

**HOUSE BILL NO. 172**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVE EASTMAN**

**Introduced: 5/14/19**

**Referred: State Affairs, Labor & Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to donations to the state; and relating to contributions from permanent**  
2 **fund dividends to municipalities and state and municipal agencies."**

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

4 **\* Section 1.** AS 37.05 is amended by adding a new section to article 7 to read:

5 **Sec. 37.05.805. Donations to the state.** (a) Except as provided in (d) of this  
6 section, the state may accept a donation for a public purpose from a person in  
7 accordance with this section.

8 (b) The Department of Administration shall maintain records for all donations  
9 made under this section and separately account for the donations under AS 37.05.142.  
10 The records must reflect the amount of the donation, the date of the donation, the  
11 donor's intent, if any, with respect to how the donation is to be used, and the state  
12 agency that receives the donation. If the donation is appropriated to a state agency, the  
13 state agency shall maintain a record of the manner in which the donation was  
14 expended.

1 (c) Nothing in this section requires the state or a state agency to accept a  
2 donation.

3 (d) A law enforcement agency may not accept a donation under this section.

4 (e) Donations shall be deposited in the general fund. The legislature may  
5 appropriate donations to the appropriate state agency based on the donor's intent, if  
6 any.

7 (f) If donations made under this section include the donor's intent with respect  
8 to how the money is to be used, the donation shall be accounted for separately as a  
9 designated program receipt under AS 37.05.146(b), and appropriations of the program  
10 receipts are not made from the unrestricted general fund.

11 (g) The Department of Administration may adopt regulations under AS 44.62  
12 (Administrative Procedure Act) to implement this section.

13 (h) In this section, "state agency" has the meaning given in AS 37.05.990 and  
14 also includes the legislative and judicial branches.

15 \* **Sec. 2.** AS 43.23.130(a) is amended to read:

16 (a) Notwithstanding AS 43.23.200, the Department of Revenue shall prepare  
17 the electronic Alaska permanent fund dividend application to allow an applicant who  
18 files electronically to direct that money be subtracted from the dividend payment and  
19 contributed to the crime victim compensation fund (AS 18.67.162), the peace officer  
20 and firefighter survivors' fund, **a state or municipal agency, a municipality,** or one  
21 or more of the educational organizations, community foundations, or charitable  
22 organizations that appear on the contribution list contained in the application. A  
23 contribution **under this subsection** [TO THE CRIME VICTIM COMPENSATION  
24 FUND, THE PEACE OFFICER AND FIREFIGHTER SURVIVORS' FUND OR TO  
25 AN ORGANIZATION] may be \$25, \$50, \$75, \$100, or more, in increments of \$50,  
26 up to the total amount of the permanent fund dividend that the applicant is entitled to  
27 receive. If the total amount of contributions elected by an applicant exceeds the  
28 amount of the permanent fund dividend that the applicant is entitled to receive,  
29 contributions shall be deducted from the dividend in the order of priority elected by  
30 the applicant on the application until the entire amount of the dividend that the  
31 applicant is entitled to receive is allocated for contribution. The electronic dividend

1 application form must include notice that seven percent of the money contributed will  
 2 be used for administrative costs incurred in implementing this section, and money  
 3 from the dividend fund will not be used for that purpose.

4 \* **Sec. 3.** AS 43.23.130(b) is amended to read:

5 (b) The department shall list each educational organization, community  
 6 foundation, or charitable organization eligible under (c) and (d) of this section, each  
 7 university campus that applies under (l) of this section, **each municipality or**  
 8 **municipal agency that applies under (o) of this section, each state agency,** the  
 9 crime victim compensation fund, and the peace officer and firefighter survivors' fund  
 10 on the contribution list. The department shall maintain an electronic database for the  
 11 contribution list that is accessible to the public and that permits searches by  
 12 organization, **agency, municipality,** or fund name, geographic location, and type. The  
 13 department shall provide a statement of the contributions made by an individual that is  
 14 suitable for federal income tax purposes to each individual who elects to contribute  
 15 under (a) of this section.

16 \* **Sec. 4.** AS 43.23.130(d) is amended to read:

17 (d) Except for each campus of the University of Alaska, **a municipal or state**  
 18 **agency, or a municipality,** the department may include an educational organization,  
 19 community foundation, or charitable organization on the contribution list for a current  
 20 dividend year only if the organization

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

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

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

29 (4) unless exempted under federal law, has a current Internal Revenue  
 30 Service Form 990 on file with the United States Department of the Treasury, Internal  
 31 Revenue Service, or, if the Internal Revenue Service has granted a filing extension for

1 the current year, has on file that form for the immediately preceding year;

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

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

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

10 (8) has completed and provided to the department a financial audit  
11 with an unqualified opinion conducted by an independent certified public accountant  
12 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)  
13 of this subsection applies; this paragraph applies only to an organization that is  
14 required by the federal government to complete a financial audit by an independent  
15 certified public accountant; and

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

18 \* **Sec. 5.** AS 43.23.130(f) is amended to read:

19 (f) The department shall charge an application fee of \$250 for each  
20 educational organization, community foundation, or charitable organization that files  
21 an application under (d) of this section, [OR] for each university campus that files an  
22 application under (l) of this section, **or for each municipality or municipal agency**  
23 **that files an application under (o) of this section.** The application fees shall be  
24 separately accounted for under AS 37.05.142. The annual estimated balance in the  
25 account maintained under AS 37.05.142 for application fees collected under this  
26 subsection may be appropriated for costs of administering this section.

27 \* **Sec. 6.** AS 43.23.130(m) is amended to read:

28 (m) In addition to the application fee in (f) of this section, the department shall  
29 withhold a coordination fee from each organization, **municipality, municipal agency,**  
30 foundation, or university campus that receives contributions under this section in the  
31 immediately preceding dividend year. The coordination fee for an organization,

1 foundation, or university campus that receives contributions under this section shall be  
2 seven percent of the amount of contributions reported by the department under (j) of  
3 this section for the organization, foundation, or university campus for the immediately  
4 preceding dividend year. The coordination fee shall be separately accounted for under  
5 AS 37.05.142 and shall be accounted for separately from the application fee collected  
6 under (f) of this section. The annual estimated balance in the account maintained  
7 under AS 37.05.142 for coordination fees collected under this subsection may be  
8 appropriated for costs of administering this section. The department may not withhold  
9 a coordination fee for contributions to a state agency, the crime victim compensation  
10 fund, or the peace officer and firefighter survivors' fund.

11 \* **Sec. 7.** AS 43.23.130(n) is amended by adding new paragraphs to read:

12 (3) "state agency" has the meaning given in AS 18.60.545.

13 \* **Sec. 8.** AS 43.23.130 is amended by adding a new subsection to read:

14 (o) A municipality and municipal agency shall apply separately to be listed on  
15 the contribution list for the current dividend year in the manner prescribed by the  
16 department.