

CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/14/92

Referred: Rules

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to
2 entities and individuals, including an exemption from municipal property taxation for
3 certain primary residences; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * Section 1. AS 14.17.140 is amended by adding a new subsection to read:

6 (c) The Department of Community and Regional Affairs may not include property
7 exempted under AS 29.45.052 when making the full value determination under (a) of this section.

8 * Sec. 2. AS 26.10.080(a) is amended to read:

9 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
10 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
11 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity shall
12 be paid to the personal representative of the veteran. A veteran is qualified under this subsection
13 if the veteran's

14 (1) burial occurred in the state on or after May 13, 1984; or

1 (2) death occurred on or after September 19, 1990.

2 * **Sec. 3.** AS 29.45.030(k) is amended to read:

3 (k) The department shall adopt regulations to implement the provisions of [(g) AND] (j)
4 of this section.

5 * **Sec. 4.** AS 29.45.040(f) is amended to read:

6 (f) In this section "disabled veteran" has the meaning given in AS 29.45.052(b)
7 [AS 29.45.030(i)].

8 * **Sec. 5.** AS 29.45 is amended by adding a new section to read:

9 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN PRIMARY RESIDENCES.

10 (a) The real property owned and occupied as the primary residence and permanent place of
11 abode by a resident of the state who is (1) 65 years of age or older; (2) disabled veteran; or (3)
12 at least 60 years old who is the widow or widower of a person who qualified for an exemption
13 under (1) or (2) of this subsection, may by ordinance be exempted from taxation on all or part
14 of the assessed value of the real property. The ordinance may base the exemption on hardship.
15 Only one exemption may be granted for the same property and, if two or more persons are
16 eligible for an exemption for the same property, the exemption may not be granted unless the
17 parties decide between or among themselves who is to receive the benefit of the exemption. Real
18 property may not be exempted under this subsection if the local assessor determines, after notice
19 and hearing to the parties, that the property was conveyed to the applicant primarily for the
20 purpose of obtaining the exemption. The determination of the assessor may be appealed to the
21 superior court under procedures set out in AS 44.62.560 - 44.62.570.

22 (b) In this section,

23 (1) "disabled veteran" means a disabled person separated from the military service
24 of the United States under a condition that is not dishonorable, whose disability was incurred or
25 aggravated in the line of duty in the military service of the United States, and whose disability
26 has been rated as 50 percent or more by the branch of service in which that person served or by
27 the Veterans' Administration;

28 (2) "real property" includes mobile homes, whether classified as real or personal
29 property for municipal tax purposes.

30 * **Sec. 6.** AS 44.83.162(c) is amended to read:

31 (c) An eligible electric utility is entitled to receive power cost equalization for

1 (1) sales of power to local community facilities, calculated in the aggregate for
2 each community served by the electric utility, for actual consumption of not more than 70
3 kilowatt-hours per month for each resident of the community; and

4 (2) actual consumption of not more than 750 kilowatt-hours per month sold to
5 each customer in all classes served by the electric utility except to customers of the utility under
6 (1) of this subsection and customers that are state or federal offices or state or federal
7 facilities.

8 * Sec. 7. AS 44.83.162(e) is amended to read:

9 (e) An electric utility whose customers receive power cost equalization under this section
10 shall set out in its tariff the rates without the power cost equalization and the amount of power
11 cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference
12 between the two amounts. Power cost equalization paid under this section shall be used to reduce
13 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70
14 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750
15 kilowatt-hours per customer per month for all other classes served by the electric utility except
16 state or federal offices and state or federal facilities.

17 * Sec. 8. AS 47.25.455 is amended by adding new subsections to read:

18 (c) As a condition of applying for assistance under this section, an applicant must agree
19 to repay the state for assistance granted under this section upon receiving a benefit under 42
20 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,
21 a repayment required for a month under this subsection may not exceed the amount of assistance
22 received under 42 U.S.C. 1381 - 1383d for that month.

23 (d) Beginning the month following the month in which a person is determined to be
24 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that
25 person under this section and begin payments to the person under AS 47.25.430.

26 * Sec. 9. AS 47.45 is amended by adding a new section to read:

27 Sec. 47.45.017. CHANGES IN BONUS AMOUNT. (a) If the commissioner of
28 administration determines on July 1 that amounts appropriated for the fiscal year are insufficient
29 to fully fund bonus payments otherwise authorized under this chapter for that fiscal year, the
30 department shall, effective July 1, distribute the available amount on a pro rata basis among
31 eligible individuals on a monthly basis.

1 (b) The commissioner of administration shall determine on September 30 and
2 December 30 whether money available is sufficient to fund the payment level established under
3 (a) of this section for the remainder of the fiscal year. If the commissioner determines that there
4 is insufficient money to fully fund the reduced benefit, the commissioner shall notify the
5 governor and the legislature by January 15 as to the amount of additional money needed to fund
6 benefits under this chapter.

7 * **Sec. 10. THREE-YEAR LIMITATION ON GRANTING COLA FOR AFDC AND ADULT**
8 **PUBLIC ASSISTANCE.** (a) Notwithstanding AS 47.25.320(d), the Department of Health and Social
9 Services is not required to increase the monetary maximums in AS 47.25.320(a) during fiscal years 1993,
10 1994, or 1995 because of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On
11 January 1 of fiscal years 1993, 1994, and 1995, the department may increase the monetary maximums
12 in AS 47.25.320(a) by a percentage that does not exceed the percentage increase in benefits under 42
13 U.S.C. 1381 - 1383d on January 1 of the same fiscal year but only if the department determines by
14 November 15 of that fiscal year that sufficient money has been appropriated to fund the increase in
15 monetary maximums for the last six months of the fiscal year.

16 (b) Notwithstanding AS 47.25.430(b), the Department of Health and Social Services is not
17 required to increase the state's contribution to recipients under AS 47.25.430 during fiscal years 1993,
18 1994, or 1995 because of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On
19 January 1 of fiscal years 1993, 1994, and 1995, the department may increase the state's contribution to
20 recipients under AS 47.25.430 by a percentage that does not exceed the percentage increase in benefits
21 under 42 U.S.C. 1381 - 1383d on January 1 of the same fiscal year but only if the department determines
22 by November 15 of that fiscal year that sufficient money has been appropriated to fund the increase in
23 the state's contribution for the last six months of the fiscal year.

24 * **Sec. 11. THREE-YEAR AUTHORITY TO MAKE RATABLE REDUCTIONS UNDER AFDC**
25 **AND ADULT PUBLIC ASSISTANCE.** (a) Notwithstanding AS 47.25.310 - 47.25.420 (aid to families
26 with dependent children), if the Department of Health and Social Services estimates at the beginning of
27 fiscal year 1993, 1994, or 1995 that insufficient money has been appropriated to fund assistance under
28 AS 47.25.310 - 47.25.420 at the full amounts otherwise payable under the department's regulations for
29 the entire fiscal year, the department shall, in a manner that complies with federal requirements, reduce
30 each assistance grant otherwise payable by the lower of the following percentages, effective July 1 for
31 the fiscal year: (1) a percentage that will bring total anticipated assistance payments within the amount

1 available to fund them for the fiscal year, or (2) a percentage that will reduce payment rates for the fiscal
2 year to the rates payable on January 1, 1991. The department shall review its case load and payment
3 levels on September 30 and December 30 of each fiscal year in which a ratable reduction was made on
4 July 1 to determine whether sufficient money has been appropriated to fund the reduced level of
5 payments for the remainder of the fiscal year. If insufficient money is available, the department shall
6 notify the governor and the legislature by January 15 of that fiscal year as to the amount of additional
7 money necessary to fund the reduced level of payments for the fiscal year.

8 (b) Notwithstanding AS 47.25.430 - 47.25.615 (adult public assistance), if the Department of
9 Health and Social Services estimates at the beginning of fiscal year 1993, 1994, or 1995 that insufficient
10 money has been appropriated to fund assistance under AS 47.25.430 at the full benefit amounts otherwise
11 payable under the department's regulations for the entire fiscal year, the department shall, in a manner
12 that complies with federal requirements, reduce each benefit otherwise payable by the lower of the
13 following percentages, effective July 1 for the fiscal year: (1) a percentage that will bring total
14 anticipated benefit payments within the amount available to fund them for the fiscal year, or (2) a
15 percentage that will reduce benefit payment rates for the fiscal year to the rates payable on January 1,
16 1990. The department shall review its case load and payment levels on September 30 and December 30
17 of each fiscal year in which a ratable reduction was made on July 1 to determine whether sufficient
18 money has been appropriated to fund the reduced level of payments for the remainder of the fiscal year.
19 If insufficient money is available, the department shall notify the governor and the legislature by
20 January 15 of that fiscal year as to the amount of additional money necessary to fund the reduced level
21 of payments for the fiscal year.

22 * Sec. 12. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h), and
23 29.45.030(i), are repealed.

24 * Sec. 13. Sections 1, 3 - 5, and 12 of this Act take effect January 1, 1993.

25 * Sec. 14. Except as provided in sec. 13 of this Act, this Act takes effect July 1, 1992.