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Offered: 3/2/71
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, WELFARE
AND EDUCATION COMMITTEE

2

CS FOR 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 supplemental income or other

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benefits for senior citizens and other qualified

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residents of the state; and providing for an effective

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date."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

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* Section 1. AS 47.25.430 - 47.25.610 are repealed.

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

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ARTICLE 4. SENIOR ALASKAN SUPPLEMENTAL

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INCOME PROGRAM.

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Sec. 47.25.431. POLICY AND PURPOSE. (a) It is the policy of

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the state and the purpose of secs. 431 - 561 of this chapter to co-

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operate and coordinate with the United States government and its

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agencies in providing for and administering the laws of the federal and

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state governments having for their purpose the payment of supplemental

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incomes to elderly residents.

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(b) The purpose of these sections is to pay supplemental income

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as a matter of right, sufficient to enable qualified residents to live

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in dignity and pride, in order to insure their continued participation

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in and contributions to the vitality and health of this state.

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Sec. 47.25.441. PERSONS ENTITLED TO SUPPLEMENTAL INCOME. A

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supplemental income shall be paid under secs. 431 - 561 of this chapter

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to every qualified resident of the state who has attained the age of

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65 years.

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Sec. 47.25.451. AMOUNT OF SUPPLEMENTAL INCOME. (a) The payment

1 shall be in an amount which will provide the recipient with a reasonable
2 quality of life compatible with decency and health. Except as provided
3 in (b) of this section, payments from all sources may not be less than
4 \$200 nor more than \$367 a month for a single person, or less than \$300
5 nor more than \$467 a month for a married couple.

6 (b) Payments shall be decreased by the amount of additional
7 income received, except that the first \$20 of earned income and one-
8 half of the next \$60, not to exceed \$50 a month, shall be disregarded;
9 direct payments for medical service and remedial care may not be con-
10 sidered in determining the maximum amount payable.

11 (c) The payment may not be decreased or denied if the recipient
12 or his spouse

13 (1) owns in whole or in part the dwelling in which they
14 reside, or

15 (2) has cash, securities, or other assets convertible into
16 cash up to \$2,000, or

17 (3) owns any furniture, clothing, heirlooms, or an automobile
18 or boat used for transportation or residence.

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

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

28 (b) Eligibility shall be determined, and supplemental income
29 shall be paid, on the basis of the application in which the facts

1 establish the entitlement of the applicant to supplemental income. The
2 department may at any time thereafter investigate the circumstances of
3 each recipient to verify the accuracy of the facts which supported the
4 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 reapplication. Each recipient is re-
9 quired 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 consistent with applicable federal regula-
23 tions. The attorney general is authorized to institute and maintain
24 actions for the recovery of these amounts on behalf of and at the re-
25 quest of the department. In every case, the department shall attempt
26 to accomplish such recovery by negotiating with the recipient. If an
27 overpayment of supplemental income results from the negligence or
28 mistake of the department, no recovery may be had unless the recipient
29 knew or should reasonably have known of the mistake 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 by the department.

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 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 and shall be cancelled, unless claimed by the authorized
19 representative of the estate of the recipient within 90 days of the
20 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 and who intends to reside in
26 another state may not thereafter receive supplemental income unless he
27 returns and satisfies the requirements of secs. 431 - 561 of this
28 chapter. This section does not apply to a person who, under the
29 instructions of a physician licensed to practice in the state, with the

1 concurrence of the department leaves the state for temporary medical
2 treatment not available in the state and with the intention to return
3 to the state.

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

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

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

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

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

- 28 (1) supplemental income to which he is not entitled:
- 29 (2) greater supplemental income than he is entitled to; or

1 (3) payment of a void warrant for supplemental income.

2 Sec. 47.25.541. DEPARTMENT REGULATIONS. The department shall,
3 after notice and an opportunity to interested persons to be heard,
4 promulgate regulations for the efficient conduct and administration of
5 secs. 431 - 561 of this chapter, including guidelines and tables for
6 the payment of supplemental income under these sections.

7 Sec. 47.25.551. DEFINITION. In secs. 431 - 561 of this chapter,
8 "department" means the Department of Health and Welfare.

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

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

12 (a) Property owned by the city or the state; the real property
13 of certain residents of the state to the extent and subject to the
14 conditions provided in (e) of this section, the household furniture
15 of the head of a family or a householder not exceeding \$500 in value;
16 all property used exclusively for nonprofit religious, charitable,
17 cemetery, hospital, or educational purposes; the property of an
18 organization, not organized for business purposes, whose membership is
19 composed entirely of individuals with 90 days or more of active service
20 in the armed forces of the United States whose conditions of service
21 and separation were other than dishonorable, or the property of the
22 auxiliary of any such organization; and all money on deposit are exempt
23 from taxation.

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

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

29 (f) The claimant must file written application for the exemption

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

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

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

13 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.-
14 200, relating to the collection of penalties on property taxes and in-
15 terest on property and sales taxes, applies to home rule boroughs.

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

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

22 (4) the first \$3,750 of income if the taxpayer has attained
23 the age of 65 before the close of his taxable year; an additional
24 exemption of \$3,750 of income is allowed for the spouse of the taxpayer
25 if the spouse has attained the age of 62 before the close of the taxable
26 year. The exemption provided is cumulative and is not intended to
27 replace existing exemptions; the exemption may be allowed only in the
28 proportion that the number of months the taxpayer is physically present
29 in the state bears to 12 months.

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

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

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

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

- 13 (A) by a resident 65 years of age or older . . . \$ 5
- 14 (B) by any other person 30;

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

- 16 (1) Resident sport fishing license [. \$ 5]
- 17 (A) [HOWEVER, THE FEE IS \$1] for a resident who is
- 18 blind or 65 years of age or older \$ 1
- 19 (B) for all other residents. 5[.]
- 20 (2) Resident hunting license
- 21 (A) for a resident 65 years of age or older. . . \$ 1
- 22 (B) for all other residents. 7
- 23 (3) (A) Resident hunting and trapping license. 10
- 24 (B) Resident trapping license. 3
- 25 (4) Resident hunting and sport fishing license
- 26 (A) for a resident 65 years of age or older. . . 2
- 27 (B) for all other residents 12
- 28 (5) Resident hunting, trapping, and sport fishing
- 29 license [. 15]

1 (A) [HOWEVER, THE FEE IS 25 CENTS] for the head of a
 2 family or a dependent member of his family or one solely dependent
 3 upon himself for support, upon proof presented by the applicant
 4 that he [THE APPLICANT (A)] is obtaining or has obtained assistance
 5 during the preceding six months under any state or federal welfare
 6 program, [TO AID THE INDIGENT] or [(B)] has an annual family gross
 7 income of less than \$3,600 for the year preceding applica-
 8 tion \$.25
 9 (B) for a resident 65 years of age or older . . . 3.00
 10 (C) for all other residents 15.00

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

12 Sec. 47.25.810. AMOUNT OF ASSISTANCE. The amount of assistance
 13 for a permanently and totally disabled person shall be determined by
 14 the department with regard to the resources and needs of the person and
 15 the conditions existing in each case. Where possible, assistance shall
 16 be sufficient to provide reasonable subsistence compatible with decency
 17 and health and according to the standards of assistance established by
 18 the department. Payments from all sources may not be less than \$200
 19 nor more than \$367 a month for a single person, or less than \$300
 20 nor more than \$467 a month for a married couple. [HOWEVER, THE AMOUNT
 21 OF ASSISTANCE MAY NOT EXCEED \$250 A CALENDAR MONTH.] Direct payments
 22 for medical services and remedial care may not be considered in
 23 determining the maximum amount payable. Payments shall be decreased
 24 to the amount of additional income received except that the first \$20
 25 of earned income and one-half of the next \$60, not to exceed \$50 a
 26 month, shall be disregarded.

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

28 Sec. 47.25.640. AMOUNT OF ASSISTANCE. The department shall
 29 determine the amount of assistance granted for a needy blind person with

1 due regard to the resources and needs of the person and the conditions
2 existing in each case. Assistance shall be sufficient to provide the
3 applicant with reasonable subsistence compatible with decency and
4 health, and according to the standards of assistance established by the
5 department. Payments from all sources may not be less than \$200 nor
6 more than \$367 a month for a single person, or less than \$300 nor more
7 than \$467 a month for a married couple [HOWEVER, ASSISTANCE MAY NOT
8 EXCEED \$250 A MONTH]. Direct payments for medical services and
9 remedial care may not be considered in determining the maximum amount
10 payable. The first \$85 a month of the gross earned income, and one-
11 half of the remainder will be disregarded in determining need for aid
12 to the blind.

13 * Sec. 12. Secs. 1 - 5 and 10 - 11 of this Act take effect July 1, 1971.
14 Secs. 6 - 9 of this Act take effect January 1, 1972.