

Offered: 5/5/83
Referred: Rules

Original sponsors: Ray and Kerttula

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 215 (Finance)
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 credited to the longevity bonus account.
19 (b) Money in the longevity bonus account shall be invested in
20 investments authorized under AS 37.13.120. The longevity bonus ac-
21 count shall be credited with earnings at an interest rate equal to the
22 average rate of interest earned on the Alaska permanent fund.
23 (c) The legislature may annually appropriate an amount suffi-
24 cient to pay monthly longevity bonuses for the subsequent fiscal year
25 under AS 47.45.010(d) from the longevity bonus account to the Alaska
26 longevity bonus fund established under 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 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 is amended by adding a new section to read:

22 Sec. 47.45.145. ACCESS TO RECORDS. Notwithstanding any contrary
23 provision of state or municipal law the commissioner of administration
24 may examine records or documents in the possession of state agencies
25 or municipal governments that contain information relating to the
26 length of state residence of an applicant for a monthly bonus under
27 this chapter.

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

29 (3) "resident" or "resident of the state" means an

1 individual who is physically present in the state with the intent to
2 remain in the state indefinitely and to make a home in the state. A
3 person demonstrates the requisite intent only by maintaining a princi-
4 pal place of abode in the state for the one year required by AS 47.-
5 45.010(a) and by providing other proof of intent the commissioner may
6 require by regulation, including proof that the person is not claiming
7 residency outside the state or obtaining benefits under a claim of
8 residency outside the state.

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 AS 47.45.170 is repealed and reenacted to read:

10 Sec. 47.45.170. FINDINGS AND PURPOSE. The legislature finds and
11 declares that

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

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

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

21 (4) as oil revenues decrease, it will become increasingly
22 difficult for the legislature to fund the longevity bonus program
23 through annual appropriations and the income of the Alaska permanent
24 fund is an appropriate source of funding for the longevity bonus
25 program; and

26 (5) it is in the public interest to continue the longevity
27 bonus program for all elderly Alaskans irrespective of need. The
28 longevity bonus program is not a form of welfare, and is not a substi-
29 tute for or supplement to public assistance. Other programs are

1 available to provide the basic necessities of life. The longevity
2 bonus program is intended only to encourage elderly Alaskans to spend
3 their retirement years in the comfort of their homes.

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

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