SENATE BILL NO. 75

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY SENATOR STEVENS

Introduced: 3/16/15
Referred: State Affairs, Finance

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 one or more of the educational organizations, community foundations,

9   [OR] charitable organizations**, or federally recognized tribal governments** that

10   appear on the contribution list contained in the application. A contribution to an

11   organization may be $25, $50, $75, $100, or more, in increments of $50, up to the

12   total amount of the permanent fund dividend that the applicant is entitled to receive. If

13   the total amount of contributions elected by an applicant exceeds the amount of the

14   permanent fund dividend that the applicant is entitled to receive, contributions shall be

1   deducted from the dividend in the order of priority elected by the applicant on the

2   application until the entire amount of the dividend that the applicant is entitled to

3   receive is allocated for contribution. The electronic dividend application form must

4   include notice that seven percent of the money contributed will be used for

5   administrative costs incurred in implementing this section, and money from the

6   dividend fund will not be used for that purpose.

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

8   (b) The department shall list each **federally recognized tribal government**

9   **eligible under (c) of this section,** educational organization, community foundation, or

10   charitable organization eligible under (c) and (d) of this section and each university

11   campus that applies under (*l*) of this section on the contribution list. The department

12   shall maintain an electronic database for the contribution list that is accessible to the

13   public and that permits searches by organization name, geographic location, and type.

14   The department shall provide a statement of the contributions made by an individual

15   that is suitable for federal income tax purposes to each individual who elects to

16   contribute under (a) of this section.

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

18   (c) The department may not include a charitable organization **or federally**

19   **recognized tribal government**, other than a community foundation, on the

20   contribution list for a dividend year unless the purpose of the charitable organization

21   **or federally recognized tribal government** is to provide services for youth

22   development, workforce development, arts and culture, aid and services to the elderly,

23   low-income individuals, individuals in emergency situations, victims of crime,

24   disabled individuals, individuals with mental illness, primary, vocational, and higher

25   education, health and dental care, recreational facilities, child abuse and neglect,

26   economic development, food assistance, libraries, public broadcasting, recycling of

27   waste, animal rescue, and zoos. The department may not include on the contribution

28   list an educational organization, community foundation, [OR] charitable organization**,**

29   **or federally recognized tribal government** that is the affiliate of a group. For

30   purposes of this subsection,

31   (1) "affiliate" means an organization or foundation that directly or

1   indirectly through one or more intermediaries controls, is controlled by, or is under

2   common control with, a group;

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

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

5   (d) Except for each campus of the University of Alaska **and each federally**

6   **recognized tribal government**, the department may include an educational

7   organization, community foundation, or charitable organization on the contribution list

8   for a current dividend year only if the organization

9   (1) before March 31 of the qualifying year, files an application for

10   inclusion on the list for that dividend year on the form required by the department;

11   (2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal

12   Revenue Code) as an educational or a charitable organization on the date of

13   application;

14   (3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3)

15   (Internal Revenue Code) as an educational or a charitable organization during the two

16   calendar years that immediately precede the year the application is filed;

17   (4) unless exempted under federal law, has a current Internal Revenue

18   Service Form 990 on file with the United States Department of the Treasury, Internal

19   Revenue Service, or, if the Internal Revenue Service has granted a filing extension for

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

21   (5) is directed by a voluntary board of directors or local advisory

22   board, a majority of whose members are residents of the state;

23   (6) if a community foundation, provided in the state aid during the two

24   calendar years that immediately precede the year the application is filed, or, if an

25   education organization or charitable organization, provided in the state services during

26   the two calendar years that immediately precede the year the application is filed;

27   (7) receives at least $100,000 or five percent of its total annual

28   receipts, whichever is less, from contributions;

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

30   with an unqualified opinion conducted by an independent certified public accountant

31   for the fiscal year to which the Internal Revenue Service Form 990 required under (4)

1 of this subsection applies; this paragraph applies only to an organization that is

2 required by the federal government to complete a financial audit by an independent

3 certified public accountant; and

4   (9) does not make grants or contributions to an organization that is

5 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

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

7   (f) The department shall charge an application fee of \$250 for each

8 educational organization, community foundation, [OR] charitable organization**, or**

9 **federally recognized tribal government** that files an application under (d) of this

10 section or for each university campus that files an application under (*l*) of this section.

11 The application fees shall be separately accounted for under AS 37.05.142. The annual

12 estimated balance in the account maintained under AS 37.05.142 for application fees

13 collected under this subsection may be appropriated for costs of administering this

14 section.

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

16   (m) In addition to the application fee in (f) of this section, the department shall

17 withhold a coordination fee from each organization, foundation, [OR] university

18 campus**, or federally recognized tribal government** that receives contributions under

19 this section in the immediately preceding dividend year. The coordination fee for an

20 organization, foundation, [OR] university campus**, or federally recognized tribal**

21 **government** that receives contributions under this section shall be seven percent of

22 the amount of contributions reported by the department under (j) of this section for the

23 organization, foundation, [OR] university campus**, or federally recognized tribal**

24 **government** for the immediately preceding dividend year. The coordination fee shall

25 be separately accounted for under AS 37.05.142 and shall be accounted for separately

26 from the application fee collected under (f) of this section. The annual estimated

27 balance in the account maintained under AS 37.05.142 for coordination fees collected

28 under this subsection may be appropriated for costs of administering this section.

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