

SB

254

Alaska State Legislature

Senate



Official Business

State Capitol
Juneau, AK. 99801-1182

Labor & Commerce Committee

Sponsor Statement -- CS for Senate Bill 254 (FIN)

“An Act relating to the exemption from levy, execution, garnishment, attachment, or other remedy for the collection of debt as applied to a permanent fund dividend.”

Senate Bill 254 amends Title 43, Chapter 23 regarding the use of permanent fund dividends to satisfy debts. Existing law at AS 43.23.065 provides that 45 percent of a person's permanent fund dividend is exempt from garnishment, attachment, or any other remedy to collect on financial obligations when the debtor is in a state of default. Therefore, debtors in Alaska can under most circumstances shield 45 percent of their dividend check from persons or businesses seeking to collect.

There currently are some exceptions to this general rule: the 45 percent exemption does not apply to child support obligations, court ordered fines, claims on defaulted Alaska student loans, or any debt owed to an agency of the state. Under these and a few other narrowly defined circumstances, the state requires that 100 percent of the dividend be made available to meet the debtor's obligation.

The existing PFD garnishment provisions are inequitable and contradictory. The state can seize the entire amount of a dividend to satisfy its claims, but private parties such as small businesses, credit unions, landlords, or car dealers are limited in the amount they can garnish. The message sent, whether intentional or not, is that when contractual obligations are violated, agencies of the state have a greater right than private parties to settle their outstanding claims.

As originally introduced, Senate Bill 254 completely eliminated the dividend exemption, allowing state agencies and private parties alike to collect 100 percent. However, an amendment approved by the Labor & Commerce Committee restored the exemption but lowered it from 45 percent to 30 percent. The Senate Finance Committee further amended the bill by lowering the exemption from 30 to 20 percent. Thus, the amended bill allows private parties to collect 80 percent of a dividend check, while state agencies will continue to collect 100 percent.

SB 254 narrows the gap between what state agencies and businesses are able to collect. When businesses are unable to recover monies lawfully owed them by persons in default, the losses are recovered by passing the costs on to honest, law-abiding consumers. The current 45 percent exemption for dividends is essentially a “hidden tax” on the majority of financially responsible consumers. Defaulters get to keep their dividend checks, while the majority of Alaskans end up providing an involuntary subsidy for their financial irresponsibility.

Prepared by Mike Pauley, Staff Aide to Senator Loren Leman (465-3841)
Last updated: March 12, 1998

Revision Date: February 18, 1998 Dept. Affected: Revenue
 Title: Levy of Permanent Fund Dividends BRU: Revenue Operations
 Component: Permanent Fund Dividend
 Sponsor: S(L&C)
 Requestor: (S) FIN COMPONENT SERIAL NO. 981

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1001 CBRF						
1048 University of AK receipts						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill reduces the exemption allowed on an individual's Permanent Fund Dividend (PFD) that was protected from levy, execution, garnishment, attachment, or any other remedy for the collection of debt, from 45% to 30%. Cumbersome wording regarding the timing of payment is also eliminated.

This amended version of the bill will have no fiscal effects on the Permanent Fund Dividend program.

Prepared by: Nanci A. Jones, Director
 Division: Permanent Fund Dividend
 Approved by Commissioner: Wilson L. Condon
 Agency: Revenue

Phone: (907) 465-2323
 Date: February 18, 1998
 Date: February 18, 1998

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
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Supporters of Senate Bill 254

(Legislation reducing PFD garnishment exemption from 45% to 20%)

- Affordable Loan Company
- Alaska Bankers Association
- Alaska Credit Union League
- Alaska State Chamber of Commerce
- Cal Worthington Ford
- Doctors' Collection Service
- Johnson Nissan/Jeep/Eagle (Anchorage)
- Ketchikan Credit Bureau, Inc.
- National Bank of Alaska
- Northland Credit
- Superior Financial Service Corporation



Headquarters:
217 2nd Street, Suite 201
Juneau, Alaska 99801
(907) 586-2323 FAX 463-5515



MAR 18 1998

March 18, 1998

Senator Loren Leman
Alaska State Capitol
Juneau, Alaska 99801

Dear Senator Leman:

The Alaska State Chamber of Commerce urges your support of CS for Senate Bill 254 (Finance), reducing the percentage of the Permanent Fund Dividend that is exempt from levy by creditors from 45% to 20%, which is on the Senate Calendar today.

Under current law, the State can take 100% of an individual's Permanent Fund Dividend for debts owed the State, such as student loans, child support, and so forth. However, creditors in the private sector have little more than half of the Dividend available to them to satisfy their credit claims. This legislation would increase to 80% the amount private sector business could levy for debt collection.

Uncollectible debts hamper business growth, and the Alaska State Chamber believes CS for SB 254 (Finance) is a measure to improve Alaska's business environment. We would appreciate your support.

Sincerely,

A handwritten signature in cursive script that reads "Pamela La Bolle".

Pamela La Bolle
President

*It's a good bill -
Thank you, Senator!*

March 10, 1998

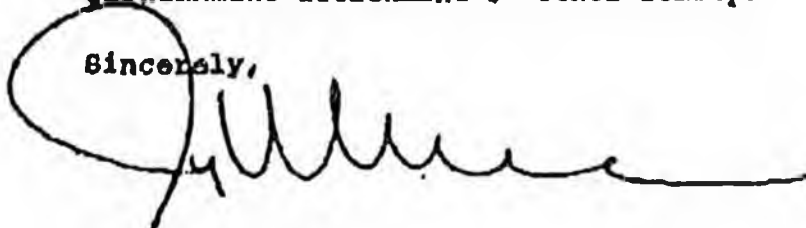
Senator Drue Pearce, Co-Chairman
Senator Bert Sharp, Co-Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol, Mail Stop 3100
Juneau, Alaska 99801-1182

RE: SB 254 - Garnishment, Attachment and Levy of
Permanent Fund Dividends

Dear Co-Chairmen Pearce and Sharp

The Alaska Bankers Association supports and recommends passage of SB-254, an act increasing up to 100% the amount of an annual permanent fund dividend payable that may be taken through levy, execution, garnishment attachment or other remedy.

Sincerely,



Jerry K. Weaver
Secretary/Treasurer

cc: Senators Donley, Parnell, Phillips, Torgerson, Adams

National Bank of Alaska



Consumer Special Credit Services
P.O. Box 102880
Anchorage, AK 99510-2880

January 28, 1998

Senator Loren Leman's Office
716 West 4th Avenue, Suite 520
Anchorage, Alaska 99501

RE: Alaska Permanent Fund Dividend

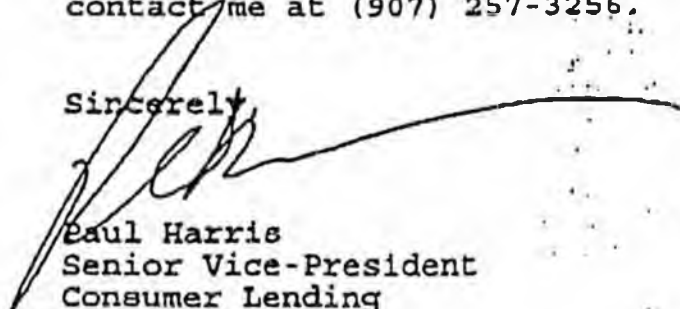
As a representative for National Bank of Alaska, I can't express enough the importance of receiving as much money as we can for unpaid loans that we have obtained a judgement on. At the present time we are only receiving 45% (garnishment) of Alaska's permanent fund dividend, for the most part, this only allows us to pay the interest due on most of our loans instead of reducing the principal balance.

If we were able to garnish 100% of the permanent fund dividend, we would be able to reduce the balance on these loans substantially and possibly pay most of them off. With individuals that are receiving the permanent fund dividend, we would not be taking anything away from them since this is "free money" that the state of Alaska is giving us. Nobody is above the law and our local business's should be treated the same as private citizens and benefit from this wonderful advantage of living or operating a business in the state of Alaska.

I feel that if you have a judgement against you, you should not have the right to a portion of the money distributed by the state of Alaska permanent fund dividend. I understand that child support and state agencies can garnish up to 100% of the permanent fund dividend and we should be given that same opportunity.

We at National Bank of Alaska fully support this bill that you are trying to pass and any assistance that we can provide, please contact me at (907) 257-3256.

Sincerely,



Paul Harris
Senior Vice-President
Consumer Lending



**NORTHLAND
CREDIT**

JAN 29 1998

January 28, 1998

Senator Loren Leman
716 West 4th Avenue Ste 520
Anchorage, Alaska 99501

Dear Senator Leman,

Northland Credit Corporation proudly supports Senate Bill 254, which would allow other entities other than those prescribed Title 43, Chapter 23 to use the permanent fund to satisfy debts on a much larger scale.

If businesses and private citizens were allowed to garnish 100% of the permanent fund, it would certainly send a message to those who choose not to pay their debts. We understand that state and federal agencies should be entitled to enforce the collection of child support payments or other obligations owed, but to allow those who may not fall under that criteria not to be subject to the same penalties is biased.

As a Branch Manager for the largest wholly-owned Alaskan consumer finance company, I feel it is imperative that some adjustment be made to this statute.

Sincerely,



Troy R. Ferguson
Branch Manager
Northland Credit Corporation

John E. Low
Post Office Box 90608
Anchorage, Alaska 99509-0608

January 28, 1998

The Honorable Loren Leman
Chairman, Senate Labor & Commerce Committee
State Capitol, Room 115
Juneau, Alaska 99801

Dear Senator Leman:

I am writing to express my support for Senate Bill 254. I strongly urge you and your colleagues to vote in favor of this legislation.

My reasons for supporting this bill go back to an unpleasant experience that began in 1995. I own a four-plex apartment in Anchorage with my mother. We had one tenant living there with her dog and cat when we purchased the property in 1993.

In September of 1995 I noticed several cats in the apartment and I had received complaints of smells coming from her unit. When I asked her about the cats, she stated she owned six of them. This prompted me to give her notice of my intent to terminate our rental agreement. All of this caught me by surprise. I had only entered the apartment on two occasions, and it seemed to have been well-maintained. I should have been suspicious as she generally wouldn't answer the door and all the curtains would be closed to keep her privacy. She also put wallpaper over her back sliding door, apparently to hide the mess. She was turning the apartment into a cat sanctuary.

When I reclaimed the unit on November 1, 1995, I found eight abandoned cats. The apartment was filled with pet waste. The kitchen window had been left open for the cats to come and go as they pleased. Other damage included shredded walls from cat claws, and urine-soaked carpets along with underlying wood floors. All carpets, vinyl, even the refrigerator and oven had to be replaced because of the cat waste.

The clean-up process was time consuming and discouraging. I tried to hire house cleaners, but when one potential cleaner entered the unit her eyes began to water from the urine smell. She ended up running out, saying she could not participate. Consequently I did most of the work myself with limited help from two others and a carpenter. I worked every day of November and most every day of December to prepare for a new tenant. I used three ozone machines to eliminate the smell, talked to every possible expert and analyzed every option. I could not resolve the problem -- the smell still returns each summer. It was the most frustrating job I ever undertook, and my time for repairs totaled more than two hundred hours.

The Honorable Loren Leman
Senate Labor & Commerce Committee
January 28, 1998
Page 2

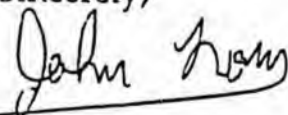
I tried to contact the former tenant responsible for the damage. She hung up on me, and I have never seen her again. Since she would not talk, I wrote a letter specifying the damage she caused. This was also ignored. Given that her security deposit had been only \$450, I began the long process of suing her. I filed a complaint and had her served. Once again, she did not respond. I estimated the damage at more than \$8,000. I asked for a judgment of \$5,000, which was the small claims limit at the time. The former tenant finally communicated via telephone at a default judgment hearing, and she admitted to the liability of \$5,000.

Then I proceeded to collect by hiring an investigator. I paid a process server the \$75 fee to seize any bank account in Anchorage held by the former tenant. She had no bank account. I then discovered I could not garnish her wages because of the generous exemptions that state law allows for debtors who have judgments against them.

It seemed my only hope was to seize her Permanent Fund dividend check, which I have done twice so far. It's a small help, but gains very little because of the exemptions that also apply to this area. Assuming that the amount of the annual dividend check remains reasonably stable, and assuming the debtor does not leave the state, it will take more than 13 years for me to collect this debt. If the Legislature eliminates the exemption on dividend checks, I could collect the debt in approximately 6 and 1/2 years.

This apartment is the only rental property my mother and I own. Because of what one irresponsible person did, we could not draw any income from it for eleven months. I trusted her not to ruin my property and she violated that trust. I urge the Legislature to change this law so that I can be justly compensated for my loss.

Sincerely,

A handwritten signature in cursive script that reads "John Low". The signature is written in dark ink and is positioned above a horizontal line.

John Low

Superior Financial Service Corporation

226 E 7th Avenue

Anchorage Alaska 99501

(907) 276-0444 • Fax (907) 254-9051

January 29, 1998

FEB 02 1998

Senator Loren Lemam
State Capitol Room #115
Juneau, AK 99801

RE: Senate Bill #254

Dear Senator Lemam:

I would like to extend my appreciation, on behalf of Superior Financial Service, Corp., for your efforts regarding SB 254.

SB 254 will give us, and other creditors, an equitable way to collect a debt that is legally due.

Superior Financial Service, Corp. strongly supports SB 254 and would like to show our support. If we can assist in any way please let us know.

Once again, thank you Senator Lemam.

Sincerely,



Linda Mendenhall
Account Representative
Superior Financial Service, Corp.
(907) 276-0444

AFFORDABLE LOAN COMPANY

JAN 28 1998

Senator Loren Leman
State Capital Room 115
Juneau, Ak. 99801

Ref: Senate Bill number 254

Dear Senator Leman:

I would personally like to thank your office for the efforts you have put forth with this bill. This will give us, and any other creditor, the right to be equal in our efforts to collect a debit that is legally due and payable.

We strongly support this bill and will be trying to gather other support for this bill. Please let us know if there is any way we can be of assistance.

Again, thank you for your efforts, and mostly for your concern of fairness for everyone. The creditors in the State of Alaska will benefit from this bill greatly.

Sincerely,

Jackie Brock

Jackie Brock
manager

JOHNSON

EXPECT THE BEST

NISSAN

Jeep
Eagle

JAN 28 1998

January 28, 1998

Senator Loren Loman
State Capitol Room #115
Juneau, AK 99801

RE: Senate Bill #254

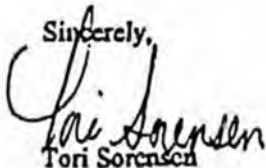
Dear Senator Loman:

I would like to extend my sincere appreciation to your office, for the effort you have put forward in regards to Senate Bill #254. This will help give us, and our fellow creditor's, the right to be equal in our efforts to collect a debt that is legally owed.

Johnson Nissan / Jeep / Eagle strongly supports Senate Bill #254. We are attempting, at this time, to rally as much support as we can for this bill. If there is any way we can be of assistance to you or your office, please call me at the number below.

Thank you for your efforts, and most of all your concern for everyone involved. We at Johnson Nissan / Jeep / Eagle promote fairness to everyone involved, including the debtor. All the creditor's in the State of Alaska will benefit greatly if it's passed. Again, if there's anything we can do, please let me know.

Sincerely,



Tori Sorensen
Johnson Nissan / Jeep / Eagle
Collections Manager
(907) 762-5253

cc: Kim
Juckie



Cal Worthington Ford

28 January 1998

Ref: Garnishment of PFD Checks

Dear Senator Lemau,

I strongly support Senate Bill 254. Since the Alaska PFD is basically a gift, not earned money, I feel that a person or private business should be able to garnish 100% of the PFD. I believe a private party who has a judgment to collect a bad debt should have just as much right to the whole PFD as the State of Alaska or the Federal Government. In most cases the PFD is the only means of garnishment and with only 55% of the PFD a lot of debts stay at the same amount due to the accrued interest between payments. Being able to seize 100% would actually reduce some of the principal amounts of the bad debts and therefore also reduce the accrued interest.

Again, I very strongly support Senate Bill 254.

Sincerely,



Ulrike M. Ward

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

(5) use a list of individuals ineligible for a dividend under AS 43.23.005(d) provided annually by the Department of Corrections and the Department of Public Safety to determine the number and identity of those individuals;

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

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

(8) adopt regulations that establish procedures for an individual to apply to have a dividend warrant reissued if it is returned to the department as undeliverable or it is not paid within two years of the date of its issuance; however, the department may not establish a time limit within which an application to have a warrant reissued must be filed. (§ 1 ch 102 SLA 1982; am § 2 ch 55 SLA 1983; am § 3 ch 43 SLA 1984; am § 3 ch 54 SLA 1988; am § 5 ch 68 SLA 1990; am § 14 ch 4 SLA 1992; am § 1 ch 64 SLA 1993; am § 5 ch 46 SLA 1996)

Revisor's notes. — Section 11, ch. 99, SLA 1985, amends this section. The amendment is effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendment becomes law, the section will read: "The department shall

"(1) annually make payments to individuals who elect to receive cash under AS 43.23.005(d);

"(2) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for claiming a permanent fund dividend or for electing an annuity credit; the department shall set the time limit for applications for permanent fund dividends so that the number of eligible applicants is determined by October 1 of the year for which the dividend is declared and permanent fund dividends for a year are paid before April 30 of the year following that year;

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

"(4) assist residents of the state, particularly in

rural areas, who because of language, disability, or inaccessibility to public transportation need assistance to establish eligibility and to apply for permanent fund dividends; and

"(5) provide the commissioner of administration with information necessary to maintain individual annuity account records and administer the annuity program."

Under § 5, ch. 64, SLA 1993, the optional longevity bonus program of former paragraph (9) was repealed effective July 1, 1995 because, as of June 30, 1995, fewer than 5,000 individuals had elected to participate in the program.

Effect of amendments. — The 1988 amendment deleted "and" at the end of paragraph (3), and added paragraphs (5) and (6).

The 1990 amendment, effective January 1, 1991, added paragraph (7).

The 1992 amendment, effective January 1, 1993, rewrote paragraph (2) and added paragraph (8).

The 1993 amendment, effective September 20, 1993, added former paragraph (9).

The 1996 amendment, effective August 27, 1996, rewrote paragraph (5) and made a minor stylistic change.

NOTES TO DECISIONS

Applied in *Handley v. State*, Dep't of Revenue, 838 P.2d 1231 (Alaska 1992); *State, Dep't of Revenue v. Cosio*, 858 P.2d 621 (Alaska 1993).

Sec. 43.23.060. Duties of the department. [Repealed, § 22 ch 102 SLA 1982.]

Sec. 43.23.065. Exemption of and levy on permanent fund dividends.
 (a) Except as provided in (b) of this section, 45 percent of the annual permanent fund dividend payable to an individual is exempt from levy, execution, garnishment, attachment, or any other remedy for the collection of debt. This exemption applies to an eligible individual's permanent fund dividend both before and after payment is made to the individual. No other exemption applies to a dividend. Notwithstanding other laws, a writ of execution upon a dividend that has not been delivered to the debtor may be served on

the commissioner by certified mail, return receipt requested. Upon receipt of a writ by certified mail, return receipt requested, the commissioner shall deliver that portion of the dividend executed upon to the court along with the case name and number.

(b) An exemption is not available under this section for permanent fund dividends taken to satisfy

(1) child support obligations required by court order or decision of the child support enforcement agency under AS 25.27.140 — 25.27.220;

(2) court ordered restitution under AS 12.55.045 — 12.55.051, 12.55.100, or AS 47.12.120(b)(4);

(3) claims on defaulted scholarship loans under AS 43.23.067;

(4) court ordered fines;

(5) writs of execution under AS 09.35 of a judgment that is entered

(A) against a minor in a civil action to recover damages and court costs;

(B) under AS 34.50.020 against the parent, parents, or legal guardian of an unemancipated minor;

(6) a debt owed by an eligible individual to an agency of the state, unless the debt is contested and an appeal is pending, or the time limit for filing an appeal has not expired;

(7) a debt owed to a person for a program for the rehabilitation of perpetrators of domestic violence required under AS 12.55.101, AS 18.66.100(c)(15), AS 25.20.061(3), or AS 33.16.150(f)(2).

(c) Claims listed in (b) of this section have priority in the order listed over other claims on a permanent fund dividend whether payments are sought through legal actions for the collection of debts or through assignments from the debtor.

(d) An assignment of or levy, execution, garnishment, attachment, or other remedy for the collection of debt applied to a dividend for a year may not be accepted by the department before April 1 of that same year. AS 09.38.080(c) and 09.38.085 do not apply to a levy on a permanent fund dividend. The department shall include the case number with a dividend or portion of a dividend transmitted to the court in response to a writ of execution or other court order. At the time payment is made to the court, the department shall send to the individual at the address provided in the individual's dividend application and to the court that issued the writ or order a notice that contains

(1) notification that all or part of the individual's dividend has been seized under a writ of execution or court order;

(2) the name and address of the court that issued the writ or order;

(3) the case number for which the writ or order was issued;

(4) the amount seized under the writ or order; and

(5) notification that the individual has 30 days from the date the notice is mailed in which to file with the court an objection to the seizure if a mistake has been made. (§ 1 ch 102 SLA 1982; am § 1 ch 157 SLA 1984; am § 1 ch 57 SLA 1985; am § 67 ch 138 SLA 1986; am § 3 ch 26 SLA 1989; am § 3 ch 198 SLA 1990; am §§ 3, 4 ch 52 SLA 1992; am § 5 ch 113 SLA 1994; am § 3 ch 34 SLA 1995; am § 9 ch 59 SLA 1996; am § 63 ch 64 SLA 1996)

Revisor's notes. — Sections 12 and 13, ch. 99, SLA 1985, amend this section and add new (b) and (c). The amendments are effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendments become law, the section will read: "(a) Fifty percent of a cash permanent fund dividend payment is exempt from levy, execution, garnishment, attachment, or any other remedy for the collection of debt. This exemption applies to an eligible individual's permanent fund dividend both before and after payment is made to the individual. An exemption is not available under this section for cash permanent fund dividend payments taken to satisfy (1) child support obligations required by court order or decision of the

child support enforcement agency under AS 47.23.140 — 47.23.220; (2) a debt owed by an eligible individual to an agency of the state, unless the debt is contested and an appeal is pending, or the time limit for filing an appeal has not expired; or (3) court ordered restitution under AS 12.55.045 — 12.55.051 or 12.55.100. A child support obligation under (1) of this section has priority over a debt owed to an agency of the state, and a permanent fund dividend may not be taken to satisfy a debt under (2) of this section until any portion of the dividend necessary to satisfy a child support obligation has been taken.

"(b) The department shall require an individual to take 100 percent of the permanent fund dividend in

cash if the department receives a levy, execution, garnishment, attachment or other legal remedy for the collection of a past due debt described in (a)(1) or (2) of this section.

"(c) The courts of this state may, as a condition of any civil judgment or restitution order under AS 12.55.045 — 12.55.051 or 12.55.100, require the defendant to take the defendant's permanent fund dividend in cash."

Cross references. — For property exempt from execution generally, see AS 09.38.

Effect of amendments. — The 1985 amendment rewrote this section.

The 1989 amendment repealed former paragraph (b)(3), relating to the court ordered probation fee, and redesignated former paragraph (b)(4) as present (b)(3).

The 1990 amendment, effective January 1, 1991, in subsection (a), substituted "45 percent" for "50 percent" in the first sentence.

The 1992 amendment, effective June 11, 1992 added the last three sentences in subsection (a); in subsection (b), added paragraphs (3) and (4), redesignated former paragraph (3) as paragraph (5) (now (6)), and made stylistic changes; added "whether payments are sought through legal actions for the collection of

debts or through assignments from the debtor" to subsection (c); and added subsection (d).

The 1994 amendment, effective September 1, 1994, in subsection (b), added a reference to AS 47.10.080(b)(4) at the end of paragraph (2) and made related stylistic changes, added present paragraph (5), and redesignated former paragraph (5) as paragraph (6).

The 1995 amendment, effective August 17, 1995, rewrote paragraph (b)(5).

The first 1996 amendment, effective September 10, 1996, made a section reference substitution in paragraph (b)(2).

The second 1996 amendment, effective July 1, 1996, added paragraph (b)(7) and made a related stylistic change.

Editor's notes. — Section 5, ch. 26, SLA 1989 provides that the amendments to (b) of this section by § 3, ch. 26, SLA 1989 "do not affect the collection of probation fee payments ordered by a court under AS 12.55.105, repealed by § 4 of this Act, after June 30, 1986, and before May 12, 1989."

Section 16(1), ch. 113, SLA 1994 provides that the amendments to (b) of this section by § 5, ch. 113, SLA 1994 apply "to civil actions accruing on or after September 1, 1994."

NOTES TO DECISIONS

Cited in *Lauber v. Alaska (In re Browne)*, 101 United States, 177 Bankr. 667 (Bankr. D. Alaska Bankr. 188 (Bankr. D. Alaska 1989); *Camacho v.* 1994).

Sec. 43.23.066. Claims on reimbursement for court-ordered treatment. (a) AS 09.38 does not apply to permanent fund dividends taken under AS 47.12.155(c). Notwithstanding AS 09.35, execution on a dividend claimed under AS 47.12.155(c) is accomplished by delivering a certified claim to the department containing the following information:

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

(2) the amount the individual owes on the reimbursement claim; and

(3) a statement that

(A) the Department of Health and Social Services has notified the individual that future permanent fund dividends of the individual will be taken to satisfy the reimbursement claim;

(B) the individual was notified of the right to request a hearing and allowed 30 days after the date of the notice described in (A) of this paragraph to request the Department of Health and Social Services to hold a hearing on the reimbursement claim;

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

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

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

(1) the amount of the reimbursement claim;

(2) notice that the permanent fund dividend, or that portion of the permanent fund dividend that does not exceed the amount of the reimbursement claim, shall be paid to the Department of Health and Social Services; and

ALASKA DEPARTMENT OF REVENUE
 PERMANENT FUND DIVIDEND DIVISION
SUMMARY OF INVOLUNTARY ATTACHMENTS FOR DIVIDEND YEARS 1997 AND 1996
 As of January 29, 1998

Agencies	1997			
	Total Claims Requested	Total Claims Paid	Amount of Claims Paid	Unpaid Claims
Bankruptcy	201	178	226,358	23
CSED	12,051	10,890	11,325,803	1,161
PSED	10,916	9061	10,763,807	1,855
State Agencies	11,769	5,259	1,850,095	6,510
IRS*	20,206	1	713	*20205
Court Ordered Restitution	65	53	62,098	12
Court Ordered Fines	15,798	7,905	2,062,671	7,893
Other Writs & Certified Services	18,717	9,733	5,321,983	8,984

Totals: 89,723 43,080 31,613,528 26,438

Agencies	1996			
	Total Claims Requested	Total Claims Paid	Amount of Claims Paid	Unpaid Claims
Bankruptcy	136	114	126,965	22
CSED	11,751	10,804	9,948,642	947
PSED	8,952	7,443	7,836,429	1,509
State Agencies	10,257	5,033	1,643,122	5,224
IRS*	21,418	16,452	13,874,801	4,966
Court Ordered Restitution	46	32	31,521	14
Court Ordered Fines	12,281	5,348	1,270,722	6,933
Other Writs & Certified Services	15,543	7,210	3,558,836	8,333

Totals: 80,381 52,436 38,291,039 27,948

*In 1997, the IRS was experiencing difficulties with its computer system and, as a result, withdrew its attachments.

ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION
SUMMARY OF VOLUNTARY AND INVOLUNTARY ATTACHMENTS FOR 1982 - 1997
As of January 29, 1998

<u>YEAR</u>	<u>AMOUNT</u>
1982	27
1983	88
1984	50
1985	185
1986	17,422
1987	35,286
1988	41,990
1989	31,204
1990	38,056
1991	42,961
1992	52,499
1993	59,888
1994	69,863
1995	84,554
1996	85,059
1997	<u>94,386</u>
Total:	<u>656,518</u>