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Offered: 4/14/72  
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1 IN THE SENATE

BY THE HEALTH, WELFARE AND  
EDUCATION COMMITTEE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 211

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  
13 of 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 the commissioner of revenue determines that there is in  
24 the state longevity bonus fund a surplus above an amount sufficient to  
25 meet current cash expenditure needs, the surplus shall be invested in  
26 any of the following:

27 (1) obligations of, or obligations insured or guaranteed by,  
28 the United States or agencies or instrumentalities of the United States;

29 (2) obligations secured by reserves paid in by the United

1 States or agencies or instrumentalities of the United States or obliga-  
2 tions of corporations in which the United States is a shareholder or  
3 member;

4 (3) bank certificates of deposit which are secured as to  
5 the payment of principal and interest in accordance with Alaska law;

6 (4) other securities, including corporate securities;

7 (5) loans made under the provisions of AS 03.10 and AS 26.15;

8 (6) conventional residential mortgages if the offering  
9 financial institution retains at least 25 per cent of the mortgage;

10 (7) other secured loans, if the offering financial institu-  
11 tion retains at least 33 1/3 per cent of the mortgage;

12 (8) mortgages of the Alaska Rural Rehabilitation Corporation  
13 which secure agricultural loans, agricultural business loans and agri-  
14 cultural processing loans;

15 (9) bankers acceptances drawn on and accepted by banks  
16 with a combined capital and surplus aggregating at least \$200,000,000.

17 (c) To qualify as a mortgage or secured loan which may be  
18 purchased by the state under (a)(6) or (7) of this section, it must

19 (1) be secured by real estate in the state or other col-  
20 lateral allowed under (a)(7) of this section;

21 (2) have as a mortgagor an Alaska resident or a corporation  
22 in which at least 51 per cent of the stock is owned by Alaska residents;

23 (3) be certified by the originating financial institution  
24 that the loan being sold has been made in compliance with law and that  
25 liens supporting the loan have been perfected;

26 (4) have no initial closing fees or service fees which  
27 exceed one-half of one per cent, excluding closing costs.

28 (d) In making investments the commissioner of revenue shall  
29 exercise the judgment and care under the circumstances then prevailing

1 which men of ordinary prudence, discretion, and intelligence exercise  
2 in the management of their own affairs not in regard to speculation  
3 but in regard to the permanent disposition of their funds, considering  
4 the probable income from the fund as well as the probable safety of  
5 their capital.

6 (e) Except as provided in (a) - (d) of this section, the commis-  
7 sioner of revenue may

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

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

12 (3) vote bonds or other securities; give general or special  
13 proxies or powers of attorney with or without powers of substitution;  
14 exercise conversion privileges, subscription rights or other options  
15 and make payments incidental thereto; generally exercise the powers of  
16 an owner with respect to bonds, securities or other investments held  
17 in the fund;

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

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

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

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

1           Sec. 47.45.140. DEATH OR CESSATION OF RESIDENCY. The commis-  
2 sioner of administration shall establish procedures to stop a bonus  
3 when a recipient under this chapter no longer qualifies. When a  
4 recipient dies or discontinues his residency in the state his qualifi-  
5 cation for a bonus shall stop at the time of his last approved monthly  
6 application.

7           Sec. 47.45.150. PENALTY FOR FALSE STATEMENTS. A person who  
8 wilfully or knowingly makes a false statement, or falsifies or permits  
9 to be falsified any record required by this chapter, is guilty of a  
10 misdemeanor and, upon conviction, is punishable by a fine of not more  
11 than \$500, or by imprisonment for not more than six months, or by both,  
12 forfeits all rights under this chapter, and shall make adequate resti-  
13 tution for any bonuses illegally received.

14           Sec. 47.45.160. DEFINITIONS. In this chapter

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

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

21           Sec. 47.45.170. APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT.  
22 The Administrative Procedure Act (AS 44.62) does not apply to this  
23 chapter.

24           Sec. 47.45.180. PURPOSE. The sole purpose of this chapter is to  
25 offer and provide all law-abiding Alaskans capable of managing their  
26 own affairs who have maintained a domicile in the state for at least  
27 30 years and who have reached a retirement age of 65, an incentive to  
28 continue uninterrupted residency in the state. Under no circumstances  
29 shall this chapter be considered a form, type, or manner, of public

1 relief. Bonuses made under this chapter are not predicated on need  
2 even though they may appear to provide supplemental income to some  
3 qualified persons who would otherwise be forced to become responsibili-  
4 ties of the state.

5 \* Sec. 2. LEGISLATIVE INTENT. It is the intent of the legislature that  
6 the Department of Health and Social Services assure by proper administrative  
7 action that the monthly assistance standard under Title 1 of the Federal  
8 Social Security Act be increased from \$250 to \$350 so that the effect of this  
9 Act is not to decrease the amount of old age assistance a recipient is other-  
10 wise eligible to receive.

11 \* Sec. 3. This Act takes effect on January 1, 1973.  
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