

S B

156

SENATE COMMITTEE REPORT

FURTHER:

DATE TURNED INTO OFFICE 4/29/87

Mr. President:

FINANCE Committee considered SB 156

contributions from permanent fund dividends to political parties; efd

and recommended:

replace with CS FOR _____) same title
 or adopt SA 156 (SA) CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted SA Intent

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature] DO PASS
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version : CSSB 156 (SA)
Publish Date : _____

REQUEST: _____

Revision Date: _____
Title: Contributions from PFD's to
political parties
Sponsor: Hensley, et al
Requestor: Senate Finance

Agency Affected: Revenue
BRU: Administrative Services
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *John Binkley*
Division: Senator John Binkley, Co-chairman
Senate Finance Committee

Phone: 465-4985
Date: April 29, 1987

Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CS SB 156

Publish Date: _____

REQUEST _____

Revision Date: 4/27/87

Title: Contributions from PFD's to
political parties

Sponsor: Hensley, et al

Requestor: Judiciary & Finance

Agency Affected: Revenue

BRU: Administrative Services

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	21.9	10.7	10.7	10.7	10.7
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	33.1	21.9	21.9	21.9	21.9
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	33.1	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (political party acct)	-	-	21.9	21.9	21.9	21.9
TOTAL	-	33.1	21.9	21.9	21.9	21.9

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	3	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313

Date: 3/27/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 4/27/87

Distribution (by Agency preparing fiscal note):

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

ZEROED BY SFC

4/29/87

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
CS SB 156
4/27/87

Assumptions:

- 1) The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
- 2) There are fifteen bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, \$25, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All FY88 costs of administering this law will be borne by the general fund, since no funds will be available to the political party account until October 1, 1988. Funding for administrative costs in FY89 and thereafter will be taken from the political party account as appropriated by the legislature.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law.
- 7) The Department of Revenue will determine qualifying political parties in cooperation with the Division of Elections and will list the parties by name on the PFD application.
- 8) It is assumed that each applicant will contribute to only one political party.

Program Summary:

The provision of a new contribution decision on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the trust account (see Attachment A).

- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.
- d) The accounting for the political party account will be performed by existing staff in the Fiscal Section of Administrative Services.

1. Positions

1 PPT Analyst/Programmer V, R21
 @ \$5,638.47/Mo including salary
 and benefits for 2 months = \$11.2

PCN 04-1125 would be funded for an additional two months, in accordance with Attachment A. Ongoing maintenance of new programs would be accomplished by existing staff.

1 PPT Document Processor I, R7
 @ \$2,117.76/Mo, including salary and
 benefits for 3 months = \$6.3

This position would assist in the manual review and coding of 540,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.

1 PPT Data Processing Clerk I, R8,
 @ \$2,221.64/Mo, including salary and
 benefits for 2 months = \$4.4

This position would assist in the data capture of the additional contribution decisions. The position represents the equivalent value of the additional time and effort.

TOTAL Personal Services \$21.9

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0
 Add additional page to PFD
 booklet \$6.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$33.1

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments: The following amendment #1 should be considered.

1. Sec. 1, line 11-15 is amended to read:

". . . The department shall prepare the permanent fund dividend application to allow [AN APPLICANT] individuals who are 18 years of age or older to elect to have money subtracted from the dividend check and contributed to the treasurer or central committee of the political party designated by the applicant."

Current state law (AS15.13.120(a)(4)) prohibits an individual from making a political contribution in the name of another person. Since the child's permanent fund dividend application is filed on behalf of the child by the parent or other sponsor, it is arguable that an election on the PFD Child's application, executed by the parent, may be contrary to the above referenced statute.

2. Sec. 1, line 24-25 is amended to read:

". . . except the department shall use money in the account to pay administrative costs incurred under this section [.] as appropriated by the legislature."

Attachments: Attachment A: "Summary of DP Needs"

Alaska State Legislature

INTERIM OFFICE
1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-2843

IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4714



Senator Mitch Abood
CHAIRMAN

Senate Committee on State Affairs

CSSB 156 SA
CSSB 180 SA
CSSB 173 SA

LETTER OF INTENT

The Senate Committee on State Affairs has considered CSSB 156 (State Affairs) "An Act relating to contributions from permanent fund dividends for political parties; and providing for an effective date"; CSSB 173 (State Affairs), "An Act relating to contributions from permanent fund dividends to the community school grant fund; and providing for an effective date"; and SB 180 (State Affairs), An Act relating to contributions from permanent fund dividends for the World Eskimo-Olympics; and providing for an effective date.

It is the intent of the Senate Committee on State Affairs that language be inserted in all of the permanent fund dividend check-off bills which would devise a system of prioritizing the check-off programs to provide for instances where garnishments or assignments reduce the dividend, leaving insufficient funds to honor all of the programs which the individual has selected. The Committee proposes that the order of prioritization be based on date of enactment. In cases where two bills have the same date of enactment, it is the intent of the Committee that the bills be listed in alphabetical order.

Judiciary Adopted 4/14/87

Original sponsors: Hensley, Coghill,
Duncan, et al.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 US FOR SENATE BILL NO. 156 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund
7 dividends for political parties; and providing for an
8 effective date."

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

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

11 Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The depart-
12 ment shall prepare the permanent fund dividend application to allow an
13 applicant to elect to have money subtracted from the dividend check
14 and contributed to the treasurer or central committee of the political
15 party designated by the applicant. In this subsection, "political
16 party" means an organized group of voters that represents a political
17 program and that nominated a candidate for governor who received at
18 least three percent of the total votes cast at the preceding general
19 election for governor.

20 (b) The amount of each contribution elected under (a) of this
21 section is \$5. Contributions shall be deposited in a special dividend
22 contribution account in the general fund and allocated by the depart-
23 ment in accordance with the contribution elections made by applicants
24 except that the department shall use money in the account to pay
25 administrative costs incurred under this section.

26 * Sec. 2. This Act takes effect July 1, 1987.

Alaska State Legislature

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1024 WEST SIXTH AVENUE
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IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4714



Senator Mitch Abood
CHAIRMAN

Senate Committee on State Affairs

MEMORANDUM

TO: Members of the Committee on State Affairs
FROM: Senator Mitch Abood, Chairman *Mitch Abood*
DATE: March 27, 1987
SUBJECT: CS for Senate Bills 156; 173 and 180

I have prepared committee substitutes for three bills that provide for contributions from permanent fund dividends for various uses - SB 156, SB 173 and SB 180. All the programs have been placed under the administration of the Department of Revenue and each bill is identical, so that all the contribution provisions that pass can be placed in the same section of the law, instead of being scattered throughout the statutes as is presently the case.

If more than one of these committee substitutes are enacted, the revisor of statutes will simply renumber the paragraphs listing check-offs to accommodate all that are enacted.

The Department of Revenue has also suggested that language be inserted in all of the check-off bills that would provide for a system of prioritization among the dividend programs in cases where there are insufficient funds to honor all of the programs which an individual has chosen to contribute through his or her dividend.

Our legislative legal counsel has advised the committee that providing a system for prioritization is not possible in the current individual committee substitutes unless the three check-off plans are incorporated into one bill and presented as a list which can then be prioritized.

The Committee may want to transmit a letter to either the Finance Committee or the Rules Committee along with CSSB 156, 173 and 180, requesting that they provide a system for prioritizing the various dividend plans which will ultimately reach them this session.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version ^{OS} SB 156 (SA)
Publish Date: 3-31

REQUEST _____
Revision Date: _____
Title: Contributions from PFD's to
political parties
Sponsor: Hensley, et al
Requestor: Senate State Affairs

Agency Affected: Revenue
BRU: Administrative Services
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	21.9	10.7	10.7	10.7	10.7
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	33.1	21.9	21.9	21.9	21.9
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	33.1	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (political party acct)	-	-	21.9	21.9	21.9	21.9
TOTAL	-	33.1	21.9	21.9	21.9	21.9

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	3	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 3/19/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/20/87

Distribution (by Agency preparing fiscal notes)
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

RECEIVED

MAR 23 1987

page 1 of 5

LEGISLATIVE FINANCE

Department of Revenue
Administrative Services Division
-Fiscal Note Analysis
SB 156
3/19/87

Assumptions:

- 1) The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
- 2) There are nine other bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, \$25, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All FY88 costs of administering this law will be borne by the general fund, since no funds will be available to the political party account until October 1, 1988. Funding for administrative costs in FY89 and thereafter will be taken from the political party account as appropriated by the legislature.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law.
- 7) The Department of Revenue will determine qualifying political parties in cooperation with the Division of Elections and will list the parties by name on the PFD application.
- 8) It is assumed that each applicant will contribute to only one political party.

Program Summary:

The provision of a new contribution decision on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the trust account (see Attachment A).

- c) Each of approximately 540,000-PFD applications will need to be visually reviewed and coded as to decision on the contribution decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.
- d) The accounting for the political party account will be performed by existing staff in the Fiscal Section of Administrative Services.

1. Positions

1 PPT Analyst/Programmer V, R21
 @ \$5,638.47/Mo including salary
 and benefits for 2 months = \$11.2

PCN 04-1125 would be funded for an additional two months, in accordance with Attachment A. Ongoing maintenance of new programs would be accomplished by existing staff.

1 PPT Document Processor I, R7
 @ \$2,117.76/Mo, including salary and
 benefits for 3 months = \$6.3

This position would assist in the manual review and coding of 540,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.

1 PPT Data Processing Clerk I, R8,
 @ \$2,221.64/Mo, including salary and
 benefits for 2 months = \$4.4

This position would assist in the data capture of the additional contribution decisions. The position represents the equivalent value of the additional time and effort.

TOTAL Personal Services \$21.9

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0
 Add additional page to PFD
 booklet \$6.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$33.1

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments: The following amendment #1 should be considered.

1. Sec. 1, line 12-16 is amended to read:

" . . . The Department of Revenue shall prepare the permanent fund dividend application to allow [AN APPLICANT] individuals who are 18 years of age or older to direct that \$25 of their dividend be subtracted from the check and contributed to the political party designated by the applicant."

Current state law (AS15.13.120(a)(4)) prohibits an individual from making a political contribution in the name of another person. Since the child's permanent fund dividend application is filed on behalf of the child by the parent or other sponsor, it is arguable that an election on the PFD Child's application, executed by the parent, may be contrary to the above referenced statute.

2. Sec. 1, line 18-20 is amended to read:

" . . . The Department of Revenue [MAY] shall use money in the account to pay administrative costs incurred under this section [.], as appropriated by the legislature. . . ."

Attachments: Attachment A: "Summary of DP Needs"

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 156
Summary of Data Processing Requirements
3/19/87

Wang data entry processing	75.0 hours
Includes:	Data entry Batch lists Corrections Wang to IBM transfer
IBM Update jobs	30.0 hours
Includes:	Edits Batch listings Log sheets
DMS Online programs for lookup and changes	37.5 hours
Nightly Update of Changes	22.5 hours
Warrant Jobs	90.0 hours
Includes:	Printing warrants with different amounts. Include check stub messages. Modify warrant registers as needed for balancing. Create new program(s) for transferring accumulated contributions to the Political Party Account, and to account for the reserve necessary due to returned and cancelled PFD warrants.
Miscellaneous	45.0 hours
Includes:	Setting up test files on IBM Systems testing Administrative functions, i.e. paper work required by Admin. DP to add files and programs to tables.

TOTAL HOURS 300.0 hours

BY HENSLEY, COGHILL, DUNCAN, ELIASON,
FAHRENKAMP, FISCHER, JONES, JOSEPHSON,
KERTTULA, RODEY, STURGULEWSKI, UEHLING
AND ZHAROFF

1 IN THE SENATE

2

SENATE BILL NO. 156

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund
7 dividends to political parties; and providing for an
8 effective date."

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

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

11 Sec. 43.23.016. CONTRIBUTIONS TO POLITICAL PARTIES. (a) There
12 is created in the general fund a political party account. The Depart-
13 ment of Revenue shall prepare the permanent fund dividend application
14 to allow an applicant to direct that \$25 of the dividend be subtracted
15 from the check and contributed to the political party designated by
16 the applicant. Permanent fund dividend contributions shall be depos-
17 ited in the account by the Department of Revenue and allocated to
18 appropriate political parties. The Department of Revenue may use
19 money in the account to pay administrative costs incurred under this
20 section. Money to pay administrative costs shall be taken from allo-
21 cations to each political party on a pro rata basis.

22 (b) The political party account shall be held in trust by the
23 Department of Administration for distribution as allocated to the
24 treasurer or central committee of each political party for which
25 contributions have been made under this section.

26 (c) In this section, "political party" means an organized group
27 of voters that represents a political program and that nominated a
28 candidate for governor who received at least three percent of the
29 total votes cast at the preceding general election for governor.

1 * Sec. 2. This Act takes effect July 1, 1987.

The Republican Party of Alaska



Jim Crawford
Chairman

Marylin Palne
National Committeewoman

Eldon Ulmer
National Committeeman

Jack Wilbur
Vice Chairman

Gall Phillips
Secretary

Tim McKeever
Treasurer

Charlot Thickett
Asst. Secretary

Lloyd Hames
Asst. Treasurer

Dave Harbour
Finance Chairman

Cliff Groh
Legal Counsel

750 E. Fireweed Lane, Suite 102
Anchorage, Alaska 99503
(907) 276-4467

March 25, 1987

Senator Willie Hensley
P.O. Box V
Juneau, AK 99811

Dear Senator Hensley:

Thank you for your request for comments from the Republican Party of Alaska in regard to SB 156. This bill would provide a check off on Permanent Fund applications that would allow Alaskans to direct a portion of their dividend to support political parties.

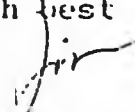
We appreciate your recognition that political parties deserve financial support from the citizenry because of their role in charting the future of our state. We want to thank you and your fellow sponsors for their intentions.

The most important part of the bill as we read it is that it protects the Permanent Fund from administrative charges that would be incurred by the establishment of this new program. Our party has spoken strongly about defending the Permanent Fund. We believe that, even if our party benefits from a program, the program should not impair the ability of the Fund to provide for future needs of our state's citizens.

Current Alaska law forbids the contribution of money to a political party in the name of another. We strongly urge you to continue to honor that principle by slightly revising the current bill. Political parties should be given the names of those who direct a portion of their dividend to the party of their choice. That way we could thank each donor and report their contribution according to the APOC regulations.

Thank you for your efforts, and thank you for offering us the opportunity to comment on your bill.

With best regards,


Jim Crawford
Chairman, Republican Party of Alaska

Committee Backley
SB 156



Democratic Party of Alaska

MAR 23 1987

Jack Roderick
State Chair

March 20, 1987

Virgie King
1st Vice Chair

State Affairs Committee
Pouch V
Juneau, AK 99811

Hilda Woods
Treasurer

Dear Committee Members;

Carolyn Covington
Secretary

This letter is in support of SB #156, which would allow individuals to donate to political parties by a "check off" system from one's Permanent Fund Dividend application.

Pegge Begich
Finance Director

Bob Goldberg
Legal Counsel

There seems to be public concern with the way political campaigns are financed. The common thread that runs through legislation pending before the 15th Session of the Alaska Legislature is that too much "special interest" money is bankrolling campaigns in Alaska. I see much of the campaign related legislation as intending to strengthen the political parties as a way of negating the affects of the "special interest" contributions. Senate Bill #156 works toward the goal of strengthening political parties in Alaska. This is a step in the right direction towards lessening the influence of "special interest" contributions, thereby helping to reform campaign practices in Alaska.

Doris Volske
National Committeewoman

Vander Pearson
National Committeeman

Chancy Croft
Policy Commission

Peg Tileston
Alaska Democrat

The Alaska Democratic Party is solidly behind this legislation. Thank you.

Sincerely,

Jack Roderick
Jack Roderick,
Party Chair

WDB

Bill Bobrick
Exec. Director

Susie Barnett
Office Manager

(907) 562-3050

P.O. Box 10-4199 • Anchorage, AK 99510

Effect of amendments. — The 1984 amendments in the introductory language of subsection (b).
 amendment changed the internal refer-

Chapter 21. Oil and Gas Corporate Income Tax.

(Repealed, § 19 ch 116 SLA 1981.)

Editor's notes. — This chapter repeal line is set out above to correct a minor error in the main pamphlet.

Chapter 23. Permanent Fund Dividends.

<p>Section 25. Amount of dividend 45. Dividend fund 65. Duties of the department</p>	<p>Section 65. Exemption of permanent fund dividends</p>
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Cross references. — For 1982 permanent fund dividend distribution, see § 19, ch. 102, SLA 1982, in the Temporary and Special Acts; for extension of application period for 1982 and 1983 dividends, see § 4, ch. 65, SLA 1983 and § 1, ch. 43, SLA 1984, respectively, in the Temporary and Special Acts.

Opinions of attorney general. — If

Sec. 43.23.005. Eligibility.

Revisor's notes. — Sections 2 and 3, ch. 99, SLA 1985, amend (c) and (d) of this section respectively. The amendments are effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendments become law, the subsections will read: "(c) A parent, guardian, or other authorized representative may claim a permanent fund dividend on behalf of an unemancipated minor or on behalf of an incompetent individual who is eligible to receive a dividend under this section.

"(d) A person who is eligible to receive a permanent fund dividend under this section, or who is authorized to claim a divi-

the legislature enacts any other distribution program which is consistent with the intent of the permanent fund dividend law (AS 43.23), any appropriation to implement that program will be exempt from the appropriation limit of § 16, art. IX, of the state constitution. 1983 Op. Att'y Gen. No. 01.

depend on behalf of another under (e) of this section, may elect to receive the dividend either in cash or as an annuity credit. Alternatively, a person may elect to receive 25 percent, 50 percent, or 75 percent of the dividend in cash and the remainder as an annuity credit. A person who is 65 years of age on or before January 1, 1988 may only receive the permanent fund dividend in cash and may not elect to receive an annuity credit."

Section 22, ch. 99, SLA 1985 provides for an advisory vote to be held at the general election in 1986. For the text of that provision, see § 22, ch. 99, SLA 1985 in the Temporary and Special Acts.

NOTES TO DECISIONS

Stated in *Alaska Oil Co. v. Alaska, 15 Bankr. 358 (D. Alaska 1985)*

Sec. 43.23.015. Application and proof of eligibility.

Revisor's notes. — Sections 4 — 8, ch. 99, SLA 1985, amend (a), (b), (c) and (f) of this section, and add a new (i). The amendments are effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendments become law, the section will read: "(a) The commissioner shall adopt regulations under the Administrative Procedure Act (AS 44.62) establishing the process for determining the eligibility of individuals for permanent fund dividends. The commissioner may require an individual to provide proof of eligibility, and the commissioner may use other information available from other state departments or agencies to determine the eligibility of an individual.

"(b) The department shall prescribe and furnish an application form for claiming a permanent fund dividend. The application must contain a statement of eligibility and a certification of residency in substantially the following form:

I certify that

(1) I am a state resident on the date of this application and I have been a state resident for at least six months immediately preceding the date of this application; or

(2) (name), the individual on whose behalf I am applying, is a state resident and has been a state resident for at least six months immediately preceding the date of this application.

I understand that a false claim of residency to obtain a permanent fund dividend for myself or for another is a criminal offense and that if convicted I will forfeit future permanent fund dividends and

that I will lose or must repay all permanent fund dividends that have been credited or paid to me, and any amount interest in my annuity account. I understand that this penalty is in addition to any criminal penalties imposed.

(signature of individual, parent, guardian, or other authorized representative)

"(c) If a public agency claims a dividend on behalf of an individual under this section, the public agency shall elect 100 percent cash under AS 43.23.005(d) and hold the dividend in trust for the individual. Money held in trust under this subsection shall be invested by the commissioner in accordance with AS 37.10.070.

"(f) A minor or an incompetent individual may not maintain a claim against the state or an officer or employee of the state based either on the manner in which the parent, guardian, or authorized representative other than a public agency of the state managed or disposed of permanent fund dividends received on behalf of the minor or incompetent, or an election made or not made on that individual's behalf under AS 43.23.005(d).

"(g) The permanent fund dividend application form shall be prepared to allow an applicant, other than a person who is exempt under AS 17.45.015(b), to elect to receive the dividend either in cash or as an annuity credit."

Section 22, ch. 99, SLA 1985 provides for an advisory vote to be held at the general election in 1986. For the text of that provision, see § 22, ch. 99, SLA 1985 in the Temporary and Special Acts.

Sec. 43.23.025. Amount of dividend. By October 1 of each year the commissioner shall give public notice of the value of each permanent fund dividend for that year. The commissioner shall determine the value of a permanent fund dividend by

(1) determining the amount of income of the Alaska permanent fund transferred to the dividend fund under AS 43.23.015(b) during the current year;

SENATE COMMITTEE REPORT

FURTHER:

FINANCE

DATE TURNED INTO OFFICE

4/14/87

Mr. President:

JUDICIARY

Committee considered

SB 156

contributions from permanent fund dividends to political parties; efd.

and recommended:

replace with
 or adopt

adopt State Affairs 05

CS FOR
CS FOR

SB 156 (SA)

) same title
) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to

letter of intent adopted *(Capitol S.A.'s letter adopted by Judic)*

Committee attached or adopted fiscal note(s)

new

updated or

previous

zero

fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Artis Stankovich
Rick Hall
Jul. Cheshner

J. Arthur Dorman
Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/18/86 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: JUDICIARY
FINANCE

**FISCAL NOTE(S) ATTACHED 1 **
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/3/87

DATE TURNED INTO OFFICE 3/31/87

Mr. President:

STATE AFFAIRS Committee considered SB 156

contributions from permanent fund dividends to political parties; efd.

and recommended:

replace with CS SB 156 (S.A.) same title
 attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature] (DO PASS)
[Signature]

[Signature] NO Rec

[Signature]
Chairman signature and recommendation

Committee Backup Attached