

CS FOR SENATE BILL NO. 8(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 1/31/18

Referred: Finance

Sponsor(s): SENATOR STEVENS

A BILL

FOR AN ACT ENTITLED

1 **"An Act allowing federally recognized tribal governments to receive contributions from**
2 **permanent fund dividends."**

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

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

5 (a) Notwithstanding AS 43.23.069, the Department of Revenue shall prepare
6 the electronic Alaska permanent fund dividend application to allow an applicant who
7 files electronically to direct that money be subtracted from the dividend payment and
8 contributed to the peace officer and firefighter survivors' fund or to one or more of the
9 educational organizations, community foundations, [OR] charitable organizations, **or**
10 **federally recognized tribal governments** that appear on the contribution list
11 contained in the application. A contribution to the peace officer and firefighter
12 survivors' fund or to an organization may be \$25, \$50, \$75, \$100, or more, in
13 increments of \$50, up to the total amount of the permanent fund dividend that the
14 applicant is entitled to receive. If the total amount of contributions elected by an

1 applicant exceeds the amount of the permanent fund dividend that the applicant is
 2 entitled to receive, contributions shall be deducted from the dividend in the order of
 3 priority elected by the applicant on the application until the entire amount of the
 4 dividend that the applicant is entitled to receive is allocated for contribution. The
 5 electronic dividend application form must include notice that seven percent of the
 6 money contributed will be used for administrative costs incurred in implementing this
 7 section, and money from the dividend fund will not be used for that purpose.

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

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

19 * **Sec. 3.** AS 43.23.062(c) is amended to read:

20 (c) The department may not include a charitable organization **or federally**
 21 **recognized tribal government,** other than a community foundation, on the
 22 contribution list for a dividend year unless the purpose of the charitable organization
 23 **or federally recognized tribal government** is to provide services for youth
 24 development, workforce development, arts and culture, aid and services to the elderly,
 25 low-income individuals, individuals in emergency situations, victims of crime,
 26 disabled individuals, individuals with mental illness, primary, vocational, and higher
 27 education, health and dental care, recreational facilities, child abuse and neglect,
 28 economic development, food assistance, libraries, public broadcasting, recycling of
 29 waste, animal rescue, and zoos. The department may not include on the contribution
 30 list an educational organization, community foundation, [OR] charitable organization,
 31 **or federally recognized tribal government** that is the affiliate of a group. For

1 purposes of this subsection,

2 (1) "affiliate" means an organization or foundation that directly or
3 indirectly through one or more intermediaries controls, is controlled by, or is under
4 common control with, a group;

5 (2) "group" has the meaning given in AS 15.13.400(8)(B).

6 * **Sec. 4.** AS 43.23.062(d) is amended to read:

7 (d) Except for each campus of the University of Alaska **and each federally**
8 **recognized tribal government**, the department may include an educational
9 organization, community foundation, or charitable organization on the contribution list
10 for a current dividend year only if the organization

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

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

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

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

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

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

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

31 (8) has completed and provided to the department a financial audit

1 with an unqualified opinion conducted by an independent certified public accountant
 2 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)
 3 of this subsection applies; this paragraph applies only to an organization that is
 4 required by the federal government to complete a financial audit by an independent
 5 certified public accountant; and

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

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

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

17 * **Sec. 6.** AS 43.23.062(m) is amended to read:

18 (m) In addition to the application fee in (f) of this section, the department shall
 19 withhold a coordination fee from each organization, foundation, [OR] university
 20 campus, or federally recognized tribal government that receives contributions under
 21 this section in the immediately preceding dividend year. The coordination fee for an
 22 organization, foundation, [OR] university campus, or federally recognized tribal
 23 **government** that receives contributions under this section shall be seven percent of
 24 the amount of contributions reported by the department under (j) of this section for the
 25 organization, foundation, [OR] university campus, or federally recognized tribal
 26 **government** for the immediately preceding dividend year. The coordination fee shall
 27 be separately accounted for under AS 37.05.142 and shall be accounted for separately
 28 from the application fee collected under (f) of this section. The annual estimated
 29 balance in the account maintained under AS 37.05.142 for coordination fees collected
 30 under this subsection may be appropriated for costs of administering this section. The
 31 department may not withhold a coordination fee for contributions to the peace officer

1 and firefighter survivors' fund.

2 * **Sec. 7.** AS 43.23.062 is amended by adding a new subsection to read:

3 (o) A person who claims a dividend on behalf of an unemancipated minor
4 under AS 43.23.005(c) when the minor is the subject of an adoption or guardianship
5 proceeding pending in a tribal court may not elect to make a contribution from the
6 minor's dividend to a federally recognized tribal government under (a) of this section.