

HB

108

HOUSE BILL NO. 108

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES TOOHEY, Bunde

Introduced: 1/20/95

Referred: Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to claims on permanent fund dividends for defaulted public
2 assistance overpayments."

*AR exemption
act - bankruptcy
information*

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

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

*Execution of
Judgments*

5 Sec. 43.23.068. CLAIMS ON DEFAULTED PUBLIC ASSISTANCE
6 OVERPAYMENT. (a) AS 09.38 does not apply to permanent fund dividends taken
7 under AS 47.05.080(b). Notwithstanding AS 09.35, execution on a dividend claimed
8 under AS 47.05.080(b) is accomplished by delivering a certified claim to the
9 department containing the following information:

10 (1) the name and social security number of the individual whose
11 dividend is being claimed;

*Added
see
Book*

12 (2) the amount the individual owes on the overpayment claim; and

13 (3) a statement that

14 (A) the Department of Health and Social Services has notified

1 the individual that future permanent fund dividends of the individual will be
2 taken to satisfy the overpayment claim;

3 (B) the individual was notified of the right to request a hearing
4 and allowed 30 days from the date of the notice under (A) of this paragraph to
5 request the Department of Health and Social Services to hold a hearing on the
6 overpayment claim;

7 (C) the overpayment claim has not been contested, or, if
8 contested, that the issue has been resolved in favor of the Department of Health
9 and Social Services; and

10 (D) if the overpayment claim has been contested and resolved
11 in favor of the Department of Health and Social Services, no appeal is pending,
12 the time limit for filing an appeal has expired, or the appeal has been resolved
13 in favor of the Department of Health and Social Services.

14 (b) The Department of Health and Social Services shall notify the individual
15 if a dividend is claimed under (a) of this section. The notice shall be sent to the
16 address provided in the individual's permanent fund dividend application and must
17 provide the following information:

18 (1) the amount of the overpayment claim;

19 (2) notice that the amount of the permanent fund dividend that does not
20 exceed the amount of the overpayment claim shall be paid to the Department of Health
21 and Social Services; and

22 (3) notification that the individual has a right to request a hearing and
23 has 30 days from the date the notice is mailed in which to file with the Department
24 of Health and Social Services an objection to the dividend claim if a mistake has been
25 made.

26 (c) AS 44.62.330 - 44.62.630 apply to a hearing requested by an individual
27 under (b)(3) of this section.

28 * Sec. 2. AS ~~47.05.080~~ is amended by adding a new subsection to read:

29 (b) The permanent fund dividend of a former recipient of a public assistance
30 program listed under (a) of this section may be taken under AS 43.23.065(b)(6) and
31 43.23.068 to satisfy the balance due on a defaulted overpayment claim.

Administrative Procedure Act
Retention of Overpayments
Just added
Exception to
overpayment on levy or PFD



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SPONSOR STATEMENT

House Bill 108

"An Act relating to claims on permanent fund dividends for defaulted public assistance overpayments"

House Bill 108 would give the Department of Health and Social Services the administrative authority to garnish permanent fund dividends of individuals who have received public assistance overpayments and are delinquent in repaying the debt.

Frequently persons receiving overpayments agree to repay the debt, but fail to do so. If a person is still on public assistance, the person's benefit can be reduced as a means of collection, but if a person is off assistance, collection becomes difficult. There is currently over half a million dollars in outstanding debt due the Department.

Collection through the court system can be time-consuming and costly, House Bill 108 would allow the Department to pursue in the same manner that delinquent student loans are pursued.

Your support would be appreciated.

SECTIONAL ANALYSIS OF HB 108

Sec. 1. The Alaska Exemptions Act (AS 09.38) does not apply to permanent fund dividends taken to satisfy the balance due on a defaulted public assistance overpayment claim. The provisions dealing with execution on claims do not apply and a method of executing on a dividend is set out.

Sec. 2. The permanent fund dividend of a former recipient of a public assistance program may be taken to satisfy the balance due on a defaulted overpayment claim.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 108

Revision Date: _____ Dept. Affected: Department of Revenue
 Title: Use PFD's to Recover Welfare Payments BRU: Permanent Fund Dividend Division
 Component: Permanent Fund Dividend Division
 Sponsor: Representatives TOOHEY, Bunda
 Requester: House Judiciary COMPONENT SERIAL NO. 981

Expenditures/Revenues (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 96 | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This legislation would establish a procedure for serving attachments against dividends that is virtually identical to the process currently in place under AS 43.23.067 for the Alaska Commission on Postsecondary Education. Accordingly, the Division does not anticipate any significant additional costs to implement this legislation if enacted.

Prepared by: Thomas C. Williams, Director *Thomas Williams* Phone: 465-2323
 Division: Permanent Fund Dividend Division Date: 1/25/95
 Approved by Commissioner: _____ Date: 1/25/95
 Agency: Department of Revenue

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