

SENATE BILL NO. 48

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY SENATOR OLSON

Introduced: 2/11/13

Referred: State Affairs, Finance

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).