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Sponsor Statement SB CS193 (FIN) Version: 22-LS0828\J

Effects of Permanent Fund Dividend

"An Act making a special appropriation to the Alaska Legislative Council for a study of the economic and social effects of the permanent fund dividend on the state; and providing for an effective date."

Senate Bill 193 explores state services by directing the Legislative Council to appropriate funds to prepare and contract for the preparation of a study of the economic and social effects of the permanent fund dividend.

The intent of the study is to determine the attraction of people to the State of Alaska. Because of the permanent fund dividend, the study must include an analysis of the economic, social, and other problems that would be alleviated by extending the durational residency requirement under the dividend program to two years. Any problem associated with the permanent fund dividend will become more evident with the potential increase in employment opportunities that may result from a gas line boom. This could bring thousands of new residents into Alaska who will quickly have an impact on the permanent fund dividend. The study will also determine the effects of seasonal employment on the state.

SB 193 includes a study of the demographic changes, if any on the state and investigate if the permanent fund dividend draws people to the state that would otherwise not migrate to Alaska.

In *Lindly v. Malone* (1990), the court ruled that it is unconstitutional to install a two-year residency requirement under the equal protection clause. However, the court left the door open to explore the possibility of a two-year residency if the state could prove a magnet effect of the permanent fund dividend.

SB 193 directs the Department of Community and Economic Development; the Department of Health and Social Services; and the Department of Labor and Workforce Development to assist in a thorough study on the Permanent Fund Dividend. The Departments shall prepare a report outlining the scope of the study and the conclusion reached. They are to report to the Legislature on or before January 15, 2002.

