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Original sponsor: Tillion, Banfield,
Boardman, et al

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Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 282

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing a continuous Alaska residence
7 incentive grant."

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

9 * Section 1. AS 47 is amended by adding a new chapter to read:

10 CHAPTER 40. CONTINUOUS ALASKA RESIDENCE INCENTIVE GRANT.

11 Sec. 47.40.010. PERSONS WHO MAY QUALIFY FOR CONTINUOUS RESIDENCE
12 INCENTIVE GRANTS. (a) A person who is 65 years of age or over and
13 who has maintained a domicile in the state for 25 years or more immedi-
14 ately before application, may apply to the commissioner of administration
15 for qualification to receive a monthly grant not to exceed \$250.

16 (b) When the commissioner of administration determines that an
17 applicant qualifies under this chapter he shall immediately begin pay-
18 ment of the grant.

19 (c) A person who otherwise qualifies to receive a grant provided
20 for in this chapter may continue to do so only as long as he continuously
21 retains a domicile in the state.

22 Sec. 47.40.020. CONTINUOUS ELIGIBILITY PROCEDURES. After qualifi-
23 cation, monthly applications for grants may be made in person to any
24 office of the Department of Administration. Mailed monthly applications
25 shall also be considered by the Department of Administration. In person
26 or mailed applications shall be made on forms provided by the Department
27 of Administration and shall conform to the conditions as provided by
28 regulation.

29 Sec. 47.40.030. ABSENCE FROM THE STATE. A recipient shall notify

1 the commissioner of administration when he expects to be absent from
2 the state if the absence is for a continuous period that exceeds 30
3 days. After such notification, the recipient shall no longer receive
4 grants from the Department of Administration after his last regularly
5 approved monthly application. Upon his return to the state he may
6 again make application for a grant. Whenever the absence is for a
7 continuous period that exceeds 180 days the recipient shall be disquali-
8 fied from receiving grants for the next 12 calendar months after his
9 return to the state. However, when the commissioner of administration
10 determines a period of absence is beyond the control of the recipient,
11 he may not be disqualified, if he still otherwise qualifies upon his
12 return to the state. Continual absences from the state, even though
13 reported, and failure to notify the commissioner of an expected absence,
14 may be grounds for disqualification.

15 Sec. 47.40.040. DISQUALIFICATION. Disqualification under this
16 chapter shall rest solely with the commissioner of administration and
17 shall be outlined in the regulations promulgated under sec. 100(1) of
18 this chapter.

19 Sec. 47.40.050. DEPARTMENT HEARING. The Department of Adminis-
20 tration may hold a departmental hearing upon the request of any appli-
21 cant or recipient who has been disqualified. Previous to this hearing
22 the department shall by certified mail notify an applicant or recipient
23 in plain and comprehensive language the exact reason for his disqualifi-
24 cation. Form letters using only referral to state statutes or depart-
25 ment regulations, or otherwise vague in detail, shall not be considered
26 compliance by the department with this section.

27 Sec. 47.40.060. LEGAL REMEDY. Legal remedy from disqualification
28 may be sought by an applicant or recipient in any court of competent
29 jurisdiction in the state. The burden of proof shall rest solely upon

1 the applicant or recipient and any costs related to a disqualification
2 verdict determined against the applicant or recipient may be recoverable
3 by the attorney general from that person; or from any agency represent-
4 ing that person supported in whole, or in part, with state appropriations.

5 Sec. 47.40.070. UNQUALIFIED PERSONS. An unqualified person is one
6 who

7 (1) does not meet the age or continuous residence require-
8 ments as provided for under this chapter;

9 (2) meets the age and continuous residence requirements of
10 this chapter but is confined in a mental health institution or facility
11 and is certified by the state as unable to manage his own affairs; how-
12 ever, if such a person was at the time of his commitment the principal
13 support of a spouse, the commissioner of administration may determine
14 to pay the confined person's grant to his spouse until the spouse is
15 qualified for a grant;

16 (3) is otherwise qualified but confined in a penal or
17 correctional institute or facility; upon completion of sentence or upon
18 the conferral of a pardon, parole or probation, the person may make
19 application; confinement outside the state shall be considered as
20 residence in the state if a person was convicted and sentenced from a
21 court in Alaska; revocation of parole or probation shall be cause for
22 immediate disqualification until release from confinement is again
23 effected;

24 (4) leaves the state of his own volition and remains absent
25 from the state for a continuous period of more than 180 days.

26 Sec. 47.40.080. ACCRUAL OF GRANTS. No recipient may, for any
27 reason, receive an accrual of grants in excess of two monthly payments.
28 No interest may be paid on accrued grants. Upon the death of a recipi-
29 ent the commissioner of administration shall pay to the beneficiary

1 of the recipient any accrued grants not to exceed two monthly payments.

2 Sec. 47.40.090. CONTINUOUS ALASKA RESIDENCE INCENTIVE GRANT FUND.

3 (a) There is a continuous Alaska residence incentive grant fund created
4 for the purpose of paying the monthly grants provided for in this chap-
5 ter. The fund consists of all money made available by appropriations
6 of the state legislature, and from other appropriated funds, all contri-
7 butions from whatever source, and income and interest derived from the
8 investment of money.

9 (b) The commissioner of administration is the administrator of
10 the fund.

11 Sec. 47.40.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The
12 commissioner of administration shall

13 (1) promulgate regulations necessary to carry out the
14 provisions of this chapter;

15 (2) make expenditures from the fund necessary to administer
16 this chapter;

17 (3) establish and maintain an adequate system of accounts
18 for the fund;

19 (4) publish annually a report showing the financial condi-
20 tions of the fund.

21 Sec. 47.40.110. CONTINUOUS ALASKA RESIDENCE INCENTIVE GRANT
22 ADVISORY BOARD. (a) There is established the Continuous Alaska
23 Residence Incentive Grant Advisory Board consisting of three members
24 acquainted with the investment of funds appointed by the governor for
25 overlapping three-year terms.

26 (b) Members of the board serve without compensation except that
27 each member may be reimbursed for actual and necessary expenses at
28 the rate established by AS 39.20.180.

29 (c) The board shall confer with the commissioner of administration

1 only in matters regarding the administration of the investment policies
2 of the fund and may make such recommendations to him as they consider
3 necessary.

4 (d) The board shall be furnished reports relating to the condi-
5 tion and administration of the fund.

6 (e) The board shall meet at the call of the commissioner of
7 administration.

8 Sec. 47.40.120. CUSTODY AND INVESTMENT. (a) The commissioner of
9 revenue is the treasurer of the system and has powers and duties for
10 this purpose including but not limited to the following:

11 (1) to act as official custodian of the cash and securities
12 belonging to the fund;

13 (2) to receive all items of cash belonging to the system;

14 (3) to collect the interest and principal on securities
15 acquired under this chapter and deposit the interest and principal
16 in the incentive grant fund;

17 (4) to invest and reinvest the assets of the fund in accor-
18 dance with this section.

19 (b) When, in the opinion of the commissioner of administration,
20 there is on hand in the fund a surplus over and above a reasonably safe
21 amount to take care of current demands upon the fund, the surplus or
22 so much of it as in the judgment of the commissioner of administration
23 is considered proper may be invested by the commissioner of revenue in
24 (1) bonds or other interest-bearing obligations and securities of
25 the United States or an agency of the United States, a state of the
26 United States, or a political subdivision of any state of the United
27 States, if the political subdivision has a population as shown by the
28 last federal census preceding the investment of no less than 30,000
29 inhabitants, except no population limitation applies to a political

1 subdivision of this state; (2) first lien real estate mortgage securi-
2 ties insured by the Federal Housing Administration under the National
3 Housing Act of the United States, or held by the Department of Com-
4 merce, or the Department of Natural Resources; (3) deposits with mutual
5 savings banks in Alaska, to the extent that the investment is insured
6 by the federal government or an agency of the federal government; and
7 (4) deposits with state and national banks in Alaska to the extent
8 that the investment is insured by the federal government or an agency
9 of the federal government. No more than 25 per cent of the surplus may
10 be invested in mortgage securities of the Department of Commerce, and
11 the state shall appropriate sufficient money from the general fund to
12 reimburse the teachers' retirement system for any losses incurred as
13 a result of failure of the obligors to pay on the notes. No more than
14 \$400,000 of the surplus may be invested annually in the mortgage
15 securities of the Department of Natural Resources, and the state shall
16 appropriate sufficient money from the general fund to reimburse the
17 fund created in this chapter for any losses incurred as a result of
18 failure of the obligors to pay on the notes.

19 (c) In making investments the commissioner of revenue shall
20 exercise the judgment and care under the circumstances then prevailing
21 which men of ordinary prudence, discretion, and intelligence exercise
22 in the management of their own affairs not in regard to speculation
23 but in regard to the permanent disposition of their funds, considering
24 the probable income therefrom as well as the probable safety of their
25 capital.

26 (d) Except as provided in (a) - (c) of this section, the commis-
27 sioner of revenue may:

28 (1) invest and reinvest the principal and income of the fund
29 without distinction between principal and income;

1 (2) sell, exchange, convey, transfer or otherwise dispose of
2 any investment of the fund by private contract or at public auction;

3 (3) vote bonds or other securities, give general or special
4 proxies or powers of attorney with or without powers of substitution;
5 exercise conversion privileges, subscription rights or other options
6 and make payments incidental thereto; generally exercise the powers of
7 an owner with respect to bonds, securities or other investments held
8 in the fund;

9 (4) make, execute, acknowledge and deliver documents of
10 transfer and conveyance and other instruments necessary or appropriate
11 to carry out the powers granted by this subsection;

12 (5) register investments in the name of the fund;

13 (6) do all acts whether or not expressly authorized which he
14 considers necessary or proper for the protection of the investments
15 held in the fund.

16 Sec. 47.40.130. EXEMPTION FROM TAXATION AND PROCESS. Grants
17 received under this chapter are exempt from all state and political
18 subdivision taxes except sales and use taxes and are not subject to
19 execution, attachment, garnishment or other process. No grant received
20 under this chapter may be exempt from a federal tax requirement.

21 Sec. 47.40.140. DEATH OR CESSATION OF RESIDENCY. The commissioner
22 of administration shall establish procedures to stop a grant when a
23 recipient under this chapter no longer qualifies. When a recipient
24 dies or discontinues his residency in the state his qualification for
25 a grant shall stop at the time of his last approved monthly application.

26 Sec. 47.40.150. PENALTY FOR FALSE STATEMENTS. A person who wil-
27 fully or knowingly makes a false statement, or falsifies or permits
28 to be falsified any record required by this chapter, is guilty of a
29 misdemeanor and, upon conviction, is punishable by a fine of not more

1 than \$500, or by imprisonment for not more than six months, or by both,
2 forfeits all rights under this chapter, and shall make adequate
3 restitution for any grant illegally received.

4 Sec. 47.40.160. DEFINITIONS. In this chapter

5 (1) "domicile" means the place with which a person has a
6 settled connection for determination of his civil status or other legal
7 purposes because it is actually or legally his permanent and principal
8 home;

9 (2) "fund" means the continuous Alaska residence incentive
10 grant fund;

11 (3) "grant" means monthly continuous Alaska residence in-
12 centive grant payment made to a person or his beneficiary who qualifies
13 under this chapter.

14 Sec. 47.40.170. The Administrative Procedure Act does not apply
15 to this chapter.

16 Sec. 47.40.180. PURPOSE. The sole purpose of this chapter is
17 to offer and provide all law-abiding Alaskans capable of managing their
18 own affairs who have maintained a domicile in the state
19 for at least 25 years immediately before application and have reached
20 a retirement age of 65, an incentive to continue uninterrupted residency
21 in the state. Under no circumstance shall this chapter be considered
22 a form, type, or manner, of public relief. Grants made under this
23 chapter are not predicated on need even though they may appear to pro-
24 vide supplemental income to some qualified persons who would otherwise
25 be forced to become responsibilities of the state. No person who
26 qualifies under this chapter has a vested interest in any part of the
27 fund.

28 * Sec. 2. AS 01.10.030 does not apply to this Act. If any provision of
29 this Act, or the application thereof to any person or circumstance is held
CSHB 282 (Finance)

1 invalid, this entire Act shall be considered invalid.

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