

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879
HB 83 thru CS HB 85 243

243

HB

83

HOUSE COMMITTEE REPORT

(11)

Date referred: 3/6/87

FURTHER REFERRALS:

DATE: 4/9/87
HB 83

The Finance Committee has considered

"An Act relating to computation and payment of permanent fund dividends; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 8.3 (Fin) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

ADAMS Albert P. Adams

FOURCHOT [Signature]

LARSEN Ronald J. Larsen

GOL Peter

SWICK [Signature]

BOYER [Signature]

RICKER [Signature]

BROWN [Signature]

DAVIS [Signature]

FRANK [Signature]

WALLIS [Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]

Albert P. Adams

Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 83 (Finance)

Publish Date: _____

REQUEST

Revision Date: _____

Title: An act relating to computation and payment of permanent fund dividends

Sponsor: Rules, Governor

Requestor: Finance

Agency Affected: Revenue

BRU: Permanent Fund Dividend

Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Eryn B. Jones
Division: Administrative Services

Phone: 465-2313

Date: 4/9/87

Approved by Commissioner: Hugh Malone *RW*
Agency: Revenue *FOR*

Date: 4/9/87

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

Offered: 4/10/87
Referred: Rules

Original sponsor: Rules/Governor

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IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 83 (Finance)
IN THE LEGISLATURE OF THE STATE OF ALASKA
FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

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

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

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

(a) An individual is eligible to receive one permanent fund dividend each year in an amount to be determined under AS 43.23.025 if the individual applies to the department, and if [ON THE DATE OF APPLICATION THE INDIVIDUAL]

(1) on the date of application the individual is a state resident; and

(2) the individual was [HAS BEEN] a state resident for a period of at least six consecutive months immediately preceding the beginning of the application period [DATE OF APPLICATION].

* Sec. 2. AS 43.23.025 is amended to read:

Sec. 43.23.025. AMOUNT OF DIVIDEND. By October 1 of each year the commissioner shall give public notice of the value of each permanent fund dividend for that year. The commissioner shall determine the value of a permanent fund dividend by

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

(A) the amount of income of the Alaska permanent fund transferred to the dividend fund under AS 43.23.045(b) during the current year;

(B) plus the unexpended and unobligated balances of

1 prior fiscal year appropriations that lapse into the dividend
2 fund under AS 43.23.045(d);

3 (C) less the amount necessary to pay dividends from
4 the dividend fund in the current year under AS 43.23.055(3);

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

7 (3) dividing the amount determined under [IN] (1) of this
8 section by the amount determined under [IN] (2) of this section.

9 * Sec. 3. AS 43.23.045 is amended by adding a new subsection to read:

10 (d) Unless specified otherwise in an appropriation act, the
11 unexpended and unobligated balance of an appropriation to implement
12 this chapter lapses into the dividend fund on June 30 of the fiscal
13 year for which the appropriation was made and shall be used in deter-
14 mining the amount of and paying the subsequent year's dividend as
15 provided in AS 43.23.025(1)(B).

16 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
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STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 83 (Finance)
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: An act relating to computation and payment of permanent fund dividends
Sponsor: Rules, Governor
Requestor: Finance

Agency Affected: Revenue
BRU: Permanent Fund Dividend

Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: *E. B. Jones*
Division: Administrative Services

Phone: 465-2313
Date: 4/9/87

Approved by Commissioner: *Hugh Malone* *RW For*
Agency: Revenue

Date: 4/9/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: CS HB 83

Publish Date: _____

Revision Date: April 9, 1987

Agency Affected: Revenue

Title: An Act relating to permanent fund dividends

BRU: Permanent Fund Dividend

Sponsor: House Finance Committee

Components: _____

Requestor: House Finance Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: None required.

Thomas C. Williams

Prepared By: Thomas C. Williams
Division: Enforcement

Phone: 465-2366
Date: April 9, 1987

Approved by Commissioner: Hugh Malone FOR
Agency: Department of Revenue

Date: April 9, 1987

Distribution (by Agency preparing fiscal note)

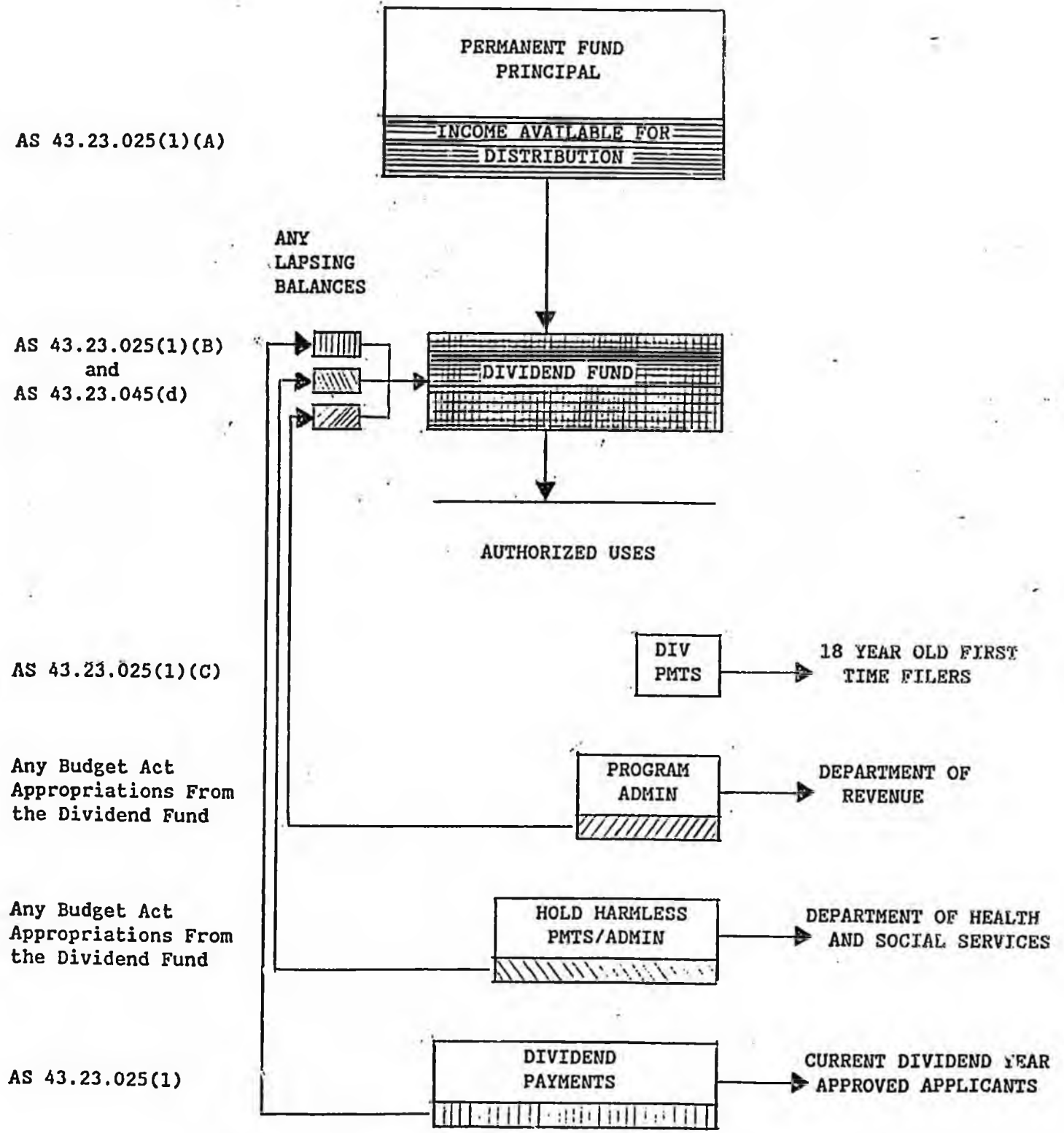
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

RECEIVED
APR 13 1987

LEGISLATIVE FINANCE

R/O
 4/13/87
 2115197

ALASKA DEPARTMENT OF REVENUE
DIVIDEND COMPUTATION AND PAYMENT METHOD PER HB 83
 As of February 20, 1987



ALASKA DEPARTMENT OF REVENUE
 PERMANENT FUND DIVIDEND PROGRAM
TOTAL ESTIMATED FY 87 PAYMENTS TO 18 YEAR OLD FIRST TIME FILERS
 As of March 27, 1987

<u>Dividend</u> <u>Year</u>	<u>Original</u> <u>Estimate</u>	<u>/ Yrs =</u>	<u>Ave.</u> <u>Per</u> <u>Year</u>	<u>FY87 Filings</u>		<u>Amount of</u>	<u>Estmtd</u> <u>FY 87</u> <u>Payment</u>
				<u>Thru</u> <u>3/31</u>	<u>Est.</u> <u>6/30</u>	<u>x Dividend</u>	
1982	5,000	19	264	27	36	\$1,000.00	\$36,000
1983	4,683	19	247	20	27	385.16	10,399
1984	1,638(A)	19	87	24	32	331.29	10,601
1985	2,438(A)	19	129	36	48	404.00	19,392
1986	2,529(A)	19	<u>134</u>	<u>28</u>	<u>37</u>	556.26	<u>20,582</u>
<u>Totals</u>			<u>860</u>	<u>135</u>	<u>180</u>		<u>\$96,974</u>

Note

A. These were based on 1.5% of the number of children applications actually filed.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 83
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: An Act relating to computation and payment of permanent fund dividends
Sponsor: House Rules Committee
Requestor: House State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend
Components: Enforcement Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: None required.

Prepared By: Thomas C. Williams
Division: Enforcement

Phone: 465-2366
Date: February 24, 1987

Approved by Commissioner: J. Malone
Agency: _____

Date: 2/25/87

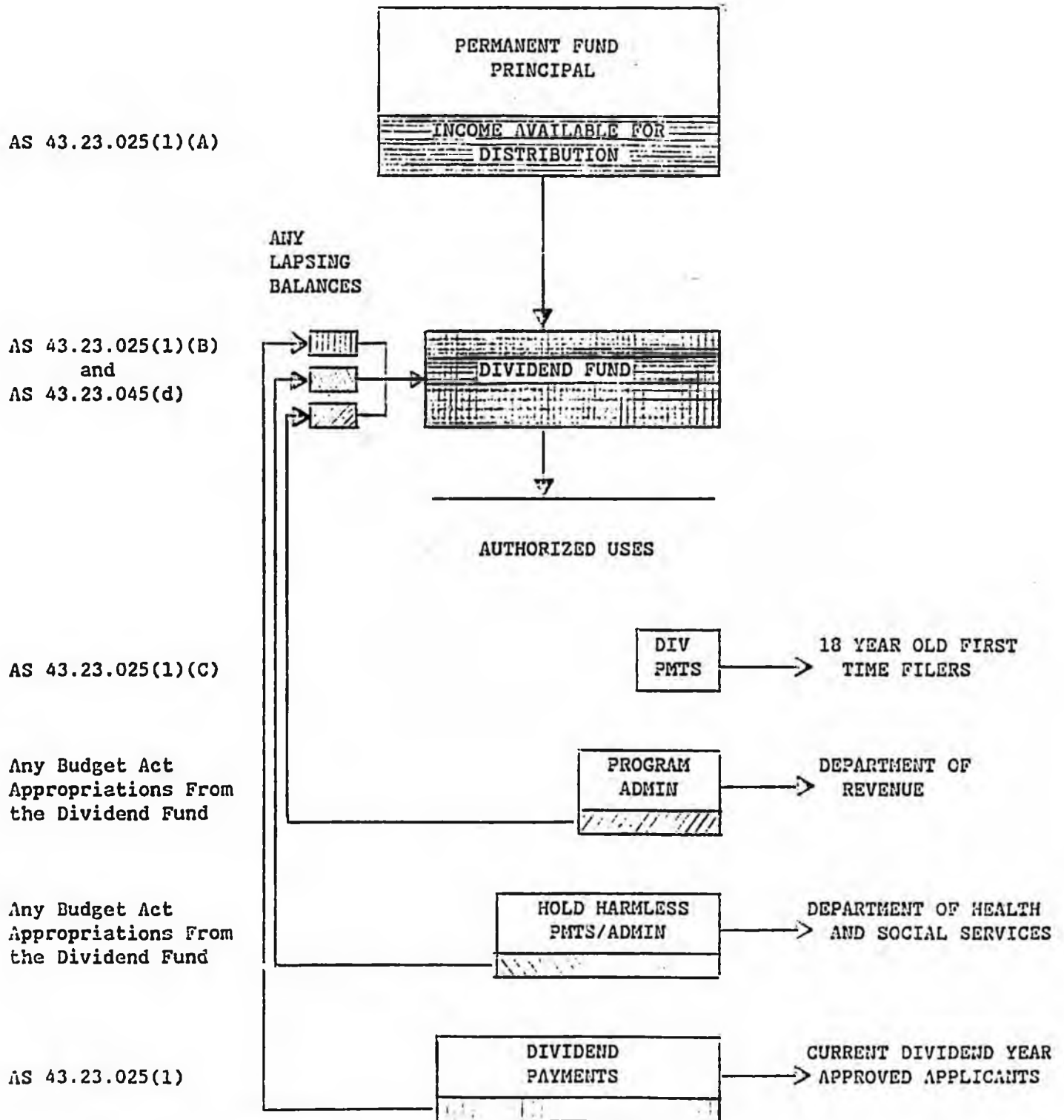
TH
CES

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

EAR
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ALASKA DEPARTMENT OF REVENUE
 DIVIDEND COMPUTATION AND PAYMENT METHOD PER HB 83
 As of February 20, 1987



STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE



REQUEST _____

Bill Version: HB 83
Publish Date: _____

Revision Date: _____
Title: An act relating to computation and payment of permanent fund dividends
Sponsor: Rules, Request of Governor
Requestor: State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend
Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No administrative impact.

Prepared By: Ervin B. Jones Phone: 465-2313
 Division: Administrative Services Date: 2/19/87
 Approved by Commissioner: Hugh Malone, Jr. Date: 2/19/87
 Agency: Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Alaska State Legislature

REPRESENTATIVE
PAT POURCHOT

HOUSE FINANCE COMMITTEE
COMMITTEE ON OIL AND GAS



ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 276-8818
(H) (907) 338-2425

JUNEAU
POUCH V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

House of Representatives

MEMORANDUM

DATE: April 9, 1987
TO: House Finance Members
FROM: Representative Pat Pourchot *Pat*
SUBJECT: Draft Amendment for CS HB 83 (Fin)

Attached is a draft amendment for the draft Committee Substitute for HB 83 (Fin). The amendment would allow the department to pay prior year dividends out of current year dividend funds to persons who either were unable to file on time through no fault of their own, or whose application was lost.

The subcommittee unanimously rejected this amendment. However, at the request of the Department of Revenue the Subcommittee agreed to bring the amendment before the full committee for a vote.

* SECTION 2. Page 2, lines, 3 - 4: Sec. 43.23.025 (1)(C) is amended as follows:

(C) less the amount necessary to pay prior year dividends from the dividend fund in the current year as determined by the commissioner [UNDER 43.23.055(3)];

A M E N D M E N T

Offered in the HOUSE

TO: CSHB 83()

Page 2, line 3, after "pay":

Insert "prior year"

Page 2, line 4:

Delete "under AS 43.23.055(3)"

Insert "as determined by the commissioner"

cc

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills -- one, a substantive measure, and the other, an appropriation bill -- relating to permanent fund dividends.

The first bill relates to computation and payment of the dividends. The major purpose of the bill is to amend the formula for determining the amount of each year's dividend, to reflect disbursements made from the dividend fund for payment of prior-year dividends. Section 1 of the bill. Existing AS 43.23.055(3) provides a mechanism for persons to establish, in later years, that they have a right to a prior-year dividend. Those affected are children who reach the age of majority and establish that one or more applications were not filed on their behalf in prior years. Under the bill, proposed AS 43.23.025(1)(C) provides for current-year payment of prior-year dividends approved for payment in that year, by recognizing that the amount available for payment of current-year dividends is reduced by the amount necessary to pay approved prior-year dividends.

The legislature addressed the problem of funding prior-year dividends in the 1982 appropriation for the dividend program, by specifying that the appropriation was nonlapsing. The "nonlapse" provision was not, however, included in the FY 1983, 1984, 1985, and 1986 appropriations. (The second bill deals with the 1982 -- 1985 appropriations, and is discussed later in this letter.) This first bill will preclude the necessity for a "nonlapse" provision in future appropriations by statutorily providing that each year's batch of approved prior-year dividends is paid from money in the dividend fund on October 1 of that year. This method of payment will provide a much more accurate way of dealing with an unknown number of prior-year dividend applicants than will a method requiring an "estimate" of that unknown number and the setting-aside of the amount "estimated" necessary to pay those dividends.

Proposed AS 43.23.045(d), in sec. 2 of the bill, provides a "lapse" provision for appropriations made to implement AS 43.23. An appropriation has been the vehicle for the "transfer" of permanent fund income to the dividend fund that is required by current AS 43.23.045(b). The lapse provision in proposed AS 43.23.045(d) will make certain that that appropriation remains available to pay dividends. This provision assures that, to the maximum extent possible, money appropriated to the dividend fund is used to pay dividends. One of the amendments in sec. 1 of the bill, proposed AS 43.23.025(1)(E), amends the dividend determination formula to reflect the new lapse provision.

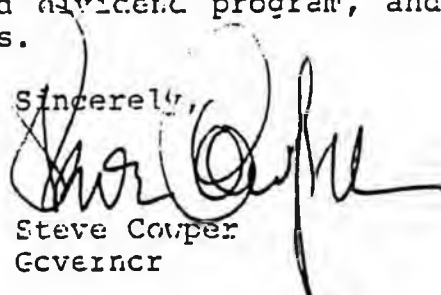
As mentioned earlier in this letter, the second bill deals with the 1982 -- 1985 appropriations made to pay permanent fund dividends. The primary purpose of this bill (in secs. 3 -- 7) is to provide a June 30, 1987 lapse date for the 1983, 1984, and 1985 appropriations, lapsing them to the dividend fund under AS 43.23.045(d) (proposed in the first bill).

Unlike the others, the 1982 appropriations were made from the general fund. Under sec. 1 of the second bill, the remaining portion of the 1982 appropriations lapses back to the general fund June 30, 1987.

The permanent fund dividend appropriation enacted for fiscal year 1987 is not dealt with in this bill because, if enacted, the new lapse provision in the first bill (AS 43.23.045(d)) will take effect before the end of fiscal year 1987 and will apply to that appropriation.

This pair of bills resolves complicated problems in the administration of the permanent fund dividend program, and I urge your support of these measures.

Sincerely,



Steve Cooper
Governor

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 83

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to computation and payment of permanent fund dividends; and providing for an effective date."

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8

9

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

10

* Section 1. AS 43.23.025 is amended to read:

11

Sec. 43.23.025. AMOUNT OF DIVIDEND. By October 1 of each year

12

the commissioner shall give public notice of the value of each permanent

13

fund dividend for that year. The commissioner shall determine

14

the value of a permanent fund dividend by

15

(1) determining the total amount available for dividend

16

payments, which is the total of

17

(A) the amount of income of the Alaska permanent fund

18

transferred to the dividend fund under AS 43.23.045(b) during the

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current year;

20

(B) plus the unexpended and unobligated balances of

21

prior fiscal year appropriations which lapse into the dividend

22

fund under AS 43.23.045(d);

23

(C) less the amount necessary to pay dividends from

24

the dividend fund in the current year under AS 43.23.055(3);

25

(2) determining the number of individuals eligible to

26

receive a dividend payment for the current year; and

27

(3) dividing the amount determined under [IN] (1) of this

28

section by the amount determined under [IN] (2) of this section.

29

* Sec. 2. AS 43.23.045 is amended by adding a new subsection to read:

1 (d) Unless specified otherwise in an appropriation Act, the
2 unexpended and unobligated portion of an appropriation to implement
3 this chapter lapses into the dividend fund on June 30 of the fiscal
4 year for which the appropriation was made, and must be used in de-
5 termining the amount of, and paying, the subsequent year's dividend,
6 as provided in AS 43.23.025(1)(B).

7 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

C S H B

8 3

SENATE COMMITTEE REPORT

FURTHER:

5/12/87

DATE TURNED INTO OFFICE 5/16/87

Mr. President:

FINANCE Committee considered CSHB 83(Fin)am

eligibility for and computation and payment of permanent fund dividends; efd.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature] DD PASS
Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 83(Fin)
Publish Date: HOUSE 4/10/87

REQUEST

Revision Date: _____
Title: An act relating to computation and payment of permanent fund dividends
Sponsor: Rules, Governor
Requestor: Finance

Agency Affected: Revenue
BRU: Permanent Fund Dividend

Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Eryn B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 4/9/87

Approved by Commissioner: Hugh Malone RW For.
Agency: Revenue

Date: 4/9/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 83 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to eligibility for and computation
7 and payment of permanent fund dividends; and provid-
8 ing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 43.23.005(a) is amended to read:
11 (a) An individual is eligible to receive one permanent fund
12 dividend each year in an amount to be determined under AS 43.23.025 if
13 the individual applies to the department, and if [ON THE DATE OF
14 APPLICATION THE INDIVIDUAL]
15 (1) on the date of application the individual is a state
16 resident; and
17 (2) the individual was [HAS BEEN] a state resident for a
18 period of at least six consecutive months immediately preceding April
19 1 [THE DATE OF APPLICATION].
20 * Sec. 2. AS 43.23.025 is amended to read:
21 Sec. 43.23.025. AMOUNT OF DIVIDEND. By October 1 of each year
22 the commissioner shall give public notice of the value of each perma-
23 nent fund dividend for that year. The public notice shall contain a
24 statement disclosing the amount by which each individual dividend has
25 been reduced in order to pay the costs of (1) administering the pro-
26 gram; (2) the hold harmless provisions of AS 43.23.075. The commis-
27 sioner shall also include the statement on the stub attached to each
28 individual dividend check. The commissioner shall determine the value
29 of a permanent fund dividend by

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

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

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

9 (C) less the amount necessary to pay dividends from
10 the dividend fund in the current year under AS 43.23.055(3);

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

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

18 (3) dividing the amount determined under [IN] (1) of this
19 section by the amount determined under [IN] (2) of this section.

20 * Sec. 3. AS 43.23.045 is amended by adding a new subsection to read:

21 (d) Unless specified otherwise in an appropriation act, the
22 unexpended and unobligated balance of an appropriation to implement
23 this chapter lapses into the dividend fund on June 30 of the fiscal
24 year for which the appropriation was made and shall be used in deter-
25 mining the amount of and paying the subsequent year's dividend as
26 provided in AS 43.23.025(1)(B).

27 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills -- one, a substantive measure, and the other, an appropriation bill -- relating to permanent fund dividends.

The first bill relates to computation and payment of the dividends. The major purpose of the bill is to amend the formula for determining the amount of each year's dividend, to reflect disbursements made from the dividend fund for payment of prior-year dividends. Section 1 of the bill. Existing AS 43.23.055(3) provides a mechanism for persons to establish, in later years, that they have a right to a prior-year dividend. Those affected are children who reach the age of majority and establish that one or more applications were not filed on their behalf in prior years. Under the bill, proposed AS 43.23.025(1)(C) provides for current-year payment of prior-year dividends approved for payment in that year, by recognizing that the amount available for payment of current-year dividends is reduced by the amount necessary to pay approved prior-year dividends.

The legislature addressed the problem of funding prior-year dividends in the 1982 appropriation for the dividend program, by specifying that the appropriation was nonlapsing. The "nonlapse" provision was not, however, included in the FY 1983, 1984, 1985, and 1986 appropriations. (The second bill deals with the 1982 -- 1985 appropriations, and is discussed later in this letter.) This first bill will preclude the necessity for a "nonlapse" provision in future appropriations by statutorily providing that each year's batch of approved prior-year dividends is paid from money in the dividend fund on October 1 of that year. This method of payment will provide a much more accurate way of dealing with an unknown number of prior-year dividend applicants than will a method requiring an "estimate" of that unknown number and the setting-aside of the amount "estimated" necessary to pay those dividends.

Proposed AS 43.23.045(d), in sec. 2 of the bill, provides a "lapse" provision for appropriations made to implement AS 43.23. An appropriation has been the vehicle for the "transfer" of permanent fund income to the dividend fund that is required by current AS 43.23.045(b). The lapse provision in proposed AS 43.23.045(d) will make certain that that appropriation remains available to pay dividends. This provision assures that, to the maximum extent possible, money appropriated to the dividend fund is used to pay dividends. One of the amendments in sec. 1 of the bill, proposed AS 43.23.025(1)(E), amends the dividend determination formula to reflect the new lapse provision.

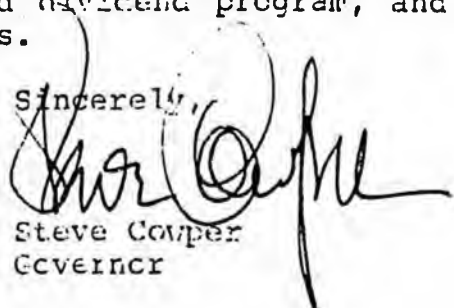
As mentioned earlier in this letter, the second bill deals with the 1982 -- 1985 appropriations made to pay permanent fund dividends. The primary purpose of this bill (in secs. 2 -- 7) is to provide a June 30, 1987 lapse date for the 1983, 1984, and 1985 appropriations, lapsing them to the dividend fund under AS 43.23.045(d) (proposed in the first bill).

Unlike the others, the 1982 appropriations were made from the general fund. Under sec. 1 of the second bill, the remaining portion of the 1982 appropriations lapses back to the general fund June 30, 1987.

The permanent fund dividend appropriation enacted for fiscal year 1987 is not dealt with in this bill because, if enacted, the new lapse provision in the first bill (AS 43.23.-045(d)) will take effect before the end of fiscal year 1987 and will apply to that appropriation.

This pair of bills resolves complicated problems in the administration of the permanent fund dividend program, and I urge your support of these measures.

Sincerely,



Steve Cowper
GOVERNOR

SENATE COMMITTEE REPORT

FURTHER: FINANCE

4/27/87

DATE TURNED INTO OFFICE 12 MAY 1987

Mr. President:

STATE AFFAIRS

Committee considered

CSHB 83(Fin)am

eligibility for and computation and payment of permanent fund dividends; efd.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
House zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

W. Kennedy
Jim Fuchs

Donny McLeod
Chairman signature and recommendation

Committee Backup Attached

HB

84

HOUSE COMMITTEE REPORT

(11)

Date referred: 3/6/87

FURTHER REFERRALS:

DATE: 4/9/87

The Finance Committee has considered HB 84

"An Act amending appropriations pertaining to permanent fund dividends; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 84 (Fin) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

ADAMS Albert G. Adams

POWERS Pat Powers

BOYER _____

WALLIS Ray Wallis

SWACK _____

GOLL Peter Goll

LARSON _____

RIEGER Steve Rieger

BROWN Tom Brown

DAVIS Mike Davis

FRANK John Frank

Albert G. Adams
Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 84 (Finance)

Publish Date: _____

REQUEST _____

Revision Date: _____

Title: An act amending appropriations
pertaining to permanent fund dividends

Sponsor: Rules, Governor

Requestor: Finance

Agency Affected: Revenue

BRU: Permanent Fund Dividend

Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 4/9/87

Approved by Commissioner: Hugh Malone
Agency: Revenue

Date: 4/9/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 84 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending appropriations pertaining to perma-
7 nent fund dividends; and providing for an effective
8 date."

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

10 * Section 1. Section 75, ch. 101, SLA 1982, is amended to read:

11 Sec. 75. (a) The unexpended and unobligated portion of the
12 appropriations made in secs. 17 and [,] 18 of this Act lapses into the
13 general fund June 30, 1987.

14 (b) The appropriations made in secs. [,] 21, 40, 41, 42, 43, 44,
15 47, and 48 of this Act are not one-year appropriations and do not
16 lapse in accordance with AS 37.25.010.

17 * Sec. 2. Section 1, ch. 6, SLA 1983, is amended to read:

18 Section 1. The sum of \$41,000,000 is appropriated to the Depart-
19 ment of Revenue from the Permanent Fund Dividend Fund (AS 43.23.045)
20 to pay for 1982 permanent fund dividends. The unexpended and unobli-
21 gated portion of the appropriation made by this section lapses into
22 the general fund June 30, 1987.

23 * Sec. 3. Section 32, ch. 107, SLA 1983, is amended by inserting the
24 following on page 14, after line 11:

25 The unexpended and unobligated portion of the appropriation made
26 on line 11 lapses into the general fund June 30, 1987.

27 * Sec. 4. Section 1, ch. 44, SLA 1984, is amended to read:

28 Section 1. The sum of \$11,869,300 is appropriated to the divi-
29 dend fund (AS 43.23.045) from the net income of the Alaska permanent

1 fund earned during the fiscal year ending June 30, 1983. The unex-
2 pended and unobligated portion of the appropriation made by this
3 section lapses into the general fund June 30, 1987.

4 * Sec. 5. Section 14, ch. 122, SLA 1984, is amended to read:

5 Sec. 14. The income of the Alaska permanent fund allocated
6 annually to pay permanent fund dividends as provided in AS 43.23.-
7 045(b) is appropriated to the dividend fund (AS 43.23.045(a)) for the
8 payment of the 1984 permanent fund dividend and administrative costs.
9 The unexpended and unobligated portion of the appropriation made by
10 this section lapses into the general fund June 30, 1987.

11 * Sec. 6. Section 15, ch. 122, SLA 1984, is amended to read:

12 Sec. 15. The sum of \$7,985,700 is appropriated to the dividend
13 fund (AS 43.23.045) from the net income of the Alaska permanent fund
14 earned during the fiscal year ending June 30, 1983, for the payment of
15 the 1984 permanent fund dividend. The unexpended and unobligated
16 portion of the appropriation made by this section lapses into the
17 general fund June 30, 1987.

18 * Sec. 7. Section 14, ch. 98, SLA 1985, is amended to read:

19 Sec. 14. The income of the Alaska permanent fund allocated
20 annually to pay permanent fund dividends as provided in AS 43.23.-
21 045(b) is appropriated to the dividend fund (AS 43.23.045(a)) for the
22 payment of the 1985 permanent fund dividend and administrative costs.
23 The unexpended and unobligated portion of the appropriation made by
24 this section lapses into the general fund June 30, 1987.

25 * Sec. 8. This Act takes effect on the effective date of a version of
26 HB 83, relating to permanent fund dividends, or a substantially similar
27 measure that is enacted by the First Session of the Fifteenth Alaska State
28 Legislature.

Alaska State Legislature

REPRESENTATIVE
PAT POURCHOT

HOUSE FINANCE COMMITTEE
COMMITTEE ON OIL AND GAS



ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 276-6818
(H) (907) 338-2425

JUNEAU
POUCH V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

House of Representatives

MEMORANDUM

DATE: April 9, 1987
TO: House Finance Members
FROM: Representative Pat Pourchot *Pat*
SUBJECT: Draft CS HB 84 (Fin)

The Subcommittee on HB 84 unanimously supports the Committee Substitute for HB 84 (Fin), "An Act amending appropriations pertaining to permanent fund dividends; and providing for an effective date."

The Committee Substitute lapses unexpended and unobligated portions of appropriations made for payment of permanent fund dividends for the years 1982 through 1985 into the general fund. In addition, the Committee Substitute lapses the unexpended and unobligated balance of a 1984 appropriation (in Section 4) for additional dividends and administrative costs back into the general fund. The effective date of HB 84 is contingent upon passage of HB 83.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 84
Publish Date: HOUSE 3/6/87

REQUEST

Revision Date: _____
Title: An Act amending appropriations
pertaining to permanent fund dividends
Sponsor: House Rules Committee
Requestor: House State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend
Components: Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<u>OPERATING</u>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: This bill lapses approximately \$4,667.8 to the general fund and 20,787.3 to the dividend fund as explained in the attached analysis (section I, Estimated PFD Lapse Balances under HB 84 and section II, Required PFD Account Encumbrances under HB 83 and HB 84).

Thomas C. Williams

Prepared By: Thomas C. Williams
Division: Enforcement

Phone: 465-2366
Date: February 24, 1987

Approved by Commissioner: *H. Maline*
Agency: _____

Date: 2/25/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

ALASKA DEPARTMENT OF REVENUE
 FISCAL NOTE ANALYSIS OF HB 84
 February 24, 1987

I. ESTIMATED PFD LAPSE BALANCES UNDER HB 84

	Orig. Lapse Date	Total	Dividend	Rev Admin.	H&SS H. Harm
<u>1982 PFD (General Fund)</u>					
Sec. 17 and 18, ch 101, SLA 1982 (A)	None	\$ 440,560,100	\$ 439,730,100	\$ 830,000	\$ -0-
Fiscal Note		<u>2,500,000</u>	<u>-0-</u>	<u>2,500,000</u>	<u>-0-</u>
Total 1982 Appropriation		<u>\$ 443,060,100</u>	439,730,100	<u>\$ 3,330,000</u>	<u>\$ -0-</u>
Less: 1982 PFD ITD Expended Est. Encumbrance (B)			(435,052,316) <u>(-0-)</u>		
<u>Estimated Lapse under Sec. 1</u>			<u>\$ 4,677,784</u>		
<u>1982 PFD (Dividend Fund)</u>					
Sec 1, ch. 6, SLA 1983	None	\$ 41,000,000	\$ 41,000,000	\$ -0-	\$ -0-
Less: 1982 PFD ITD Expended Est. Encumbrance (B)			(34,423,433) <u>(586,000)</u>		
<u>Estimated Lapse under Sec. 2</u>			<u>\$ 5,990,567</u>		
<u>1983 PFD (Dividend Fund)</u>					
Sec. 32, ch. 107, SLA 1983 page 14, line 11	6/30/84	\$ 179,020,000	\$ 175,935,300	\$ 3,084,700	\$ -0-
Sec. 2, ch. 44, SLA 1984	6/30/85	11,584,500	11,584,500	-0-	-0-
Sec. 3, ch. 44, SLA 1984	6/30/85	<u>284,800</u>	<u>-0-</u>	<u>284,800</u>	<u>-0-</u>
Total 1983 PFD Authorizations		<u>\$ 190,889,300</u>	187,519,800	<u>\$ 3,369,500</u>	<u>\$ -0-</u>
Less: 1983 PFD ITD Expended Est. Encumbrance (B)			(176,632,020) <u>(689,628)</u>		
<u>Est. Lapse under Secs. 3 & 4</u>			<u>\$ 10,198,152</u>		

ALASKA DEPARTMENT OF REVENUE
 FISCAL NOTE ANALYSIS OF HB 84
 February 24, 1987

	Orig. Lapse Date	Total	Dividend	Rev Admin.	H&SS H. Harm
<u>1984 PFD (Dividend Fund)</u>					
Sec. 14, ch. 122, SLA 1984	6/30/85	\$ 155,129,971	\$ 152,114,471	\$ 3,015,500	\$ -0-
Sec. 15, ch. 122, SLA 1984	6/30/85	7,985,700	7,985,700	-0-	-0-
Total 1984 PFD Authorizations		\$ 163,115,671	160,100,171	\$ 3,015,500	\$ -0-
Less: 1984 PFD ITD Expended Est. Encumbrance (B)			(158,650,077) (194,467)		
<u>Est. Lapse under Secs. 5 & 6</u>			<u>\$ 1,255,627</u>		
<u>1985 PFD (Dividend Fund)</u>					
Sec. 14, ch. 98, SLA 1985	6/30/86	\$ 210,733,842	\$ 210,733,842	\$ -0-	\$ -0-
Sec. 26, ch. 98, SLA 1985 page 26, line 5	6/30/86	2,895,900	-0-	2,895,900	-0-
Sec. 26, ch. 97, SLA 1985 page 35, line 7	6/30/86	3,644,300	-0-	-0-	3,644,300
Total 1985 PFD Authorization		\$ 217,274,042	210,733,842	\$ 2,895,900	\$3,644,300
Less: 1985 PFD ITD Expended Est. Encumbrance (B)			(208,258,532) (180,332)		
<u>Estimated Lapse under Sec. 7</u>			<u>\$ 2,294,978</u>		
<u>1986 PFD (Dividend Fund)</u>					
Sec 13, ch. 129, SLA 1986	6/30/87	\$ 295,835,142	\$ 295,835,142	\$ -0-	\$ -0-
Sec 21, ch. 129, SLA 1986 page 21, line 8	6/30/87	3,378,000	-0-	3,378,000	-0-
Sec 21, ch. 129, SLA 1986 page 28, line 22	6/30/87	4,211,700	-0-	-0-	4,211,700
Total 1986 PFD Authorizations		\$ 303,424,842	295,835,142	\$ 3,378,000	\$4,211,700
Less: 1986 PFD ITD Expended Est. Encumbrance			(293,171,545) (2,663,597)		
<u>Estimated 1986 PFD Lapse (C)</u>			<u>(-0-)</u>		

ALASKA DEPARTMENT OF REVENUE
FISCAL NOTE ANALYSIS OF HB 84
 February 24, 1987

No. 4
 HB 84
 3/6/87

Orig. Lapse Date	Total	Dividend	Rev Admin.	H&SS H. Harm
<u>Actual and Estimated Lapse to Dividend Fund (D)</u>				
1982 PFD	\$ 5,990,567	\$ 5,990,567	\$ -0-	\$ -0-
1983 PFD	10,400,819	10,198,152	202,667	-0-
1984 PFD	1,558,596	1,255,627	302,969	-0-
1985 PFD	2,837,340	2,294,978	412,316	130,046
1986 PFD	NCA	-0-	NCA	NCA
<u>Estimated Additional Amount Available for 1987 PFD under AS 43.23.045(d)</u>				
	\$ 20,787,322	\$ 19,739,324	\$ 917,952	\$ 130,046

NOTES:

- A. Included within the Sec. 19, ch. 101, SLA 1982 appropriation was an amount to be sued for the PCC/CCC tax credit program. The actual appropriation was as follows:

Total Appropriation	\$ 442,192,100
Less: Tax credit allocation	(1,632,000)
Total PFD allocation	\$ 440,560,100

- B. Per section II, Required PFD Account Encumbrances under HB 83 and HB 84.

- C. This analysis indicates there will be a shortfall of funds for the 1986 PFD program

Required Funds per PFD Account Encumbrances under HB 83 and HB 84	\$4,531,294
Less: Estimated Encumbrance	2,663,597
Shortfall	(\$1,867,697)

However, because many of the outstanding applications will actually be denied, no actual shortfall is anticipated.

- D. Estimated dividend payment lapses are based on this schedule. The amounts included for 1983, 1984, and 1985 PFD Revenue administrative costs and the 1984 and 1985 H&SS hold harmless costs are the amounts already actually lapsed to the dividend fund. The amount of the 1986 Revenue administrative and H&SS hold harmless appropriations that may lapse is not currently available (NCA) and has not been included.

ALASKA DEPARTMENT OF REVENUE
FISCAL NOTE ANALYSIS OF HB 84
 February 24, 1987

No. 4
 HB 84
 3/6/87

II. REQUIRED PFD ACCOUNT ENCUMBRANCES UNDER HB 83 AND HB 84

	1986	1985	1984	1983	1982
<u>Unresolved Applications</u>					
Not on File	-0-	-0-	-0-	-0-	-
Unpaid					
Incomplete	195	40	18	8	
Potential Duplicate	165	20	19	1	-
Acceptable	544	52	2	-0-	
No Sponsor on File	-0-	-0-	-0-	-0-	-
Review	881	80	34	19	
Invalid Code	-0-	-0-	-0-	-0-	
Garnished					
Acceptable	-0-	33	12	72	3
Questioned	-0-	-0-	-0-	2	
Review	1	-0-	-0-	-0-	-
To Be Reissued					
Acceptable	31	6	-0-	-0-	-
Questioned	3	1	-0-	-0-	
Stop Payment					
Acceptable	-0-	-0-	-0-	-0-	
Cancelled					
Acceptable	3,367	21	13	6	
No Sponsor on File	-0-	2	4	-0-	
Questioned	12	8	2	51	
Review	2	-0-	-0-	-0-	-
<u>Total Unresolved Applications</u>	<u>5,201</u>	<u>263</u>	<u>104</u>	<u>159</u>	<u>3</u>
<u>Denial Appealed</u>					
Request to Apply Late	154	21	5	5	
Informal	2,071	1,353	423	281	1
Formal	-0-	17	42	19	
Court	-0-	-0-	-0-	-0-	-
Invalid Status	-0-	-0-	-0-	-0-	-
<u>Total Denial Appealed</u>	<u>2,225</u>	<u>1,391</u>	<u>470</u>	<u>305</u>	<u>2</u>
<u>Appeal Period Not Yet Expired</u>					
Denials	720	-0-	-0-	2	-
Informal Upholds	-0-	53	13	1	
Formal Upholds	-0-	-0-	-0-	-0-	-
<u>Total Appeal Period Not Expired</u>	<u>720</u>	<u>53</u>	<u>13</u>	<u>3</u>	
<u>Total Potential Payments</u>	<u>8,146</u>	<u>1,707</u>	<u>587</u>	<u>467</u>	<u>5</u>
<u>Dividend Amount</u>	<u>x 556.26</u>	<u>x 404.00</u>	<u>x 331.29</u>	<u>x 386.15</u>	<u>x 1,000.</u>
<u>Required Funds as of 02/05/87</u>	<u>\$ 4,531,293.96</u>	<u>\$ 689,628.00</u>	<u>\$ 194,467.23</u>	<u>\$ 180,332.05</u>	<u>\$ 586,000.</u>

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

3

REQUEST _____

Bill Version: HB 84
Publish Date: _____

Revision Date: _____
Title: An act amending appropriations
pertaining to permanent fund dividends
Sponsor: Rules, Request of Governor
Requestor: State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend
Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No administrative impact.

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 2/19/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 2/19/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 84 (Finance)
 Publish Date: _____
 Agency Affected: Revenue
 BRU: Permanent Fund Dividend
 Components: Administrative Services

REQUEST _____
 Revision Date: _____
 Title: An act amending appropriations
 pertaining to permanent fund dividends
 Sponsor: Rules, Governor
 Requestor: Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ervin B. Jones
 Division: Administrative Services
 Approved by Commissioner: Hugh Malone
 Agency: Revenue

Phone: 465-2313
 Date: 4/9/87
 Date: 4/9/87

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

F/O 4/9
 Received 4/12/87

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 7, 1987

SUBJECT: Amendment of old lapse dates
(CSHB 84 ())

TO: Representative Pat Pouchot

FROM: David R. Dierdorff 
Revisor of Statutes

Enclosed is the draft committee substitute with the changes you requested in sec. 4 and in the effective date. As I told Jeannie Larson, I have some concerns about the legality of the approach taken in sec. 4 of the draft.

Under the terms of ch. 44, SLA 1984 as enacted, all of the unexpended and unobligated portion of the appropriations made by that Act lapsed into the dividend fund June 30, 1985. Whether the administrative steps necessary to execute that lapse were carried out or not, as a legal matter the funds lapsed into the dividend fund on that date. Consequently, it could be argued that the only way to transfer that money from the dividend fund to the general fund is to appropriate it.

It may be that other appropriations lapsed by CSHB 84 () have a similar problem. However, sec. 4 is the only section that places the problem squarely before the reader. This may also be a case where pragmatic realities override legal technicalities. Given the sensitivity of anything related to the permanent fund, however, I believe that you should be aware that a question could be raised about the amendment of a lapse date after that date has occurred.

If I can be of further assistance, please advise.

DRD:mkr
m10/113

Enclosure

Original sponsor: Rules/Governor

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 84 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending appropriations pertaining to perma-
7 nent fund dividends; and providing for an effective
8 date."

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

10 * Section 1. Section 75, ch. 101, SLA 1982, is amended to read:

11 Sec. 75. (a) The unexpended and unobligated portion of the
12 appropriations made in secs. 17 and [,] 18 of this Act lapses into the
13 general fund June 30, 1987.

14 (b) The appropriations made in secs. [,] 21, 40, 41, 42, 43, 44,
15 47, and 48 of this Act are not one-year appropriations and do not
16 lapse in accordance with AS 37.25.010.

17 * Sec. 2. Section 1, ch. 6, SLA 1983, is amended to read:

18 Section 1. The sum of \$41,000,000 is appropriated to the Depart-
19 ment of Revenue from the Permanent Fund Dividend Fund (AS 43.23.045)
20 to pay for 1982 permanent fund dividends. The unexpended and unobli-
21 gated portion of the appropriation made by this section lapses into
22 the general fund June 30, 1987.

23 * Sec. 3. Section 32, ch. 107, SLA 1983, is amended by inserting the
24 following on page 14, after line 11:

25 The unexpended and unobligated portion of the appropriation made
26 on line 11 lapses into the general fund June 30, 1987.

27 * Sec. 4. Section 4, ch. 44, SLA 1984, is amended to read:

28 Sec. 4. The unexpended and unobligated portion of the appropria-
29 tions [APPROPRIATION] made by secs. 2 and 3 of this Act lapses into the

1 general [DIVIDEND] fund [(AS 43.23.045)] June 30, 1987 [1985].

2 * Sec. 5. Section 14, ch. 122, SLA 1984, is amended to read:

3 Sec. 14. The income of the Alaska permanent fund allocated
4 annually to pay permanent fund dividends as provided in AS 43.23.-
5 045(b) is appropriated to the dividend fund (AS 43.23.045(a)) for the
6 payment of the 1984 permanent fund dividend and administrative costs.
7 The unexpended and unobligated portion of the appropriation made by
8 this section lapses into the general fund June 30, 1987.

9 * Sec. 6. Section 15, ch. 122, SLA 1984, is amended to read:

10 Sec. 15. The sum of \$7,985,700 is appropriated to the dividend
11 fund (AS 43.23.045) from the net income of the Alaska permanent fund
12 earned during the fiscal year ending June 30, 1983, for the payment of
13 the 1984 permanent fund dividend. The unexpended and unobligated
14 portion of the appropriation made by this section lapses into the
15 general fund June 30, 1987.

16 * Sec. 7. Section 14, ch. 98, SLA 1985, is amended to read:

17 Sec. 14. The income of the Alaska permanent fund allocated
18 annually to pay permanent fund dividends as provided in AS 43.23.-
19 045(b) is appropriated to the dividend fund (AS 43.23.045(a)) for the
20 payment of the 1985 permanent fund dividend and administrative costs.
21 The unexpended and unobligated portion of the appropriation made by
22 this section lapses into the general fund June 30, 1987.

23 * Sec. 8. This Act takes effect on the effective date of a version of
24 HB 83, relating to permanent fund dividends, that is enacted by the First
25 Session of the Fifteenth Alaska State Legislature.

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

2

January 29, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills -- one, a substantive measure, and the other, an appropriation bill -- relating to permanent fund dividends.

The first bill relates to computation and payment of the dividends. The major purpose of the bill is to amend the formula for determining the amount of each year's dividend, to reflect disbursements made from the dividend fund for payment of prior-year dividends. Section 1 of the bill. Existing AS 43.23.055(3) provides a mechanism for persons to establish, in later years, that they have a right to a prior-year dividend. Those affected are children who reach the age of majority and establish that one or more applications were not filed on their behalf in prior years. Under the bill, proposed AS 43.23.025(1)(C) provides for current-year payment of prior-year dividends approved for payment in that year, by recognizing that the amount available for payment of current-year dividends is reduced by the amount necessary to pay approved prior-year dividends.

The legislature addressed the problem of funding prior-year dividends in the 1982 appropriation for the dividend program, by specifying that the appropriation was nonlapsing. The "nonlapse" provision was not, however, included in the FY 1983, 1984, 1985, and 1986 appropriations. (The second bill deals with the 1982 -- 1985 appropriations, and is discussed later in this letter.) This first bill will preclude the necessity for a "nonlapse" provision in future appropriations by statutorily providing that each year's batch of approved prior-year dividends is paid from money in the dividend fund on October 1 of that year. This method of payment will provide a much more accurate way of dealing with an unknown number of prior-year dividend applicants than will a method requiring an "estimate" of that unknown number and the setting-aside of the amount "estimated" necessary to pay those dividends.

Proposed AS 43.23.045(d), in sec. 2 of the bill, provides a "lapse" provision for appropriations made to implement AS 43.23. An appropriation has been the vehicle for the "transfer" of permanent fund income to the dividend fund that is required by current AS 43.23.045(b). The lapse provision in proposed AS 43.23.045(d) will make certain that that appropriation remains available to pay dividends. This provision assures that, to the maximum extent possible, money appropriated to the dividend fund is used to pay dividends. One of the amendments in sec. 1 of the bill, proposed AS 43.23.025(1)(B), amends the dividend determination formula to reflect the new lapse provision.

As mentioned earlier in this letter, the second bill deals with the 1982 -- 1985 appropriations made to pay permanent fund dividends. The primary purpose of this bill (in secs. 2 -- 7) is to provide a June 30, 1987 lapse date for the 1983, 1984, and 1985 appropriations, lapsing them to the dividend fund under AS 43.23.045(d) (proposed in the first bill).

Unlike the others, the 1982 appropriations were made from the general fund. Under sec. 1 of the second bill, the remaining portion of the 1982 appropriations lapses back to the general fund June 30, 1987.

The permanent fund dividend appropriation enacted for fiscal year 1987 is not dealt with in this bill because, if enacted, the new lapse provision in the first bill (AS 43.23.045(d)) will take effect before the end of fiscal year 1987 and will apply to that appropriation.

This pair of bills resolves complicated problems in the administration of the permanent fund dividend program, and I urge your support of these measures.

Sincerely,



Steve Cooper
Governor

Introduced: 1/30/87
Referred: State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

HOUSE BILL NO. 84

2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act amending appropriations pertaining to permanent fund dividends; and providing for an effective date."

7

8

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

10 * Section 1. Section 75, ch. 101, SLA 1982, is amended to read:

11 Sec. 75. (a) The unexpended and unobligated portion of the
12 appropriations made in secs. 17 and [,] 18 of this Act lapses into the
13 general fund June 30, 1987.

14 (b) The appropriations made in secs.[,] 21, 40, 41, 42, 43, 44,
15 47, and 48 of this Act are not one-year appropriations and do not
16 lapse in accordance with AS 37.25.010.

17 * Sec. 2. Section 1, ch. 6, SLA 1983 is amended to read:

18 Section 1. The sum of \$41,000,000 is appropriated to the Department
19 of Revenue from the Permanent Fund Dividend Fund (AS 43.23.045)
20 to pay for 1982 permanent fund dividends. The unexpended and unobligated
21 portion of the appropriation made by this section lapses into
22 the dividend fund (AS 43.23.045(d)) June 30, 1987.

23 * Sec. 3. Section 32, ch. 107, SLA 1983, is amended by inserting the
24 following on page 14, between lines 11 and 12:

25 The unexpended and unobligated portion of the appropriation made
26 on line 11 lapses into the dividend fund (AS 43.23.045(d)) June 30,
27 1987.

28 * Sec. 4. Section 4, ch. 44, SLA 1984, is amended to read:

29 Sec. 4. The unexpended and unobligated portion of the

1 appropriation made by sec. 2 of this Act lapses into the dividend fund
2 (AS 43.23.045(d)) June 30, 1987. The unexpended and unobligated
3 portion of the appropriation made by sec. 3 of this Act lapses into
4 the dividend fund (AS 43.23.045) June 30, 1985.

5 * Sec. 5. Section 14, ch. 122, SLA 1984, is amended to read:

6 Sec. 14. The income of the Alaska permanent fund allocated
7 annually to pay permanent fund dividends as provided in AS 43.23.-
8 045(b) is appropriated to the dividend fund (AS 43.23.045(a)) for the
9 payment of the 1984 permanent fund dividend and administrative costs.
10 The unexpended and unobligated portion of the appropriation made by
11 this section lapses into the dividend fund (AS 43.23.045(d)) June 30,
12 1987.

13 * Sec. 6. Section 15, ch. 122, SLA 1984, is amended to read:

14 Sec. 15. The sum of \$7,985,700 is appropriated to the dividend
15 fund (AS 43.23.045) from the net income of the Alaska permanent fund
16 earned during the fiscal year ending June 30, 1983, for the payment of
17 the 1984 permanent fund dividend. The unexpended and unobligated
18 portion of the appropriation made by this section lapses into the
19 dividend fund (AS 43.23.045(d)) June 30, 1987.

20 * Sec. 7. Section 14, ch. 98, SLA 1985, is amended to read:

21 Sec. 14. The income of the Alaska permanent fund allocated
22 annually to pay permanent fund dividends in AS 43.23.045(b) is appro-
23 priated to the dividend fund (AS 43.23.045(a)) for the payment of the
24 1985 permanent fund dividend and administrative costs. The unexpended
25 and unobligated portion of the appropriation made by this section
26 lapses into the dividend fund (AS 43.23.045(d)) June 30, 1987.

27 * Sec. 8. This Act takes effect on the effective date of an Act relat-
28 ing to computation and payment of permanent fund dividends.

HB

85

HOUSE COMMITTEE REPORT

(11)

Date referred: 2/13/87

FURTHER REFERRALS:

DATE: 3-4-87

The Finance Committee has considered HB 85

"An Act relating to reporting of unclaimed intangible property; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 85 (JUD) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Al Adams
Pat Bourke
Ronald J. Larson
P. G. ...
Swack *...*
Mark B...
F. Keywellis
Kay ...
Mike Davis

SIGNING OTHER RECOMMENDATIONS:

After Review No Recommendation

Albert ...

 Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION

FISCAL NOTE

Bill Version: CSHB 85(JUD)

Publish Date: 2/13/87

REQUEST _____

Revision Date: 2/18/87

Title: An act relating to reporting of unclaimed property

Sponsor: Rules/Governor

Requestor: Finance

Agency Affected: Revenue

BRU: Audit

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
REVENUE	500.0	500.0	500.0	500.0	500.0	500.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: See attached.

Prepared By: Steven E. Kettel *SK*

Division: Audit

Phone: 465-2320

Date: 2/18/87

Approved by Commissioner: Hugh Malone *H.M.*

Agency: Revenue

Date: 2/18/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

2/20/87
 Revenue

Fiscal Note Analysis
CSHB 85

During the final hours of the 1986 legislative session, an amendment to the Uniform Act was offered by a local businessman. The amendment, AS 34.45.280(f) exempts holders of unclaimed property and abandoned property from filing a report with the Department if the total amount held is less than \$750.00. The Department was not given an opportunity to testify on the amendment and would have been in extreme opposition to it. The Uniform Act was adopted primarily to give this State the authority to require holders located outside this State to turn over property held for persons with a last known address in Alaska. We believe millions of dollars are held by thousands of financial institutions, often in increments much less than the \$750.00 minimum contained in 280(f). Retaining this amendment will preclude the State, and eventually its citizens, from being reunited with hundreds of thousands of dollars of their property. Repeal of this section must be enacted immediately before holders become accustomed to its provisions allowing them exemption from filing a report.

109 of 193 holders that filed a 1986 report with the Department were lower 48 companies that paid less than \$750.00 each. Much of the property being reported to us consists of dividends paid to shareholders on the company's stock. The state is entitled to receive these unclaimed dividends annually and after seven dividends are abandoned the underlying shares are also subject to being reported to the State. These companies, many of them Fortune 500 companies, represent the "tip of the iceberg" as far as the number of foreign corporations and businesses that should be reporting unclaimed property to us. Many others are not yet aware of our new legislation. However, because of the number of requests we have received for copies of our law, we also believe that hundreds of companies have not exceeded the \$750 threshold and have legally not filed a report this year. Interestingly, only five Alaska corporations with unclaimed property of less than \$750.00 have reported it to us.

The compromise language in the committee substitute bill is not expected to greatly impact revenues that otherwise are expected to be received.

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 85 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to reporting of unclaimed property;
7 and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 34.45.280(f) is amended to read:
10 (f) The requirements of this section do not apply to the holder
11 of gift certificates and credit memos that are [INTANGIBLE PROPERTY
12 THAT IS] presumed abandoned under AS 34.45.240 [AS 34.45.110 - 34.45.-
13 780] during the year preceding June 30 of each year if the total
14 aggregate value of the certificates and memos [INTANGIBLE PROPERTY] is
15 less than \$100 [\$750].
16 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Unclaimed Property Unit
Foreign Companies Reporting \$750 or less
As of February 1, 1987

Prepared by:
Steven E. Kettel
Audit Division
February 6, 1987

USX CORPORATION
F. W. WOOLWORTH CO.
ZURICH INSURANCE CO., U.S. BRANCH
COLEMAN COMPANY, INC.
LOUISIANA-PACIFIC CORPORATION
TAISHO MANAGAEMENT CORP.
SPERRY CORPORATION
BANKAMERICA CORPORATION
ITT CORPORATION
NORTHERN LIFE INSURANCE CO.
NATIONAL GENERAL INSURANCE CO.
NATIONAL WESTERN LIFE INSURANCE CO.
NCR CORPORATION
NORTHWESTERN NATIONAL LIFE INSURANCE CO.
PENNSYLVANIA LIFE INSURANCE CO.
PILLSBURY COMPANY, THE
POLAROID CORPORATION

ROCKWELL INTERNATIONAL CORP.
SECURITY LIFE INS. CO. OF AMERICA
SUNSET LIFE INSURANCE CO. OF AMERICA
TEXACO INC. & SUBSIDIARIES
TEXAS GAS TRANSMISSION CORPORATION
TICOR TITLE INSURANCE
TRUST SERVICES OF AMERICA
UNION CARBIDE CORP.
UNITED AIRLINES, INC.
FIRST FARWEST CORP.
FIRST NATIONAL BANK OF ANCHORAGE
FORT CAMPBELL FEDERAL CREDIT UNION
GENERAL ELECTRIC

HERCULES INC.
HONEYWELL, INC.
IDS FINANCIAL SERVICES, INC.
JERMAIN, DUNNAGAN & OWNES, P.C.
LA MEXICANA, INC.
MERCK & CO., INC.
MIDLAND NATIONAL LIFE INSURANCE CO.
MOBIL OIL CORPORATION

WARNER COMMUNICATIONS, INC.
YOSEMITE INSURANCE COMPANY
ZURN INDUSTRIES, INC.
CONOCO, INC.
GEORGIA-PACIFIC CORP (BANK OF AMERICA)
CENVILL INVESTORS, INC.
FUQUA INDUSTRIES, INC.
SAFEMART STORES, INC.
ARMCO, INC.
MUTUAL PROTECTIVE INSURANCE CO.
NATIONAL HOME LIFE ASSURANCE CO.
NATIONWIDE MUTUAL INSURANCE CO.
NEW HAMPSHIRE INSURANCE GROUP
NORWEST CORP.
PENTAGON FEDERAL CREDIT UNION
PMI MORTGAGE INSURANCE CO.
R. L. POLK & CO.
RAINIER MORTGAGE COMPANY
ROYAL INSURANCE
SHELL OIL CO. AND SUBSIDIARIES
TEACHERS INSURANCE CO.
TEXAS EASTERN CORPORATION
TEXAS INSTRUMENTS INC.
TITLE INSURANCE AGENCY
UAL, INC.
UNIROYAL, INC.
UNITED GUARANTY RESIDENTIAL INS CO OF IOWA
FIRST INTERSTATE BANK OF OREGON, N.A.
FORD AEROSPACE & COMMUNICATIONS CORP.
GENCORP, INC.
GENERAL ELECTRIC MTG INS CORP
HALLIBURTON COMPANY
HOME SAVINGS OF AMERICA
HOUSEHOLD FINANCE CORP & FINANCE SUBS
INVESTORS INSURANCE CORP
KIEWIT HOLDINGS
MANAGEMENT & TECHNICAL SERVICES CO.
APCO LIQUIDATING TRUST
MINNESOTA MINING & MANUFACTURING
A.I. CREDIT CORPORATION

ALLEGHENY INTERNATIONAL, INC.
AMERICAN GEN'L LIFE INS. CO. OF DELAWARE
AMP INCORPORATED
ARKANSAS LOUISIANA GAS CO.
B. F. GOODRICH COMPANY, THE
CAMPBELL SOUP COMPANY
CHASE MANHATTAN BANK, N.A.

CITIES SERVICE OIL & GAS CORP.
CONSOLIDATED PAPERS, INC.
CREDIT THRIFT FINANCIAL MANAGEMENT
EASTMAN KODAK COMPANY

EMPLOYERS REINSURANCE CORPORATION

ALLIED-SIGNAL, INC.
AMERICAN LIFE & CASUALTY INS. CO.
ARGONAUT INSURANCE CO.
BECHTEL, INC.
BRUNSWICK CORPORATION
CATERPILLAR, INC.
CHURCH OF JESUS CHRIST OF LATTER-DAY
SAINTS
COLONIAL PENN LIFE INSURANCE COMPANY
CONTROL DATA CORPORATION
DANIEL INTERNATIONAL CORPORATION
EMPLOYERS INSURANCE OF WAUSAU
A MUTUAL COMPANY
FARMERS NEW WORLD LIFE INS. CO.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to reporting of unclaimed intangible property.

The Uniform Unclaimed Property Act, promulgated in 1981 by the National Conference of Commissioners on Uniform State Laws, was enacted in Alaska last year (ch. 133, SLA 1986). During the hectic final days of the 1986 legislative session, two amendments to the bill proposing the Uniform Act were adopted to exempt holders of unclaimed and abandoned intangible property from filing a report with the Department of Revenue if the total amount held by a particular holder is less than \$750. (See AS 34.45.280 and compare sec. 17 of the Uniform Act.) Those two amendments, significantly increasing the breadth and depth of AS 34.45.280(f)'s exemption (already in the then pending, but not the original, version of the bill), grossly intensified the problem of AS 34.45.280(f) itself. I am convinced that their effect was not fully analyzed before adoption. The most appropriate solution is the complete repeal of AS 34.45.280(f), and that is what this bill does.

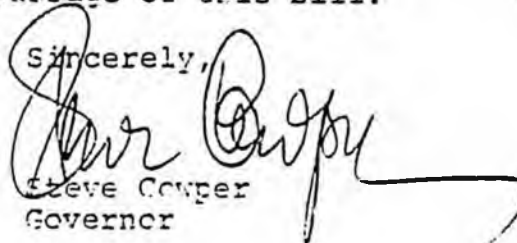
Not only is AS 34.45.280(f) inconsistent with the Uniform Act, retaining it would preclude the state and eventually the people of the state from being reunited with hundreds of thousands of dollars of property. It is important that this subsection be repealed at the earliest possible date, before holders of unclaimed property become accustomed to its exemption and get in the habit of not filing a report for this property.

One primary reason for enacting the Uniform Act was to give the state the authority to require holders located outside of this state to turn over property held for persons with a last known address in this state. It is believed that millions of dollars are held by thousands of out-of-state

businesses, especially banks and other financial institutions, in amounts less than the \$750 specified in AS 34.45.280(f). Repeal of that subsection would enable the state to reclaim most of that money.

For the good of the state and its people, and to help provide uniformity with other states enacting the Uniform Act, I strongly urge your prompt passage of this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Cooper", with a long horizontal flourish extending to the right.

Steve Cooper
Governor

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 85 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to reporting of unclaimed property;
7 and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 34.45.280(f) is amended to read:
10 (f) The requirements of this section do not apply to the holder
11 of gift certificates and credit memos that are [INTANGIBLE PROPERTY
12 THAT IS] presumed abandoned under AS 34.45.240 [AS 34.45.110 - 34.45.-
13 780] during the year preceding June 30 of each year if the total
14 aggregate value of the certificates and memos [INTANGIBLE PROPERTY] is
15 less than \$100 [\$750].
16 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Introduced: 1/30/87
Referred: Judiciary and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 85

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE -- FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to reporting of unclaimed intangible
7 property; and providing for an effective date."

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

9 * Section 1. AS 34.45.280(f) is repealed.

10 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

CSHB

85

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 85(Jud)
Publish Date: HOUSE 3/6/87

REQUEST _____

Revision Date: 2/18/87
Title: An act relating to reporting of unclaimed property
Sponsor: Rules/Governor
Requestor: Finance

Agency Affected: Revenue
BRU: Audit

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
REVENUE	500.0	500.0	500.0	500.0	500.0	500.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: See attached.

Prepared By: Steven E. Kettel *SK*
Division: Audit

Phone: 465-2320
Date: 2/18/87

Approved by Commissioner: Hugh Malone *HMalone*
Agency: Revenue

Date: 2/18/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Fiscal Note Analysis
CSHB 85

During the final hours of the 1986 legislative session, an amendment to the Uniform Act was offered by a local businessman. The amendment, AS 34.45.280(f) exempts holders of unclaimed property and abandoned property from filing a report with the Department if the total amount held is less than \$750.00. The Department was not given an opportunity to testify on the amendment and would have been in extreme opposition to it. The Uniform Act was adopted primarily to give this State the authority to require holders located outside this State to turn over property held for persons with a last known address in Alaska. We believe millions of dollars are held by thousands of financial institutions, often in increments much less than the \$750.00 minimum contained in 280(f). Retaining this amendment will preclude the State, and eventually its citizens, from being reunited with hundreds of thousands of dollars of their property. Repeal of this section must be enacted immediately before holders become accustomed to its provisions allowing them exemption from filing a report.

109 of 193 holders that filed a 1986 report with the Department were lower 48 companies that paid less than \$750.00 each. Much of the property being reported to us consists of dividends paid to shareholders on the company's stock. The state is entitled to receive these unclaimed dividends annually and after seven dividends are abandoned the underlying shares are also subject to being reported to the State. These companies, many of them Fortune 500 companies, represent the "tip of the iceberg" as far as the number of foreign corporations and businesses that should be reporting unclaimed property to us. Many others are not yet aware of our new legislation. However, because of the number of requests we have received for copies of our law, we also believe that hundreds of companies have not exceeded the \$750 threshold and have legally not filed a report this year. Interestingly, only five Alaska corporations with unclaimed property of less than \$750.00 have reported it to us.

The compromise language in the committee substitute bill is not expected to greatly impact revenues that otherwise are expected to be received.

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 85 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to reporting of unclaimed property;
7 and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 34.45.280(f) is amended to read:
10 (f) The requirements of this section do not apply to the holder
11 of gift certificates and credit memos that are [INTANGIBLE PROPERTY
12 THAT IS] presumed abandoned under AS 34.45.240 [AS 34.45.110 - 34.45.-
13 780] during the year preceding June 30 of each year if the total
14 aggregate value of the certificates and memos [INTANGIBLE PROPERTY] is
15 less than \$100 [\$750].
16 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to reporting of unclaimed intangible property.

The Uniform Unclaimed Property Act, promulgated in 1981 by the National Conference of Commissioners on Uniform State Laws, was enacted in Alaska last year (ch. 133, SLA 1986). During the hectic final days of the 1986 legislative session, two amendments to the bill proposing the Uniform Act were adopted to exempt holders of unclaimed and abandoned intangible property from filing a report with the Department of Revenue if the total amount held by a particular holder is less than \$750. (See AS 34.45.280 and compare sec. 17 of the Uniform Act.) Those two amendments, significantly increasing the breadth and depth of AS 34.45.280(f)'s exemption (already in the then pending, but not the original, version of the bill), grossly intensified the problem of AS 34.45.280(f) itself. I am convinced that their effect was not fully analyzed before adoption. The most appropriate solution is the complete repeal of AS 34.45.280(f), and that is what this bill does.

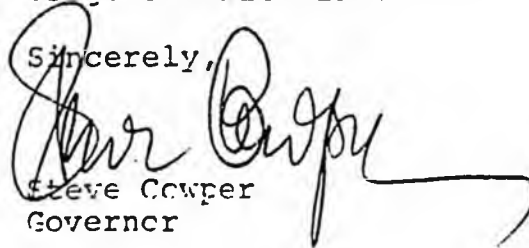
Not only is AS 34.45.280(f) inconsistent with the Uniform Act, retaining it would preclude the state and eventually the people of the state from being reunited with hundreds of thousands of dollars of property. It is important that this subsection be repealed at the earliest possible date, before holders of unclaimed property become accustomed to its exemption and get in the habit of not filing a report for this property.

One primary reason for enacting the Uniform Act was to give the state the authority to require holders located outside of this state to turn over property held for persons with a last known address in this state. It is believed that millions of dollars are held by thousands of out-of-state

businesses, especially banks and other financial institutions, in amounts less than the \$750 specified in AS 34.45.280(f). Repeal of that subsection would enable the state to reclaim most of that money.

For the good of the state and its people, and to help provide uniformity with other states enacting the Uniform Act, I strongly urge your prompt passage of this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Cowper", with a long horizontal flourish extending to the right.

Steve Cowper
Governor

SENATE COMMITTEE REPORT

FURTHER:

FINANCE

3/10/87

DATE TURNED INTO OFFICE

4/10/87

Mr. President:

JUDICIARY Committee considered CSHB 85(JUD)
reporting of unclaimed property; efd.

and recommended:

replace with CS FOR _____) same title
 or adopt ~~CS FOR _____~~) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous ~~XX~~

zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Joe Jacobson

Rich Stedman NO REC
Julia Funcher NO REC
Walter Raley NO REC

[Signature]
Chairman signature and recommendation

Committee Backup Attached