

Introduced: 3/29/83
Referred: Ad Hoc Committee on
Residency and Finance

1 IN THE SENATE

BY RAY AND KERTTULA

2

SENATE BILL NO. 215

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act authorizing the use of Alaska permanent fund
7 income to pay longevity bonuses; amending the longev-
8 ity bonus program and the permanent fund dividend
9 distribution program; and providing for an effective
10 date."

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

12 * Section 1. AS 37.13 is amended by adding a new section to read:

13 Sec. 37.13.147. LONGEVITY BONUS ACCOUNT. The longevity bonus
14 account is established as a separate account in the Alaska permanent
15 fund. Notwithstanding the provisions of AS 37.13.145, 12.5 percent of
16 the income of the permanent fund earned during the fiscal year ending
17 on June 30 of the current year that is available for distribution
18 under AS 37.13.140 shall be transferred to the longevity bonus ac-
19 count.

20 (b) Money in the longevity bonus account shall be invested in
21 investments authorized under AS 37.13.120. Income from the investment
22 of the longevity bonus account shall be treated as an addition to that
23 account.

24 (c) The commissioner of revenue shall transfer money in the
25 longevity bonus account to the Alaska longevity bonus fund to pay
26 monthly longevity bonuses in accordance with AS 47.45.090.

27 * Sec. 2. AS 43.23.045(b) is amended to read:

28 (b) Notwithstanding any contrary provision of law, each year the
29 commissioner shall transfer to the dividend fund 37.5 [50] percent of

1 the income of the Alaska permanent fund earned during the fiscal year
2 ending on June 30 of the current year and available for distribution.

3 * Sec. 3. AS 47.45.010 is amended to read:

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

5 (a) A person who is 65 years of age or over, who has been a resident
6 of the state for at least one year immediately preceding the applica-
7 tion for a longevity bonus under this chapter [WAS DOMICILED IN THE
8 TERRITORY ON OR BEFORE JANUARY 3, 1959 AND WHO HAS MAINTAINED A CON-
9 TINUOUS DOMICILE IN THE TERRITORY OR STATE FOR 25 YEARS] may apply to
10 the commissioner of administration for qualification to receive a
11 monthly bonus [OF \$250].

12 (b) When the commissioner of administration determines that an
13 applicant qualifies under AS 47.45.010 - 47.45.170 the commissioner
14 [HE] shall immediately begin payment of the bonus.

15 (c) A person who otherwise qualifies to receive a bonus provided
16 for in AS 47.45.010 - 47.45.170 may continue to do so only as long as
17 that person continues to be a resident of [HE CONTINUOUSLY RETAINS A
18 DOMICILE IN] the state.

19 * Sec. 4. AS 47.45.010 is amended by adding a new subsection to read:

20 (d) The initial amount of the monthly bonus is \$250. On July 1
21 of each year, beginning July 1, 1984, the amount then paid as the
22 monthly bonus shall be increased by three percent.

23 * Sec. 5. AS 47.45.030 is amended to read:

24 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification a
25 [A] recipient shall notify the commissioner of administration when the
26 recipient [HE] expects to be absent from the state if the absence is
27 for a continuous period that exceeds 30 days. After that notifica-
28 tion, the recipient shall no longer receive bonuses from the Depart-
29 ment of Administration after the [HIS] last regularly approved monthly

1 application. Upon returning [HIS RETURN] to the state the recipient
2 [HE] may again make application for a bonus. Whenever the absence is
3 for a continuous period that exceeds 180 days the recipient shall be
4 disqualified from receiving bonuses for the next 12 calendar months
5 after returning [HIS RETURN] to the state. However, when the commis-
6 sioner of administration determines a period of absence is beyond the
7 control of the recipient, the recipient [HE] may not be disqualified,
8 if the recipient [HE] still otherwise qualifies upon returning [HIS
9 RETURN] to the state. Continual absences from the state, even though
10 reported, and failure to notify the commissioner of an expected ab-
11 sence may be grounds for disqualification.

12 * Sec. 6. AS 47.45.090(a) is amended to read:

13 Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. (a) The [THERE IS
14 THE] Alaska longevity bonus fund is created for the purpose of paying
15 the monthly bonuses provided for in this chapter. The fund consists of
16 all money made available by appropriations of the state legislature,
17 and from other appropriated money transferred from the Alaska
18 permanent fund [FUNDS], all contributions from whatever source, and
19 income and interest derived from the investment of money.

20 * Sec. 7. AS 47.45.090 is amended by adding a new subsection to read:

21 (c) At the request of the commissioner of administration the
22 commissioner of revenue shall transfer amounts needed for the payment
23 of monthly bonuses under this chapter from the longevity bonus account
24 in the Alaska permanent fund (AS 37.13.145(b)) to the longevity bonus
25 fund.

26 * Sec. 8. AS 47.45.150 is amended by adding a new paragraph to read:

27 (3) "resident" or "resident of the state" means an indi-
28 vidual who is physically present in the state with the intent to
29 remain permanently in the state or, if the individual is not

1 physically present in the state, intends to return to the state and is
2 absent only for medical treatment or other reasons that the
3 commissioner of administration may establish by regulation;

4 * Sec. 9. AS 47.45.170 is repealed and reenacted to read:

5 Sec. 47.45.170. FINDINGS AND PURPOSE. The legislature finds and
6 declares that

7 (1) the high cost of goods and services in Alaska and the
8 state's remoteness and harsh environment, makes it difficult for many
9 elderly Alaskans to remain in the state after retirement;

10 (2) when a person is forced to live out retirement years
11 away from home, family and friends, that person suffers an irreparable
12 loss;

13 (3) Alaska's elderly are a precious human resource, and it
14 is in the public interest to provide a financial incentive for them to
15 remain in the state after retirement;

16 (4) as oil revenues decrease, it will become increasingly
17 difficult for the legislature to fund the longevity bonus program
18 through annual appropriations and the income of the Alaska permanent
19 fund is an appropriate source of funding for the longevity bonus
20 program; and

21 (5) it is in the public interest to continue the longevity
22 bonus program for all elderly Alaskans irrespective of need. The
23 longevity bonus program is not a form of welfare, and is not a substi-
24 tute for or supplement to public assistance. Other programs are
25 available to provide the basic necessities of life. The longevity
26 bonus program is intended only to encourage elderly Alaskans to spend
27 their retirement years in the comfort of their homes.

28 * Sec. 10. AS 47.45.150(2) is repealed.

29 * Sec. 11. This Act takes effect July 1, 1983.