

SB

58

SFIN

FILE

SB 58

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

Fax No
Amendment Number: # 1

Bill Number: SB 58

Sponsor: Wilkin Date: 5/15/03 23-LS0378V.1

Logged In By: Mindy

Cook
5/12/03

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB 58(JUD)

BY SENATOR COWDERY

Wilkin

- 1 Page 1, line 3, following "insurance":
- 2 Insert "or a certificate of self-insurance"
- 3
- 4 Page 2, line 2, following "insurance":
- 5 Insert "or a certificate of self-insurance"
- 6
- 7 Page 2, line 6, following "insurance":
- 8 Insert "or a certificate of self-insurance"
- 9
- 10 Page 2, line 29, following "insurance":
- 11 Insert "or a certificate of self-insurance"
- 12
- 13 Page 3, line 8, following "insurance":
- 14 Insert "or a certificate of self-insurance"
- 15
- 16 Page 3, line 27, following "insurance":
- 17 Insert "or a certificate of self-insurance"

ALASKA STATE LEGISLATURE
SENATE DISTRICT C

Interim:

716 West 4th Ave.
Anchorage, AK 99501
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Juneau, AK 99801
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John J. Cowdery

Senate Rules, Chair

Senate Transportation Committee, Chair

World Trade State & Federal Relations, Chair

State Affairs, Legislative Council

SPONSOR STATEMENT SB58

“An act relating to permanent fund dividend program notice requirements and to the ineligibility ... of certain persons sentenced for crimes involving mandatory motor vehicle liability insurance.”

Each year hundreds of Alaskans fall victim to uninsured drivers.

State law is clear: drivers must maintain a minimum amount of liability insurance in order to operate a motor vehicle. The purpose of SB58 is to add a conviction for driving without proper insurance to the list of conditions that make a person ineligible for a permanent fund dividend.

A first offense brings a one-year suspension of the PFD.

A second offense brings a five-year suspension of the PFD.

This means the dividend cannot be used to offset fines or debts. Instead, the offender is simply ineligible for the dividend, which leaves the dividend amount in the overall pot to be equally distributed among eligible Alaskans.

Because a permanent fund dividend is not a right, but a privilege, these penalties fall above and beyond all other penalties currently provided for by law.

FRANK MURKOWSKI, GOVERNOR

DEPARTMENT OF LAW
ADMINISTRATIVE SERVICES DIVISION

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April 18, 2003

The Honorable Gary Wilken, Co-Chair
The Honorable Lyda Green, Co-Chair
Senate Finance Committee
Capitol Building, Room 506
Juneau, Alaska 99801

Dear Senators Wilken and Green.

During recent deliberation on Senate Bills 58 and 59 regarding ineligibility for permanent fund dividends in certain circumstances, Senator Stevens asked for additional information regarding the Department of Law's Collections Unit.

The Collections Unit is part of the Department's Civil Division Collections and Support budget component. The unit is responsible for handling about 100,000 currently active civil and criminal collection matters for the State and for collecting restitution on behalf of victims of crimes and delinquent acts. Criminal judgments include criminal fines, cost of incarceration, cost of appointed counsel, forfeited bonds, minor offense fines, and costs related to those fines. Civil judgments include cost and attorney fees awarded to the state in civil litigation, and APOC and OSHA penalties. The unit has existed to perform the State's collection matters since 1988. Victim restitution was added with the passage of new legislation that became effective in January, 2002.

The unit is located in Anchorage, supervised by an attorney, but staffed by paralegals and administrative clerks. Some of the unit's funding also pays for staff in the Administrative Services Division in Juneau, where related accounting functions are performed.

In FY 2003, the Collections and Support budget component includes \$290,800 in general fund program receipts from the criminal fines shown in the table below. Those funds pay for collections not related to victim restitution. Annually, Law transfers some of the money collected under cost of counsel to the Department of Administration for the Office of Public Advocacy (OPA) and the Public Defender (PD). That transfer totals \$291,300 so far in FY 2003. The transfers to OPA and the PD are in accordance with the amount of general fund program receipts shown in the operating budgets for those programs. All monies collected under Cost of Incarceration are transferred to the Department of Corrections and help to fund Community Residential Centers operated by that agency. In recent years, the legislature has begun to use

some of the balance of money collected under cost of appointed counsel to make supplemental operating appropriations to OPA and the PD. Typically, about two-thirds of the amount collected is not appropriated by the legislature and becomes part of the available general fund balance.

In a given year, approximately 85% of total collections are garnishments from the permanent fund dividend. The dollar amount collected by the Collections Unit in any given year is subject to change based on such factors as the number of judgments transferred by the Court System; the number and dollar value of voluntary payments; the amount of the permanent fund dividend; the number of defendants applying for the dividend; the number of defendants who are eligible for the dividend; other money owed with higher statutory authority¹ for dividend seizure (child support, IRS taxes, etc.)²; and the amount of dividends refunded due to errors, vacated judgments, and court-approved community work service. Any time the legislature contemplates changes to permanent fund dividend eligibility or changes in the order of statutory authority for dividend seizure, the amount collected by the Department of Law and available to satisfy the operating appropriations from collections, and ultimately the amount that becomes available in the balance of the general fund for appropriation for other purposes, will be affected.

The table below lists the revenue generated by the Collections Unit, in thousands, for each of the past six fiscal years:

	FY98	FY99	FY00	FY01	FY02	FY03 ³
Criminal fines ⁴	\$999.1	\$1,330.0	\$1,099.5	\$1,963.6	\$1,583.8	\$1,147.5
Cost of counsel	\$751.8	\$847.4	\$888.9	\$936.0	\$883.3	\$765.6
Cost of incarceration	\$624.3	\$741.6	\$748.4	\$853.8	\$762.3	\$658.0
Civil judgments ⁵	\$18.4	\$49.2	\$32.8	\$27.1	\$86.0	\$67.3
Unposted collections ⁶	\$76.3	\$101.4	\$0.0	\$0.0	\$0.0	\$0.0
Restitution ⁷					\$104.7	\$562.2
Total	\$2,469.9	\$3,069.6	\$2,769.6	\$3,993.6	\$3,574.9	\$3,353.1

¹ AS 43.23.065 establishes the priority of dividend attachments: (1) child support; (2) court ordered restitution; (3) defaulted student loans; (4) court ordered fines; (5) civil judgments against a minor or the minor's parents or legal guardian; (6) other civil debts owed the state; (7) debts owed for a domestic violence rehabilitation program.

² The effect of other agencies' seizures on the collection rate partially accounts for the large increase in collections in FY99. The IRS did not attach dividends in 1998. Of course, part of the increase is also due to the growth of the permanent fund dividend itself.

³ Fiscal year to date, July 1, 2002, through March 31, 2003.

⁴ Includes collection of court fines, traffic & minor offense fines, and forfeited bonds.

⁵ Includes collection of OSHA and APOC penalties.

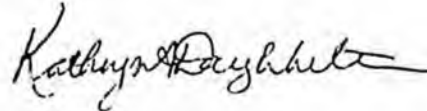
⁶ Payments received during a fiscal year, which cannot be posted to an individual's case before the year changes. For example, if a voluntary payment is made before a judgment is received from the court, the payment cannot be posted to a case. Most are reconciled during subsequent years, but recorded as miscellaneous in the year payment was made to avoid duplicate income reporting. Most of the unposted collections shown for FY 97, FY 98, and FY 99 have since been posted to specific judgment types or have been refunded if collected in error.

⁷ Restitution collection began in Fiscal Year 2002, as of January 1, 2002.

The Honorable Gary Wilken
The Honorable Lyda Green
April 3, 2003
Page 3

Please let me know if you have further questions about this area of inquiry.

Sincerely,



Kathryn Daughhete
Director

cc: Members of the Senate Finance Committee:

The Honorable Ben Stevens
The Honorable Con Bunde
The Honorable Donny Olson
The Honorable Lyman Hoffman
The Honorable Robin Taylor
Gregg Renkes, Attorney General
Scott Nordstrand, Deputy Attorney General, Civil Division
David Marquez, Assistant Attorney General/Legislative Liaison
Barbara Ritchie, Chief Assistant Attorney General
Diane Wendlandt, Supervising Attorney, Collections and Support
Sheila Peterson, Staff to Senator Gary Wilken

DWI MISDEMEANORS & FELONIES FY02 AND JULY-DEC. FY03 DRIVING WITHOUT INSURANCE						
	FY02		FY03 JULY - DECEMBER			
	FDWI	MDWI	FDWI	MDWI	INSURANCE	
ANCHORAGE	157	1750	97	894	3	
BARROW	13	76	1	24	0	
BETHEL	18	146	5	74	1	
CORDOVA	0	20	1	10	0	
CRAIG	1	44	2	18	0	
DELTA JCT	0	16	0	4	0	
DILLINGHAM	4	59	3	31	0	
FAIRBANKS	50	978	51	551	15	
GLENNALLEN	1	24	0	15	1	
HAINES	1	11	0	5	0	
HEALY	0	21	0	14	0	
HOMER	4	129	4	76	19	
JUNEAU	19	256	5	112	1	
KENAI	18	442	10	180	27	
KETCHIKAN	11	160	15	73	9	
KODIAK	6	148	3	70	1	
KOTZEBUE	12	91	5	45	1	
NAKNEK	0	15	0	14	1	
NENANA	0	17	0	19	0	
NOME	3	75	3	49	0	
PALMER	57	605	No statistics available			
PETERSBURG	1	24	1	17	4	
SEWARD	7	121	3	48	0	
SITKA	4	78	1	48	0	
TOK	0	17	0	6	0	

2-19-03 Alaska Count System

UNALASKA		4	40		2	15	11
VALDEZ		1	72		3	29	0
WRANGELL		2	27		0	11	1
TOTAL		394	5462		215	2452	95

2-19-03 Alaska Court System

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/5/03

FURTHER: Finance

Date of 5-Day Notice: 2/12/03
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/2/03

Judiciary Committee considered

SENATE BILL NO. 58

SB 58 PFD INELIGIBILITY/MOTOR VEHICLE INSURANCE

"An Act relating to permanent fund dividend program notice requirements and to the ineligibility for permanent fund dividends of certain persons sentenced for crimes involving mandatory motor vehicle liability insurance."

and recommends:

be replaced with _____ CS _____ SB 58 (JUD)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
OPS	2/26		✓	1
REV	2/16		✓	2
REV	2/16		✓	3
ADM	2/19	xxx		4
LAW	2/18	xxx		5

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Ellis				X	
French				X	
Ogan				X	
Theriault				X	
Seckins	CHAIR:	✓			

SENATE FINANCE COMMITTEE

SIGN-IN

SB 58-PFD INELIGIBILITY/MOTOR VEHICLE INSURANCE

NAME: Raymond Daughbater Subject/Bill No: 58
Co./Dept./Title: Director, ASD, Law Phone: 465-3673
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

SB 58-PFD INELIGIBILITY/MOTOR VEHICLE INSURANCE

NAME: LANDA BAILEY Subject/Bill No: SB 58
Co./Dept./Title: Dept of Revenue /CSBT Phone: 465-2307
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions