

**HOUSE BILL NO. 174**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Introduced: 3/18/13

Referred: Community and Regional Affairs, Labor and Commerce

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act requiring each municipality with a population that decreased by more than 25  
2 percent between 2000 and 2010 that participates in the defined benefit plan of the Public  
3 Employees' Retirement System of Alaska to contribute to the system an amount  
4 calculated by applying a rate of 22 percent of the total of all base salaries paid by the  
5 municipality to employees of the municipality who are active members of the system  
6 during a payroll period; reducing the rate of interest payable by a municipality with a  
7 population that decreased by more than 25 percent between 2000 and 2010 that is  
8 delinquent in transmitting employee and employer contributions to the defined benefit  
9 plan of the Public Employees' Retirement System of Alaska; giving retrospective effect  
10 to the substantive provisions of the Act; and providing for an effective date."

11 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

12 \* **Section 1.** AS 39.35.255 is amended by adding a new subsection to read:

1 (i) Notwithstanding (a) of this section, an employer that is a municipality shall  
2 contribute an amount calculated under (a)(1) of this section if the population of the  
3 municipality decreased by more than 25 percent between 2000 and 2010 according to  
4 the decennial census conducted by the United States Census Bureau.

5 \* **Sec. 2.** AS 39.35.610 is amended by adding a new subsection to read:

6 (c) Notwithstanding (a) of this section, if an employer that is delinquent in  
7 transferring contributions under (a) of this section is a municipality in which the  
8 population decreased by more than 25 percent between 2000 and 2010, according to  
9 the decennial census conducted by the United States Census Bureau, interest shall be  
10 assessed on the outstanding contributions from the date that the contributions were  
11 originally due at a rate that is the lesser of

12 (1) three percentage points above the 12th Federal Reserve District  
13 discount rate in effect on January 2 of the calendar year in which the applicable  
14 payroll period ended; or

15 (2) a rate specified under a contract between the employer and the  
16 administrator.

17 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
18 read:

19 **RETROACTIVITY.** Sections 1 and 2 of this Act are retroactive to July 1, 2009.

20 \* **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).