

SB

171

*Try to hear
April 7th or
9th **

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 Linda Menard
FROM: Senator Kevin Meyer
DATE: March 27, 2009
RE: Request for Bill Hearing SB 171

K. Meyer ☺

SHORT TITLE: Permanent Fund Dividend for Deceased "

This memo serves as a request for a committee hearing for SB 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."

The following documents will be sent electronically:

- Sponsor statement
- SB 171 version 26-LS0804\A
- Sectional
- Support Letters
- Staff member assigned to the bill: Christine R. Marasigan, 465-6876

This bill would allow a deceased Alaskan, who would otherwise have been eligible, obtain a PFD through their estate.

Please contact Christine if you have any questions please regarding this legislation.

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 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."

SB 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.

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 an Alaskan dies during the qualifying year, their family can not apply for their loved one's PFD. Passage of this bill will close this loophole and allow Alaskans, who are eligible, to receive their final PFD.

This is a common sense bill that would help grieving families deal with the costs associated with losing a family member.

26-LS0804\R
Cook
4/6/09

CS FOR SENATE BILL NO. 171()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR MEYER

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 providing for an effective date."**

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

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

5 (h) If an individual who would otherwise have been eligible for a permanent
6 fund dividend dies after applying for the dividend but before the dividend is paid, the
7 department shall pay the dividend to a personal representative of the estate or to a
8 successor claiming personal property under AS 13.16.680. If an individual who would
9 otherwise have been eligible for a dividend and who did not apply for the dividend
10 dies during the application period, a personal representative of the estate or a
11 successor claiming personal property under AS 13.16.680 may apply for and receive
12 the dividend. If an individual who would otherwise have been eligible for a
13 dividend dies during the qualifying year, notwithstanding (a)(1) - (3) of this
14 section, a personal representative of the estate or a successor claiming personal

1 property under AS 13.16.680 may apply for and receive the dividend.

2 Notwithstanding AS 43.23.011, an [THE] application for a [THE] dividend may be
3 filed by the personal representative or the successor under this subsection at any time
4 before the end of the application period for the next dividend year.

5 * Sec. 2. This Act takes effect January 1, 2010.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 171
 () Publish Date: 4/7/09

Identifier (file name): SB171-DOR-TAX-04-03-09 Dept. Affected: 4
 Title: PFD Dividends to Deceased Individuals RDU: Taxation and Treasury
 Sponsor: Senator Meyer Component: Permanent Fund Dividend Division
 Requester: Senate State Affairs 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
OPERATING EXPENDITURES								
Personal Services	114.4		114.4	114.4	114.4	114.4	114.4	114.4
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								
TOTAL OPERATING	143.9	0.0	143.9	143.9	143.9	143.9	143.9	143.9

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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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	143.9		143.9	143.9	143.9	143.9	143.9	143.9
TOTAL	143.9	0.0	143.9	143.9	143.9	143.9	143.9	143.9

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time	2.0		2	2	2	2	2	2
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Historically, approx. 3,500 people die in Alaska each year. This does not take into consideration Alaskans who die outside of Alaska that may also result in an application. Application on behalf of a deceased person will create an automatic eligibility case that must be assigned to a technician and worked. It is expected that some of the applicants will apply for the first time as deceased individuals, complicating the issue. 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. 3,500 man hours translates to 100 weeks or two full time positions.

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

Phone: 465-4785
 Date/Time: 4/2/09 5:44 PM
 Date: 4/3/2009

FISCAL NOTE

STATE OF ALASKA
2009 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 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.

3,500 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.

Page _ of _

[REDACTED]

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]

Mary K. (Katy) Neher
1230 West 79th Ave. ~ Anchorage, AK 99518
Work Phone 265-6207 ~ Email K.Neher@conocophillips.com
Home Phone 344-3382 ~ Email 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

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

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 31st 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.

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 31st 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

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 3/27/09

FURTHER: Finance

Date of 5-Day Notice: 4/2/09
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/7/09

State Affairs Committee considered SENATE BILL NO. 171

SB 171 PERMANENT FUND DIVIDEND FOR DECEASED

"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."

and recommends:

- be replaced with SCS or CS SB 171 (STA)
- adopt previous SCS or CS CS Forthcoming
- 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 type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/3	✓			1

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
<i>[Signature]</i>	French			✓	
<i>[Signature]</i>	Meyer	✓			
<i>[Signature]</i>	Kookala	✓			
<i>[Signature]</i>	Parisuta	✓			
CHAIR: <i>[Signature]</i>	MENARD	✓			