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# Chugiak-Eagle River Chamber of Commerce

P.O. Box 770353 / Eagle River, Alaska 99577

"PLACE OF MANY PLACES"

RECEIVED  
APR 13 1987

April 8, 1987

Senator Mitch Abood  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99801

Dear Senator Abood:

The Chugiak-Eagle River Chamber of Commerce has reviewed Committee Substitute for House Bill 35 (CSHB 35) and has found that it eliminates the right of the recipient to freely assign his Permanent Fund Dividend Check as he sees fit. The right of assignment is a well-established principle under the Uniform Commercial Code, and we feel that CSHB 35 constitutes a restraint of trade.

It is the position of the Chugiak-Eagle River Chamber of Commerce to oppose any legislation that restricts the right of an individual to engage in legitimate business activities. Therefore, the Board of Directors of the Chugiak-Eagle River Chamber of Commerce have voted unanimously to oppose CSHB 35. We would ask that you work to defeat this Bill when it comes to the Floor.

Sincerely,

Stephen R. Punch  
President

SRP:ph

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTEBill Version: CSHB 35(Fin)  
Publish Date: HOUSE 3/4/87REQUESTRevision Date: \_\_\_\_\_  
Title: An act prohibiting the assign-  
ment to right to receive PFD's  
Sponsor: Goll and Ulmer  
Requestor: House State AffairsAgency Affected: Revenue  
BRU: Permanent Fund DividendComponents: Administrative ServicesEXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<u>OPERATING</u>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones  
Division: Administrative ServicesPhone: 465-2313  
Date: 1/27/87Approved by Commissioner: [Signature]  
Agency: RevenueDate: 1/27/87Distribution (by Agency preparing fiscal note):Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)  
Senate Secretary

FISCAL NOTE ANALYSIS  
CONTINUATION

HB 35

Assumptions:

1. HB 35 would have an effective date prior to March 15, 1987, so that the Department of Revenue would have an opportunity to advise the public of the change in law before the 1987 PFD filing season starts on April 1, 1987.

Analysis:

There would be no fiscal impact on the administration of the PFD program. Prior to the popularity of the "Dividend-Buying" plan of certain private individuals, one full-time accounting clerk was very busy processing all garnishments and assignments received by the department. The prohibition on assignments would result in an increase in the number of garnishments processed, as most assignees would opt for the remaining more expensive option of garnishment. This bill would probably, however, cause those entrepreneurs who are "buying dividends" to go out of business.

Attachments A and B provide pertinent detail regarding the users of the assignment and garnishment processes.