

HOUSE BILL NO. 462

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE KOHRING

Introduced: 2/16/04

Referred: State Affairs, Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the longevity bonus program; and providing for an effective date."**

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

3 * **Section 1.** AS 09.38.015(a) is amended to read:

4 (a) An individual is entitled to exemption of the following property:

5 (1) a burial plot for the individual and the individual's family;

6 (2) health aids reasonably necessary to enable the individual or a
7 dependent to work or to sustain health;

8 (3) benefits paid or payable for medical, surgical, or hospital care to
9 the extent they are or will be used to pay for the care;

10 (4) an award under AS 18.67 (Violent Crimes Compensation Board) or
11 a crime victim's reparations act of another jurisdiction;

12 (5) benefits paid or payable as a longevity bonus under **former**
13 AS 47.45;

14 (6) compensation or benefits paid or payable and exempt under federal
15 law;

1 (7) liquor licenses granted under AS 04;

2 (8) tuition credit or savings accounts under a higher education savings
3 account established under AS 14.40.802 or an advance college tuition savings contract
4 authorized under AS 14.40.809(a);

5 (9) a permanent fund dividend to the extent allowed under
6 AS 43.23.065.

7 * **Sec. 2.** AS 18.56.850(b) is amended to read:

8 (b) In the development of a home energy conservation or weatherization
9 program under (a) of this section, the corporation may not consider the value of
10 [ALASKA LONGEVITY BONUS PAYMENTS UNDER AS 47.45 OR] permanent
11 fund dividends under AS 43.23 in determining whether a person meets income
12 guidelines established under AS 18.56.088 and (a) of this section for a state or, to the
13 extent permitted by federal law, a federal energy conservation or weatherization
14 program.

15 * **Sec. 3.** AS 44.99.205(c)(3) is amended to read:

16 (3) "program" includes the permanent fund dividend program under
17 AS 43.23 [AND THE LONGEVITY BONUS PROGRAM UNDER AS 47.45];

18 * **Sec. 4.** AS 47.08.060(c) is amended to read:

19 (c) In applying the formula to determine the applicant's share, the total gross
20 income and the total assets of the family of the applicant may be taken into account,
21 with the following exceptions:

22 (1) the applicant's permanent place of abode;

23 (2) one noncommercial vehicle;

24 (3) tools, equipment, vehicles, and other assets required in a trade or
25 business;

26 (4) ordinary household and personal effects;

27 (5) \$1,000 of liquid assets;

28 (6) all nonliquid assets unless this exclusion would bring about an
29 inequitable result; however, all income derived from this property shall be taken into
30 consideration in determining the recipient's gross income;

31 (7) inalienable shares in a Native corporation created under 43 U.S.C.

1 1601-1628 (Alaska Native Claims Settlement Act), for the period of their
2 inalienability as specified in the Act;

3 (8) Alaska longevity bonus payments **under former AS 47.45**;

4 (9) any other assets specifically restricted for the use of the recipient
5 by state or federal law.

6 * **Sec. 5.** AS 47.45 is amended by adding a new section to read:

7 **Sec. 47.45.015. Maximum income for eligibility to receive longevity bonus.**

8 (a) Notwithstanding any other provision of this chapter, a person is eligible to receive
9 the bonus for the period from July of one year through June of the following year only
10 if the person is

11 (1) not married, or is married but is not sharing a residence with the
12 person's spouse, and the person's gross income for the calendar year immediately
13 preceding the July through June period is less than \$60,000; or

14 (2) married, is sharing a residence with the person's spouse, and the
15 gross income of the person and the person's spouse for the calendar year immediately
16 preceding the July through June period is less than \$80,000.

17 (b) The commissioner of administration may, by regulation,

18 (1) in order to verify gross income amounts,

19 (A) provide for access to records of a person who is applying
20 for or receiving a bonus; and

21 (B) establish procedures for auditing gross income statements
22 made by a person who is applying for or receiving a bonus;

23 (2) establish appropriate procedures for a hearing at the request of a
24 person determined under this section to be ineligible for the bonus.

25 (c) A period of ineligibility to receive the bonus under this section does not
26 constitute disqualification for the bonus under this chapter.

27 (d) In this section "gross income" has the same meaning as "adjusted gross
28 income" in 26 U.S.C. 62, except that

29 (1) income received from bonuses under this chapter is not included in
30 gross income; and

31 (2) income that is exempt from federal income tax under 26 U.S.C.

1 102 (gifts and inheritances) and 26 U.S.C. 103 (interest on state and local bonds) is
2 included in gross income.

3 * **Sec. 6.** AS 47.45.240(c) is amended to read:

4 (c) The commission may not investigate, review, or undertake any
5 responsibility for [THE LONGEVITY BONUS PROGRAM UNDER AS 47.45.010 -
6 47.45.160 OR] the Alaska Pioneers' Homes under AS 47.55.

7 * **Sec. 7.** AS 47.45.010, 47.45.015, 47.45.020, 47.45.030, 47.45.040, 47.45.050, 47.45.060,
8 47.45.070, 47.45.080, 47.45.100, 47.45.110, 47.45.120, 47.45.122, 47.45.130, 47.45.140,
9 47.45.150, and 47.45.160 are repealed.

10 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 APPLICABILITY. Section 5 of this Act applies to the eligibility determinations for
13 bonuses paid on or after July 1, 2004.

14 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 TRANSITION: REGULATIONS. Notwithstanding sec. 12 of this Act, the
17 commissioner of administration may proceed to adopt regulations necessary to implement the
18 provisions of secs. 5, 8, and 10 of this Act. The regulations take effect under AS 47.45.100,
19 but not before the effective date of secs. 5, 8, and 10 of this Act.

20 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 REDUCTIONS IN LONGEVITY BONUS PAYMENTS. Notwithstanding
23 AS 47.45.010(a), the amount of each monthly longevity bonus payment payable under
24 AS 47.45.010(a)(1) - (4) shall be reduced by

- 25 (1) 20 percent for a payment made in fiscal year 2005;
- 26 (2) 40 percent for a payment made in fiscal year 2006;
- 27 (3) 60 percent for a payment made in fiscal year 2007;
- 28 (4) 80 percent for a payment made in fiscal year 2008.

29 * **Sec. 11.** Section 9 of this Act takes effect immediately under AS 01.10.070(c).

30 * **Sec. 12.** Sections 5, 8, and 10 of this Act take effect July 1, 2004.

31 * **Sec. 13.** Sections 1 - 4, 6, and 7 of this Act take effect July 1, 2008.