

SB

254

SFIN

FILE

Amend #1 Sen Doney in b
obj'd Sen Sharp
4-2
reobj'd (Adams, Phillips)

CS FOR SENATE BILL NO. 254(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 2/17/98

Referred: Rules

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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

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

5 * Section 1. AS 43.23.065(a) is amended to read:

6 (a) Except as provided in (b) of this section, ²⁰~~30~~ [45] percent of the annual
7 permanent fund dividend payable to an individual is exempt from levy, execution,
8 garnishment, attachment, or any other remedy for the collection of debt. [THIS
9 EXEMPTION APPLIES TO AN ELIGIBLE INDIVIDUAL'S PERMANENT FUND
10 DIVIDEND BOTH BEFORE AND AFTER PAYMENT IS MADE TO THE
11 INDIVIDUAL.] No other exemption applies to a dividend. Notwithstanding other
12 laws, a writ of execution upon a dividend that has not been delivered to the debtor
13 may be served on the commissioner by certified mail, return receipt requested. Upon
14 receipt of a writ by certified mail, return receipt requested, the commissioner shall

- 1 deliver that portion of the dividend executed upon to the court along with the case
- 2 name and number.

Revision Date: March 11, 1998 Dept. Affected: Revenue
 Title: Levy of Permanent Fund Dividends BRU: Revenue Operations
 Component: Permanent Fund Dividend
 Sponsor: (S) RLS
 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
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CHANGE IN REVENUES ()						
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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 20%. 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: March 11, 1998
 Date: March 11, 1998

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Revision Date: February 16, 1998 3/11/98 Dept. Affected: Revenue
 Title: Levy of Permanent Fund Dividends DRU: Revenue Operations
 Component: Permanent Fund Dividend
 Sponsor: (S) L&C
 Requestor: (S) JUD 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						
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CHANGE IN REVENUES () 1005	3,434.0	3,434.0	3,434.0	3,434.0	3,434.0	3,434.0
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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)

See Attached

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

Phone: (907) 465-2323
 Date: February 16, 1998
 Date: February 16, 1998

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Alaska Department of Revenue
Permanent Fund Dividend Division

Fiscal Analysis of CS SB 254(L&C)

This amended 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.

Section two of the bill removes the authority for PFD to charge an administrative fee for claims on PFD's (leaving the authorization to charge a fee for voluntary assignments). Currently this fee is \$2 per claim and generates approximately \$150.0 per year in program receipts to cover charges incurred for processing over 83,000 claims and assignments. Only about 3,000 of these are voluntary assignments.

Section three is a new section added to impose a 5% administrative fee to be collected and deposited in the general fund to cover the administrative costs incurred by the department, the court system, and other state agencies for processing a claim on a PFD. We estimate the revenue to be generated for each year based on the following.

Involuntary Claims on PFD's

52,830 applicants (number of applicants w/one or more requests)
\$1300 x 5% fee = \$65 (5% fee on 1997 dividend amount)

52,530 @ \$65 = \$3,433,950 (total revenue generated)

Total to GF Program Receipts 1005 \$ 3,434.0

SENATE FINANCE COMMITTEE REPORT

DATE: 2/17/98

FURTHER: 3/11/98

DATE TURNED INTO OFFICE: 3/11/98

Finance Committee considered SENATE BILL NO. 254

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

and recommends:

- be replaced with CS SB 254 (FIN)
- adopt previous CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>			
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Revenue	3/16/98	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill