

Offered: 2/2/84
Referred: Finance

Original sponsors: Ray and Kerttula

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 347 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND 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) The longevity
14 bonus account is established as a separate account in the Alaska per-
15 manent fund. Notwithstanding the provisions of AS 37.13.145, 12.5
16 percent of the income of the permanent fund earned during the fiscal
17 year ending on June 30 of the current year that is available for dis-
18 tribution under AS 37.13.140 shall be credited to the longevity bonus
19 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(b) is amended to read:

29 (b) Notwithstanding any contrary provision of law, each year the

1 commissioner shall transfer to the dividend fund 37.5 [50] percent of
2 the income of the Alaska permanent fund earned during the fiscal year
3 ending on June 30 of the current year and available for distribution.

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

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

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

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

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

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

21 (d) The amount of the monthly bonus is (1) \$200, increased by
22 three percent each year beginning in the state fiscal year 1986; or
23 (2) an amount equal to eight and one-third percent of the amount
24 credited to the longevity bonus account for the previous fiscal year
25 under AS 37.13.147, exclusive of earnings, divided by the number of
26 qualified applicants under this section; whichever amount is less.

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

28 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification a
29 [A] recipient shall notify the commissioner of administration when the

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

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

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

22 * Sec. 7. AS 47.45 is amended by adding a new section to read:

23 Sec. 47.45.145. ACCESS TO RECORDS. (a) Notwithstanding any
24 contrary provision of state law or state agency regulation, the com-
25 missioner of administration may have access to and examine records,
26 documents, or other information in the possession of a state agency,
27 other than personal income tax returns filed under AS 43.20, if the
28 records, documents, or information relate to the length of state
29 residence of an applicant for, or a recipient of, a monthly bonus

1 under this chapter.

2 (b) If the commissioner of administration receives confidential
3 information under (a) of this section, that information may be used
4 only to confirm or rebut an applicant's declaration of length of state
5 residence. If a person discloses information obtained under this
6 section for a purpose other than to rebut an applicant's declaration
7 of length of state residence in an appropriate administrative or
8 judicial proceeding, that person is subject to the penalty that ap-
9 plies to unauthorized disclosure of that information by the agency or
10 person that has primary custody and control of the information.

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

12 (3) "resident" or "resident of the state" means an indi-
13 vidual who is physically present in the state with the intent to
14 remain in the state indefinitely and to make a home in the state. A
15 person demonstrates the requisite intent only by maintaining a princi-
16 pal place of abode in the state for the one year required by AS 47.-
17 45.010(a) and by providing other proof of intent the commissioner may
18 require by regulation, including proof that the person is not claiming
19 residency outside the state or obtaining benefits under a claim of
20 residency outside the state.

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

22 Sec. 47.45.170. FINDINGS AND PURPOSE. The legislature finds and
23 declares that

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

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

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

4 (4) as oil revenues decrease, it will become increasingly
5 difficult for the legislature to fund the longevity bonus program
6 through annual appropriations and the income of the Alaska permanent
7 fund is an appropriate source of funding for the longevity bonus
8 program; and

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

16 * Sec. 10. AS 47.45.150(2) and sec. 2, ch. 205, SLA 1972 are repealed.

17 * Sec. 11. Sections 3 and 8 of this Act are retroactive to July 1,
18 1983.

19 * Sec. 12. This Act only takes effect if the Alaska Supreme Court
20 affirms the decision of the superior court in the case of Rodney Vest et al
21 v. Marian Schafer and State of Alaska, No. 1JU-82-1103 CIV, Superior Court
22 for the State of Alaska, First Judicial District at Juneau, on the consti-
23 tutionality of the Alaska longevity bonus program; in that event this Act
24 takes effect 30 days after the date of the final decision of the Alaska
25 Supreme Court.