

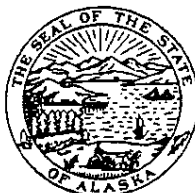
**SB**

**171**

<target><bill>SB 171</bill><subject>SB  
171</subject><comm>HFIN26</comm></target>

# ALASKA STATE LEGISLATURE

**Interim:**  
716 West 4th Avenue  
Anchorage, Alaska 99501-2133  
Phone: (907) 269-0199  
Fax (907) 269-0197  
Senator\_Kevin\_Meyer@legis.state.ak.us



**Session:**  
Alaska State Capitol  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4945  
Fax: (907) 465-3476  
Toll Free: (866) 465-4945

**SENATOR KEVIN MEYER**  
SENATE DISTRICT O

## **SPONSOR STATEMENT FOR COMMITTEE SUBSTITUTE SENATE BILL 171**

*"An Act relating to the permanent fund dividend of an otherwise qualified individual who dies during the qualifying year, and providing for an effective date."*

CSSB 171 grants eligible Alaskans their last Permanent Fund Dividend (PFD).

This legislation would provide for the issuance of a PFD check to a personal representative of an estate or successor claiming the personal property of the deceased should an individual die during the qualifying year.

The deceased individual would need to meet all of the eligibility requirements, have received a dividend for the year immediately before the qualifying year, and have been a resident for at least 180 days immediately before the date of death.

Currently, if an Alaskan dies during the PFD application process, a family member or their estate may apply on behalf of the deceased. However, if a lifetime Alaskan, who is eligible for a PFD, dies during the qualifying year, their family is ineligible to apply for their PFD.

Children born in Alaska on the last possible day of the eligibility year can receive a PFD. Alaskan students who spend the majority of their time outside the state attending college can receive a PFD. Alaskan residents who spend up to 180 days outside of the state can receive a PFD. But if a lifetime Alaskan dies during the qualifying year, their family can not apply for their loved one's PFD. This is a common sense bill that would close this loophole and provide eligible, deceased Alaskans through their estate or successors, their last PFD.

Passage of this bill will allow Alaskans to receive their final PFD.


# Alaska State Legislature



*Interim:*  
716 West 4th Ave.  
Anchorage, Alaska 99501  
(907) 269-0199

*Session:*  
State Capitol Building  
Juneau, Alaska 99801-1182  
(907) 465-4945

## Senator Kevin Meyer Senate District O

**TO:** Senator Kevin Meyer  
**FROM:** Christine R. Marasigan, Legislative Aide   
**DATE:** April 9, 2009  
**RE:** CS for CSSB 171, explanation of change.

The drafted CS for CSSB 171 makes three changes.

1. Page 1, Line 12, "received a dividend for the year immediately before the qualifying year and" was inserted after the words, "If an individual who"
2. Page 1, Line 13, "after having been a state resident for at least 180 days immediately before the date of death." was inserted after the words, "dies during the qualifying year"
3. Page 1, Line 14, "and (a)(6)" was inserted after the words, "notwithstanding (a)(1) - (3)"

### Reason for change:

Immediately after the passage of CSSB 171 from the Senate State Affairs committee, Chris Poag from the Department of Law and Debbie Bitney from the Permanent Fund Dividend division noted a few technical issues that they thought should be fixed. The current CS satisfies their concerns.

1. A majority of letters and emails supporting this bill are from people whose loved one died in November or December, was a longtime Alaskan, and met all PFD eligibility requirements with the exception of their death. There was some concern about SB 171 opening up the PFD to deceased, first time applicants. By adding language requiring that the deceased received a dividend in the prior year will effectively close any loophole for new deceased applicants. This has precedent in other application requirements and eligibility for the PFD.
2. In order to make absolutely sure that the deceased that the estate or successor is applying for was truly a resident, the requirement of 180 days of residency has been added—this has precedent in other application requirements and eligibility for the PFD.
3. (a)(6) reads "at all times during the qualifying year, physically present in the state or, if absent, was absent only as allowed in AS 43.23.008" If the applicant is deceased, they can not be physically present in the state and so (a) (6) was exempted in the text of the bill. Physical presence is required in the 2<sup>nd</sup> change in the CS which requires residency 180 days prior to death. The intent is that all other eligibility and exemptions for absences -- with the exception for death, which this bill addresses -- still apply.

# JUNEAU EMPIRE.COM

## State tells families deceased Alaskans not eligible for PFD

Rule requires residents to live in Alaska for entire year to qualify

Monday, February 09, 2009

By Mike Nesper | **Peninsula Clarion**

When Kasilof resident Carole Okamoto contacted the Alaska Permanent Fund dividend division with questions concerning the PFD application process on behalf of her late husband, she was asked a series of questions one would expect:

Did the applicant receive the 2008 dividend? Yes.

During 2008 was the applicant gone from Alaska more than 90 days total? No.

Did the applicant die during the period beginning January 1, 2009, and ending at midnight March 31, 2009?

Huh?

Why does this matter? Okamoto wondered.

What she discovered was that because her husband, Bob, died Nov. 8, 2008, he was not eligible to apply for a 2009 PFD check, which is paid to Alaska residents for the 2008 calendar year. But how could this be?

Okamoto's husband was a long-time Alaska resident, he was in state the necessary 180 days and wasn't a convicted felon. He should be entitled to his check, his wife thought.

"It negated his whole life that year," Okamoto said. "It just doesn't make sense. He deserves it."

Okamoto contacted Rep. Mike Chenault's office, looking for assistance and an explanation of the law. Chenault's office put Okamoto in contact with Deborah Bitney, the director of the permanent fund dividend division.

Chenault's office e-mailed Bitney explaining Okamoto's situation and asked if her husband qualified to receive a 2009 PFD check. Bitney responded with one line: "A person who dies during 2008 does not qualify for a 2009 dividend."

In an interview Friday, Bitney said in order to apply for the PFD Bob would have had to have been alive at some point during 2009. She said a person has to be a resident of Alaska the entire year of 2008 to qualify.

"The rule is you have to be a resident of the state the entire qualifying year," she said.

Bitney said if a person dies during the application process then a family member can apply for them on their behalf, but if a person dies during the qualifying year, 2008 in this case, they are not eligible to apply.

Bitney said the PFD division doesn't have the authority to change the laws surrounding the application process and that any changes would have to come from the Legislature.

Okamoto has attempted to call Chenault and Sen. Tom Wagoner but has not received any return calls. With the Legislature now in session, Okamoto wants to see this law changed.

"This is the time to address it," she said. "This is the time to correct it."

"We need to change the rules, this is not right," said Rose Renner, of Kasilof.

Renner's father died Nov. 14, 2008, and like Okamoto, the PFD office told Renner her father did not qualify to apply for the 2009 dividend.

Renner said if someone can live in Alaska for half of the year and Outside for the other six months and still receive a check, then her father, who lived in the state more than 10 months of 2008, should be eligible to receive the PFD.

"I am still going to file his PFD," Renner said. "There are a lot of people facing this same issue. I do not think that these laws are acceptable."

Click here to return to story:

[http://www.juneauempire.com/stories/020909/sta\\_386176653.shtml](http://www.juneauempire.com/stories/020909/sta_386176653.shtml)

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 16, 2009

FURTHER REFERRALS:

Date of Committee Action: 4/2/10

The FINANCE Committee considered:

CS FOR SENATE BILL NO. 171(FIN)

"An Act relating to the permanent fund dividend of an otherwise qualified individual who dies during the qualifying year; and providing for an effective date."

SB 171 PERMANENT FUND DIVIDEND FOR DECEASED

Recommends it be replaced with  HCS or  CS for CS SB 171 (FIN)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:

- ADM
- CEC
- COR
- CRT
- FED
- DEC
- DFG
- GOV
- DHS
- LWF
- LAW
- LEG
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	2	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Will Jones</i>	Thomas	✓			
<i>Mike Doogan</i>	Gara	✓			
<i>Ryan Allen</i>	DOOGAN			✓	
<i>Will Foster</i>	Joule	✓			
<i>Anna L. Fairclough</i>	AUSTRIAN			X	
	KELLY	✓			
	FOSTER	✓			
	FAIRCLOUGH	*			
Chair: <i>Bill Staff</i>	Staff	X			
Chair:					

# FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HCS CS SB171(FIN)  
 () Publish Date: 4/2/2010

Identifier (file name): HCS CSSB171(FIN)-REV-PFD-04-02-10 Dept. Affected: Revenue  
 Title: Dividends for Deceased Applicants RDU: Revenue Programs & Support  
 Component: Permanent Fund Dividend  
 Sponsor: Senator Meyer  
 Requester: House Rules Committee Component Number: 981

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services	84.0		84.0	84.0	84.0	84.0	84.0	84.0
Travel								
Contractual	43.5		43.5	43.5	43.5	43.5	43.5	43.5
Supplies	5.0		5.0	5.0	5.0	5.0	5.0	5.0
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>132.5</b>	<b>0.0</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	64.0		64.0	64.0	64.0	64.0	64.0	64.0
1005 GF/Program Receipts	68.5		68.5	68.5	68.5	68.5	68.5	68.5
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>132.5</b>	<b>0.0</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

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

Adding the Pick.Click.Give online search function increased the complexity of the PFD online application. Bandwidth needs and design decisions contributed to the performance issues experienced this filing season. A wholistic approach to system optimization including design, programming, hardware and software utilization has been recommended to diagnose and remedy issues affecting performance.

Cont'd on page 2

Prepared by: Deborah M. Bitney, Director  
 Division: Permanent Fund Dividend  
 Approved by: Ginger Blaisdell, Director  
Administrative Services Division

Phone 465-4785  
 Date/Time 04-02-10; 3:30pm  
 Date 04-02-10; 3:32pm

FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

BILL NO. HCS CS SB171(FIN)

ANALYSIS CONTINUATION

The PFD online application interfaces with programs such as MyAlaska, MyPFD Info, PFD Admin, DAIS (PFD's database) & Pick.Click.Give. Rasmuson Foundation reimbursed the division approximately \$40K in personal services time related to programming and management in addition to the cost for contractors in FY09. PFD Personal Services cost associated with PCG in FY10 is expected to exceed that paid in FY09. While the dollar value of the time spent has been reimbursed by Rasmuson Foundation, PFD programmer time focused on PCG, as opposed to division needs, has resulted in a backlog of projects identified by the division as necessary, thus a Programmer III position is requested.

United Way of Alaska was contracted to qualify the non-profit organizations. The Foraker Group handled marketing and provided support to the non-profits. The division will continue to contract those functions.

Legal fees and appeals costs are estimated at \$2.0K annually. The bandwidth cost associated with this program is estimated to be 2% of the total FY09 cost at \$1.5K

It is estimated that 274 organizations will choose to participate in the Pick.Click.Give program paying an application fee of \$250 that should generate \$68,500 to help offset the costs of managing the contribution program. The cost for continuing this program, in excess of the application fees generated is shown as a General Fund expenditure, as opposed to an expenditure from Permanent Fund earnings as the statute prohibits use of PFD funds.

# FISCAL NOTE

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSSB 171(FIN)  
(S) Publish Date: 4/14/09

Identifier (file name): CSSB171(STA)-DOR-PFD-04-09-09 Dept. Affected: O4  
Title: PFD Dividends to Deceased Individuals RDU: Taxation and Treasury  
Sponsor: Senator Meyer Component: Permanent Fund Dividend Division  
Requester: Senate Finance Committee Component Number: 981

## Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>								
Personal Services	57.2		57.2	57.2	57.2	57.2	57.2	57.2
Travel								
Contractual	27.0		27.0	27.0	27.0	27.0	27.0	27.0
Supplies	2.5		2.5	2.5	2.5	2.5	2.5	2.5
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>86.7</b>	<b>0.0</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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## FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts	86.7		86.7	86.7	86.7	86.7	86.7	86.7
<b>TOTAL</b>	<b>86.7</b>	<b>0.0</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>

Estimate of any current year (FY2009) cost: 0.0

## POSITIONS

Full-time	1.0		1	1	1	1	1	1
Part-time								
Temporary								

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

Historically, approx. 3,500 people die in Alaska each year. It is understood that all absence and eligibility rules will apply to deceased individuals, therefore, it is presumed that approx 1,750 people per year will qualify for this provision. Application on behalf of a deceased person will create an automatic eligibility case that must be assigned to a technician and worked. The average time a technician can expect to put into an deceased individual's eligibility case is estimated at one hour. This includes public response time in answering the many questions the executors of the estates will have regarding the deceased individuals eligibility as well as time spent reviewing documents, requesting information and writing letters. 1,750 man hours translates to 50 weeks or one full time position.

Prepared by: Deborah M. Bitney  
Division: Permanent Fund Dividend  
Approved by: Ginger Blaisdell, Director  
Administrative Services Division

Phone: 465-4785  
Date/Time: 4/9/09 3:23 PM  
Date: 4/9/2009

**FISCAL NOTE #2**

**STATE OF ALASKA  
2009 LEGISLATIVE SESSION**

**BILL NO. CSSB 171(FIN)**

**ANALYSIS CONTINUATION**

It is expected that 100 of those applications will result in denial/appeal which translates to one full month of Appeals technician time, adding to the backlog that currently exists. OAH typically spends 15-20 hours at \$135 hour per case. This is estimated to increase our costs of Formal hearings by as much as \$27,000 annually. Supply cost is based solely on increased 1099 mailing.

1,750 additional complicated cases annually is not something the division can absorb without increased staffing. At current staffing levels, regular eligibility casework is not complete for a given year until well into the 4th month of the following year. Applicants who appeal at the informal level can expect resolution of their case to take approximately 8 months.

Adopted  
4/2/10

26-LS0804\C.1  
Cook  
4/1/10

#2

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMAS

TO: HCS CSSB 17.1(FIN), Draft Version "C"

1 Page 4, following line 31:

2 Insert a new bill section to read:

3 **\*\* Sec. 6.** AS 43.23.062(f) is amended to read:

4 (f) The department <sup>shall</sup> ~~may~~ **charge** [ESTABLISH] an application fee **of \$250**  
5 [NOT TO EXCEED \$50] for each educational organization, community foundation,  
6 or charitable organization that files an application under (d) of this section. The  
7 application fees shall be separately accounted for under AS 37.05.142. The annual  
8 estimated balance in the account maintained under AS 37.05.142 for application fees  
9 collected under this subsection may be appropriated for costs of administering this  
10 section."

11

12 Renumber the following bill sections accordingly.

13

14 Page 5, line 16:

15 Delete "Sections 1 - 7"

16 Insert "Sections 1 - 8"

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMAS

TO: HCS CSSB 171(FIN), Draft Version "C"

1 Page 4, following line 31:

2 Insert a new bill section to read:

3 **\*\* Sec. 6.** AS 43.23.062(f) is amended to read:

4 (f) The department may **charge** [ESTABLISH] an application fee **of \$250**  
5 [NOT TO EXCEED \$50] for each educational organization, community foundation,  
6 or charitable organization that files an application under (d) of this section. The  
7 application fees shall be separately accounted for under AS 37.05.142. The annual  
8 estimated balance in the account maintained under AS 37.05.142 for application fees  
9 collected under this subsection may be appropriated for costs of administering this  
10 section."

11

12 Renumber the following bill sections accordingly.

13

14 Page 5, line 16:

15 Delete "Sections 1 - 7"

16 Insert "Sections 1 - 8"

# FISCAL NOTE

# DRAFT

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HCS CSSB 171(FIN)  
 ( ) Publish Date: \_\_\_\_\_

Identifier (file name): HCS CSSB171(FIN)-REV-PFD-02-12-10 Dept. Affected: Revenue  
 Title: Dividends for Deceased Applicants RDU: Taxation and Treasury  
 Component: Permanent Fund Dividend Division  
 Sponsor: Senator Meyer  
 Requester: House Finance Committee Component Number: 981

### Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2016	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services	84.0		84.0	84.0	84.0	84.0	84.0	84.0
Travel								
Contractual	43.5		43.5	43.5	43.5	43.5	43.5	43.5
Supplies	5.0		5.0	5.0	5.0	5.0	5.0	5.0
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>132.5</b>	<b>0.0</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>

<b>CAPITAL EXPENDITURES</b>								
<b>CHANGE IN REVENUES ( )</b>								

### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	113.7		113.7	113.7	113.7	113.7	113.7	113.7
1005 GF/Program Receipts	18.8		18.8	18.8	18.8	18.8	18.8	18.8
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>132.5</b>	<b>0.0</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>

Estimate of any current year (FY2010) cost: 64.

### POSITIONS

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

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

Adding the Pick.Click.Give online search function increased the complexity of the PFD online application. Bandwidth needs and design decisions contributed to the performance issues experienced this filing season. A wholistic approach to system optimization including design, programming, hardware and software utilization has been recommended to diagnose and remedy issues affecting performance.

This fiscal note assumes that all overhead costs for an employee and general program management would be absorbed by the division.

Prepared by: Deborah M. Bitney, Director Phone 465-4785  
 Division: Permanent Fund Dividend Division Date/Time 2-8-10; 2:41pm  
 Approved by: Ginger Blaisdell, Director Date 2-12-10; 1:30pm  
Administrative Services Division

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

BILL NO. HCS CSSB 171 (FIN)

### ANALYSIS CONTINUATION

The PFD online application interfaces with programs such as MyAlaska, MyPFD Info, PFD Admin, DAIS (PFD's database) & Pick.Click.Give. Rasmuson Foundation reimbursed the division approximately \$40K in personal services time related to programming and management in addition to the cost for contractors in FY09. PFD Personal Services cost associated with PCG in FY10 is expected to exceed that paid in FY09. While the dollar value of the time spent has been reimbursed by Rasmuson Foundation, PFD programmer time focused on PCG, as opposed to division needs, has resulted in a backlog of projects identified by the division as necessary, thus a Programmer III position is requested.

United Way of Alaska was contracted to qualify the non-profit organizations. The Foraker Group handled marketing and provided support to the non-profits. The division will continue to contract those functions, which is estimated at \$40K in the first year.

Legal fees and appeals costs are estimated at \$2.0K annually. The bandwidth cost associated with this program is estimated to be 2% of the total FY09 cost at \$1.5K

The cost for continuing this program is shown as a General Fund expenditure, as opposed to an expenditure from Permanent Fund earnings. The \$50 application fee to non-profits, at the current participation rate is not sufficient to fund the program's continuation. Fee income to the program has averaged \$18.8K over the past two years. In the first year, 360 non-profits applied and 408 applied the second year.

# FISCAL NOTE

# DRAFT

**STATE OF ALASKA  
2010 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HCS CSSB 171(FIN)  
 () Publish Date: \_\_\_\_\_

Identifier (file name): HCS CSSB171(FIN)-REV-PFD-02-12-10 Dept. Affected: Revenue  
 Title: Dividends for Deceased Applicants RDU: Taxation and Treasury  
 Component: Permanent Fund Dividend Division  
 Sponsor: Senator Meyer  
 Requester: House Finance Committee Component Number: 981

**Expenditures/Revenues (Thousands of Dollars)**

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

	Appropriation Required		Information				
	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>							
Personal Services	84.0		84.0	84.0	84.0	84.0	84.0
Travel							
Contractual	43.5		43.5	43.5	43.5	43.5	43.5
Supplies	5.0		5.0	5.0	5.0	5.0	5.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>132.5</b>	<b>0.0</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts							
1003 GF Match							
1004 GF	113.7		113.7	113.7	113.7	113.7	113.7
1005 GF/Program Receipts	18.8		18.8	18.8	18.8	18.8	18.8
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>132.5</b>	<b>0.0</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>	<b>132.5</b>

68.5

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

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

Adding the Pick.Click.Give online search function increased the complexity of the PFD online application. Bandwidth needs and design decisions contributed to the performance issues experienced this filing season. A wholistic approach to system optimization including design, programming, hardware and software utilization has been recommended to diagnose and remedy issues affecting performance.

This fiscal note assumes that all overhead costs for an employee and general program management would be absorbed by the division.

Prepared by: Deborah M. Bitney, Director Phone: 465-4785  
 Division: Permanent Fund Dividend Division Date/Time: 2-8-10; 2:41pm  
 Approved by: Ginger Blaisdell, Director Date: 2-12-10; 1:30pm  
Administrative Services Division

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

BILL NO. HCS CSSB 171 (FIN)

**ANALYSIS CONTINUATION**

The PFD online application interfaces with programs such as MyAlaska, MyPFD Info, PFD Admin, DAIS (PFD's database) & Pick.Click.Give. Rasmuson Foundation reimbursed the division approximately \$40K in personal services time related to programming and management in addition to the cost for contractors in FY09. PFD Personal Services cost associated with PCG in FY10 is expected to exceed that paid in FY09. While the dollar value of the time spent has been reimbursed by Rasmuson Foundation, PFD programmer time focused on PCG, as opposed to division needs, has resulted in a backlog of projects identified by the division as necessary, thus a Programmer III position is requested.

United Way of Alaska was contracted to qualify the non-profit organizations. The Foraker Group handled marketing and provided support to the non-profits. The division will continue to contract those functions, which is estimated at \$40K in the first year.

Legal fees and appeals costs are estimated at \$2.0K annually. The bandwidth cost associated with this program is estimated to be 2% of the total FY09 cost at \$1.5K

The cost for continuing this program is shown as a General Fund expenditure, as opposed to an expenditure from Permanent Fund earnings. The \$50 application fee to non-profits, at the current participation rate is not sufficient to fund the program's continuation. Fee income to the program has averaged \$18.8K over the past two years. In the first year, 360 non-profits applied and 408 applied the second year.

*adopted 4/2/10*

26-LS0804\c  
Cook  
2/5/10

**HOUSE CS FOR CS FOR SENATE BILL NO. 171(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SIXTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): SENATORS MEYER, Thomas, Dyson, Paskvan, Stedman, Therriault, Bunde, Wagoner, Stevens, Hoffman**

**REPRESENTATIVE Kerttula**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the permanent fund dividend of an otherwise qualified individual**  
2 **who dies during the qualifying year, and relating to contributions from permanent fund**  
3 **dividends; and providing for an effective date."**

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

5 **\* Section 1. AS 43.23.005(h) is amended to read:**

6 (h) If an individual who would otherwise have been eligible for a permanent  
7 fund dividend dies after applying for the dividend but before the dividend is paid, the  
8 department shall pay the dividend to a personal representative of the estate or to a  
9 successor claiming personal property under AS 13.16.680. If an individual who would  
10 otherwise have been eligible for a dividend and who did not apply for the dividend  
11 dies during the application period, a personal representative of the estate or a  
12 successor claiming personal property under AS 13.16.680 may apply for and receive  
13 the dividend. If an individual who received a dividend for the year immediately  
14 before the qualifying year and who would otherwise have been eligible for a

1 dividend dies during the qualifying year after having been a state resident for at  
2 least 180 days immediately before the date of death, notwithstanding (a)(1) - (3)  
3 and (a)(6) of this section, a personal representative of the estate or a successor  
4 claiming personal property under AS 13.16.680 may apply for and receive the  
5 dividend. Notwithstanding AS 43.23.011, an [THE] application for a [THE] dividend  
6 may be filed by the personal representative or the successor under this subsection at  
7 any time before the end of the application period for the next dividend year.

8 \* Sec. 2. AS 43.23.062(a) is amended to read:

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

22 [(1) CONTRIBUTION CHANGES MAY NOT BE MADE AFTER  
23 THE APPLICANT FILES THE ELECTRONIC PERMANENT FUND DIVIDEND  
24 APPLICATION; AND

25 (2)] no money contributed will be used for administrative costs  
26 incurred in implementing this section, and money from the dividend fund will not be  
27 used for that purpose.

28 \* Sec. 3. AS 43.23.062(b) is amended to read:

29 (b) The department shall list each campus of the University of Alaska and  
30 shall list each other educational organization, community foundation, or charitable  
31 organization eligible under (c) and (d) of this section on the contribution list. The

1 department shall maintain an electronic database for the contribution list that is  
 2 accessible to the public and that permits searches by organization name,  
 3 geographic location, and type [BY GEOGRAPHIC REGION IN RANDOM  
 4 ORDER, AND THE ORDER SHALL BE CHANGED EACH YEAR. ON THE  
 5 CONTRIBUTION LIST, ORGANIZATIONS SHALL ALSO BE GROUPED BY  
 6 TYPE WITHIN EACH GEOGRAPHIC REGION]. The department shall provide a  
 7 statement of the contributions made by an individual that is suitable for federal income  
 8 tax purposes to each individual who elects to contribute under (a) of this section.

9 \* **Sec. 4.** AS 43.23.062(c) is amended to read:

10 (c) The department may not include a charitable organization, other than a  
 11 community foundation, on the contribution list for a dividend year unless the purpose  
 12 of the charitable organization is to provide services [PROGRAMS] for youth  
 13 development, workforce development, arts and culture, aid and services to the elderly,  
 14 low-income individuals, individuals in emergency situations, victims of crime,  
 15 disabled individuals, individuals with mental illness, primary, vocational, and higher  
 16 education, health and dental care, recreational facilities, child abuse and neglect,  
 17 economic development, food assistance, libraries, public broadcasting, recycling of  
 18 waste, animal rescue, and zoos. The department may not include on the contribution  
 19 list an educational organization, community foundation, or charitable organization that  
 20 is the affiliate of a group. For purposes of this subsection,

21 (1) "affiliate" means an organization or foundation that directly or  
 22 indirectly through one or more intermediaries controls, is controlled by, or is under  
 23 common control with, a group;

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

25 \* **Sec. 5.** AS 43.23.062(d) is amended to read:

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

29 (1) before March 31 [JUNE 15] of the qualifying year, files an  
 30 application for inclusion on the list for that dividend year on the form required by the  
 31 department;

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

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

7 (4) unless exempted under federal law, has a current Internal  
8 Revenue Service Form 990 on file with the United States Department of the Treasury,  
9 Internal Revenue Service, or, if the Internal Revenue Service has granted a filing  
10 extension for the current year, has on file that form for the immediately preceding  
11 [PRECEEDING] year;

12 (5) is directed by a voluntary board of directors or local advisory  
13 board, a majority of whose members are residents of the state;

14 (6) if a community foundation, provided in the state aid during the  
15 two calendar years that immediately precede the year the application is filed, or,  
16 if an education organization or charitable organization, provided in the state  
17 services during the two calendar years that immediately precede the year the  
18 application is filed;

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

21 (8) has completed and provided to the department a financial audit  
22 with an unqualified opinion conducted by an independent certified public accountant  
23 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)  
24 of this subsection applies, or if the organization is exempted from filing Form 990,  
25 for the fiscal year of the organization that ended immediately before the current  
26 fiscal year; this paragraph applies only to an organization with a total annual budget  
27 that exceeds \$250,000 during the fiscal year to which the audit [INTERNAL  
28 REVENUE SERVICE FORM 990] required under [(4) OF] this paragraph  
29 [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 \* Sec. 6. AS 43.23.062(i) is amended to read:

2 (i) The department may adopt regulations under AS 44.62 (Administrative  
3 Procedure Act) to carry out the provisions of this section. Notwithstanding this  
4 subsection and other provisions of law, a state agency, including the department,  
5 may not adopt regulations or otherwise impose requirements or procedures on  
6 organizations to implement, interpret, make specific, or otherwise carry out the  
7 provisions of this section unless required by the federal government. If an  
8 organization disagrees with an action of the department under this section and requests  
9 an administrative hearing, the hearing shall be conducted by the office of  
10 administrative hearings (AS 44.64.010).

11 \* Sec. 7. AS 43.23.062 is amended by adding a new subsection to read:

12 (l) A community foundation may not deposit contributions received under this  
13 section into a fund that would be included in the definition of a donor advised fund  
14 under 26 U.S.C. 4966(d)(2) (Internal Revenue Code).

15 \* Sec. 8. Sections 4 and 6, ch. 41, SLA 2008, are repealed.

16 \* Sec. 9. Sections 1 - 7 of this Act take effect January 1, 2011.

**HOUSE CONCURRENT RESOLUTION NO.**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SIXTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Introduced:**  
**Referred:**

**A RESOLUTION**

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**  
2 **Legislature, concerning Senate Bill No. 171, relating to the permanent fund dividend of**  
3 **an otherwise qualified individual who dies during the qualifying year.**

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

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of  
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding  
7 changes to the title of a bill, are suspended in consideration of Senate Bill No. 171, relating to  
8 the permanent fund dividend of an otherwise qualified individual who dies during the  
9 qualifying year.

# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 171  
 () Publish Date: \_\_\_\_\_

Identifier (file name): CSSB171(FIN)-REV-PFD-02-09-10 Dept. Affected: Revenue  
 Title: PFD Dividends to Deceased Individuals RDU: Taxation and Treasury  
 Sponsor: Senator Meyer Component: Permanent Fund Dividend Division  
 Requester: (H) Finance Committee Component Number: 981

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services	57.2		57.2	57.2	57.2	57.2	57.2	57.2
Travel								
Contractual	27.0		27.0	27.0	27.0	27.0	27.0	27.0
Supplies	2.5		2.5	2.5	2.5	2.5	2.5	2.5
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>86.7</b>	<b>0.0</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Permanent Fund Dividend	86.7		86.7	86.7	86.7	86.7	86.7	86.7
<b>TOTAL</b>	<b>86.7</b>	<b>0.0</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

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

Historically, approx. 3,500 people die in Alaska each year. It is understood that all absence and eligibility rules will apply to deceased individuals, therefore, it is presumed that approx 1,750 people per year will qualify for this provision. Application on behalf of a deceased person will create an automatic eligibility case that must be assigned to a technician and worked. The average time a technician will spend in response to a deceased individual's case is estimated at one hour. This includes public response time in answering questions the executors of the estates will have regarding the deceased individuals eligibility as well as time spent reviewing documents, requesting information and writing letters. 1,750 man hours translates to 50 weeks or one full time position.

Prepared by: Deborah M. Bitney, Director  
 Division: Permanent Fund Dividend Division  
 Approved by: Ginger Blaisdell, Director  
Administrative Services Division

Phone 465-4785  
 Date/Time 2-8-10; 2:41pm  
 Date 2-9-10; 4:57pm

FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

BILL NO. SB 171

**ANALYSIS CONTINUATION**

It is expected that 100 of those applications will result in denial/appeal which translates to one full month of Appeals technician time, adding to the backlog that currently exists. OAH Costs are expected to increase as a result of this legislation by as much as \$27,000 annually. Supply cost is based solely on increased mailings.

1,750 additional cases annually is not something the division can absorb without increased staffing. At current staffing levels, regular eligibility casework is not complete for a given year until well into the 4th month of the following year. Applicants who appeal at the informal level can expect resolution of their case to take approximately 4 months.

2010 HOUSE FINANCE  
VOTE CALL

DATE: 4/2/10

Amendment: # 2  
SB171

MEMBER	Favor	Oppose
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH	✓	
REP. FOSTER	✓	
REP. GARA	✓	pass
REP. JOULE	✓	
REP. KELLY	✓	
REP. SALMON		
REP. THOMAS	✓	
REP. STOLTZE	✓	
REP. HAWKER		

8

1

YEA \_\_\_\_\_

NAY \_\_\_\_\_

*Adopted  
2/12/10*

26-LS0804/P.4  
Cook  
2/1/10

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMAS

TO: CSSB 171(FIN)

1 Page 1, line 2, following "year":

2 Insert ", relating to contributions from permanent fund dividends"

3

4 Page 2, line 7:

5 Delete all material and insert:

6 **"\* Sec. 2. AS 43.23.062(a) is amended to read:**

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

20 [(1) CONTRIBUTION CHANGES MAY NOT BE MADE AFTER  
21 THE APPLICANT FILES THE ELECTRONIC PERMANENT FUND DIVIDEND  
22 APPLICATION; AND

23 (2)] no money contributed will be used for administrative costs

1 incurred in implementing this section, and money from the dividend fund will not be  
2 used for that purpose.

3 \* Sec. 3. AS 43.23.062(b) is amended to read:

4 (b) The department shall list each campus of the University of Alaska and  
5 shall list each other educational organization, community foundation, or charitable  
6 organization eligible under (c) and (d) of this section on the contribution list. The  
7 department shall maintain an electronic database for the contribution list that is  
8 accessible to the public and that permits searches by organization name,  
9 geographic location, and type [BY GEOGRAPHIC REGION IN RANDOM  
10 ORDER, AND THE ORDER SHALL BE CHANGED EACH YEAR. ON THE  
11 CONTRIBUTION LIST, ORGANIZATIONS SHALL ALSO BE GROUPED BY  
12 TYPE WITHIN EACH GEOGRAPHIC REGION]. The department shall provide a  
13 statement of the contributions made by an individual that is suitable for federal income  
14 tax purposes to each individual who elects to contribute under (a) of this section.

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

27 (1) "affiliate" means an organization or foundation that directly or  
28 indirectly through one or more intermediaries controls, is controlled by, or is under  
29 common control with, a group;

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5 application for inclusion on the list for that dividend year on the form required by the  
6 department;

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

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

13 (4) unless exempted under federal law, has a current Internal  
14 Revenue Service Form 990 on file with the United States Department of the Treasury,  
15 Internal Revenue Service, or, if the Internal Revenue Service has granted a filing  
16 extension for the current year, has on file that form for the immediately preceding  
17 [PRECEEDING] year;

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

20 (6) if a community foundation, provided in the state aid during the  
21 two calendar years that immediately precede the year the application is filed, or,  
22 if an education organization or charitable organization, provided in the state  
23 services during the two calendar years that immediately precede the year the  
24 application is filed;

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

27 (8) has completed and provided to the department a financial audit  
28 with an unqualified opinion conducted by an independent certified public accountant  
29 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)  
30 of this subsection applies, or if the organization is exempted from filing Form 990,  
31 for the fiscal year of the organization that ended immediately before the current

1 **fiscal year**; this paragraph applies only to an organization with a total annual budget  
2 that exceeds \$250,000 during the fiscal year to which the **audit** [INTERNAL  
3 REVENUE SERVICE FORM 990] required under [(4) OF] this **paragraph**  
4 [SUBSECTION] applies; and

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

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10 **subsection and other provisions of law, a state agency, including the department,**  
11 **may not adopt regulations or otherwise impose requirements or procedures on**  
12 **organizations to implement, interpret, make specific, or otherwise carry out the**  
13 **provisions of this section unless required by the federal government.** If an  
14 organization disagrees with an action of the department under this section and requests  
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16 administrative hearings (AS 44.64.010).

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18 (I) A community foundation may not deposit contributions received under this  
19 section into a fund that would be included in the definition of a donor advised fund  
20 under 26 U.S.C. 4966(d)(2) (Internal Revenue Code).

21 \* Sec. 8. Sections 4 and 6, ch. 41, SLA 2008 are repealed.

22 \* Sec. 9. Sections 1 - 7 of this Act take effect January 1, 2011."

# FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB 171  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): CSSB171(FIN)-REV-PFD-02-09-10 Dept. Affected: Revenue  
Title: PFD Dividends to Deceased Individuals RDU: Taxation and Treasury  
Component: Permanent Fund Dividend Division  
Sponsor: Senator Meyer  
Requester: (H) Finance Committee Component Number: 981

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services	57.2		57.2	57.2	57.2	57.2	57.2	57.2
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Supplies	2.5		2.5	2.5	2.5	2.5	2.5	2.5
Equipment								
Land & Structures								
Grants & Claims								
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<b>TOTAL OPERATING</b>	<b>86.7</b>	<b>0.0</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

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<b>TOTAL</b>	<b>86.7</b>	<b>0.0</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>	<b>86.7</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

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

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Prepared by: Deborah M. Bitney, Director  
Division: Permanent Fund Dividend Division  
Approved by: Ginger Blaisdell, Director  
Administrative Services Division

Phone 465-4785  
Date/Time 2-8-10; 2:41pm  
Date 2-9-10; 4:57pm

FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

BILL NO. SB 171

ANALYSIS CONTINUATION

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HOUSE FINANCE COMMITTEE  
SB 171-PERMANENT FUND DIVIDEND FOR DECEASED  
SIGN-IN

NAME: Ginger Blausdell DIVISION DIRECTOR

Dept./Company: DOR Dept of Revenue Title: ASD

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: Debbie Bitney

Dept./Company: PFD Title: DIR.

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: Michele Kane

Dept./Company: DOR Title: AAG

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

**adn.com**

Anchorage Daily News

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## Letters to the editor (1/23/10)

(01/23/10 01:14:35)

### Dead face extra PFD demand

My daughter, Melissa Jayne, passed away in October 1999. When it came time to file for her 1999 PFD in 2000, she wasn't eligible even though she had met the residency requirements. Deceased individuals had an additional requirement -- the deceased person had to have been alive during the filing period.

It was at this point that I realized the additional requirements were inequitable. For example, under the existing requirement: Two individuals have both met the residency requirements. One is pronounced dead at 11:59 p.m. on Dec. 31; the other is pronounced dead at 12:01 a.m. on Jan. 1. The individual dying on Dec. 31 (or their estate) does not get to apply for their PFD, whereas the individual dying on Jan. 1 (or their estate) does get to apply. That's just not right.

SB171 and HB205 correct this inequity by changing the requirement of having to be alive during the filing period. In a nutshell, if you've met the residency requirements for the year, regardless of when you pass away, you (or your estate) are eligible to apply for your last PFD.

I really appreciate Sen. Kevin Meyers for taking on the task of making this change. I encourage everyone to contact their representative in the House to encourage them to support what I refer to as "Melissa's Bill" (HB205), sponsored by Rep. Harry Crawford. Melissa's birthday is Feb. 24 -- I would really like to stand at her grave on that day and let her know that this has been fixed.

-- Katy Westfall Neher

Anchorage

[REDACTED]

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**From:** [REDACTED] Mary Smith [REDACTED]  
**Sent:** Monday, April 06, 2009 9:39 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** SB 171 and HB 205 - Permanent Fund Eligibility

#### Ruling on Permanent Fund Dividend

My husband, Fred D. Smith, Ret. LTC, died November 24, 2008 - after residing in Alaska since 1966 (42 years). When I placed a call to the PFD office requesting assistance in filling out a form for him, I was informed that he was not eligible! All these years he remained a resident of Alaska hardly ever leaving the state for any reason.

Does the fact that he died November 24 negate the entire year of his residence? This just doesn't make sense. I think it is way past time that this law be changed. NOW is the time to address this issue and change the rules.

According to a newspaper article (ADN, Monday, February 9, 2008) both Senator Tom Wagoner and Representative Mike Chenault have already been contacted regarding this issue. Hopefully, other members have also been contacted.

I strongly recommend SB 171 and HB 205 be acted upon favorably that would enable the eligibility of my husband to receive the PFD for 2008. I'm sure there are others facing the same dilemma.

Thank you very much for considering this important issue.

Mary E. Smith  
4120 Dorothy Drive  
Anchorage, AK 99504  
907-333-0092

[REDACTED]  
[REDACTED]  
**Sent:** Tuesday, April 07, 2009 9:58 AM  
[REDACTED]

**Subject:** FW: Senate Bill #171

[REDACTED]  
**Sent:** Tuesday, April 07, 2009 9:54 AM  
**To:** Sen. Kevin Meyer  
**Subject:** Senate Bill #171

Dear Senator Meyer,

I am writing today to voice my unqualified support for Senate Bill #171. I personally find it ludicrous that an otherwise qualified individual is ineligible for the PFD should he or she have the misfortune to die outside the specified time frame of January to March! Were these people (assuming Alaska residency and otherwise being eligible) somehow *not* Alaskans during the previous 9 months in the cycle? I commend you wholeheartedly for introducing this bill and I assure you that I will continue to support it during its travels through the legislative process.

God bless you!  
Molly Palmer  
Valdez, Alaska

4/7/2009

Mary K. (Katy) Neher  
1230 West 79<sup>th</sup> Ave. ~ Anchorage, AK 99518  
Work Phone 265-6207 ~ Email [K.Neher@conocophillips.com](mailto:K.Neher@conocophillips.com)  
Home Phone 344-3382 ~ Email [mkneher@chugach.net](mailto:mkneher@chugach.net)

March 27, 2009

The Honorable Kevin Meyer  
Alaska State Legislature  
The State Senate  
Alaska State Capitol  
Juneau, AK 99801-1182

Dear Senator Meyer,

Thank you for taking the time to meet with me when I was in Juneau with the ConocoPhillips Alaska CAP program.

As we discussed, I am very anxious to have the Permanent Fund Dividend eligibility for deceased Alaskans changed. Currently statute AS43.23.005 (h) states: ...*"If an individual who would otherwise have been eligible for a dividend and who did not apply for the dividend dies during the application period, a personal representative of the estate or a successor claiming personal property under AS 13.16.680 may apply for and receive the dividend."*...

I would like to see the simple words "*dies during the application period*" changed to "*dies during the dividend year*". I think this simple change would effect what is fair. Alaskans deserve to receive their final PFD. Although this change won't affect my daughter Melissa's last PFD or other Alaskans that have been denied their final PFD it will affect those in the future.

Accomplishing this change to the PFD eligibility is very important to me. It's the last task I have to do in memory of my daughter, Melissa. Please let me know if you need me to do anything to help with this change.

Once again, thank you for your help.

Thank you,

Mary K. (Katy) Neher

MKN:kn

**Sen. Kevin Meyer**

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**From:** Bob and Carole at "A Hiada-way" [hiadaway@acsalaska.net]  
**Sent:** Monday, April 13, 2009 10:46 AM  
**To:** Sen. Kevin Meyer  
**Subject:** Senate Bill #171

Dear Senator Meyer:

Thank you for introducing Senate Bill 171 regarding Permanent Fund Dividend Applications for Deceased Participants. Your support is so much appreciated. The passing of this bill reinforces what Alaska was built on... honor and respect of our deceased, elders and military. Please keep me informed on the progress of this bill.

May God Bless You.

Sincerely,

Carole Okamoto  
P.O. Box 1226  
Kasilof, AK 99610-1226  
Phone: (907) 262-1997

4/13/2009

3904

My name is Lena Mason. I would like to thank you for giving me the opportunity to testify at this important hearing. I would like to thank Representative Harry Crawford for introducing bill # HB205 and Senator Kevin Meyer for introducing Bill #SB171. Special thanks to their staff for their support and research they rendered me in this important situation. It is very much appreciated.

My husband Robert and I have been residence of Alaska since 1969. Unfortunately he passed away suddenly on Nov 18, 2008. We have both received permanent fund checks since its inception.

I contacted the permanent fund office to inquire what the procedure was to file for my spouses dividend for 2008. We were advised he was not eligible. If he had passed away in Jan, Feb., or March of 2009 he would have been eligible for the 2008 permanent fund. They also advised that they had to implement a deadline for deceased residents and to be eligible they would have had have been to be a resident for one full year prior to death. I do know that prior to this new ruling deceased resident's received a check for the year they passed away.

If a child is born on Dec 31<sup>st</sup> they are eligible for a permanent fund check for the year they were born. Residents are allowed to be out of state for 180 days and still be eligible for the permanent fund. This new ruling for deceased residents does not make any sense.

My husband contributed to the state economy and was never out of state for for the maximum amount of time required to qualify to receive the fund.

How is it that the Permanent Fund Office is authorized to make changes for the distribution of the funds? It should be up to the legislature to make rulings regarding how State money is spent and distributed.

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My situation is not unique judging by the letters I have read in the Anchorage Daily News.

I did submit an estate form to the PFD office with a copy of a death certificate. The estate form states it must be submitted by Mar 31<sup>st</sup> 2010., Whether they will honor our request remains to be seen.

I would like to request that you review this ruling and take it under advisement to rectify the guidelines for distribution of funds.

Please accept my most sincere Thanks for your consideration in this matter.

Sincerely,

Lena Mason

2926 Campbell Airstrip Rd.

Anchorage, Ak 99504

907-333-4166

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Wednesday, March 25, 2009 8:04 AM  
**To:** [REDACTED]  
**Subject:** FW: Permanent Fund - Alan Kajikawa

-----Original Message-----

**From:** [REDACTED]  
**Sent:** Wednesday, March 25, 2009 7:24 AM  
**To:** Sen. Kevin Meyer  
**Subject:** Permanent Fund - Alan Kajikawa

Good Morning Kevin,

This is Alan Kajikawa. I talked to you about the status of the permanent fund issue for deceased family members for 2008. You may know that I lost my wife Carol in December after 45 years together with 31 of those in Alaska. I found out like many others through the article in the newspaper that she wouldn't qualify for the permanent fund dividend for 2008 even though she was present in the state all year.

It seems a shame that any Alaskan who was here even through December 31 at 11:59pm of any year would be denied a benefit that was earned by their presence actually in the state vs. many who are not really here. Please let me know if you and your colleagues can correct this situation to benefit those who don't need another situation in their lives to compound the grief that we all will be facing for a long time to come.

On another note, the UAA women came from 12 points behind to win their first game and will play at 3pm Alaska time for their second game. It was a great effort on their part and a heart stopping one for all Alaska fans present at the game.

thank you for your consideration,  
e malama pono,

Alan & Hanna Malia Kajikawa  
[REDACTED]  
[REDACTED]

## Helen Phillips

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**From:** Christine Marasigan  
**Sent:** Wednesday, April 15, 2009 3:51 PM  
**To:** House Finance Legislation  
**Subject:** Request for hearing SB 171  
**Attachments:** CSSB 171 Request for Hearing.pdf; CSSB 171 Sponsor Statement.pdf; CSSB 171 SB0171C.pdf; CSSB 171 SB0171B.pdf; CSSB 171 SB0171A.pdf; CSSB 171 Fiscal Note 2.pdf; CSSB 171 Fiscal Note 1.pdf; SB 171 Supt email Kajikawa.pdf; SB 171 Supt email Palmer.pdf; SB 171 Supt email Smith.pdf; SB 171 Supt Ltr Mason.pdf; SB 171 Supt Ltr Neher.pdf; SB 171 Supt Ltr Okamoto.pdf; SB 171 Support Article JNU Empire.pdf

This email serves as a hearing request to the House Finance Committee for SB 171, PFD for the deceased.

Attached to this message please find the following:

- Memo requesting a hearing
- Sponsor Statement
- Versions of SB 171
- Fiscal Notes
- Letters/emails of support
- Newsletter article
- Potential testimony/witnesses:
  - o Debbie Bitney, Director of PFD Division
  - o Chris Poag, Department of Law
  - o Mary "Katy" Neher, constituent

If you have any questions or concerns about this legislation, please contact me.

Thank you for your consideration.

Christine R. Marasigan  
Staff to Senator Kevin Meyer  
Capitol Building Room 101  
Juneau, AK 99801  
(907) 465-6876 phone  
[christine\\_marasigan@legis.state.ak.us](mailto:christine_marasigan@legis.state.ak.us)