

COMMITTEE REPORT
SENATE

FURTHER:

3/19/86

Date _____

Mr. President

The Committee on FINANCE considered SB 400

relating to a reporting system for fraudulent applications for permanent fund dividends; 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" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

2/12/86

Date 3/18/86

Mr. President

The Committee on JUDICIARY considered SB 400

relating to a reporting system for fraudulent applications for permanent fund dividends; 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 SB 400 (JUDICIARY)
- 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

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

Chairman

do pass

Chairman recommendation

Offered: 3/19/86
Referred: Finance

Original sponsor: Zharoff

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 400 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a reporting system for fraudulent
7 applications for permanent fund dividends; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 43.23 is amended by adding new sections to read:

11 Sec. 43.23.035. REPORTING FRAUD. The department shall establish
12 a toll-free telephone line to allow persons who know of or suspect a
13 fraudulent application for a permanent fund dividend to report it to
14 the department and shall adopt a system that protects the caller's
15 anonymity.

16 Sec. 43.23.037. FALSE REPORTS. A person who reports a fraudu-
17 lent application for a permanent fund dividend may not knowingly make
18 a material false statement. A person who violates this section is
19 guilty of a class A misdemeanor.

20 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
21 10.070(c).

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S COMMITTEE COPY

Introduced: 2/12/86
Referred: Judiciary and
Finance

1 IN THE SENATE

BY ZHAROFF

2 SENATE BILL NO. 400

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

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12 establish a toll-free telephone line to allow persons who know of or
13 suspect a fraudulent application for a permanent fund dividend to
14 report it to the department, and adopt a system that protects the
15 caller's anonymity while ensuring a method of identification in the
16 case of a reward.

17 (b) A report that leads to a successful prosecution shall result
18 in the caller being rewarded with the dollar amount of the fraudulent-
19 ly claimed dividend.

20 Sec. 43.23.037. FALSE REPORTS. A person who reports a fraudu-
21 lent application for a permanent fund dividend may not knowingly make
22 a material false statement. A person who violates this section is
23 guilty of a class A misdemeanor.

24 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

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S
COMMITTEE COPY

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST
 Bill/Resolution No: SSB 400 Jud
 Title: An Act relating to a reporting system for fraudulent applications for permanent fund dividends
 Sponsor: Zharoff
 Requestor: Senate Judiciary Committee
 Date of Request: 02/14/86

FISCAL DETAIL
 Agency Affected: Revenue
 BRU: Permanent Fund Dividend
 Component: Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	-	115.6	119.2	122.9	127.0	131.2
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	37.0	38.1	39.2	40.4	41.6
SUPPLIES	-	.8	.9	1.0	1.1	1.2
EQUIPMENT	-	6.0	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	159.4	158.2	163.1	168.5	174.0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	159.4	158.2	163.1	168.5	174.0
TOTAL	-	159.4	158.2	163.1	168.5	174.0

POSITIONS:

FULL-TIME	-	3	3	3	3	3
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: See the attached analysis.

Prepared By: Thomas C. Williams
 Division: Enforcement

Phone: 465-2366
 Date: 2/18/86

Approved by Commissioner: [Signature]
 Agency: REVENUE

Date: 2/18/86

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

ALASKA DEPARTMENT OF REVENUE
ENFORCEMENT DIVISION
ANALYSIS OF SB 400
February 18, 1986

Assumptions

1. The effective date of the bill is July 1, 1986.
2. Permanent fund dividend (PFD) fraud calls will triple from current levels of approximately 1,000 to 3,000 per year.
3. Although increased PFD fraud prosecutions will be necessary, only 10 - 12 prosecutions will be obtained during a fiscal year.
4. For personal services, step increases are granted when due.
5. Inflation for contractual services and commodities is calculated at 3% per annum.

Personal Services (Salary and Benefits)

See attached schedule for detail of annual personal services costs.

Contractual Services

Additional telephone cost 2 x \$210/month x 12 months	\$ 5,040
RSA with the Department of Law	30,000
Printing of forms, denial letters, etc.	1,500
Mailing of contact letters, correspondence, etc.	<u>500</u>
<u>Total FY '87 Contractual Services</u>	<u>\$37,040</u>

FY '88 - FY '91 contractual services are based on FY '87 computations plus 3% annual inflation.

Commodities

FY '87 commodities For three persons @ \$250/position	<u>\$ 750</u>
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FY '88 - FY '91 commodities are based on FY '87 costs plus 3% annual inflation.

Equipment

Office equipment including systems furniture/chairs for three positions @ \$1,800	\$ 5,400
Telephone 3 telephones @ \$200	<u>600</u>
<u>Total Equipment costs</u>	<u>\$ 6,000</u>

ENFORCEMENT DIVISION
 ESTIMATED PERSONAL SERVICES COSTS
 ASSOCIATED WITH SB400
 As of February 18, 1986

PCN	JOB CLASSIFICATION	R/S	Number of Monthly Months	Salary	Supple. Benefits	Period Benefits	Total Projected FY TOTAL
FY '87							
XXXX	Investigator II	16A	12	\$2,702.00	1,987.59	8,642.96	43,054.55
XXXX	PFD Specialist I	13A	6	2,205.00			
		13B	6	2,274.00	1,647.38	7,712.94	36,234.32
XXXX	PFD Specialist I	13A	6	2,205.00			
		13B	6	2,274.00	1,647.38	7,712.94	36,234.32
							\$115,523.19
FY '88							
XXXX	Investigator II	16B	12	\$2,804.00	2,062.62	8,848.07	44,558.69
XXXX	PFD Specialist I	13B	6	2,274.00			
		13C	6	2,353.00	1,701.81	7,861.75	37,325.56
XXXX	PFD Specialist I	13B	6	2,274.00			
		13C	6	2,353.00	1,701.81	7,861.75	37,325.56
							\$119,209.80
FY '89							
XXXX	Investigator II	16C	12	\$2,895.00	2,129.56	9,031.06	45,900.62
XXXX	PFD Specialist I	13C	6	2,353.00			
		13D	6	2,433.00	1,760.29	8,021.61	38,497.90
XXXX	PFD Specialist I	13C	6	2,353.00			
		13D	6	2,433.00	1,760.29	8,021.61	38,497.90
							\$122,896.42
FY '90							
XXXX	Investigator II	16D	12	\$3,004.00	2,209.74	9,250.24	47,507.98
XXXX	PFD Specialist I	13D	6	2,433.00			
		13E	6	2,518.00	1,820.98	8,187.50	39,714.48
XXXX	PFD Specialist I	13D	6	2,433.00			
		13E	6	2,518.00	1,820.98	8,187.50	39,714.48
							\$126,936.95
FY '91							
XXXX	Investigator II	16E	12	\$3,113.00	2,289.92	9,469.42	49,115.35
XXXX	PFD Specialist I	13E	6	2,518.00			
		13F	6	2,609.00	1,885.71	8,364.46	41,012.17
XXXX	PFD Specialist I	13E	6	2,518.00			
		13F	6	2,609.00	1,885.71	8,364.46	41,012.17
							\$131,139.68

ALASKA STATE LEGISLATURE

14th Legislature 2nd Session

SENATE BILL NO. 400...

By ZHAROFF

"An Act relating to a reporting system for fraudulent applications for permanent fund dividends; and providing for an effective date."

Introduced in the Senate 2/12, 19. 86

HISTORY IN THE SENATE

19 86

Read first time and referred to Committee on

2 12

Judiciary & Finance

3 19

Reported back with recommendation that *Judiciary replaced w/CS, F.Y. note, I do pass to Finance.*

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration	
PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration	
PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

ANALYSIS FOR CS SB 400 (Judiciary)

An Act relating to a reporting system for fraudulent applications for permanent fund dividends and providing for an effective date.

Section 1

Adds a new section to the chapter relating to Permanent Fund Dividends. This section requires the Department of Revenue to establish a toll-free telephone line that would allow the public to report actual cases or suspected cases of Permanent Fund Dividend fraud. Persons calling to report fraudulent applications would be allowed to remain anonymous.

Section 2

Immediate effective date.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date March 17, 1986

REQUEST

Bill/Resolution No: CS SB 400
 Title: An Act relating to a reporting system for fraudulent applications for permanent fund dividends
 Original Sponsor: Zharoff
 Requestor: Senate Judiciary Committee
 Date of Request: 03/13/86

FISCAL DETAIL

Agency Affected: Revenue
 BRU: Permanent Fund Dividend
 Component: Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: This bill requires the Department to establish a toll free PFD fraud telephone line. Since this is already included in the Department's budget there is no additional cost associated with this bill.

Thomas C. Williams

Prepared By: Thomas C. Williams
 Division: Enforcement

Phone: 465-2366
 Date: 3/17/86

Approved by Commissioner: Mary G. Hurdak
 Agency: Revenue

Date: 3/18/86

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

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

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TEMPORARY	-	-	-	-	-	-

ANALYSIS: See the attached analysis.

Prepared By: Thomas C. Williams
 Division: Enforcement

Phone: 465-2366
 Date: 2/18/86

Approved by Commissioner: [Signature]
 Agency: REVENUE

Date: 2/18/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
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ALASKA DEPARTMENT OF REVENUE
ENFORCEMENT DIVISION
ANALYSIS OF SB 400
February 18, 1986

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							\$131,139.68

Introduced: 2/12/86
Referred: Judiciary and
Finance

1 IN THE SENATE

BY ZHAROFF

2

SENATE BILL NO. 400

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

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A BILL

6 For an Act entitled: "An Act relating to a reporting system for fraudulent
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23 guilty of a class A misdemeanor.

24 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

Offered: 3/19/86
Referred: Finance

Original sponsor: Zharoff

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2

CS FOR SENATE BILL NO. 400 (Judiciary)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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