

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. PERONS 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, and who has not during the previous  
15 12 months received financial or other assistance from the Department  
16 of Health and Welfare exceeding \$100 per month in value, may apply  
17 to the commissioner of administration for qualification to receive  
18 a monthly grant of \$100. The first monthly grant shall be for July,  
19 1971.  
20 (b) When the commissioner of administration determines that an  
21 applicant qualifies under this chapter he shall immediately begin  
22 payment of the grant.  
23 (c) A person who otherwise qualifies to receive a grant provided  
24 for in this chapter may continue to do so only as long as he continu-  
25 ously retains a domicile in the state.  
26 Sec. 47.40.020. CONTINUOUS ELIGIBILITY PROCEDURES. After quali-  
27 fication, monthly applications for grants may be made in person to  
28 any office of the Department of Administration. Mailed monthly appli-  
29 cations shall also be considered by the Department of Administration.

1 In person or mailed applications shall be made on forms provided by  
2 the Department of Administration and shall conform to the conditions  
3 as provided by regulation. The commissioner may make exceptions to  
4 those residents who are isolated in rural areas and cannot mail a  
5 monthly application; however, they shall mail an application at least  
6 once every six months.

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

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

26 Sec. 47.40.050. DEPARTMENT HEARING. The Department of Adminis-  
27 tration may hold a departmental hearing upon the request of any  
28 applicant or recipient who has been disqualified. Previous to this  
29 hearing the department shall by certified mail notify an applicant

1 or recipient in plain and comprehensive language the exact reason for  
2 his disqualification. Form letter using only referral to state  
3 statutes or department regulations, or otherwise vague in detail, shall  
4 not be considered compliance by the department with this section.

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

13 Sec. 47.40.070. UNQUALIFIED PERSONS. An unqualified person is  
14 one who

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

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

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

1 for immediate disqualification until release from confinement is again  
2 effected;

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

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

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

18 (b) The commissioner of administration is the administrator of  
19 the fund.

20 Sec. 47.40.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The  
21 commissioner of administration shall

22 (1) promulgate regulations necessary to carry out the  
23 provisions of this chapter;

24 (2) make expenditures from the fund necessary to administer  
25 this chapter;

26 (3) establish and maintain an adequate system of accounts  
27 for the fund;

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

1           Sec. 47.40.110. STATE INVESTMENT COMMITTEE. There is established  
2 the State Investment Committee composed of the commissioners of  
3 revenue, commerce, administration, economic development, president of  
4 the senate, speaker of the house, senate finance chairman, house  
5 finance chairman, senate minority leader, house minority leader, and  
6 three members of the public, not more than two of whom are the same  
7 political party, knowledgeable and experienced in banking, accounting  
8 or investing, appointed by the governor. The three public members of  
9 the committee who are appointed must be confirmed by the legislature  
10 in joint session. The commissioner of revenue shall be chairman.  
11 The committee shall, at its first meeting, select a vice-chairman.

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

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

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

25           Sec. 47.40.130. FUNCTION. The committee shall advise the  
26 commissioner of revenue with respect to the administration of the  
27 continuous Alaska residence incentive grant fund.

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

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

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

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

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

26           Sec. 47.40.150. FUNCTIONS OF THE COMMISSIONER OF REVENUE. The  
27 commissioner of revenue shall:

28                   (1) act as custodian of the investments and provide for  
29 their safekeeping;

1 (2) collect the interest, dividends, rents, and other  
2 income of the fund and collect principal and the proceeds of the sale  
3 of investments;

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

6 (4) maintain adequate accounts and records;

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

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

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

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

26 (2) to provide the commissioner with advice and other  
27 services.

28 (b) Contracts may provide for reasonable compensation and  
29 reimbursement of expenses.

1           Sec. 47.40.170. ANNUAL DETERMINATION OF MARKET VALUE. At the  
2 end of each fiscal year, after deducting from the fund for the purpose  
3 of computation the expenses of administration of that year, the  
4 commissioner shall determine the market value of the fund.

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

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

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

16           Sec. 47.40.200. 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  
20 received under this chapter may be exempt from a federal tax require-  
21 ment.

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

28           Sec. 47.40.220. PENALTY FOR FALSE STATEMENTS. A person who  
29 wilfully or knowingly makes a false statement, or falsifies or permits

1 to be falsified any record required by this chapter, is guilty of a  
2 misdemeanor and, upon conviction, is punishable by a fine of not more  
3 than \$500, or by imprisonment for not more than six months, or by  
4 both, forfeits all rights under this chapter, and shall make adequate  
5 restitution for any grant illegally received.

6 Sec. 47.40.230. DEFINITIONS. In this chapter

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

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

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

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

17 (5) "investments" means the property of the fund and  
18 includes cash;

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

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

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

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

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

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

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

22 Sec. 47.40.260. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER.

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

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

28 \* Sec. 2.. AS 01.10.030 does not apply to this Act. If any provision of  
29 this Act, or the application of this Act to any person or circumstances is

1 held invalid, this entire Act shall be considered invalid.

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

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