

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL
BY THE COMMISSIONER OF REVENUE**

In the Matter of	)	
	)	
K.L	)	OAH No. 26-0226-PFD
_____	)	

DECISION

I. Introduction

K.L placed his 2025 PFD application in the mail receptacle at Anchorage Correctional Complex-East on Sunday, March 30, 2025. The filing deadline for PFD applications submitted by mail was Monday, March 31, 2025. Mr. L’s application was postmarked by the United States Postal Service on Tuesday, April 1, 2025. It was received by the Permanent Fund Division (“Division”) on Thursday, April 3, 2025. The Division rejected Mr. L’s application for not being timely postmarked. He appealed. For the reasons discussed below, the Division’s denial of Mr. L’s 2025 PFD application is AFFIRMED.

II. Background

As of March 30, 2025, Mr. L was an inmate at the Anchorage Correctional Complex-East (“ACC”).¹ The ACC facility in which Mr. L was housed had a wall-mounted mail receptacle.² He observed that corrections officers would collect the mail from the receptacle every evening after the 10:00 p.m. lockdown.³ Mr. L states that it is official Department of Corrections policy to collect the mail “once per weekday, excluding holidays.”⁴ Mr. L stated that he placed his PFD application in the jail’s mail receptacle on Sunday, March 30, 2025. Mr. L asserts that on Sunday, March 30, 2025, at about 11:30 p.m. at night, he heard the key going in the wooden mail receptacle, from which he deduced that a corrections officer was collecting the mail.⁵ As mentioned, his application was then postmarked two days later, Tuesday, April 1, 2025.⁶ The Division received Mr. L’s application on April 3, 2025.⁷ The Division denied his application because it had not been postmarked by March 31, 2025.⁸ Mr. L requested an informal appeal.⁹ The Division informed Mr. L that he had to provide an official statement from the United States

¹ L Aff. at 1.
² *Id.*
³ *Id.*
⁴ *Id.*
⁵ *Id.*
⁶ Exhibit 1 at 5.
⁷ *Id.*
⁸ Exhibit 2 at 1.
⁹ Exhibit 3.

Postal Service explaining that it had mishandled Mr. L’s application.¹⁰ The Division gave Mr. L thirty days in which to supply such a statement.¹¹ Mr. L did not do so. On January 29, 2026, the Division rejected his informal appeal.¹² Mr. L then requested a formal hearing by written correspondence¹³ and the matter was referred to the Office of Administrative Hearings.

III. Discussion

In formal hearings regarding PFD denials, the individual challenging the Division’s initial decision “has the burden of proving that the action . . . is incorrect.”¹⁴ This must be proven by the preponderance of the evidence,¹⁵ meaning that Mr. L must show that the Division’s conclusion that his application was untimely was probably incorrect.

Statute provides that the PFD application period runs annually from January 1 through March 31.¹⁶ The Department of Revenue has adopted regulations implementing this deadline. If an application is hand delivered, it must be received by the department during normal business hours before the end of the application period.¹⁷ An application filed online must be received electronically by the Division prior to midnight Alaska Daylight Time on the final day of the application period.¹⁸ An application submitted by mail, such as Mr. L’s, “must be . . . delivered to the Postal Service in a sufficient time to be postmarked before the end of the application period.”¹⁹ In each instance, “[i]t is an individual’s responsibility to ensure that an application is timely delivered to the department.”²⁰ Regulation provides a narrow exception for late-postmarked applications where “the individual provides the department with an official statement from the United States Postal Service . . . that describes the specific circumstances under which the postal service incorrectly posted the individual’s application or caused a delay in posting.”²¹ Mr. L has not submitted such an official statement.

¹⁰ Exhibit 5.

¹¹ *Id.*

¹² Exhibit 6.

¹³ Exhibit 7 at 1.

¹⁴ 15 AAC 05.030(h).

¹⁵ 2 AAC 64.290(c).

¹⁶ AS 43.23.011(a).

¹⁷ 15 AAC 23.103(g).

¹⁸ *Id.*

¹⁹ Regulations define “postmarked” as “an official cancellation stamp has been placed by the United States Postal Service, or the postal service of a foreign country, that records the date and place of mailing.” 15 AAC 23.993(a)(24).

²⁰ *Id.*

²¹ *Id.*

Mr. L argues that his application should be deemed timely under United States Supreme Court prisoner-litigation precedent. He cites to *Houston v. Lack* for the proposition that “outgoing mail is deemed to be timely if it is delivered to the institution’s internal mail system on or before the last day of filing.”²² Mr. L interprets that case too broadly. In that case, the Supreme Court held that, for purposes of Federal Appellate Rule 4(a), a notice of appeal would be deemed timely when internally placed in the prison’s system for sending mail.²³ Mr. L also cites *Fallen v. United States*²⁴ for the proposition that his placing his PFD application in the jail’s internal mail system before the deadline makes his application timely. Again, he interprets the case too broadly. *Fallen* applied to notices of appeal under the Federal Rules of Criminal Procedure being timely when placed in the prison mail system by the deadline. Neither case extends to deadline extensions for state benefit applications. Extension of the *Houston* and *Fallen* holdings to Alaska PFD application deadlines is inappropriate. Neither the Legislature nor the Department of Revenue crafted a prisoner exception when enacting PFD statutes and regulations and no legal authority authorizes this tribunal to create one. The existing statutory PFD filing deadline structure already establishes a broad three-month application window. Applicants closing in on this deadline do so at the peril of their application.

There are challenges in meeting the postmark deadline that apply to Alaskan PFD applicants. For instance, rural Alaskans who are served by U.S. Postal Service observing limited hours must plan and ensure that their paper applications are signed, sealed, and posted somewhat earlier than others.²⁵ Alaskans submitting online, last-minute applications run the risk of an internet service outage interfering with timely application submission. Every few years, (e.g. 2024) March 31 falls on a Sunday. In those years, Alaskans must plan ahead and take care not to drop their applications on March 31 at a Postal Service mailbox that is closed Sundays lest their applications not be postmarked until Monday, April 1, a day late.

So too with Mr. L. Like every other Alaskan PFD applicant, Mr. L is responsible for ensuring that his PFD application is received by the Postal Service in time to be postmarked on or before March 31, 2025. Mr. L placed his application in the prison mail receptacle on March 30, knowing it would not be picked up until very late that night. It is entirely foreseeable that it would

²² 487 U.S. 266, 270 (1988).

²³ *Id.*

²⁴ 378 U.S. 139, 144 (1964).

²⁵ For example, in Rampart, Alaska, the postal facility is only open Tuesday, Thursday, and Saturday, and only from 10:00 a.m. until 2:00 p.m. <https://tools.usps.com/locations/details/1439440> (last accessed May 5, 2026).

take at least an additional day for his envelope to be transferred from the prison to the Postal Service to be postmarked. It is no doubt frustrating to Mr. L that a one-day delay in submitting his application resulted in the loss of a PFD payment. And while Mr. L certainly faces challenges due to his custodial status, they are not qualitatively different from other Alaskans who must drop their paper applications earlier than the deadline to be postmarked on time.

IV. Conclusion

Mr. L's PFD application was not postmarked until after the March 31, 2025, application deadline. He submitted no official statement from the U.S. Postal Service that his application envelope had been mishandled. The law provides no exception whereby Mr. L's late PFD application might be deemed timely. Therefore, the Division's denial of Mr. L's 2025 PFD application is AFFIRMED.

DATED: May 11, 2026.

By: Signed
Robert H. Schmidt
Administrative Law Judge

Adoption

This Order is issued under the authority of AS 43.05.010 and AS 44.17.010. The undersigned, on behalf of the Commissioner of Revenue and in accordance with AS 44.64.060, adopts this Decision as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 9th day of June, 2026.

By: Signed
Robert H. Schmidt
Administrative Law Judge

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