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

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

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

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

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

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

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

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

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

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

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

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