

Sponsor Statement for HB 314

PFD Eligibility for Peace Corp. Volunteers

An Act relating to service in the peace corps as an allowable absence from the state for purposes of eligibility for permanent fund dividends; and providing for an effective date.

Released: February 5, 2002
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Alaskans are known for their volunteer spirit. Our young people often consider serving their country as a way to give back what this country has given to them. Many serve in the military, while others choose to make conditions better for someone else by devoting two years of their lives to the Peace Corps. Like military service, the Peace Corps has played a major role in promoting democracy in other countries. But we the legislature, have overlooked this valuable service to our country.

Alaska college students, those taking care of a loved one outside or being a merchant marine, all qualify as exemptions when applying for the Permanent Fund Dividend. Spending two years of your life in a third world country as a Peace Corps' volunteer not only means going without your P.F.D., it also means that as a volunteer, you are not paid a salary. Instead, you receive a stipend to cover your basic necessities – food, housing expenses, and local transportation. At the conclusion of your service as a volunteer, you will receive a “readjustment allowance” of \$225 for each month of service. The annual dividend check would help these men and women to better their lives while they are serving our country and helping those less fortunate.

Additionally, the committee substitute before you adds language to existing statute that will give the Department of Revenue a new tool for enforcing fraud. For many years we have tried to catch and prosecute those who would lie and cheat to get a check, only to be frustrated by an overcrowded and costly court system.

The changes will bring the investigation and prosecution of these cases into the Department under Administrative Rule. Fines of up to three thousand dollars (\$3,000) can be levied through this process and will send a message to those looking for that check illegally, that they will face consequences for their actions.

CSHB 314 amends the application period from January 2 to January 1. This change is due to the fact that applicants could not file for their PFD electronically until recently, and had to wait to file a paper application until January 2.