

1 IN THE SENATE

BY THOMAS AND JOSEPHSON

2 SENATE BILL NO. 14

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to "senior citizens", the needy
7 disabled, blind persons and children; and providing
8 for an effective date."

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

10 * Section 1. AS 47.25.430 - 47.25.610 are repealed.

11 * Sec. 2. AS 47.25 is amended by adding new sections to read:

12 ARTICLE 4. SENIOR ALASKAN SUPPLEMENTAL
13 INCOME PROGRAM.

14 Sec. 47.25.431. POLICY AND PURPOSE. (a) It is the policy of
15 the state and the purpose of secs. 431 - 561 of this chapter to co-
16 operate and coordinate with the United States government and its
17 agencies in providing for and administering the laws of the federal and
18 state governments having for their purpose the payment of supplemental
19 incomes to elderly residents.

20 (b) The purpose of these sections is to pay a supplemental income
21 as a matter of right, sufficient to enable qualified residents to live
22 in dignity and pride, in order to insure their continued participation
23 in and contributions to the vitality and health of this state.

24 Sec. 47.25.441. PERSONS ENTITLED TO SUPPLEMENTAL INCOME. A
25 supplemental income shall be paid under secs. 431 - 561 of this chapter
26 to every qualified resident of the state who has attained the age of
27 65 years.

28 Sec. 47.25.451. AMOUNT OF SUPPLEMENTAL INCOME. (a) The payment
29 shall be in an amount which will provide the recipient with a reasonable

1 quality of life compatible with decency and health, and shall reflect
2 the relative cost and hardship of life in the area in which the reci-
3 pient resides. Except as provided in (b) of this section, payments
4 from all sources may not be less than \$200 nor more than \$367 per month
5 for a single person, or less than \$300 nor more than \$467 per month
6 for a married couple.

7 (b) Payments shall be decreased by the amount of additional
8 income received, except that the first \$20 of earned income and one-
9 half of the next \$60, not to exceed \$50 per month, shall be disregarded;
10 should federal law or regulation regarding additional income be changed,
11 payments shall be adjusted accordingly, subject to legislative review
12 and approval. Direct payments for medical services and remedial care
13 may not be included in earned income.

14 (c) The payment may not be decreased or denied if the recipient
15 or his spouse (1) owns in whole or in part the dwelling in which they
16 reside, or (2) has cash, securities, or other assets convertible into
17 cash up to \$3,000, or (3) owns any furniture, clothing, heirlooms,
18 works of art, or an automobile or boat used for transportation or
19 recreation.

20 (d) Notwithstanding any other provision of this section, the
21 total payment of supplemental income and income from other sources
22 may not exceed \$4,404 a calendar year in the case of any recipient,
23 or \$5,604 a calendar year if the recipient is living with his spouse.

24 Sec. 47.25.461. APPLICATION FOR SUPPLEMENTAL INCOME. (a) A
25 person entitled to supplemental income shall apply for it, either by
26 himself or by another in his behalf, by affidavit or declaration as to
27 the truth of facts, upon forms furnished by the department, sufficient
28 to enable the department to determine the eligibility of the applicant.

29 (b) Eligibility shall be determined, and supplemental income shall

1 be paid, on the basis of the application in which the facts establish
2 the entitlement of the applicant to supplemental income. The department
3 may at any time thereafter investigate the circumstances of each recipi-
4 ent to verify the accuracy of the facts which supported the application.

5 (c) The department shall require annual redetermination of eligi-
6 bility for each recipient, but the supplemental income payment shall
7 not be reduced or terminated unless required by a change in circum-
8 stances as determined from the re-application. Each recipient is
9 required to report any change in circumstances which would increase or
10 decrease the amount of supplemental income to be paid.

11 (d) All applications shall contain appropriate and conspicuous
12 notice to the applicant informing him of the penalties for fraud.

13 (e) The department shall grant to a person claiming or receiving
14 any supplemental income, and who is aggrieved by action or inaction of
15 the department, reasonable notice and an opportunity for a fair hearing
16 according to federal regulations. Pending the decision of a hearing
17 officer denying a claim, or reducing or terminating supplemental
18 income, no person who is being paid a supplemental income may have such
19 supplemental income decreased.

20 (f) If a recipient has been paid a greater amount of supplemental
21 income than entitled by law, the department may recover the excess
22 amounts in a lawful manner. The attorney general is authorized to
23 institute and maintain actions for the recovery of these amounts on
24 behalf of and at the request of the department. In every case, the
25 department shall attempt to accomplish such recovery by negotiating
26 with the recipient. If an overpayment of supplemental income results
27 from the negligence or mistake of the department, no recovery may be had
28 unless the recipient knew or should reasonably have known of the mistake
29 or negligence.

1 Sec. 47.25.471. PAYMENT OF SUPPLEMENTAL INCOME. (a) Each payment
2 of supplemental income shall be made monthly. If it is impracticable
3 by reason of slow or interrupted means of communication for a warrant
4 covering a month's payment to reach the recipient in due course, the
5 department may transmit warrants covering payments for more than one
6 month and may deliver all of them to the recipient at one time. All
7 warrants shall be registered in a book kept for that purpose.

8 (b) If a person receiving supplemental income is incapable of
9 taking care of himself or of the amounts paid under secs. 431 - 561 of
10 this chapter, the department may direct the payment of the supplemental
11 income to his legally appointed guardian or, if none, to another person
12 designated by the department for his benefit.

13 Sec. 47.25.481. CANCELLATION OF WARRANTS. (a) Warrants issued
14 to a recipient of supplemental income after the date of his death shall
15 be returned to the Department of Administration and cancelled.

16 (b) Supplemental income warrants issued before the death of the
17 recipient but not negotiated at his death shall be returned to the
18 Department of Administration, and shall be cancelled, unless claimed by
19 the authorized representative of the estate of the recipient within 90
20 days of the date of death.

21 (c) The state is not liable to the estate, heirs, or creditors
22 of the deceased recipient of supplemental income for payment on
23 warrants cancelled under (a) and (b) of this section.

24 Sec. 47.25.491. DEPARTURE FROM STATE. A recipient of supplemental
25 income who voluntarily leaves the state for a period in excess of 30
26 days may not thereafter receive supplemental income unless he returns
27 and satisfies the requirements of secs. 431 - 561 of this chapter.
28 This section does not apply to a person who, under the instructions
29 of a physician licensed to practice in the State of Alaska, leaves the

1 state for temporary medical treatment with the intention to return to
2 the state.

3 Sec. 47.25.501. REPORTS BY DEPARTMENT. The department shall make
4 reports in detail which are required of it by the governor of the state
5 or by the federal government or a federal agency.

6 Sec. 47.25.511. ANNUAL REPORTS. Within 90 days after the close
7 of each fiscal year the department shall make a report to the governor
8 and to the legislature for the preceding year stating

- 9 (1) the total number of recipients;
- 10 (2) the total amount disbursed in cash;
- 11 (3) the total number of applications;
- 12 (4) the number granted;
- 13 (5) the number denied;
- 14 (6) the number cancelled or decreased during the year; and
- 15 (7) other information which it considers advisable.

16 Sec. 47.25.521. ALIENATION, ATTACHMENT, AND TAXATION. Supplemen-
17 tal income paid under secs. 431 - 561 of this chapter is inalienable by
18 an assignment or transfer and is exempt from garnishment, levy, or
19 execution under the laws of this state, and is exempt from all state and
20 political subdivision taxes except sales and use taxes.

21 Sec. 47.25.531. OBTAINING SUPPLEMENTAL INCOME BY FRAUD. A person
22 is guilty of a misdemeanor, and upon conviction is punishable by a fine
23 of not more than \$1,000, or by imprisonment in a jail for not more than
24 six months, or by both, if he by a false statement, representation, or
25 impersonation, or other fraudulent device, wilfully obtains or attempts
26 to obtain or aids or abets another to obtain

- 27 (1) supplemental income to which he is not entitled;
- 28 (2) greater supplemental income than he is entitled to; or
- 29 (3) payment of a void warrant for supplemental income.

1 Sec. 47.25.541. VIOLATIONS. A person who violates a provision of
2 secs. 431 - 561 of this chapter is guilty of a misdemeanor and if no
3 other penalty is provided, the person, upon conviction, is punishable
4 by a fine of not more than \$500, or by imprisonment in a jail for not
5 more than six months, or by both.

6 Sec. 47.25.551. DEPARTMENT REGULATIONS. The department shall,
7 after notice and an opportunity to interested persons to be heard,
8 promulgate regulations for the efficient conduct and administration of
9 secs. 431 - 561 of this chapter, including guidelines and tables for
10 the payment of supplemental income under these sections.

11 Sec. 47.25.561. SHORT TITLE. Secs. 431 - 561 of this chapter
12 may be cited as the Senior Alaskan Supplemental Income Program.

13 * Sec. 3. AS 29.10.336(a) is amended to read:

14 (a) Property owned by the city or the state; the real property
15 of certain residents of the state to the extent and subject to the
16 conditions provided in (e) of this section, the household furniture
17 of the head of a family or a householder not exceeding \$200 [\$500]
18 in value; all property used exclusively for nonprofit religious,
19 charitable, cemetery, hospital, or educational purposes; the property
20 of an organization, not organized for business purposes, whose member-
21 ship is composed entirely of the veterans of a war of the United States
22 [INDIVIDUALS WITH 90 DAYS OR MORE OF ACTIVE SERVICE IN THE ARMED
23 FORCES OF THE UNITED STATES WHOSE CONDITIONS OF SERVICE AND SEPARATION
24 WERE OTHER THAN DISHONORABLE], or the property of the auxiliary of any
25 such organization; and all money on deposit are exempt from taxation.

26 * Sec. 4. AS 29.10.336 is amended by adding new subsections to read:

27 (e) The real or personal property owned and actually occupied as
28 a home by a resident of the state 65 years of age or older is exempt
29 from taxation to an amount not exceeding \$500. The owner shall pay

1 any amount over \$500 in real or personal property tax on the property.

2 (f) The claimant must file written application for the exemption
3 upon a form prescribed by the state assessor no later than January 15 of
4 the assessment year for which the exemption is sought and must file
5 a separate application for each assessment year in which the exemption
6 is sought. If an application is filed within the required time and
7 is approved by the assessor, he shall allow an exemption in accordance
8 with the provisions of this section. The assessor may at any time
9 require proof in the form he considers necessary of the right and
10 amount of an exemption claimed under this section.

11 (g) The state shall reimburse the borough or city, as the case
12 may be, for all the real and personal property tax revenues lost to it
13 by the operation of (e) of this section.

14 * Sec. 5. AS 07.12.200 is amended to read:

15 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.-
16 200, relating to the collection of penalties on property taxes and in-
17 terest on property and sales taxes, applies to home rule boroughs.

18 (b) In assessing, levying and collecting taxes on real and
19 personal property, home rule boroughs are prohibited from taxing the
20 real and personal property of certain residents of the state to the
21 extent and subject to the conditions specified for first class cities
22 under AS 29.10.336(a) and (e).

23 * Sec. 6. AS 43.20.020(a) is amended by adding a new paragraph to read:

24 (4) The first \$3,750 of income if the taxpayer has attained
25 the age of 65 before the close of his taxable year; an additional
26 exemption of \$3,750 of income is allowed for the spouse of the taxpayer
27 if the spouse has attained the age of 62 before the close of the taxable
28 year. The exemption provided is cumulative and is not intended to
29 replace existing exemptions; the exemption may be allowed only in the

1 proportion that the number of months the taxpayer is physically present
2 in the state bears to 12 months.

3 * Sec. 7. AS 43.45.020 is amended to read:

4 Sec. 43.45.020. PERSONS EXEMPT FROM TAX. Persons in the active
5 military or naval service of the United States, persons 65 years of
6 age or older, paupers, insane persons, persons cared for by the state
7 and persons permanently injured, infirm, maimed or crippled so as to
8 be disabled from earning a livelihood are exempt from the payment of
9 the school tax.

10 * Sec. 8. AS 28.10.200(b)(2) is amended to read:

11 (2) [EXCEPT AS PROVIDED IN (B)(7), (B)(8) AND (B)(9) OF
12 THIS SECTION,] for a motor vehicle not designed, used or maintained
13 primarily for the transportation of passengers or property for hire,
14 and owned and principally operated

15 (A) by a resident 65 years of age or older..... \$ 5

16 (B) by any other person..... 30;

17 * Sec. 9. AS 16.05.340(a)(1) through (5) is amended to read:

18 (1) Resident sport fishing license [..... \$ 5]

19 (A) [HOWEVER, THE FEE IS \$1] for a resident who
20 is blind[.] or 65 years of age or older..... \$ 1

21 (B) for all other residents..... 5

22 (2) Resident hunting license

23 (A) for a resident 65 years of age or older..... 1

24 (B) for all other residents..... 7

25 (3) (A) Resident hunting and trapping license..... 10

26 (B) Resident trapping license..... 3

27 (4) Resident hunting and sport fishing license

28 (A) for a resident 65 years of age or older..... 2

29 (B) for all other residents..... 12

1 (5) Resident hunting, trapping, and sport fishing
2 license [..... 15]

3 (A) [HOWEVER, THE FEE IS 25 CENTS] for the head of a
4 family or a dependent member of his family or one solely dependent
5 upon himself for support, upon proof presented by the applicant
6 that he [THE APPLICANT (A)] is obtaining or has obtained assistance
7 during the preceding six months under any state or federal welfare
8 program, [TO AID THE INDIGENT] or [(B)] has an annual family gross
9 income of less than \$3,600 for the year preceding applica-
10 tion..... \$.25

11 (B) for a resident 65 years of age or older... 3.00

12 (C) for all other residents..... 15.00

13 * Sec. 10. AS 47.25.810 is amended to read:

14 Sec. 47.25.810. AMOUNT OF ASSISTANCE. The amount of assistance
15 for a permanently and totally disabled person shall be determined by
16 the department with regard to the resources and needs of the person and
17 the conditions existing in each case. Where possible, assistance shall
18 be sufficient to provide reasonable subsistence compatible with decency
19 and health and according to the standards of assistance established by
20 the department. Payments from all sources may not be less than \$200
21 nor more than \$367 per month for a single person, or less than \$300
22 nor more than \$467 per month for a married couple. [HOWEVER, THE AMOUNT
23 OF ASSISTANCE MAY NOT EXCEED \$250 A CALENDAR MONTH.] Direct payments
24 for medical services and remedial care may not be considered in
25 determining the maximum amount payable.

26 * Sec. 11. AS 47.25.640 is amended to read:

27 Sec. 47.25.640. AMOUNT OF ASSISTANCE. The department shall
28 determine the amount of assistance granted for a needy blind person with
29 due regard to the resources and needs of the person and the conditions

1 existing in each case. Assistance shall be sufficient to provide the
2 applicant with reasonable subsistence compatible with decency and
3 health, and according to the standards of assistance established by
4 the department. Payments from all sources may not be less than \$200
5 nor more than \$367 per month for a single person, or less than \$300
6 nor more than \$467 per month for a married couple [HOWEVER, ASSISTANCE
7 MAY NOT EXCEED \$250 A MONTH]. Direct payments for medical services and
8 remedial care may not be considered in determining the maximum amount
9 payable.

10 * Sec. 12. AS 47.25.320 is repealed and re-enacted to read:

11 Sec. 47.25.320. AMOUNT OF ASSISTANCE. The department shall
12 determine the amount of assistance for a dependent child and the
13 relative with whom the dependent child is living, with regard to the
14 resources and necessary expenditures of the family and the condition
15 existing in each case. However, the amount of assistance shall not
16 exceed the amount paid for the care of a dependent child in a foster
17 family home and in no event shall the amount exceed a sum which, when
18 added to all other income and support available to the child, provides
19 reasonable subsistence for the child and relative compatible with
20 decency and health. The amount paid to the adult caretaker should not
21 exceed the amount paid to a child over 13 years of age.

22 Sec. 13. This Act takes effect on July 1, 1971.
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