

HB

428

# State of Alaska

House Majority Leader

COMMITTEES

HOUSE JUDICIARY

HOUSE RULES

HOUSE STATE AFFAIRS

SPECIAL COMMITTEE

MILITARY AND VET AFFAIRS

LEGISLATIVE COUNCIL



Representative Max F. Gruenberg, Jr.

District II

Spennard, Upper Midtown Anchorage

P.O. BOX V  
JUNEAU, AK 99801  
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465-4968/4986  
(SESSION)

3111 C STREET, SUITE 440  
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(907) 561-7621

January 28, 1992

Rep. Gene Kubina  
Chair, House State Affairs


Dear Gene,

I would like to request that HB428, "An act relating to permanent fund dividends," be heard in House State Affairs early next week. HB428 is expected to have only two committee assignments, State Affairs and Finance.

HB428 pertains to in-state Alaska residents married to non-resident spouses. It clarifies eligibility criterion for permanent fund dividends.

I appreciate your attention to this matter. Please contact me or Terence O'Malley (4712) with any questions.

Thank you,

  
Max F. Gruenberg, Jr.

CS FOR HOUSE BILL NO. 428 ( )  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES GRUENBERG, Ivan, Martin, Brown, Bruckman, Carney, Davidson, B.Davis, Ellis, Grussendorf, G.Phillips, M.A.Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to permanent fund dividends; and providing for an effective date."

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

3 \* Section 1. INTENT. The change to the definition of residency in sec. 13 of this Act only clarifies  
4 what the legislature has always intended the definition to be.

5 \* Sec. 2. AS 34.45.370 is amended by adding a new subsection to read:

6 (c) A permanent fund dividend that is received by the state as abandoned property shall  
7 be deposited into the dividend fund established under AS 43.23.045 and may be expended or  
8 distributed according to regulations adopted by the commissioner of revenue.

9 \* Sec. 3. AS 37.05.180 is amended to read:

10 Sec. 37.05.180. TWO-YEAR LIMITATION ON PAYMENT OF WARRANTS. A [NO]  
11 warrant upon the state treasury may not be [IS] paid unless presented at the office of the  
12 commissioner of revenue within two years of the date of its issuance. A warrant [ALL  
13 WARRANTS] not presented within that time is [ARE] considered paid and money held at the  
14 expiration of that time in a special fund or account for the payment of the warrant shall be

1 transferred to the general fund, except where transfer is prohibited by the federal government for  
 2 state participation in a federal program or the warrant represents payment of a permanent  
 3 fund dividend. Money held for the payment of a permanent fund dividend warrant shall  
 4 be retained in the dividend fund established under AS 43.23.045 and may be expended or  
 5 distributed according to regulations adopted by the commissioner of revenue.

6 • Sec. 4. AS 43.23.005(a) is amended to read:

7 (a) An individual is eligible to receive one permanent fund dividend each year in an  
 8 amount to be determined under AS 43.23.025 if

9 (1) the individual applies to the department;

10 (2) [, AND IF (1)] on the date of application the individual is a state resident;

11 (3) [(2)] the individual was a state resident for [A PERIOD OF] at least the  
 12 calendar year [12 CONSECUTIVE MONTHS] immediately preceding January 1 [APRIL 1]  
 13 of the current dividend year; [AND]

14 (4) [(3)] the individual has been physically present in the state at some time  
 15 during the prior [PERIOD BEGINNING JULY 1] two calendar years before the current  
 16 dividend year; and

17 (5) the individual is

18 (A) a citizen of the United States;

19 (B) an alien lawfully admitted for permanent residence in the United  
 20 States;

21 (C) an alien with refugee status under federal law; or

22 (D) an alien that has been granted asylum under federal law [DATE  
 23 OF APPLICATION AND ENDING ON THE DATE OF APPLICATION].

24 • Sec. 5. AS 43.23.005(c) is amended to read:

25 (c) A parent, guardian, or other authorized representative may claim a permanent fund  
 26 dividend on behalf of an unemancipated minor or on behalf of a disabled or an incompetent  
 27 individual who is eligible to receive a payment under this section. Notwithstanding (a) of this  
 28 section, a minor is eligible for a dividend if, during the twenty-four months immediately  
 29 preceding the current dividend year, the minor was born to or adopted by an individual  
 30 who is eligible for a dividend for the current year.

31 • Sec. 6. AS 43.23.005(d) is amended to read:

1 (d) Notwithstanding the provisions of (a) - (c) of this section, an individual who has been  
2 convicted of a felony is not eligible for a permanent fund dividend for a year when, during all  
3 or part of the previous calendar year [FISCAL YEAR ENDING JUNE 30 OF THE CURRENT  
4 YEAR], as a result of the conviction, the individual is incarcerated. [THIS SUBSECTION  
5 APPLIES WHETHER OR NOT THE INDIVIDUAL HAS APPLIED FOR THE DIVIDEND.]

6 • Sec. 7. AS 43.23.005(f) is amended to read:

7 (f) In a time of national military emergency, the commissioner may waive the  
8 requirement of (a)(4) [(a)(3)] of this section for an individual absent from the state under military  
9 orders while serving in the armed forces of the United States, or for the spouse and dependents  
10 of that individual.

11 • Sec. 8. AS 43.23.015(a) is amended to read:

12 (a) The commissioner shall adopt regulations under the Administrative Procedure Act  
13 (AS 44.62) for determining the eligibility of individuals for permanent fund dividends. The  
14 commissioner may require an individual to provide proof of eligibility, and the commissioner  
15 may use other information available from other state departments or agencies to determine the  
16 eligibility of an individual. The commissioner shall consider all relevant circumstances in  
17 determining the eligibility of an individual. However, the residency of an individual's  
18 spouse may not be the only factor relied upon by the commissioner in determining the  
19 residency of the individual.

20 • Sec. 9. AS 43.23.015(b) is amended to read:

21 (b) The department shall prescribe and furnish an application form for claiming a  
22 permanent fund dividend. The application must include notice of the penalties provided for  
23 under AS 43.23.035 and contain a statement of eligibility and a certification of residency, [IN  
24 SUBSTANTIALLY THE FOLLOWING FORM:

25 I CERTIFY THAT

26 ( ) I AM A STATE RESIDENT ON THE DATE OF THIS APPLICATION, I HAVE  
27 BEEN A STATE RESIDENT FOR AT LEAST 12 MONTHS IMMEDIATELY  
28 PRECEDING APRIL 1 OF THE CURRENT DIVIDEND YEAR, AND I HAVE BEEN  
29 PHYSICALLY PRESENT IN THE STATE OF ALASKA AT SOME TIME DURING  
30 THE PERIOD BEGINNING JULY 1 TWO YEARS BEFORE THE DATE OF  
31 APPLICATION AND ENDING ON THE DATE OF THIS APPLICATION UNLESS

1 THIS REQUIREMENT HAS BEEN WAIVED UNDER AS 43.23.005(f); OR  
 2 ( ) (NAME), THE INDIVIDUAL ON WHOSE BEHALF I AM APPLYING, IS A  
 3 STATE RESIDENT ON THE DATE OF THIS APPLICATION, HAS BEEN A STATE  
 4 RESIDENT FOR AT LEAST 12 MONTHS IMMEDIATELY PRECEDING APRIL 1 OF  
 5 THE CURRENT DIVIDEND YEAP, AND HAS BEEN PHYSICALLY PRESENT IN  
 6 THE STATE OF ALASKA AT SOME TIME DURING THE PERIOD BEGINNING  
 7 JULY 1 TWO YEARS BEFORE THE DATE OF APPLICATION AND ENDING ON  
 8 THE DATE OF THIS APPLICATION UNLESS THIS REQUIREMENT HAS BEEN  
 9 WAIVED UNDER AS 43.23.005(f).

10 I UNDERSTAND THAT A FALSE CLAIM OF ELIGIBILITY TO OBTAIN A  
 11 PERMANENT FUND DIVIDEND FOR MYSELF OR FOR ANOTHER IS A  
 12 CRIMINAL OFFENSE, THAT IF CONVICTED I WILL FORFEIT FUTURE  
 13 DIVIDENDS, AND THAT I MUST REPAY ALL DIVIDENDS THAT HAVE BEEN  
 14 PAID TO ME. I UNDERSTAND THAT IF I WILFULLY MISREPRESENT,  
 15 EXERCISE GROSS NEGLIGENCE, OR RECKLESSLY DISREGARD A MATERIAL  
 16 FACT REGARDING MY ELIGIBILITY FOR A PERMANENT FUND DIVIDEND I  
 17 WILL FORFEIT THE DIVIDEND, BE SUBJECT TO A CIVIL FINE OF UP TO \$5,000,  
 18 AND LOSE MY ELIGIBILITY FOR THE NEXT FIVE DIVIDENDS. I UNDERSTAND  
 19 THAT THESE PENALTIES ARE IN ADDITION TO ANY CRIMINAL PENALTIES  
 20 IMPOSED.

21 \_\_\_\_\_  
 22 (SIGNATURE OF INDIVIDUAL,  
 23 PARENT, GUARDIAN, OR OTHER  
 24 AUTHORIZED REPRESENTATIVE))

25 • Sec. 10. AS 43.23.035(b) is amended to read:

26 (b) If the commissioner determines that a permanent fund dividend should not have been  
 27 claimed by or paid to an individual, the commissioner may use all collection procedures or  
 28 remedies available for collection of taxes under this title to recover the payment of a permanent  
 29 fund dividend that was improperly made. A notice of an improperly paid dividend must be sent  
 30 to the individual within

31 (1) three years after the improper payment is sent; or

1                    (2) six years after the improper payment is sent if the commissioner  
2                    determines that the individual exercised gross negligence or recklessly disregarded a  
3                    material fact in connection with a false statement made in an application [10 YEARS  
4                    AFTER THE IMPROPER PAYMENT. IF NOTICE IS NOT SENT WITHIN THE 10-YEAR

5                    PERIOD, PROCEEDINGS MAY NOT BE COMMENCED IN COURT FOR RECOVERY OF

6                    THE IMPROPER PAYMENT].

7        • Sec. 11. AS 43.23.035 is amended by adding a new subsection to read:

8                    (d) If notice is not sent within the time required under (b) of this section, administrative  
9                    or judicial proceedings may not be commenced for recovery of an improperly paid dividend. The  
10                    time limitations of (b) of this section do not apply if a dividend is forfeited under (a) of this  
11                    section or if it is more probable than not that an individual has committed a crime in connection  
12                    with a false statement made in an application.

13        • Sec. 12. AS 43.23.055 is amended to read:

14                    Sec. 43.23.055. DUTIES OF THE DEPARTMENT. The department shall

15                    (1) annually pay permanent fund dividends from the dividend fund;

16                    (2) adopt regulations under the Administrative Procedure Act (AS 44.62) that  
17                    establish procedures and time limits for claiming a permanent fund dividend; the department shall  
18                    set the time limit for applications for permanent fund dividends so that the number of eligible  
19                    applicants is determined by October 1 of the year for which the dividend is declared and  
20                    [PERMANENT FUND] dividends for a year are paid by December 31 of that year [BEFORE  
21                    APRIL 30 OF THE YEAR FOLLOWING THAT YEAR];

22                    (3) adopt regulations under the Administrative Procedure Act (AS 44.62) that  
23                    establish procedures and time limits for an individual upon emancipation or upon reaching  
24                    majority to apply for permanent fund dividends not received during minority because the parent,  
25                    guardian, or other authorized representative did not apply on behalf of the individual;

26                    (4) assist residents of the state, particularly in rural areas, who because of  
27                    language, disability, or inaccessibility to public transportation need assistance to establish  
28                    eligibility and to apply for permanent fund dividends;

29                    (5) annually determine, in cooperation with the Department of Corrections, the  
30                    number and identity of individuals ineligible for a permanent fund dividend under  
31                    AS 43.23.005(d);

1 (6) adopt regulations that are necessary to implement AS 43.23.005(d);

2 (7) adopt regulations that establish procedures for the parent, guardian, or other  
3 authorized representative of a disabled individual to apply for prior year permanent fund  
4 dividends not received by the disabled individual because no application was submitted on behalf  
5 of the individual.

6 • Sec. 13. AS 43.23.095(8) is amended to read:

7 (8) "state resident" means an individual who is physically present in the state with  
8 the intent to remain permanently in the state under the requirements of AS 01.10.055 or, if the  
9 individual is not physically present in the state, intends to return to the state and remain  
10 permanently in the state under the requirements of AS 01.10.055, and is absent only for any  
11 of the following reasons:

12 (A) vocational, professional, or other specific education for which a  
13 comparable program was not reasonably available in the state;

14 (B) secondary or postsecondary education;

15 (C) military service;

16 (D) medical treatment;

17 (E) service in Congress;

18 (F) other reasons which the commissioner may establish by regulation; or

19 (G) service in the Peace Corps;

20 • Sec. 14. AS 43.23.005(b) is repealed.

21 • Sec. 15. Notwithstanding permanent fund dividend application procedures or deadlines, a parent,  
22 guardian, or other authorized representative of a minor who qualified for a dividend for 1992 because  
23 of the amendment to AS 43.23.005(c), made in sec. 5 of this Act, may apply on behalf of the minor for  
24 the dividend by December 31, 1992. Notwithstanding permanent fund dividend application procedures  
25 or deadlines, an individual who qualified for a dividend for 1992 because of the amendment to  
26 AS 43.23.015(a), made in sec. 8 of this Act, may apply for the dividend by September 30, 1992. The  
27 Department of Revenue shall prepare a form for applications under this section.

28 • Sec. 16. Sections 5 and 8 of this Act are retroactive to January 1, 1992.

29 • Sec. 17. Sections 1 - 3, 5, 8, 10, 11, 13, 15, and 16 of this Act take effect immediately under  
30 AS 01.10.070(c).

31 • Sec. 18. Sections 4, 6, 7, 9, 12, and 14 of this Act take effect January 1, 1993.

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. HB 428

Revision Date: \_\_\_\_\_  
 Title: An Act relating to qualifica-  
tions for permanent fund dividends  
 Sponsor: Gruenberg, et al  
 Requestor: House State Affairs

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 93	FY 94	FY 95	FY 96	FY 97	FY 98
<b>OPERATING</b>						
PERSONAL SERVICES	84.4					
TRAVEL						
CONTRACTUAL	53.0					
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	137.4	-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						
FEDERAL FUNDS						
OTHER (DIVIDEND FUND)	137.4					
<b>TOTAL</b>	137.4	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: See attached.

ANALYSIS: See attached.

Prepared By: Thomas C. Williams Phone: 465-2323  
 Division: Permanent Fund Dividend Division Date: January 31, 1992

Approved by Commissioner: David Rosen  
 Agency: Revenue Date: 1/31/92

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

ALASKA DEPARTMENT OF REVENUE  
PERMANENT FUND DIVIDEND DIVISION

HB 428 ANALYSIS

As of January 31, 1992

I. FISCAL IMPACT OF CONVERTING TO A CALENDAR YEAR ELIGIBILITY PERIOD  
(SECTIONS 4, 6, 12 AND 14).

With the current April 1 through June 30 filing period, we employ non-permanent positions from April 1 to August 31. In addition, in July and August the Division routinely mails supplemental forms and letters requesting information from applicants who submitted incomplete applications or who were selected for review.

By moving the 1993 and subsequent year filing periods up three months to January 2 through March 31, the processing costs normally incurred in July and August will now be incurred in April and May. This will necessitate a one-time adjustment to the FY 93 budget for the costs that would have been incurred in July and August of FY 94. There will be no net additional costs or savings in the FY 94 and subsequent year budgets after this one-time budget cycle adjustment.

There will also be additional costs associated with advertising the change in the eligibility and filing periods.

1. Personal Services (Non-permanent costs previously incurred in July and August)

FY 93

Extend the following non-permanent positions as follows:

Day Shift

5 Long-term Non-Permanent Document Processor I's, R.7 @ \$2,238/mo. for 2 months    22.4

6 Short-term Non-Permanent Document Processor I's, R.7 @ \$1,846/mo. for 1 month    11.1

10 Short-term Non-Permanent Data Proc. Clerk I's, R.8 @ \$1,950/mo. for 1 month    19.5

Swing Shift

10 Short-term Non-Permanent Document Processor I's, R.7 @ \$1,916/mo. for 1 month    19.2

14 Short-term Non-Permanent Data Proc. Clerk I's, R.8 @ \$2,024/mo. for 1/2 month    14.2

Total Personal Services

2 84.4

ALASKA DEPARTMENT OF REVENUE  
 PERMANENT FUND DIVIDEND DIVISION  
HB 428 ANALYSIS  
 As of January 31, 1992

2. <u>Contractual Services</u>		<u>FY 93</u>
Postage costs previously incurred in July and August.	25.0	
Advertising of the change in eligibility and filing periods. Notice with 1992 dividend checks, newspaper and radio.	<u>28.0</u>	
<u>Total Contractual Services</u>		<u>53.0</u>
<u>Total FY 93 Cost</u>		<u>\$ 137.4</u>

II. FISCAL IMPACT OF MAKING SECTION 5 RETROACTIVE TO JANUARY 1, 1992 AND ALLOWING AN EXTENDED FILING PERIOD UNDER SECTION 15.

Section 15 will require the Permanent Fund Dividend Division to send notices to all applicants who filed from an out-of-state address notifying them that if a child was born to them during the eligibility period, that the child may be eligible to receive that year's dividend.

<u>Contractual Services</u>	<u>FY 92</u>	<u>FY 93</u>
<u>Printing Costs</u>		
15,000 envelopes and stationary	\$ 0.3	\$ -0-
500 applications	0.2	-0-
<u>Postage Costs</u>		
15,000 notification letters @ \$0.29	2.9	1.4
500 applications @ \$0.29	<u>-0-</u>	<u>0.2</u>
<u>Total Contractual Services</u>	<u>\$ 3.4</u>	<u>\$ 1.6</u>

The division would likely incur most of these costs in FY 92. However, the division expects to be able to absorb these costs as well as any related marginal processing costs within the current FY 92 and FY 93 budgets.

III. FISCAL IMPACT OF MAKING SECTION 8 RETROACTIVE TO JANUARY 1, 1992 AND ALLOWING AN EXTENDED FILING PERIOD UNDER SECTION 15.

Section 15 will also require the Division to print a late filed application and make it available to individuals who ask to file between July 1 and December 31, 1992 because they did not understand they might be eligible even though they were married to a non-resident. Because virtually all such individuals will have had ample opportunity to file a 1992 dividend application by the general June 30, 1992 filing deadline, we do not expect very many applications. Consequently, the Division expects to be able to absorb the printing costs in the Division's current FY 92 budget and the processing costs in the FY 93 budget.

ALASKA DEPARTMENT OF REVENUE  
PERMANENT FUND DIVIDEND DIVISION

DB 428 ANALYSIS

As of January 31, 1992

However, if the Division receives a significant number of such applications after September 1, 1992 there would be a corresponding impact on the processing of applications. Because the dividend will be calculated based on the number of applications received and processed as of October 1, 1992, a large number of applications received after a September 1, 1992 processing cutoff might mean some of the applications could not be paid until July, 1993.

In addition, an extended six month application period for certain individuals may result in a larger number of late filed applications not related to the provisions of Section 8. All costs associated with any such increase would have to be absorbed by the Division. If we receive such applications, we will deny them as late filed. If these individuals appeal their denials, we will have to work those appeals. If there are a significant number of such filings, it would impact both our review and appeals workload.

**DIVISION OF LEGAL SERVICES**

**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

**MEMORANDUM**

January 27, 1992

**SUBJECT:** Permanent Fund Dividends (Work Order No. 7-LS1665/D)

**TO:** Representative Max Gruenberg

**FROM:** Tamara Brandt Cook  
Director *TAC*

Here is the sectional analysis that you requested.

2) Section 1. Statement that the change to the definition of residency used by the permanent fund dividend program only clarifies what the legislature has always intended the definition to be.

Sec. 2. Requires dividends received by the state as abandoned property to be deposited into the dividend fund and expended according to regulations adopted by the Commissioner of Revenue. Current law requires that this property be deposited into the general fund.

Sec. 3. Requires that money held to pay a permanent fund dividend warrant be transferred to the dividend fund when the warrant is too old to cash. Money so transferred may be expended according to regulations of the Commissioner of Revenue. Current law requires these funds to be deposited into the general fund.

3) Sec. 4. Modifies the residency eligibility periods so that a person must have been a state resident for at least one year before January 1 of the dividend year, and must have been physically present in the state at some time during the prior two years before the dividend year. Adds the requirement that the person be a citizen of the United States, a resident alien, a refugee, or an alien that has been granted asylum.

4) Sec. 5. Provides that a minor who is under two years of age on January 1 of the dividend year is eligible for a dividend if the minor is a state resident and at least one of the minor's custodial parents or guardians is eligible for a dividend, or the minor is in the custody of the state.

③ Sec. 6. A person convicted of a felony is not eligible for a dividend if, during the previous year, the individual is incarcerated. Existing law applies to incarceration during the fiscal year ending June 30 of the dividend year.

④ Sec. 7. Technical cross-reference change to reflect the change in Sec. 4 of the draft.

① Sec. 8. Requires the commissioner to consider all relevant circumstances in determining the eligibility of an individual. Prohibits the residency of a person's spouse from being the only factor relied upon in determining the residency of the individual.

Sec. 9. Permits the Department of Revenue to prescribe an application form that includes notice of penalties, a statement of eligibility and a certification of residency. These are required under existing law, but now the form itself is set by statute.

② Sec. 10. Notice of an improperly paid dividend must be sent within three years after the improper payment or, if the individual exercised gross negligence or recklessly disregarded a material fact in connection with an application, notice must be sent within six years. Current law requires notice within 10 years.

⑤ Sec. 11. If notice is not sent in timely fashion, administrative or judicial proceedings may not be commenced for the recovery of an improperly paid dividend. The time limitations do not apply if a dividend is forfeited after conviction of a crime or if it is more probable than not that an individual committed a crime in connection with a false statement made on an application. Under existing law, only judicial, not administrative, proceedings are prohibited if the notice is not given in a timely fashion and the 10 year time limitation applies to all situations except forfeiture of a dividend after a criminal conviction.

Sec. 12. Dividends are to be paid by December 31 of the dividend year. Existing law requires payment before April 30 of the following year.

② Sec. 13. The residency requirements of AS 01.10.055 are incorporated into the definition of "state resident" under the dividend program.

③ Sec. 14. Existing law permits, in a determination of residency, that months in the current year and in the preceding year be considered. This is repealed, since the residency determination will now be based on a calendar year.

Sec. 15. Persons who qualify for a dividend because of the provision dealing with applications for minors or because of the provision dealing with consideration of all evidence in determining residency and forbidding a determination based only on the residency of a spouse may apply for the 1992 dividend by December 31, 1992.

Representative M. Gruenberg  
January 27, 1992  
Page 3

Sec. 16. The two provisions discussed above are retroactive to January 1, 1992, so they apply to the current dividend year.

Secs. 17 and 18. Certain sections take effect immediately, including the retroactive sections. The rest of the draft takes effect at the beginning of the next dividend year.

TBC:mi  
92-013.mai

# News Release

Alaska Legislature  
P.O. Box V  
Juneau, AK  
99811-3100



For Information Contact:  
Terence O'Malley  
Press Secretary  
(907) 561-7621

## House of Representatives Majority Coalition

For Immediate Release

Jan. 29, 1992

### GRUENBERG PFD BILL CLARIFIES ELIGIBILITY AND QUALIFIES BABIES

JUNEAU--Rep. Max Gruenberg, D-Anchorage, today introduced an omnibus permanent fund dividend bill (HB428) that reaffirms the eligibility of resident Alaskans married to non-residents to receive a PFD. It also extends the PFD to children born to, or adopted by, Alaskan parents living Outside who are themselves eligible to receive a dividend.

"This bill guarantees bona fide Alaskans receive the dividend to which they're entitled," Gruenberg said. "The state is required to consider all relevant circumstances and cannot deny a dividend to any resident Alaskan merely because they are married to a non-resident. It's retroactive to cover those people who were denied last year's dividend based on their spouses' residency status."

HB428, in large part, was prompted by the denial of last year's dividend checks to some 800 Alaska residents married to non-resident military personnel. The Permanent Fund Dividend Division determined that Alaska residents married to non-resident military personnel did not intend to remain in Alaska permanently and therefore were not eligible to receive dividends. Approximately 570 of those cases are still under review by the division.

HB428 was crafted in cooperation with the Permanent Fund Dividend Division. It includes provisions to significantly improve the efficiency of the application process. Most notably, it clarifies the residency requirement by making it one calendar year, rather than from April to April as is the case now.

The PFD application period will run from January 1 to March 31, rather than from April to May. This gives the dividend division more time to review applications and ensure that all eligible Alaskans receive their PFDs beginning each October.

-MORE-

"By giving the division more time to process applications, we minimize unfairly denying dividends and make sure everybody's check arrives on time," Gruenberg said.

HB428 is multifaceted. Minors under two years of age on January 1 of the dividend year would be eligible for a dividend if the minor is a state resident, and at least one of the minor's custodial parents or guardians is eligible for a dividend, or the minor is in the custody of the state. Other provisions of HB 428 include:

- requirements that a person must be a citizen of the U.S., a resident alien, a refugee, or an alien that has been granted asylum;
- a requirement that the dividend division must notify within three years any person who was improperly paid a dividend, unless that person perpetrated fraud or gross negligence; and
- a prohibition against giving dividends to persons incarcerated during the previous year on a felony conviction. Existing law applies to incarceration during the fiscal year ending June 30 of the dividend year.

# State of Alaska



House Majority Leader

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HOUSE JUDICIARY

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January 28, 1992

Representative Max F. Gruenberg, Jr.

District II

Spenard, Upper Midtown Anchorage

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(907) 561-7621

Dear Colleague:

Attached is a copy of HB428, "An Act Pertaining to Permanent Fund Dividends," which I plan on introducing tomorrow. Also attached is a sectional analysis. The bill is designed to cure the problem regarding the eligibility of resident Alaskans married to non-residents who have been denied permanent fund dividend checks.

Specifically, HB428 does the following:

1. Requires the commissioner to consider all relevant circumstances in determining the eligibility of an individual. It prohibits the residency of a person's spouse from being the only factor relied upon in determining the residency of the individual. (sec. 8)
2. Clarifies the definition of permanent resident to comport with AS. 01.10.055(a). This means that a person remains a permanent resident until he/she leaves and establishes a permanent residence elsewhere. (secs. 1 & 13)
3. Changes the year of residency to qualify for a dividend from April to April to the preceding calendar year. (secs. 4, 6, 7 & 14)
4. Permits babies born (or adopted) out-of-state to eligible Alaskans to qualify for a dividend. (sec. 5)
5. Requires the division in all cases, except gross negligence or fraud, to send notices within 3 years if the division wants to recover back dividends improperly paid. (secs. 10 & 11)

This bill has the support of the Permanent Fund Dividend Division and solves the problem of military spouses living in Alaska denied 1991 dividends based on their husbands' residency status. Also attached is a copy of the Dividend Division's latest PFD eligibility policy which is being adopted as a regulation.

I would appreciate your co-sponsorship of HB428. If you are interested please tell Terrence O'Malley (4712) or my legislative intern Fred Pascoe at 4968.

Thank you,

A handwritten signature in cursive script that reads "Max".

Max F. Gruenberg, Jr.

# HOUSE COMMITTEE REPORT

(7)

Date Referred: January 29, 1992

FURTHER REFERRALS:

Finance

Date of Committee Action: 2/3/92

The STATE AFFAIRS Committee considered:

HB 428

HOUSE BILL NO. 428

RESIDENCY FOR PERMANENT FUND DIVIDENDS

"An Act relating to permanent fund dividends; and providing for an effective date."

**RECOMMENDATIONS:**

be replaced with CSHB 428 (STA)  the same title

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): (Date)

APPROVES PREVIOUS: (Date)

fiscal impact Revenue

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

zero fiscal note \_\_\_\_\_

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eugene A. Kulima</i>					
<i>Tom Meyer</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				

*Eugene A. Kulima*  
CHAIRMAN'S SIGNATURE



# House State Affairs Committee

## Representative Gene Kubina, Chair

DATE: February 3, 1992

PLACE: Capitol Room 102

**SUBJECT OF MEETING:**

- \*HB 428 - Relating to Residency for Permanent Fund Dividends
- HB 322 - Relating to Whistleblower Protection
- \*SCR 19 - Relating to Age-Related Discrimination in Alaska
- HCR 16 - Relating to Bone Marrow Donor Bank

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Tom Williams	Revenue	PFD Division P.O. Box 11046 Juneau	99811		465-2323	(Y) N	HB 428
Paula Terrel	Sen Kerffula				465-1200	(Y) N	SCR 19 + SJR 24
Milva H. Mullen	Rep. at Nelson	Box 110201 Juneau, AK 99811-0201	99811		465-4600	(Y) N	Forest Note HB 322
Margaret Pugh	Rep. Ulmer	Room 421		49	4147	(Y) N	HB 322
Ron Clarke	Rep. Koponen	CAP 503			4992	(Y) N	HJR 51
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

1.



# House State Affairs Committee

## Representative Gene Kubina, Chair

SUBJECT OF MEETING:

DATE:

PLACE:

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
<i>Geneva Soble</i>	<i>Catville</i>	<i>Box 100, Juneau</i>			<i>4970</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>HB 322</i>
						<input type="checkbox"/>	<input type="checkbox"/>	
						<input type="checkbox"/>	<input type="checkbox"/>	
						<input type="checkbox"/>	<input type="checkbox"/>	
						<input type="checkbox"/>	<input type="checkbox"/>	
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