

Original sponsors: Butrovich and Ray

Offered: 3/29/72
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 211

MCS

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an Alaska longevity bonus; and
7 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 45.

11 ALASKA LONGEVITY BONUS.

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

13 (a) A person who is 65 years of age or over and who has maintained a
14 domicile in the state for 30 years or more, whether continuous or
15 not, may apply to the commissioner of administration for qualification
16 to receive a monthly bonus of \$100.

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

20 (c) A person who otherwise qualifies to receive a bonus 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. 47.45.020. CONTINUOUS ELIGIBILITY PROCEDURES. After
24 qualification, monthly applications for bonuses may be made in person
25 to any office of the Department of Administration. Mailed monthly
26 applications shall also be considered by the Department of Adminis-
27 tration. In-person or mailed applications shall be made on forms
28 provided by the Department of Administration and shall conform to
29 the conditions as provided by regulation. The commissioner may make

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

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

19 Sec. 47.45.040. 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) of
22 this chapter.

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

1 compliance by the department with this section,

2 Sec. 47.45.060. 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 repre-
8 senting that person supported in whole, or in part, with state appropri-
9 ations.

10 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
11 one who

12 (1) does not meet the age and residence requirements as
13 provided for under this chapter;

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

21 (3) is otherwise qualified but is confined in a penal or
22 correctional institute or facility; upon completion of sentence or upon
23 the conferral of a pardon, parole or probation, the person may make
24 application; confinement outside the state shall be considered as
25 residence in the state if a person was convicted and sentenced from a
26 court in Alaska; revocation of parole or probation shall be cause for
27 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. 47.45.080. ACCRUAL OF BONUSES. No recipient may, for any
3 reason, receive an accrual of bonuses in excess of two monthly payments.
4 No interest may be paid on accrued bonuses. Upon the death of a
5 recipient the commissioner of administration shall pay to the bene-
6 ficiary of the recipient any accrued bonuses not to exceed two monthly
7 payments.

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

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

16 Sec. 47.45.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The
17 commissioner of administration shall

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

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

1 (b) Members of the board serve without compensation except that
2 each member may be reimbursed for actual and necessary expenses at
3 the rate established by AS 39.20.180.

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

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

10 (e) The board shall meet at the call of the commissioner of
11 administration.

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

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

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

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

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

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

1 United States, or a political subdivision of any state of the United
2 States, if the political subdivision has a population as shown by the
3 last federal census preceding the investment of no less than 30,000
4 inhabitants, except no population limitation applies to a political
5 subdivision of this state; (2) first lien real estate mortgage securi-
6 ties insured by the Federal Housing Administration under the National
7 Housing Act of the United States, or held by the Department of Commerce,
8 or the Department of Natural Resources; (3) deposits with mutual
9 savings banks or savings and loan associations in Alaska, to the ex-
10 tent that the investment is insured by the federal government or an
11 agency of the federal government; and (4) deposits with state and
12 national banks in Alaska to the extent that the investment is insured
13 by the federal government or an agency of the federal government. No
14 more than 25 per cent of the surplus may be invested in mortgage
15 securities of the Department of Commerce. No more than \$400,000 of the
16 surplus may be invested annually in the mortgage securities of the
17 Department of Natural Resources.

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

25 (d) Except as provided in (a) - (c) of this section, the commis-
26 sioner of revenue may

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

29 (2) sell, exchange, convey, transfer or otherwise dispose of

1 any investment of the fund by private contract or at public auction;

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

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

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

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

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

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

26 Sec. 47.45.150. PENALTY FOR FALSE STATEMENTS. A person who
27 wilfully or knowingly makes a false statement, or falsifies or permits
28 to be falsified any record required by this chapter, is guilty of
29 a misdemeanor and, upon conviction, is punishable by a fine of not

1 more than \$500, or by imprisonment for not more than six months, or by
2 both, forfeits all rights under this chapter, and shall make adequate
3 restitution for any bonuses illegally received.

4 Sec. 47.45.160. DEFINITIONS. In this chapter

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

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

11 Sec. 47.45.170. The Administrative Procedure Act does not apply
12 to this chapter.

13 Sec. 47.45.180. PURPOSE. The sole purpose of this chapter is
14 to offer and provide all law-abiding Alaskans capable of managing their
15 own affairs who have maintained a domicile in the state for at least
16 30 years and who have reached a retirement age of 65, an incentive to
17 continue uninterrupted residency in the state. Under no circumstances
18 shall this chapter be considered a form, type, or manner, of public
19 relief. Bonuses made under this chapter are not predicated on need
20 even though they may appear to provide supplemental income to some
21 qualified persons who would otherwise be forced to become responsi-
22 bilities of the state.

23 * Sec. 2. This Act takes effect January 1, 1973.
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