

Original sponsor: Tillion, Banfield,
Boardman, et al

Offered: 4/2/70
Referred: 4/3/70
Referred: Health, Welfare
and Education

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR 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; and providing for an effective date."

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
14 immediately before application, may apply to the commissioner of
15 administration for qualification to receive a monthly grant of \$100.
16 The first monthly grant shall be for July, 1971.

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

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

23 Sec. 47.40.020. CONTINUOUS ELIGIBILITY PROCEDURES. After quali-
24 fication, monthly applications for grants may be made in person to
25 any office of the Department of Administration. Mailed monthly appli-
26 cations shall also be considered by the Department of Administration.
27 In person or mailed applications shall be made on forms provided by
28 the Department of Administration and shall conform to the conditions
29 as provided by regulation. The commissioner may make exceptions to

1 those residents who are isolated in rural areas and cannot mail a
2 monthly application; however, they shall mail an application at least
3 once every six months.

4 Sec. 47.40.030. ABSENCE FROM THE STATE. A recipient shall
5 notify the commissioner of administration when he expects to be absent
6 from the state if the absence is for a continuous period that exceeds
7 30 days. After such notification, the recipient shall no longer
8 receive grants from the Department of Administration after his last
9 regularly approved monthly application. Upon his return to the state
10 he may again make application for a grant. Whenever the absence is
11 for a continuous period that exceeds 180 days the recipient shall be
12 disqualified from receiving grants for the next 12 calendar months
13 after his return to the state. However, when the commissioner of
14 administration determines a period of absence is beyond the control
15 of the recipient, he may not be disqualified, if he still otherwise
16 qualifies upon his return to the state. Continual absences from the
17 state, even though reported, and failure to notify the commissioner
18 of an expected absence may be grounds for disqualification.

19 Sec. 47.40.040. DISQUALIFICATION. Disqualification under this
20 chapter shall rest solely with the commissioner of administration and
21 shall be outlined in the regulations promulgated under sec. 100(1)
22 of this chapter.

23 Sec. 47.40.050. DEPARTMENT HEARING. The Department of Adminis-
24 tration may hold a departmental hearing upon the request of any
25 applicant or recipient who has been disqualified. Previous to this
26 hearing the department shall by certified mail notify an applicant
27 or recipient in plain and comprehensive language the exact reason for
28 his disqualification. Form letter using only referral to state
29 statutes or department regulations, or otherwise vague in detail, shall

1 not be considered compliance by the department with this section.

2 Sec. 47.40.060. LEGAL REMEDY. Legal remedy from disqualification
3 may be sought by an applicant or recipient in any court of competent
4 jurisdiction in the state. The burden of proof shall rest solely upon
5 the applicant or recipient and any costs related to a disqualification
6 verdict determined against the applicant or recipient may be recover-
7 able by the attorney general from that person; or from any agency
8 representing that person supported in whole, or in part, with state
9 appropriations.

10 Sec. 47.40.070. UNQUALIFIED PERSONS. An unqualified person is
11 one who

12 (1) does not meet the age or continuous domicile requirements
13 as provided for under this chapter;

14 (2) meets the age and continuous domicile requirements of
15 this chapter but is confined in a mental health institution or facility
16 and is certified by the state as unable to manage his own affairs;
17 however, if such a person was at the time of his commitment the princi-
18 pal support of a spouse, the commissioner of administration may deter-
19 mine to pay the confined person's grant to his spouse until the
20 spouse is qualified for a grant;

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

29 (4) leaves the state of his own volition and remains absent

1 from the state for a continuous period of more than 180 days.

2 Sec. 47.40.080. ACCRUAL OF GRANTS. No recipient may, for any
3 reason, receive an accrual of grants in excess of two monthly payments.
4 No interest may be paid on accrued grants. Upon the death of a
5 recipient the commissioner of administration shall pay to the bene-
6 ficiary of the recipient any accrued grants not to exceed two monthly
7 payments.

8 Sec. 47.40.090. CONTINUOUS ALASKA RESIDENCE INCENTIVE GRANT
9 FUND. (a) There is a continuous Alaska residence incentive grant
10 fund created for the purpose of paying the monthly grants provided for
11 in this chapter. The fund consists of all money made available by
12 appropriations of the state legislature, and from other appropriated
13 funds, all contributions from whatever source, and income and interest
14 derived from the investment of money.

15 (b) The commissioner of administration is the administrator of
16 the fund.

17 Sec. 47.40.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The
18 commissioner of administration shall

- 19 (1) promulgate regulations necessary to carry out the
20 provisions of this chapter;
- 21 (2) make expenditures from the fund necessary to administer
22 this chapter;
- 23 (3) establish and maintain an adequate system of accounts
24 for the fund;
- 25 (4) publish annually a report showing the financial condi-
26 tions of the fund.

27 Sec. 47.40.110. STATE INVESTMENT COMMITTEE. There is established
28 the State Investment Committee composed of the commissioners of
29 revenue, commerce, administration, economic development, president of

1 the senate, speaker of the house, senate finance chairman, house
2 finance chairman, senate minority leader, house minority leader, and
3 three members of the public, not more than two of whom are the same
4 political party, knowledgeable and experienced in banking, accounting
5 or investing, appointed by the governor. The three public members of
6 the committee who are appointed must be confirmed by the legislature
7 in joint session. The commissioner of revenue shall be chairman.
8 The committee shall, at its first meeting, select a vice-chairman.

9 Sec. 47.40.120. TERMS OF MEMBERS APPOINTED FROM THE PUBLIC AND
10 THEIR REMOVAL. (a) Appointed public members of the committee are
11 appointed for six year terms. However, the first three appointments
12 shall be for two, four and six years respectively. The legislative
13 members shall serve for the balance of their current legislative terms.

14 (b) Appointed public members of the committee, unless removed,
15 serve until their successors are appointed and have qualified.

16 (c) An appointed public member of the committee may be removed
17 from office by the governor, for cause, after notice and opportunity
18 to be heard at a public hearing. A vacancy in the membership of the
19 appointed public members of the committee occurring other than by
20 expiration of a term shall be filled by the governor for the unexpired
21 term only.

22 Sec. 47.40.130. FUNCTION. The committee shall advise the
23 commissioner of revenue with respect to the administration of the
24 continuous Alaska residence incentive grant fund.

25 Sec. 47.40.140. QUORUM. Seven members of the committee consti-
26 tute a quorum for the conduct of business at a meeting.

27 Sec. 47.40.150. EXPENSES. The three public members receive no
28 pay but are entitled to the travel expenses and per diem authorized
29 for members of boards and commissions.

1 Sec. 47.40.120. INVESTMENT POLICY. The commissioner of revenue
2 is the treasurer of the fund and he shall invest the fund for maximum
3 long-term total return.

4 Sec. 47.40.130. MANAGEMENT STANDARDS. The commissioner of
5 revenue in managing the fund shall exercise the judgment and care under
6 the circumstances then prevailing which men of ordinary prudence,
7 discretion, intelligence and experience exercise in the management
8 of their own affairs not in regard to speculation but in regard to
9 the permanent disposition of their funds, considering income, probable
10 appreciation, and safety of their capital.

11 Sec. 47.40.140. POWERS. The powers of the state with respect
12 to the investments are all of the powers which a natural person has
13 in dealing with his own property including but not limited to the
14 power to invest, re-invest, purchase and purchase at a premium, sell
15 and sell at less than cost, exchange, convey, transfer, lease, lease
16 back and otherwise dispose, register securities, vote securities,
17 give proxies, exercise conversion privileges, subscription rights
18 and other options, consent or otherwise participate in corporate
19 reorganization or other changes affecting corporate securities, pay
20 assessments or charges, enforce and compromise claims, make, execute,
21 acknowledge and deliver documents of transfer, conveyances and other
22 instruments necessary or appropriate to carry out such powers.

23 Sec. 47.40.150. FUNCTIONS OF THE COMMISSIONER OF REVENUE. The
24 commissioner of revenue shall:

25 (1) act as custodian of the investments and provide for
26 their safekeeping;

27 (2) collect the interest, dividends, rents, and other
28 income of the fund and collect principal and the proceeds of the sale
29 of investments;

1 (3) manage the fund, and in so doing exercise the state's
2 powers respecting the investments;

3 (4) maintain adequate accounts and records;

4 (5) prepare and submit a monthly report to the governor
5 and the State Investment Committee disclosing a detailed summary of
6 investments purchased, sold, exchanged, conveyed, transferred, leased,
7 and otherwise acquired or disposed of, and stating the investments
8 acquired or disposed of, dates of transactions, the prices paid and
9 received, any gain or loss, and the names of the brokers, dealers,
10 or contractors who engaged in the transactions;

11 (6) cause an annual audit of the fund by a licensed certi-
12 fied public accountant who is not an employee of the state and submit
13 the auditor's report to the governor and to the State Investment
14 Committee.

15 Sec. 47.40.160. CONTRACTS. (a) The commissioner of revenue
16 may contract with one or more qualified persons in the state or else-
17 where

18 (1) to perform the functions specified in sec. 150(1) - (3)
19 of this chapter; except that when contracts are made with respect to
20 the function specified in sec. 150(3) of this chapter, two or more
21 fund managers shall be engaged and separate portions of the fund shall
22 be allocated to each of them;

23 (2) to provide the commissioner with advice and other
24 services.

25 (b) Contracts may provide for reasonable compensation and
26 reimbursement of expenses.

27 Sec. 47.40.170. ANNUAL DETERMINATION OF MARKET VALUE. At the
28 end of each fiscal year, after deducting from the fund for the purpose
29 of computation the expenses of administration of that year, the

1 commissioner shall determine the market value of the fund.

2 Sec. 47.40.180. WITHDRAWALS. (a) Expenses of administration
3 shall be paid out of the fund.

4 (b) Payments to all recipients are limited to five per cent of
5 the mean average of the determined market value of the fund at the
6 end of that fiscal year and the determined market values of the fund
7 at the ends of the two (necessarily, none and one, at the ends of the
8 first and second fiscal years, respectively) preceding years.

9 Sec. 47.40.190. TRANSFER TO FUND. Upon the effective date of
10 an act appropriating to the fund, the amount appropriated shall be
11 transferred to the fund in cash, or securities at market value as of
12 that date, or both.

13 Sec. 47.40.200. EXEMPTION FROM TAXATION AND PROCESS. Grants
14 received under this chapter are exempt from all state and political
15 subdivision taxes except sales and use taxes and are not subject to
16 execution, attachment, garnishment or other process. No grant
17 received under this chapter may be exempt from a federal tax require-
18 ment.

19 Sec. 47.40.210. DEATH OR CESSATION OF RESIDENCY. The commissioner
20 of administration shall establish procedures to stop a grant when a
21 recipient under this chapter no longer qualifies. When a recipient
22 dies or discontinues his domicile in the state his qualification for
23 a grant shall stop at the time of his last approved monthly appli-
24 cation.

25 Sec. 47.40.220. PENALTY FOR FALSE STATEMENTS. A person who
26 wilfully or knowingly makes a false statement, or falsifies or permits
27 to be falsified any record required by this chapter, is guilty of a
28 misdemeanor and, upon conviction, is punishable by a fine of not more
29 than \$500, or by imprisonment for not more than six months, or by

1 both, forfeits all rights under this chapter, and shall make adequate
2 restitution for any grant illegally received.

3 Sec. 47.40.230. DEFINITIONS. In this chapter

4 (1) "committee" means the State Investment Committee;

5 (2) "expenses of administration" means the amount incurred
6 during the fiscal year in accordance with contracts for managerial,
7 advisory, legal, appraisal, accounting, auditing, performance evalua-
8 tion, custodial, execution of transactions, brokerage, and other
9 services;

10 (3) "fiscal year" means the fiscal year of the fund, which
11 is the period July 1 to June 30;

12 (4) "fund" means the continuous Alaska residence incentive
13 grant fund and includes income and capital appreciation;

14 (5) "investments" means the property of the fund and
15 includes cash;

16 (6) "manage", with respect to the fund, includes but is
17 not limited to selection of classes of investments, selection of
18 investments from within those classes, and the acquisition, retention,
19 disposition, and exchange of investments;

20 (7) "maximum long-term total return" means an investment
21 policy which has as its central objective growth of the fund over the
22 long term, whether through income or capital appreciation;

23 (8) "permanent" when applied to the fund means that it
24 shall have perpetual existence, not be subject to invasion or diver-
25 sion, and be kept intact except for withdrawals as provided in this
26 chapter;

27 (9) "domicile" means the place with which a person has a
28 settled connection for determination of his civil status or other
29 legal purposes because it is actually or legally his permanent and

1 principal home;

2 (10) "grant" means monthly continuous Alaska residence
3 incentive grant payment made to a person or his beneficiary who quali-
4 fies under this chapter.

5 Sec. 47.40.240. The Administrative Procedure Act (AS 44.62) does
6 not apply to this chapter.

7 Sec. 47.40.250. PURPOSE. The sole purpose of this chapter is
8 to offer and provide all law-abiding Alaskans capable of managing
9 their own affairs who have maintained a domicile in the state for at
10 least 25 years immediately before application and have reached a
11 retirement age of 65, an incentive to continue uninterrupted residency
12 in the state. Under no circumstance shall this chapter be considered
13 a form, type, or manner, of public relief. Grants made under this
14 chapter are not predicated on need even though they may appear to
15 provide supplemental income to some qualified persons who would
16 otherwise be forced to become responsibilities of the state. No
17 person who qualifies under this chapter has a vested interest in any
18 part of the fund.

19 Sec. 47.40.260. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER.

20 (a) This chapter may not be construed so as to create a debt of the
21 state.

22 (b) If amounts in the fund are insufficient for the purpose
23 authorized under sec. 10 of this chapter, such funds as are available
24 shall be distributed pro rata among eligible participants.

25 * Sec. 2. AS 01.10.030 does not apply to this Act. If any provision of
26 this Act, or the application of this Act to any person or circumstances is
27 held invalid, this entire Act shall be considered invalid.

28 * Sec. 3. This Act takes effect on July 1, 1970.