

HB

234

# HOUSE COMMITTEE REPORT

(7)  
Date Referred: March 22, 1991

FURTHER REFERRALS:

Judiciary  
Finance

Date of Committee Action: 4-12-91

The STATE AFFAIRS Committee considered:

HB 234

HOUSE BILL NO. 234

ASSIGNMENT OF RIGHT TO PF DIVIDENDS

"An Act relating to assignments of the right to receive a permanent fund dividend; and providing for an effective date."

- RECOMMENDATIONS:  the same title  
 be replaced with \_\_\_\_\_  a new title  
 have attached amendments(s)  
 do pass  
 do not pass  
 no recommendations  
 individual recommendations  
 additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dep)

APPROVES PREVIOUS: (Dep/Date)

fiscal impact \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note Revenue - PFD Division

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Gene Rubino</i>	✓				
<i>David Mendola</i>	✓				
<i>E. Bruckman</i>	✓				
<i>Jerry W. Baker</i>	✓				
<i>Nita Hillier</i>	✓				
<i>Mrs. Greenberg</i>	✓				

*Gene Rubino*  
CHAIRMAN'S SIGNATURE

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

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Bill No. 1  
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: Paul Rasmussen Date: 3/14/91  
Agency: Revenue

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

page 1 of 1

COMMITTEE COPY

- Revenue Fiscal Note -

Authority: AS 43.23.015  
AS 43.23.055

15 AAC 23.210. ATTACHMENTS. (a) Notwithstanding the provisions of AS 43.23.065, 100 percent of a permanent fund dividend payable to an individual under AS 43.23.005 — 43.23.095 is available for attachment in the collection of money owed to the United States if the notice of levy served on the department by an agency of the United States under federal law preempts state law that would otherwise limit the collection to 50 percent of the permanent fund dividend payable.

(b) A writ of execution issued for enforcing a judgment of the court must be served by an officer or agent of the court. A government agency that has administrative levy power may perform service through its own agent or by magnetic tape. Service may be made upon the department only at locations designated by the department.

(c) As required by AS 09.35.110, a notice of levy must accompany a writ of execution.

(d) In order to establish a positive identification between the attachment and the permanent fund dividend file, the department will require a three-point match. All matches between the attachment and the permanent fund dividend file must be exact. The first match in all cases will be against the last name of the individual. The other matches will be made against any two of the following: (1) first name, (2) date of birth, or (3) social security number.

(e) The individual whose permanent fund dividend was attached may not maintain a claim against the department for honoring the attachment. (Eff. 4/1/89, Register 109)

Authority: AS 09.35.330 AS 43.23.055  
AS 09.40.030 AS 43.23.065

15 AAC 23.220. ASSIGNMENTS. (a) The department will not implement an assignment, or a transaction, of whatever nature, that the department determines to be an assignment, of a permanent fund dividend unless the assignee named is a government agency.

(b) An assignment of a permanent fund dividend may not be made if application for that dividend was made on behalf of a child or made on behalf of an incompetent, disabled, or other adult, except that the permanent fund dividend of a child may be assigned to satisfy restitution agreed to under AS 47.10.020 or required under AS 47.10.080.

(c) Only one assignment to an assignee may be made of each dividend. Once an assignment is made and submitted to the department, a retraction of that assignment by the assignor will not be honored by the department.

(d) An assignment must be made in writing on a form provided by the department, signed by the assignor, and properly executed in the

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15 AAC 23.240

REVENUE

15 AAC 23.250

presence of two disinterested witnesses or a notary public, and filed with the department before the final processing of the assignor's permanent fund dividend application, except that assignments made on behalf of a child must be executed by the sponsor of the original application or by an official appointed by the state court system. (Eff. 4/1/89, Register 109; am 3/31/90, Register 113)

Authority: AS 43.23.015  
AS 43.23.055

**15 AAC 23.240. DISALLOWANCE OF CLAIMS AND RECOVERY OF ASSESSMENTS.**

(a) If the department determines that (1) an individual was not qualified to apply on behalf of a child or adult; (2) the child or adult was not eligible for the dividend; or (3) more than one payment was made on behalf of the child or adult, then the department will, in its discretion, recover the dividend payment from the individual who received the payment or from the individual who applied on behalf of the child or adult, and, in the case of multiple payments made to the child or adult, from any individual who applied for and received one of the multiple payments.

(b) If an individual who applies for a dividend on behalf of another becomes subject to the forfeiture provision of AS 43.23.035, that individual forfeits not only the dividend payment that was wrongfully claimed on behalf of another, but also forfeits all dividends that that individual has received in the past and all dividends for which that individual would otherwise be eligible in the future.

(c) Except as provided in (d) of this section, interest accrues on disallowed permanent fund dividend payments at the rate established in AS 43.05.225 on the balance of the dividend owing.

(d) Interest does not accumulate on a disallowed dividend if the dividend is repaid within 60 days after the determination of disallowance becomes final.

(e) A payment on a disallowed dividend will be applied first to the unpaid balance of the disallowed dividend and next to any accumulated interest. (Eff. 4/1/89, Register 109)

Authority: AS 43.23.055  
AS 43.23.065

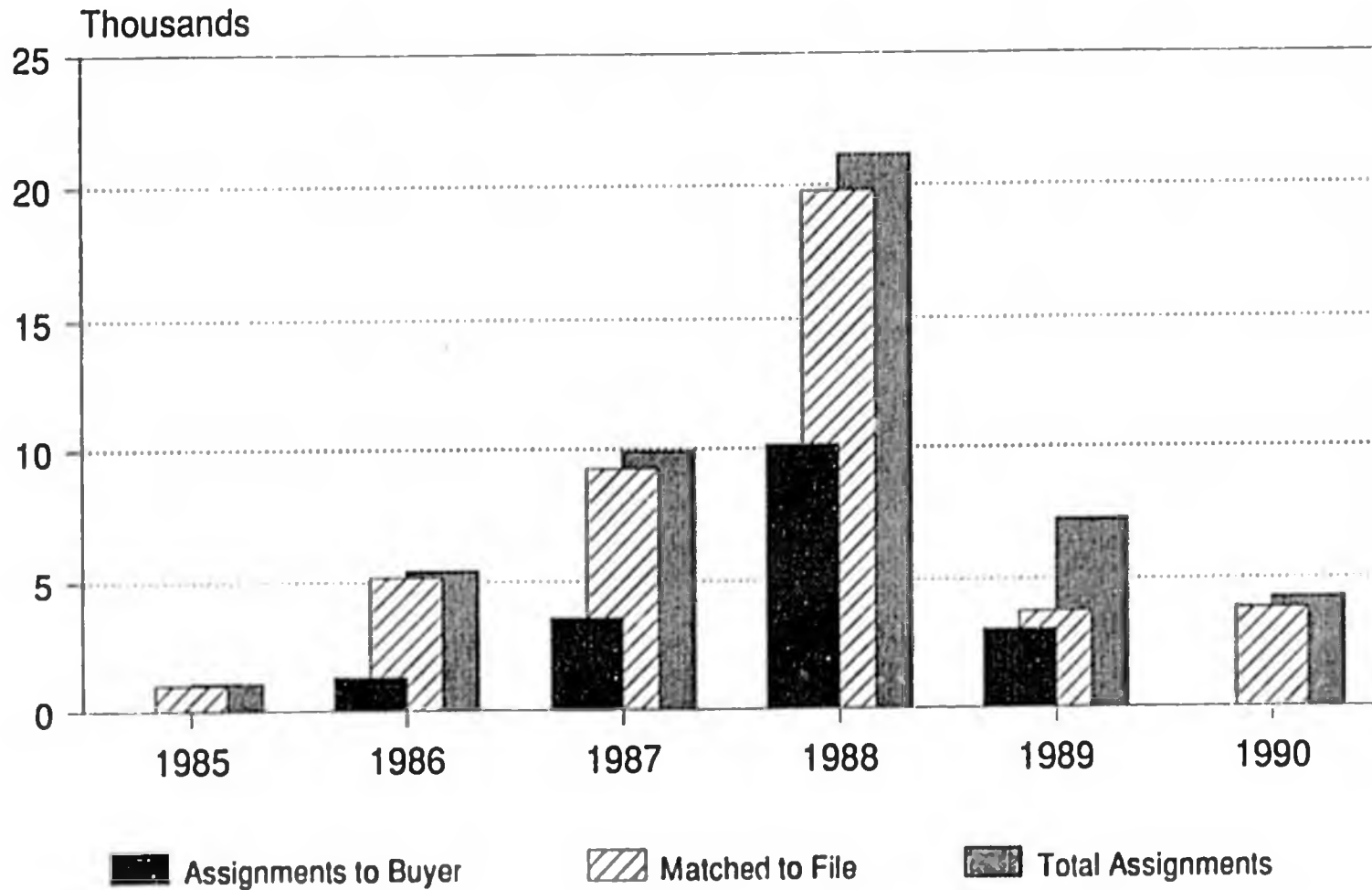
**15 AAC 23.250. DISCLOSURE.** (a) Except as stated in (e) of this section, an applicant's file is open to the individual, other family members who might have filed in the same packet, or to an authorized representative.

(b) Permanent fund dividend information will be released as follows:

(1) The names of individuals who have filed applications will, upon request, be given to a member of the public.

# PERMANENT FUND DIVIDEND ASSIGNMENTS

For 1985 - 1990 Dividend Years





# House State Affairs Committee

## Representative Gene Kubina, Chair

DATE: April 10, 1991

PLACE: Capitol, Room 102

**SUBJECT OF MEETING:**  
 \*HB 91 - Relating to Jurisdiction of District Court  
 \*HB 234 - Relating to Assignment of Right to PF Dividends  
 SCR 20 - Relating to Kodiak Island as a Bicentennial City

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Tom Williams	Dept. of Revenue	P.O. Box S-0464 Juneau AK	99511		465-2323	(Y) N	HB 234
C.S. CHRISTENSEN	ALASKA COURT SYSTEM	303 K ST. ANCH	99501		463-4970 264-8228	(Y) N	HB 91
TOM PANAMAROFF	Sen Zheroff	P.O. Box V JUNEAU AK	99801		465-3473	(Y) N	SCR 20
JEFF BUSH	Dept. of Law	P.O. Box K, Juneau	99801		465-3600	(Y) N	HB 234
						Y N	
						Y N	
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