ALASKA STATE LEGISLATURE

Representative Bruce Weyhrauch

HOUSE DISTRICT 4

ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

(907) 465-3744
FAX (907) 465-2273

Sponsor Statement

HB 273

"An Act relating to the dividends of individuals claiming allowable absences, and providing for an effective date."

The Alaska Permanent Fund Dividend was initiated to provide Alaskans with a share of the state's resource wealth, primarily derived from oil. As dividend values increase, the number of allowable absences also has increased. While receiving dividends out of state, many valuable Alaskans continue to receive dividends under many exemptions authorized by the Legislature. To encourage those who live out of state and receive PFD checks to return to the state, HB 273 simply asks individuals to return in order to collect their dividends.

Individuals collecting dividends out of state, leave little in net return to Alaska. In 2004, roughly 18489 dividends were paid to people living out of state, removing $17,006,921.76 directly from the state's economy. With a dividend in the amount of $1963 in 2000, roughly $30 million left the state.

The system for paying dividends out of state is based on statutory absences created by the legislature. All that is necessary for individuals to receive approval for an allowable absence is that they make a simple statement that they intend to return to the state. Essentially, its an 'honor system.'

But does this really work? Recently, the PF Division issued an estimate that the average rate of return for individuals out of state on an allowable absence was 30%. Over a nine-year period the PF Division estimates the sum of dividends paid to those absent more than 180 days who never returned to the state at approximately $86.1 million dollars.

Distributing dividends in Alaska through HB 273's requirement for return, suggests that more money will be spent in Alaska. Knowing that a sizable nest egg had accrued in absence, HB 273 might encourage college students and our valuable military personnel to also return to Alaska. By distributing more dividends in state, HB 273 seeks to remedy the situation where a person collects Alaska PFD checks but doesn't live here, while potentially pumping more money into the state's economy.

Contact: Linda Sylvester

Revised: May 3, 2005

Representative _Bruce_Weyhrauch@legis.state.ak.us
www.akrepublicans.org/weyhrauch/

24-LS0871\G
Cook
5/3/05

CS FOR HOUSE BILL NO. 273( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES WEYHRAUCH, Seaton, McGuire, Gatto, Gruenberg, Elkins, Hawker, Wilson, Ramras, Cissna, Thomas, Foster, Anderson, Rokeberg, Moses, Olson, Holm, Chenault, Kelly, Guttenberg, Dahlstrom

A BILL

FOR AN ACT ENTITLED

"An Act relating to the dividends of certain individuals claiming allowable absences; and providing for an effective date."

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

*** Section 1.** AS 43.23.005(a) is amended to read:

(a) An individual is eligible**, or conditionally eligible under AS 43.23.009,** to receive one permanent fund dividend **for** each year in an amount to be determined under AS 43.23.025 if the individual

(1) applies to the department;

(2) is a state resident on the date of application;

(3) was a state resident during the entire qualifying year;

(4) has been physically present in the state for at least 72 consecutive hours at some time during the prior two years before the current dividend year;

(5) is

(A) a citizen of the United States;

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

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

(D) an alien that has been granted asylum under federal law;

(6) was, at all times during the qualifying year, physically present in the state or, if absent, was absent only as allowed in AS 43.23.008 **<u>and met the requirements of AS 43.23.009</u>**; and

(7) was in compliance during the qualifying year with the military selective service registration requirements imposed under 50 U.S.C. App. 453 (Military Selective Service Act), if those requirements were applicable to the individual, or has come into compliance after being notified of the lack of compliance.

* **Sec. 2.** AS 43.23.008(a) is amended to read:

(a) Subject to (b) and (c) of this section, an otherwise eligible individual who is absent from the state during the qualifying year remains eligible**<u>, or conditionally eligible under AS 43.23.009,</u>** for a current year permanent fund dividend if the individual was absent

(1) receiving secondary or postsecondary education on a full-time basis;

(2) receiving vocational, professional, or other specific education on a full-time basis for which, as determined by the Alaska Commission on Postsecondary Education, a comparable program is not reasonably available in the state;

(3) serving on active duty as a member of the armed forces of the United States or accompanying, as that individual's spouse, minor dependent, or disabled dependent, an individual who is

(A) serving on active duty as a member of the armed forces of the United States; and

(B) eligible for a current year dividend;

(4) serving under foreign or coastal articles of employment aboard an oceangoing vessel of the United States merchant marine;

(5) receiving continuous medical treatment recommended by a licensed physician or convalescing as recommended by the physician that treated the

illness if the treatment or convalescence is not based on a need for climatic change;

(6) providing care for a parent, spouse, sibling, child, or stepchild with a critical life-threatening illness whose treatment plan, as recommended by the attending physician, requires travel outside the state for treatment at a medical specialty complex;

(7) providing care for the individual's terminally ill family member;

(8) settling the estate of the individual's deceased parent, spouse, sibling, child, or stepchild, provided the absence does not exceed 220 cumulative days;

(9) serving as a member of the United States Congress;

(10) serving on the staff of a member from this state of the United States Congress;

(11) serving as an employee of the state in a field office or other location;

(12) accompanying a minor who is absent under (5) of this subsection;

(13) accompanying another eligible resident who is absent for a reason permitted under (1), (2), (5) - (12), or (14) of this subsection as the spouse, minor dependent, or disabled dependent of the eligible resident;

(14) for any reason consistent with the individual's intent to remain a state resident, provided the absence or cumulative absences do not exceed

(A) 180 days in addition to any absence or cumulative absences claimed under (3) of this subsection if the individual is not claiming an absence under (1), (2), or (4) - (13) of this subsection;

(B) 120 days in addition to any absence or cumulative absences claimed under (1) - (3) of this subsection if the individual is not claiming an absence under (4) - (13) of this subsection but is claiming an absence under (1) or (2) of this subsection; or

(C) 45 days in addition to any absence or cumulative absences claimed under (1) - (13) of this subsection if the individual is claiming an absence under (4) - (13) of this subsection.

* **Sec. 3.** AS 43.23 is amended by adding a new section to read:

Sec. 43.23.009. Dividends of individuals with allowable absences. (a)

Notwithstanding other provisions regarding eligibility for and payment of dividends, the dividend of an individual who was absent from the state during the qualifying year as allowed in AS 43.23.008(a)(1) - (8) or (10) - (13) shall be paid to that individual on the first subsequent year that the individual is eligible for a dividend without claiming an allowable absence under AS 43.23.008(a)(1) - (8) or (10) - (13).

(b) If an individual who is conditionally eligible for a dividend that has not became payable under (a) of this section fails to be eligible for a subsequent year dividend, the individual's conditional eligibility for the dividend that has not become payable under (a) of this section is terminated, and that dividend may not be paid.

(c) If an individual who is conditionally eligible for a dividend that has not become payable under (a) of this section dies before conditional eligibility for the dividend is terminated under (b) of this section, the department shall pay the dividend to a personal representative of the estate or to a successor claiming personal property under AS 13.16.680.

(d) Notwithstanding other provisions, a dividend that has not become payable to an individual under (a) of this section is not subject to levy, execution, garnishment, attachment, or any other remedy for the collection of debt until that dividend becomes payable or is paid to the individual.

*** Sec. 4.** AS 43.23.025(a) is amended to read:

(a) By October 1 of each year, the commissioner shall determine the value of each permanent fund dividend for that year by

(1) determining the total amount available for dividend payments, which equals

(A) the amount of income of the Alaska permanent fund transferred to the dividend fund under AS 37.13.145(b) during the current year;

(B) plus the unexpended and unobligated balances of prior fiscal year appropriations that lapse into the dividend fund under AS 43.23.045(d);

(C) less the amount necessary to pay prior year dividends from the dividend fund in the current year under AS 43.23.005(h)**<u>, 43.23.009,</u>** and under AS 43.23.055(3) and (7);

(D) less the amount necessary to pay dividends from the dividend fund due to eligible applicants who, as determined by the department, filed for a previous year's dividend by the filing deadline but who were not included in a previous year's dividend computation;

(E) less appropriations from the dividend fund during the current year, including amounts to pay costs of administering the dividend program and the hold harmless provisions of AS 43.23.075;

(2) determining the number of individuals eligible to receive a dividend payment for the current year and the number of estates and successors eligible to receive a dividend payment for the current year under AS 43.23.005(h); and

(3) dividing the amount determined under (1) of this subsection by the amount determined under (2) of this subsection.

* **Sec. 5.** This Act takes effect January 1, 2006.

Conceptual Amendment to CSHB 273 "G" version

by Greenberg

page 4 line 19 Add ~~in appropriate place~~ a new AS 43.23.009(e)

~~following line 18~~ "If the applicant's initial enlistment or initial entry into the armed forces began while the ~~person~~ applicant was an Alaskan resident for more than one year, they shall be ~~exempt from~~ not be required to delay receiving the permanent fund dividend under this section."

Conceptual A #3 - Lynn

- withdrawn, will put in writing for Saturday; bottom of calendar

the provision of this statute ~~r~~ apply to any unit member assigned where combat pay is received or

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1/23/06

AMENDMENT #1 to version F.

OFFERED IN THE HOUSE BY REPRESENTATIVE LYNN

TO: CSHB 273(STA), Draft Version F"

Page 4, line 6, following "AS 43.23.008(a)(1) - (8) or (10) - (13).":

Insert "This subsection does not apply to the payment of a current year dividend to an individual claiming an allowable absence under AS 43.23.008(a)(3) if, for a period during the qualifying year, the individual

(1) was serving as a member of the armed forces of the United States on active duty

(A) at a location outside of the United States and outside of North, South, and Central America;

(B) considered to be a remote tour of duty by the armed forces of the United States; or

(C) at a location outside of the state, has a spouse or minor or disabled dependent, and the spouse and each minor or disabled dependent is eligible for the current year dividend without claiming an allowable absence under AS 43.23.008; or

(2) received care in a hospital outside the state while

(A) serving on active duty as a member of the armed forces of the United States; or

(B) a spouse or minor or disabled dependent of an individual serving on active duty as a member of the armed forces of the United States who is eligible for a current year dividend."

Gatto - No
Elkins - No
Lynn - Yes
Ramras - No
Gruenberg - No
Seaton - No

Conceptual Amendment 3
by Rep. Lynn

The provisions of this statute do not apply to any military service member who is assigned to duty in a location where combat pay is authorized, or to any military service member whose military dependents remain in Alaska while the service member serves outside Alaska, or to any military service member who is receiving care in a military hospital.

Amendment to HB 273

Offered by Rep. Gruenberg

Amending AS 43.23

For a student who is eligible for a dividend who leaves the state to attend an educational institution, the dividend will continue to be payable to the student under the following conditions:

* would change slightly fiscal note –

1. **The student shall sign an affidavit, or ~~comparable instrument~~** a form under oath **provided by the Permanent Fund Corporation, stating the student's intent to return and remain in the state within one year of completing studies.** (the last year the student applied for a "student" allowable absence)
2. **If the student does not return and remain after one year of completing studies out of state, the entire amount of ~~the~~ Permanent Fund dividends paid during the student's absence will become payable immediately, starting one year after ~~studies have been completed and the student has not returned to Alaska~~** the last year he/she applied for the "student" allowable absence**.**
3. **~~A~~ 3% annual interest ~~fee~~ will be ~~added to the outstanding~~** charged on the **outstanding amount the student is obligated to repay the state if he/she has not returned.**

#1 Adopted

9:21:02 AM

REPRESENTATIVE GRUENBERG moved to adopt Amendment 1, to eliminate: "or to a successor claiming personal property under AS 13.16.680." He said this issue has come up during another bill. He said he doesn't want this to become a big deal again.

Page 4, line 13 - 14
of version G

Gruenberg's Drafts
1) Statement of purpose and findings

Gruenberg 1/1
Suggestion of adding a findings section
or a letter of findings

→ Look at constitutional basis of denying
Carving out for separate treatment

→ Take up bill next week

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5/3/05

#2

Y | N
|||| | |

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE GARDNER

TO: HB 273 Conceptual

Page 1, Line 6, following "dividends":

Insert "and except as provided in (d) of this section"

Page 2, following line 5:

Insert a new subsection to read:

adopted

"(d) The dividend for a current year and for the ~~three~~ 1 year~~s~~ immediately following the current year shall be paid to an individual each year under AS 43.23.055(2) if

(1) without claiming an allowable absence under AS 43.23.008(a)(1) - (8) or (10) - (13), the individual was eligible for a dividend for the year immediately preceding the qualifying year for the current year;

(2) the individual was absent from the state during the qualifying year for the current year as allowed in AS 43.23.008(a)(1) - (8) or (10) - (13); and

(3) the individual is otherwise eligible for the dividend."

#3 The provision of

L

Conceptual Amendment to CSHB273/b version

By Rep. Gruenberg

Page 4, line 19

Add a new AS 4 3.23.009 (e)

"If the applicant's initial enlistment or initial entry into the Armed Forces began while the applicant was an Alaskan resident for more than one year, they shall not be required to delay receiving the Permanent Fund dividends under this section."

CONCEPTUAL AMENDMENT

OFFERED IN STATE AFFAIRS BY REPRESENTATIVE BOB LYNN
To: HB 273

The provisions of this statute do not apply to any military service member who is assigned to duty in an overseas location, or to a location designated as "remote," or to any military service member whose military dependents remain in Alaska while the service member serves outside Alaska, or to any military service member or dependent who is receiving care in a hospital outside Alaska.

9:28:28 AM

REPRESENTATIVE GARDNER moved to adopt Conceptual Amendment 2, which she explained would have to be conceptual because it was not drafted to fit the lines of Version G. Conceptual Amendment 2 read as follows:

Page 1, line 6, following "dividends":
Insert "and except as provided in (d) of this section"

Page 2, following line 5:
Insert a new subsection to read:
"(d) The dividend for a current year and for the one ~~three~~ year~~s~~ immediately following the current year shall be paid to an individual each year under AS 43.23.055(2) if

(1) without claiming an allowable absence under AS 43.23.008(a)(1) - (8) or (10) - (13), the individual was eligible for a dividend for the year immediately preceding the qualifying year for the current year;

(2) the individual was absent from the state during the qualifying year for the current year as allowed in AS 43.23.008(a)(1) - (8) or (10) - (13); and

(3) the individual is otherwise eligible for the dividend."

Amendment amended to change "three years" to "one year"

Amendment drafted to Version A of HB 273
so conceptual to Version G

STATE OF ALASKA

FRANK MURKOWSKI, GOVERNOR

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Juneau, AK 99811-0460
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DEPARTMENT OF REVENUE

PERMANENT FUND DIVIDEND DIVISION

December 9, 2005

The Honorable Bruce Weyhrauch
Alaska State House of Representatives
Alaska State Capitol
Juneau, AK 99801-1182

File ~~too~~ State affairs HB273

Dear Representative Weyhrauch:

In last session's hearings on HB 273, PFD Delayed Payments, I committed the division to an updated study of the return rates for PFD recipients who are absent from the state for more than 180 days.

The new study is enclosed. It was designed to be statistically valid at the 95% confidence level. The bottom line indicates that approximately $18 million dollars is paid each year to individuals who are absent from the state and never return.

I would be happy to meet with you or your staff to go over the study in detail.

Sincerely,

Sharon Barton

Sharon Barton
Director

cc: Representative Paul Seaton, Chair
House State Affairs Committee
Tom Boutin, Deputy Commissioner
Jerry Burnett, Administrative Services Director

Enclosure

Permanent Fund Dividend
HB 273
2005 Absentee Return Study
Methodology & Summary

Using a 1996 statistically valid applicant sample (95% confidence level and interval level of five) of individuals in four allowable absence categories who were absent from the state for more than 180 days, the division determined the percent of individuals who did not return to Alaska by 2005.

The respective percentages by category were applied to all individuals in each absence category for the years 1996-2005 to project the total cost of dividends paid to individuals who would not return to Alaska.

A ten year period is used for the study because Alaskans may only continue to receive the PFD for ten years while allowably absent from the state.

The "did not return" percentages for the sample are as follows:

Accompanying	81%
Students	64%
Active Military	66%
Medical	40%

Applying these percentages to each year 1996-2005 indicates that a total of $181,790,472 was paid over the ten year period to individuals who have not or will not return to the state, an average of $18.2 million each year.

Permanent Fund Dividend
2005 Projection
Individuals absent for more than 180 days who will not return over a ten year period

Absence Category/Year	Individuals Absent	% did not return in sample	Calculated total did not return	Dividend Amount	Total paid	
Accompanied						
1996	4,105	0.81	3,325	$9,427	$31,344,781	
1997	4,127	0.81	3,343	$1,297	$4,334,165	
1998	4,248	0.81	3,441	$1,541	$5,301,983	
1999	5,335	0.81	4,321	$1,770	$7,648,098	
2000	7,011	0.81	5,679	$1,964	$11,152,584	
2001	7,680	0.81	6,221	$1,850	$11,510,222	
2002	7,525	0.81	6,095	$1,541	$9,391,317	
2003	7,633	0.81	6,183	$1,108	$6,847,744	
2004	7,506	0.81	6,080	$920	$5,592,498	
2005	6,864	0.81	5,560	$846	$4,703,625	
Total	**62,034**		**50,248**		**$97,827,018**	
Students						
1996	4,142	0.64	2,651	$1,131	$2,997,297	
1997	4,446	0.64	2,845	$1,297	$3,689,227	
1998	4,773	0.64	3,055	$1,541	$4,706,957	
1999	5,085	0.64	3,254	$1,770	$5,759,767	
2000	5,443	0.64	3,484	$1,964	$6,841,146	
2001	5,611	0.64	3,591	$1,850	$6,644,429	
2002	5,659	0.64	3,622	$1,541	$5,580,263	
2003	5,534	0.64	3,542	$1,108	$3,922,712	
2004	5,200	0.64	3,328	$920	$3,061,228	
2005	4,873	0.64	3,119	$846	$2,638,437	
Total	**50,766**		**32,490**		**$45,841,462**	
Active Duty						
1996	2,601	0.66	1,717	$1,131	$1,940,993	
1997	2,813	0.66	1,857	$1,297	$2,407,130	
1998	2,992	0.66	1,975	$1,541	$3,042,807	
1999	3,437	0.66	2,268	$1,770	$4,014,740	
2000	4,308	0.66	2,843	$1,964	$5,583,804	
2001	4,805	0.66	3,171	$1,850	$5,867,793	
2002	4,684	0.66	3,091	$1,541	$4,763,167	
2003	4,901	0.66	3,235	$1,108	$3,582,580	
2004	4,826	0.66	3,185	$920	$2,929,838	
2005	4,920	0.66	3,247	$846	$2,747,131	
Total	**40,287**		**26,589**	**$13,966**	**$36,879,983**	
Medical						
1996	144	0.4	58	$1,131	$65,127	
1997	138	0.4	55	$1,297	$71,569	
1998	131	0.4	52	$1,541	$80,742	
1999	134	0.4	54	$1,770	$94,863	
2000	221	0.4	88	$1,964	$173,605	
2001	261	0.4	104	$1,850	$193,169	
2002	285	0.4	114	$1,541	$175,647	
2003	299	0.4	120	$1,108	$132,464	
2004	349	0.4	140	$920	$128,410	
2005	374	0.4	150	$845	$126,412	
Total	**2,336**		**934**	**$13,965**	**$1,242,009**	
Total - All Categories/Ten years					**$181,790,472**	

~~Cotter~~ ~~Gardner~~ Greenberg

2nd school

10 yr   67%   2nd school
38   careers
50   Merchant Marine
33%   Estate sell
43%   Caring for family mem
50%   Congress

Student   1 or 2 years

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 273
() Publish Date:

Revision Date/Time (Note if correction):
Title: PFD: Delayed payments for eligible at
Sponsor: Weyhrauch, et al
Requester:

Dept. Affected: Revenue
RDU: Revenue Programs & Support
Component: Permanent Fund Dividend
Component No. 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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						
1037 GF/Mental Health						
Other (Specify Type–Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: [ ]

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

HB 273 delays payment of dividends for Alaskans who are out of state on allowable absences until the individual returns to Alaska for one year without allowable absences. If an individual fails to otherwise maintain eligibility for any year, the individual's eligibility for the delayed dividends is terminated and the delayed dividends will not be paid.

PFD will review all applications for those with allowable absences exceeding 180 days, determine eligibility, and pend payment for those who are otherwise eligible. In 2004, 18,489 applicants were out of state for more than 180 days on allowable absences.

Prepared by: Sharon Barton — Phone 907-465-4785
Division: Permanent Fund Dividend — Date/Time 4/21/05 1:53 PM
Approved by: Jerry Burnett, Special Assistant to the Commissioner — Date 4/21/2005
Agency: Department of Revenue

(Revised 9/23/2004 OMB)

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. HB 273

ANALYSIS CONTINUATION

PFD will calculate and reserve in the Permanent Fund Dividend Fund the amount need to pay delayed dividends each year. Funds for delayed payments for those who do not return to the state will be released and included in the calculation for all other dividends.

Interest earned on funds held for delayed payments will be deposited in the General Fund.

Incremental costs will be minimal and can be covered within the PFD 2006 budget.

FISCAL NOTE

STATE OF ALASKA	Fiscal Note Number:
2005 LEGISLATIVE SESSION	Bill Version: HB 273
	() Publish Date:

Revision Date/Time (Note if correction):		Dept. Affected:	Revenue
Title	PFD: Delayed payments for eligible ab	RDU	Revenue Programs & Support
		Component	Permanent Fund Dividend
Sponsor	Weyhrauch, et al		
Requester		Component No.	981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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						
1037 GF/Mental Health						
Other (Specify Type–Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: [ ]

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

HB 273 delays payment of dividends for Alaskans who are out of state on allowable absences until the individual returns to Alaska for one year without allowable absences. If an individual fails to otherwise maintain eligibility for any year, the individual's eligibility for the delayed dividends is terminated and the delayed dividends will not be paid.

PFD will review all applications for those with allowable absences exceeding 180 days, determine eligibility, and pend payment for those who are otherwise eligible. In 2004, approximately 17,000 applicants were out of state for more than 180 days on allowable absences.

Prepared by:	Sharon Barton	Phone	907-465-4785
Division	Permanent Fund Dividend	Date/Time	1/6/06 3:19 PM
Approved by:	Jerry Burnett	Date	1/6/2006
Agency	Department of Revenue		

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. HB 273

ANALYSIS CONTINUATION

PFD will calculate and reserve in the Permanent Fund Dividend Fund the amount needed to pay delayed dividends each year. Funds for delayed payments for those who do not return to the state will be released each year as appropriate and included in the dividend calculation for that year.

Interest earned on funds held for delayed payments will be deposited in the General Fund.

PFD records indicate "failure to return" rates for the four largest absentee groups as follows:

Accompanying others	81%
Active military	66%
Students	64%
Medical	40%

Over a ten year period, 1996-2005, PFD projects that the total of $181.8 million was paid to individuals who did not or will not return to the state.

Incremental costs will be minimal and can be covered within the PFD 2006 budget.

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: April 18, 2005 **FURTHER REFERRALS:** Finance

Date of Committee Action: 1/26/06

The STATE AFFAIRS Committee considered: **HB 273**

HOUSE BILL NO. 273 **PFD: DELAY PAYMENT FOR ALLOWABLE ABSENCES**

"An Act relating to the dividends of individuals claiming allowable absences; and providing for an effective date."

Recommends it be replaced with [ ] HCS *or* [X] CS for HB 273 (STA)

For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR______ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to ____________Committee
[ ] Letter of Intent____________Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
HSS
LEG
LAW
LWF
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES** *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV				X

***PREVIOUS* FISCAL NOTES**

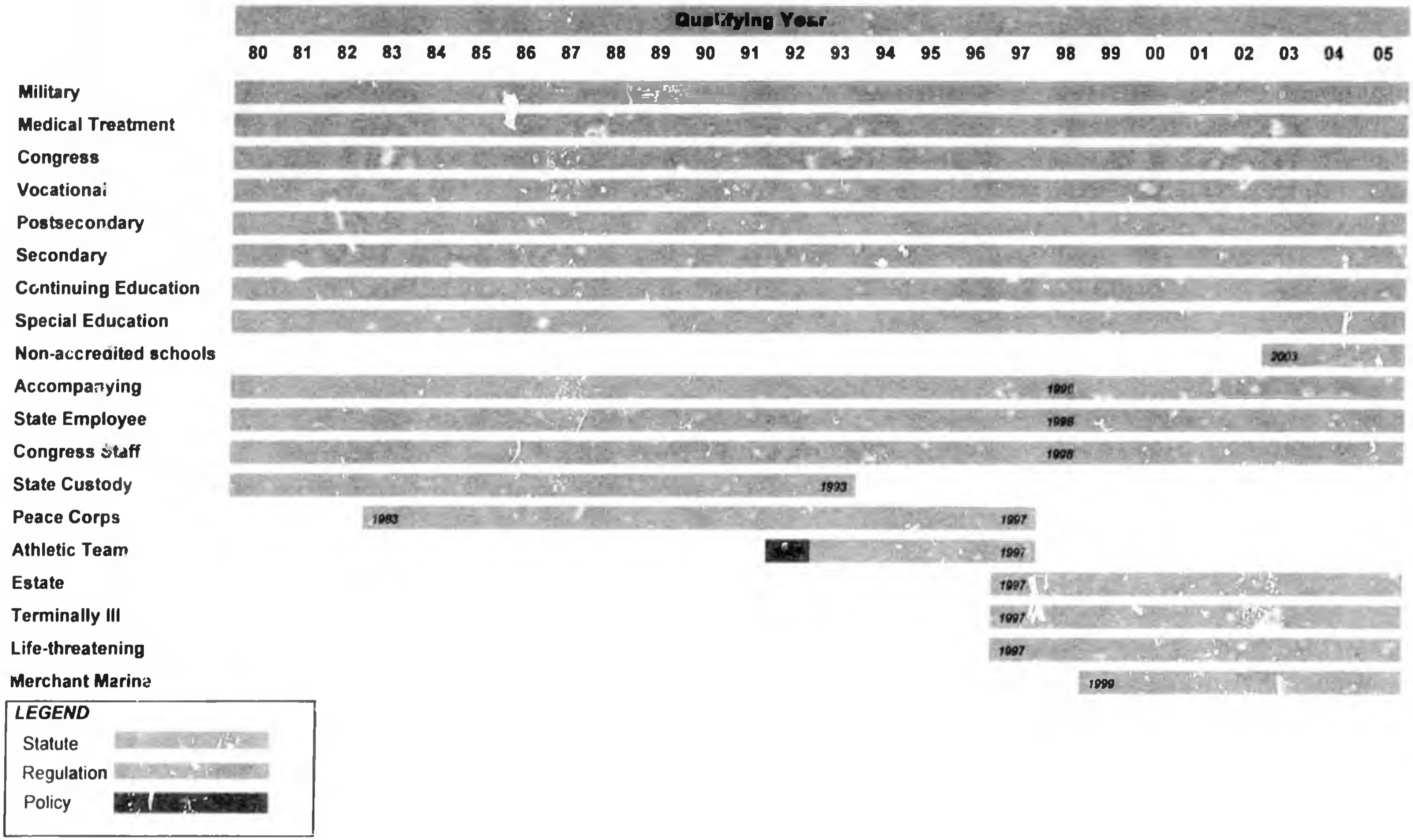
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Berta Gardner	Gardner	✓			
Bob Lynn	LYNN		X		
[illegible]	Gatto	X			
[illegible]	RAMRAS	X			
[illegible]	ELKINS	✓			
Max F. Gruenberg				✓	
Chair: Paul K. Seaton	SEATON	✓			
Chair:					

Alaska Department of Revenue

Permanent Fund Dividend Division

History of Allowable Absences



Prepared by Paul Dick

1/19/2006

only by their parents may be bound only if their parents join with other competent persons in execution of the compromise; upon the making of the order and the execution of the agreement, all further disposition of the estate is in accordance with the terms of the agreement. (§ 1 ch 78 SLA 1972; am § 11 ch 75 SLA 1996)

Effect of amendments. — The 1996 amendment, effective January 1, 1997, made minor stylistic changes throughout the section.

Article 12. Collection of Personal Property by Affidavit and Summary Administration Procedure.

Section
680. Collection of personal property by affidavit
685. Effect of affidavit
690. Small estates; summary administrative procedure
695. Small estates; closing by sworn statement of personal representative
700. Settlement directed by court
705. Inheritance of Native corporation stock

Sec. 13.16.680. Collection of personal property by affidavit. (a) Thirty days after the death of a decedent, any person indebted to the decedent or having possession of tangible personal property or an instrument evidencing a debt, obligation, stock, or chose in action belonging to the decedent shall make payment of the indebtedness or deliver the tangible personal property or an instrument evidencing a debt, obligation, stock, or chose in action to a person claiming to be the successor of the decedent upon being presented an affidavit made by or on behalf of the successor stating that

(1) the value of the entire estate, wherever located, less liens and encumbrances, does not exceed $15,000;

(2) 30 days have elapsed since the death of the decedent;

(3) no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction; and

(4) the claiming successor is entitled to payment or delivery of the property.

(b) A transfer agent of any security shall change the registered ownership on the books of a corporation from the decedent to the successor or successors upon the presentation of an affidavit as provided in (a) of this section. (§ 1 ch 78 SLA 1972; am § 4 ch 80 SLA 1984)

Sec. 13.16.685. Effect of affidavit. The person paying, delivering, transferring, or issuing personal property or the evidence of it under affidavit is discharged and released to the same extent as if the person dealt with a personal representative of the decedent. The person is not required to see to the application of the personal property or evidence of it or to inquire into the truth of any statement in the affidavit. If any person to whom an affidavit is delivered refuses to pay, deliver, transfer, or issue any personal property or evidence of it, it may be recovered or its payment, delivery, transfer, or issuance compelled upon proof of their right in a proceeding brought for the purpose by or on behalf of the persons entitled to it. Any person to whom payment, delivery, transfer, or issuance is made is answerable and accountable for it to any personal representative of the estate or to any other person having a superior right. (§ 1 ch 78 SLA 1972)

NOTES TO DECISIONS

Burden of proof. — Deceased's mother had the burden of proving that she had a right to disputed property, not merely the burden of establishing a prima facie case; there is a distinction between the burden of proof and the burden of producing evidence and, although the burden of producing evidence may have shifted to possessor of the property with respect to her claim that the items were gifts, the burden of proof remained with mother throughout the trial. Bowman v. Blair, 889 P.2d 1069 (Alaska 1995).

Legislative Research Services

HB273

Alaska State Legislature
Legislative Affairs Agency
Division of Legal & Research Services

130 Seward Street, Suite 218
Juneau, Alaska 99801-2196
Phone: (907) 465-3991
Fax: (907) 465-3351

February 17, 1997

MEMORANDUM

TO:

FROM: Maria Gladziszewski MG
Legislative Analyst/Manager

RE: **Permanent Fund Dividend Scenario**
Research Request 97.053

You asked us to develop a worst case scenario in which a person may qualify for an "allowable absence" and continue to receive a Permanent Fund Dividend (PFD) after leaving the state. You also asked for the estimated additional annual PFD payments that would be necessary if House Bill 2 became law.

SUMMARY

The attachment to this memorandum is the scenario you requested. It involves a hypothetical family of seven, all away from Alaska on allowable absences. The scenario ends after eight years, although the family may continue to receive dividends for many more years. Between 1998 and 2005, the family receives 57 PFDs -- worth about $54,000 -- although the parents lived in Alaska for about six months, three children for 20 days, two children for 15 days and a grandchild never lived here at all. Officials with the Permanent Fund Dividend Division estimate an additional one-time payment of approximately $14 million in dividends should House Bill 2 become law. Additional annual payments necessary as a result of the passage of HB 2, dividends to an estimated additional 2,500 PFD recipients, would have minimal impact on the PFD checks of individual Alaskans (an additional 2,500 recipients is less than 1 percent of the total annual PFD recipients and so has a fiscal impact of less than 1 percent per PFD check).

Additional PFD Payments Necessary Should House Bill 2 Become Law

House Bill 2 adds an allowable absence for applicants who accompany another eligible resident out of state (as the spouse, minor dependent, or disabled dependent of the eligible resident). In addition, it retroactively re-opens the filing period for the years 1992 through 1997 for applicants who would have been previously denied PFDs for being absent to accompany their spouse. As you can see from the following table, Permanent Fund Dividend Division employees estimate that approximately 14,000 new and denied applicants would now qualify for the years 1992 through 1998 if House Bill 2 becomes law. Because the bill specifically requires that eligibility for 1992-1997 is dependent upon qualification for the 1998 dividend, the payment to those previously denied and new filing applicants would occur after the end of the 1998 filing period. The one-time payment to these newly-qualified applicants would be approximately $14 million.

You also wanted to know about the impact to annual PFD checks should House Bill 2 become law. Approximately 544,000 Alaskans qualify for PFDs each year. If an additional 2,500 Alaskans qualified for a PFD in a year in which each of 544,000 Alaskans would have received a $1,000 PFD check, the new group of 564,500 Alaskans would each receive a check of $995.43. In other words, the fiscal impact to each PFD check would be less than one half of one percent (i.e., 2,500 is less than one half of one percent of 544,000).

Estimated Number of Additional PFD Recipients Should HB 2 Become Law

Year	Estimated Number of Recipients	Comments, Source
1992	25	On record with PFD Division
1993	1,052	On record with PFD Division
1994	1,987	On record with PFD Division
1995	1,436	On record with PFD Division
1996	1,360	Estimated by PFD Division
1997	2,500	Estimated by PFD Division
1998	2,500	Estimated by PFD Division
1992-98	3,000	Persons who may qualify but have never filed, estimated by PFD Division
TOTAL	**14,000**	
Each Subsequent Year	2,500	Estimated by PFD Division

Source: Permanent Fund Dividend Division, February 1997

The Scenario

Permanent Fund Dividend Division officials who gave suggestions for this narrative say it illustrates what could happen if, by luck and forethought, one family took advantage of the laws and regulations governing allowable absences. Everyone with whom we spoke said it is unlikely that all of the events in this hypothetical "worst case" example would take place in real life exactly as they are described here.

The scenario begins with a summary. It is followed by a narrative describing how this family qualifies for allowable absences. The scenario shows these circumstances:

> Joe Jones is a newcomer who looks for work in Alaska for six months, with little success. He joins the Marines and the family leaves Alaska. Because he is on active military duty, Mr. Jones qualifies for a PFD for himself, for his two children and his three stepchildren. (As we explain in the narrative, this scenario assumes House Bill 2 will pass the legislature in 1997, reinstating PFDs to spouses who accompany recipients on allowable absences.) Every year Mr. Jones is away from Alaska on an allowable absence, he and his dependents receive PFDs. When the Jones children reach age 18, they apply for and receive their own allowable absences. When the children have children, *their* children also receive PFDs.
>
> The Jones family continues to qualify for allowable absences for many years. They do so by enrolling in higher education, serving on active military duty, working in Washington, D.C. on the Alaska congressional staff, and joining the Peace Corps. Under Alaska law, PFD recipients away on allowable absences who wish to continue receiving PFDs must be physically present in Alaska once every two calendar years; must maintain "ties indicative of . . . residency" in Alaska and nowhere else (15 AAC 23.143(a)); and after five years' absence, must rebut the presumption that they no longer intend to return to and remain in Alaska. The Jones family fulfills these requirements by returning to Alaska on vacation every two calendar years; by keeping their Alaska driver's licenses and identification cards to document Alaska residency; by voting absentee in Alaska elections; and by submitting the title to their Alyeska cabin to document their intent to return to and remain in Alaska.

In addition to the narrative, we attach statutes and regulations used by the Permanent Fund Dividend Division and a questionnaire required of individuals absent from Alaska for more than five years.

****

I hope this information is useful to you. If you have any further questions please do not hesitate to call.

Attachments

PAYING PERMANENT FUND DIVIDENDS
OUT OF STATE:
A WORST-CASE SCENARIO

SYNOPSIS

Joe Jones and his wife live in Alaska for six months, during which they receive an unexpected inheritance and buy an Alyeska ski cabin. Mr. Jones joins the Marines, with orders to report to California the first week in July. The three children from Mrs. Jones' first marriage arrive in Alaska June 25; the family moves away June 30. In California, Mrs. Jones gives birth to twins. The family returns to Alaska twice on vacation. Mr. Jones remains in the Marines until retirement. Mr. Jones' active military duty is an allowable absence, permitting Permanent Fund Dividends (PFDs) to Mr. Jones, his spouse (see note below), his three stepchildren and the twins born after the family left Alaska.

This scenario ends in the year 2005, eight years after the Joneses leave Alaska, although Mr. and Mrs. Jones, all of their children *and the children's children* may continue to receive PFDs for years into the future. In the eight years of this scenario, the family receives 57 Permanent Fund Dividends.

The Jones family receives their PFDs by remaining on active military duty or in college, working on Alaska congressional staff and serving in the Peace Corps. They keep their Alaska driver's licenses or other Alaska identification, vote absentee in Alaska elections, and return to the state briefly every two calendar years. After five years, they use the title to their Alyeska cabin, which carries the names of all seven Joneses, to prove that they intend to return to and remain in Alaska someday.

NOTE: This scenario assumes the passage of House Bill 2 (20th Legislature), which would bring back a provision (struck down by the court in 1992) that spouses may receive PFDs when they accompany recipients on allowable absences. If House Bill 2 does not pass, Mrs. Jones will not receive PFDs, although all five children will.

THE SCENARIO

When Joe Jones had trouble finding work as a heavy equipment operator in Alabama, he decided to try his luck in Alaska. He arrived in Anchorage in the dead of winter, December 30, 1996, and immediately bought bunny boots, a parka and a car with a good heater. All this kept him busy, but he found the time on December 31 to get his Alaska driver's license. Although Joe did not know it at the time, his future wife Sally had arrived in Anchorage three days earlier, trying to recover from a divorce. Sally had never learned to drive, but she needed identification to cash checks, so before the new year made its appearance, she had obtained an Alaska identification card.

Joe's Alaska driver's license and Sally's identification card are both indicators of Alaska residency. In order to receive a PFD in 1998, Joe and Sally must have obtained these documents before January 1, 1997. (An individual is eligible to receive a PFD if "the individual was a state resident for at least the calendar year immediately preceding January 1 of the current dividend year". A.S. 43.23.005(a)(3))

A person who establishes residency in Alaska remains a resident during an absence unless the person establishes or claims residency elsewhere. (Alaska Statutes 1.10.055)

Sally rented a big house so she would have room for her three children from her former marriage (teenage twin girls named Samantha and Tamantha and an 7-year-old boy named Tommy). Although Sally had custody of the children, they did not arrive in Alaska until their Seattle schools let out for the summer

In the meantime, to make ends meet, Sally sublet one room in her house. Her first tenant was Joe, who had found a job as an attendant at a nearby parking lot. One thing led to another and . . the kids arrived in Alaska on June 25 to find they had a stepfather. Suddenly responsible for a family, Joe signed on with the Marines. His orders: report to San Diego July 1. A couple of days before the family was to leave, Joe opened his mail to find an inheritance check from an eccentric rich uncle, a ski enthusiast. He and Sally took time from their many moving chores to honor Uncle Bob's memory by buying a ski cabin with all the amenities at Alyeska. When the little family left Alaska on the last day of June, visions of Christmas holidays at the cabin danced in their heads.

Allowable absences include absences for (among other things) education, military service, Peace Corps service, and medical treatment, as well as absence to represent Alaska in the U.S. House or Senate, or to serve as Congressional staff to an Alaska senator or representative.

Life was good in San Diego and Mr. and Mrs. Jones had another set of twins (Chet and Brett), born December 28, 1997. Joe, who liked reading legal documents in his spare time, was perusing Alaska's Administrative Code, 15 AAC 23.163, while lounging beside the Marine compound's pool one warm evening in the spring of 1998, when he discovered that he and all the children were eligible for a Permanent Fund Dividend (PFD) because Joe's military service is an *allowable absence.*

An adult claiming an allowable absence must have been an Alaska resident for at least the 180 consecutive days immediately before leaving Alaska in order to remain eligible for a dividend (15 AAC 23.163).

When the Jones family left Anchorage, Joe had been in Alaska for 182 days, Sally for 185 days and Joe's three stepchildren for 5 days.

Spouses accompanying PFD recipients on allowable absences were eligible for PFDs before a 1992 Anchorage court case ended the practice (*Zeller v. State of Alaska* 3AN-92-1567 Civ). House Bill 2 would reinstate the pre-1992 practice.

Children in a full-, half-, or stepchild relationship with a PFD recipient, and who accompany that recipient on an allowable absence, are eligible for a PFD.

Joe called a friend in Juneau with this good news. The friend reminded him Sally would also be eligible for a PFD if the legislature were to pass House Bill 2 allowing PFDs to spouses who accompany PFD recipients on allowable absences. *For the purposes of this scenario, we assume House Bill 2 will pass the legislature and Sally will receive a PFD.* If House Bill 2 fails, Sally will not receive a PFD, but all her children will because Joe, whose allowable absence makes him eligible for a PFD, is the stepparent of three children and the full parent of two.

On a lark, Joe and Sally filled out the PFD application in the spring of 1998, citing their six month's residency and Joe's allowable absence on active military duty. They were delighted when, that October, the family received seven PFDs. **In 1998, PFDs were paid to Joe, Sally, both sets of twins (including the babies who had never been to Alaska) and 8-year-old Tommy.**

About this time, Joe and Sally decided to show their devotion to the Great Land by voting absentee in Alaska elections. This was a little awkward because their main interest was the Permanent Fund Dividend program -- especially the allowable absence provision -- and they weren't always sure about other issues that popped up on the ballots. The Joneses applied for PFDs again in the spring of 1999. In October, the family received seven PFDs. **In 1999, PFDs were paid to Joe, Sally, both sets of twins and 9-year-old Tommy.**

The title to their Alyeska cabin and the fact that they voted in Alaska state and local elections will come in handy when (after five years' absence) the state tells the Joneses that in order to continue receiving PFDs, they must rebut the presumption that they don't intend to return to and remain in Alaska (15 AAC 23.163(g)).

Joe did well in the Marine Corps. He was promoted and transferred to Washington, D.C. in December 1999. Joe and Sally had a hankering to see again the city in which they had fallen in love, so they took the whole family for a visit to Anchorage on the way to Washington, D.C., traveling on a military transport flight.

Children born outside Alaska whose parents are PFD recipients with allowable absences, may receive PFDs even if they have never been in Alaska. However, they must set foot in Alaska within two years of their birth in order to continue to receive PFDs.

They arrived December 27, 1999, the day before the toddlers' second birthday. From the first minute, the kids adored the Alyeska cabin. Seeing this, Joe and Sally decided to place the names of all five children on the cabin title, since these were good kids with high moral values who never gave their parents a lick of trouble. Meanwhile, Tam and Sam, who had turned 18 that October, got Alaska driver's licenses in the hopes of showing them off in their new high school in Washington, D.C. The family left Anchorage January 1, 2000.

The twins graduated from high school in June 2000. They were bright girls and one was accepted at the Naval Academy in Annapolis, MD and the other received a scholarship to Georgetown University in Washington, D.C., where she planned to study ethics. Tommy entered the fifth grade. Like their parents, Tam and Sam loved the Northland which had been so good to them, and they showed this love by voting in Alaska's state and local elections.

In the spring of 2000, Joe and Sally applied for PFDs for themselves, Tommy and the younger twins. Tam and Sam, now 18 and entering college, applied on their own. In October, the family received seven PFDs. **In 2000, PFDs were paid to Joe, Sally, 10-year-old Tommy, the younger twins and Tam and Sam.**

> At age 18, Tam and Sam are no longer minor children and cannot receive PFDs as Joe's dependents. Tam and Sam continue to receive PFDs by using their Alaska driver's licenses to claim Alaska residency and by claiming their own allowable absences (in their case, their college enrollment).

In the spring of 2001, Joe and Sally applied for PFDs for themselves, Tommy and the younger twins. Tam and Sam, now 19 and in their first year of college that spring, applied on their own. In October, the family received seven PFDs. **In 2001, PFDs were paid to Joe, Sally, 11-year-old Tommy, the younger twins and Tam and Sam.**

> To continue receiving a PFD, a recipient away on an allowable absence must return to Alaska every two calendar years (Alaska Statutes 43.23.005(a)(4)).
>
> By being in Alaska in January 2000, Joe's family may stay away from the state until December 2002 (the end of the second calendar year) and continue to receive dividends. The family will next vacation in Alaska between December 23, 2002 and January 2, 2003. Because they will be present in Alaska in calendar year 2003, they may continue to receive PFDs without revisiting Alaska until the end of the second calendar year – 2005.

In 2002, Joe and Sally applied for PFDs for themselves, Tommy and the younger twins. Tam and Sam, now 20 and in their second year of college that spring, applied on their own. In October, the family received seven PFDs. **In 2002, PFDs were paid to Joe, Sally, 12-year-old Tommy, the younger twins and Tam and Sam.**

> An individual whose allowable absence totals more than five years is presumed to have no intention of returning to Alaska and remaining in Alaska. To be eligible for a PFD, the individual must provide documentation that shows an intent at all times during the absence to return to Alaska and remain permanently in Alaska. (15 AAC 23.163(f))

Joe, who continued to advance in the Marine Corps, was promoted to a new position and sent to Texas. He was to report on January 15, 2003.

Feeling nostalgic for their winter wonderland, the whole family made a trip to Alaska by military transport on the way to the new station in Texas. They had a family Christmas at the Alyeska cabin from December 23, 2002 to January 2, 2003. Tam, the twin who had been studying at Georgetown University, decided to move to Texas A&M University, not far from her parents, changing her major from ethics to pre-law. She entered her new school in January 2003. She was beginning the second semester of her third year in college. In 2003, Joe and Sally applied for PFDs for themselves, Tommy and the younger twins. Tam and Sam, now 21 and in their third year of college, applied on their own.

The family had now been absent from Alaska for more than five years and Alaska officials asked them to prove that they all intended to return to Alaska and remain there. Joe and Sally are a very romantic couple with a soft spot for the state which had given them so much happiness, so they quickly found the title to their Alyeska home (which luckily carried the names of all seven Joneses) and sent a copy to the Permanent Fund Division. That October, the family received seven PFDs. **In 2003, PFDs were paid to Joe, Sally, 13-year-old Tommy, the younger twins and Tam and Sam.**

When determining whether an individual intends to return to and remain in Alaska, the PFD Division considers:

- the length of absence compared to the time the individual spent in Alaska before departing
- the frequency and duration of return trips to Alaska
- whether the intent to return is conditioned upon future events beyond the individual's control, such as economics or finding a job
- any ties the individual has outside Alaska, such as vehicle registration, voter registration, payment of resident taxes or receipt of benefits in another state
- the priority the individual gave Alaska on an employment assignment preference list
- whether the individual's career choice allows him or her to reside in Alaska

In the spring of 2004, Joe and Sally applied for PFDs for themselves, Tommy and the younger twins. Tam and Sam, now 22 and seniors in college, applied on their own. Upon graduation from college in 2004, Tam married a fellow Aggie, the man of her dreams. That fall, she entered law school at the University of Texas at Austin. In October, the family received seven PFDs. **In 2004, PFDs were paid to Joe, Sally, 14-year-old Tommy, the younger twins and Tam and Sam.**

Joe's career choice -- the Marines -- does not allow him to reside in Alaska and that is a mark against his claim to continue receiving PFDs. However, there are several points in the family's favor, among them, their Alaska voter registration, their participation in state and local elections, and their title to the Alyeska ski cabin.

Tam wanted a career, but being a modern woman, she also wanted a family. During spring break of 2005, she gave birth to a bouncing baby boy. Struggling with bottles and diapers, but determined to become a lawyer, Tam remained in school. Meanwhile, Sam graduated from the Naval Academy and entered active military duty.

In the spring of 2005, Joe and Sally applied for PFDs for themselves, Tommy and the younger twins. Tam and Sam, now 23, applied on their own. Tam applied for a PFD for her baby, who qualifies as a dependent of a recipient with an allowable absence. That October, that family received eight PFDs. **In 2005, PFDs were paid to Joe, Sally, 15-year-old Tommy, the younger twins and Tam and Sam, and to Tam's baby.**

The PFD distribution to the Jones family does not end in 2005. It may continue for years:

By the year 2005, the Jones family has been away from Alaska for eight years and received 57 PFDs totalling $54,150 (assuming future dividends at $950 each year).

Joe has been physically present in Alaska for 197 days; Sally for 200 days; Tommy for 20 days; Tam and Sam (the older twins) for 20 days; and Brett and Chet (the younger twins) for 15 days. Tam's baby has never been in Alaska.

- Sam continues to receive a PFD during her allowable absence while pursuing her career in the Navy (she makes sure to request assignment in Alaska).

- Tam continues to receive a PFD during her allowable absences while in school and during her career in Washington, D.C. as legal counsel to the Alaska congressional staff.

- Joe and Sally continue to receive PFDs during their allowable absences while Joe is in the military and when, after retirement, the couple joins the Peace Corps, advising third world governments how to stop graft.

- The children of Tam, Sam, Tommy, Brett and Chet receive PFDs as dependents of recipients with allowable absences. They collect PFDs after they turn 18 by emulating their parents and meeting the requirements for allowable absences.

While they are away from Alaska on allowable absences, each recipient must retain his or her Alaska residency. Each must set foot in Alaska once every two years (even if it is on a stopover on the way to a Hawaiian vacation), and each child born outside Alaska must set foot in Alaska two years after his or her birth. After five years, each recipient must prove annually that he or she intends to return to and remain in Alaska. Perhaps the Jones children will buy cabins near the original Jones family cabin, remembering to place the names of their children on the titles.

Historical Summary of Dividend Applications and Payments

Dividend Year	State Population	Dividend Applications Received	Dividend Applications Paid	Dividend Amount	Amount Disbursed
2004	655,435	625,072	598,378	$919.84	$550,412,019.52
2003	648,243	619,446	595,567	$1,107.56	$659,626,186.52
2002	640,841	612,258	589,378	$1,540.76	$908,090,047.28
2001	632,389	608,504	586,187	$1,850.28	$1,084,610,082.36
2000	625,504	607,823	583,040	$1,963.86	$1,145,008,934.40
1999	622,000	589,778	572,790	$1,769.84	$1,013,746,653.60
1998	617,082	581,837	565,256	$1,540.88	$870,991,665.28
1997	609,655	573,089	554,733	$1,296.54	$719,233,523.82
1996	605,212	564,411	546,040	$1,130.68	$617,396,507.20
1995	601,581	563,052	541,851	$990.30	$536,595,045.30
1994	600,622	557,874	534,608	$983.90	$526,000,811.20
1993	596,906	549,095	527,952	$949.46	$501,269,305.92
1992	586,722	542,285	522,639	$915.84	$478,653,701.76
1991	569,054	533,710	512,098	$931.34	$476,937,351.32
1990	553,171	531,515	497,608	$952.63	$474,036,309.04
1989	538,900	524,294	507,551	$873.16	$443,173,231.16
1988	535,000	532,241	518,152	$826.93	$428,475,433.36
1987	541,300	535,590	529,482	$708.19	$374,973,857.58
1986	550,700	540,216	532,299	$556.26	$296,096,641.74
1985	543,900	525,148	518,476	$404.00	$209,464,304.00
1984	524,000	490,414	481,346	$331.29	$159,465,116.34
1983	499,100	465,569	457,207	$386.15	$176,550,483.05
1982	464,300	484,344	469,740	$1,000.00	$469,740,000.00
Total		**12,757,565**	**12,342,378**	**$23,929.69**	**$13,120,547,211.75**

2005 amount, not yet posted is $510 million

Source:
Dividend statistics were obtained from the Permanent Fund Dividend Division's Application and Payment Status report as of January 2005. Population statistics were obtained from the Alaska Department of Labor.

Permanent Fund Dividend
HB 273
2005 Absentee Return Study
Methodology & Summary

Using a 1996 statistically valid applicant sample (95% confidence level and interval level of five) of individuals in four allowable absence categories who were absent from the state for more than 180 days, the division determined the percent of individuals who did not return to Alaska by 2005.

The respective percentages by category were applied to all individuals in each absence category for the years 1996-2005 to project the total cost of dividends paid to individuals who would not return to Alaska.

A ten year period is used for the study because Alaskans may only continue to receive the PFD for ten years while allowably absent from the state.

The "did not return" percentages for the sample are as follows:

Accompanying	81%
Students	64%
Active Military	66%
Medical	40%

Applying these percentages to each year 1996-2005 indicates that a total of $154,206,323 was paid over the ten year period to individuals who have not or will not return to the state, an average of $15.4 million each year.

Permanent Fund Dividend
2005 Projection
Individuals absent for more than 180 days who will not return over a ten year period

Absence Category/Year	Individuals Absent	% did not return in sample	Calculated total did not return	Dividend Amount	Total paid	
Accompanied						
1996	4,105	0.81	3,325	$1,131	$3,760,632	
1997	4,127	0.81	3,343	$1,297	$4,334,165	
1998	4,248	0.81	3,441	$1,541	$5,301,983	
1999	5,335	0.81	4,321	$1,770	$7,648,098	
2000	7,011	0.81	5,679	$1,964	$11,152,584	
2001	7,680	0.81	6,221	$1,850	$11,510,222	
2002	7,525	0.81	6,095	$1,541	$9,391,317	
2003	7,633	0.81	6,183	$1,108	$6,847,744	
2004	7,506	0.81	6,080	$920	$5,592,498	
2005	6,864	0.81	5,560	$846	$4,703,625	
Total	62,034		50,248		$70,242,868	
Students						
1996	4,142	0.64	2,651	$1,131	$2,997,297	
1997	4,446	0.64	2,845	$1,297	$3,689,227	
1998	4,773	0.64	3,055	$1,541	$4,706,957	
1999	5,085	0.64	3,254	$1,770	$5,759,767	
2000	5,443	0.64	3,484	$1,964	$6,841,146	
2001	5,611	0.64	3,591	$1,850	$6,644,429	
2002	5,659	0.64	3,622	$1,541	$5,580,263	
2003	5,534	0.64	3,542	$1,108	$3,922,712	
2004	5,200	0.64	3,328	$920	$3,061,228	
2005	4,873	0.64	3,119	$846	$2,638,437	
Total	50,766		32,490		$45,841,462	
Active Duty						
1996	2,601	0.66	1,717	$1,131	$1,940,993	
1997	2,813	0.66	1,857	$1,297	$2,407,130	
1998	2,992	0.66	1,975	$1,541	$3,042,807	
1999	3,437	0.66	2,268	$1,770	$4,014,740	
2000	4,308	0.66	2,843	$1,964	$5,583,804	
2001	4,805	0.66	3,171	$1,850	$5,867,793	
2002	4,684	0.66	3,091	$1,541	$4,763,167	
2003	4,901	0.66	3,235	$1,108	$3,582,580	
2004	4,826	0.66	3,185	$920	$2,929,838	
2005	4,920	0.66	3,247	$846	$2,747,131	
Total	40,287		26,589	$13,966	$36,879,993	
Medical						
1996	144	0.4	58	$1,131	$65,127	
1997	138	0.4	55	$1,297	$71,569	
1998	131	0.4	52	$1,541	$80,742	
1999	134	0.4	54	$1,770	$94,863	
2000	221	0.4	88	$1,964	$173,605	
2001	261	0.4	104	$1,850	$193,169	
2002	285	0.4	114	$1,541	$175,647	
2003	299	0.4	120	$1,108	$132,464	
2004	349	0.4	140	$920	$128,410	
2005	374	0.4	150	$845	$126,412	
Total	2,336		934	$13,965	$1,242,009	
Total - All Categories/Ten years					$154,206,323	

Permanent Fund Dividend Division
HB 273
Delayed Payments Analysis
February 6, 2006

This report expands and corrects the January report sent to Representative Weyhrauch and the House State Affairs Committee.

Changes include:

- The total sample size was increased from 367 to 1,905 to provide reliable samples of each absence group for more detailed analysis. The larger sample size results in somewhat higher did-not-return rates in every category.

- The expanded report includes all absence groups. The December report included only the four largest groups of absentees.

- Two secondary questions were explored.
  - Do more individuals return if they are only out one or two years, and does the return rate after one or two years vary by absence type?
  - How do the return rates of accompanying family members vary by absence type of their sponsor?

- The Individuals Absent count used in the projection of dividends paid to absentees over the 10 year period was corrected. The January report erroneously used the numbers of all applicants who had requested approval for an absence over 180 days when only those approved and paid should have been used. This error only affected the projected cost data and did not affect the rates of return.

Rate of Return Summary (expressed as the percentage that did NOT return)

Absence Type	Paid Absentees	Sample	10 year Did Not Return Rate	5 year Did Not Return Rate	Out only one year	Out only two years
Accompanying/child	2400	332	82%	79%	76%	82%
Military sponsor		295	84%	91%	96%	97%
Student sponsor		33	82%	79%	79%	91%
Accompanying/ Spouses*	879	221	68%	70%		
Military sponsor		189	69%	73%	91%	94%
Student sponsor		30	67%	47%	77%	90%
College	3532	317	67%	65%	39%	39%
Active Military	2232	328	72%	74%	75%	68%
Medical	51	46	63%	n/a	26%	43%
Care for Ill Family	44	44	**n/a	43%	n/a	19%
Settling an Estate	6	6	**n/a	33%	n/a	25%
Care for Terminally Ill	39	39	**n/a	38%	n/a	23%
Merchant Marine	10	10	**n/a	50%	n/a	25%
Secondary School	213	213	n/a	67%	34%	45%
Congressional	33	33	76%	85%	n/a	100%

* Spouses were not eligible in 1996, the base year for this analysis, A sample of 221 spouses, who nevertheless applied in 1996 and would have been paid if spouses had been authorized as an allowable absence, were selected to track for these projections.

** Allowable absence established after 1996; based on 2000-2005 data.

The weighted average did-not-return rate for all absence types is 72%

Projection of Dividends Paid (Attachment 1)

The data indicates that over the 10 year period almost $137 million was paid to absentees who did not return. Projected amounts by year are as follows:

Year	Total
1996	$7,149,354
1997	$8,513,172
1998	$12,123,444
1999	$16,256,033
2000	$20,985,180
2001	$20,994,350
2002	$17,912,737
2003	$13,204,640
2004	$10,865,196
2005	$8,950,856
	136,954.963

Overview of Absence Types (Attachments 1 and 2)

Accompanying/child (2,400)

This group includes dependent children of individuals out on an allowable absence. This group has the highest ten year did-not-return rate (82%). After five years the rate is 79%.

89% of the absence group are military dependents, 10% are college student dependents and 1% is a mix of the other absence types.

The children of students do-not-return at 82% after ten years and children of military at 84%. After five years, children of college students return at a higher rate than children with military sponsors. The children of other absence types was too small for further analysis.

Children who claim the absence for only one year indicate an overall did-not-return rate of 76% and for two years is 82%. Military sponsored children out for only one year have a 96% did-not-return rate and 97% for two years. Children sponsored by college students only out for one year did-not-return at 79% and at 91% after two years.

Accompanying/spouse (879)
The overall did-not-return rate after ten years for spouses was 68% and after five years is 70%.

Military spouses made up 86% of the group; 14% were college student spouses; and 1% was a mixture of other absence types.

Spouses of students and military return at approximately the same rate at 10 years; at five years student spouses return at a higher rate. Student spouses only out for one year return at a higher rate than military. When spouses are out only for two years, the return rate between the groups is similar. The sample of spouses of other absentee types was too small for analysis.

Attending College (3,532)
Paid applicants attending college indicated a did-not-return rate of 67% after ten years. At five years the overall rate was 65%.
Students who claim the absence for only one or two years have a significantly lower did-not-return rate at 39% for both years.

Active Duty Military (2,232)
Active duty military indicate a did-not-return rate of 72% after ten years. The overall rate at five years is 74%.

Active military who claim the absence for only one year, do-not-return at 75% and for two years 68%.

Medical Care (51)
The group of applicants claiming an absence to pursue medical care have a ten year do-not-return of 63%. No applicants in this group were absent for five years.

The Medical Care group included only 51 individuals in 1996. 67% (34) of this group claim the absence for only one year and the did-not-return rate at one year is 26% and after a two year absence is 43%.

Congressional (33)
The Congressional group included only 33 individuals in 1996. The did-not-return rate at 10 years is 76% and at 5 years is 76%. Only one individual in this group was absent for only one or two years, and did not return.

Attending Secondary School (213)
The did-not-return rate after five years for this group is 67%. Individuals who were absent only one year have a did-not-return rate of 34% and after two years of 45%.

Note: The following groups are newer allowable absence types and were established after 1996, the base year for the other groups. These groups are only tracked from 2000-2005.

Caring for Ill Family (40)
The did-not return rate for this small group at five years is 43%. 68% (27) were absent two years or less and the did-not return rate is 19%.

Settling an Estate (12)
The did-not-return rate for this very small group at five years is 33%. Individuals who were absent only two years did-not-return at 25%.

Caring for Terminally Ill Family (39)
The did-not-return rate for this small group at five years is 38%. Individuals who were absent two years or less have a did-not-return rate of 23%. Individuals who were absent for only 2 years, did-not-return at the rate of 23%.

Merchant Marine (10)
The five year did-not-return rate for this very small group is 50% and of those who were only absent two years or less, 25% did not return.

Conclusions

- No absence group returns at more than 50% after 10 years. The did-not-return rate for the largest absence groups varies from 67-82%.
- Approximately $135 million was paid to individuals who did not return over a ten year period.
- College and Secondary School Students return at a higher rate than other absence types if they are only out one or two years; and they return at a much higher rate after one or two years than when they stay out on longer absences.
- Active Military do not return at substantially higher rates if only absent one or two years.
- Accompanying college spouses return at approximately the same rate as spouses of military at 10 years. At five years military spouses return at a higher rate than college spouses. Student spouses only out for one year return at a higher rate than military spouses. At two years, both groups return at about the same rate.
- Accompanying children of students and military return at about the same rate at 10 years. At one or two years, military children return at a somewhat higher rate than children of students.
- Other absence types, except for Congressional, tend to be out only one or two years.

Permanent Fund Dividend
2005 Projection
Individuals absent for more than 180 days who will not return over a ten year period

Absence Category/Year	Individuals Absent Paid	% did not return in sample	Calculated total did not return	Dividend Amount	Total paid
Accompanied					
1996	2,400	0.82	1,968	$1,131	$2,225,808
1997	2,375	0.82	1,948	$1,2[illegible]	$2,525,012
1998	3,380	0.82	2,772	$1,541	$4,270,703
1999	4,254	0.82	3,488	$1,770	$6,173,697
2000	5,270	0.82	4,321	$1,964	$8,486,625
2001	5,719	0.82	4,690	$1,950	$8,677,036
2002	5,837	0.82	4,786	$1,541	$7,374,601
2003	6,071	0.82	4,978	$1,108	$5,513,677
2004	6,117	0.82	5,016	$920	$4,613,862
2005	5,308	0.82	4,353	$846	$3,682,266
Total					**$53,543,287**
Students					
1996	3,532	0.67	2,366	$1,131	$2,675,686
1997	3,792	0.67	2,541	$1,297	$3,294,041
1998	4,154	0.67	2,783	$1,541	$4,288,546
1999	4,519	0.67	3,028	$1,770	$5,358,598
2000	4,729	0.67	3,168	$1,964	$6,222,353
2001	4,879	0.67	3,269	$1,850	$6,048,436
2002	4,974	0.67	3,333	$1,541	$5,134,706
2003	4,885	0.67	3,273	$1,108	$3,624,989
2004	4,446	0.67	2,979	$920	$2,740,038
2005	3,924	0.67	2,629	$846	$2,224,202
Total					**$41,611,594**
Active Duty					
1996	2,232	0.72	1,607	$1,131	$1,817,048
1997	2,373	0.72	1,709	$1,297	$2,215,216
1998	2,565	0.72	1,847	$1,541	$2,845,697
1999	2,934	0.72	2,112	$1,770	$3,738,752
2000	3,525	0.72	2,538	$1,964	$4,984,277
2001	3,731	0.72	2,686	$1,850	$4,970,444
2002	3,851	0.72	2,773	$1,541	$4,272,096
2003	4,049	0.72	2,915	$1,108	$3,228,848
2004	4,026	0.72	2,899	$920	$2,666,359
2005	3,834	0.72	2,760	$846	$2,335,366
Total					**$33,074,102**
Medical					
1996	51	0.63	32	$1,131	$36,329
1997	33	0.63	21	$1,297	$26,955
1998	46	0.63	29	$1,541	$44,655
1999	75	0.63	47	$1,770	$83,625
2000	114	0.63	72	$1,964	$141,044
2001	153	0.63	96	$1,850	$178,348
2002	162	0.63	102	$1,541	$157,250
2003	193	0.63	122	$1,108	$134,668
2004	245	0.63	154	$920	141,977
2005	219	0.63	138	$845	$116,585
Total					**$1,061,437**

Permanent Fund Dividend
2005 Projection
Individuals absent for more than 180 days who will not return over a ten year period

Congressional					
1996	23	0.76	17	$1,131	$19,764
1997	21	0.76	16	$1,297	$20,693
1998	18	0.76	14	$1,541	$21,079
1999	20	0.76	15	$1,770	$26,902
2000	19	0.76	14	$1,964	$28,358
2001	21	0.76	16	$1,850	$29,530
2002	23	0.76	17	$1,541	$26,932
2003	26	0.76	20	$1,108	$21,885
2004	28	0.76	21	$920	$19,574
2005	21	0.76	16	$845	$13,486
					$228,205
Cared for Ill Family					
1996	1	0.43	0	$1,131	$486
1997	10	0.43	4	$1,297	$5,575
1998	31	0.43	13	$1,541	$20,540
1999	29	0.43	12	$1,770	$22,070
2000	40	0.43	17	$1,964	$33,778
2001	30	0.43	13	$1,850	$23,869
2002	35	0.43	15	$1,541	$23,188
2003	18	0.43	8	$1,108	$8,573
2004	28	0.43	12	$920	$11,075
2005	15	0.43	6	$845	$5,450
					$154,604
Settled an Estate					
1996		0.33	-	$1,131	$0
1997		0.33	-	$1,297	$0
1998	2	0.33	1	$1,541	$1,017
1999	12	0.33	4	$1,770	$7,009
2000	6	0.33	2	$1,964	$3,888
2001	2	0.33	1	$1,850	$1,221
2002	4	0.33	1	$1,541	$2,034
2003	3	0.33	1	$1,108	$1,096
2004	7	0.33	2	$920	$2,125
2005	2	0.33	1	$845	$558
					$18,948
Care of Terminally Ill					
1996	1	0.38	0	$1,131	$430
1997		0.38	-	$1,297	$0
1998		0.38	-	$1,541	$0
1999	29	0.38	11	$1,770	$19,504
2000	39	0.38	15	$1,964	$29,104
2001	38	0.38	14	$1,850	$26,718
2002	30	0.38	11	$1,541	$17,565
2003	31	0.38	12	$1,108	$13,047
2004	46	0.38	17	$920	$16,079
2005	38	0.38	14	$845	$12,202
					$134,648

Permanent Fund Dividend
2005 Projection
Individuals absent for more than 180 days who will not return over a ten year period

Mechant Marine			-		
1996		0.5	-	$1,131	$0
1997		0.5	-	$1,297	$0
1998		0.5	-	$1,541	$0
1999		0.5	-	$1,770	$0
2000	10	0.5	5	$1,964	$9,819
2001	12	0.5	6	$1,850	$11,102
2002	11	0.5	6	$1,541	$8,474
2003	8	0.5	4	$1,108	$4,430
2004	11	0.5	6	$920	$5,059
2005	18	0.5	9	$845	$7,605
					$46,490
Secondary School			-		
1996		0.67	-	$1,131	$0
1997		0.67	-	$1,297	$0
1998		0.67	-	$1,541	$0
1999		0.67	-	$1,770	$0
2000	213	0.67	143	$1,964	$280,282
2001	272	0.67	182	$1,850	$337,195
2002	278	0.67	186	$1,541	$286,982
2003	251	0.67	168	$1,108	$186,258
2004	427	0.67	286	$920	$263,157
2005	504	0.67	338	$845	$285,340
					$1,639,194
Mixed Absence*					
1996	435	0.72	313	$1,131	$354,129
1997	432	0.72	311	$1,297	$403,276
1998	539	0.72	388	$1,541	$597,985
1999	614	0.72	442	$1,770	$782,411
2000	513	0.72	369	$1,964	$725,371
2001	491	0.72	354	$1,850	$654,111
2002	520	0.72	374	$1,541	$576,881
2003	555	0.72	400	$1,108	$442,581
2004	552	0.72	397	$920	$365,581
2005	417	0.72	300	$845	$253,703
					$5,156,008
* Percentage of did not return derived from weighted average of all other categories					
Total - All Categories/Ten years	132,806		97,712		$136,668,518

Permanent Fund Dividend Division
HB 273
Delayed Payments Analysis

Years = years applicant requested allowable absence
Yes = applicant returned
No = Applicant did not return

Accompanying/Child

Years	Yes	No	total	% yes	% no
1	20	65	85	24%	**76%**
2	16	71	87	18%	**82%**
3	18	22	40	45%	**55%**
4	16	33	49	33%	**67%**
5	7	26	33	21%	**79%**
6	4	10	14	29%	**71%**
7	4	6	10	40%	**60%**
8	0	5	5	0%	**100%**
9	2	2	4	50%	**50%**
10		2	2	0%	**100%**
11	1		1	100%	**0%**
12			0		
13		1	1	0%	**100%**
14			0		
15		1	1	0%	**100%**

Accompanying/Spouse

Years	Yes	No	total	% yes	% no
1	26	77	103	25%	**75%**
2	27	37	64	42%	**58%**
3	12	15	27	44%	**56%**
4	3	7	10	30%	**70%**
5	1	2	3	33%	**67%**
6	4	1	5	80%	**20%**
7			0		
8	1		1	100%	**0%**
9			0		
10		1	1	0%	**100%**

Permanent Fund Dividend Division
HB 273
Delayed Payments Analysis

Attending College					
	Yes	No	total	% yes	% no
Years					
1	34	22	56	61%	39%
2	23	15	38	61%	39%
3	27	44	71	38%	62%
4	17	36	53	32%	68%
5	12	34	46	26%	74%
6	8	15	23	35%	65%
7	3	9	12	25%	75%
8	2	3	5	40%	60%
9	1	3	4	25%	75%
10	1	1	2	50%	50%
11			0		
12		3	3	0%	100%
13	1		1	100%	0%
14		1	1	0%	100%
15			0		
16	1		1	100%	0%
17			0		
18		1	1	0%	100%
Active Military					
	Yes	No	total	% yes	% no
Years					
1	15	45	60	25%	75%
2	24	52	76	32%	68%
3	16	20	36	44%	56%
4	23	24	47	49%	51%
5	10	35	45	22%	78%
6	7	11	18	39%	61%
7	10	11	21	48%	52%
8	1	5	6	17%	83%
9	5	3	8	63%	38%
10		5	5	0%	100%
11	1	2	3	33%	67%
12			0		
13	1	1	2	50%	50%
14	1		1	100%	0%

Permanent Fund Dividend Division
HB 273
Delayed Payments Analysis

Medical Care					
Years	Yes	No	total	% yes	% no
1	25	9	34	74%	26%
2	4	3	7	57%	43%
3		2	2	0%	100%
4	1		1	100%	0%
6	1		1	100%	0%
10		1	1	0%	100%

Congressional					
Years	Yes	No	total	% yes	% no
2		1	1	0%	100%
3	2	3	5	40%	60%
4	1		1	100%	0%
5	1	3	4	25%	75%
6	1	1	2	50%	50%
7	1	3	4	25%	75%
8		1	1	0%	100%
9	1	1	2	50%	50%
10		1	1	0%	100%
11	1		1	100%	0%
13	1	1	2	50%	50%
14		1	1	0%	100%
15		2	2	0%	100%
17		1	1	0%	100%
19		1	1	0%	100%
20		1	1	0%	100%
22	1		1	100%	0%
24		2	2	0%	100%

Caring for Ill Family					
Years	Yes	No	total	% yes	% no
2	22	5	27	81%	19%
3	10	2	12	83%	17%
4	4		4	100%	0%

Permanent Fund Dividend Division
HB 273
Delayed Payments Analysis

Settling an Estate					
Years	Yes	No	total	% yes	% no
2	3	1	4	75%	25%
3		1	1	0%	100%
4	1		1	100%	0%

Caring for Terminally Ill Family					
Years	Yes	No	total	% yes	% no
2	17	5	22	77%	23%
3	9	4	13	69%	31%
4	1		1	100%	0%
5			0		
6		2	2	0%	100%
7			0		
8		1	1	0%	100%

Merchant Marine					
Years	Yes	No	total	% yes	% no
2	3	1	4	75%	25%
3	1	1	2	50%	50%
4	1		1	100%	0%
7		1	1	0%	100%
8		1	1	0%	100%

Attending Secondary School					
Years	Yes	No	total	% yes	% no
2	48	25	73	66%	34%
3	28	23	51	55%	45%
4	15	20	35	43%	57%
5	9	16	25	36%	64%
6	3	6	9	33%	67%
7	2	7	9	22%	78%
8	1	7	8	13%	88%
9		1	1	0%	100%
10		1	1	0%	100%

Louie Flora

From: PCMS@legis.state.ak.us
Sent: Monday, January 30, 2006 10:41 AM
To: Louie Flora
Subject: New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Clifford Boner
Hc 60 Box 2465

Copper Center 99573-9801,

822-3806

College students I agree with for employment opportunities make it slim that they will return. Our Federal Delegation should give up the right to collect a PFD until they have returned to the state if we expect to have our active duty military do so.

Louie Flo a

From:	POMS@legis.state.ak.us
Sent:	Monday, January 30, 2006 9:10 AM
To:	Louie Flora
Subject:	New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Clifford Boner
Hc 60 Box 2465

Copper Center 99573-9801,

822-3806

Just leave the Military and their dependents alone. Deployed military and their families are giving up enough already with service to the country.
Focus on fixing the oil tax instead.

Louie Flora

From: POMS@legis.state.ak.us
Sent: Friday, January 27, 2006 8:26 PM
To: Louie Flora
Subject: New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Harvey Harms
Po Box 670071

Chugiak 99567-0071,
alaskatrophy@yahoo.com
907 696 2484

Dear Sir
I agree that all effort should be made to stop permanent fund fraud, but HB 273 would be very damaging to students who return to Alaska. I have two daughters who are Doctors who returned to Alaska to practice and the Alaska Permanent Fund helped greatly.

Louie Flora

From: POMS@legis.state.ak.us
Sent: Friday, January 27, 2006 7:00 PM
To: Louie Flora
Subject: New Pom:Permanent Fund

Michelle Tabler
13241 Vern Dr

Anchorage 99516-2650,
mtabler@alaska.net
9073458568
9073458568

I am opposed to any restriction on Permanent Fund dividends to college students. My daughter, a life-long Alaskan, will need the money from her dividends while in college. Think about incentives to bring these students back - like the 50% forgiveness clause of the Ak student loans which I had 30 years ago!

Louie Flora

From: POMS@legis.state.ak.us
Sent: Friday, January 27, 2006 2:42 PM
To: Louie Flora
Subject: New Pom:Permanent Fund

Constance Boquist
2723 Snug Harbor Cir

Anchorage 99507-4909,cboquist
cboquist@gci.net
9072697843
9073381232

Money held should accrue interest. Doesn&#39t holding money present more problems related to distributing the money if the person dies during the time the money is held? What happens to money that isn&#39t distributed some way? Do you re-invest it or re-distribute amongst the group? Vote NO, re-think this.

Louie Flora

From:	POMS@legis.state.ak.us
Sent:	Friday, January 27, 2006 10:39 AM
To:	Louie Flora
Subject:	New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Brenda Gower
Po Box 3347

Valdez 99686-3347,

Please pass HB 273.
Also:
I am happy with Senator Lisa Murkowski, but unhappy with Governor Murkowski.

Louie Flora

From:	POMS@legis.s te.ak.us
Sent:	Friday, January 27, 2006 8:45 AM
To:	Louie Flora
Subject:	New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Suzanne Miles
Po Box 772196

Eagle River 99577-2196,

I do not support this bill. It takes money away from students at a critical time and it is a slap in the face to the military. Kudos to Rep.
Bob Lynn for doing the right thing and voting no.

Louie Flora

From: Dewey Youngerman [dfy@sphosp.com]
Sent: Thursday, January 26, 2006 4:42 PM
To: Louie Flora
Subject: Comment on HB 273

As a medically released Alaskan US service member I have some very strong feelings regarding holding service members PFD disbursements until returning to the state. Unlike Alaskan students or workers who are exposed to employment opportunities outside, service members have a very high ratio of returns to the state following service. Part of this reason is that the military is contractually bound to pay to move them back to their State of Record (State of enlistment) after their active duty is completed.

These individuals have a Federal contract to move them back. This benefit was worth almost $20,000.00 in my case, there was no way I was
going to lose that benefit. While it is true the State of Record may
be changed once in a service persons career, it is not likely to occur.
Compounding the issue is the low income of our enlisted troops, sailors, and marines who often have families to support ($15,000 -19,000/year) and the PFD becomes very important.

Currently the degree of difficulty of just proving you qualify while outside on active duty is enormous. An example I am very familiar with was mine. I restablished residency in calendar year 95 after moving back to the state in 94. From PFD years 95 to 2002 I was denied my PFD
while on active duty. Each year the clerk(s) I delt with after filing
responded in writing and later on the phone by saying that since I was not in state over 6 months of the year I was not eligible. I did spend between 15 and 30 days each year here on leave. After my medical discharge a sympathetic clerk told me to reapply, expect denial, and then contest the findings since I applied on time, returned each year on leave, and consummated my Federal contract by moving back to Alaska . I did so to be told that even though I was informed of each years denial by the State, I was ineligible since I didn't file my rebuttal within 30 days of each year's denial. The current system has plenty of caveats in favor of the state.

If you would accept a compromise, please consider with-holding the PFDs of those who statistically do not return (i.e. snowbirds, students, or transient workers) and having Alaskan service members and those who
statistically return sign a 'Return or Repay' agreement. Repayment
would include interest and the State's cost of recovery. Considering the ease of finding someone in the current electronic age, this would create a contractual agreement up front to discourage fraud and set up recovery of dishonest individuals stolen State monies. Garnishing a fraudulent claimants wages, VA benefits, or retirement wouldn't be too hard and if they have to pay for all costs incurred you could actually break even on the cost of garnishment.

Frankly, since it is so hard to prove you qualify, if you with-hold students and service members PFDs many would question 'why should we go back to a place where legislators making it difficult to get what we deserve?'. Please do not financially penalize our honest service members when it is difficult enough to prove residency and any extra income is desperately needed while performing their patriotic duties, or students who could bring back valuable skills to Alaska.

Thank you for your time and consideration.
Dewey F. Youngerman III , former

Rep. Paul Seaton

From: Rep. Bruce Weyhrauch
Sent: Monday, January 23, 2006 10:41 AM
To: Ryan Fahey
Cc: Rep. Peggy Wilson; Rep. Paul Seaton
Subject: RE: PFD

Thanks Ryan

I hope it can move from committee soon.

Bruce

From: Ryan Fahey [mailto:rfahey@ptialaska.net]
Sent: Monday, January 23, 2006 10:26 AM
To: Rep. Bruce Weyhrauch
Subject: PFD

Dear Rep. Weyhrauch,

Just a short email to let you know that I support your legislation of withholding PFD from people who leave the state. Alaska has been bilked for millions of dollars from people who keep their residency with no intention of returning to Alaska. I hope you can get this legislation passed.

Ryan Fahey/ Sitka, AK

Louie Flora

From: POMS@legis.state.ak.us
Sent: Tuesday, January 17, 2006 4:25 PM
To: Louie Flora
Subject: New Pom:Permanent Fund

Lary Kuhns
Po Box 2694

Homer 99603-2694,lkuhns

Dear Legislators,
We long time Alaskans depend on these constitutionally mandated payments for the support of our college students. If anything, re-work the bill to only include those students in their senior year. Defeat this bill.

Louie Flora

From: POMS@legis.state.ak.us
Sent: Tuesday, January 17, 2006 7:22 AM
To: Louie Flora
Subject: New Pom:Permanent Fund

Vicki Janz
310 W Arlington Ave

Soldotna 99669,
tomj@gci.net

262-1633

Rep Weyhrauch and Sen Seekins would withhold the Perm Fund to students who are attending college outside of Alaska. Students depend upon the permanent fund, and worry that when they graduate they will not be able to find a job in Alaska.

Louie Flora

From: POMS@legis.state.ak.us
Sent: Wednesday, January 18, 2006 10:51 AM
To: Louie Flora
Subject: New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

David Mccargo
Po Box 100767

Anchorage 99510-0767,

PFD reform is long over due. In addition, it should be restricted to U.S. citizens and put in trust for minors.

Louie Flora

From: POMS@legis.state.ak.us
Sent: Tuesday, January 17, 2006 8:36 PM
To: Louie Flora
Subject: New Pom:Permanent Fund

John Gimarc
11155 Bluff Creek Cir

Anchorage 99515,agimarc
agimarc@ak.net
345-0629
345-0629

Ladies & Gentlemen - So you follow a seat belt law with an attack on students and soldiers? This is not a particularly good message from people who call themselves conservatives. The current laws / rules on PFD checks to students and military are adequate. Simply enforce them honorable and equally. Please.

Louie Flora

From: POMS@legis.state.ak.us
Sent: Tuesday, January 17, 2006 6:43 PM
To: Louie Flora
Subject: New Pom:Permanent Fund

Courtney Pederson
19816 N Mitkof Lp

Eagle River 99577,
cp003g@hotmail.com

Please support students and don&#39t withhold the PFD! Alaska students are returning to Alaska to work, many of us are needing to complete professional programs before we can return. This may be 3-6 or even more years after schooling is completed. The PFD is an extremely important addition to tuition.

Louie Flora

From: POMS@legis.state.ak.us
Sent: Tuesday, January 17, 2006 6:33 PM
To: Louie Flora
Subject: New Pom:Permanent Fund

Constance Boquist
2723 Snug Harbor Cir

Anchorage 99507-4909,cboquist
cboquist@gci.net
9072697843
9073381232

Please find a way to let Students have their PFD checks while they are in school. The extra money is used for school, every little bit helps. How can people get checks and not prove they are in Alaska? Doesn&#39t everyone have to show proof of returning to Alaska?

Louie Flora

From: POMS@legis.state.ak.us
Sent: Tuesday, January 17, 2006 3:37 PM
To: Louie Flora
Subject: New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Kim Smith
Po Box 3235

Homer 99603-3235,krsmith
krsmith@gci.net
907-235-6703

I ask you legislators supporting this legislation; did your children attend college outside? Did they return; if not, will you refund their PFD amounts to the State? Did your family need that help desperately?? Our families need these funds while the kids are in college!

Louie Flora

From: POMS@legis.state.ak.us
Sent: Tuesday, January 17, 2006 3:30 PM
To: Louie Flora
Subject: New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Kim Smith
Po Box 3235

Homer 99603-3235,krsmith

With one son in Yale, another son at Connecticut College we believe your logic is flawed, simply wrong regarding HB 273. We struggle paying tuition, they live and work here, and they are Alaskans. Remove hard working college students from this Bill and punish those committing fraud.

Louie Flora

From: Vince Yelmene [vinni@gci.net]
Sent: Thursday, January 2006 4:03 PM
To: Rep. John Harris; Rep. John Coghill; Rep. Ethan Berkowitz; Rep. Tom Anderson; Rep. Mike Chenault; Rep. Sharon Cissna; Rep. Harry Crawford; Rep. Eric Croft; Rep. Nancy Dahlstrom; Rep. Jim Elkins; Rep. Richard Foster; Rep. Les Gara; Rep. Berta Gardner; Rep. Carl Gatto; Rep. Max Gruenberg; Rep. David Guttenberg; Rep. Mike Hawker; Rep. Jim Holm; Rep. Reggie Joule; Rep. Mary Kapsner; Rep. Mike Kelly; Rep. Beth Kerttula; Rep. Vic Kohring; Rep. Pete Kott; Rep. Gabrielle LeDoux; Rep. Bob Lynn; Rep. Lesil McGuire; Rep. Kevin Meyer; Rep. Carl Moses; Rep. Mark Neuman; Rep. Kurt Olson; Rep. Jay Ramras; Rep. Norman Rokeberg; Rep. Woodie Salmon; Rep. Ralph Samuels; Rep. Paul Seaton; Rep. Bill Stoltze; Rep. Bill Thomas; Rep. Bruce Weyhrauch; Rep. Peggy Wilson; Sen. Ben Stevens; Sen. Gary Stevens; Sen. Johnny Ellis; Sen. Con Bunde; Sen. John Cowdery; "Senator_ Fred Dyson"@legis.state.ak.us; Sen. Kim Elton; Sen. Hollis French; Sen. Lyda Green; Sen. Gretchen Guess; Sen. Lyman Hoffman; Sen. Charlie Huggins; Sen. Albert Kookesh; Sen. Donny Olson; Sen. Ralph Seekins; Sen. Bert Stedman; Sen. Gene Therriault; Sen. Tom Wagoner; Sen. Gary Wilken
Subject: PFD 'volunteers'

hello,

Given the recent reports of excessive abuse of the PFD system by "volunteers", it seems quite obvious the bill sponsored by Rep. Bruce Weyhrauch is a must pass. With over 70% of those volunteers lying and not returning to Alaska, it is quite obvious we need to implement this legislation. If you care at all about honesty and fairness, you will vote yes on this non-partisan legislation.
The PFD program was intended to assist 'residents'.

respectfully,
Vince Yelmene
Registered: Non-partisan

Louie Flora

From: Wendy Gardner [gerwen@ptialaska.net]

Sent: Monday, May 09, 2005 10:00 PM

To: Rep. Paul Seaton

Subject: Wendy Gardner

Dear Paul,
Please do not group college students and military together in this decision for individuals returning to AK for a PFD. I believe there are more military personnel getting PFD's with no intention of returning to the state then college students.
Hope all your family is well. Greet them for us.
Sincerely,
Wendy Gardner

Louie Flora

From: Larry and Susan [lsemmens@ptialaska.net]
Sent: Monday, May 09, 2005 9:37 PM
To: Rep. Paul Seaton; Rep. Mike Chenault; Rep. Kurt Olson
Subject: HB 273

Rep. Seaton, Chenault, Olson

My 23 year old son is Alaskan born and raised.

He will leave for a year tour of duty in Iraq in August as a member of the Alaska Army Guard. Yes, Guard not regular Army. He is ready and willing to go.

His young wife will remain here, trying to pay the bills and finish college. Somehow it seems to me that of all people, he should be eligible for this dividend! Certainly more could be demanded of him than of Murkowski, Young and Stevens! Not that their service should be discounted. Yet if he does give the ultimate sacrifice, his wife wouldn't collect his dividend would she? This is not right is it?

I am sorry there are those who collect and never return to Alaska. But honestly I am ashamed that our State is poised to work a financial hardship on our military members who are clearly Alaskans. There should be a better way to save a few bucks.

Please rethink this. It isn't right.

Sincerely

Larry Semmens
Veteran

Louie Flora

From: Nancy Osborne [petero@gci.net]
Sent: Monday, May 09, 2005 9:10 AM
To: Ian Laing
Subject: Re: New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Good Day to you Ian.

No doubt as the legislature tries to conclude it's yearly work, you have a lot on your plate and I really appreciate your taking time to update us.
The information was helpful and your consideration is certainly above and beyond.

We are glad to hear that the bill will not likely get any where this year. We do agree with the intent of the bill, we just think there needs to be some way to not penalize college students who need the money for their education. They don't need it after they finish school. They need it while
they are in school. There must be a way to address both concerns and I appreciate all the time and effort our legislatures and staff put into meeting the needs and concerns of Alaskans.

We have tracked the bill several times on BASIS and was relieved to begin thinking that it might not get any where this year. We will indeed keep track of it in future sessions.

Thanks again for your time, effort and thoughtfulness.

Two Thankful Constituents.

Nancy and Tom Osborne
Box 2375
Seward, AK 99664

----- Original Message -----
From: "Ian Laing" <Ian_Laing@legis.state.ak.us>
To: <petero@gci.net>
Sent: Sunday, May 08, 2005 8:57 PM
Subject: RE: New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Nancy,

We spoke about this a couple weeks ago and I just wanted to let you know the bill is not likely to go anywhere this year. After you called, I looked at the bill a bit more and spoke to the Legal department. I will likely be submitting an amendment to the bill when it is heard in State Affairs next session. The way it is currently written, if, for instance, a student were to claim their dividend while away from the state for several years, and was then to get a job out of state for a year or two, they would not be able to claim their previous dividends at all. The amendment I would like to offer would allow them to claim their dividends the next year they return to Alaska and qualify for a dividend.
Representative Seaton still believes in the intent of the bill - to prevent brain drain, and people claiming dividends who have no intention of returning to the state. As it is now, only 20% of military return to the state, and 40% of college students. I would encourage you to follow the bill on BASIS, beginning next year and testify if you're interested. I'll look forward to talking with you more about this when we take it up again next year. And thanks again for taking the time to write in.
Ian.

Ian Laing
Rep. Paul Seaton

Legislative Staff
(800) 665-2689

-----Original Message-----
From: POMS@legis.state.ak.us [mailto:POMS@legis.state.ak.us]
Sent: Thursday, April 28, 2005 9:43 AM
To: Ian Laing
Subject: New Pom:HB 273 Pfd: Delay Payment For Allowable Absences

Nancy Osborne
PO Box 2375

Seward 99664-2375,petero
petero@gci.net
907-224-8006
907-224-8006

We implore you to reconsider withholding the PFD after graduation from college students. This is unfair. Why penalize young Alaskans trying to pay for a quality education? This is robbery and we ask you to eliminate this provision. Also, give the PFD to the nobel Alaskans in the Peace Corps.

Louie Flora

From: POMS@legis.state.ak.us
Sent: Thursday, April 28, 2005 9:43 AM
To: Ian Laing
Subject: New Pom:HB 273 Pfd· Delay Payment For Allowable Absences

Nancy Csborne
PO Box 2375

Seward 99664-2375,petero
petero@gci.net
907-224-8006
907-224-8006

We implore you to reconsider withholding the PFD after graduation from college students. This is unfair. Why penalize young Alaskans trying to pay for a quality education? This is robbery and we ask you to eliminate this provision. Also, give the PFD to the nobel Alaskans in the Peace Corps.

Loule Flora

From: Rieta Rule [brr@alaska.net]

Sent: Wednesday, April 20, 2005 10:17 AM

To: Rep. Bruce Weyhrauch; Rep. Paul Seaton; Rep. Norman Rokeberg; Rep. Bob Lynn; Rep. Richard Foster

Subject: Permanant Fund Dividend

Mr. Wehrauch,

I have been studying the article that Larry Persily had in April 19th Anchorage Daily News, about House Bill 273, concerning absent residents and the Permanent Fund Dividend. I understand that a lot of these are sent to residents who are absent from the state for special reasons, most being legitiment, but I believe that the Military who are serving our country in Iraq, or at a war zone, and have always been residents in Alaska should not be in this category. Obviously you do not have a son or daughter over there.

I do. Our grandson was born and raised in Alaska, as were his parents, he has been raised to support our country in every way, and joined the Marine Guard right out of High School, and was sent to Iraq in January of this year, where he is proudly and bravely trying to do his duties, as are many other Alaskan men and women, and I really do not believe he or the other Alaska
Military should be punished in this way.

If you feel you must hold their permanent fund checks until they get back, they should then receive them with the interest they would have received, hd their checks been deposited in the banks. I also feel they are residents of Alaska during their service and upon return should receive these checks, not wait and set up residency again. If they stay here for another year or more they are entitled to continue to receive them, without the waiting period of a new Alaska resident. These people have not given up their residency when they go to serve our country, and until they return they should continue to receive their chocks just like you and I do.

A lot of these men and women have their on families staying here trying to make a living while their spouses are supporting our country, and they probably need every cent they can get to take care of food, rent,ect. This check would help them out a lot.

I know there are some people who abuse their residency in Alaska. and still receive the check, and for those I think something needs to be done. I just do believe the Military, particularly at the war zones, should be exempt from this bill.

I hope you will give this great consideration before pushing House Bill any further.

Thanks for listening to me, Norieta Rule

1727 Bartlett Dr.
Anchorage, AK 99507

phone: 907-563-7445
cell:907-229-1509
email: brr@alaska.net

Loule Flora

From: Ann Bayes [bayes@xyz.net]
Sent: Wednesday, January 18, 2006 12:25 PM
To: Rep. Paul Seaton; Louie Flora
Subject: Fwd: PFD Proposal

Hello,

As the concern for PFD checks going to people during absences is again in the news, and as I am doing a much needed clean out of my computer files, I am resending you these comments. I have no problem with holding checks during absences, but I think the recipients deserve the dividends. plus earnings. when they make their return to Alaska.

Thanks for all your efforts; and good luck holding onto some of our current windfall from high oil prices for the future!
Ann

Begin forwarded message:

From: Ann Bayes <bayes@xyz.net>
Date: Thu Apr 1, 2004 7:07:05 AM US/Alaska
To: Paul Seaton <representative_Paul_Seaton@legis.state.ak.us>
Cc: Chris_Knight@Legis.state.ak.us
Subject: PFD Proposal

Hi Paul,

Your proposal to withhold dividends from college students and others until they return to Alaska has merit, but I strongly object that there would be no interest or investment earnings attached when they return and become eligible to receive them.

Why not pool those funds and create an investment share, the value of which would fluctuate based on earnings/losses of the pooled PFD $$'s being held and invested? You would then also teach them how investing for the future really works. If the average student spends 5 years Outside, he/she will have enough years of investing to weather the historical average for stock market dips. When interest rates are as low as they are now, conservative investors don't make but a few percentage points worth of interest on certificates of deposit, but that has not been nor will it always be the case. Like the fund itself, there would be years of potential losses.

Our two daughters chose to return to Alaska after college; David plans to do the same. During their college years, Michelle's and Erica's PFD's were allowed to earn for them so that they had money to payoff student loans when they graduated. This in turn is allowing them to become taxpaying home owners while accepting whatever jobs the local economy has to offer. David has invested his money in the startup of his Alaska-based fishing charter business while still in school. In the past 12 months, the State of Alaska has received an amount in licensing and fees equal to or greater than his PFD of 2003, the Kenai Borough has received sales tax revenue, and the local economy has seen purchasing of goods and services equal to his lifetime worth of PFD's.

Do not punish the students/residents who do want to come back and use their PFD funds wisely while tightening up on those who don't.

Thanks,
Ann and Bruce