
16 viction the individual is incarcerated for the felony. An individual
17 incarcerated in accordance with this subsection is considered to be
18 ineligible whether or not the individual has applied for the dividend.

19 * Sec. 2. AS 43.23.025 is amended by adding a new subsection to read:

20 (b) for the purpose of calculating the amount of a permanent
21 fund dividend under (a) of this section an individual who is ineli-
22 gible to receive a dividend under the provisions of AS 43.23.005(d)
23 shall be considered to be an eligible individual.

24 * Sec. 3. AS 43.23.055 is amended to read:

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

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

28 (2) adopt regulations under the Administrative Procedure
29 Act (AS 44.62) that establish procedures and time limits for claiming

1 a permanent fund dividend; the department shall set the time limit for
2 applications for permanent fund dividends so that the number of eli-
3 gible applicants is determined by December 1 of the year for which the
4 dividend is declared and permanent fund dividends for a year are paid
5 before April 30 of the year following that year;

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

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

16 (5) annually determine, in cooperation with the Department
17 of Health and Social Services, the number and identity of individuals
18 ineligible for a permanent fund dividend under AS 43.23.005(d);

19 (6) adopt other regulations that are necessary to implement
20 the provisions of this chapter.

21 * Sec. 4. This Act applies only to eligibility for permanent fund
22 dividends for years after 1983.

23 * Sec. 5. It is the intent of the legislature that an amount approxi-
24 mately equal to the money that would otherwise be paid as permanent fund
25 dividends to individuals ineligible under AS 43.23.005(d), enacted by sec.
26 1 of this Act be appropriated annually from the dividend fund to the crime
27 victim compensation fund (AS 18.67.162), to be used for the purposes stated
28 in AS 18.67.

29 * Sec. 6. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).