

HB

166

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/07

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 166(FIN)

HB 166 CONTRIBUTIONS FROM PERM. FUND DIVIDENDS

"An Act relating to contributions from permanent fund dividends to community foundations, to certain educational organizations, and to certain other charitable organizations; and providing for an effective date."

and recommends:

- be replaced with SCS or CS HB 166 (Fin)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input checked="" type="checkbox"/>	New Title w/ SCR # _____

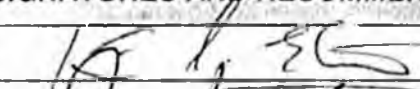

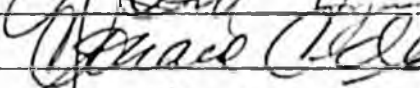



NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/2/08	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Cito	✓			
	Thomas	✓			
	Dyson	✓			
	Deson			✓	
CO-CHAIR: 	Herman			✓	
CO-CHAIR: 	Sherman			✓	

*Adopted
4/8/08*

25-LS0678V
Cook
4/1/08

SENATE CS FOR CS FOR HOUSE BILL NO. 166()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Gara, Crawford, Foster, LeDoux

SENATORS Thomas, McGuire, Elton, Ellis, French

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to contributions from permanent fund dividends to community
2 foundations, to certain educational organizations, and to certain other charitable
3 organizations; relating to the execution upon permanent fund dividends; amending Rule
4 89, Alaska Rules of Civil Procedure; and providing for an effective date."

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

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

7 Sec. 43.23.062. Contributions from dividends. (a) Notwithstanding
8 AS 43.23.069, the Department of Revenue shall prepare the electronic Alaska
9 permanent fund dividend application to allow an applicant who files electronically to
10 direct that money be subtracted from the dividend payment and contributed to one or
11 more of the educational organizations, community foundations, or charitable
12 organizations that appear on the contribution list contained in the application. A
13 contribution to an organization may be \$25, \$50, \$75, \$100, or more, in increments of
14 \$50, up to the total amount of the permanent fund dividend that the applicant is
15 entitled to receive. If the total amount of contributions elected by an applicant exceeds

1 the amount of the permanent fund dividend that the applicant is entitled to receive,
2 contributions shall be deducted from the dividend in the order of priority elected by
3 the applicant on the application until the entire amount of the dividend that the
4 applica t is entitled to receive is allocated for contribution. The electronic dividend
5 application form must include notice that

6 (1) contribution changes may not be made after the applicant files the
7 electronic permanent fund dividend application; and

8 (2) no money contributed will be used for administrative costs incurred
9 in implementing this section and money from the dividend fund will not be used for
10 that purpose.

11 (b) The department shall list each campus of the University of Alaska and
12 shall list each other educational organization, community foundation, or charitable
13 organization eligible under (c) and (d) of this section on the contribution list by
14 geographic region in random order, and the order shall be changed each year. On the
15 contribution list, organizations shall also be grouped by type within each geographic
16 region. The department shall provide a statement of the contributions made by an
17 individual that is suitable for federal income tax purposes to each individual who
18 elects to contribute under (a) of this section.

19 (c) Other than a community foundation, the department may not include a
20 charitable organization on the contribution list for a dividend year unless the purpose
21 of the charitable organization is to provide programs for youth development,
22 workforce development, arts and culture, aid and services to the elderly, low-income
23 individuals, individuals in emergency situations, disabled individuals, individuals with
24 mental illness, primary, vocational and higher education, health and dental care,
25 recreational facilities, child abuse and neglect, economic development, food
26 assistance, libraries, public broadcasting, recycling of waste, animal rescue, and zoos.
27 The department may not include on the contribution list an educational organization,
28 community foundation, or charitable organization that is the affiliate of a group. For
29 purposes of this subsection,

30 (1) "affiliate" means an organization or foundation that directly or
31 indirectly through one or more intermediaries controls, is controlled by, or is under

1 common control with, a group;

2 (2) "group" has the meaning given in AS 15.13.400(8)(B).

3 (d) Except for each campus of the University of Alaska, the department may
4 include an educational organization, community foundation, or charitable organization
5 on the contribution list for a current dividend year only if the organization

6 (1) files an application for inclusion on the list for that dividend year
7 on the form required by the department before June 15 of the qualifying year;

8 (2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal
9 Revenue Code) as an educational or a charitable organization on the date of
10 application;

11 (3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3)
12 (Internal Revenue Code) as an educational or a charitable organization during the two
13 calendar years that immediately precede the year the application is filed;

14 (4) has a current Internal Revenue Service Form 990 on file with the
15 United States Department of the Treasury, Internal Revenue Service, or, if the Internal
16 Revenue Service has granted a filing extension for the current year, has on file that
17 form for the immediately previous year;

18 (5) is directed by a voluntary board of directors or local advisory board
19 whose members are residents of the state;

20 (6) provided in the state aid or services during the two calendar years
21 that immediately precede the year the application is filed;

22 (7) receives at least \$100,000 or five percent of its total annual
23 receipts, whichever is less, from contributions;

24 (8) has completed and provided to the department a financial audit
25 with an unqualified opinion, conducted by an independent certified public accountant
26 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)
27 of this subsection applies; this paragraph applies only to an organization with a total
28 annual budget that exceeds \$250,000 during the fiscal year to which the Internal
29 Revenue Service Form 990 required under (4) of this subsection applies; and

30 (9) does not make grants or contributions to an organization that is
31 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

1 (c) Unless an appropriation specifically directs that the money be used for
2 costs incurred in implementing this section, the department may not use money from
3 the dividend fund for administrative costs incurred in implementing this section even
4 if it has been appropriated for costs of administering the dividend program. The
5 department may not use money contributed under (a) of this section for administrative
6 costs incurred in implementing this section. Contributions shall be distributed to each
7 organization as soon as practicable.

8 (f) The department may establish an application fee not to exceed \$50 for each
9 educational organization, community foundation, or charitable organization that files
10 an application under (d) of this section. The application fees shall be separately
11 accounted for under AS 37.05.142. The annual estimated balance in the account
12 maintained under AS 37.05.142 for application fees collected under this subsection
13 may be appropriated for costs of administering this section.

14 (g) The department may use an agent or enter into a contract for the
15 implementation and operation of the contribution program under this section. Before
16 executing a contract with a corporation or other organization, the organization must
17 provide a copy of its policies and procedures to the department. A contract entered
18 into under this subsection is exempt from AS 36.30 (State Procurement Code).

19 (h) A public agency that claims a dividend on behalf of an individual under
20 AS 43.23.015(e) may not elect to make contributions from the dividend under (a) of
21 this section.

22 (i) The department may adopt regulations under AS 44.62 (Administrative
23 Procedure Act) to carry out the provisions of this section. If an organization disagrees
24 with an action of the department under this section and requests an administrative
25 hearing, the hearing shall be conducted by the office of administrative hearings
26 (AS 44.64.010).

27 (j) By January 20 of each year, the department shall prepare a report
28 identifying the organizations on the contribution list for the immediately preceding
29 year, together with the amount of contributions made to each of the organizations, and
30 shall notify the legislature that the report is available.

31 (k) In this section, "community foundation" means a nonprofit, autonomous,

1 philanthropic institution that is organized and operated primarily as a permanent
2 collection of endowed funds for the long-term benefit of a defined geographic area
3 within one or more municipalities, that has a long-term goal of increasing its
4 permanent unrestricted charitable endowment to benefit the area served, that primarily
5 provides benefits by making grants and may also provide other forms of charitable
6 services, that makes grants that are not limited to providing one type of benefit or to
7 serving one population segment, and that makes grants to multiple grantees.

8 * Sec. 2. AS 43.23.065(a) is amended to read:

9 (a) Except as provided in (b) of this section, 20 percent of the annual
10 permanent fund dividend payable to an individual is exempt from levy, execution,
11 garnishment, attachment, or any other remedy for the collection of debt. No other
12 exemption applies to a dividend. Notwithstanding other laws, a writ of execution upon
13 a dividend that has not been delivered to the debtor may be served on the
14 commissioner by

15 (1) certified mail, return receipt requested; or

16 (2) a civilian process server, licensed by the commissioner of public
17 safety under AS 22.20.120, using electronic execution procedures as provided
18 under regulations adopted by the department [UPON RECEIPT OF A WRIT BY
19 CERTIFIED MAIL, RETURN RECEIPT REQUESTED, THE COMMISSIONER
20 SHALL DELIVER THAT PORTION OF THE DIVIDEND EXECUTED UPON TO
21 THE COURT ALONG WITH THE CASE NAME AND NUMBER].

22 * Sec. 3. AS 43.23.065(d) is amended to read:

23 (d) An assignment of or levy, execution, garnishment, attachment, or other
24 remedy for the collection of debt applied to a dividend for a year may not be accepted
25 by the department before April 1 of that same year. AS 09.38.080(c) and 09.38.085 do
26 not apply to a levy on a permanent fund dividend. Upon receipt of a writ of
27 execution in accordance with (a) of this section, or other court order, the
28 commissioner shall deliver that portion of the dividend executed upon to the
29 court along with the case name and number [THE DEPARTMENT SHALL
30 INCLUDE THE CASE NUMBER WITH A DIVIDEND OR PORTION OF A
31 DIVIDEND TRANSMITTED TO THE COURT IN RESPONSE TO A WRIT OF

1 EXECUTION OR OTHER COURT ORDER]. At the time payment is made to the
2 court, the department shall send to the individual at the address provided in the
3 individual's dividend application and to the court that issued the writ or order a notice
4 that contains

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

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

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

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

10 (5) notification that the individual has 30 days from the date the notice
11 is mailed in which to file with the court an objection to the seizure if a mistake has
12 been made.

13 * Sec. 4. AS 43.23.062 is repealed on December 31, 2011.

14 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **INDIRECT COURT RULE AMENDMENT.** The changes made by secs. 2 and 3 of
17 this Act have the effect of changing Rule 89, Alaska Rules of Civil Procedure, by allowing a
18 civilian process server licensed by the commissioner of public safety to execute upon a
19 permanent fund dividend issued under AS 43.23 by electronic means in accordance with
20 regulations adopted by the Department of Revenue and by establishing how the commissioner
21 of revenue shall deliver the portion of the dividend executed upon to the court.

22 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 **APPLICABILITY.** AS 43.23.062, enacted by sec. 1 of this Act, applies to the Alaska
25 permanent fund dividends for 2009, 2010, and 2011.

26 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 **CONDITIONAL EFFECT.** Sections 2, 3, and 5 of this Act take effect only if sec. 5 of
29 this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15,
30 Constitution of the State of Alaska.

31 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SCS CSHB166(FIN)
() Publish Date: _____

Identifier (file name): SCSCSHB166-00R-PFD-4-2-08 Dept. Affected: DOR
Title: PFD Charitable giving RDU: Revenue Programs & Support
Component: Permanent Fund Dividend
Sponsor: Representative Thomas
Requester: Senate Finance Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required		Information				
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	136.1		136.1	136.1	136.1		
Travel	4.2		2.0	2.0	2.0		
Contractual	383.2		73.1	73.1	73.1		
Supplies							
Equipment	19.0						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	542.5	0.0	211.2	211.2	211.2	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							
Stat Des	542.5		211.2	211.2	211.2		
TOTAL	542.5	0.0	211.2	211.2	211.2	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	2	-	2	2	2		
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill creates the need for a new unit to the PFD Division, complete with an application & eligibility process for non-profits. Non-profits who are denied will have the right to appeal. PFD public response staff will experience an increase in activity as people question the new addition to the application and the associated rules. There is an immediate need for a data base that will contain the eligibility information for each charitable organization with the capability of saving document images and tracking applications through the eligibility phase and the appeals phase. The database programming would be contracted through task order.

Prepared by: Deborah M. Richter Phone: 465-4785
Division: Permanent Fund Dividend Date/Time: 4/02/08 9:51am
Approved by: Jerry Burnett Date: 4/2/2008
Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. SCSCSHB166

ANALYSIS CONTINUATION

The changes to the existing database as it relates to the online application will also be performed by a contractor through a task order.

It is anticipated that agencies and applicants will operate in a paperless environment up to the appeals stage of eligibility.

Two positions are requested. 1 Program Coordinator FT. 1 PFD Technician II FT.

The Program Coordinator will work with and qualify non-profits interested in being included on the PFD application.

The PFD Technician II is required as increases are anticipated in both public contact and appeals of non-profits deemed ineligible. Current staff could not effectively handle the increase in work load.

Contractual Cost Breakdown:

YR (1)	
Non-Profit Eligibility Database Programming	300.0
Web Dividend Application & Non-Profit Application Programming	50.0
Department of Law Regulations	15.0
Public Notice Regulations	5.0
Print & Postage Cost for Appeals	2.0
Data Storage & Computer Services	3.1
1-800 Phone calls	3.0
New Position Wiring	<u>5.1</u>
	383.2

YR (2 & 3)	
Web Application & Eligibility Database Changes Annually	50.0
OAH Hearing Costs	15.0
Print & Postage Cost for Appeals	2.0
Data Storage & Computer Services	3.1
1-800 Phone calls	<u>3.0</u>
	73.1

*For estimation purposes, it has been assumed that 2000 non profit organizations will apply to be included in the dividend application.

25-LS1629A
Cook
4/4/08

**SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY

**Introduced:
Referred:**

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(c), Uniform Rules of the Alaska State**
2 **Legislature, concerning House Bill No. 166, relating to contributions from permanent**
3 **fund dividends to community foundations, to certain educational organizations, and to**
4 **certain other charitable organizations.**

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
7 Rules 24(c), 35, 41(b), and 42(c), Uniform Rules of the Alaska State Legislature, regarding
8 changes to the title of a bill, are suspended in consideration of House Bill No. 166, relating to
9 contributions from permanent fund dividends to community foundations, to certain
10 educational organizations, and to certain other charitable organizations.

*Adopted
4/8/08*

25-LS0678\V
Cook
4/1/08

**SENATE CS FOR CS FOR HOUSE BILL NO. 166()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Gara, Crawford, Foster, LeDoux

SENATORS Thomas, McGuire, Elton, Ellis, French

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to contributions from permanent fund dividends to community**
2 **foundations, to certain educational organizations, and to certain other charitable**
3 **organizations; relating to the execution upon permanent fund dividends; amending Rule**
4 **89, Alaska Rules of Civil Procedure; and providing for an effective date."**

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

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

7 **Sec. 43.23.062. Contributions from dividends. (a) Notwithstanding**
8 **AS 43.23.069, the Department of Revenue shall prepare the electronic Alaska**
9 **permanent fund dividend application to allow an applicant who files electronically to**
10 **direct that money be subtracted from the dividend payment and contributed to one or**
11 **more of the educational organizations, community foundations, or charitable**
12 **organizations that appear on the contribution list contained in the application. A**
13 **contribution to an organization may be \$25, \$50, \$75, \$100, or more, in increments of**
14 **\$50, up to the total amount of the permanent fund dividend that the applicant is**
15 **entitled to receive. If the total amount of contributions elected by an applicant exceeds**

1 the amount of the permanent fund dividend that the applicant is entitled to receive,
2 contributions shall be deducted from the dividend in the order of priority elected by
3 the applicant on the application until the entire amount of the dividend that the
4 applicant is entitled to receive is allocated for contribution. The electronic dividend
5 application form must include notice that

6 (1) contribution changes may not be made after the applicant files the
7 electronic permanent fund dividend application; and

8 (2) no money contributed will be used for administrative costs incurred
9 in implementing this section and money from the dividend fund will not be used for
10 that purpose.

11 (b) The department shall list each campus of the University of Alaska and
12 shall list each other educational organization, community foundation, or charitable
13 organization eligible under (c) and (d) of this section on the contribution list by
14 geographic region in random order, and the order shall be changed each year. On the
15 contribution list, organizations shall also be grouped by type within each geographic
16 region. The department shall provide a statement of the contributions made by an
17 individual that is suitable for federal income tax purposes to each individual who
18 elects to contribute under (a) of this section.

19 (c) Other than a community foundation, the department may not include a
20 charitable organization on the contribution list for a dividend year unless the purpose
21 of the charitable organization is to provide programs for youth development,
22 workforce development, arts and culture, aid and services to the elderly, low-income
23 individuals, individuals in emergency situations, disabled individuals, individuals with
24 mental illness, primary, vocational and higher education, health and dental care,
25 recreational facilities, child abuse and neglect, economic development, food
26 assistance, libraries, public broadcasting, recycling of waste, animal rescue, and zoos.
27 The department may not include on the contribution list an educational organization,
28 community foundation, or charitable organization that is the affiliate of a group. For
29 purposes of this subsection,

30 (1) "affiliate" means an organization or foundation that directly or
31 indirectly through one or more intermediaries controls, is controlled by, or is under

1 common control with, a group;

2 (2) "group" has the meaning given in AS 15.13.400(8)(B).

3 (d) Except for each campus of the University of Alaska, the department may
4 include an educational organization, community foundation, or charitable organization
5 on the contribution list for a current dividend year only if the organization

6 (1) files an application for inclusion on the list for that dividend year
7 on the form required by the department before June 15 of the qualifying year;

8 (2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal
9 Revenue Code) as an educational or a charitable organization on the date of
10 application;

11 (3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3)
12 (Internal Revenue Code) as an educational or a charitable organization during the two
13 calendar years that immediately precede the year the application is filed;

14 (4) has a current Internal Revenue Service Form 990 on file with the
15 United States Department of the Treasury, Internal Revenue Service, or, if the Internal
16 Revenue Service has granted a filing extension for the current year, has on file that
17 form for the immediately previous year;

18 (5) is directed by a voluntary board of directors or local advisory board
19 whose members are residents of the state;

20 (6) provided in the state aid or services during the two calendar years
21 that immediately precede the year the application is filed;

22 (7) receives at least \$100,000 or five percent of its total annual
23 receipts, whichever is less, from contributions;

24 (8) has completed and provided to the department a financial audit
25 with an unqualified opinion, conducted by an independent certified public accountant
26 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)
27 of this subsection applies; this paragraph applies only to an organization with a total
28 annual budget that exceeds \$250,000 during the fiscal year to which the Internal
29 Revenue Service Form 990 required under (4) of this subsection applies; and

30 (9) does not make grants or contributions to an organization that is
31 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

1 (e) Unless an appropriation specifically directs that the money be used for
2 costs incurred in implementing this section, the department may not use money from
3 the dividend fund for administrative costs incurred in implementing this section even
4 if it has been appropriated for costs of administering the dividend program. The
5 department may not use money contributed under (a) of this section for administrative
6 costs incurred in implementing this section. Contributions shall be distributed to each
7 organization as soon as practicable.

8 (f) The department may establish an application fee not to exceed \$50 for each
9 educational organization, community foundation, or charitable organization that files
10 an application under (d) of this section. The application fees shall be separately
11 accounted for under AS 37.05.142. The annual estimated balance in the account
12 maintained under AS 37.05.142 for application fees collected under this subsection
13 may be appropriated for costs of administering this section.

14 (g) The department may use an agent or enter into a contract for the
15 implementation and operation of the contribution program under this section. Before
16 executing a contract with a corporation or other organization, the organization must
17 provide a copy of its policies and procedures to the department. A contract entered
18 into under this subsection is exempt from AS 36.30 (State Procurement Code).

19 (h) A public agency that claims a dividend on behalf of an individual under
20 AS 43.23.015(e) may not elect to make contributions from the dividend under (a) of
21 this section.

22 (i) The department may adopt regulations under AS 44.62 (Administrative
23 Procedure Act) to carry out the provisions of this section. If an organization disagrees
24 with an action of the department under this section and requests an administrative
25 hearing, the hearing shall be conducted by the office of administrative hearings
26 (AS 44.64.010).

27 (j) By January 20 of each year, the department shall prepare a report
28 identifying the organizations on the contribution list for the immediately preceding
29 year, together with the amount of contributions made to each of the organizations, and
30 shall notify the legislature that the report is available.

31 (k) In this section, "community foundation" means a nonprofit, autonomous,

1 philanthropic institution that is organized and operated primarily as a permanent
2 collection of endowed funds for the long-term benefit of a defined geographic area
3 within one or more municipalities, that has a long-term goal of increasing its
4 permanent unrestricted charitable endowment to benefit the area served, that primarily
5 provides benefits by making grants and may also provide other forms of charitable
6 services, that makes grants that are not limited to providing one type of benefit or to
7 serving one population segment, and that makes grants to multiple grantees.

8 * Sec. 2. AS 43.23.065(a) is amended to read:

9 (a) Except as provided in (b) of this section, 20 percent of the annual
10 permanent fund dividend payable to an individual is exempt from levy, execution,
11 garnishment, attachment, or any other remedy for the collection of debt. No other
12 exemption applies to a dividend. Notwithstanding other laws, a writ of execution upon
13 a dividend that has not been delivered to the debtor may be served on the
14 commissioner by

15 (1) certified mail, return receipt requested; or

16 (2) a civilian process server, licensed by the commissioner of public
17 safety under AS 22.20.120, using electronic execution procedures as provided
18 under regulations adopted by the department [. UPON RECEIPT OF A WRIT BY
19 CERTIFIED MAIL, RETURN RECEIPT REQUESTED, THE COMMISSIONER
20 SHALL DELIVER THAT PORTION OF THE DIVIDEND EXECUTED UPON TO
21 THE COURT ALONG WITH THE CASE NAME AND NUMBER].

22 * Sec. 3. AS 43.23.065(d) is amended to read:

23 (d) An assignment of or levy, execution, garnishment, attachment, or other
24 remedy for the collection of debt applied to a dividend for a year may not be accepted
25 by the department before April 1 of that same year. AS 09.38.080(c) and 09.38.085 do
26 not apply to a levy on a permanent fund dividend. Upon receipt of a writ of
27 execution in accordance with (a) of this section, or other court order, the
28 commissioner shall deliver that portion of the dividend executed upon to the
29 court along with the case name and number [THE DEPARTMENT SHALL
30 INCLUDE THE CASE NUMBER WITH A DIVIDEND OR PORTION OF A
31 DIVIDEND TRANSMITTED TO THE COURT IN RESPONSE TO A WRIT OF

1 EXECUTION OR OTHER COURT ORDER]. At the time payment is made to the
2 court, the department shall send to the individual at the address provided in the
3 individual's dividend application and to the court that issued the writ or order a notice
4 that contains

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

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

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

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

10 (5) notification that the individual has 30 days from the date the notice
11 is mailed in which to file with the court an objection to the seizure if a mistake has
12 been made.

13 * Sec. 4. AS 43.23.062 is repealed on December 31, 2011.

14 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 INDIRECT COURT RULE AMENDMENT. The changes made by secs. 2 and 3 of
17 this Act have the effect of changing Rule 89, Alaska Rules of Civil Procedure, by allowing a
18 civilian process server licensed by the commissioner of public safety to execute upon a
19 permanent fund dividend issued under AS 43.23 by electronic means in accordance with
20 regulations adopted by the Department of Revenue and by establishing how the commissioner
21 of revenue shall deliver the portion of the dividend executed upon to the court.

22 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 APPLICABILITY. AS 43.23.062, enacted by sec. 1 of this Act, applies to the Alaska
25 permanent fund dividends for 2009, 2010, and 2011.

26 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 CONDITIONAL EFFECT. Sections 2, 3, and 5 of this Act take effect only if sec. 5 of
29 this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15,
30 Constitution of the State of Alaska.

31 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

25-LS1629A

Cook

4/4/08

**SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY

Introduced:

Referred:

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning House Bill No. 166, relating to contributions from permanent**
3 **fund dividends to community foundations, to certain educational organizations, and to**
4 **certain other charitable organizations.**

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
7 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
8 changes to the title of a bill, are suspended in consideration of House Bill No. 166, relating to
9 contributions from permanent fund dividends to community foundations, to certain
10 educational organizations, and to certain other charitable organizations.



REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: Representative.Bill.Thomas@legis.state.ak.us

webpage: www.akrepublicans.org/thomas/

State Capitol

Juneau AK, 99801-1182

907-465-3732

888-461-3732

FAX 907-465-2652

Sponsor Statement for HB 166 Permanent Fund Dividend Contributions

HB 166 is an attempt to increase private philanthropy in Alaska by giving people an option of donating a portion of their Permanent Fund Dividend check to their favorite charity. Alaskans who make \$100,000 or more, rank 49th or 50th in the nation as far as percentage of income donated to charities.

In the hustle and bustle of life, we often forget about those organizations who rely solely on donations and who provide important services to our communities. HB 166 allows for a list of approved organizations to be included with a person's PFD application and allows them to check off which charities that they would like to donate to. 100% of their donation will go to the charity. The simplicity of being able to simply check the desired charity while applying for one's PFD will increase the rate of donation and give these charities another avenue to use in their fundraising.

HB 166 also requires that the charity meet certain criteria before it can be placed on the list with the PFD applications. Among the criteria, the charity must be a University of Alaska campus, or provide vocational training or post secondary education, provide a positive youth development program, workforce development, aid to the arts, or aid and services to individuals who are: elderly, low-income, in emergency situations, disabled, or mentally ill.

The Rasmuson Foundation, a charitable foundation which makes \$25 million in grants each year to Alaska organizations, has pledged to fully fund the administrative costs of the program for the first three years of the program, creating a zero fiscal impact on the state in these crucial beginning years.

HB 166 gives people a simple and convenient way to donate to their favorite charities, who make a positive impact in our communities. I urge your support of this important piece of legislation.

theforakergroup

Standing Beside Alaska's Nonprofits

161 Klevin Street, Suite 101

Anchorage, AK 99508

Phone: (907) 743-1200 Fax: (907) 276-5014

**Foraker Group
Governance
Board**

- Bill Allen, Chair
- Will Anderson
- Jim Bowles
- Sheri Burette
- George Carmeloa
- Valerie Davidson
- Den Faulke
- Mike Felix
- Glen Gardner
- Richard Glenn
- Clark Gruening
- Jo Heckman
- Kevin Hostler
- Bernice Joseph
- Jarvis Leask
- Steve Marshall
- Denise Michels
- Vic Molozzi
- Gene Peitola
- Wendy Redman
- Doug Suttles
- Bernie
- Washington
- Kathie
- Wasserman

Ed Rasmussen,
Emeritus

**Foraker Group
Operations
Board**

- Stephanie Allen
- Josie Bahniko
- Carla Beam
- Marie Berg
- Carrie Brown
- Michelle Brown
- Jim Calderola
- Jerry Drake
- Charlotte Fox
- Perry Grover
- Sven Haakanen
- Randy Hagerstein
- Nick Haralig
- Tina Marie
- Herford
- Brenda Hewitt
- Jeff Jossee
- Mark John
- Jim Maley
- Joan O'Keefe
- Ira Perman
- Sammye Pokrynd
- Jake Pook, Chair
- June Rogers
- Jaclyn Salko
- Carol Simonetti
- Ivy Spohnholz
- Wayne Stevens
- Joy Steward
- Serelyn
- Tabechnick
- Deborah Vo

Senator Thomas,

Thank you for meeting with me today to discuss House Bill 166. I would like to provide additional information to address concerns over the administration of the Permanent Fund check-off program and the most recent fiscal note developed by DOR. The motivation for The Foraker Group's endorsement and dedication for this bill is to increase individual giving in Alaska.

In 2007 Foraker commissioned a study on Alaska's nonprofit sector by the Institute of Social and Economic Research. Some of the facts from this study include:

- There are 4,800 Charitable Nonprofits in Alaska
- 1,200 of those file Form 990 the IRS requirement for charities of significance
- Total expenditures for these organizations is \$2.4 billion dollars
 - **Revenue Comparisons**
 - **National Sources**
 - 40% earned revenue
 - 35% government grants
 - 25% philanthropy-corporate, foundation and individual giving
 - **State Sources**
 - 34% earned revenue
 - 57% government grants
 - 9% philanthropy -corporate, foundation and individual giving
 - **Philanthropy Comparisons**
 - **National**
 - 4% Corporate giving
 - 12% Foundation giving
 - 84% Individual giving
 - **Alaska**
 - 20% Corporate giving
 - 20% Foundation giving
 - 60% Individual giving

This data clearly indicates that while Alaskans are generous, we fall behind our peers around the country in relation to individual giving. While there are many factors impacting lower individual giving in Alaska, the solution is clear. All research on individual giving states that the number one reason people do not give to charity is that they are not asked to give in an effective way.

Therefore we have a definite need and a unique opportunity to address this issue. With every Alaskan entitled to receive a significant sum every year from the Permanent Fund, we could encourage all to become more engaged in support of their community by reminding Alaskans to give to an approved list of charities.

Having worked for twenty-one years in the United Way system and managed large charitable giving campaigns, some with more donors than the entire population in the State of Alaska, I understand the cost structure and manpower needs for such campaigns.

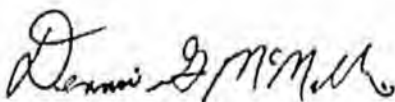
I would like to offer my opinions for consideration.

- The Rasmuson Foundation has agreed to pay all reasonable costs for this program during the first three years; therefore any fiscal note for the initial project should not impact the state's budget.
- After the first three years, the legislation is scheduled for review. If the program does not generate significant response from the public, the Legislature can reconsider this legislation.
- The fiscal note developed by BOR during the week of April 1st, 2008 was clearly described as a "worst case scenario" where all administration would be placed in the Department and managed by state employees. In fact, the plan is for this project to be outsourced to an organization with experience in managing complex charitable contributions.
- From my years of experience, my experience indicates that the costs outlined in that fiscal plan are overstated by at least 200%.
- I understand there was confusion on the facts in regard to the number of organizations that could qualify to participate in this campaign (over 7,000?). Based on the current legislative language,
 - All organizations must complete IRS Form 990; there are only 1,200 charitable nonprofits in Alaska filing that form.
 - Organizations must apply; our experience with such campaign registration is that less than 100% of eligible organizations will apply.
 - Organizations must either raise 5% of their total income or \$100,000, to qualify. Our best estimate is that of the 1,200 organizations filing Form 990, no more than 900 will meet that criterion.

Therefore with the other criteria like board residence and mission restrictions, we would anticipate that the total number involved with this project should be approximately 400-600 organizations.

I would be glad to provide additional information to assist the Senate Finance Committee with its deliberations. Encouraging individuals to give is our priority. With the engagement of donors through such a creative technique, we hope to have Alaskans become the most generous people in the nation.

Sincerely,



Dennis G. McMillian
President, The Foraker Group

HOUSE FINANCE COMMITTEE
HB 166-CONTRIBUTIONS FROM PERM. FUND DIVIDENDS
SIGN-IN

NAME: BRENDA HEWITT
Dept./Company: United Way of SE Ak Title: President
Email: bhewitt@unitedwayseak.org Phone: 463-5530
Do you wish to testify? Yes No Respond To Questions

NAME: JEFF CLARKE
Dept./Company: RASMUSON FOUNDATION Title: V.P.
Email: jclarke@rasmuson.org Phone: 907 297 2700
Do you wish to testify? Yes No Respond To Questions

NAME: Debbie Richter
Dept./Company: PFD Title: Director
Email: _____ Phone: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____
Dept./Company: _____ Title: _____
Email: _____ Phone: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____
Dept./Company: _____ Title: _____
Email: _____ Phone: _____
Do you wish to testify? Yes No Respond To Questions



621 W. 6th Ave.
Anchorage, AK 99501
Phone: 907-263-2900
Fax: 907-263-2927
www.alaskapac.org

April 2, 2007

The Honorable Bill Thomas
State Capital, Room 434
Juneau, AK 99801

Dear Representative Thomas:

Without the many nonprofit organizations working tirelessly throughout Alaska, a large void would be obvious. These organizations try valiantly to address the needs that go unmet by government and business.

As one of those non-profit organizations, the Alaska Center for the Performing Arts solicits contributions from many individuals who help support the operating costs of this facility as well as those who use this building. Contributions also support our Ushering in the Arts Program, a 300-member volunteer corps of well-trained individuals, and our Partners-in-Education Program which works to train teachers from the Anchorage School District about how to incorporate the arts into every day curriculum.

We are mindful of the many other organizations who must build relationships with donors throughout Alaska in order to financially support their many programs. It is with this in mind that we support HB166 and a "nonprofit check-off" on the Alaska Permanent Fund Dividend. This check off will make it easier for Alaskans to directly connect to an organization which has value to them. It will also help increase individual giving generally in Alaska as this opportunity to create a donor relationship becomes easier.

Thank you for recognizing this important need and let us know how we can help further approval of this bill.

Sincerely,

NANCY HARBOUR
President

701 West 8th Avenue, Suite 230
Anchorage, Alaska 99501
tel 907.263.3800
fax 907.263.3801
www.unitedwayofanchorage.org



United Way of Anchorage

March 30, 2007

The Honorable Rep. Bill Thomas
State Capitol, Room 428
Juneau, AK 99801

Dear Representative Thomas:

The United Way of Anchorage has worked for the last fifty years with non-profit health and social service providers to improve Alaskans' lives. United Way of Anchorage is governed by a Board of Directors comprised of 25 business and community leaders. We urge you to support House Bill 166, an Act providing Alaskans with a mechanism for making charitable donations to qualified nonprofits providing valuable services to Alaskans.

We support this legislation as good social policy and as a practical, efficient way to promote the services of nonprofits. On the social policy side, Alaskans have a great tradition of neighborliness and helpfulness, but this spirit has not yet fully translated or developed into a culture of philanthropy in a cash-based economy. This legislation is a good way to educate people about the many options to further their interests through financial support of non-profits that are working in their area of interest.

On the practical side, government can't do everything. Much of what is done regarding quality of life comes from the work of non-profit organizations and their volunteers. In United Way of Anchorage's area of health and social services, there are organizations that care for kids, connect people with health care, provide workforce development, ensure people are housed and fed so they can get educated and work. These services fundamentally help shape our quality of life. Many personal issues have significant financial and social impact on the community as a whole as well so it is imperative that these issues be appropriately addressed. The permanent fund dividend charitable check off is an easy way for people to invest in that quality of life for themselves and their neighbors in a very cost effective way. And, this will help improve our overall economy because non-profits now employ 1 in 10 employed Alaskans, with payroll value over \$1.1B.

Thank you for your consideration of HB 166, and for supporting the important work of Alaska's nonprofit sector.

Sincerely,

A handwritten signature in black ink, appearing to read "Michele Brown", written over a horizontal line.

Michele Brown
President

Chair
Tadd Owens
Anchorage

Chair-Elect
Mary K. Hughes, J.D.
Anchorage

Treasurer
Evan Rose
Anchorage

Secretary
Doug North, Ph.D.
Anchorage

Past Chair
Susan Anderson
Anchorage

Patricia Babcock
Fairbanks

Ronald Brower Sr.
Fairbanks

Carol Comeau
Anchorage

Jerry Covey
Anchorage

Sharon Gagnon, Ph.D.
Anchorage

Sven Haakanson, Jr., Ph.D.
Kodiak

Sue Hull
Fairbanks

James Liszka, Ph.D.
Anchorage

Francisco Miranda, Ph.D.
Anchorage

Cathy Muñoz
Juneau

Tom Okleasik
Nome

Robin Phillips
Anchorage

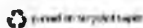
Rick Solle
Fairbanks

Ginger Stock-McKenzie
Fairbanks

President:
G. W. Kimura, Ph.D.



ALASKA
HUMANITIES
FORUM
421 West First Avenue
Suite 300
Anchorage, AK 99501
Tel. 907/272-5341
Fax 907/272-3979
www.akhf.org



29-Mar-07

The Honorable Bill Thomas
State Capitol, Room 434
Juneau, AK 99801

Dear Representative Thomas:

The nonprofit sector in Alaska educates students, cares for the poor, cultivates the arts, and enriches our human connections. Nonprofits address those needs that go unmet by government and business.

To ensure these needs, non-profits must raise money. This is not an option; it is our responsibility and our honor.

Alaskans are generous people and Alaska nonprofits need every tool to appeal to their sense of philanthropy. Here at the Alaska Humanities Forum, whether we are encouraging early education through the 'Ready to Read, Ready to Learn' initiative or knitting together the cultural divisions through the 'Rose Urban-Rural Exchange' or teaching high schoolers through the 'Alaska State History and Culture Curriculum,' or raising future leaders in 'Leadership Anchorage,' we experience this first hand.

Therefore, the Alaska Humanities Forum supports HB 166 and a 'nonprofit check-off' on the Alaska Permanent Fund Dividend. This check off will make it easier for Alaskans to do the right thing and we know it will increase overall giving to Alaska's hard-working nonprofits.

Thank you for your leadership on this issue. I would be pleased to speak with you more, if you have any questions.

Regards,

MISSION: To enrich the civic, intellectual, and cultural life of all Alaskans.



301 W. NORTHERN LIGHTS BLVD., SUITE 104
ANCHORAGE, ALASKA 99503
P: 907.334.6700 F: 907.334.5780

March 26, 2007

The Honorable Representative Hawker
State Capitol, Room 502
Juneau, AK 99801-1182

Dear Representative Hawker:

I am relatively new to Alaska having moved here from Indianapolis Indiana in August 2006. I have worked my entire life (outside the jobs that helped put me through college) in the nonprofit sector. Therefore, I was so pleased to learn that you chair the House Finance Subcommittee on Health and Social Services. I also applaud your community involvement with such organizations as the AWAIC and your interests in museums and libraries. I have also noted that you are a trustee with the Alaska Aviation Heritage Museum. I recently learned about this museum as they have expressed an interest in establishing an endowment at the Alaska Community Foundation. I look forward to meeting you in person to learn more about your work to help Alaskans as a legislator and more about your life in Alaska since we share Midwestern roots.

I am writing today about House Bill 166 and to ask you to support this bill to create a mechanism that Alaskans can use to make charitable donations to their favorite qualified nonprofits. As I represent an organization that has as its primary purpose to build endowments, I think it is wonderful that Alaskans had the foresight to create the Permanent Fund as a resource that will exist in perpetuity for our citizens. There are Alaskans who depend on this fund to help meet their families' needs but there are many Alaskans who do not need this annual income for themselves. We believe many of these individuals would appreciate an easy and safe way to support the organizations that are helping Alaska be a wonderful place to live, work, and raise their families.

A strong nonprofit sector helps to "fill in the gaps" in state services, and since you serve on the Finance and Legislative Budget Committees, you understand government will never be able to meet all of the needs. Not only because there is a growing demand for services, but also because there are areas in which government should not be involved. But the nonprofit sector is facing its own funding challenges. Alaska nonprofits are overly dependent on federal government dollars, at almost \$1 billion last year alone. Although they are good stewards of the dollars they have, they need to reduce their dependency on governmental dollars and build their own sustainability through the support of donated dollars from Alaskans who care about their missions.

Their missions include the broad gamut of services that are an important part of Alaska's social, cultural and economic fabric. The nonprofit sector also has a significant impact on the state's economy, providing jobs and services that help individuals enhance rather than drain our resources. We all know this is true, but now there is evidence from The Foraker Group to back it up:

- The sector makes significant expenditures in the state, especially Alaska's public charities, which spent over \$3.4 billion in 2004
- The sector provides a growing employment base across the state, such that one in ten Alaska workers (31,000) is employed by a nonprofit for a total payroll of over \$1.151 billion
- 42,000 jobs in Alaska can be traced back to public charity organizations within the nonprofit sector

Alaskans are extremely generous, but from my limited experience in the state there is an over reliance on giving at fundraising events rather than giving directly to the causes they care about. At the same time, nonprofits have limited funds to spend on fundraising so they often cannot connect with potential donors in a systematic way. A simple check off box on the permanent fund dividend application form would help connect these generous donors with the organizations that are directly meeting needs in the state. Some states have enacted legislation that allows citizens to receive a tax credit for such charitable deductions. We are so fortunate in Alaska that we do not have a state income tax so a tax credit is unnecessary. Also, a check off on the Permanent Fund would in no way reduce income to the state to carry on necessary governmental functions.

Thank you for your support of HB 166, and for supporting the important work of Alaska's nonprofit sector.

Sincerely,



Carol G. Simonetti
President/CEO

✓ Cc: Representative Bill Thomas, Jr.
State Capital, Room 434
Juneau, AK 99801-1182

March 6, 2007

Representative John Coghill, Jr.
House of Representatives
State Capitol Room 204
Juneau, Alaska 99801-1182

Dear John,

I very much appreciate your participation in the annual forum at the Fairbanks Arts Association each year and was glad to see that you are on the committee that is reviewing House Bill #166. I am writing to ask for your support for this bill, which would bring into action a mechanism for making charitable contributions by recipients of the permanent fund to qualifying non-profits.

Each year presents new opportunities and challenges. As you are aware, I have long been a champion of the non-profit arts organizations in the Interior. Our organizations are stellar in their dedication and commitment to their missions: bringing education and cultural services to the community in a way that cannot be met by state agencies.

This bill would help to create funds that would stabilize non-profit organizations in a way that should have happened years ago. We are small but mighty and our state would be poorer without the efforts of our cultural warriors, who make a positive and indelible imprint on the economy of our respective communities. I ask that you join me in championing our cause.

I am attaching a spread-sheet that will provide economic impact information for 15 of the Interior Arts Organizations that I represent in a consortium request to the City Bed Tax. I hope it will be helpful in your deliberations.

Thank you for your willingness to serve our community in Juneau.

Sincerely,

June Rogers
Executive Director

CC: Interior Delegation

First Alaskans Institute

March 8, 2007

The Honorable Kyle Johansen
House State Affairs Committee
VIA FACSIMILE: 465-3793

Dear Representative Johansen:

As a volunteer member of the Foraker Group's Board of Directors, I'm writing today to ask for your support of House Bill 166 which would provide a much-needed boost to Alaska's non-profit sector and an easy way for Alaskans to make charitable donations to their favorite qualified non-profit.

Alaska's non-profits are important part of our state's social, cultural and economic fabric . . . their impact on the state's economy is significant. They help increase the quality of life for Alaskans and provide an incredible range of services in every corner of our state – from Metlakatla to Barrow. Non-profits in our state fill an important role in the state in that they oftentimes fill in the gaps for those services the state is not in a position to provide and, as you know, the demand for services continues to grow.

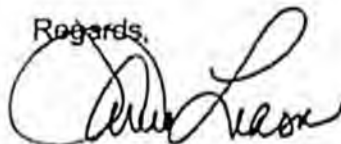
Approximately one in ten Alaska workers is employed by a non-profit which brings a total payroll of over \$1.151 billion dollars into our state's economy - 42,000 Alaskan jobs can be traced back to a public charity organization within this important sector of our economy.

As with any economic sector, many Alaska non-profits are doing more with less. But in the face of rising costs and fewer funds, Alaska non-profits aren't standing still, they're proactively looking for ways to build a sustainable line of funding which isn't solely dependent on state or federal funds. The non-profit I represent – First Alaskans Institute – provides leadership training for the next generation of Alaska Native leaders and houses the Alaska Native Policy Center which compliments research done by state and university agencies. As with other non-profits, we're continually looking for ways to diversity our funding base.

HB 166 is an important tool for Alaskans which will benefit non-profits by making it easier for individual Alaskans to make secure, individual charitable donations.

Thank you for the work you're doing in Juneau as a citizen legislator and thank you for your support of HB 166 and for supporting the important work of Alaska's non-profit sector.

Regards,



Janie Leask
President/CEO



Cc: Dennis McMillian, the Foraker Group

Representative Bill Thomas
State Capitol Room 434
Juneau, Alaska 99801

March 12, 2007

Dear Representative Thomas,

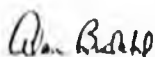
On behalf of Boys & Girls Clubs Board of Directors and professional staff, we are writing to extend Boys & Girls Clubs' support for House Bill 166, legislation designed to provide charitable contribution options for dividend-eligible Alaskans. As you are well aware, our organization has been operating youth development programs for 40 years. In 1998, we eagerly undertook a Statewide Expansion Initiative that has developed Clubhouses in 33 rural Alaskan communities. This initiative, combined with our steady expansion in urban communities, has broadened our total impact to 30,000 youth in 42 Alaskan communities.

Our members' challenges range from peer pressure to poor grades, hunger, abusive homes, or families stretched thin due to health issues. For every child that walks through a Clubhouse door, we listen, we comfort, we challenge and cheer. From Kotzebue to Metlakatla, the Club is open when and where kids need us most – and to wrap the very best staff and resources around one child for a year costs \$500.

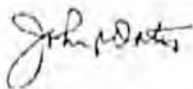
We are fortunate to have the perennial support of our congressional delegation, legislature, corporate and individual donors and a talented grant writing team – however, shrinking grant pools challenge our funding diversity. HB166 will demonstrate the state's commitment to ensure individuals have a convenient way to make meaningful charitable contributions.

Again, thank you for sponsoring this legislation. Boys & Girls Club appreciates your support of our programs and your commitment to Alaska's youth.

Sincerely,



Alan Budahl
Board of Directors, Chair



John P. Oates
President and Chief Executive



Main Office
2300 W. 36th Avenue
Anchorage, Alaska 99517
Tel: 907-248-5437
Fax: 907-248-0047

President & CEO
John P. Oates
Tel: 907-770-7337
Fax: 907-770-7346
joates@bgcalaska.org

Board of Directors
Chair
Alan Budahl, Hilton Anchorage
Board Members
* Aamodt, ASRC Energy Services
* Jaer, Dynamic Properties
* Bailey, Voccc Alaska Inc.
Roger Briley, Pepsi Cola Bottling Group Alaska
Nathan Brock, Alyeska Pipeline Service Company
Kristi Catlin, AT&T Alascom
Buzzy Chi'u, Fountainhead Development
Carol Comeau, Anchorage School District
Chris Cromer
John Dede, University of Alaska Anchorage
Johnny Ellis, Alaska State Senate
Mario Gatto, Fairbanks Northstar School District
Joel Gilbertson, Providence Health System
Cheri Gillian, First National Bank Alaska
Dick LaFever, Crossroads Leadership Institute
Tanguy Libbrecht, Sheraton Anchorage Hotel
Holly Lind, World Wide Technology
Elisha Martin, Dimond Center
Kristin Mellinger, ASRC Energy Services
Bill Meszaros, Pacific Alaska Forwarders Inc.
Kevin Meyer, Alaska House of Representatives
Scott Miller, KPMG
Blair Murphy, ConocoPhillips Alaska
Bryan Quinn, Capital Office Systems
Dixie Retherford, Calista Corporation
Cathy Richter, Wells Fargo Bank N.A.
Dale Shaw, FedEx
Ben Stevens
Eileen Terwilliger, Ukpeagvik Inupiat Corp.
Rod Udd, Anchorage Chrysler Dodge
Mike Vasser, Coca Cola Alaska

Board of Trustees
President
Jim Brady, Marsh USA Inc
Trustees
Hugh Ashlock, Dimond Center
Bob Baer, Dynamic Properties
Mick Brogan, Denali Alaskan Federal Credit Union
Walter J. Hickel, Hickel Investment Co
Josh Jennett, The Jewelry Cache
David G. Kolesky*, Horizon Lines
Andy Lohman*, Clear Channel Communication
Ed Rasmussen, Rasmussen Foundation
Robert Shake*, Northern Bank
Mayor George Sullivan

* Past Chairs, Board of Directors

Investing in Alaska's most valuable resource - our children.

Nancy Manly

From: Amber J. Scott [ascott@denalystatebank.com]
Sent: Monday, March 12, 2007 1:27 PM
To: Rep. Bob Lynn
Cc: dmcmillan@forakergroup.org
Subject: HB 166

March 12, 2007

The Honorable Bob Lynn
State Capitol, RM 104
Juneau, Alaska 99801

Dear Representative Lynn,

I am writing today to ask for your support of House Bill 166. This Act will provide Alaskans with a safe and easy way to make charitable donations to their favorite qualified non-profit organizations.

There is a growing demand placed on Alaska's non-profit organizations. Our state depends on those groups to fill in funding gaps and to do more with less. In the face of those challenges, non-profit groups try to stretch their dollars farther and build their sustainability. One way to assist in that process is to add donated money from Alaskans to the public dollars contributed by the government.

Denali State Bank is a community bank and we are deeply committed to this community and state. Our lending philosophies and the active role our staff plays in our community is a great testament to our corporate responsibility. We have 11 officers that sit on 15 boards of nonprofit organizations, and I am extremely proud of that. There is seldom a community event, whether it is Chamber-sponsored through the American Cancer Society, United Way or Boys and Girls Club, that we are not involved in. Because of our direct involvement in so many non-profit organizations, we understand the financial challenges that these organizations face.

The non-profit sector plays a huge role in our State's economy. Alaska's public charities spent over \$3.4 billion in 2004. 1 in 10 Alaskan workers is employed by a non-profit organization, and those payrolls total over \$1.151 billion last year. Presently our Alaskan non-profits are overly dependant upon the federal government for support. Currently almost \$1 billion a year comes from federal support. Wouldn't it be nice if Alaskan's had a safe, easy way to contribute individually to the charities of their choice? HB 166 will provide that accessible avenue and alleviate some of the financial burdens on our non-profits.

Thank you in advance for your support of HB 166, and for supporting the important work of Alaska's non-profit sector.

Sincerely,

Jyotsna Heckman
CEO & President
Denali State Bank

3/14/2007

Nancy Manly

From: Dennis McMillian [dmcmillian@forakergroup.org]

Sent: Tuesday, March 06, 2007 12:58 PM

To: Rep. Bob Lynn

Dear Representative Lynn:

We are writing you today to ask that you support House Bill 166, an Act that will bring one of the most exciting and positive changes to the Alaska's nonprofit sector since statehood, by providing Alaskans with a mechanism for making charitable donations to their favorite qualified nonprofits, and giving all of us an easy and safe way to support the very worthwhile Alaskan nonprofit sector too.

In the recent ISER study on the economic impact of the nonprofit sector, we confirmed that the nonprofit sector is a major part of the state's economy; the sector makes significant expenditures in the state, especially Alaska's public charities, which spent over \$3.4 billion in 2004; the sector provides a growing employment base across the state, such that one in 10 Alaska workers (31,000) is employed by a nonprofit for a total payroll of over \$1.151 billion and with 42,000 jobs in Alaska that can be traced back to the public charity organizations within the nonprofit sector. However it also shows that Alaska nonprofits are overly dependent on federal government dollars for their ongoing operations, at over \$1 billion last year alone.

Alaska has great potential to significantly increase its charitable giving and increase its non-governmental sustainability. While some organizations do a good job of fundraising in Alaska, the same study shows that as a percentage of total income, Alaska's nonprofits generate half of the national average from charitable contributions. We need to change that. When every Alaskan receiving a Permanent Fund Dividend is asked to consider making a donation to a qualified organization, our hope is that it will encourage more Alaskans to start giving back to support their community.

The Rasmuson Foundation has agreed to pay for all the administrative costs to establish such a program and continue to fund the overhead for the first three years while Alaskans learn to give in this innovative way. A process has already been developed to approve a variety of nonprofit organizations throughout the state, eliminating the tendency for just one or two organizations to benefit from this effort.

Thank you for your support of HB 166, and for supporting the important work of Alaska's nonprofit sector.

Sincerely,

Dennis G. McMillian
President
The Foraker Group

3/14/2007


Alaska Public Offices Commission

 ANCHORAGE: (907) 276-4176
 JUNEAU: (907) 465-4864

APOC-IQ
 Info Quick

State of Alaska > Departments > Administration > APOC > Advisory Opinion Menu

FREQUENTLY ASKED QUESTIONS ABOUT BALLOT GROUPS

1. What is a ballot group?

Under the Alaska Campaign Disclosure law, a "group" is two or more individuals who act jointly to influence the outcome of an election of a state or municipal candidate or ballot measure. (AS 15.13.400(5)(B))

A ballot group may be formed to

- * sponsor an initiative, referendum, or recall.
- * support or oppose an initiative, referendum, recall or constitutional amendment.
- * campaign to determine whether a constitutional convention shall be called, a debt shall be contracted, an advisory question shall be approved or whether a municipality shall be incorporated. (AS 15.13.065 and AS 15.60.010)

2. What are the requirements of ballot groups under the Campaign Disclosure Law?

Ballot groups must:

- * register with the APOC;
- * file periodic Campaign Disclosure Reports; and
- * identify all political communications with a "paid for by" statement.

3. When does a ballot group need to register with the APOC?

Initiative stage

When a ballot group has formed to sponsor an initiative, referendum or recall, the group must register with the Commission "30 days after its first filing with the Lieutenant Governor...". "First filing" means the date the group first files, with the Lieutenant Governor or Division of Elections, the proposed language for an initiative along with the signatures of 100 supporters of the proposed initiative. (AS 15.13.110(e))

If question is already on the ballot

A group that forms to support or oppose an issue on a state or municipal ballot must register with the Commission "before making an expenditure in support of or in opposition to a ballot proposition or question." This includes making expenditures to order checks or bank charges. Thus, it is best to register as early as possible. (AS 15.13.050(a))

4. When are reports due?

Initiative Stage

Ballot groups in the initiative stage need to file quarterly reports. The quarterly reports shall be filed within 10 days after the end of each calendar quarter. The group is required to file quarterly Campaign Disclosure Statements until:

- (1) the group ceases its petition drive, or
- (2) the 30 Day Pre-election report is due (if the group is successful in getting the initiative certified as a ballot issue) (AS 15.13.110(e))

If the question is on the ballot

Ballot groups formed to support or oppose a question on the ballot must file Pre and Post Election Reports. The required reports must be filed according to the following schedule:

- * 30 Day Pre-election report: Due 30 days prior to the election.
- * 7 Day Pre-election report: Due 7 days prior to the election.
- * 24 Hour Report: Within 9 days prior to the election, all contributions over \$250 must be disclosed within 24 hours.
- * Year End Report: Discloses all activity through February 1 and is due February 15 of the following year. (AS 15.13.110)

5. What's reportable and what's not in the initiative stage?

A ballot group in the initiative stage that accepts donations and makes expenditures solely to gather signatures may file a "zero report" to satisfy the quarterly reporting due under AS 15.13.110(e). A group filing "zero reports" should be careful to confine its financial activity solely to

gathering signatures. "Zero reports" are appropriate until the group disbands or until the group's petition is certified as a ballot measure. Once the petition is certified as a ballot issue, the group's activities are considered to be campaign efforts intended to influence the outcome of an election. The group must then make full reports of its contributions and expenditures in accordance with AS 15.13.040(b) and (c), and AS 15.13.110.

"Zero Reports" are also appropriate when a group has had no activity. If a group has bank interest or bank charges, a zero report is not appropriate.

6. What if the group has a surplus after the signature stage?

Once the petition is certified, the group's activities are considered to be campaign efforts intended to influence the outcome of an election. The group must then report all contributions and expenditures.

If the group intends to use the surplus funds gathered during the signature stage to campaign for passage of the measure, the group must disclose all activity which led to that surplus, including the names of previous contributors. Because bookkeeping can be difficult, staff recommends that ballot groups in the initiative stage monitor funds so that no surplus is carried forward.

7. Are there limits on contributions to ballot groups?

Ballot groups may accept contributions from individuals or persons without limitation. This includes corporations, unions, organizations, as well as individuals and organizations from outside Alaska.

8. What happens if the required campaign disclosure reports and registration statement are not filed on time?

Commission staff will assess a civil penalty based on the number of days a report is late and how close it is to the election. Fines range from \$10 to \$50 per day. A filer has 30 days to pay or to appeal the penalty.

9. When must a "paid for by" identifier be placed on campaign related materials?

All political communications must contain a "paid for by" identifier which includes the words "paid for by" followed by the name and address of the ballot group paying for the advertising.

10. Is there a fine for inadequate or missing identifiers?

Yes. A group that fails to place a complete "paid for by" identifier on its campaign communications is subject to a civil penalty of up to \$50 per day.

11. How does the group disband?

The disbursement of a campaign account must be reported to the Commission within 10 days after final disposition of the balance. Ballot groups may disburse the balance in the following manner:

- * give the money to charity (501(c)(3));
- * repay the contributors;
- * pay for a victory or thank you party;
- * leave the money in the account for future election (the group must register every year and report as long as there is a balance in the account), or
- (contribute the money to a group supporting a ballot proposition or question. (2 AAC 50.384)

Rev 11/03

State of Alaska Home Federal Election Commission Legislative Ethics Committee State of Alaska Division of Elections Webmaster



Charitable Giving Benefits Giver As Much as Receiver

Friday , December 22, 2006

By Ryan Messmore

On Monday morning, millions of Americans will gather with loved ones to engage in a vitally important social activity: giving gifts.

They may do so to continue family tradition, or to participate in a cultural holiday, or to celebrate the gift of a Savior. Whatever the reason, the practice of giving taps into something deep in the nature of the person.

Giving our time and money to others tends to have significant implications for our individual well-being and that of our local communities and nation. Charitable giving is associated with higher levels of health and happiness, increased prosperity and strong community organizations.

Just as significant is the way that giving and receiving gifts shape our moral vision. Given the numerous "spillover effects" of private giving for larger society, government has a strong interest in ordering society in such a way that charity can flourish.

Researcher Arthur Brooks examines the benefits of giving in his new book, "Who Really Cares: The Surprising Truth about Compassionate Conservatism." In terms of physical health and happiness, Brooks notes that people who give more charitably are 43 percent more likely to say they are "very happy" than non-givers, while non-givers are three and a half times more likely than givers to report they are "not happy at all."

In addition, several large studies have also found that senior citizens who volunteer have a 40 percent lower probability of dying in a given year than people of the same age and health level.

Giving also increases personal and well as national prosperity. Pointing to a survey conducted in 2000 that controlled for education, age, race and all the other outside explanations for giving and income increases, Brooks reports that a dollar donated to charity was associated with \$4.35 in extra income.

Of this additional income, \$3.75 was due to the dollar given to charity. At the national level, a 1 percent increase in national giving appeared to increase real GDP by about \$36 billion.

Charitable giving is important for strong local communities as well. As Brooks explains, not only do giving and volunteering correlate with honesty and promote bonds of trust among neighbors, but they also sustain numerous charities providing critical services in education, health, the arts, the environment and disaster relief. Because such organizations can provide a buffer against the authority of the state, suggests Brooks, giving to them is also important for protecting freedoms and fostering democratic values.

In addition to charity's effects on health, happiness, income and community life, giving's most powerful influence may lie in its ability to shape moral vision. The practice of voluntary giving fashions the way we see wealth, poverty, and personal obligations toward those in need.

Without charity, Americans would become more dependent on impersonal government for a vast array of services. This, in turn, would foster a social relationship where one side perceives aid as a forced penalty rather than a voluntary offering and the other side views aid as a right rather than a gift.

ADVERTISEMENT



Impersonal government checks can foster a mentality that undercuts the motivation to feel or give gratitude when received. In contrast, gifts create a kind of momentum of good will, which has the potential to bind both giver and receiver into a more personal relationship. Interestingly, Brooks found that people are much more likely to give away money they earn than money they receive from the government. Voluntary giving and receiving beget more charitable ways of seeing and living in the world.

In sum, these financial and non-financial advantages demonstrate that giving is good not only for the receiver, but also for the giver -- as well as the giving society. Government therefore has an obligation to make policy that is conducive to Americans' charitable spirit. Policy should clear the way for citizens to act upon their generosity with ease. Government should not make it difficult to engage in charitable and civic activities through burdensome legal requirements, punitive mandatory expenditures, bureaucratic red tape and controversial hiring practices.

Government should provide the fair, legal space in which faith-based charitable organizations can meet social needs.

Government can also influence charitable giving through its economic and welfare policies.

According to Brooks, government entitlement programs have a negative impact on charity -- they drive giving down among both rich and poor. On average, a working poor family is more than twice as likely to give -- and gives more than three times as much money -- and almost twice as likely to volunteer as a family receiving roughly the same amount on welfare.

What stands out from Brooks' research, however, is that the mere support for income redistribution policies tends to substitute for giving. In a 1996 General Social Survey, those who disagreed with the question, "The government has a responsibility to reduce income inequality" gave more to every type of cause and charity, including nonreligious charities, human welfare agencies, and traditionally liberal causes such as the environment and the arts. This trend holds whether or not the government actually implements a policy to address inequality.

Public policy should reflect the importance of charity in America. In short, when it comes to economic inequality, liberal political opinions seem to substitute for private action. Because research reveals that giving leads to greater prosperity and a higher quality of life for the poor, the national debate concerning poverty should consider the significance of private charity in addressing this question.

The Christmas season reminds us that wise men give gifts. Giving sets off a cycle of blessing that benefits giver, receiver, and society alike. A wise government knows that is something its policies cannot replicate, but must respect.

Ryan Massmore in the William E. Simon Fellow in the DeVos Center for Religion and Civil Society at [The Heritage Foundation](#).

SEARCH

GO

[Click here for FOX News RSS Feeds](#)

[Advertise on FOX News Channel, FOXNews.com and FOX News Radio](#)

[Jobs at FOX News Channel.](#)

[Internships At Fox News \(Summer Application Deadline is March 15, 2007\)](#)

[Terms of use.](#) [Privacy Statement.](#) For FOXNews.com comments write to foxnews@foxnews.com; For FOX News Channel comments write to comments@foxnews.com

© Associated Press. All rights reserved.

This material may not be published, broadcast, rewritten, or redistributed.

Copyright 2007 FOX News Network, LLC. All rights reserved.
All market data delayed 20 minutes.



5 April 2007

The Honorable Bill Thomas, Jr.
Representative
State of Alaska
State Capitol, Room #434
Juneau, Alaska 99801-1182

Dear Representative Thomas,

I am writing to urge you to please support passage of House Bill 166. As you know, this bill will enable contributions to be made from a permanent fund dividend to community foundations, educational organizations, and to other charitable organizations providing an array of services for youths, the elderly, and in workforce development and the arts. Passage of this bill will help support the work of so many not-for-profit organizations in our state who are doing important and necessary work on a grassroots level in every community. This bill will make it even easier for individuals in our state to support this charitable work with individual donations, which are the lifeblood of every organization, including Perseverance Theatre. Please show your support for Perseverance Theatre's not-for-profit sector by supporting passage of this important legislation. Don't hesitate to contact me at (907) 364-2421 x229 if you have any questions or would like any additional information.

Most sincerely,

Jeffrey Herrmann
Producing Director

25-LS0678L
Cook
5/9/07

**SENATE CS FOR CS FOR HOUSE BILL NO. 166()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

BY

**Offered:
Referred:**

**Sponsor(s): REPRESENTATIVES THOMAS, Gara, Crawford, Foster, LeDoux
SENATOR Therriault**

**A BILL
FOR AN ACT ENTITLED**

1 **"An Act relating to the furnishing of permanent fund dividend application forms;**
2 **relating to contributions from permanent fund dividends to community foundations, to**
3 **certain educational organizations, and to certain other charitable organizations; relating**
4 **to the execution upon permanent fund dividends; amending Rule 89, Alaska Civil Rules**
5 **of Procedure; and providing for an effective date."**

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

7 *** Section 1.** AS 43.23.015(b) is amended to read:

8 (b) The department shall prescribe [AND FURNISH] an application form for
9 claiming a permanent fund dividend. The application must include notice of the
10 penalties provided for under AS 43.23.035 and contain a statement of eligibility and a
11 certification of residency.

12 *** Sec. 2.** AS 43.23 is amended by adding a new section to read:

13 **Sec. 43.23.062. Contributions from dividends.** (a) Notwithstanding

1 A3 43.23.069, the Department of Revenue shall prepare the electronic Alaska
2 permanent fund dividend application to allow an applicant who files electronically to
3 direct that money be subtracted from the dividend payment and contributed to one or
4 more of the educational organizations, community foundations, or charitable
5 organizations that appear on the contribution list contained in the application. A
6 contribution to an organization may be \$25, \$50, \$75, \$100, or more, in increments of
7 \$50, up to the total amount of the permanent fund dividend that the applicant is
8 entitled to receive. If the total amount of contributions elected by an applicant exceeds
9 the amount of the permanent fund dividend that the applicant is entitled to receive,
10 contributions shall be deducted from the dividend in the order of priority elected by
11 the applicant on the application until the entire amount of the dividend that the
12 applicant is entitled to receive is allocated for contribution. The electronic dividend
13 application form must include notice that

14 (1) contribution changes may not be made after the applicant files the
15 electronic permanent fund dividend application; and

16 (2) no money contributed will be used for administrative costs incurred
17 in implementing this section and money from the dividend fund will not be used for
18 that purpose.

19 (b) The department shall list each campus of the University of Alaska and
20 shall list each other educational organization, community foundation, or charitable
21 organization eligible under (c) and (d) of this section on the contribution list by
22 geographic region in random order, and the order shall be changed each year. On the
23 contribution list, organizations shall also be grouped by type within each geographic
24 region. The department shall provide a statement of the contributions made by an
25 individual that is suitable for federal income tax purposes to each individual who
26 elects to contribute under (a) of this section.

27 (c) The department may not include on the contribution list an educational
28 organization, community foundation, or charitable organization that is the affiliate of a
29 group. For purposes of this subsection,

30 (1) "affiliate" means an organization or foundation that directly or
31 indirectly through one or more intermediaries controls, is controlled by, or is under

1 common control with, a group;

2 (2) "group" has the meaning given in AS 15.13.400(8)(B).

3 (d) Except for each campus of the University of Alaska, the department may
4 include an educational organization, community foundation, or charitable organization
5 on the contribution list for a current dividend year only if the organization

6 (1) files an application for inclusion on the list for that dividend year
7 on the form required by the department before June 15 of the qualifying year;

8 (2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal
9 Revenue Code) as an educational or a charitable organization on the date of
10 application;

11 (3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3)
12 (Internal Revenue Code) as an educational or a charitable organization during the two
13 calendar years that immediately precede the year the application is filed;

14 (4) has a current Internal Revenue Service Form 990 on file with the
15 United States Department of the Treasury, Internal Revenue Service, or, if the Internal
16 Revenue Service has granted a filing extension for the current year, has on file that
17 form for the immediately previous year;

18 (5) is directed by a voluntary board of directors or local advisory board
19 whose members are residents of the state;

20 (6) provided in the state aid or services during the two calendar years
21 that immediately precede the year the application is filed;

22 (7) receives at least \$100,000 or five percent of its total annual
23 receipts, whichever is less, from contributions;

24 (8) has completed and provided to the department a financial audit with
25 an unqualified opinion, conducted by an independent certified public accountant for
26 the fiscal year to which the Internal Revenue Service Form 990 required under (4) of
27 this subsection applies; this paragraph applies only to an organization with a total
28 annual budget that exceeds \$250,000 during the fiscal year to which the Internal
29 Revenue Service Form 990 required under (4) of this subsection applies; and

30 (9) does not make grants or contributions to an organization that is
31 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

1 (e) Unless an appropriation specifically directs that the money be used for
2 costs incurred in implementing this section, the department may not use money from
3 the dividend fund for administrative costs incurred in implementing this section even
4 if it has been appropriated for costs of administering the dividend program. The
5 department may not use money contributed under (a) of this section for administrative
6 costs incurred in implementing this section. Contributions shall be distributed to each
7 organization as soon as practicable.

8 (f) The department may establish an application fee not to exceed \$50 for each
9 educational organization, community foundation, or charitable organization that files
10 an application under (d) of this section. The application fees shall be separately
11 accounted for under AS 37.05.142. The annual estimated balance in the account
12 maintained under AS 37.05.142 for application fees collected under this subsection
13 may be appropriated for costs of administering this section.

14 (g) The department may use an agent or enter into a contract for the
15 implementation and operation of the contribution program under this section. Before
16 executing a contract with a corporation or other organization, the organization must
17 provide a copy of its policies and procedures to the department. A contract entered
18 into under this subsection is exempt from AS 36.30 (State Procurement Code).

19 (h) A public agency that claims a dividend on behalf of an individual under
20 AS 43.23.015(e) may not elect to make contributions from the dividend under (a) of
21 this section.

22 (i) The department may adopt regulations under AS 44.62 (Administrative
23 Procedure Act) to carry out the provisions of this section. If an organization disagrees
24 with an action of the department under this section and requests an administrative
25 hearing, the hearing shall be conducted by the office of administrative hearings
26 (AS 44.64.010).

27 (j) By January 20 of each year, the department shall prepare a report
28 identifying the organizations on the contribution list for the immediately preceding
29 year, together with the amount of contributions made to each of the organizations, and
30 shall notify the legislature that the report is available.

31 (k) In this section, "community foundation" means a nonprofit, autonomous,

1 philanthropic institution that is organized and operated primarily as a permanent
2 collection of endowed funds for the long-term benefit of a defined geographic area
3 within one or more municipalities, that has a long-term goal of increasing its
4 permanent unrestricted charitable endowment to benefit the area served, that primarily
5 provides benefits by making grants and may also provide other forms of charitable
6 services, that makes grants that are not limited to providing one type of benefit or to
7 serving one population segment, and that makes grants to multiple grantees.

8 * Sec. 3. AS 43.23.065(a) is amended to read:

9 (a) Except as provided in (b) of this section, 20 percent of the annual
10 permanent fund dividend payable to an individual is exempt from levy, execution,
11 garnishment, attachment, or any other remedy for the collection of debt. No other
12 exemption applies to a dividend. Notwithstanding other laws, a writ of execution upon
13 a dividend that has not been delivered to the debtor may be served on the
14 commissioner by

15 (1) certified mail, return receipt requested; or

16 (2) a civilian process server, licensed by the commissioner of public
17 safety under AS 22.20.120, using electronic execution procedures as provided
18 under regulations adopted by the department [. UPON RECEIPT OF A WRIT BY
19 CERTIFIED MAIL, RETURN RECEIPT REQUESTED, THE COMMISSIONER
20 SHALL DELIVER THAT PORTION OF THE DIVIDEND EXECUTED UPON TO
21 THE COURT ALONG WITH THE CASE NAME AND NUMBER].

22 * Sec. 4. AS 43.23.065(d) is amended to read:

23 (d) An assignment of or levy, execution, garnishment, attachment, or other
24 remedy for the collection of debt applied to a dividend for a year may not be accepted
25 by the department before April 1 of that same year. AS 09.38.080(c) and 09.38.085 do
26 not apply to a levy on a permanent fund dividend. Upon receipt of a writ of
27 execution in accordance with (a) of this section, or other court order, the
28 commissioner shall deliver that portion of the dividend executed upon to the
29 court along with the case name and number [THE DEPARTMENT SHALL
30 INCLUDE THE CASE NUMBER WITH A DIVIDEND OR PORTION OF A
31 DIVIDEND TRANSMITTED TO THE COURT IN RESPONSE TO A WRIT OF

1 EXECUTION OR OTHER COURT ORDER]. At the time payment is made to the
2 court, the department shall send to the individual at the address provided in the
3 individual's dividend application and to the court that issued the writ or order a notice
4 that contains

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

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

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

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

10 (5) notification that the individual has 30 days from the date the notice
11 is mailed in which to file with the court an objection to the seizure if a mistake has
12 been made.

13 * Sec. 5. AS 43.23.062 is repealed on

14 (1) December 31, 2010, if AS 43.23.062 first applies to the permanent fund
15 dividend for 2008;

16 (2) December 31, 2011, if AS 43.23.062 first applies to the permanent fund
17 dividend for 2009.

18 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 **INDIRECT COURT RULE AMENDMENT.** The changes made by secs. 3 and 4 of
21 this Act have the effect of changing Rule 89, Alaska Rules of Civil Procedure, by allowing a
22 civilian process server licensed by the commissioner of public safety to execute upon a
23 permanent fund dividend issued under AS 43.23 by electronic means in accordance with
24 regulations adopted by the Department of Revenue and by establishing how the commissioner
25 of revenue shall deliver the portion of the dividend executed upon to the court.

26 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 **APPLICABILITY; NOTIFICATION.** (a) The Department of Revenue shall make
29 every effort to implement AS 43.23.062, enacted by sec. 2 of this Act, so that it will apply to
30 the Alaska permanent fund dividends for 2008, 2009, and 2010. If the department fails to
31 implement AS 43.23.062 in time for it to apply to the 2008 dividends, AS 43.23.062 applies

1 to the dividends for 2009, 2010, and 2011.

2 (b) On December 30 of the last year that, under (a) of this section, AS 43.23.062
3 applies to dividends, the Department of Revenue shall notify the revisor of statutes that
4 AS 43.23.062 no longer applies.

5 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **CONDITIONAL EFFECT.** Sections 3, 4, and 6 of this Act take effect only if sec. 6 of
8 this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15,
9 Constitution of the State of Alaska.

10 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 166(FIN)
(H) Publish Date: 4/9/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title: PFD Charitable giving RDU: Revenue Programs & Support
Component: Permanent Fund Dividend
Sponsor: Thomas
Requester: House Finance Component No. 981

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	76.1	38.1	38.1			
Travel	4.2	2.0	2.0			
Contractual	238.9	49.8	49.8			
Supplies	1.1	1.1	1.1			
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	320.3	91.0	91.0	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						
1108 Statutory Program Receipts	320.3	91.0	91.0			
TOTAL	320.3	91.0	91.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 45.0

Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	1					
Part-time		1	1			
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires the department to set up and administer a program in which PFD applicants who apply online can assign part or all of their dividend each year to one or more educational, charitable or community foundation organizations. The list of such organizations will be established through an application process according to criteria established in the bill. Appeals are anticipated from organizations whose applications to be listed are denied. The department has been given the estimate of over 2000 organizations that may apply and about 750 that may be eligible. The program will be effective beginning with the 2008 dividend with a temporary application process for that startup year only. Regulations will be done to be effective for the 2009 cycle. The program will sunset after the 2010 dividend. (continued on page 2)

Prepared by: Amy Skow, Division Manager Phone 907 465-4784
Division: Permanent Fund Dividend Date/Time: 3/19/2007 10:30 a.m.
Approved by: Jerry Burnett Date: 4/2/2007
Agency: Department of Revenue

FISCAL NOTE #2

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. CSHB 166(FIN)

ANALYSIS CONTINUATION

In order to implement this program for the 2008 cycle, work must begin in 2007. 2007 costs are reflected in the operating expenditures listed above and noted on the "Estimate of any current year cost" line. Estimated costs of work to be done by the agent are not listed on this fiscal note because they will be paid directly by Rasmussen Foundation.

HB166 states specifically that implementation and administrative costs for this bill will not come from either the charitable contributions or the Permanent Fund itself. Accordingly, the Fund Source for expenses listed within this fiscal note is assumed to be the General Fund.

Cost summary:

100	Personal Services	76.1
	1 full time position, salary basis Program Coordinator, Contract administration (program administration and *computer programming contracts)	
	Review agent's recommendations for approved organizations	
	Develop regulations	
	Respond to applicant questions and requests to withdraw/change designations, troubleshoot problems	
	Accounting and payments	
200	Travel	4.2
300	***Contractual	283.9
	*Mainframe, server, and web application changes	220.0
	*Department of Law - regulations	5.5
	*Regulations - public notice	1.1
	** Printing - two additional pages to application booklet; distribution letters to participants (1099)	11.0
	**Postage - increased postage for application booklets and distribution letters to participants	27.5
	Data storage and computer services	2.7
	1-800 phone calls	1.1
	OAH Hearing costs (100 hours x \$150/hr)	15.0
400	Supplies	1.1
	Total	\$ 365.3
	FY 2007 expenses	(45.0)
	Total	\$ 320.3
	*One time cost	
	** Print and postage cost for 1099 based on 50,000 participants	
	***Anticipated costs for appeals (7.5) are added to contractual in years 2 and 3	



REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: Representative.Bill.Thomas@legis.state.ak.us

webpage: www.akrepublicans.org/thomas/

State Capitol

Juneau AK, 99801-1182

907-465-3732

888-461-3732

FAX 907-465-2652

Sponsor Statement for HB 166 Permanent Fund Dividend Contributions

HB 166 is an attempt to increase private philanthropy in Alaska by giving people the option of donating a portion of their Permanent Fund Dividend check to their favorite charity. Alaskans who make \$100,000 or more, rank among the lowest in the nation as far as percentage of income donated to charities.

In the hustle and bustle of life, we often forget about those organizations who rely on donations and who provide important services to our communities. HB 166 allows for a list of approved organizations to be included with a person's PFD application and allows them to check off which charities that they would like to donate to. 100% of their donation will go to the charity. The simplicity of being able to simply check the desired charity while applying for one's PFD will increase the rate of donation and give these charities another avenue to use in their fundraising.

HB 166 also requires that the charity meet certain criteria before it can be placed on the list with the PFD applications. Among the criteria, the charity must be a 501(c)(3) organization, be directed by a voluntary board whose members are residents of Alaska, receive \$100,000 or 5%, whichever is less, of its annual receipts in contributions, and the charity must provide a copy of an audit, for the previous fiscal year, to the Department of Revenue.

The Rasmuson Foundation, a charitable foundation which makes \$25 million in grants each year to Alaska organizations, has pledged to fully fund the administrative costs of the program for the first three years of the program, creating a zero fiscal impact on the state in these crucial beginning years.

HB 166 gives people a simple and convenient way to donate to their favorite charities, who make a positive impact in our communities. I urge your support of this important piece of legislation.

25-LS0678L
Cook
5/9/07

SENATE CS FOR CS FOR HOUSE BILL NO. 166()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Gara, Crawford, Foster, LeDoux

SENATOR Therriault

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the furnishing of permanent fund dividend application forms;
2 relating to contributions from permanent fund dividends to community foundations, to
3 certain educational organizations, and to certain other charitable organizations; relating
4 to the execution upon permanent fund dividends; amending Rule 89, Alaska Civil Rules
5 of Procedure; and providing for an effective date."

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

7 * Section 1. AS 43.23.015(b) is amended to read:

8 (b) The department shall prescribe [AND FURNISH] an application form for
9 claiming a permanent fund dividend. The application must include notice of the
10 penalties provided for under AS 43.23.035 and contain a statement of eligibility and a
11 certification of residency.

12 * Sec. 2. AS 43.23 is amended by adding a new section to read:

13 Sec. 43.23.062. Contributions from dividends. (a) Notwithstanding

1 AS 43.23.069, the Department of Revenue shall prepare the electronic Alaska
2 permanent fund dividend application to allow an applicant who files electronically to
3 direct that money be subtracted from the dividend payment and contributed to one or
4 more of the educational organizations, community foundations, or charitable
5 organizations that appear on the contribution list contained in the application. A
6 contribution to an organization may be \$25, \$50, \$75, \$100, or more, in increments of
7 \$50, up to the total amount of the permanent fund dividend that the applicant is
8 entitled to receive. If the total amount of contributions elected by an applicant exceeds
9 the amount of the permanent fund dividend that the applicant is entitled to receive,
10 contributions shall be deducted from the dividend in the order of priority elected by
11 the applicant on the application until the entire amount of the dividend that the
12 applicant is entitled to receive is allocated for contribution. The electronic dividend
13 application form must include notice that

14 (1) contribution changes may not be made after the applicant files the
15 electronic permanent fund dividend application; and

16 (2) no money contributed will be used for administrative costs incurred
17 in implementing this section and money from the dividend fund will not be used for
18 that purpose.

19 (b) The department shall list each campus of the University of Alaska and
20 shall list each other educational organization, community foundation, or charitable
21 organization eligible under (c) and (d) of this section on the contribution list by
22 geographic region in random order, and the order shall be changed each year. On the
23 contribution list, organizations shall also be grouped by type within each geographic
24 region. The department shall provide a statement of the contributions made by an
25 individual that is suitable for federal income tax purposes to each individual who
26 elects to contribute under (a) of this section.

27 (c) The department may not include on the contribution list an educational
28 organization, community foundation, or charitable organization that is the affiliate of a
29 group. For purposes of this subsection,

30 (1) "affiliate" means an organization or foundation that directly or
31 indirectly through one or more intermediaries controls, is controlled by, or is under

1 common control with, a group;

2 (2) "group" has the meaning given in AS 15.13.400(8)(B).

3 (d) Except for each campus of the University of Alaska, the department may
4 include an educational organization, community foundation, or charitable organization
5 on the contribution list for a current dividend year only if the organization

6 (1) files an application for inclusion on the list for that dividend year
7 on the form required by the department before June 15 of the qualifying year;

8 (2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal
9 Revenue Code) as an educational or a charitable organization on the date of
10 application;

11 (3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3)
12 (Internal Revenue Code) as an educational or a charitable organization during the two
13 calendar years that immediately precede the year the application is filed;

14 (4) has a current Internal Revenue Service Form 990 on file with the
15 United States Department of the Treasury, Internal Revenue Service, or, if the Internal
16 Revenue Service has granted a filing extension for the current year, has on file that
17 form for the immediately previous year;

18 (5) is directed by a voluntary board of directors or local advisory board
19 whose members are residents of the state;

20 (6) provided in the state aid or services during the two calendar years
21 that immediately precede the year the application is filed;

22 (7) receives at least \$100,000 or five percent of its total annual
23 receipts, whichever is less, from contributions;

24 (8) has completed and provided to the department a financial audit with
25 an unqualified opinion, conducted by an independent certified public accountant for
26 the fiscal year to which the Internal Revenue Service Form 990 required under (4) of
27 this subsection applies; this paragraph applies only to an organization with a total
28 annual budget that exceeds \$250,000 during the fiscal year to which the Internal
29 Revenue Service Form 990 required under (4) of this subsection applies; and

30 (9) does not make grants or contributions to an organization that is
31 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

1 (e) Unless an appropriation specifically directs that the money be used for
2 costs incurred in implementing this section, the department may not use money from
3 the dividend fund for administrative costs incurred in implementing this section even
4 if it has been appropriated for costs of administering the dividend program. The
5 department may not use money contributed under (a) of this section for administrative
6 costs incurred in implementing this section. Contributions shall be distributed to each
7 organization as soon as practicable.

8 (f) The department may establish an application fee not to exceed \$50 for each
9 educational organization, community foundation, or charitable organization that files
10 an application under (d) of this section. The application fees shall be separately
11 accounted for under AS 37.05.142. The annual estimated balance in the account
12 maintained under AS 37.05.142 for application fees collected under this subsection
13 may be appropriated for costs of administering this section.

14 (g) The department may use an agent or enter into a contract for the
15 implementation and operation of the contribution program under this section. Before
16 executing a contract with a corporation or other organization, the organization must
17 provide a copy of its policies and procedures to the department. A contract entered
18 into under this subsection is exempt from AS 36.30 (State Procurement Code).

19 (h) A public agency that claims a dividend on behalf of an individual under
20 AS 43.23.015(e) may not elect to make contributions from the dividend under (a) of
21 this section.

22 (i) The department may adopt regulations under AS 44.62 (Administrative
23 Procedure Act) to carry out the provisions of this section. If an organization disagrees
24 with an action of the department under this section and requests an administrative
25 hearing, the hearing shall be conducted by the office of administrative hearings
26 (AS 44.64.010).

27 (j) By January 20 of each year, the department shall prepare a report
28 identifying the organizations on the contribution list for the immediately preceding
29 year, together with the amount of contributions made to each of the organizations, and
30 shall notify the legislature that the report is available.

31 (k) In this section, "community foundation" means a nonprofit, autonomous,

1 philanthropic institution that is organized and operated primarily as a permanent
2 collection of endowed funds for the long-term benefit of a defined geographic area
3 within one or more municipalities, that has a long-term goal of increasing its
4 permanent unrestricted charitable endowment to benefit the area served, that primarily
5 provides benefits by making grants and may also provide other forms of charitable
6 services, that makes grants that are not limited to providing one type of benefit or to
7 serving one population segment, and that makes grants to multiple grantees.

8 * Sec. 3. AS 43.23.065(a) is amended to read:

9 (a) Except as provided in (b) of this section, 20 percent of the annual
10 permanent fund dividend payable to an individual is exempt from levy, execution,
11 garnishment, attachment, or any other remedy for the collection of debt. No other
12 exemption applies to a dividend. Notwithstanding other laws, a writ of execution upon
13 a dividend that has not been delivered to the debtor may be served on the
14 commissioner by

15 (1) certified mail, return receipt requested; or

16 (2) a civilian process server, licensed by the commissioner of public
17 safety under AS 22.20.120, using electronic execution procedures as provided
18 under regulations adopted by the department [. UPON RECEIPT OF A WRIT BY
19 CERTIFIED MAIL, RETURN RECEIPT REQUESTED, THE COMMISSIONER
20 SHALL DELIVER THAT PORTION OF THE DIVIDEND EXECUTED UPON TO
21 THE COURT ALONG WITH THE CASE NAME AND NUMBER].

22 * Sec. 4. AS 43.23.065(d) is amended to read:

23 (d) An assignment of or levy, execution, garnishment, attachment, or other
24 remedy for the collection of debt applied to a dividend for a year may not be accepted
25 by the department before April 1 of that same year. AS 09.38.080(c) and 09.38.085 do
26 not apply to a levy on a permanent fund dividend. Upon receipt of a writ of
27 execution in accordance with (a) of this section, or other court order, the
28 commissioner shall deliver that portion of the dividend executed upon to the
29 court along with the case name and number [THE DEPARTMENT SHALL
30 INCLUDE THE CASE NUMBER WITH A DIVIDEND OR PORTION OF A
31 DIVIDEND TRANSMITTED TO THE COURT IN RESPONSE TO A WRIT OF

1 EXECUTION OR OTHER COURT ORDER]. At the time payment is made to the
2 court, the department shall send to the individual at the address provided in the
3 individual's dividend application and to the court that issued the writ or order a notice
4 that contains

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

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

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

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

10 (5) notification that the individual has 30 days from the date the notice
11 is mailed in which to file with the court an objection to the seizure if a mistake has
12 been made.

13 * Sec. 5. AS 43.23.062 is repealed on

14 (1) December 31, 2010, if AS 43.23.062 first applies to the permanent fund
15 dividend for 2008;

16 (2) December 31, 2011, if AS 43.23.062 first applies to the permanent fund
17 dividend for 2009.

18 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 INDIRECT COURT RULE AMENDMENT. The changes made by secs. 3 and 4 of
21 this Act have the effect of changing Rule 89, Alaska Rules of Civil Procedure, by allowing a
22 civilian process server licensed by the commissioner of public safety to execute upon a
23 permanent fund dividend issued under AS 43.23 by electronic means in accordance with
24 regulations adopted by the Department of Revenue and by establishing how the commissioner
25 of revenue shall deliver the portion of the dividend executed upon to the court.

26 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 APPLICABILITY; NOTIFICATION. (a) The Department of Revenue shall make
29 every effort to implement AS 43.23.062, enacted by sec. 2 of this Act, so that it will apply to
30 the Alaska permanent fund dividends for 2008, 2009, and 2010. If the department fails to
31 implement AS 43.23.062 in time for it to apply to the 2008 dividends, AS 43.23.062 applies

1 to the dividends for 2009, 2010, and 2011.

2 (b) On December 30 of the last year that, under (a) of this section, AS 43.23.062
3 applies to dividends, the Department of Revenue shall notify the revisor of statutes that
4 AS 43.23.062 no longer applies.

5 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **CONDITIONAL EFFECT.** Sections 3, 4, and 6 of this Act take effect only if sec. 6 of
8 this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15,
9 Constitution of the State of Alaska.

10 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 166(FIN)
(H) Publish Date: 4/9/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title PFD Charitable giving RDU Revenue Programs & Support
Component Permanent Fund Dividend
Sponsor Thomas
Requester House Financo Component No. 981

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	76.1	38.1	38.1			
Travel	4.2	2.0	2.0			
Contractual	238.9	49.8	49.8			
Supplies	1.1	1.1	1.1			
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	320.3	91.0	91.0	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						
1108 Statutory Program Receipts	320.3	91.0	91.0			
TOTAL	320.3	91.0	91.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 45.0

Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	1				
Part-time		1	1		
Temporary					

ANALYSIS: (Attach a separate page if necessary)

This bill requires the department to set up and administer a program in which PFD applicants who apply online can assign part or all of their dividend each year to one or more educational, charitable or community foundation organizations. The list of such organizations will be established through an application process according to criteria established in the bill. Appeals are anticipated from organizations whose applications to be listed are denied. The department has been given the estimate of over 2000 organizations that may apply and about 750 that may be eligible. The program will be effective beginning with the 2008 dividend with a temporary application process for that startup year only. Regulations will be done to be effective for the 2009 cycle. The program will sunset after the 2010 dividend. (continued on page 2)

Prepared by: Amy Skow, Division Manager
Division: Permanent Fund Dividend
Approved by: Jerry Burnett
Agency: Department of Revenue

Phone 907 465-4784
Date/Time 3/19/2007 10:30 a.m.
Date 4/2/2007

FISCAL NOTE #2

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. CSHB 166(FIN)

ANALYSIS CONTINUATION

In order to implement this program for the 2008 cycle, work must begin in 2007. 2007 costs are reflected in the operating expenditures listed above and noted on the "Estimate of any current year cost" line. Estimated costs of work to be done by the agent are not listed on this fiscal note because they will be paid directly by Rasmussen Foundation.

HB166 states specifically that implementation and administrative costs for this bill will not come from either the charitable contributions or the Permanent Fund itself. Accordingly, the Fund Source for expenses listed within this fiscal note is assumed to be the General Fund.

Cost summary:

100	Personal Services	76.1
	1 full time position, salary basis Program Coordinator, Contract administration (program administration and *computer programming contracts)	
	Review agent's recommendations for approved organizations	
	Develop regulations	
	Respond to applicant questions and requests to withdraw/change designations, troubleshoot problems	
	Accounting and payments	
200	Travel	4.2
300	***Contractual	283.9
	*Mainframe, server, and web application changes	220.0
	*Department of Law - regulations	5.5
	*Regulations - public notice	1.1
	** Printing - two additional pages to application booklet; distribution letters to participants (1099)	11.0
	**Postage - increased postage for application booklets and distribution letters to participants	27.5
	Data storage and computer services	2.7
	1-800 phone calls	1.1
	OAH Hearing costs (100 hours x \$150/hr)	15.0
400	Supplies	1.1
	Total	\$ 365.3
	FY 2007 expenses	(45.0)
	Total	\$ 320.3
	*One time cost	
	**Print and postage cost for 1099 based on 50,000 participants	
	**Anticipated costs for appeals (7.5) are added to contractual in years 2 and 3	



Charitable Giving Benefits Giver As Much as Receiver

Friday , December 22, 2006

By Ryan Messmore

On Monday morning, millions of Americans will gather with loved ones to engage in a vitally important social activity: giving gifts.

They may do so to continue family tradition, or to participate in a cultural holiday, or to celebrate the gift of a Savior. Whatever the reason, the practice of giving taps into something deep in the nature of the person.

Giving our time and money to others tends to have significant implications for our individual well-being and that of our local communities and nation. Charitable giving is associated with higher levels of health and happiness, increased prosperity and strong community organizations.

Just as significant is the way that giving and receiving gifts shape our moral vision. Given the numerous "spillover effects" of private giving for larger society, government has a strong interest in ordering society in such a way that charity can flourish.

Researcher Arthur Brooks examines the benefits of giving in his new book, "Who Really Cares: The Surprising Truth about Compassionate Conservatism." In terms of physical health and happiness, Brooks notes that people who give more charitably are 43 percent more likely to say they are "very happy" than non-givers, while non-givers are three and a half times more likely than givers to report they are "not happy at all."

In addition, several large studies have also found that senior citizens who volunteer have a 40 percent lower probability of dying in a given year than people of the same age and health level.

Giving also increases personal and well as national prosperity. Pointing to a survey conducted in 2000 that controlled for education, age, race and all the other outside explanations for giving and income increases, Brooks reports that a dollar donated to charity was associated with \$4.35 in extra income.

Of this additional income, \$3.75 was due to the dollar given to charity. At the national level, a 1 percent increase in national giving appeared to increase real GDP by about \$36 billion.

Charitable giving is important for strong local communities as well. As Brooks explains, not only do giving and volunteering correlate with honesty and promote bonds of trust among neighbors, but they also sustain numerous charities providing critical services in education, health, the arts, the environment and disaster relief. Because such organizations can provide a buffer against the authority of the state, suggests Brooks, giving to them is also important for protecting freedoms and fostering democratic values.

In addition to charity's effects on health, happiness, income and community life, giving's most powerful influence may lie in its ability to shape moral vision. The practice of voluntary giving fashions the way we see wealth, poverty, and personal obligations toward those in need.

Without charity, Americans would become more dependent on impersonal government for a vast array of services. This, in turn, would foster a social relationship where one side perceives aid as a forced penalty rather than a voluntary offering and the other side views aid as a right rather than a gift.

ADVERTISEMENT



Impersonal government checks can foster a mentality that undercuts the motivation to feel or give gratitude when received. In contrast, gifts create a kind of momentum of good will, which has the potential to bind both giver and receiver into a more personal relationship. Interestingly, Brooks found that people are much more likely to give away money they earn than money they receive from the government. Voluntary giving and receiving beget more charitable ways of seeing and living in the world.

In sum, these financial and non-financial advantages demonstrate that giving is good not only for the receiver, but also for the giver -- as well as the giving society. Government therefore has an obligation to make policy that is conducive to Americans' charitable spirit. Policy should clear the way for citizens to act upon their generosity with ease. Government should not make it difficult to engage in charitable and civic activities through burdensome legal requirements, punitive mandatory expenditures, bureaucratic red tape and controversial hiring practices.

Government should provide the fair, legal space in which faith-based charitable organizations can meet social needs.

Government can also influence charitable giving through its economic and welfare policies.

According to Brooks, government entitlement programs have a negative impact on charity -- they drive giving down among both rich and poor. On average, a working poor family is more than twice as likely to give -- and gives more than three times as much money -- and almost twice as likely to volunteer as a family receiving roughly the same amount on welfare.

What stands out from Brooks' research, however, is that the mere support for income redistribution policies tends to substitute for giving. In a 1996 General Social Survey, those who disagreed with the question, "The government has a responsibility to reduce income inequality" gave more to every type of cause and charity, including nonreligious charities, human welfare agencies, and traditionally liberal causes such as the environment and the arts. This trend holds whether or not the government actually implements a policy to address inequality.

Public policy should reflect the importance of charity in America. In short, when it comes to economic inequality, liberal political opinions seem to substitute for private action. Because research reveals that giving leads to greater prosperity and a higher quality of life for the poor, the national debate concerning poverty should consider the significance of private charity in addressing this question.

The Christmas season reminds us that wise men give gifts. Giving sets off a cycle of blessing that benefits giver, receiver, and society alike. A wise government knows that is something its policies cannot replicate, but must respect.

Ryan Messmore in the William E. Simon Fellow in the DeVos Center for Religion and Civil Society at The Heritage Foundation.

SEARCH

GO

[Click here for FOX News RSS Feeds](#)

[Advertise on FOX News Channel, FOXNews.com and FOX News Radio](#)

[Jobs at FOX News Channel.](#)

[Internships At Fox News \(Summer Application Deadline is March 15, 2007\)](#)

[Terms of use.](#) [Privacy Statement.](#) For FOXNews.com comments write to foxnews@foxnews.com; For FOX News Channel comments write to comments@foxnews.com

© Associated Press. All rights reserved.

This material may not be published, broadcast, rewritten, or redistributed.

Copyright 2007 FOX News Network, LLC. All rights reserved.

All market data delayed 20 minutes.



Alaska Public Offices Commission

ANCHORAGE: (907) 276-4176
JUNEAU: (907) 465-4864

APOC-IQ
Info Quick

State of Alaska > Departments > Administration > APOC > Advisory Opinion Menu

FREQUENTLY ASKED QUESTIONS
ABOUT BALLOT GROUPS

1. What is a ballot group?

Under the Alaska Campaign Disclosure law, a "group" is two or more individuals who act jointly to influence the outcome of an election of a state or municipal candidate or ballot measure. (AS 15.13.005)(B))

A ballot group may be formed to

- * sponsor an initiative, referendum, or recall
- * support or oppose an initiative, referendum, recall or constitutional amendment.
- * campaign to determine whether a constitutional convention shall be called, a debt shall be contracted, an advisory question shall be approved or whether a municipality shall be incorporated. (AS 15.13.065 and AS 15.60.010)

2. What are the requirements of ballot groups under the Campaign Disclosure Law?

Ballot groups must

- * register with the APOC,
- * file periodic Campaign Disclosure Reports, and
- * identify all political communications with a "paid for by" statement

3. When does a ballot group need to register with the APOC?

Initiative stage

When a ballot group has formed to sponsor an initiative, referendum or recall, the group must register with the Commission 30 days after its first filing with the Lieutenant Governor. "First filing" means the date the group first files, with the Lieutenant Governor or Division of Elections, the proposed language for an initiative along with the signatures of 100 supporters of the proposed initiative. (AS 15.13.110(e))

If question is already on the ballot

A group that forms to support or oppose an issue on a state or municipal ballot must register with the Commission before making an expenditure in support of or in opposition to a ballot proposition or question. This includes making expenditures to order checks or bank charges. Thus, it is best to register as early as possible. (AS 15.13.050(a))

4. When are reports due?

Initiative Stage

Ballot groups in the initiative stage need to file quarterly reports. The quarterly reports shall be filed within 10 days after the end of each calendar quarter. The group is required to file quarterly Campaign Disclosure Statements and

- (1) the group ceases its petition drive, or
- (2) the 30 Day Pre-election report is due if the group is successful in calling for a ballot initiative or ballot question. (AS 15.13.110(e))

If the question is on the ballot

Ballot groups are required to file a Campaign Disclosure Statement and file periodic Campaign Disclosure Reports. The required reports include the first reporting on the following schedule:

- * 10 Day Pre-election report: Due 10 days prior to the election
- * 7 Day Pre-election report: Due 7 days prior to the election
- * 24 Hour Report: Within 24 hours prior to the election, all contributions over \$200 must be disclosed within 24 hours
- * Year End Report: Discloses all activity through February 1 and is due February 15 of the following year. (AS 15.13.110)

5. What's reportable and what's not in the initiative stage?

A ballot group in the initiative stage that accepts donations and makes expenditures solely to gather signatures may file a "zero report" to satisfy the quarterly reporting due under AS 15.13.110(d). A group filing "zero reports" should be careful to confine its financial activity solely to

gathering signatures. "Zero reports" are appropriate until the group disbands or until the group's petition is certified as a ballot measure. Once the petition is certified as a ballot issue, the group's activities are considered to be campaign efforts intended to influence the outcome of an election. The group must then make full reports of its contributions and expenditures in accordance with AS 15 13 040(b) and (c), and AS 15 13 110.

"Zero Reports" are also appropriate when a group has had no activity. If a group has bank interest or bank charges, a zero report is not appropriate.

6. What if the group has a surplus after the signature stage?

Once the petition is certified, the group's activities are considered to be campaign efforts intended to influence the outcome of an election. The group must then report all contributions and expenditures.

If the group intends to use the surplus funds gathered during the signature stage to campaign for passage of the measure, the group must disclose all activity which led to that surplus, including the names of previous contributors. Because bookkeeping can be difficult, staff recommends that ballot groups in the initiative stage monitor funds so that no surplus is carried forward.

7. Are there limits on contributions to ballot groups?

Ballot groups may accept contributions from individuals or persons without limitation. This includes corporations, unions, organizations, as well as individuals and organizations from outside Alaska.

8. What happens if the required campaign disclosure reports and registration statement are not filed on time?

Commission staff will assess a civil penalty based on the number of days a report is late and how close it is to the election. Fines range from \$10 to \$50 per day. A filer has 30 days to pay or to appeal the penalty.

9. When must a "paid for by" identifier be placed on campaign related materials?

All political communications must contain a "paid for by" identifier which includes the words "paid for by" followed by the name and address of the ballot group paying for the advertising.

10. Is there a fine for inadequate or missing identifiers?

Yes. A group that fails to place a complete "paid for by" identifier on its campaign communications is subject to a civil penalty of up to \$50 per day.

11. How does the group disband?

The disbursement of a campaign account must be reported to the Commission within 10 days after final disposition of the balance. Ballot groups may disburse the balance in the following manner:

- * give the money to charity (501(c)(3))
- * repay the contributors
- * pay for a victory or thank you party.
- * leave the money in the account for future election (the group must register every year and report activity as there is a balance in the account)
- * contribute the money to a group supporting a ball of proposition or question. (2 AAC 50 384)

Rev. 11/03

State Ballot Group Registration - Check for updates at the following link: <http://www.apoc.state.ak.us/faq.html>

Representative Bill Thomas
State Capitol Room 434
Juneau, Alaska 99801

March 12, 2007

Dear Representative Thomas,

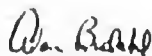
On behalf of Boys & Girls Clubs Board of Directors and professional staff, we are writing to extend Boys & Girls Clubs' support for House Bill 166, legislation designed to provide charitable contribution options for dividend-eligible Alaskans. As you are well aware, our organization has been operating youth development programs for 40 years. In 1998, we eagerly undertook a Statewide Expansion Initiative that has developed Clubhouses in 33 rural Alaskan communities. This initiative, combined with our steady expansion in urban communities, has broadened our total impact to 30,000 youth in 42 Alaskan communities.

Our members' challenges range from peer pressure to poor grades, hunger, abusive homes, or families stretched thin due to health issues. For every child that walks through a Clubhouse door, we listen, we comfort, we challenge and cheer. From Kotzebue to Metlakatla, the Club is open when and where kids need us most – and to wrap the very best staff and resources around one child for a year costs \$500.

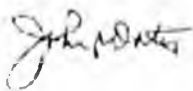
We are fortunate to have the perennial support of our congressional delegation, legislature, corporate and individual donors and a talented grant writing team – however, shrinking grant pools challenge our funding diversity. HB166 will demonstrate the state's commitment to ensure individuals have a convenient way to make meaningful charitable contributions.

Again, thank you for sponsoring this legislation. Boys & Girls Club appreciates your support of our programs and your commitment to Alaska's youth.

Sincerely,



Alan Budahl
Board of Directors, Chair



John P. Oates
President and Chief Executive



Main Office
2300 W. 36th Avenue
Anchorage, Alaska 99517
Tel: 907-248-5437
Fax: 907-248-0047

President & CEO
John P. Oates
Tel: 907-770-7337
Fax: 907-770-7346
joates@bgcalaska.org

Board of Directors
Chair
Alan Budahl, Hilton Anchorage
Board Members
Patsy Aamodt, ASRC Energy Services
Nate Baer, Dynamic Properties
Terry Bailey, Veco Alaska Inc
Roger Briley, Pepsi Cola Bottling Group Alaska
Nathan Brock, Alyeska Pipeline Service Company
Kristi Catlin, AT&T Alascom
Buzzy Chu, Fountainhead Development
Carol Crivara, Anchorage School District
Chris Crutner
John Deery, University of Alaska Anchorage
Johnny Ellis, Alaska State Senate
Mario Gatto, Fairbanks Northstar School District
Joel Gilbertson, Providence Health System
Cheri Gillian, First National Bank Alaska
Dick LaFever, Crossroads Leadership Institute
Tanguy Libbrecht, Sheraton Anchorage Hotel
Holly Lind, World Wide Technology
Elisha Martin, Diamond Center
Kristin Mollinger, ASRC Energy Services
Bill Meszaros, Pacific Alaska Forwarders Inc
Kevin Meyer, Alaska House of Representatives
Scott Miller, KPMG
Blair Murphy, ConocoPhillips Alaska
Bryan Quinn, Capital Office Systems
Dixie Reitherford, Calista Corporation
Cathy Richter, Wells Fargo Bank N.A.
Dale Shaw, FedEx
Ben Stevens
Eileen Terwilliger, Ukpeagvik Inupiat Corp
Rod Udd, Anchorage Chrysler Dodge
Mike Vasser, Coca Cola Alaska

Board of Trustees
President
Jim Brady, Marsh USA Inc
Trustees
Hugh Ashlock, Diamond Center
Bob Baer, Dynamic Properties
Mick Brogan, Denali Alaskan Federal Credit Union
Walter J. Hinkel, Hinkel Investment Co
Josh Jennett, The Jewelry Cache
David G. Kolesky*, Horizon Lines
Andy Lohman*, Clear Channel Communication
Ed Rasmuson, Rasmuson Foundation
Robert Strake*, Northern Bank
Mayor George Sullivan

* Past Chairs, Board of Directors

Investing in Alaska's most valuable resource – our children.

Kaci Schroeder

From: Rep. Bill Thomas
Sent: Tuesday, March 06, 2007 3:25 PM
To: Kaci Schroeder
Subject: FW:

From: Dennis McMillian [mailto:dmcmillian@forakergroup.org]
Sent: Tuesday, March 06, 2007 1:23 PM
To: Rep. Bill Thomas
Cc: dkaplan@rasmuson.org; Sammye Pokryfki
Subject:

Dear Representative Thomas:

I want to thank you for introducing House Bill 166. We are convinced that that Act that will bring one of the most exciting and positive changes to the Alaska's nonprofit sector since statehood.

I have asked that members of our board and others send letters of support to the State Affairs Committee. I will be back in Juneau on afternoon of Wednesday, March 14th. If you or your staff would like to meet with me for any additional detail on this issue, or if you know of any member of the House who it would be beneficial for me to speak with, please let me know. I have copied the body of the points I made to members of the Committee in my letter for your information:

In the recent ISER study on the economic impact of the nonprofit sector, we confirmed that the nonprofit sector is a major part of the state's economy; the sector makes significant expenditures in the state, especially Alaska's public charities, which spent over \$3.4 billion in 2004; the sector provides a growing employment base across the state, such that one in 10 Alaska workers (31,000) is employed by a nonprofit for a total payroll of over \$1.151 billion and with 42,000 jobs in Alaska that can be traced back to the public charity organizations within the nonprofit sector. However it also shows that Alaska nonprofits are overly dependent on federal government dollars for their ongoing operations, at over \$1 billion last year alone.

Alaska has great potential to significantly increase its charitable giving and increase its non-governmental sustainability. While some organizations do a good job of fundraising in Alaska, the same study shows that as a percentage of total income, Alaska's nonprofits generate half of the national average from charitable contributions. We need to change that. When every Alaskan receiving a Permanent Fund Dividend is asked to consider making a donation to a qualified organization, our hope is that it will encourage more Alaskans to start giving back to support their community.

The Rasmuson Foundation has agreed to pay for all the administrative costs to establish such a program and continue to fund the overhead for the first three years while Alaskans learn to give in this innovative way. A process has already been developed to approve a variety of nonprofit organizations throughout the state, eliminating the tendency for just one or two organizations to benefit from this effort.

Thank you for introducing HB 166, and for supporting the important work of Alaska's nonprofit sector.

3/6/2007

Sincerely,

Dennis G. McMillian
President
The Foraker Group

3/6/2007

Kaci Schroeder

From: Dennis McMillian [dmcmillian@forakergroup.org]
Sent: Wednesday, March 14, 2007 3:09 PM
To: Kaci Schroeder
Subject: FW: HB 166

From: Amber J. Scott [mailto:ascott@denalystatebank.com]
Sent: Mon 3/12/2007 1:37 PM
To: Representative_Craig_Johnson@legis.state.ak.us
Cc: Dennis McMillian
Subject: HB 166

March 12, 2007

The Honorable Craig Johnson
State Capitol, RM 4-
Juneau, Alaska 99801

Dear Representative Johnson,

I am writing today to ask for your support of House Bill 166. This Act will provide Alaskans with a safe and easy way to make charitable donations to their favorite qualified non-profit organizations.

There is a growing demand placed on Alaska's non-profit organizations. Our state depends on those groups to fill in funding gaps and to do more with less. In the face of those challenges, non-profit groups try to stretch their dollars farther and build their sustainability. One way to assist in that process is to add donated money from Alaskans to the public dollars contributed by the government.

Denali State Bank is a community bank and we are deeply committed to this community and state. Our lending philosophies and the active role our staff plays in our community is a great testament to our corporate responsibility. We have 11 officers that sit on 15 boards of nonprofit organizations, and I am extremely proud of that. There is seldom a community event, whether it is Chamber-sponsored through the American Cancer Society, United Way or Boys and Girls Club, that we are not involved in. Because of our direct involvement in so many non-profit organizations, we understand the financial challenges that these organizations face.

The non-profit sector plays a huge role in our State's economy. Alaska's public charities spent over \$3.4 billion in 2004. 1 in 10 Alaskan workers is employed by a non-profit organization, and those payrolls total over \$1.151 billion last year. Presently our

Alaskan non-profits are overly dependant upon the federal government for support. Currently almost \$1 billion a year comes from federal support. Wouldn't it be nice if Alaskan's had a safe, easy way to contribute individually to the charities of their choice? HB 166 will provide that accessible avenue and alleviate some of the financial burdens on our non-profits.

Thank you in advance for your support of HB 166, and for supporting the important work of Alaska's non-profit sector.

Sincerely,

Jyotsna Heckman
CEO & President
Denali State Bank

March 6, 2007

Representative John Coghill, Jr.
House of Representatives
State Capitol Room 204
Juneau, Alaska 99801-1182

Dear John,

I very much appreciate your participation in the annual forum at the Fairbanks Arts Association each year and was glad to see that you are on the committee that is reviewing House Bill #166. I am writing to ask for your support for this bill, which would bring into action a mechanism for making charitable contributions by recipients of the permanent fund to qualifying non-profits.

Each year presents new opportunities and challenges. As you are aware, I have long been a champion of the non-profit arts organizations in the Interior. Our organizations are stellar in their dedication and commitment to their missions: bringing education and cultural services to the community in a way that cannot be met by state agencies.

This bill would help to create funds that would stabilize non-profit organizations in a way that should have happened years ago. We are small but mighty and our state would be poorer without the efforts of our cultural warriors, who make a positive and indelible imprint on the economy of our respective communities. I ask that you join me in championing our cause.

I am attaching a spread-sheet that will provide economic impact information for 15 of the Interior Arts Organizations that I represent in a consortium request to the City Bed Tax. I hope it will be helpful in your deliberations.

Thank you for your willingness to serve our community in Juneau.

Sincerely,

June Rogers
Executive Director

CC: Interior Delegation

First Alaskans Institute

March 8, 2007

The Honorable Kyle Johansen
House State Affairs Committee
VIA FACSIMILE: 465-3793

Dear Representative Johansen:

As a volunteer member of the Foraker Group's Board of Directors, I'm writing today to ask for your support of House Bill 166 which would provide a much-needed boost to Alaska's non-profit sector and an easy way for Alaskans to make charitable donations to their favorite qualified non-profit.

Alaska's non-profits are important part of our state's social, cultural and economic fabric . . . their impact on the state's economy is significant. They help increase the quality of life for Alaskans and provide an incredible range of services in every corner of our state – from Metlakatla to Barrow. Non-profits in our state fill an important role in the state in that they oftentimes fill in the gaps for those services the state is not in a position to provide and, as you know, the demand for services continues to grow.

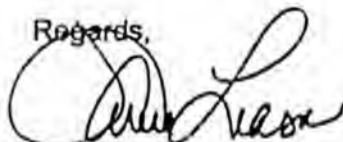
Approximately one in ten Alaska workers is employed by a non-profit which brings a total payroll of over \$1.151 billion dollars into our state's economy - 42,000 Alaskan jobs can be traced back to a public charity organization within this important sector of our economy.

As with any economic sector, many Alaska non-profits are doing more with less. But in the face of rising costs and fewer funds, Alaska non-profits aren't standing still, they're proactively looking for ways to build a sustainable line of funding which isn't solely dependent on state or federal funds. The non-profit I represent – First Alaskans Institute – provides leadership training for the next generation of Alaska Native leaders and houses the Alaska Native Policy Center which compliments research done by state and university agencies. As with other non-profits, we're continually looking for ways to diversity our funding base.

HB 166 is an important tool for Alaskans which will benefit non-profits by making it easier for individual Alaskans to make secure, individual charitable donations.

Thank you for the work you're doing in Juneau as a citizen legislator and thank you for your support of HB 166 and for supporting the important work of Alaska's non-profit sector.

Regards,



Janie Leask
President/CEO



Cc: Dennis McMillan, the Foraker Group



621 W. 6th Ave.
Anchorage, AK 99501
Phone: 907-263-2900
Fax: 907-263-2927
www.alaskapac.org

April 2, 2007

The Honorable Bill Thomas
State Capital, Room 434
Juneau, AK 99801

Dear Representative Thomas:

Without the many nonprofit organizations working tirelessly throughout Alaska, a large void would be obvious. These organizations try valiantly to address the needs that go unmet by government and business.

As one of those non-profit organizations, the Alaska Center for the Performing Arts solicits contributions from many individuals who help support the operating costs of this facility as well as those who use this building. Contributions also support our Ushering in the Arts Program, a 300-member volunteer corps of well-trained individuals, and our Partners-in-Education Program which works to train teachers from the Anchorage School District about how to incorporate the arts into every day curriculum.

We are mindful of the many other organizations who must build relationships with donors throughout Alaska in order to financially support their many programs. It is with this in mind that we support HB166 and a "nonprofit check-off" on the Alaska Permanent Fund Dividend. This check off will make it easier for Alaskans to directly connect to an organization which has value to them. It will also help increase individual giving generally in Alaska as this opportunity to create a donor relationship becomes easier.

Thank you for recognizing this important need and let us know how we can help further approval of this bill.

Sincerely,

NANCY HARBOUR
President

701 West 8th Avenue, Suite 230
Anchorage, Alaska 99501
tel 907.263.3800
fax 907.263.3801
www.unitedwayofanchorage.org



United Way of Anchorage

March 30, 2007

The Honorable Rep. Bill Thomas
State Capitol, Room 428
Juneau, AK 99801

Dear Representative Thomas:

The United Way of Anchorage has worked for the last fifty years with non-profit health and social service providers to improve Alaskans' lives. United Way of Anchorage is governed by a Board of Directors comprised of 25 business and community leaders. We urge you to support House Bill 166, an Act providing Alaskans with a mechanism for making charitable donations to qualified nonprofits providing valuable services to Alaskans.

We support this legislation as good social policy and as a practical, efficient way to promote the services of nonprofits. On the social policy side, Alaskans have a great tradition of neighborliness and helpfulness, but this spirit has not yet fully translated or developed into a culture of philanthropy in a cash-based economy. This legislation is a good way to educate people about the many options to further their interests through financial support of non-profits that are working in their area of interest.

On the practical side, government can't do everything. Much of what is done regarding quality of life comes from the work of non-profit organizations and their volunteers. In United Way of Anchorage's area of health and social services, there are organizations that care for kids, connect people with health care, provide workforce development, ensure people are housed and fed so they can get educated and work. These services fundamentally help shape our quality of life. Many personal issues have significant financial and social impact on the community as a whole as well so it is imperative that these issues be appropriately addressed. The permanent fund dividend charitable check off is an easy way for people to invest in that quality of life for themselves and their neighbors in a very cost effective way. And, this will help improve our overall economy because non-profits now employ 1 in 10 employed Alaskans, with payroll value over \$1.1B.

Thank you for your consideration of HB 166, and for supporting the important work of Alaska's nonprofit sector.

Sincerely,

A handwritten signature in black ink, appearing to read "Michele Brown".

Michele Brown
President

what matters.™

Chair
Tadd Owens
Anchorage

Chair-Elect
Mary K. Hughes, I.D.
Anchorage

Treasurer
Evan Rose
Anchorage

Secretary
Doug North, Ph.D.
Anchorage

Past Chair
Susan Anderson
Anchorage

Patricia Babcock
Fairbanks

Ronald Brower Sr.
Fairbanks

Carol Comeau
Anchorage

Jerry Covey
Anchorage

Sharon Gagnon, Ph.D.
Anchorage

Sven Haakanson, Jr., Ph.D.
Kodiak

Sue Hull
Fairbanks

James Liszka, Ph.D.
Anchorage

Francisco Miranda, Ph.D.
Anchorage

Cathy Muñoz
Juneau

Tom Okleasik
None

Robin Phillips
Anchorage

Rick Solie
Fairbanks

Ginger Stock-Mckenzie
Fairbanks

President:
G. W. Kimura, Ph.D.



A L A S K A
HUMANITIES
F O R U M

421 West First Avenue
Suite 300
Anchorage, AK 99501
Tel. 907/272-5441
Fax 907/272-3979
www.akhf.org



29-Mar-07

The Honorable Bill Thomas
State Capitol, Room 434
Juneau, AK 99801

Dear Representative Thomas:

The nonprofit sector in Alaska educates students, cares for the poor, cultivates the arts, and enriches our human connections. Nonprofits address those needs that go unmet by government and business.

To ensure these needs, non-profits must raise money. This is not an option; it is our responsibility and our honor.

Alaskans are generous people and Alaska nonprofits need every tool to appeal to their sense of philanthropy. Here at the Alaska Humanities Forum, whether we are encouraging early education through the 'Ready to Read, Ready to Learn' initiative or knitting together the cultural divisions through the 'Rose Urban-Rural Exchange' or teaching high schoolers through the 'Alaska State History and Culture Curriculum,' or raising future leaders in 'Leadership Anchorage,' we experience this first hand.

Therefore, the Alaska Humanities Forum supports HB 166 and a 'nonprofit check-off' on the Alaska Permanent Fund Dividend. This check off will make it easier for Alaskans to do the right thing and we know it will increase overall giving to Alaska's hard-working nonprofits.

Thank you for your leadership on this issue. I would be pleased to speak with you more, if you have any questions.

Regards,

MISSION: To enrich the civic, intellectual, and cultural life of all Alaskans.



301 W. NORTHERN LIGHTS BLVD., SUITE 108
ANCHORAGE, ALASKA 99503
P: 907.334.6700 F: 907.334.5780

March 26, 2007

The Honorable Representative Hawker
State Capitol, Room 502
Juneau, AK 99801-1182

Dear Representative Hawker:

I am relatively new to Alaska having moved here from Indianapolis, Indiana in August 2006. I have worked my entire life (outside the jobs that helped put me through college) in the nonprofit sector. Therefore, I was so pleased to learn that you chair the House Finance Subcommittee on Health and Social Services. I also applaud your community involvement with such organizations as the AWAIC and your interests in museums and libraries. I have also noted that you are a trustee with the Alaska Aviation Heritage Museum. I recently learned about this museum as they have expressed an interest in establishing an endowment at the Alaska Community Foundation. I look forward to meeting you in person to learn more about your work to help Alaskans as a legislator and more about your life in Alaska since we share Midwestern roots.

I am writing today about House Bill 166 and to ask you to support this bill to create a mechanism that Alaskans can use to make charitable donations to their favorite qualified nonprofits. As I represent an organization that has as its primary purpose to build endowments, I think it is wonderful that Alaskans had the foresight to create the Permanent Fund as a resource that will exist in perpetuity for our citizens. There are Alaskans who depend on this fund to help meet their families' needs but there are many Alaskans who do not need this annual income for themselves. We believe many of these individuals would appreciate an easy and safe way to support the organizations that are helping Alaska be a wonderful place to live, work, and raise their families.

A strong nonprofit sector helps to "fill in the gaps" in state services, and since you serve on the Finance and Legislative Budget Committees, you understand government will never be able to meet all of the needs. Not only because there is a growing demand for services, but also because there are areas in which government should not be involved. But the nonprofit sector is facing its own funding challenges. Alaska nonprofits are overly dependent on federal government dollars, at almost \$1 billion last year alone. Although they are good stewards of the dollars they have, they need to reduce their dependency on governmental dollars and build their own sustainability through the support of donated dollars from Alaskans who care about their missions.

Together we create community



Their missions include the broad gamut of services that are an important part of Alaska's social, cultural and economic fabric. The nonprofit sector also has a significant impact on the state's economy, providing jobs and services that help individuals enhance rather than drain our resources. We all know this is true, but now there is evidence from The Foraker Group to back it up:

- The sector makes significant expenditures in the state, especially Alaska's public charities, which spent over \$3.4 billion in 2004
- The sector provides a growing employment base across the state, such that one in ten Alaska workers (31,000) is employed by a nonprofit for a total payroll of over \$1.151 billion
- 42,000 jobs in Alaska can be traced back to public charity organizations within the nonprofit sector

Alaskans are extremely generous, but from my limited experience in the state there is an over reliance on giving at fundraising events rather than giving directly to the causes they care about. At the same time, nonprofits have limited funds to spend on fundraising so they often cannot connect with potential donors in a systematic way. A simple check off box on the permanent fund dividend application form would help connect these generous donors with the organizations that are directly meeting needs in the state. Some states have enacted legislation that allows citizens to receive a tax credit for such charitable deductions. We are so fortunate in Alaska that we do not have a state income tax so a tax credit is unnecessary. Also, a check off on the Permanent Fund would in no way reduce income to the state to carry on necessary governmental functions.

Thank you for your support of HB 166, and for supporting the important work of Alaska's nonprofit sector.

Sincerely,



Carol G. Simonetti
President/CEO

✓ Cc: Representative Bill Thomas, Jr.
State Capital, Room 434
Juneau, AK 99801-1182



PERSEVERANCE THEATRE

5 April 2007

The Honorable Bill Thomas, Jr.

Representative

State of Alaska

State Capitol, Room #434

Juneau, Alaska 99801-1182

Dear Representative Thomas.

I am writing to urge you to please support passage of House Bill 166. As you know, this bill will enable contributions to be made from a permanent fund dividend to community foundations, educational organizations, and to other charitable organizations providing an array of services for youths, the elderly, and in workforce development and the arts. Passage of this bill will help support the work of so many not-for-profit organizations in our state who are doing important and necessary work on a grassroots level in every community. This bill will make it even easier for individuals in our state to support this charitable work with individual donations which are the lifeblood of every organization, including Perseverance Theatre. Please show your support for Perseverance Theatre's not-for-profit sector by supporting passage of this important legislation. Don't hesitate to contact me at (907) 364-2421 x229 if you have any questions or would like any additional information.

Most sincerely,

Jeffrey Herrmann

Producing Director