

Sponsor Statement

HB 547

“An Act relating to the dividends of individuals claiming allowable absences; and providing for an effective date.”

The Alaska Permanent Fund Dividend was initiated to provide Alaskans with a share of the state’s resource wealth, primarily derived from oil. As dividend values increase, the number of allowable absences also has increased. While receiving dividends out of state, many valuable Alaskans become highly educated and highly trained. Very few of these people ever return to the state. To encourage our best and brightest to return, [HB 547](#) simply asks individuals to return to the state in order to collect their dividends.

Individuals collecting dividends out of state, leave little in net return to Alaska. In 2003, roughly 17,000 dividends were paid to people living out of state, removing \$19 million directly from the state’s economy. With a dividend in the amount of \$1963 in 2000, roughly \$30 million left the state.

The system for paying dividends out of state is based on statutory absences created by the legislature. Unfortunately, the absences listed by statute are the only allowable absences, thus disadvantaging other Alaskans, who also wish to leave the state for other reasons. Nothing in the bill changes the eligibility requirements with regards to allowable absences. HB 547 creates a fair and equitable dividend system by requiring all people applying for dividends out of state to return to Alaska for one year in order to collect their dividends.

Distributing dividends in Alaska through HB 547’s one-year return requirement, suggests that more money will be spent in Alaska. Knowing that a sizable nest egg had accrued in absence, HB 547 might encourage college graduates and our technically trained military personnel to return home. By distributing more dividends in state, HB 547 seeks to remedy Alaska’s brain drain, while potentially pumping more money into the state’s economy.