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STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: SB 400
 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
<u>OPEATING</u>						
PERSONAL SERVICES	-	115.6	119.2	122.9	127.0	131.2
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	37.0	38.1	39.2	41.6	41.6
SUPPLIES	-	.8	.9	1.0	1	1.2
EQUIPMENT	-	6.0	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	159.4	158.2	163.1	168.5	174.0
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	159.4	158.2	163.1	168.5	174.0
<u>TOTAL</u>	-	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>

Total FY '87 Contractual Services \$37,040

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 \$ 750

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>

Total Equipment costs \$ 6,000

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

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.

Prepared By: Thomas C. Williams

Division: Enforcement

Phone: 465-2366

Date: 3/17/86

Approved by Commissioner: Thomas C. Williams

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)

Original sponsor: Zharoff

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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. 43.23.036. 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).