

LEG. FINANCE - BILLS 1981 - 1982 1729

CSSB 842 cont.

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1 tion available from other state departments or agencies to determine the
2 eligibility of an individual.

3 (b) The department shall prescribe and furnish an application form
4 for claiming a permanent fund dividend. The application must contain a
5 statement of eligibility and a certification of residency in substan-
6 tially the following form:

7 I certify that

8 () I am a state resident on the date of this applica-
9 tion and I have been a state resident for _____ full
10 years; or

11 () (name), the individual on whose behalf I am apply-
12 ing is a state resident and has been a state resident
13 for _____ full years.

14 I understand that this claim for a permanent fund
15 dividend is determined by the length of residency in the
16 state after January 1, 1982.

17 I understand that a false claim of residency to ob-
18 tain a permanent fund dividend for myself or for another
19 is a criminal offense and that if convicted I will forfeit
20 future permanent fund dividends and that I must repay all
21 permanent fund dividends that have been paid to me. I
22 understand that this penalty is in addition to any crim-
23 inal penalties imposed.

24 _____
25 (signature of individual, parent,
26 guardian, or other authorized
27 representative)

28 (c) Except as provided in (d) of this section or as may be provided
29 by regulations adopted by the department, an individual must personally

1 sign the application for permanent fund dividends, including the certi-
2 fication of residency required under (b) of this section.

3 (d) The application and certification of residency of an unemanci-
4 pated individual under 18 years of age or of an incompetent individual
5 must be signed by the individual's parent, legal guardian, or other
6 authorized representative.

7 (e) If a public agency claims a permanent fund dividend on behalf
8 of an individual, the public agency shall hold the dividend in trust for
9 the individual. Money held in trust under this subsection shall be
10 invested by the commissioner in accordance with AS 37.10.070.

11 (f) A minor or an incompetent individual may not maintain a claim
12 against the state or an officer or employee of the state based on the
13 manner in which the parent, guardian, or authorized representative other
14 than a public agency of the state managed or disposed of permanent fund
15 dividends received on behalf of the minor or incompetent individual.

16 (g) If an individual is aggrieved by a decision of the department
17 determining the individual's eligibility for a permanent fund dividend
18 or the individual's authority to claim a permanent fund dividend on
19 behalf of another, the individual may appeal that decision to the super-
20 ior court in accordance with AS 44.62.560. An appeal under this section
21 does not entitle the aggrieved individual to a trial de novo. The
22 appeal shall be based on the record of the administrative proceeding
23 from which appeal is taken and the scope of appeal is limited to matters
24 contained in the record of the administrative proceeding.

25 (h) The penalty and enforcement provisions of AS 43.23.040 apply
26 to an individual who claims a permanent fund dividend on behalf of
27 another.

28 * Sec. 6. AS 43.23 is amended by adding a new section to read:

29 Sec. 43.23.014. PAYMENTS FOR PRIOR YEARS. (a) Beginning with

1 application for permanent fund dividends filed during 1983 and for each
2 year after that, an individual who becomes 18 years of age on or before
3 the last day for filing an application during a year may file a claim
4 for and receive permanent fund dividends for all prior years in which
5 the individual would have been eligible under AS 43.23.010 if the indi-
6 vidual had then been 18 years of age. This section creates a right to
7 receive permanent fund dividends for prior years that vests in an indi-
8 vidual when the individual becomes 18 years of age.

9 (b) A claim for permanent fund dividends for prior years under
10 this section may be filed even if the individual is not a state resident
11 at the time the individual makes the claim.

12 (c) In order to receive a permanent fund dividend for a prior
13 year, an individual must file a claim for all prior dividends within one
14 year after reaching the age of 18 and within the time limits established
15 under AS 43.23.060(3) for the current year's application. Failure to
16 file a claim for permanent fund dividends for prior years within this
17 period waives all entitlement to those dividends. The department shall
18 prescribe and make available forms for claims for permanent fund divi-
19 dends for prior years, and may require proof of eligibility in addition
20 to that required for a current year under AS 43.23.020(a).

21 (d) The value of a permanent fund dividend for a prior year is the
22 value published by the commissioner under AS 43.23.030 for that prior
23 year. Interest on permanent fund dividends paid for a prior year under
24 this section is computed and paid from January 1 of the year following
25 that year, using the average rate of return earned since that time by
26 the dividend fund established in AS 43.23.050.

27 (e) Nothing in this section prevents an individual from claiming
28 and receiving a permanent fund dividend under AS 43.23.010 during the
29 current year in which the individual is eligible.

1 * Sec. 7. AS 43.23.020 is amended by adding new subsections to read: .

2 (c) Beginning with application for a permanent fund dividend filed
3 during 1983 and each year after that, an individual who is a parent or
4 legal guardian of a minor child who is a resident of the state, shall
5 provide to the department the following information with respect to each
6 minor child:

7 (1) full name;

8 (2) date of birth;

9 (3) current address if different from the parent or guardian's
10 address; and

11 (4) other information required by the department relating to
12 the future eligibility of the child to claim a prior year permanent fund
13 dividend.

14 (d) The department shall maintain a record of the information
15 provided under (c) of this section for each minor child until the time
16 for that child to file a claim for prior year permanent fund dividends
17 has expired. The information required in (c) of this section may be
18 used only to estimate the number of future claims for prior year divi-
19 dends and to verify the eligibility of individuals who have filed claims
20 for prior year dividends. This information may be used in place of
21 other proof of eligibility permitted under (a) of this section and under
22 AS 43.23.014(c). The failure of a parent or guardian to provide the
23 information required by (c) of this section does not affect the child's
24 eligibility in the future to receive payment for a prior year dividend.

25 * Sec. 2. AS 43.23.030(1) is amended to read:

26 (1) determining the amount of income of the Alaska permanent
27 fund transferred to the dividend fund under AS 43.23.050(b) in the
28 current year [, LESS THE AMOUNT, IF ANY, TO BE REPAID IN THE CURRENT
29 YEAR TO THE GENERAL FUND UNDER AS 43.23.050(c)];

1 * Sec. 9. AS 43.23.030(2) is amended to read:

2 (2) determining the number of permanent fund dividends paid
3 during the current year and an estimate of the number of permanent fund
4 dividends for the current year that individuals under 18 years of age
5 will be eligible to claim in the future as dividends for a prior year
6 under AS 43.23.014; and

7 * Sec. 10. AS 43.23.040 is repealed and reenacted to read:

8 Sec. 43.23.040. PENALTIES AND ENFORCEMENT. (a) In addition
9 to any criminal penalties imposed by state law, if an individual
10 is convicted of a crime in connection with a false statement made
11 in a certification required under AS 43.23.020, and the conviction
12 is not reversed, that individual forfeits all permanent fund divi-
13 dends paid and is not eligible for a future permanent fund divi-
14 dend.

15 (b) If the commissioner determines that a permanent fund dividend
16 should not have been claimed by or paid to an individual, the commis-
17 sioner may use all collection procedures or remedies available for
18 collection of taxes under this title to recover the payment of a per-
19 manent fund dividend that was improperly made. A notice of an improperly
20 paid dividend must be sent to the individual within 10 years after the
21 improper payment. If notice is not sent within the 10-year period,
22 proceedings may not be commenced in court for recovery of the improper
23 payment.

24 * Sec. 11. AS 43.23.050(a) is amended to read:

25 (a) The dividend fund is established as a separate fund in the
26 state treasury. The dividend fund shall be administered by the commis-
27 sioner and may be invested by the commissioner in the same manner pro-
28 vided for the investment of the Alaska permanent fund under AS 37.13.-
29 120. Money in the dividend fund and any interest earned from investment

1 of money in the dividend fund shall be used to pay permanent fund divi-
2 dends annually [AND TO REPAY LOANS FROM THE GENERAL FUND AS PROVIDED IN
3 (c) OF THIS SECTION].

4 * Sec. 12. AS 43.23.050(b) is amended to read:

5 (b) Notwithstanding any contrary provision of law, each [EACH]
6 year the commissioner shall transfer to the dividend fund 50 percent of
7 the income of the Alaska permanent fund [WHICH WAS] earned during the
8 fiscal year ending on June 30 of the current [PRECEDING] year and [WHICH
9 IS] available for distribution [UNDER AS 37.13.140].

10 * Sec. 13. AS 43.23.950 is amended by adding new subsections to read:

11 (d) Each year the department shall pay from the dividend fund all
12 permanent fund dividends payable to eligible individuals for the current
13 year and all permanent fund dividends for prior years, including inter-
14 est, payable that year to eligible individuals. The money remaining
15 each year after these payments are made, and any interest earned from
16 investment of money in the dividend fund, remains in the fund to pay
17 claims for prior year permanent fund dividends.

18 (e) The department shall review the status of the fund every four
19 years beginning in 1925 to determine whether there is sufficient money
20 in the fund to pay future claims for prior year permanent fund divi-
21 dends. On August 1 of the year of a review the commissioner shall
22 certify the amount of excess or deficient funds, as the case may be. If
23 there is an excess, the amount of income described in AS 43.23.030(1)
24 shall be increased by the amount of the excess for purposes of deter-
25 mining the value of a permanent fund dividend under AS 43.23.030 to be
26 paid in the following year. If there is a deficiency, the amount of
27 income described in AS 43.23.030(1) shall be reduced by the amount of
28 the deficiency for purposes of determining the value of a permanent fund
29 dividend under AS 43.23.030 to be paid in the following year.

1 * Sec. 14. AS 43.23.060 is amended by adding a new paragraph to read:

2 (5) adopt regulations under the Administrative Procedure Act
3 (AS 44.62) that establish procedures and time limits for an individual
4 upon emancipation or upon reaching majority to apply for permanent fund
5 dividends not received during minority because the parent, guardian, or
6 other authorized representative did not apply on behalf of the indi-
7 vidual.

8 * Sec. 15. AS 43.23.070 is amended by adding a new subsection to read:

9 (d) No exemption is available under this section for permanent
10 fund dividends taken to satisfy child support obligations required by
11 court order or decision of the child support enforcement agency under
12 AS 47.23.140 - 47.23.220.

13 * Sec. 16. AS 43.23.080 is repealed and reenacted to read:

14 Sec. 43.23.080. ELIGIBILITY FOR STATE PROGRAMS. No program admin-
15 istered by the state or any of its instrumentalities or municipalities,
16 the eligibility for which is based on financial need, shall consider a
17 permanent fund dividend as income or resources unless required to do so
18 by federal law or regulation.

19 * Sec. 17. AS 43.23 is amended by adding a new section to read:

20 Sec. 43.23.087. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In deter-
21 mining the eligibility of an individual under a public assistance
22 program administered by the Department of Health and Social Services and
23 in which eligibility for assistance is based on financial need, the
24 Department of Health and Social Services may not consider a permanent
25 fund dividend as income or resources received by the recipient of public
26 assistance or by a member of the recipient's household unless required
27 to do so by federal law or regulation. The Department of Health and
28 Social Services shall notify all recipients of public assistance of the
29 effects of receiving a permanent fund dividend.

1 (b) An individual who is denied medical assistance under Title XIX
2 of the federal Social Security Act (42 U.S.C. 1396 et seq.) solely
3 because of the receipt of a permanent fund dividend by the individual or
4 by a member of the individual's household is eligible for state-funded
5 medical assistance under the general relief assistance program (AS 47.-
6 25.120 - 47.25.300). The individual shall receive, for a period not to
7 exceed four months, the same level of medical assistance as the indi-
8 vidual would have received under Title XIX of the federal Social Security
9 Act had there been no permanent fund dividend program.

10 (c) An individual who is denied assistance solely because permanent
11 fund dividends received by the individual or a member of the individual's
12 household are counted as income or resources under federal law or regu-
13 lation is eligible for cash assistance under the general relief assis-
14 tance program (AS 47.25.120 - 47.25.300). Notwithstanding the limit in
15 AS 47.25.130, the individual is entitled to receive, for a period not to
16 exceed four months, the same amount as the individual would have re-
17 ceived under other public assistance programs had there been no permanent
18 fund dividend program.

19 * Sec. 18. LOANS FORGIVEN. Any loans made to the dividend fund from the
20 general fund under AS 43.23.050(c), repealed in sec. 21 of this Act, out-
21 standing on the effective date of sec. 21 of this Act, are forgiven.

22 * Sec. 19. 1982 PERMANENT FUND DIVIDEND DISTRIBUTION. (a) An individual
23 is eligible to receive one permanent fund dividend for 1982 if the individual
24 applies to the department, and if on the date of application the individual

25 (1) is a state resident; and

26 (2) has been a state resident for a period of at least six con-
27 secutive months immediately preceding the date of application.

28 (b) The amount of each dividend for 1982 is \$1,000.

29 (c) The requirement of application to the department under (a) of this

1 section is satisfied if

2 (1) an individual before the effective date of this section and
3 during 1982 filed an application with the department under AS 43.23.010;

4 (2) an individual files an application with the department under
5 this section within the time limits established by the department in regula-
6 tions adopted under (e) of this section; or

7 (3) a parent, guardian, or other authorized representative claims
8 a permanent fund dividend on behalf of an unemancipated minor or an incompe-
9 tent individual who is eligible to receive a payment under this section.

10 (d) A minor or an incompetent individual may not maintain a claim
11 against the state or an officer or employee of the state based on the manner
12 in which the parent, guardian, or authorized representative other than a
13 public agency of the state managed or disposed of permanent fund dividends
14 received on behalf of the minor or incompetent individual.

15 (e) As soon as possible after the effective date of this section, the
16 department shall issue warrants for permanent fund dividends to eligible
17 individuals who before the effective date of this section and during 1982
18 filed applications with the department under AS 43.23.010. The department
19 shall make application forms available to all other applicants and may con-
20 tinue to use the application forms prepared under AS 43.23.020(b) for appli-
21 cations under this section. The department shall adopt as emergency regula-
22 tions under AS 44.52.250 procedures and time limits for claiming a permanent
23 fund dividend under this section. The deadline for claiming a permanent fund
24 dividend under this section may not be later than 120 days after the effec-
25 tive date of this section. Payments shall be made as soon as possible after
26 the department determines that an applicant is eligible for the payment.

27 (f) The provisions of this section and AS 43.23.015, 43.23.035, 43.23.-
28 055(3), 43.23.065, 43.23.075, 43.23.085, and 43.23.095 as set out in sec. 1
29 of this Act apply to the distribution of permanent fund dividends during

1 1982, notwithstanding any contrary provisions of AS 43.23 and notwithstanding
2 the fact that those provisions may not be enacted into law before the effec-
3 tive date of this section.

4 (g) Income of the Alaska permanent fund for fiscal year 1982 transferred
5 to the dividend fund may not be used for payment of permanent fund dividends
6 during 1982, but must remain in the dividend fund and be used for payment of
7 permanent fund dividends during 1983 along with the fiscal year 1983 earnings
8 of the Alaska permanent fund transferred to the dividend fund.

9 (h) The permanent fund dividend distribution under this section is in
10 place of any distribution under AS 43.23 for the years 1979 - 1981.

11 * Sec. 20. Section 4, ch. 21, SLA 1980, is repealed.

12 * Sec. 21. AS 43.23.010(d) and 43.23.050(c) are repealed.

13 * Sec. 22. AS 43.23.010, 43.23.014, 43.23.020, 43.23.030, 43.23.040,
14 43.23.050, 43.23.060, 43.23.070, 43.23.080, 43.23.090, and 43.23.100 are re-
15 pealed.

16 * Sec. 23. Sections 6, 7, 9, and 13 of the Act are repealed.

17 * Sec. 24. (a) This section applies only to the determination of the
18 value of a permanent fund dividend to be paid in 1983 and applies only if
19 permanent fund dividends are distributed under sec. 19 of this Act on or
20 after October 19, 1982, and if, after that date, the United States Supreme
21 Court decides that AS 43.23.010 is valid.

22 (b) Notwithstanding any contrary provisions of AS 43.23.030, by
23 December 1, 1982, the commissioner of revenue shall give public notice of the
24 value of each permanent fund dividend to be paid in 1983. The commissioner
25 shall determine that value by

26 (1) determining the amount of income of the Alaska permanent fund
27 for fiscal year 1982 and fiscal year 1983 transferred to the dividend fund
28 under AS 43.23.050(b);

29 (2) determining the number of permanent fund dividends that would

1 have been paid during 1982 if sec. 19 of this Act had not taken effect and an
2 estimate of the number of permanent fund dividends for a prior year under
3 AS 43.23.014; and

4 (3) dividing the amount determined in (1) of this subsection by
5 the amount determined in (2) of this subsection.

6 * Sec. 25. If secs. 2 - 5 of this Act take effect under the provisions of
7 sec. 27 of this Act, then all other provisions of AS 43.23, as enacted in
8 ch. 21, SLA 1980 and as amended in secs. 8, 10 - 12, and 14 - 17 of this Act,
9 remain in effect.

10 * Sec. 26. Notwithstanding the provisions of AS 43.23.014(c), enacted in
11 sec. 6 of this Act, which require an individual to file an application for
12 prior year permanent fund dividends within one year after reaching 18 years
13 of age, an individual may file a claim during 1983 for permanent fund divi-
14 dends for all prior years for which the individual is eligible if that
15 individual has turned 18 years of age on or before the last day for filing an
16 application during 1983.

17 * Sec. 27. Sections 2 - 5, and 23 - 25 of this Act take effect 60 days
18 after the date that the United States Supreme Court decides that AS 43.23.010
19 is invalid but also decides that AS 43.23.010 would not violate the United
20 States Constitution if the amount of a permanent fund dividend were deter-
21 mined by accumulated years of residency in the state beginning on or after
22 January 1, 1979.

23 * Sec. 28. Sections 1 and 22 of this Act take effect 60 days after the
24 date that the United States Supreme Court decides that AS 43.23.010 is in-
25 valid because the amount of a permanent fund dividend is determined by accu-
26 mulated years of residency in the state whether those years are counted
27 before or after January 1, 1979.

28 * Sec. 29. Sections 6 - 18, 20, 21, and 26 of this Act take effect
29 immediately in accordance with AS 01.10.070(c).

1 * Sec. 30. Section 19 of this Act takes effect on the date that the .
2 United States Supreme Court decides that AS 43.23.010 is for any reason
3 invalid or on October 19, 1982, if the United States Supreme Court has not
4 reached a decision as to the validity of AS 43.23.010 by that date.
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Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 842 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act providing for permanent fund dividends; and
7 providing for an effective date."

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

9 * Section 1. AS 43.23 is amended by adding new sections to read:

10 Sec. 43.23.005. ELIGIBILITY. (a) An individual is eligible to
11 receive one permanent fund dividend each year in an amount to be deter-
12 mined under AS 43.23.025 if the individual applies to the department,
13 and if on the date of application the individual

14 (1) is a state resident; and

15 (2) has been a state resident for a period of at least six
16 consecutive months immediately preceding the date of application.

17 (b) In determining the minimum period of an individual's residency
18 required under (a)(2) of this section, the department may include months
19 of residency both in the current year and in the immediately preceding
20 year.

21 (c) A parent, guardian, or other authorized representative may
22 claim a permanent fund dividend on behalf of an unemancipated minor or on
23 behalf of an incompetent individual who is eligible to receive a payment
24 under this section.

25 Sec. 43.23.015. APPLICATION AND PROOF OF ELIGIBILITY. (a) The
26 commissioner shall adopt regulations under the Administrative Procedure
27 Act (AS 44.62) for determining the eligibility of individuals for per-
28 manent fund dividends. The commissioner may require an individual to
29 provide proof of eligibility, and the commissioner may use other infor-

1 mation available from other state departments or agencies to determine
2 the eligibility of an individual.

3 (b) The department shall prescribe and furnish an application form
4 for claiming a permanent fund dividend. The application must contain a
5 statement of eligibility and a certification of residency in substan-
6 tially the following form:

7 I certify that

8 () I am a state resident on the date of this
9 application and I have been a state resident for
10 at least six months immediately preceding the date
11 of this application; or

12 () (name), the individual on whose behalf I am apply-
13 ing is a state resident and has been a state resident
14 for at least six months immediately preceding the date
15 of this application.

16 I understand that a false claim of residency
17 to obtain a permanent fund dividend for myself or
18 for another is a criminal offense and that if con-
19 victed I will forfeit future permanent fund divi-
20 dends and that I must repay all permanent fund
21 dividends that have been paid to me. I understand
22 that this penalty is in addition to any criminal
23 penalties imposed.

24 _____
25 (signature of individual, parent,
26 guardian, or other authorized
27 representative)

28 (c) Except as provided in (d) of this section or as may be provided
29 by regulations adopted by the department, an individual must personally

1 sign the application for permanent fund dividends, including the certi-
2 fication of residency required under (b) of this section.

3 (d) The application and certification of residency of an unemanci-
4 pated individual under 18 years of age or of an incompetent individual
5 must be signed by the individual's parent, legal guardian, or other
6 authorized representative.

7 (e) If a public agency claims a permanent fund dividend on behalf
8 of an individual, the public agency shall hold the dividend in trust for
9 the individual. Money held in trust under this subsection shall be
10 invested by the commissioner in accordance with AS 37.10.070.

11 (f) A minor or an incompetent individual may not maintain a claim
12 against the state or an officer or employee of the state based on the
13 manner in which the parent, guardian, or authorized representative other
14 than a public agency of the state managed or disposed of permanent fund
15 dividends received on behalf of the minor or incompetent individual.

16 (g) If an individual is aggrieved by a decision of the department
17 determining the individual's eligibility for a permanent fund dividend
18 or the individual's authority to claim a permanent fund dividend on
19 behalf of another, the individual may appeal that decision to the super-
20 ior court in accordance with AS 44.62.560. An appeal under this section
21 does not entitle the aggrieved individual to a trial de novo. The
22 appeal shall be based on the record of the administrative proceeding
23 from which appeal is taken and the scope of appeal is limited to matters
24 contained in the record of the administrative proceeding.

25 (h) The penalty and enforcement provisions of AS 43.23.035 apply
26 to an individual who claims a permanent fund dividend on behalf of
27 another.

28 Sec. 43.23.025. AMOUNT OF DIVIDEND. By September 1 of each year
29 the commissioner shall give public notice of the value of each permanent

1 fund dividend for that year. The commissioner shall determine the value
2 of a permanent fund dividend by

3 (1) determining the amount of income of the Alaska permanent
4 fund transferred to the dividend fund under AS 43.23.045(b) during the
5 current year;

6 (2) determining the number of individuals eligible to receive
7 a dividend payment for the current year; and

8 (3) dividing the amount determined in (1) of this section by
9 the amount determined in (2) of this section.

10 Sec. 43.23.035. PENALTIES AND ENFORCEMENT. (a) In addition to
11 any criminal penalties imposed by state law, if an individual is con-
12 victed of a crime in connection with a false statement made in a certi-
13 fication required under AS 43.23.015, and the conviction is not reversed,
14 that individual forfeits all permanent fund dividends paid and is not
15 eligible for a future permanent fund dividend.

16 (b) If the commissioner determines that a permanent fund dividend
17 should not have been claimed by or paid to an individual, the commis-
18 sioner may use all collection procedures or remedies available for
19 collection of taxes under this title to recover the payment of a per-
20 manent fund dividend that was improperly made. A notice of an improperly
21 paid dividend must be sent to the individual within 10 years after the
22 improper payment. If notice is not sent within the 10-year period,
23 proceedings may not be commenced in court for recovery of the improper
24 payment.

25 Sec. 43.23.045. DIVIDEND FUND. (a) The dividend fund is estab-
26 lished as a separate fund in the state treasury. The dividend fund
27 shall be administered by the commissioner and shall be invested by the
28 commissioner in the same manner as provided in AS 37.10.070.

29 (b) Notwithstanding any contrary provision of law, each year the

1 commissioner shall transfer to the dividend fund 50 percent of the
2 income of the Alaska permanent fund earned during the fiscal year ending
3 on June 30 of the current year and available for distribution.

4 (c) The department may adopt by regulation a plan that, to the
5 extent permitted by federal law, will allow an individual who elects to
6 participate in the plan to select an optional disbursement of the divi-
7 dend payment that would have the effect of deferring payment of all or a
8 portion of federal income taxes on the receipt of a permanent fund
9 dividend.

10 Sec. 43.23.055. DUTIES OF THE DEPARTMENT. The department shall

11 (1) annually pay permanent fund dividends from the dividend
12 fund;

13 (2) adopt regulations under the Administrative Procedure Act
14 (AS 44.62) that establish procedures and time limits for claiming a
15 permanent fund dividend; the department shall set the time limit for
16 applications for permanent fund dividends so that the number of eligible
17 applicants is determined by September 1 and permanent fund dividends for
18 a year are paid before December 31 of that year;

19 (3) adopt regulations under the Administrative Procedure Act
20 (AS 44.62) that establish procedures and time limits for an individual
21 upon emancipation or upon reaching majority to apply for permanent fund
22 dividends not received during minority because the parent, guardian, or
23 other authorized representative did not apply on behalf of the indi-
24 vidual; and

25 (4) assist residents of the state, particularly in rural
26 areas, who because of language, disability, or inaccessibility to public
27 transportation need assistance to establish eligibility and to apply for
28 permanent fund dividends.

29 Sec. 43.23.065. EXEMPTION OF PERMANENT FUND DIVIDENDS. Fifty

1 percent of the annual permanent fund dividend payable to an individual
2 is exempt from levy, execution, garnishment, attachment, or any other
3 remedy for the collection of debt. This exemption applies to an elig-
4 ible individual's permanent fund dividend both before and after payment
5 is made to the individual. No exemption is available under this section
6 for permanent fund dividends taken to satisfy child support obligations
7 required by court order or decision of the child support enforcement
8 agency under AS 47.23.140 - 47.23.220.

9 Sec. 43.23.075. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In deter-
10 mining the eligibility of an individual under a public assistance
11 program administered by the Department of Health and Social Services in
12 which eligibility for assistance is based on financial need, the Depart-
13 ment of Health and Social Services may not consider a permanent fund
14 dividend as income or resources received by the recipient of public
15 assistance or by a member of the recipient's household unless required
16 to do so by federal law or regulation. The Department of Health and
17 Social Services shall notify all recipients of public assistance of the
18 effects of receiving a permanent fund dividend.

19 (b) An individual who is denied medical assistance under Title XIX
20 of the federal Social Security Act (42 U.S.C. 1396 et seq.) solely
21 because of the receipt of a permanent fund dividend by the individual or
22 by a member of the individual's household is eligible for state-funded
23 medical assistance under the general relief assistance program (AS 47.-
24 25.120 - 47.25.300). The individual is entitled to receive, for a
25 period not to exceed four months, the same level of medical assistance
26 as the individual would have received under Title XIX of the federal
27 Social Security Act had there been no permanent fund dividend program.

28 (c) An individual who is denied assistance solely because permanent
29 fund dividends received by the individual or by a member of the indivi-

1 dual's household are counted as income or resources under federal law or
2 regulation is eligible for cash assistance under the general relief
3 assistance program (AS 47.25.120 - 47.25.300). Notwithstanding the
4 limit in AS 47.25.130, the individual is entitled to receive, for a
5 period not to exceed four months, the same amount as the individual
6 would have received under other public assistance programs had there
7 been no permanent fund dividend program.

8 Sec. 43.23.085. ELIGIBILITY FOR STATE PROGRAMS. No program admin-
9 istered by the state or any of its instrumentalities or municipalities,
10 the eligibility for which is based on financial need, shall consider a
11 permanent fund dividend as income or resources unless required to do so
12 by federal law or regulation.

13 Sec. 43.23.095. DEFINITIONS. In this chapter,

14 (1) "Alaska permanent fund" means the fund established by
15 art. IX, sec. 15 of the state constitution;

16 (2) "commissioner" means the commissioner of revenue;

17 (3) "department" means the Department of Revenue;

18 (4) "dividend fund" means the fund established by AS 43.-
19 23.045;

20 (5) "individual" means a natural person;

21 (6) "permanent fund dividend" means a right to receive a
22 payment from the dividend fund;

23 (7) "state resident" means an individual who is physically
24 present in the state with the intent to remain permanently in the state
25 or, if the individual is not physically present in the state, intends to
26 return to the state and is absent only for any of the following reasons:

27 (a) vocational, professional, or other specific educa-
28 tion for which a comparable program was not reasonably available in
29 the state;

- 1 (B) secondary or postsecondary education;
2 (C) military service;
3 (D) medical treatment;
4 (E) service in Congress; or
5 (F) other reasons which the commissioner may establish
6 by regulation;

7 (8) "year" means a calendar year.

8 * Sec. 2. AS 43.23.010(a) is amended to read:

9 (a) An individual who is eligible under (b) of this section is
10 entitled to one permanent fund dividend for each full year that the
11 individual is a state resident after January 1, 1932 [1959].

12 * Sec. 3. AS 43.23.010(b) is amended to read:

13 (b) For each year, an individual is eligible to receive payment of
14 the permanent fund dividends for which the individual [HE] is entitled
15 under this section if the individual [HE]

16 (1) IS AT LEAST 18 YEARS OF AGE; AND

17 (2) is a state resident during all or part of the year for
18 which the permanent fund dividend is paid.

19 * Sec. 4. AS 43.23.010 is amended by adding a new subsection to read:

20 (g) A parent, guardian, or other authorized representative may
21 claim a permanent fund dividend on behalf of an unemancipated minor or
22 on behalf of an incompetent individual who is eligible to receive a
23 payment under this section.

24 * Sec. 5. AS 43.23.020 is repealed and reenacted to read:

25 Sec. 43.23.020. APPLICATION AND PROOF OF ELIGIBILITY. (a) The
26 commissioner shall adopt regulations under the Administrative Procedure
27 Act (AS 44.62) for determining the eligibility of individuals for per-
28 manent fund dividends. The commissioner may require an individual to
29 provide proof of eligibility, and the commissioner may use other informa-

1 tion available from other state departments or agencies to determine the
2 eligibility of an individual.

3 (b) The department shall prescribe and furnish an application form
4 for claiming a permanent fund dividend. The application must contain a
5 statement of eligibility and a certification of residency in substan-
6 tially the following form:

7 I certify that

8 () I am a state resident on the date of this applica-
9 tion and I have been a state resident for _____ full
10 years; or

11 () (name), the individual on whose behalf I am apply-
12 ing is a state resident and has been a state resident
13 for _____ full years.

14 I understand that this claim for a permanent fund
15 dividend is determined by the length of residency in the
16 state after January 1, 1982.

17 I understand that a false claim of residency to ob-
18 tain a permanent fund dividend for myself or for another
19 is a criminal offense and that if convicted I will forfeit
20 future permanent fund dividends and that I must repay all
21 permanent fund dividends that have been paid to me. I
22 understand that this penalty is in addition to any crim-
23 inal penalties imposed.

24 _____
25 (signature of individual, parent,
26 guardian, or other authorized
27 representative)

28 (c) Except as provided in (d) of this section or as may be provided
29 by regulations adopted by the department, an individual must personally

1 sign the application for permanent fund dividends, including the certi-
2 fication of residency required under (b) of this section.

3 (d) The application and certification of residency of an unemanci-
4 pated individual under 18 years of age or of an incompetent individual
5 must be signed by the individual's parent, legal guardian, or other
6 authorized representative.

7 (e) If a public agency claims a permanent fund dividend on behalf
8 of an individual, the public agency shall hold the dividend in trust for
9 the individual. Money held in trust under this subsection shall be
10 invested by the commissioner in accordance with AS 37.10.070.

11 (f) A minor or an incompetent individual may not maintain a claim
12 against the state or an officer or employee of the state based on the
13 manner in which the parent, guardian, or authorized representative other
14 than a public agency of the state managed or disposed of permanent fund
15 dividends received on behalf of the minor or incompetent individual.

16 (g) If an individual is aggrieved by a decision of the department
17 determining the individual's eligibility for a permanent fund dividend
18 or the individual's authority to claim a permanent fund dividend on
19 behalf of another, the individual may appeal that decision to the super-
20 ior court in accordance with AS 44.62.560. An appeal under this section
21 does not entitle the aggrieved individual to a trial de novo. The
22 appeal shall be based on the record of the administrative proceeding
23 from which appeal is taken and the scope of appeal is limited to matters
24 contained in the record of the administrative proceeding.

25 (h) The penalty and enforcement provisions of AS 43.23.040 apply
26 to an individual who claims a permanent fund dividend on behalf of
27 another.

28 * Sec. 6. AS 43.23 is amended by adding a new section to read:

29 Sec. 43.23.014. PAYMENTS FOR PRIOR YEARS. (a) Beginning with

1 application for permanent fund dividends filed during 1983 and for each
2 year after that, an individual who becomes 18 years of age on or before
3 the last day for filing an application during a year may file a claim
4 for and receive permanent fund dividends for all prior years in which
5 the individual would have been eligible under AS 43.23.010 if the indi-
6 vidual had then been 18 years of age. This section creates a right to
7 receive permanent fund dividends for prior years that vests in an indi-
8 vidual when the individual becomes 18 years of age.

9 (b) A claim for permanent fund dividends for prior years under
10 this section may be filed even if the individual is not a state resident
11 at the time the individual makes the claim.

12 (c) In order to receive a permanent fund dividend for a prior
13 year, an individual must file a claim for all prior dividends within one
14 year after reaching the age of 18 and within the time limits established
15 under AS 43.23.060(3) for the current year's application. Failure to
16 file a claim for permanent fund dividends for prior years within this
17 period waives all entitlement to those dividends. The department shall
18 prescribe and make available forms for claims for permanent fund divi-
19 dends for prior years, and may require proof of eligibility in addition
20 to that required for a current year under AS 43.23.020(a).

21 (d) The value of a permanent fund dividend for a prior year is the
22 value published by the commissioner under AS 43.23.030 for that prior
23 year. Interest on permanent fund dividends paid for a prior year under
24 this section is computed and paid from January 1 of the year following
25 that year, using the average rate of return earned since that time by
26 the dividend fund established in AS 43.23.050.

27 (e) Nothing in this section prevents an individual from claiming
28 and receiving a permanent fund dividend under AS 43.23.010 during the
29 current year in which the individual is eligible.

1 * Sec. 7. AS 43.23.020 is amended by adding new subsections to read: .

2 (c) Beginning with application for a permanent fund dividend filed
3 during 1983 and each year after that, an individual who is a parent or
4 legal guardian of a minor child who is a resident of the state, shall
5 provide to the department the following information with respect to each
6 minor child:

7 (1) full name;

8 (2) date of birth;

9 (3) current address if different from the parent or guardian's
10 address; and

11 (4) other information required by the department relating to
12 the future eligibility of the child to claim a prior year permanent fund
13 dividend.

14 (d) The department shall maintain a record of the information
15 provided under (c) of this section for each minor child until the time
16 for that child to file a claim for prior year permanent fund dividends
17 has expired. The information required in (c) of this section may be
18 used only to estimate the number of future claims for prior year divi-
19 dends and to verify the eligibility of individuals who have filed claims
20 for prior year dividends. This information may be used in place of
21 other proof of eligibility permitted under (a) of this section and under
22 AS 43.23.014(c). The failure of a parent or guardian to provide the
23 information required by (c) of this section does not affect the child's
24 eligibility in the future to receive payment for a prior year dividend.

25 * Sec. 2. AS 43.23.030(1) is amended to read:

26 (1) determining the amount of income of the Alaska permanent
27 fund transferred to the dividend fund under AS 43.23.050(b) in the
28 current year [, LESS THE AMOUNT, IF ANY, TO BE REPaid IN THE CURRENT
29 YEAR TO THE GENERAL FUND UNDER AS 43.23.050(c)];

1 * Sec. 9. AS 43.23.030(2) is amended to read:

2 (2) determining the number of permanent fund dividends paid
3 during the current year and an estimate of the number of permanent fund
4 dividends for the current year that individuals under 18 years of age
5 will be eligible to claim in the future as dividends for a prior year
6 under AS 43.23.014; and

7 * Sec. 10. AS 43.23.040 is repealed and reenacted to read:

8 Sec. 43.23.040. PENALTIES AND ENFORCEMENT. (a) In addition
9 to any criminal penalties imposed by state law, if an individual
10 is convicted of a crime in connection with a false statement made
11 in a certification required under AS 43.23.020, and the conviction
12 is not reversed, that individual forfeits all permanent fund divi-
13 dends paid and is not eligible for a future permanent fund divi-
14 dend.

15 (b) If the commissioner determines that a permanent fund dividend
16 should not have been claimed by or paid to an individual, the commis-
17 sioner may use all collection procedures or remedies available for
18 collection of taxes under this title to recover the payment of a per-
19 manent fund dividend that was improperly made. A notice of an improperly
20 paid dividend must be sent to the individual within 10 years after the
21 improper payment. If notice is not sent within the 10-year period,
22 proceedings may not be commenced in court for recovery of the improper
23 payment.

24 * Sec. 11. AS 43.23.050(a) is amended to read:

25 (a) The dividend fund is established as a separate fund in the
26 state treasury. The dividend fund shall be administered by the commis-
27 sioner and may be invested by the commissioner in the same manner pro-
28 vided for the investment of the Alaska permanent fund under AS 37.13.-
29 120. Money in the dividend fund and any interest earned from investment

1 of money in the dividend fund shall be used to pay permanent fund divi-
2 dends annually [AND TO REPAY LOANS FROM THE GENERAL FUND AS PROVIDED IN
3 (c) OF THIS SECTION].

4 * Sec. 12. AS 43.23.050(b) is amended to read:

5 (b) Notwithstanding any contrary provision of law, each [EACH]
6 year the commissioner shall transfer to the dividend fund 50 percent of
7 the income of the Alaska permanent fund [WHICH WAS] earned during the
8 fiscal year ending on June 30 of the current [PRECEDING] year and [WHICH
9 IS] available for distribution [UNDER AS 37.13.140].

10 * Sec. 13. AS 43.23.050 is amended by adding new subsections to read:

11 (d) Each year the department shall pay from the dividend fund all
12 permanent fund dividends payable to eligible individuals for the current
13 year and all permanent fund dividends for prior years, including inter-
14 est, payable that year to eligible individuals. The money remaining
15 each year after these payments are made, and any interest earned from
16 investment of money in the dividend fund, remains in the fund to pay
17 claims for prior year permanent fund dividends.

18 (e) The department shall review the status of the fund every four
19 years beginning in 1925 to determine whether there is sufficient money
20 in the fund to pay future claims for prior year permanent fund divi-
21 dends. On August 1 of the year of a review the commissioner shall
22 certify the amount of excess or deficient funds, as the case may be. If
23 there is an excess, the amount of income described in AS 43.23.030(1)
24 shall be increased by the amount of the excess for purposes of deter-
25 mining the value of a permanent fund dividend under AS 43.23.030 to be
26 paid in the following year. If there is a deficiency, the amount of
27 income described in AS 43.23.030(1) shall be reduced by the amount of
28 the deficiency for purposes of determining the value of a permanent fund
29 dividend under AS 43.23.030 to be paid in the following year.

1 * Sec. 14. AS 43.23.060 is amended by adding a new paragraph to read:

2 (5) adopt regulations under the Administrative Procedure Act
3 (AS 44.62) that establish procedures and time limits for an individual
4 upon emancipation or upon reaching majority to apply for permanent fund
5 dividends not received during minority because the parent, guardian, or
6 other authorized representative did not apply on behalf of the indi-
7 vidual.

8 * Sec. 15. AS 43.23.070 is amended by adding a new subsection to read:

9 (d) No exemption is available under this section for permanent
10 fund dividends taken to satisfy child support obligations required by
11 court order or decision of the child support enforcement agency under
12 AS 47.23.140 - 47.23.220.

13 * Sec. 16. AS 43.23.080 is repealed and reenacted to read:

14 Sec. 43.23.080. ELIGIBILITY FOR STATE PROGRAMS. No program admin-
15 istered by the state or any of its instrumentalities or municipalities,
16 the eligibility for which is based on financial need, shall consider a
17 permanent fund dividend as income or resources unless required to do so
18 by federal law or regulation.

19 * Sec. 17. AS 43.23 is amended by adding a new section to read:

20 Sec. 43.23.087. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In deter-
21 mining the eligibility of an individual under a public assistance
22 program administered by the Department of Health and Social Services and
23 in which eligibility for assistance is based on financial need, the
24 Department of Health and Social Services may not consider a permanent
25 fund dividend as income or resources received by the recipient of public
26 assistance or by a member of the recipient's household unless required
27 to do so by federal law or regulation. The Department of Health and
28 Social Services shall notify all recipients of public assistance of the
29 effects of receiving a permanent fund dividend.

1 (b) An individual who is denied medical assistance under Title XIX
2 of the federal Social Security Act (42 U.S.C. 196 et seq.) solely
3 because of the receipt of a permanent fund dividend by the individual or
4 by a member of the individual's household is eligible for state-funded
5 medical assistance under the general relief assistance program (AS 47.-
6 25.120 - 47.25.300). The individual shall receive, for a period not to
7 exceed four months, the same level of medical assistance as the indi-
8 vidual would have received under Title XIX of the federal Social Security
9 Act had there been no permanent fund dividend program.

10 (c) An individual who is denied assistance solely because permanent
11 fund dividends received by the individual or a member of the individual's
12 household are counted as income or resources under federal law or regu-
13 lation is eligible for cash assistance under the general relief assis-
14 tance program (AS 47.25.120 - 47.25.300). Notwithstanding the limit in
15 AS 47.25.130, the individual is entitled to receive, for a period not to
16 exceed four months, the same amount as the individual would have re-
17 ceived under other public assistance programs had there been no permanent
18 fund dividend program.

19 * Sec. 18. LOANS FORGIVEN. Any loans made to the dividend fund from the
20 general fund under AS 43.23.050(c), repealed in sec. 21 of this Act, out-
21 standing on the effective date of sec. 21 of this Act, are forgiven.

22 * Sec. 19. 1982 PERMANENT FUND DIVIDEND DISTRIBUTION. (a) An individual
23 is eligible to receive one permanent fund dividend for 1982 if the individual
24 applies to the department, and if on the date of application the individual

25 (1) is a state resident; and

26 (2) has been a state resident for a period of at least six con-
27 secutive months immediately preceding the date of application.

28 (b) The amount of each dividend for 1982 is \$1,000.

29 (c) The requirement of application to the department under (a) of this

1 section is satisfied if

2 (1) an individual before the effective date of this section and
3 during 1962 filed an application with the department under AS 43.23.010;

4 (2) an individual files an application with the department under
5 this section within the time limits established by the department in regula-
6 tions adopted under (e) of this section; or

7 (3) a parent, guardian, or other authorized representative claims
8 a permanent fund dividend on behalf of an unemancipated minor or an incompe-
9 tent individual who is eligible to receive a payment under this section.

10 (d) A minor or an incompetent individual may not maintain a claim
11 against the state or an officer or employee of the state based on the manner
12 in which the parent, guardian, or authorized representative other than a
13 public agency of the state managed or disposed of permanent fund dividends
14 received on behalf of the minor or incompetent individual.

15 (e) As soon as possible after the effective date of this section, the
16 department shall issue warrants for permanent fund dividends to eligible
17 individuals who before the effective date of this section and during 1962
18 filed applications with the department under AS 43.23.010. The department
19 shall make application forms available to all other applicants and may con-
20 tinue to use the application forms prepared under AS 43.23.020(b) for appli-
21 cations under this section. The department shall adopt as emergency regula-
22 tions under AS 44.62.250 procedures and time limits for claiming a permanent
23 fund dividend under this section. The deadline for claiming a permanent fund
24 dividend under this section may not be later than 120 days after the effec-
25 tive date of this section. Payments shall be made as soon as possible after
26 the department determines that an applicant is eligible for the payment.

27 (f) The provisions of this section and AS 43.23.015, 43.23.035, 43.23.-
28 055(3), 43.23.065, 43.23.075, 43.23.085, and 43.23.095 as set out in sec. 1
29 of this Act apply to the distribution of permanent fund dividends during

1 1982, notwithstanding any contrary provisions of AS 43.23 and notwithstanding
2 the fact that those provisions may not be enacted into law before the effec-
3 tive date of this section.

4 (g) Income of the Alaska permanent fund for fiscal year 1982 transferred
5 to the dividend fund may not be used for payment of permanent fund dividends
6 during 1982, but must remain in the dividend fund and be used for payment of
7 permanent fund dividends during 1983 along with the fiscal year 1983 earnings
8 of the Alaska permanent fund transferred to the dividend fund.

9 (h) The permanent fund dividend distribution under this section is in
10 place of any distribution under AS 43.23 for the years 1979 - 1981.

11 * Sec. 20. Section 4, ch. 21, SLA 1980, is repealed.

12 * Sec. 21. AS 43.23.010(d) and 43.23.050(c) are repealed.

13 * Sec. 22. AS 43.23.010, 43.23.014, 43.23.020, 43.23.030, 43.23.040,
14 43.23.050, 43.23.060, 43.23.070, 43.23.080, 43.23.090, and 43.23.100 are re-
15 pealed.

16 * Sec. 23. Sections 6, 7, 9, and 13 of the Act are repealed.

17 * Sec. 24. (a) This section applies only to the determination of the
18 value of a permanent fund dividend to be paid in 1983 and applies only if
19 permanent fund dividends are distributed under sec. 19 of this Act on or
20 after October 19, 1982, and if, after that date, the United States Supreme
21 Court decides that AS 43.23.010 is valid.

22 (b) Notwithstanding any contrary provisions of AS 43.23.030, by
23 December 1, 1982, the commissioner of revenue shall give public notice of the
24 value of each permanent fund dividend to be paid in 1983. The commissioner
25 shall determine that value by

26 (1) determining the amount of income of the Alaska permanent fund
27 for fiscal year 1982 and fiscal year 1983 transferred to the dividend fund
28 under AS 43.23.050(b);

29 (2) determining the number of permanent fund dividends that would

1 have been paid during 1982 if sec. 19 of this Act had not taken effect and an
2 estimate of the number of permanent fund dividends for a prior year under
3 AS 43.23.014; and

4 (3) dividing the amount determined in (1) of this subsection by
5 the amount determined in (2) of this subsection.

6 * Sec. 25. If secs. 2 - 5 of this Act take effect under the provisions of
7 sec. 27 of this Act, then all other provisions of AS 43.23, as enacted in
8 ch. 21, SLA 1980 and as amended in secs. 8, 10 - 12, and 14 - 17 of this Act,
9 remain in effect.

10 * Sec. 26. Notwithstanding the provisions of AS 43.23.014(c), enacted in
11 sec. 6 of this Act, which require an individual to file an application for
12 prior year permanent fund dividends within one year after reaching 18 years
13 of age, an individual may file a claim during 1983 for permanent fund divi-
14 dends for all prior years for which the individual is eligible if that
15 individual has turned 18 years of age on or before the last day for filing an
16 application during 1983.

17 * Sec. 27. Sections 2 - 5, and 23 - 25 of this Act take effect 60 days
18 after the date that the United States Supreme Court decides that AS 43.23.010
19 is invalid but also decides that AS 43.23.010 would not violate the United
20 States Constitution if the amount of a permanent fund dividend were deter-
21 mined by accumulated years of residency in the state beginning on or after
22 January 1, 1979.

23 * Sec. 28. Sections 1 and 22 of this Act take effect 60 days after the
24 date that the United States Supreme Court decides that AS 43.23.010 is in-
25 valid because the amount of a permanent fund dividend is determined by accu-
26 mulated years of residency in the state whether those years are counted
27 before or after January 1, 1979.

28 * Sec. 29. Sections 6 - 18, 20, 21, and 26 of this Act take effect
29 immediately in accordance with AS 01.10.070(c).

1 * Sec. 30. Section 19 of this Act takes effect on the date that the .
2 United States Supreme Court decides that AS 43.23.010 is for any reason
3 invalid or on October 19, 1982, if the United States Supreme Court has not
4 reached a decision as to the validity of AS 43.23.010 by that date.

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSB842(Fin)am

Title: Providing for Permanent Fund dividends.

Requested by: House Finance Committee

Date: May 13, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: General Government

BRU, Program, or Subprogram(s) Affected: Administrative & Public Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	701.8	-	-	-	-
200 TRAVEL	-	65.0	-	-	-	-
300 CONTRACTUAL	-	762.5	-	-	-	-
400 COMMODITIES	-	5.0	-	-	-	-
500 EQUIPMENT	-	125.0	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	1,659.3	-	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-
FY 83 PFD appropriation of \$150,400,000	-	1,659.3	-	-	-	-

POSITIONS

FULL TIME	-	9/108mm	-	-	-	-
PART TIME	-	30/188mm	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The Governor's Budget request for FY 83 contains administrative costs and payments funding for 1981 Permanent Fund Dividends. However, SB 842 adds alternatives not contained in the Governor's Budget. These additional administrative costs are requested to be funded from the \$150,400,00 permanent fund dividend amount requested in the Governor's Budget for FY 83. Administrative costs can be applied to the \$150,400,000 because the total payments to be made under SB 842 are less than those originally planned by the Governor. The appropriation for permanent fund dividends authorized in FY 81 was comprised of administrative costs and funding for dividend payments. The source of funding for the Fiscal Note continues that same procedure.

See the attached detail.

IV. DATE: May 13, 1982

PREPARED BY:  P.A. Wall

AGENCY: Revenue

PHONE: 465-2313

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

SB 842

FY84 will reflect actual cost of alternative finally implemented. The above costs assume a worse case situation of per capita distribution late in calendar year 1982 which includes another form and assistance for minors followed later by invalidation of the present law and implementation of a new PFD program for 1983.

Any expenditure made under the operating budget for FY83 will not be made under this allocation.

There is adequate funding in the appropriation for both administrative costs and payment of the Permanent Fund Dividends.

Positions -

9 positions - to continue positions presently authorized in support of AS 43.23 which provide:

- a. Recruitment, hiring, EEO and contract administration, lease accounting and related personnel/payroll services.
- b. Design and/or modification of computerized distribution system for eligible individuals. Maintain existing system which provides for the immediate distribution of dividend payments to eligible individuals who applied in 1980 and 1981.
- c. Forms procurement and distribution, accounts payable including voucher preparation. Supply services. Trust accounting for Treasury.
- d. Assistance to the public through response to phone, mail and in-person inquiries at service counters and in rural communities.

Administrative Services -

PFT PCN 1100, R 12D @ \$2,073 mo plus
32% costs = 32.8

PFT PCN 1124, R 18F @ \$3,371 mo plus
32% costs = 53.4

PFT PCN 1104, R 8A @ \$1,393 mo plus
32% costs = 22.1

9 PPT Tax Scanners R 8 @ \$1,487 mo plus
32% costs for 9 mos = 159.0

Batch control, correction dividend payment
release, stop payments on garnishments and
other attachments, data capture of applications,

address changes and amendments, mail opening and distribution, document control, numbering, batching.

3 PPT Tax Scanners R8 @ \$1,487 mo
plus 32% costs for 3 months = 17.7

Provide for 147,000 minor and incompetent applications, batch control, correction, dividend payment release, data capture, mail opening and distribution, document control, numbering and batching. Trust accounting necessary for Treasury.

Total Administrative Services positions for FY83 = 285.0

Public Services -

PFT PCN 2018, R 12 C @ \$2,010 mo plus
32% costs = 31.8

PFT PCN 2019, R 20F @ \$3,851 mo plus
32% costs = 61.0

PFT PCN 2027, R 7A @ \$1.408 mo plus
32% costs = 22.3

PFT PCN 2030, R 15F @ \$2,379 mo plus
32% costs = 43.4

PFT PCN 2033, R 18B @ \$2,640 mo plus
32% costs = 41.8

PFT PCN 2099, R 8B @ \$1,530 mo plus
32% costs = 24.2

11 PPT Tax Scanners R 8 @ \$ 1,487 mo
plus 32% costs for 7 mos =151.1

Phone, letter and counter response to inquiries at Juneau, Anchorage and Fairbanks. Application assistance in urban and rural communities. Receipt, filing and re-issue of returned undeliverable and unclaimed dividend payments. Furnish copies of applications upon authorized request.

7 PPT Tax Scanners R8 @ \$1,487 mo.
plus 32% costs for 3 months = 41.2

Total Public Services Positions for FY83	=	<u>416.8</u>
Total Positions for FY83		<u>701.8</u>
<u>Other Expenditures -</u>		
Contractual:		
Forms and Instructions:		
250,000 pre-addressed @ \$78 mm	=	22.1
150,000 for handout and response to requests @ \$13 mm	=	2.0
Postage:		
Correspondence - 10,000 @ .25	=	5.5
Forms and instructions -		
250,000 @ .22	=	75.0
50,000 @ .25	=	32.5
Dividend payment warrants - 434,000 @ .25 and remailing returned warrants-	=	101.2
Data Processing (includes development, data capture and production:		
Computer Resource Units: 90,000 @ 1.25 per unit	=	162.0
Common output units: 275 @ 31 (reports, warrants, com)	=	12.5
Storage Units: Master and distribution file: 3,700 @ \$14	=	74.2
Miscellaneous including garnishments: 500 @ \$14	=	14.8
Backup - Tape:	=	.1
Warrant stock: 287,000 @ \$35 mm	=	15.1
Warrant Envelopes: 287,000 @ \$12.43 mm	=	5.4

Terminals:

Data Capture CRT's: @\$3,900 each	=	15.6
Data Management CRT's @ 4,600 each	=	18.4
Printer - 1 @ \$7,026	=	7.0
Controller - 1 @ \$4,679	=	4.7
Toll calls including Zenith:		
Administrative Services	=	6.0
Public Services	=	22.0
Public Services advertising, radio, TV, newspapers	=	35.0
Public Services contracting for applicant assistance	=	140.0
Miscellaneous contractual:		
Administrative Services	=	4.0
Public Services	=	6.0
Total Contractual for FY83	=	<u>762.5</u>
Travel:		
Public Services travel to provide application assistance	=	65.0
Total travel	=	<u>65.0</u>
Commodities: Administrative Services	=	2.0
Public Services	=	3.0
Total Commodities	=	<u>5.0</u>
Equipment - Microfilm System	=	125.0
Total Equipment	=	<u>125.0</u>

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSB 842 (Fin)am
 Title: An act providing for permanent fund dividends
 Requested by: House Finance Date: May 13, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: General Government
 BRU, Program, or Subprogram(s) Affected: Enforcement Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	648.5	-	-	-	-
200 TRAVEL	-	41.0	-	-	-	-
300 CONTRACTUAL	-	68.5	-	-	-	-
400 COMMODITIES	-	4.8	-	-	-	-
500 EQUIPMENT	-	14.4	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	777.2	-	-	-	-

Funding for FY 84 thru FY 87 will continue at 7 percent inflation factor.

FUNDING (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-
FY 83 PFD approp. of \$150,400,000	-	777.2	-	-	-	-

POSITIONS

FULL TIME	-	22/264mm	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The Governor's Budget request for FY 83 contains administrative costs and payment funding for 1981 permanent fund dividends. However, SB 842 adds alternatives not contained in the Governor's Budget. These additional administrative costs are requested to be funded from the \$150,400,000 permanent fund dividend amount requested in the Governor's Budget for FY 83. Administrative costs can be applied to the \$150,400,000 because the total payments to be made under SB 842 are less than those originally planned by the Governor. The appropriation for permanent fund dividends authorized in FY 81 was comprised of administrative costs and funding for dividend payments. The source of funding for this fiscal note continues that same procedure.

Analysis and expenditure detail is attached.

Marilla L. Gemmer

IV. DATE: May 13, 1982

PREPARED BY: Marilla L. Gemmer, Director
 AGENCY: Department of Revenue
 PHONE: (907) 465-2366

Original: Legislative Finance

cc: Budget and Management
 Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

CSSB 842(Fin)am
Analysis & Expenditure Detail for
Enforcement Division

Under this bill the impact on the Enforcement Division will be Sec. 43.23.015 (or .020) which will require the determination of an individual's proof of eligibility; Sec. 43.23.035 (or .040) which allows for the collection of permanent fund dividends that are improperly made and Sec. 43.23.065 (or .070) which allows for the levy, execution, garnishment or attachment of 50% of an individual's Permanent Fund Dividend payment.

For the base year which is 1982, the filing period will be re-opened to allow all those individuals to file who qualified for 1979 and 1980 dividends but for any reason did not. With the reduction in the eligibility requirements it will also allow a greater number of residents to apply who did not qualify in 1980 or 1981. With this in mind, we estimate 276,971 applications for the 1982 base year.

The addition of minors will result in approximately 147,000 more applications and payments. Determining the eligibility of minors who are not in school, who have not received a social security number, who are involved in name changes, or those children whose divorced parents have joint custody will be most difficult.

To fulfill the requirements of Sec. 43.23.015 (or .020), we will need 3 Eligibility Technicians.

To fulfill the requirements of Sec. 43.23.035 (or .040), we will need one Revenue Enforcement Officer position.

To fulfill the requirements of Sec. 43.23.065 (or .090) we will need one Accounting Technician I.

The Clerk Typist III position will provide clerical support for the Enforcement Officer and 2 of the Eligibility Technicians who will be stationed in Anchorage.

To fulfill the requirements of AS 43.23.005 (or .010 or .020) we will need 1 Revenue Enforcement Officer, 2 Eligibility Technicians and 1 Clerk Typist III for clerical support.

Expenditure detail:

Personal Services		
Current staff - 12 positions	\$377.9	
New positions - 10 positions	<u>270.6</u>	\$648.5
Travel	<u>41.0</u>	41.0
Contractual		
Five CRT's - Anchorage	23.2	
Two CRT's - Juneau	9.3	
Space	18.4	
Telephone, postage, misc.	<u>17.6</u>	68.5
Commodities	<u>4.8</u>	4.8
Equipment for 10 new positions	14.4	<u>14.4</u>
		<u>\$777.2</u>

MLG:1w

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSB842(Fin)am

Title: Providing for Permanent Fund Dividends.

Requested by: House Finance Committee Date: May 13, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Treasury Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	57.8	-	-	-	-
200 TRAVEL	-	4.0	-	-	-	-
300 CONTRACTUAL	-	90.0	-	-	-	-
400 COMMODITIES	-	3.0	-	-	-	-
500 EQUIPMENT	-	5.0	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	159.8	-	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-
FY 83 PFD appropriation of \$150,400,000	-	159.8	-	-	-	-

POSITIONS

FULL TIME	-	1	-	-	-	-
PART TIME	-	1	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The Governor's Budget request for FY 83 contains administrative costs and payments funding for 1981 Permanent Fund Dividends. However, SB 842 adds alternatives not contained in the Governor's Budget. These additional administrative costs are requested to be funded from the \$150,400,00 permanent fund dividend amount requested in the Governor's Budget for FY 83. Administrative costs can be applied to the \$150,400,000 because the total payments to be made under SB 842 are less than those originally planned by the Governor. The appropriation for permanent fund dividends authorized in FY 81 was comprised of administrative costs and funding for dividend payments. The source of funding for the Fiscal Note continues that same procedure.

Dividend Fund established as separate fund in Treasury. Used to pay permanent fund dividends annually.

Personal Services is for half-time Investment Officer II (R22,X) and full-time Accounting Tech. II (R14,G) for associated accounting and reporting. Contractual Services: Comm. \$5.0; Print & Adv. \$10.0; Safekeeping and related reporting/accounting \$50.0; Audit \$20.0; Misc. \$5.0. Equipment is for new positions.

IV. DATE: May 13, 1982

PREPARED BY: Anselm C. Staack

A. Staack
Treasury Comptroller

AGENCY: Dept. of Revenue, Treasury Div.

PHONE: 465-2350

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Original sponsor: Rules/Governor

Offered: 4/12/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 842 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for permanent fund dividends; and
7 providing for an effective date."

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

9 * Section 1. AS 43.23 is amended by adding new sections to read:

10 Sec. 43.23.005. ELIGIBILITY. (a) An individual is eligible to
11 receive one permanent fund dividend each year in an amount to be deter-
12 mined under AS 43.23.035 if he applies to the department, and if on the
13 date of application the individual

14 (1) is at least 18 years of age;

15 (2) is a state resident; and

16 (3) has been a state resident for a period of at least twelve
17 consecutive months immediately preceding the date of application.

18 (b) In determining the minimum period of an individual's residency
19 required under (a)(3) of this section, the department may include months
20 of residency both in the current year and in the immediately preceding
21 year.

22 Sec. 43.23.015. PERMANENT FUND DIVIDENDS FOR PRIOR YEARS. (a)
23 Beginning with application for the 1983 permanent fund dividend and for
24 each year after that, an individual who becomes 18 years of age on or
25 before the last day for filing an application during a year may file a
26 claim for and receive permanent fund dividends for all prior years
27 beginning on or after January 1, 1982, in which he would have been
28 eligible under AS 43.23.005 if he had then been 18 years of age.

29 (b) A claim for permanent fund dividends for prior years under

1 this section may be filed even if the individual is not a state resident
2 at the time the claim is filed.

3 (c) In order to receive a permanent fund dividend for a prior
4 year, an individual must file a claim for all prior dividends within one
5 year after reaching the age of 18 and within the time limits established
6 under AS 43.23.065(2) for the current year's application. Failure to
7 file a claim for permanent fund dividends for prior years within this
8 period waives all entitlement to those dividends. The department shall
9 prescribe and make available forms for claims for permanent fund divi-
10 dends for prior years, and may require proof of eligibility in addition
11 to that required for a current year under AS 43.23.025(a).

12 (d) The value of a permanent fund dividend for a prior year is the
13 value published by the commissioner under AS 43.23.035 for that prior
14 year. Interest on permanent fund dividends paid for a prior year under
15 this section is computed and paid from January 1 following the year for
16 which the individual is entitled to a prior year dividend, using the
17 average rate of return earned since that time by the dividend fund
18 established in AS 43.23.055.

19 (e) Nothing in this section prevents an individual from claiming
20 and receiving a permanent fund dividend under AS 43.23.005 for the
21 current year for which he is eligible.

22 Sec. 43.23.025. PROOF OF ELIGIBILITY. (a) The commissioner shall
23 adopt regulations under the Administrative Procedure Act (AS 44.62) for
24 determining the eligibility of individuals for permanent fund dividends.
25 The commissioner may require an individual to provide proof of eligibil-
26 ity, and he may use other information available to him from other state
27 departments or agencies to determine the eligibility of an individual.

28 (b) The department shall prescribe and furnish an application form
29 for claiming a permanent fund dividend. The application must contain a

1 statement of eligibility and a certification of residency in substan-
2 tially the following form:

3 I certify that I am a state resident on the date of
4 this application and that I have been a state resident
5 for at least twelve months immediately preceding the date
6 of this application. I also understand that a false
7 claim of residency to obtain a permanent fund dividend
8 is a criminal offense and that if convicted I will for-
9 feit all permanent fund dividends and that I must repay
10 all permanent fund dividends that have been paid to me.
11 I understand that this penalty is in addition to any
12 criminal penalties imposed.

13 _____
14 (signature of individual)

15 (c) Beginning with application for the 1983 permanent fund divi-
16 dend and for each year after that, an individual who is a parent or legal
17 guardian of a minor child who is a resident of the state shall provide to
18 the department the following information with respect to each minor child:

19 (1) full name;
20 (2) date of birth;
21 (3) current address if different from the parent's or
22 guardian's address; and

23 (4) other information required by the department relating to
24 the future eligibility of the child to claim a prior year permanent fund
25 dividend under AS 43.23.015.

26 (d) The department shall maintain a record of the information
27 provided under (c) of this section for each minor child until the time
28 for that child to file a claim for prior year permanent fund dividends
29 has expired. The information required in (c) of this section may be

1 used only to estimate the number of future claims for prior year perma-
2 nent fund dividends and to verify the eligibility of individuals who
3 have filed claims for prior year permanent fund dividends. This infor-
4 mation may be used in place of other proof of eligibility permitted
5 under (a) of this section and under AS 43.23.015(c). The failure of a
6 parent or guardian to provide the information required by (c) of this
7 section does not affect the child's eligibility in the future to receive
8 payment for a prior year permanent fund dividend.

9 Sec. 43.23.035. AMOUNT OF DIVIDEND. By September 1 of each year
10 the commissioner shall give public notice of the value of each permanent
11 fund dividend for that year. The commissioner shall determine the value
12 of a permanent fund dividend by

13 (1) determining the amount of income of the Alaska permanent
14 fund transferred to the dividend fund under AS 43.23.055(b) during the
15 current year;

16 (2) determining the number of individuals eligible to receive
17 a dividend payment for the current year plus an estimate of the number
18 of individuals under 18 years of age who will be eligible in the future
19 to claim a dividend for the current year as a prior year dividend under
20 AS 43.23.015; and /

21 (3) dividing the amount determined in (1) of this section by
22 the amount determined in (2) of this section.

23 Sec. 43.23.045. PENALTIES AND ENFORCEMENT. (a) In addition to
24 any criminal penalties imposed by state law, if an individual is con-
25 victed of a crime in connection with a false statement made in a certi-
26 fication required under AS 43.23.025, and the conviction is not reversed
27 that individual forfeits all permanent fund dividends paid to him and is
28 not eligible for a future permanent fund dividend.

29 (b) If the commissioner determines that a permanent fund dividend

1 should not have been claimed by or paid to an individual, he may use all
2 collection procedures or remedies available for collection of taxes
3 under this title to recover the payment of a permanent fund dividend
4 that was improperly made. A notice of an improperly paid dividend must
5 be sent to the individual within 10 years after the improper payment.
6 If notice is not sent within the 10-year period, proceedings may not be
7 commenced in court for recovery of the improper payment.

8 Sec. 43.23.055. DIVIDEND FUND. (a) The dividend fund is estab-
9 lished as a separate fund in the state treasury. The dividend fund
10 shall be administered by the commissioner and shall be invested by the
11 commissioner in the same manner as provided in AS 37.10.070.

12 (b) Each year the commissioner shall transfer to the dividend fund
13 50 percent of the income of the Alaska permanent fund earned during the
14 fiscal year ending on June 30 of the current year and available for
15 distribution under AS 37.13.130.

16 (c) Each year the department shall pay from the dividend fund all
17 permanent fund dividends payable to eligible individuals for the current
18 year and all permanent fund dividends for prior years, including inter-
19 est, payable that year to eligible individuals. The money remaining
20 each year after these payments are made, and any interest earned from
21 investment of money in the dividend fund, remains in the dividend fund
22 to pay future claims for prior year permanent fund dividends.

23 (d) The department shall review the status of the dividend fund
24 every four years beginning in 1987 to determine whether there is suffi-
25 cient money in the fund to pay future claims for prior year permanent
26 fund dividends. On August 1 of the year of a review the commissioner
27 shall certify the amount of excess or the deficiency of money, as the
28 case may be. If there is an excess, the amount of income described in
29 AS 43.23.035(1) shall be increased by the amount of the excess for

1 purposes of determining the value of a permanent fund dividend for that
2 year under AS 43.23.035. If there is a deficiency, the amount of income
3 described in AS 43.23.035(1) shall be reduced by the amount of the
4 deficiency for purposes of determining the value of a permanent fund
5 dividend for that year under AS 43.23.035.

6 (e) The department may adopt by regulation a plan that, to the
7 extent permitted by federal law, will allow an individual who elects to
8 participate in the plan to select an optional disbursement of the divi-
9 dend payment that would have the effect of deferring payment of all or a
10 portion of federal income taxes on the receipt of a permanent fund
11 dividend.

12 Sec. 43.23.065. DUTIES OF THE DEPARTMENT. The department shall

13 (1) annually pay permanent fund dividends from the dividend
14 fund;

15 (2) adopt regulations under the Administrative Procedure Act
16 (AS 44.62) that establish procedures and time limits for claiming a
17 permanent fund dividend; the department shall set the time limit for
18 applications for permanent fund dividends so that the number of eligible
19 applicants is determined by September 1 and permanent fund dividends for
20 a year are paid before December 31 of that year; and

21 (3) assist residents of the state, particularly in rural
22 areas, who because of language, illness, old age, or inaccessibility to
23 public transportation need assistance to establish eligibility and to
24 apply for permanent fund dividends.

25 Sec. 43.23.075. EXEMPTION OF PERMANENT FUND DIVIDENDS. Fifty
26 percent of the annual permanent fund dividend payable to an individual
27 is exempt from levy, execution, garnishment, attachment, or any other
28 remedy for the collection of debt. This exemption applies to an eligible
29 individual's permanent fund dividend both before and after payment is

1 made to the individual and applies even if the dividend payment is
2 commingled with other money of the individual. The exemption under this
3 section does not apply to obligations for child support.

4 Sec. 43.23.085. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In
5 determining the eligibility of an individual under a public assistance
6 program administered by the Department of Health and Social Services in
7 which eligibility for assistance is based on financial need, the Depart-
8 ment of Health and Social Services may not consider a permanent fund
9 dividend as income or resources for the month the dividend was received
10 by the recipient of public assistance unless required to do so by
11 federal law or regulation. The Department of Health and Social Services
12 shall notify all recipients of public assistance of the effects of
13 receiving a permanent fund dividend.

14 (b) An individual who is denied medical assistance under Title
15 XIX of the federal Social Security Act (42 U.S.C. 1396 et seq) solely
16 because of the receipt of a permanent fund dividend is eligible for
17 state-funded medical assistance under the general relief assistance
18 program (AS 47.25.120 - 47.25.300). The individual shall receive the
19 same level of medical assistance as the individual would have received
20 under Title XIX of the federal Social Security Act had there been no
21 permanent fund dividend program.

22 (c) An individual who is denied assistance because permanent
23 fund dividends are counted as income or resources under federal law or
24 regulation is eligible for cash assistance under the general relief
25 assistance program (AS 47.25.120 - 47.25.300). Notwithstanding the
26 limit in AS 47.25.130, the individual shall receive the same amount as
27 the individual would have received under other public assistance pro-
28 grams had there been no permanent fund dividend program.

29 Sec. 43.23.086. ELIGIBILITY FOR STATE PROGRAMS. No program

1 administered by the state or any of its instrumentalities or municipal-
2 ities, the eligibility for which is based on financial need, shall
3 consider a permanent fund dividend as income or resources unless re-
4 quired to do so by federal law or regulation.

5 Sec. 43.23.095. DEFINITIONS. In this chapter,

6 (1) "Alaska permanent fund" means the fund established by
7 art. IX, sec. 15 of the state constitution;

8 (2) "commissioner" means the commissioner of revenue;

9 (3) "department" means the Department of Revenue;

10 (4) "dividend fund" means the fund established by AS 43.-
11 23.055;

12 (5) "individual" means a natural person;

13 (6) "permanent fund dividend" means a right to receive a
14 payment from the dividend fund;

15 (7) "state resident" means an individual who is physically
16 present in the state with the intent to remain permanently in the state
17 or, if he is not physically present in the state, intends to return to
18 the state and is absent only for any of the following reasons:

19 (A) vocational, professional, or other specific educa-
20 tion for which a comparable program was not reasonably available in
21 the state;

22 (B) secondary or postsecondary education;

23 (C) military service;

24 (D) medical treatment;

25 (E) service in Congress; or

26 (F) other reasons which the commissioner may establish
27 by regulation;

28 (8) "year" means a calendar year.

29 * Sec. 2. AS 43.23.010(a) is amended to read:

1 (a) An individual who is eligible under (b) of this section is
2 entitled to one permanent fund dividend for each full year that the
3 individual is a state resident after January 1, 1982 [1959].

4 * Sec. 3. AS 43.23.020(b)(1) is amended to read:

5 (1) a statement of eligibility and a certification of resi-
6 dency in substantially the following form:

7 I certify that I am a state resident on the date of
8 this application and I have been a state resident for
9 _____ full years and that I understand that my claim
10 for a permanent fund dividend is determined by the
11 length of my residence in the state after January 1,
12 1982 [1959]. I also understand that a false claim of
13 residency to obtain a permanent fund dividend is a
14 criminal offense and that if convicted I will forfeit
15 all permanent fund dividends and that I must repay
16 all permanent fund dividends which have been paid to
17 me. I understand that this penalty is in addition
18 to any criminal penalties imposed.

19 _____
20 (signature of individual)

21 and

22 * Sec. 4. AS 43.23 is amended by adding a new section to read:

23 Sec. 43.23.014. PAYMENTS FOR PRIOR YEARS. (a) Beginning with
24 application for permanent fund dividends filed during 1983 and for each
25 year after that, an individual who becomes 18 years of age on or before
26 the last day for filing an application during a year may file a claim
27 for and receive permanent fund dividends for all prior years in which he
28 would have been eligible under AS 43.23.010 if he had then been 18 years
29 of age.

1 (b) A claim for permanent fund dividends for prior years under
2 this section may be filed even if the individual is not a state resident
3 at the time he makes the claim.

4 (c) In order to receive a permanent fund dividend for a prior
5 year, an individual must file a claim for all prior dividends within one
6 year after reaching the age of 18 and within the time limits established
7 under AS 43.23.060(2) for the current year's application. Failure to
8 file a claim for permanent fund dividends for prior years within this
9 period waives all entitlement to those dividends. The department shall
10 prescribe and make available forms for claims for permanent fund divi-
11 dends for prior years, and may require proof of eligibility in addition
12 to that required for a current year under AS 43.23.020(a).

13 (d) The value of a permanent fund dividend for a prior year is the
14 value published by the commissioner under AS 43.23.030 for that prior
15 year. Interest on permanent fund dividends paid for a prior year under
16 this section is computed and paid from January 1 of the year following
17 that year, using the average rate of return earned since that time by
18 the dividend fund established in AS 43.23.050.

19 (e) Nothing in this section prevents an individual from claiming
20 and receiving a permanent fund dividend under AS 43.23.010 during the
21 current year in which he is eligible.

22 * Sec. 5. AS 43.23.020 is amended by adding new subsections to read:

23 (c) Beginning with application for a permanent fund dividend filed
24 during 1983 and each year after that, an individual who is a parent or
25 legal guardian of a minor child who is a resident of the state, shall
26 provide to the department the following information with respect to each
27 minor child:

28 (1) full name;

29 (2) date of birth;

1 (3) current address if different from the parent or guardian's
2 address; and

3 (4) other information required by the department relating to
4 the future eligibility of the child to claim a prior year permanent fund
5 dividend.

6 (d) The department shall maintain a record of the information
7 provided under (c) of this section for each minor child until the time
8 for that child to file a claim for prior year permanent fund dividends
9 has expired. The information required in (c) of this section may be
10 used only to estimate the number of future claims for prior year divi-
11 dends and to verify the eligibility of individuals who have filed claims
12 for prior year dividends. This information may be used in place of
13 other proof of eligibility permitted under (a) of this section and under
14 AS 43.23.014(c). The failure of a parent or guardian to provide the
15 information required by (c) of this section does not affect the child's
16 eligibility in the future to receive payment for a prior year dividend.

17 * Sec. 6. AS 43.23.030(2) is amended to read:

18 (2) determining the number of permanent fund dividends paid
19 during the current year plus an estimate of the number of dividends for
20 that year which individuals under 18 years of age will be eligible in
21 the future to claim as dividends for a prior year under AS 43.23.014;
22 and

23 * Sec. 7. AS 43.23.050 is amended by adding new subsections to read:

24 (d) Each year the department shall pay from the dividend fund all
25 permanent fund dividends payable to eligible individuals for the current
26 year and all permanent fund dividends for prior years, including inter-
27 est, payable that year to eligible individuals. The money remaining
28 each year after these payments are made, and any interest earned from
29 investment of money in the dividend fund, remains in the fund to pay

1 claims for prior year permanent fund dividends.

2 (e) The department shall review the status of the fund every four
3 years beginning in 1985 to determine whether there is sufficient money
4 in the fund to pay future claims for prior year permanent fund divi-
5 dends. On August 1 of the year of a review the commissioner shall
6 certify the amount of excess or deficient funds, as the case may be. If
7 there is an excess, the amount of income described in AS 43.23.030(1)
8 shall be increased by the amount of the excess for purposes of deter-
9 mining the value of a permanent fund dividend under AS 43.23.030 to be
10 paid in the following year. If there is a deficiency, the amount of
11 income described in AS 43.23.030(1) shall be reduced by the amount of
12 the deficiency for purposes of determining the value of a permanent fund
13 dividend under AS 43.23.030 to be paid in the following year.

14 * Sec. 8. AS 43.23.070 is amended by adding a new subsection to read:

15 (d) No exemption is available under this section for permanent
16 fund dividends taken to satisfy child support obligations required by
17 court order.

18 * Sec. 9. AS 43.23.080 is repealed and reenacted to read:

19 Sec. 43.23.080. ELIGIBILITY FOR STATE PROGRAMS. No program admin-
20 istered by the state or any of its instrumentalities or municipalities,
21 the eligibility for which is based on financial need, shall consider a
22 permanent fund dividend as income or resources unless required to do so
23 by federal law or regulation.

24 * Sec. 10. AS 43.23 is amended by adding a new section to read:

25 Sec. 43.23.087. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In
26 determining the eligibility of an individual under a public assistance
27 program administered by the Department of Health and Social Services
28 and in which eligibility for assistance is based on financial need,
29 the Department of Health and Social Services may not consider a

1 permanent fund dividend as income or resources for the month the divi-
2 dend was received by the recipient of public assistance unless required
3 to do so by federal law or regulation. The Department of Health and
4 Social Services shall notify all recipients of public assistance of the
5 effects of receiving a permanent fund dividend.

6 (b) An individual who is denied medical assistance under Title
7 XIX of the federal Social Security Act (42 U.S.C. 1396 et seq) solely
8 because of the receipt of a permanent fund dividend is eligible for
9 state-funded medical assistance under the general relief assistance
10 program (AS 47.25.120 - 47.25.300). The individual shall receive the
11 same level of medical assistance as the individual would have received
12 under Title XIX of the federal Social Security Act had there been no
13 permanent fund dividend program.

14 (c) An individual who is denied assistance because permanent
15 fund dividends are counted as income or resources under federal law or
16 regulation is eligible for cash assistance under the general relief
17 assistance program (AS 47.25.120 - 47.25.300). Notwithstanding the
18 limit in AS 47.25.130, the individual shall receive the same amount as
19 the individual would have received under other public assistance
20 programs had there been no permanent fund dividend program.

21 * Sec. 11. 1982 PERMANENT FUND DIVIDEND DISTRIBUTION. (a) This section
22 applies to the distribution of permanent fund dividends under AS 43.23 during
23 1982 only. The provisions of this section relating to the value of a perma-
24 nent fund dividend, eligibility requirements, application procedures, and
25 time limits apply to the distribution of permanent fund dividends during 1982,
26 notwithstanding any contrary provisions of AS 43.23 that are in effect on the
27 effective date of this section or that take effect after the effective date
28 of this section. All other provisions of AS 43.23 in effect on the effective
29 date of this section apply to the distribution of permanent fund dividends

1 under this section.

2 (b) An individual is eligible to receive one permanent fund dividend in
3 1982 if he applies to the department, and if on the date of application the
4 individual

5 (1) is at least 18 years of age;

6 (2) is a state resident; and

7 (3) has been a state resident for a period of at least six con-
8 secutive months immediately preceding the date of application.

9 (c) In determining the minimum period of an individual's residency
10 required under (b)(3) of this section, the department may include months of
11 residency both in 1982 and in 1981.

12 (d) The amount of each dividend for 1982 is \$1,000.

13 (e) An individual meets the requirement of applying to the department
14 under (b) of this section if the individual

15 (1) before the effective date of this section and during 1982
16 filed an application with the department under AS 43.23.010; or

17 (2) files an application with the department under this section
18 within the time limits established by the department in regulations adopted
19 under (g) of this section.

20 (f) As soon as possible after the effective date of this section, the
21 department shall issue warrants for permanent fund dividends to eligible
22 individuals. The department shall make application forms available and may
23 continue to use the application forms prepared under AS 43.23.020(b) for
24 applications under this section.

25 (g) The department may adopt regulations to govern the 1982 dividend
26 distribution as emergency regulations under AS 44.62.250.

27 (h) The income of the Alaska permanent fund for fiscal year 1982 trans-
28 ferred to the dividend fund may not be used for payment of dividends during
29 1982, but must remain in the dividend fund and be used for payment of

1 permanent fund dividends during 1983 along with the fiscal year 1983 earnings
2 of the Alaska permanent fund transferred to the dividend fund.

3 (i) In this section, "department" means the Department of Revenue.

4 * Sec. 12. Section 4, ch. 21, SLA 1980, is repealed.

5 * Sec. 13. AS 43.23.050(c) is repealed.

6 * Sec. 14. AS 43.23.010, 43.23.014, 43.23.020, 43.23.030, 43.23.040,
7 43.23.050, 43.23.060, 43.23.070, 43.23.080, 43.23.090, and 43.23.100 are re-
8 pealed.

9 * Sec. 15. If the United States Supreme Court decides that AS 43.23.010(a)
10 is invalid on the basis of the date specified in that subsection, then the
11 language specifying that date is severable, and all other provisions of
12 AS 43.23, as enacted in ch. 21, SLA 1980, remain in effect.

13 * Sec. 16. Notwithstanding the provisions of AS 43.23.014(c), enacted in
14 sec. 4 of this Act, which require an individual to file an application for
15 prior year permanent fund dividends within one year after reaching 18 years
16 of age, an individual may file a claim during 1983 for permanent fund divi-
17 dends for all prior years for which he is eligible if that individual has
18 turned 18 years of age on or before the last day for filing an application
19 during 1983.

20 * Sec. 17. Sections 2 and 3 of this Act take effect 60 days after the
21 date that the United States Supreme Court decides that AS 43.23.010 is
22 invalid but also decides that AS 43.23.010 would not violate the United
23 States Constitution if the amount of a permanent fund dividend were deter-
24 mined by accumulated years of residency in the state beginning on or after
25 January 1, 1979.

26 * Sec. 18. Sections 1 and 14 of this Act take effect 60 days after the
27 date that the United States Supreme Court decides that AS 43.23.010 is
28 invalid because the amount of a permanent fund dividend is determined by
29 accumulated years of residency in the state whether those years are counted

1 before or after January 1, 1979.

2 * Sec. 19. Sections 4 - 7, 12, 13, 15, and 16 of this Act take effect
3 immediately in accordance with AS 01.10.070(c).

4 * Sec. 20. Section 11 of this Act takes effect on the date that the United
5 States Supreme Court decides that AS 43.23.010 is for any reason invalid.

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HOUSE FINANCE COMMITTEE

COMMITTEE LETTER OF INTENT

HCS CSSB 842

The Committee intends that the Department of Revenue engage in careful audit of Permanent Fund dividend applications and vigorously enforce the laws pertaining to fraud.

The Committee intends that the State's Attorney General carefully consider and review the United States Supreme Court's decision on the Permanent Fund dividend program created by the Legislature in 1980. The Committee intends that this consideration and review include consultation with interested attorneys and other citizens before the State's Attorney General issues an opinion as to whether the Supreme Court's decision allows Permanent Fund dividend payments to be based on accumulated years of residency if those years are counted after January 1, 1979.

Whatever the result of the State's Attorney General's opinion on the constitutionality of cumulative payments in 1983 and future years, the Committee intends that Permanent Fund dividends in the amount of \$1,000 per capita be paid in 1982 to eligible applicants if the United States Supreme Court either rules the Permanent Fund dividend program created by the Legislature in 1980 invalid for any reason by October 19, 1982, or if the Court has not made a determination by that date.

If the United States Supreme Court determines the Permanent Fund dividend program created by the Legislature in 1980 to be valid, the Committee intends that individuals who turn 18 years of age after January 1, 1979 have one year after attaining that age in which to claim all Permanent Fund dividends for which they have been eligible except for their age. This one-year "window of eligibility" at age 18 for claiming prior years' dividends does not apply until after the last day for filing an application for a Permanent Fund dividend in 1983, so that individuals who have turned 18 between January 1, 1979 and the last day of filing an application in 1983 may be able to collect dividends for 1979, 1980, and 1981. The Committee intends that individuals collecting for prior years' dividends upon reaching the age of 18 shall receive interest on their dividends; that interest shall be calculated at the average rate of return earned by the dividend fund.

If the United States Supreme Court determines the Permanent Fund dividend program created by the Legislature in 1980 to be for any reason invalid--or if the United States Supreme Court issues no decision on the program by October 19, 1982--the Committee intends that payment of Permanent Fund dividends be made to parents, guardians, or other authorized representatives for minors and incompetent individuals on behalf of those minors and incompetents. In cases in which there is no other appropriate guardian and the State is caring for a minor or incompetent, the State should ensure that the Permanent Fund dividends are protected and invested.

Under no circumstances should the State claim a Permanent Fund dividend for a minor who has a legal parent, guardian, or authorized representative other than the State. Under no circumstances should the State claim a dividend for an incompetent individual who has a legal guardian or authorized representative other than the State. A procedure should be established by regulation to avoid the necessity for a multitude of legal proceedings to establish guardianship for purposes of receiving Permanent Fund dividends.

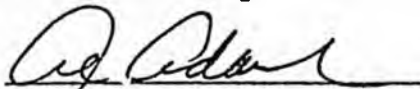
The Committee intends that the Department of Health and Social Services monitor the impacts of Permanent Fund dividends on public assistance programs and make a report to the Legislature within 90 days after the first payment of Permanent Fund dividends.

The Committee intends that the Department of Revenue issue warrants to eligible applicants as soon as possible under this legislation.

The Committee intends that the payment of dividends shall have first call on 50 percent of the income of the Permanent Fund available for distribution, regardless of what other uses the income is put to.

Economists appearing before the Legislature have predicted an economic slowdown in Alaska resulting from a decline in state spending and lending caused by recent drops in world oil prices. Economists appearing before the Legislature and other public forums in Alaska have argued that direct distribution of a portion of state revenues to all Alaskans--such as that embodied in the Permanent Fund dividend program--is the most efficient method of increasing Alaskans' incomes.

The Committee recognizes that virtually all the petroleum development in Alaska has occurred on publicly owned lands. This is in sharp contrast to other states, where vast accumulations of wealth have accrued to private landholders.


Al Adams, Chair

House Finance Committee

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSSB 842 (FIN)
 Title Providing for permanent fund dividends
 Requested by House Finance Committee Date 4/29/82

II. FISCAL DETAIL
 Agency Affected Department of Revenue
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected Enforcement Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		377.9				
200 TRAVEL		12.0				
300 CONTRACTUAL		38.7				
400 COMMODITIES		3.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		432.2				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		12.0				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Department Request dated 4/30/82 Total 665.8

Delete new positions (6) (181.8)
 Reduce Travel (24.0)
 Delete space rent (Dept. of Admin. pays) (15.8)
 Delete commodities for 6 new positions (1.2)
 Delete equipment for new positions (10.8)

NEW TOTAL \$ 432.2

IV. DATE May 3, 1982 PREPARED BY Al Adams, Chairman
 AGENCY House Finance Committee
 Original: Legislative Finance PHONE 465-3706
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM


State of Alaska

TO: Joseph K. Donohue
Deputy Commissioner - Taxation

DATE: April 30, 1982

FILE NO:

TELEPHONE NO:

FROM: Marilla L. Gemmer 
Director
Division of Enforcement

SUBJECT: CSSB 842 am

Committee Substitute for Senate Bill 842 amended provides for several contingencies which are dependent on how the U.S. Supreme Court rules on AS 43.23.

Under this bill, the impact on the Enforcement Division will be Sec. 43.23.025 which will require the determination of an individual's proof of eligibility; Sec. 43.23.045 which allows for the collection of permanent fund dividends that are improperly made and Sec. 43.23.075 (or 070) which allows for the levy, execution, garnishment or attachment of 50% of an individual's Permanent Fund Dividend payment.

For the base year which is 1982, the filing period will be re-opened to allow all those individuals to file who qualified for 1979 and 1980 dividends but for any reason did not. With the reduction in the eligibility requirements it will also allow a greater number of residents to apply who did not qualify in 1980 or 1981. With this in mind, we estimate 276,971 applications for the 1982 base year.

To fulfill the requirements of Sec. 43.23.025, we will need 3 Eligibility Technicians commencing in F/Y 83.

To fulfill the requirements of Sec. 43.23.045, we will need one Revenue Enforcement Officer position.

To fulfill the requirements of Sec. 43.23.075 (or 070) we will need one Accounting Technician I.

The Clerk Typist III position will provide clerical support for the Enforcement Officer and 2 of the Eligibility Technician who will be stationed in Anchorage.

Joseph K. Donohue
Deputy Commissioner - Taxation

April 30, 1982
Page 2

Summary -

F/Y 82 - Expenditures for F/Y 82 at the current program level
are included as a supplemental for F/Y 82.

F/Y 83

Personal Services

Current staff- 12 positions
New positions-6

\$377.9 377.9
~~181.8~~ \$ ~~559.7~~

Travel/Per diem

Revenue Enforcement Officers-5 x \$6.0
Eligibility Technicians- 3 x 2.0

\$ 30.0 12.0
6.0 \$ ~~36.0~~

Contractual

Four CRT's - Anchorage
One CRT - Juneau
Space *Administration Pays*
Telephone - \$ 1.3 x 12 months
Misc.

\$ 18.5
4.6
~~15.2~~ 38.7
15.6
6 \$ ~~54.5~~

Commodities ¹²
\$.3 x ~~18~~ positions

3.6
\$ ~~4.8~~

Equipment

\$ 1.8 x 6 new positions

\$10.8

Total F/Y 83 Costs

~~\$665.8~~

MLG:1kw

432.2

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSB 842 (Fin)
Title Providing for Permanent Fund Dividends
Requested by House Finance Committee Date 4/29/82

II. FISCAL DETAIL
Agency Affected Dept. of Revenue
Program Category Affected General Government
BRU, Program, Or Subprogram(s) Affected Administrative & Public Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		332.8				
200 TRAVEL		0				
300 CONTRACTUAL		451.5				
400 COMMODITIES		5.0				
500 EQUIPMENT		125.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		914.3				

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		914.3				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		9.0				
PART TIME		0				
TEMPORARY		0				
Man Months		108.0				

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Original fiscal note total \$1319.4
Delete 20 part time positions (310.1)
Delete travel & contractual (95.0)
for applicant assistance _____
Total \$ 914.3

IV. DATE 4/29/82 PREPARED BY Al Adams, Chairman
AGENCY House Finance Committee
PHONE 465-3706
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

CSSB 842 - FISCAL NOTE

Note dated 3/13/82 by Phil A. Wall - Total \$1,319.4.

This Note includes funds for both the Administrative Services Division and the Public Services Division.

Reduction

For FY 83, the Administrative Services Division is requesting 3 permanent full time positions at a cost of \$108.3 and 9 part time tax scanners at \$159.0.

They can live without the 9 part time positions. \$ 159.0

For FY 83, the Public Services Division requests 6 permanent full time positions at a cost of \$224.5 and 11 part time tax scanners at \$151.1.

They can live without the 11 part time positions. 151.1

Delete the Public Services request for contracting for applicant assistance. 70.0

Delete the Public Services request for "travel to provide application assistance". 25.0

\$ 405.1

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST 5/8/82 WORK DRAFT
 Bill/Resolution No. House CS for CS for Senate Bill No. 842 (Finance)
 Title "An Act providing for permanent fund dividends"
 Requested by Finance Committee Date 5/10/82

II. FISCAL DETAIL
 Agency Affected Health and Social Services
 Program Category Affected see analysis below
 BRU, Program, Or Subprogram(s) Affected see analysis
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		175.2				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		12,691.3				
TOTAL		12,866.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		12,798.2				
FEDERAL FUNDS						
OTHER (Specify Source)		68.3				

POSITIONS

FULL TIME						
PART TIME		8				
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

(A) The costs of a four-month "hold harmless" for Public Assistance recipients are incurred by substituting state funds for the 100% federal funding of the Food Stamp and Supplemental Security Income programs and for the 50% federal funding in the AFDC and Medicaid programs.

Cost increases for cash assistance hold harmless (including Food Stamps) will be in the General Relief Assistance component of the Soc. and Econ. Assistance for the General Population BRU. Costs for full medical hold harmless will be in the GRM component of the Public Health BRU. Staff costs are born by the Eligibility Determination component of the Public Assistance Administration BRU.

(Continued on attached pages)

IV. DATE 5/10/82 PREPARED BY *[Signature]*
 AGENCY Department of Health and Social Services
 Original: Legislative Finance PHONE 465-3347
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

- (B) Staff resources necessary to promptly process entire assistance caseload with no adverse effects on accuracy or timeliness of substitute benefits:

Overtime for existing field staff:	100.0
8 seasonal new field staff (4 months each):	75.2
Total	175.2
State Funds	106.2
Federal Funds	68.3

- (C) The current wording of Sec. 43.23.085 of the 5/8/82 Work Draft shows a four-month hold harmless period. Because of repeated legislative interest in options other than a four-month hold harmless, the funding chart below presents the costs of all available options. (The 4/12/82 Fiscal Note on CSSB 842 presents the savings resulting from no hold harmless period.) Costs are in state funds only.

<u>Assistance Program</u>	1 month Hold Harmless	2 months Hold Harmless	3 months Hold Harmless	4 months Hold Harmless	Full Hold Harmless
<u>Food Stamps</u>	2,900.0	3,915.0	4,930.0	4,930.0	4,930.0
<u>Aid to Families with Dependent Children</u>	1,749.7	2,362.1	2,974.5	3,586.9	3,586.9
<u>Adult Public Assistance</u>	1,298.7	1,428.6	1,558.5	1,688.4	1,688.4
<u>Medicaid</u>	(2,106.6)	(2,098.0)	(2,292.0)	(2,486.0)	(2,486.0)
<u>General Relief Cash Assistance</u>	0	0	0	0	0
<u>General Relief-Medicaid</u>	4,213.2	4,196.0	4,584.0	4,972.0	4,972.0
<u>Eligibility Determination</u>	106.9	106.9	106.9	106.9	106.9
Total FY 83 State Funds	8,161.9	9,910.6	11,861.9	12,798.2	12,798.2

Assumptions for Pricing Different Options:

- (1) Base is Governor's FY 83 budget.
- (2) One-month hold harmless based on 100% of caseload becoming ineligible.
2nd and later months use following assumptions concerning continued ineligibility:
 - Food Stamps: 35% of households will be ineligible for 3 additional months.
 - AFDC: 35% of families will be ineligible for 4 additional months.

- Medicaid: \$100/mo. savings per ineligible APA and AFDC recipient.
- GRM: \$200/mo. increase per ineligible APA and AFDC recipient due to loss of 50% federal funds.
- (3) Hold harmless will continue to provide ineligible with total medical protection but under GR Medical rather than Medicaid.
 - (4) Assumes that nursing home recipients would not be required to pay their PFD toward their cost of care, and that 30% of them would become ineligible indefinitely.
 - (5) The funding chart presents the cost of a full hold harmless for FY 83 assuming that the Permanent Fund Dividend will be distributed to recipients so that June 1983, would be the 5th and final month the dividend is countable for assistance purposes during FY 83. A full hold harmless with no time limit, with a smaller dividend payment in FY 84, would insure that many assistance recipients will remain ineligible or will again become ineligible during FY 84. There are too many uncertainties at this time to estimate an FY 84 hold harmless cost, for any hold harmless time period.

(D) The current wording of the 5/8/82 Work Draft provides for distribution of minors' dividends to parents and guardians. We understand this point is under active consideration, so we present this funding chart showing hold harmless options if minors' dividends were to be placed in trust. This chart uses the same assumptions as the chart in (C), except that with no minors' distribution, we assume only 25% Food Stamp households ineligible for only two additional months and 20% AFDC households ineligible for only 3 additional months, with a corresponding effect on Medical costs.

<u>Assistance Program</u>	1 month Hold Harmless	2 months Hold Harmless	3 months Hold Harmless	4 months Hold Harmless	Full Hold Harmless
<u>Food Stamps</u>	2,900.0	3,625.0	4,350.0	4,350.0	4,350.0
<u>Aid to Families with Dependent Children</u>	1,749.7	2,099.7	2,449.7	2,799.7	2,799.7
<u>Adult Public Assistance</u>	1,298.7	1,428.6	1,558.5	1,688.4	1,688.4
<u>Medicaid</u>	(2,106.6)	(2,012.9)	(2,206.9)	(2,400.9)	(2,663.8)
<u>General Relief Cash Assistance</u>	0	0	0	0	0
<u>General Relief-Medicaid</u>	4,213.2	4,025.8	4,413.8	4,801.8	5,327.6
<u>Eligibility Determination</u>	106.9	106.9	106.9	106.9	106.9
<u>Total FY 83 State Funds</u>	8,161.9	9,273.1	10,672.0	11,345.9	11,608.8

POSITION PAPER
on
Committee Substitute for Senate Bill No. 842

"An Act providing for permanent fund dividends; and providing for an effective date."

This Act provides for a contingency permanent fund distribution should the Supreme Court rule against all or part of the original distribution plan.

The Department strongly supports Senate Bill No 842 as the best alternative to the original permanent fund distribution plan before the Legislature. We wish to restrict our comments on this bill to its effects on Alaska's low-income citizens, particularly those served by our public assistance programs.

We worked closely with those who developed the original dividend distribution plan. It was very clear to us then that almost everyone involved shared a desire to structure a dividend distribution system by which all low-income families could actually receive a net disposable income benefit. The approach successfully constructed at that time seemed likely to benefit many of our recipients, and unlikely to result in significant hardship to those who were so situated that they would temporarily lose assistance eligibility when they received a dividend payment. Unfortunately, after passage of the original permanent fund legislation, several of our major assistance programs either underwent or are about to undergo major federal changes.

We believe the following effects would occur, were CSSB 842 to pass substantially as proposed:

1. Federal assistance program regulations would require most applicants and recipients to apply for permanent fund benefits. It would not be possible for a person to choose not to apply for dividends in order to retain or maximize assistance benefits.
2. Low-income Alaskans who do not currently apply for public assistance at all, or do not use it regularly, would clearly benefit from any substantial dividend distribution. Though it is impossible to measure the potential "preventive" aspects of such a distribution, we believe that the dividends would most likely help a significant number of marginally self-sufficient families and individuals to avoid having to use public assistance.
3. The vast majority of our adult assistance recipients and many of our assistance families would become ineligible for assistance for

at least one month. With adequate medical coverage protection in CSSB 842 very few recipients would be financially harmed by this one month of ineligibility. Attached to this position paper is a summary of the effects of distribution upon 3 sample cases which are typical of approximately 90% of all of our cases. These examples show that typical cases will not suffer a loss; they will actually profit from the dividend. The actual net advantage will vary widely, from \$50 to over \$950, depending on what the family circumstances are and how many different types of assistance they receive.

4. There would be a substantial decrease in the amount of federal and state funds expended in all ten major assistance programs in Alaska. The total federal and state savings are estimated to be in excess of \$12,000,000.
5. There would be an unprecedented workload impact on department staff, particularly those within the Division of Public Assistance. The new work involved could only be accommodated without additional staff by a serious reduction of service levels for new applicants or reapplicants during the period that the permanent fund distribution occurs.

After careful study of these points, the Department strongly recommends passage of CSSB 842 with the proposed Sec. 43.23.085, offering a General Relief - Medical "safety net" to protect assistance clients against serious financial harm due to suffering necessary medical expenses.

Passage of this change in the General Relief - Medical program offers what the Department believes is a sufficient level of protection for its clients. Suggestions have been made that further amendments to assistance statutes could and should offer a full "hold-harmless" to welfare recipients. This could be done, by amendment and by providing substantial new state funds to substitute state monies for federal monies in all major assistance programs. ;

If this were done, full aid could be continued to a dividend recipient who would be ineligible to receive federal matching assistance funds. We do not think this is necessary or wise, for four reasons:

- (1) Under just the medical safety net alternative almost every recipient will actually profit from the dividend distribution without the full hold-harmless coverage;

- (2) A full hold-harmless would be extremely expensive to the state; assuming a "best case" of only one month of client ineligibility for federal funds, a full hold-harmless would cost at least \$9,900,000; and,
- (3) A full hold-harmless would result in special protection being offered to a small segment of Alaska's population, in that no other group would receive any similar guarantee that they would be able to retain 100% of their dividend payments. (For example, an upper-middle class family would likely have to pay almost as much in Federal income taxes on their dividend as the Old Age Assistance recipient loses in example II on the attachment example sheet); and, perhaps most importantly,
- (4) There is a subtle but significant advantage offered to needy Alaskans by the opportunity to receive a share of Alaska's wealth in lieu of "charity" in the form of public assistance. No matter how small their net financial gain from the dividend may be, we believe that most of Alaska's needy citizens would find such a sharing of the state's wealth preferable to being totally dependent upon public assistance.

We strongly support passage of CSSB No. 842. We believe that this bill in its current form is, of all legislation concerning Permanent Fund Dividend distribution, by far the most beneficial to those needy persons we serve.

Recommended By: Rod Betit
Rod Betit, Director

Date: April 12, 1982

Approved By: Helen D. Beirne
Helen D. Beirne, Commissioner

Date: 4-12-82

Attachment To Position Paper
On Committee Substitute For Senate Bill No. 842

4/8/82

Typical case examples of the financial effect upon Public Assistance recipients of permanent fund dividend distribution.

E X A M P L E I

AFDC Family of 4
 With No Income

	<u>Normal Program Without Permanent Fund</u>		<u>CSSB-842 Finance</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
AFDC	\$ 7608	\$ 634.00	\$ 6974	\$ 581.16
Food Stamps	3264	272.00	2992	249.33
Energy	425	35.42	425	35.42
Medicaid	4560	380.00	4560	380.00
Permanent Fund	<u>-0-</u>	<u>-0-</u>	<u>1000</u>	<u>83.33</u>
	\$15857	\$1321.42	\$15951	\$1329.24

E X A M P L E II

OAA Single Household
 With \$250 ALB

	<u>Normal Program Without Permanent Fund</u>		<u>CSSB-842 Finance</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
Old Age Assistance	\$ 6312	\$526.00	\$ 5786	\$482.17
Food Stamps	-0- Ineligible	-0-	-0- Ineligible	-0-
Energy	425	35.42	425	35.42
Alaska Longevity Bonus	3000	250.00	3000	250.00
Medicaid	1140	95.00	1140	95.00
Permanent Fund	<u>-0-</u>	<u>-0-</u>	<u>1000</u>	<u>83.33</u>
	\$10877	\$906.42	\$11351	\$945.92

E X A M P L E III

Family of 3 (2 adults)
 \$950 Gross Income
 With Rent of \$400

	<u>Normal Program Without Permanent Fund</u>		<u>CSSB-842 Finance</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
Food Stamps	\$ 1368	\$ 114.00	\$ 1254	\$ 104.50
Energy	425	35.42	425	35.42
Earnings	11400	950.00	11400	950.00
Permanent Fund	<u>-0-</u>	<u>-0-</u>	<u>2000</u>	<u>166.66</u>
	\$13193	\$1099.42	\$15079	\$1256.58



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 9, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill providing for contingent alternatives to the permanent fund dividend program still before the United States Supreme Court.

I had expected that we would by now have received the decision from the United States Supreme Court upholding the existing permanent fund dividend program, and I continue to be hopeful that we will get a favorable decision in the near future. However, we are now well into this legislative session, and the possibility exists that the decision might not be favorable and might not be issued until it is too late in the legislative session to take effective action. In light of this uncertainty and because I am absolutely committed to the continuation of an ongoing dividend program, I feel compelled to introduce legislation at this time to provide for the unhappy contingency of an unfavorable decision from the Court.

In presenting these contingent alternatives to you, I want to emphasize in the strongest possible terms that in no way have I retreated from my view that the program enacted in 1980 is far and away the best method of dividend distribution. The alternatives I offer will help to achieve the objectives of the existing program, though in my view not nearly so well.

The bill includes two alternatives to the existing dividend program. If the Supreme Court decides that it is unconstitutional to determine the amount of a dividend payment by accumulated years of state residency regardless of whether the years are counted from 1959 or from some later date, then sections 1 and 2 of the bill would go into effect. These sections repeal the existing statutes and provide for an ongoing dividend program under which one-half of distributable permanent fund income would be distributed to Alaskans on a per capita basis. Unlike the existing program, there would be no minimum dollar amount established for each dividend under this alternative. The per capita provisions are structured so that the entire program would run on a current calendar-year basis. All applications

would be due on or before July 1 of each year. By the following August 1, the Department of Revenue would have completed the screening of applications to determine the number of eligible applicants. The department would then divide that number into one-half of the distributable earnings of the permanent fund for the fiscal year just ended to determine the amount of that year's dividend payment.

The per capita program provisions also include a six-month residency requirement. Many persons come to Alaska for relatively short periods of time for vacations or to participate in seasonal employment with no intention of remaining permanently or of giving up the benefits provided by their states of residence. For each nonresident who applies for and receives a dividend, the annual share of the dividend program for each Alaskan is proportionately reduced. Further, disproving a spurious claim of residency is not an easy task. A six-month residency requirement provides at least some evidence of a person's intent to remain, and strikes an appropriate balance between the state's interest in insuring that dividends are paid only to Alaska residents and the interests that new residents with less than six-months' residency have in receiving an immediate dividend. Many other features of the existing program's provisions have been included in the ongoing per capita program provisions, including exemption of 50 percent of the dividend from execution and an exemption of up to \$1,500 of the dividend amount from income determinations for state assistance programs.

The bill also includes a second alternative. If the Supreme Court should decide that the existing program would have been constitutional if the years of residency had begun to accumulate prospectively, then sections 3, 4 and 8 of the bill would take effect. Under these sections, the provisions of the existing program would continue in effect except that the number of an individual's total dividends would be based on years of residency beginning this year, with dividends accumulating each year in the future.

If the Court upholds the existing program, section 5 of the bill would take effect. This section adds a provision to the existing statutes to allow persons, when they turn 18 years of age, to claim dividends for their prior years of state residency during which they were minors. Dividends for children would also be handled in this manner under either of the alternative dividend distribution programs contained in the bill. I have considered other possibilities that have been suggested for including children in a dividend distribution program -- namely distributing children's dividends each year through their parents or guardians or putting their dividends each year in individual trust accounts administered by the state. Two concerns prompted me not to provide in this bill for actual payments

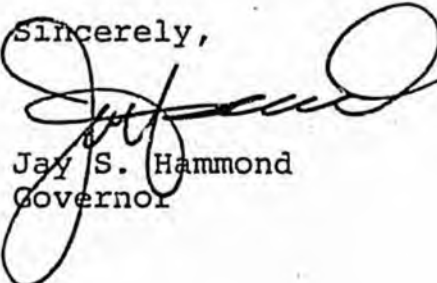
to children during their minority years. First, while most parents or guardians would see that the money went to the child's benefit, there unfortunately would be many children whose parents or guardians would not apply the money for the children's benefit. There is no practical way to keep this from happening if children were to receive dividends while they are minors.

Second, experience that has been gained from ANCSA distributions to minors teaches that, even after extensive litigation, there are no truly satisfactory solutions for distributing money to the many Alaskan children who do not live in a traditional nuclear family, particularly those in the state's custody and those with divorced parents. Under this bill, a person turning 18 can claim dividends for his or her minority years, with interest, but there is no right to receive the prior years' dividends before the child actually turns 18 and makes application. Thus, this method of including children in a dividend distribution program also avoids the serious problems that would attend a formal trusteeship arrangement between the state and every Alaskan child.

Finally, in the event of an unfavorable decision by the Court and under either of the alternative programs included in the bill, the distribution for 1982 only would be on a per-capita basis, with each eligible person receiving a dividend payment of \$1,000. This amount was determined by taking the total amount of money currently available for distribution of 1979 and 1980 dividends under the existing program (\$319,870,000) and dividing that amount by the number of eligible Alaskans who now have applications on file plus an estimate of the number of additional eligible Alaskans. Under the bill, Alaskans who filed timely applications during 1980 or 1981 for dividends under the existing program are automatically eligible for the 1982 distribution. Thus, if the existing program is invalidated, an immediate distribution can be made to the vast majority of eligible Alaskans without requiring a new application process for everyone. All other eligible Alaskans who do not have applications on file would, of course, have an opportunity to apply for and receive the 1982 dividend as soon as possible.

The bill is structured in such a way that if we do receive a ruling from the Supreme Court during your consideration of the bill, those provisions of the bill that are no longer necessary can be easily deleted from the bill.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond
Governor

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

May 10, 1982

The Honorable Al Adams, Chairman
House Finance Committee
Pouch V
Juneau, AK 99811

Re: Your Fiscal Notes Replacing Ours for HCS CSSB 842 (Fin)

Dear Mr. Chairman:

Thank you for the opportunity to examine the fiscal notes which you prepared to replace our fiscal notes for SB 842. Your fiscal notes represent substantial reductions from both the level of staff and funding which we are requesting. These cuts from our fiscal notes will have their greatest effect on our ability to continue our Rural Assistance Program and will greatly slow down our ability to process applications and get the checks out in the mail. Let me explain how these things would happen.

Our present Rural Assistance Program and application processing systems are included in our FY 83 budget request as "continuation". If the U.S. Supreme Court strikes down the present program, all funds which are or may be appropriated for the present program will lapse since the program would no longer exist. SB 842 proposes to enact a replacement dividend program to replace the present one if the Supreme Court so rules.

In order to implement the replacement dividend program, a new appropriation will have to be made for that purpose because, as I said, all appropriations for the present program would lapse. Our fiscal notes reflect the fact that virtually all of our present program would have to be re-established in order to implement the replacement program. Thus, our request for \$25,000 in travel and \$70,000 in contractual services (which you have deleted in your fiscal notes) would be to continue our present program of travelling to rural Alaskans to assist them in filling out their application forms, or to contract with Native organizations to furnish such assistance.

Similarly, the nine positions in Administrative Services and 11 in Public Services which your fiscal notes delete from ours represent our ability to process applications under the replacement program. These 20 positions reflect the 15 part-time positions appearing in the FY 83 Budget Workbook on page 592 for the present program, plus five new part-time

Hon. Al Adams (Fiscal Notes for SB 842)
May 10, 1982
Page 2

positions which we are requesting to provide the public with assistance that will be required when payments actually begin to be made.

Also, on a technical point, an Accounting Technician I (appearing in page 342 of the FY 83 Budget Workbook) was deleted in your fiscal notes. This position is responsible under the present program for handling garnishments and other attachments against individuals' Permanent Fund Dividends under the present program. Legally, we cannot release any dividend checks to any individuals until we are sure that there are no such garnishments or attachments against their dividends. Since this position, too, would be eliminated if the present program were struck down, it must be restored under any replacement program if the checks are to go out to the people.

Thank you very much for your careful consideration of these points, and I hope to be able to work with you or your staff to reach an understanding regarding the fiscal notes for SB 842 which will allow the replacement programs to go forward smoothly and efficiently in the event they are called into play as the result of the Supreme Court's action.

Sincerely,



Thomas K. Williams
Commissioner of Revenue

Original sponsor: Rules/Governor

Offered: 4/12/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 842 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for permanent fund dividends; and
7 providing for an effective date."

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

9 * Section 1. AS 43.23 is amended by adding new sections to read:

10 Sec. 43.23.005. ELIGIBILITY. (a) An individual is eligible to
11 receive one permanent fund dividend each year in an amount to be deter-
12 mined under AS 43.23.035 if he applies to the department, and if on the
13 date of application the individual

14 (1) is at least 18 years of age;

15 (2) is a state resident; and

16 (3) has been a state resident for a period of at least twelve
17 consecutive months immediately preceding the date of application.

18 (b) In determining the minimum period of an individual's residency
19 required under (a)(3) of this section, the department may include months
20 of residency both in the current year and in the immediately preceding
21 year.

22 Sec. 43.23.015. PERMANENT FUND DIVIDENDS FOR PRIOR YEARS. (a)
23 Beginning with application for the 1983 permanent fund dividend and for
24 each year after that, an individual who becomes 18 years of age on or
25 before the last day for filing an application during a year may file a
26 claim for and receive permanent fund dividends for all prior years
27 beginning on or after January 1, 1982, in which he would have been
28 eligible under AS 43.23.005 if he had then been 18 years of age.

29 (b) A claim for permanent fund dividends for prior years under

1 this section may be filed even if the individual is not a state resident
2 at the time the claim is filed.

3 (c) In order to receive a permanent fund dividend for a prior
4 year, an individual must file a claim for all prior dividends within one
5 year after reaching the age of 18 and within the time limits established
6 under AS 43.23.065(2) for the current year's application. Failure to
7 file a claim for permanent fund dividends for prior years within this
8 period waives all entitlement to those dividends. The department shall
9 prescribe and make available forms for claims for permanent fund divi-
10 dends for prior years, and may require proof of eligibility in addition
11 to that required for a current year under AS 43.23.025(a).

12 (d) The value of a permanent fund dividend for a prior year is the
13 value published by the commissioner under AS 43.23.035 for that prior
14 year. Interest on permanent fund dividends paid for a prior year under
15 this section is computed and paid from January 1 following the year for
16 which the individual is entitled to a prior year dividend, using the
17 average rate of return earned since that time by the dividend fund
18 established in AS 43.23.055.

19 (e) Nothing in this section prevents an individual from claiming
20 and receiving a permanent fund dividend under AS 43.23.005 for the
21 current year for which he is eligible.

22 Sec. 43.23.025. PROOF OF ELIGIBILITY. (a) The commissioner shall
23 adopt regulations under the Administrative Procedure Act (AS 44.62) for
24 determining the eligibility of individuals for permanent fund dividends.
25 The commissioner may require an individual to provide proof of eligibil-
26 ity, and he may use other information available to him from other state
27 departments or agencies to determine the eligibility of an individual.

28 (b) The department shall prescribe and furnish an application form
29 for claiming a permanent fund dividend. The application must contain a

1 statement of eligibility and a certification of residency in substan-
2 tially the following form:

3 I certify that I am a state resident on the date of
4 this application and that I have been a state resident
5 for at least twelve months immediately preceding the date
6 of this application. I also understand that a false
7 claim of residency to obtain a permanent fund dividend
8 is a criminal offense and that if convicted I will for-
9 feit all permanent fund dividends and that I must repay
10 all permanent fund dividends that have been paid to me.
11 I understand that this penalty is in addition to any
12 criminal penalties imposed.

13
14 _____
(signature of individual)

15 (c) Beginning with application for the 1983 permanent fund divi-
16 dend and for each year after that, an individual who is a parent or legal
17 guardian of a minor child who is a resident of the state shall provide to
18 the department the following information with respect to each minor child:

19 (1) full name;
20 (2) date of birth;
21 (3) current address if different from the parent's or
22 guardian's address; and

23 (4) other information required by the department relating to
24 the future eligibility of the child to claim a prior year permanent fund
25 dividend under A3 43.23.015.

26 (d) The department shall maintain a record of the information
27 provided under (c) of this section for each minor child until the time
28 for that child to file a claim for prior year permanent fund dividends
29 has expired. The information required in (c) of this section may be

1 used only to estimate the number of future claims for prior year perma-
2 nent fund dividends and to verify the eligibility of individuals who
3 have filed claims for prior year permanent fund dividends. This infor-
4 mation may be used in place of other proof of eligibility permitted
5 under (a) of this section and under AS 43.23.015(c). The failure of a
6 parent or guardian to provide the information required by (c) of this
7 section does not affect the child's eligibility in the future to receive
8 payment for a prior year permanent fund dividend.

9 Sec. 43.23.035. AMOUNT OF DIVIDEND. By September 1 of each year
10 the commissioner shall give public notice of the value of each permanent
11 fund dividend for that year. The commissioner shall determine the value
12 of a permanent fund dividend by

13 (1) determining the amount of income of the Alaska permanent
14 fund transferred to the dividend fund under AS 43.23.055(b) during the
15 current year;

16 (2) determining the number of individuals eligible to receive
17 a dividend payment for the current year plus an estimate of the number
18 of individuals under 18 years of age who will be eligible in the future
19 to claim a dividend for the current year as a prior year dividend under
20 AS 43.23.015; and

21 (3) dividing the amount determined in (1) of this section by
22 the amount determined in (2) of this section.

23 Sec. 43.23.045. PENALTIES AND ENFORCEMENT. (a) In addition to
24 any criminal penalties imposed by state law, if an individual is con-
25 victed of a crime in connection with a false statement made in a certi-
26 fication required under AS 43.23.025, and the conviction is not reversed
27 that individual forfeits all permanent fund dividends paid to him and is
28 not eligible for a future permanent fund dividend.

29 (b) If the commissioner determines that a permanent fund dividend

1 should not have been claimed by or paid to an individual, he may use all
2 collection procedures or remedies available for collection of taxes
3 under this title to recover the payment of a permanent fund dividend
4 that was improperly made. A notice of an improperly paid dividend must
5 be sent to the individual within 10 years after the improper payment.
6 If notice is not sent within the 10-year period, proceedings may not be
7 commenced in court for recovery of the improper payment.

8 Sec. 43.23.055. DIVIDEND FUND. (a) The dividend fund is estab-
9 lished as a separate fund in the state treasury. The dividend fund
10 shall be administered by the commissioner and shall be invested by the
11 commissioner in the same manner as provided in AS 37.10.070.

12 (b) Each year the commissioner shall transfer to the dividend fund
13 50 percent of the income of the Alaska permanent fund earned during the
14 fiscal year ending on June 30 of the current year and available for
15 distribution under AS 37.13.130.

16 (c) Each year the department shall pay from the dividend fund all
17 permanent fund dividends payable to eligible individuals for the current
18 year and all permanent fund dividends for prior years, including inter-
19 est, payable that year to eligible individuals. The money remaining
20 each year after these payments are made, and any interest earned from
21 investment of money in the dividend fund, remains in the dividend fund
22 to pay future claims for prior year permanent fund dividends.

23 (d) The department shall review the status of the dividend fund
24 every four years beginning in 1987 to determine whether there is suffi-
25 cient money in the fund to pay future claims for prior year permanent
26 fund dividends. On August 1 of the year of a review the commissioner
27 shall certify the amount of excess or the deficiency of money, as the
28 case may be. If there is an excess, the amount of income described in
29 AS 43.23.035(1) shall be increased by the amount of the excess for

1 purposes of determining the value of a permanent fund dividend for that
2 year under AS 43.23.035. If there is a deficiency, the amount of income
3 described in AS 43.23.035(1) shall be reduced by the amount of the
4 deficiency for purposes of determining the value of a permanent fund
5 dividend for that year under AS 43.23.035.

6 (e) The department may adopt by regulation a plan that, to the
7 extent permitted by federal law, will allow an individual who elects to
8 participate in the plan to select an optional disbursement of the divi-
9 dend payment that would have the effect of deferring payment of all or a
10 portion of federal income taxes on the receipt of a permanent fund
11 dividend.

12 Sec. 43.23.065. DUTIES OF THE DEPARTMENT. The department shall

13 (1) annually pay permanent fund dividends from the dividend
14 fund;

15 (2) adopt regulations under the Administrative Procedure Act
16 (AS 44.62) that establish procedures and time limits for claiming a
17 permanent fund dividend; the department shall set the time limit for
18 applications for permanent fund dividends so that the number of eligible
19 applicants is determined by September 1 and permanent fund dividends for
20 a year are paid before December 31 of that year; and

21 (3) assist residents of the state, particularly in rural
22 areas, who because of language, illness, old age, or inaccessibility to
23 public transportation need assistance to establish eligibility and to
24 apply for permanent fund dividends.

25 Sec. 43.23.075. EXEMPTION OF PERMANENT FUND DIVIDENDS. Fifty
26 percent of the annual permanent fund dividend payable to an individual
27 is exempt from levy, execution, garnishment, attachment, or any other
28 remedy for the collection of debt. This exemption applies to an eligible
29 individual's permanent fund dividend both before and after payment is

1 made to the individual and applies even if the dividend payment is
2 commingled with other money of the individual. The exemption under this
3 section does not apply to obligations for child support.

4 Sec. 43.23.085. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In
5 determining the eligibility of an individual under a public assistance
6 program administered by the Department of Health and Social Services in
7 which eligibility for assistance is based on financial need, the Depart-
8 ment of Health and Social Services may not consider a permanent fund
9 dividend as income or resources for the month the dividend was received
10 by the recipient of public assistance unless required to do so by
11 federal law or regulation. The Department of Health and Social Services
12 shall notify all recipients of public assistance of the effects of
13 receiving a permanent fund dividend.

14 (b) An individual who is denied medical assistance under Title
15 XIX of the federal Social Security Act (42 U.S.C. 1396 et seq) solely
16 because of the receipt of a permanent fund dividend is eligible for
17 state-funded medical assistance under the general relief assistance
18 program (AS 47.25.120 - 47.25.300). The individual shall receive the
19 same level of medical assistance as the individual would have received
20 under Title XIX of the federal Social Security Act had there been no
21 permanent fund dividend program.

22 (c) An individual who is denied assistance because permanent
23 fund dividends are counted as income or resources under federal law or
24 regulation is eligible for cash assistance under the general relief
25 assistance program (AS 47.25.120 - 47.25.300). Notwithstanding the
26 limit in AS 47.25.130, the individual shall receive the same amount as
27 the individual would have received under other public assistance pro-
28 grams had there been no permanent fund dividend program.

29 Sec. 43.23.086. ELIGIBILITY FOR STATE PROGRAMS. No program

1 administered by the state or any of its instrumentalities or municipal-
2 ities, the eligibility for which is based on financial need, shall
3 consider a permanent fund dividend as income or resources unless re-
4 quired to do so by federal law or regulation.

5 Sec. 43.23.095. DEFINITIONS. In this chapter,

6 (1) "Alaska permanent fund" means the fund established by
7 art. IX, sec. 15 of the state constitution;

8 (2) "commissioner" means the commissioner of revenue;

9 (3) "department" means the Department of Revenue;

10 (4) "dividend fund" means the fund established by AS 43.-
11 23.055;

12 (5) "individual" means a natural person;

13 (6) "permanent fund dividend" means a right to receive a
14 payment from the dividend fund;

15 (7) "state resident" means an individual who is physically
16 present in the state with the intent to remain permanently in the state
17 or, if he is not physically present in the state, intends to return to
18 the state and is absent only for any of the following reasons:

19 (A) vocational, professional, or other specific educa-
20 tion for which a comparable program was not reasonably available in
21 the state;

22 (B) secondary or postsecondary education;

23 (C) military service;

24 (D) medical treatment;

25 (E) service in Congress; or

26 (F) other reasons which the commissioner may establish
27 by regulation;

28 (8) "year" means a calendar year.

29 * Sec. 2. AS 43.23.010(a) is amended to read: