



LAWS OF ALASKA

2014

Source

SCS CSHB 75(FIN)

Chapter No.

AN ACT

Amending certain audit requirements for entities receiving contributions from permanent fund dividends; requiring the three main campuses of the University of Alaska to apply to be included on the contribution list for contributions from permanent fund dividends; relating to notice provided on the electronic dividend application form; relating to administrative costs for administering the program of contributions from permanent fund dividends; relating to a coordination fee for entities that receive contributions from permanent fund dividends; and requiring the university to pay an application fee for each campus separately listed on the contribution list for contributions from permanent fund dividends.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Amending certain audit requirements for entities receiving contributions from permanent fund
2 dividends; requiring the three main campuses of the University of Alaska to apply to be
3 included on the contribution list for contributions from permanent fund dividends; relating to
4 notice provided on the electronic dividend application form; relating to administrative costs
5 for administering the program of contributions from permanent fund dividends; relating to a
6 coordination fee for entities that receive contributions from permanent fund dividends; and
7 requiring the university to pay an application fee for each campus separately listed on the
8 contribution list for contributions from permanent fund dividends.

9

10 * **Section 1.** AS 43.23.062(a) is amended to read:

11 (a) Notwithstanding AS 43.23.069, the Department of Revenue shall prepare

1 the electronic Alaska permanent fund dividend application to allow an applicant who
2 files electronically to direct that money be subtracted from the dividend payment and
3 contributed to one or more of the educational organizations, community foundations,
4 or charitable organizations that appear on the contribution list contained in the
5 application. A contribution to an organization may be \$25, \$50, \$75, \$100, or more, in
6 increments of \$50, up to the total amount of the permanent fund dividend that the
7 applicant is entitled to receive. If the total amount of contributions elected by an
8 applicant exceeds the amount of the permanent fund dividend that the applicant is
9 entitled to receive, contributions shall be deducted from the dividend in the order of
10 priority elected by the applicant on the application until the entire amount of the
11 dividend that the applicant is entitled to receive is allocated for contribution. The
12 electronic dividend application form must include notice that **seven percent of the**
13 **[NO]** money contributed will be used for administrative costs incurred in
14 implementing this section, and money from the dividend fund will not be used for that
15 purpose.

16 * **Sec. 2.** AS 43.23.062(b) is amended to read:

17 (b) The department shall list each [CAMPUS OF THE UNIVERSITY OF
18 ALASKA AND SHALL LIST EACH OTHER] educational organization, community
19 foundation, or charitable organization eligible under (c) and (d) of this section **and**
20 **each university campus that applies under (m) of this section** on the contribution
21 list. The department shall maintain an electronic database for the contribution list that
22 is accessible to the public and that permits searches by organization name, geographic
23 location, and type. The department shall provide a statement of the contributions made
24 by an individual that is suitable for federal income tax purposes to each individual
25 who elects to contribute under (a) of this section.

26 * **Sec. 3.** AS 43.23.062(d) is amended to read:

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

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

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

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

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

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

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

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

19 (8) has completed and provided to the department a financial audit
20 with an unqualified opinion conducted by an independent certified public accountant
21 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)
22 of this subsection applies [, OR IF THE ORGANIZATION IS EXEMPTED FROM
23 FILING FORM 990, FOR THE FISCAL YEAR OF THE ORGANIZATION THAT
24 ENDED IMMEDIATELY BEFORE THE CURRENT FISCAL YEAR]; this
25 paragraph applies only to an organization **that is required by the federal**
26 **government to complete a financial audit by an independent certified public**
27 **accountant** [WITH A TOTAL ANNUAL BUDGET THAT EXCEEDS \$250,000
28 DURING THE FISCAL YEAR TO WHICH THE AUDIT REQUIRED UNDER
29 THIS PARAGRAPH APPLIES]; and

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

1 * **Sec. 4.** AS 43.23.062(e) is amended to read:

2 (e) Unless an appropriation specifically directs that the money be used for
3 costs incurred in implementing this section, the department may not use money from
4 the dividend fund for administrative costs incurred in implementing this section, even
5 if it has been appropriated for costs of administering the dividend program. [THE
6 DEPARTMENT MAY NOT USE MONEY CONTRIBUTED UNDER (a) OF THIS
7 SECTION FOR ADMINISTRATIVE COSTS INCURRED IN IMPLEMENTING
8 THIS SECTION.] Contributions shall be distributed to each organization as soon as
9 practicable.

10 * **Sec. 5.** AS 43.23.062(f) is amended to read:

11 (f) The department shall charge an application fee of \$250 for each
12 educational organization, community foundation, or charitable organization that files
13 an application under (d) of this section **or for each university campus that files an**
14 **application under (m) of this section.** The application fees shall be separately
15 accounted for under AS 37.05.142. The annual estimated balance in the account
16 maintained under AS 37.05.142 for application fees collected under this subsection
17 may be appropriated for costs of administering this section.

18 * **Sec. 6.** AS 43.23.062 is amended by adding new subsections to read:

19 (m) The University of Alaska shall apply separately for each of the three main
20 campuses to be listed on the contribution list for the current dividend year in the
21 manner prescribed by the department. The University of Alaska may apply for each
22 campus other than the three main campuses to be listed on the contribution list for the
23 current dividend year in the manner prescribed by the department.

24 (n) In addition to the application fee in (f) of this section, the department shall
25 withhold a coordination fee from each organization, foundation, or university campus
26 that receives contributions under this section in the immediately preceding dividend
27 year. The coordination fee for an organization, foundation, or university campus that
28 receives contributions under this section shall be seven percent of the amount of
29 contributions reported by the department under (j) of this section for the organization,
30 foundation, or university campus for the immediately preceding dividend year. The
31 coordination fee shall be separately accounted for under AS 37.05.142 and shall be

1 accounted for separately from the application fee collected under (f) of this section.
2 The annual estimated balance in the account maintained under AS 37.05.142 for
3 coordination fees collected under this subsection may be appropriated for costs of
4 administering this section.