

Offered: 6/24/83
Referred: Rules

Original sponsors: Ray and Kerttula

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR 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. (a) After July 1,
14 1985, the longevity bonus account is established as a separate account
15 in the Alaska permanent fund. Notwithstanding the provisions of
16 AS 37.13.145, 12.5 percent of the income of the permanent fund earned
17 during the fiscal year ending on June 30 of the current year that is
18 available for distribution under AS 37.13.140 shall be credited to the
19 longevity bonus account.

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

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

28 * Sec. 2. AS 43.23.045(c) is repealed and reenacted to read:

29 (c) Notwithstanding any contrary provision of law, after July 1,

1 1985 each year the commissioner shall transfer to the dividend fund
2 37.5 percent of the income of the Alaska permanent fund earned during
3 the fiscal year ending on June 30 of the current year and available
4 for distribution.

5 * Sec. 3. AS 43.23.045 is amended by adding a new subsection to read:

6 (d) The department may adopt by regulation a plan that, to the
7 extent permitted by federal law, will allow an individual who elects
8 to participate in the plan to select an optional disbursement of the
9 dividend payment that would have the effect of deferring payment of
10 all or a portion of federal income taxes on the receipt of a permanent
11 fund dividend.

12 * Sec. 4. AS 47.45.010 is amended to read:

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

14 (a) A person who is 65 years of age or over, who was a resident of
15 [DOMICILED IN] the territory on or before January 3, 1959 [AND WHO HAS
16 MAINTAINED A CONTINUOUS DOMICILE IN THE TERRITORY OR STATE FOR 25
17 YEARS] may apply to the commissioner of administration for qualifica-
18 tion to receive a monthly bonus [OF \$250].

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

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

26 * Sec. 5. AS 47.45.010 is amended by adding a new subsection to read:

27 (d) After July 1, 1985, the amount of the monthly bonus is the
28 lesser of (1) \$250; or (2) an amount equal to eight and one-third
29 percent of the amount credited to the longevity bonus account for the

1 previous fiscal year under AS 37.13.147, exclusive of earnings,
2 divided by the number of qualified applicants under this section.

3 * Sec. 6. AS 47.45.030 is amended to read:

4 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification a
5 [A] recipient shall notify the commissioner of administration when the
6 recipient [HE] expects to be absent from the state if the absence is
7 for a continuous period that exceeds 30 days. After that notifica-
8 tion, the recipient shall no longer receive bonuses from the Depart-
9 ment of Administration after the [HIS] last regularly approved monthly
10 application. Upon returning [HIS RETURN] to the state the recipient
11 [HE] may again make application for a bonus. Whenever the absence is
12 for a continuous period that exceeds 180 days the recipient shall be
13 disqualified from receiving bonuses for the next 12 calendar months
14 after returning [HIS RETURN] to the state. However, when the commis-
15 sioner of administration determines a period of absence is beyond the
16 control of the recipient, the recipient [HE] may not be disqualified,
17 if the recipient [HE] still otherwise qualifies upon returning [HIS
18 RETURN] to the state. Continual absences from the state, even though
19 reported, and failure to notify the commissioner of an expected ab-
20 sence may be grounds for disqualification.

21 * Sec. 7. AS 47.45.090 is repealed and reenacted to read:

22 Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. (a) The Alaska
23 longevity bonus fund is created for the purpose of paying the monthly
24 bonuses provided for in this chapter. The fund consists of all money
25 made available by appropriations of the state legislature, and from
26 other appropriated funds, all contributions from whatever source, and
27 income and interest derived from the investment of money.

28 (b) After July 1, 1985, the Alaska longevity bonus fund consists
29 of money appropriated to the fund by the state legislature from the

1 longevity bonus account established under AS 37.13.147.

2 (c) The commissioner of administration is the administrator of
3 the fund.

4 * Sec. 8. AS 47.45 is amended by adding a new section to read:

5 Sec. 47.45.145. ACCESS TO RECORDS. (a) Notwithstanding any
6 contrary provision of state law or state agency regulation, the com-
7 missioner of administration may have access to and examine records,
8 documents, or other information in the possession of a state agency,
9 other than personal income tax returns filed under AS 43.20, if the
10 records, documents, or information relate to the length of state
11 residence of an applicant for, or a recipient of, a monthly bonus
12 under this chapter.

13 (b) If the commissioner of administration receives confidential
14 information under (a) of this section, that information may be used
15 only to confirm or rebut an applicant's declaration of length of state
16 residence. If a person discloses information obtained under this
17 section for a purpose other than to rebut an applicant's declaration
18 of length of state residence in an appropriate administrative or
19 judicial proceeding, that person is subject to the penalty that
20 applies to unauthorized disclosure of that information by the agency
21 or person that has primary custody and control of the information.

22 * Sec. 9. AS 47.45.150 is amended by adding a new paragraph to read:

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

1 obtaining benefits under a claim of residency outside the state.

2 * Sec. 10. 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; and

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

21 * Sec. 11. SOURCE OF FUNDS. It is the intent of the legislature that
22 money needed to pay longevity bonuses during the 1984 and 1985 state fiscal
23 years be appropriated from the general fund.

24 * Sec. 12. AMOUNT OF BONUS. The amount of the monthly bonus under
25 AS 47.45.010 is \$250 from July 1, 1983, to June 30, 1985.

26 * Sec. 13. SEVERABILITY. If any section of this Act is declared uncon-
27 stitutional or otherwise invalid by a court of competent jurisdiction, the
28 Department of Administration shall adopt regulations to impose the most
29 stringent residency requirement allowable under the Constitution of the

1 State of Alaska and the United States Constitution for eligibility for
2 longevity bonus payments.

3 * Sec. 14. After January 3, 1984 a person may not receive a monthly
4 longevity bonus under AS 47.45 unless that person was eligible to receive a
5 longevity bonus before that date.

6 * Sec. 15. Section 2, ch. 205, SLA 1972 and AS 47.45.150(2) are
7 repealed.

8 * Sec. 16. This Act takes effect immediately in accordance with AS 01.-
9 10.070(c).