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Referred: Finance

1 IN THE SENATE

BY BUTROVICH AND RAY

2  SENATE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an Alaska longevity bonus."

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

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

9 CHAPTER 45. ALASKA LONGEVITY BONUS.

10 Sec. 47.45.010. PERSONS WHO MAY QUALIFY FOR LONGEVITY BONUS.

11 (a) A person who is 65 years of age or over and who has maintained
12 a domicile in the state for 20 years or more, whether continuous or
13 not, may apply to the commissioner of administration for qualification
14 to receive a monthly bonus not to exceed \$100.

15 (b) When the commissioner of administration determines that an
16 applicant qualifies under this chapter he shall immediately begin
17 payment of the bonus.

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

21 Sec. 47.45.020. CONTINUOUS ELIGIBILITY PROCEDURES. After
22 qualification, monthly applications for bonuses may be made in person
23 to any office of the Department of Administration. Mailed monthly
24 applications shall also be considered by the Department of Adminis-
25 tration. In-person or mailed applications shall be made on forms
26 provided by the Department of Administration and shall conform to
27 the conditions as provided by regulation. The commissioner may make
28 exceptions to those residents who are isolated in rural areas and
29 cannot mail a monthly application; however, they shall mail an

1 application at least once every six months.

2 Sec. 47.45.030. ABSENCE FROM THE STATE. A recipient shall notify
3 the commissioner of administration when he expects to be absent from
4 the state if the absence is for a continuous period that exceeds 30
5 days. After such notification, the recipient shall no longer receive
6 bonuses from the Department of Administration after his last regularly
7 approved monthly application. Upon his return to the state he may
8 again make application for a bonus. Whenever the absence is for a
9 continuous period that exceeds 180 days the recipient shall be dis-
10 qualified from receiving bonuses for the next 12 calendar months after
11 his return to the state. However, when the commissioner of adminis-
12 tration determines a period of absence is beyond the control of the
13 recipient, he may not be disqualified, if he still otherwise qualifies
14 upon his return to the state. Continual absences from the state, even
15 though reported, and failure to notify the commissioner of an expected
16 absence may be grounds for disqualification.

17 Sec. 47.45.040. DISQUALIFICATION. Disqualification under this
18 chapter shall rest solely with the commissioner of administration and
19 shall be outlined in the regulations promulgated under sec. 100(1) of
20 this chapter.

21 Sec. 47.45.050. DEPARTMENT HEARING. The Department of Adminis-
22 tration may hold a departmental hearing upon the request of any appli-
23 cant or recipient who has been disqualified. Previous to this hearing
24 the department shall by certified mail notify an applicant or recipient
25 in plain and comprehensive language the exact reason for his disqualifi-
26 cation. Form letters using only referral to state statutes or depart-
27 ment regulations, or otherwise vague in detail, shall not be considered
28 compliance by the department with this section.

29 Sec. 47.45.060. LEGAL REMEDY. Legal remedy from disqualification

1 may be sought by an applicant or recipient in any court of competent
2 jurisdiction in the state. The burden of proof shall rest solely upon
3 the applicant or recipient and any costs related to a disqualification
4 verdict determined against the applicant or recipient may be recoverable
5 by the attorney general from that person; or from any agency represent-
6 ing that person supported in whole, or in part, with state appropria-
7 tions.

8 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
9 one who

10 (1) does not meet the age or residence requirements as
11 provided for under this chapter;

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

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

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

29 Sec. 47.45.080. ACCRUAL OF BONUSES. No recipient may, for any

1 reason, receive an accrual of bonuses in excess of two monthly payments
2 No interest may be paid on accrued bonuses. Upon the death of a
3 recipient the commissioner of administration shall pay to the bene-
4 ficiary of the recipient any accrued bonuses not to exceed two monthly
5 payments.

6 Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. (a) There is
7 the Alaska longevity bonus fund created for the purpose of paying the
8 monthly bonuses provided for in this chapter. The fund consists of
9 all money made available by appropriations of the state legislature,
10 and from other appropriated funds, all contributions from whatever
11 source, and income and interest derived from the investment of money.

12 (b) The commissioner of administration is the administrator of
13 the fund.

14 Sec. 47.45.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The
15 commissioner of administration shall

16 (1) promulgate regulations necessary to carry out the
17 provisions of this chapter;

18 (2) make expenditures from the fund necessary to administer
19 this chapter;

20 (3) establish and maintain an adequate system of accounts
21 for the fund;

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

24 Sec. 47.45.110. ALASKA LONGEVITY BONUS ADVISORY BOARD. (a)
25 There is established the Alaska Longevity Bonus Advisory Board con-
26 sisting of three members acquainted with the investment of funds
27 appointed by the governor for overlapping three-year terms.

28 (b) Members of the board serve without compensation except that
29 each member may be reimbursed for actual and necessary expenses at

1 the rate established by AS 39.20.180.

2 (c) The board shall confer with the commissioner of administra-
3 tion only in matters regarding the administration of the investment
4 policies of the fund and may make such recommendations to him as they
5 consider necessary.

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

8 (e) The board shall meet at the call of the commissioner of
9 administration.

10 Sec. 47.45.120. CUSTODY AND INVESTMENT. (a) The commissioner of
11 revenue is the treasurer of the system and has powers and duties for
12 this purpose including but not limited to the following:

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

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

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

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

21 (b) When, in the opinion of the commissioner of administration,
22 there is on hand in the fund a surplus over and above a reasonably safe
23 amount to take care of current demands upon the fund, the surplus or
24 so much of it as in the judgment of the commissioner of administration
25 is considered proper may be invested by the commissioner of revenue in
26 (1) bonds or other interest-bearing obligations and securities of
27 the United States or any agency of the United States, a state of the
28 United States, or a political subdivision of any state of the United
29 States, if the political subdivision has a population as shown by the

1 last federal census preceding the investment of no less than 30,000
2 inhabitants, except no population limitation applies to a political
3 subdivision of this state; (2) first lien real estate mortgage securi-
4 ties insured by the Federal Housing Administration under the National
5 Housing Act of the United States, or held by the Department of Commerce,
6 or the Department of Natural Resources; (3) deposits with mutual
7 savings banks in Alaska, to the extent that the investment is insured
8 by the federal government or an agency of the federal government; and
9 (4) deposits with state and national banks in Alaska to the extent
10 that the investment is insured by the federal government or an agency
11 of the federal government. No more than 25 per cent of the surplus may
12 be invested in mortgage securities of the Department of Commerce, and
13 the state shall appropriate sufficient money from the general fund to
14 reimburse the teachers retirement system for any losses incurred as
15 a result of failure of the obligors to pay on the notes. No more than
16 \$400,000 of the surplus may be invested annually in the mortgage
17 securities of the Department of Natural Resources, and the state shall
18 appropriate sufficient money from the general fund to reimburse the
19 fund created in this chapter for any losses incurred as a result of
20 failure of the obligors to pay on the notes.

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

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

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

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

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

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

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

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

18 Sec. 47.45.130. EXEMPTION FROM TAXATION AND PROCESS. Bonuses
19 received under this chapter are exempt from all state and political
20 subdivision taxes except sales and use taxes and are not subject to
21 execution, attachment, garnishment or other process. No bonus received
22 under this chapter may be exempt from a federal tax requirement.

23 Sec. 47.45.140. DEATH OR CESSATION OF RESIDENCY. The commis-
24 sioner of administration shall establish procedures to stop a bonus
25 when a recipient under this chapter no longer qualifies. When a
26 recipient dies or discontinues his residency in the state his qualifi-
27 cation for a bonus shall stop at the time of his last approved monthly
28 application.

29 Sec. 47.45.150. PENALTY FOR FALSE STATEMENTS. A person who

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

7 Sec. 47.45.160. DEFINITIONS. In this chapter

8 (1) "bonus" means a monthly Alaska longevity bonus payment
9 made to a person or his beneficiary who qualifies under this chapter;

10 (2) "domicile" means the place with which a person has a
11 settled connection for determination of his civil status or other
12 legal purposes because it is actually or legally his permanent and
13 principal home.

14 Sec. 47.45.170. The Administrative Procedure Act does not apply
15 to this chapter.

16 Sec. 47.45.180. 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 for at least
19 20 years and have reached a retirement age of 65, an incentive to
20 continue uninterrupted residency in the state. Under no circumstances
21 shall this chapter be considered a form, type, or manner, of public
22 relief. Bonuses made under this chapter are not predicated on need
23 even though they may appear to provide supplemental income to some
24 qualified persons who would otherwise be forced to become responsi-
25 bilities of the state.

26 * Sec. 2. AS 01.10.030 does not apply to this Act. If any provision of
27 this Act, or the application of a provision of this Act to any person or
28 circumstance is held invalid, this entire Act shall be considered invalid.
29