

Offered: 4/30/83
Referred: Finance

Original sponsors: Ray and Kerttula

1 IN THE SENATE

BY THE RULES COMMITTEE

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CS FOR SENATE BILL NO. 215 (Rules)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act authorizing the use of Alaska permanent fund income to pay longevity bonuses; amending the longevity bonus program and the permanent fund dividend distribution program; and providing for an effective date."

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

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

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Sec. 37.13.147. LONGEVITY BONUS ACCOUNT. The longevity bonus account is established as a separate account in the Alaska permanent fund. Notwithstanding the provisions of AS 37.13.145, 12.5 percent of the income of the permanent fund earned during the fiscal year ending on June 30 of the current year that is available for distribution under AS 37.13.140 shall be credited to the longevity bonus account.

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(b) Money in the longevity bonus account shall be invested in investments authorized under AS 37.13.120. The longevity bonus account shall be credited with earnings at an interest rate equal to the average rate of interest earned on the Alaska permanent fund.

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(c) The legislature may annually appropriate an amount sufficient to pay monthly longevity bonuses for the subsequent fiscal year under AS 47.45.010(d) from the longevity bonus account to the Alaska longevity bonus fund established under AS 47.45.090.

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

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

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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 amount of the monthly bonus is (1) \$250, increased by
21 three percent each year beginning in the state fiscal year 1985; or
22 (2) an amount equal to eight and one-third percent of the amount
23 credited to the longevity bonus account for the previous fiscal year
24 under AS 37.13.147, exclusive of earnings, divided by the number of
25 qualified applicants under this section; whichever amount is less.

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

27 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification a
28 [A] recipient shall notify the commissioner of administration when the
29 recipient [HE] expects to be absent from the state if the absence is

1 for a continuous period that exceeds 30 days. After that notifica-
2 tion, the recipient shall no longer receive bonuses from the Depart-
3 ment of Administration after the [HIS] last regularly approved monthly
4 application. Upon returning [HIS RETURN] to the state the recipient
5 [HE] may again make application for a bonus. Whenever the absence is
6 for a continuous period that exceeds 180 days the recipient shall be
7 disqualified from receiving bonuses for the next 12 calendar months
8 after returning [HIS RETURN] to the state. However, when the commis-
9 sioner of administration determines a period of absence is beyond the
10 control of the recipient, the recipient [HE] may not be disqualified,
11 if the recipient [HE] still otherwise qualifies upon returning [HIS
12 RETURN] to the state. Continual absences from the state, even though
13 reported, and failure to notify the commissioner of an expected ab-
14 sence may be grounds for disqualification.

15 * Sec. 6. AS 47.45.090 is repealed and reenacted to read:

16 Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. The Alaska longev-
17 ity bonus fund is established for the purpose of paying the monthly
18 bonuses provided for in this chapter. The fund consists of money
19 appropriated to the fund by the state legislature from the longevity
20 bonus account established under AS 37.13.147.

21 * Sec. 7. AS 47.45.150 is amended by adding a new paragraph to read:

22 (3) "resident" or "resident of the state" means an indi-
23 vidual who is physically present in the state with the intent to
24 remain in the state indefinitely and to make a home in the state. A
25 person demonstrates the requisite intent only by maintaining a princi-
26 pal place of abode in the state for the one year required by AS 47.-
27 45.010(a) and by providing other proof of intent the commissioner may
28 require by regulation, including proof that the person is not claiming
29 residency outside the state or obtaining benefits under a claim of

1 residency outside the state.

2 * Sec. 8. AS 47.45.170 is repealed and reenacted to read:

3 Sec. 47.45.170. FINDINGS AND PURPOSE. The legislature finds and
4 declares that

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

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

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

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

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

26 * Sec. 9. AS 47.45.150(2) is repealed.

27 * Sec. 10. It is the intent of the legislature that any money appropri-
28 ated from the general fund for the purpose of paying monthly longevity
29 bonuses, after the state fiscal year ending June 30, 1982, be

1 reappropriated and transferred to the general fund from the longevity bonus
2 account established under sec. 1 of this Act as soon as possible after the
3 effective date of this Act.

4 * Sec. 11. Sections 3 and 7 of this Act are retroactive to July 1,
5 1982.

6 * Sec. 12. This Act takes effect July 1, 1983.