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WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 22, 1991

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Speaker Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill limiting assignments of permanent fund dividends to government agencies and courts. This bill would merely codify in statute a current regulation of the Department of Revenue, 15 AAC 23.220(a).

The regulation limiting assignments of permanent fund dividends was adopted by the Department of Revenue for three reasons:

1. to end the usurious purchase of dividends by commercial buyers for extraordinary discounts;
2. to reduce the incentive to file fictitious or duplicate applications; and
3. to reduce the number of assignments, which were creating an administrative burden for the department.

15 AAC 23.220(a) is currently being challenged in court for lack of statutory authority. If the state loses the litigation and the regulation is found to be invalid, absent the enactment of this proposed legislation there could be a significant disruption to the 1991 and subsequent year programs. In order to prevent such a disruption, I am recommending the prompt adoption of this legislation, and I urge your support of it.

Sincerely,

Walter J. Hickel  
Governor

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 5  
JUNEAU, ALASKA 99811-0400  
PHONE: (907) 465-2300  
TELEFAX: (907) 465-2389

April 12, 1991

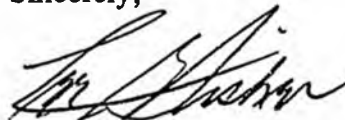
The Honorable Dave Donley  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Donley:

House Bill 234, assignment of Permanent Fund Dividends, passed out of House State Affairs Committee earlier today. House Judiciary Committee is the next committee referral.

Please schedule HB 234 for House Judiciary Committee review. Due to the importance of this bill, we would like it scheduled as soon as possible.

Sincerely,



Lee E. Fisher  
Commissioner

LEF:TCW:bro

cc: Thomas C. Williams, Director  
Permanent Fund Dividend Division  
Alaska Department of Revenue

91-61

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 5  
JUNEAU, ALASKA 99811-0400  
PHONE: (907) 465-2300  
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December 18, 1991  
**RECEIVED**  
DEC 23 1991

The Honorable Dave Donley  
Chair, House Judiciary Committee  
Alaska State House  
3111 C Street, Ste. 450  
Anchorage, AK 99503

Dear Representative Donley:

This is a follow-up to the Department's April 12, 1991 request to schedule a hearing before the House Judiciary Committee on HB 234, an act relating to assignments of the right to receive a Permanent Fund Dividend (PFD).

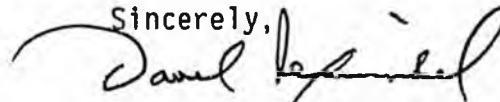
This legislation was requested by the Department of Revenue and approved for introduction last year by the Department of Law. It was heard by the House State Affairs Committee and passed out to the next committee of referral, the House Judiciary Committee.

On November 15, 1991 Superior Court Judge Dana Fabe struck down our regulation prohibiting PFD assignments to anyone other than a government agency. Therefore, passage of HB 234 early in the upcoming legislative session is very important. It would be in the State's best interest if this legislation were enacted by March 31, 1992, before the beginning of the 1992 PFD filing period. Accordingly, we would very much appreciate it if you would schedule a hearing on HB 234 at the Committee's earliest convenience.

Laurie Otto of your staff recommended that we request an opinion from the Attorney General as to whether or not this legislation would violate or be contrary to any constitutional or other legal provisions regarding the rights of individuals to contract. PFD Division Director Tom Williams has made this request.

You or your staff may contact Tom Williams at 465-2323 if you require more information regarding this legislation.

Sincerely,



Darrel Rexwinkel  
Acting Commissioner

DJR:TCW:bro  
91-135

cc: Thomas C. Williams, Director  
Permanent Fund Dividend Division

Tracy McGill, Legislative Liaison  
Department of Revenue

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

No. 1  
BILL NO. Bill Version: HB 234  
(H) Publish Date: 3/22/91

Revision Date: \_\_\_\_\_  
Title: An Act relating to assignments of the right to receive a PFD  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Revenue  
BRU: Permanent Fund Dividend Division  
Components: Permanent Fund Dividend Division  
COMPONENT SERIAL NO. 9 8 1

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
<b>OPERATING</b>						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: None.

ANALYSIS: None required.

Prepared By: Thomas C. Williams Phone: 465-2323  
Division: Permanent Fund Dividend Division Date: March 14, 1991

Approved by Commissioner: [Signature] Date: 3/14/91  
Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

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