

CSSB

56

Original sponsors: Kerttula, Halford
and Fischer

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 56 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act amending and making effective an annuity
7 program and amendments to the longevity bonus program
8 and the permanent fund dividend program provided for
9 in secs. 2 - 18, ch. 99, SLA 1985; and providing for
10 an effective date."

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

12 * Section 1. AS 43.23.110(a) is amended to read:

13 (a) The annuity investment fund is established as a separate
14 fund in the state treasury. The annuity investment fund consists of
15 money transferred from the dividend fund, cash contributions under
16 AS 43.23.125, and income earned by the annuity investment fund.
17 Notwithstanding AS 37.13.145, an amount equal to the permanent fund
18 dividends taken as annuity credits under this chapter shall be annual-
19 ly transferred from the dividend fund to the annuity investment fund.

20 * Sec. 2. AS 43.23 is amended by adding a new section to read:

21 Sec. 43.23.125. CASH CONTRIBUTIONS. An individual who is eligi-
22 ble to receive the permanent fund dividend as an annuity credit under
23 AS 43.23.005(d) but does not elect to do so or who elects to receive
24 only a portion of the permanent fund dividend as an annuity credit may
25 make a cash contribution to that individual's annuity account. The
26 total amount credited and contributed to an annuity account in a year
27 may not exceed the amount of the permanent fund dividend for that
28 year.

29 * Sec. 3. AS 43.23.130(a) is amended to read:

1 (a) An individual with one or more annuity credits or cash
2 contributions under AS 43.23.125 may receive an annuity upon reaching
3 the age of 65.

4 * Sec. 4. AS 43.23.130(e) is amended to read:

5 (e) If a person elects to credit a permanent fund dividend or
6 make a cash contribution to an annuity account in a particular year,
7 that person may make an irrevocable choice regarding death benefits
8 with respect to that credit or contribution. If a person dies before
9 age 65 and that person has selected death benefits in at least one
10 year, a lump sum payment shall, subject to appropriation, be paid to
11 the surviving spouse by right of survivorship unless a different
12 beneficiary was designated. When no spouse survives and no benefi-
13 ciary is designated, the lump sum shall be paid to the decedent's
14 estate. The lump sum payment includes all dividends credited to the
15 person's annuity account in years in which death benefits were select-
16 ed and interest on those dividends. Dividends credited and cash
17 contributed to a person's annuity account in years for which death
18 benefits were not selected and interest on those dividends and contri-
19 butions shall, if the person dies before age 65, be distributed equi-
20 tably among the annuity accounts of all individuals for which death
21 benefits were not selected.

22 * Sec. 5. AS 43.23 is amended by adding a new section to read:

23 Sec. 43.23.135. EMERGENCY WITHDRAWALS. An individual may make a
24 withdrawal from that individual's annuity account before reaching the
25 age of 65 if the individual establishes to the satisfaction of the
26 commissioner that the withdrawal is necessary to meet an unforeseeable
27 emergency. The amount withdrawn may not exceed the total amount in
28 the individual's annuity account or the amount actually necessary to
29 meet the emergency, whichever is less. The commissioner shall define

1 the term "unforeseeable emergency" by regulation. An individual may
2 only make one withdrawal under this section and may pay it back with
3 interest under terms established by the commissioner.

4 * Sec. 6. AS 47.45.015(a) is amended to read:

5 (a) Except as provided in (b) and (c) of this section, the
6 monthly longevity bonus is equal to \$225 [\$250], minus the maximum
7 possible straight life annuity [FOR A PERSON 65 YEARS OF AGE] under
8 the annuity program (AS 43.23.110 - 43.23.130), as determined by the
9 commissioner of administration. The maximum possible straight life
10 annuity equals the amount a person would receive if that person became
11 65 on January 2, 1988, and contributed 100 percent of all permanent
12 fund dividends or the cash equivalency to the annuity program for
13 every year after December 31, 1987. However, for purposes of this
14 section the maximum possible straight life annuity may not exceed the
15 amount that a person turning 65 in the current year would receive if
16 that person had contributed 100 percent of all permanent fund divi-
17 dends or the cash equivalency to the annuity program for every year
18 after December 31, 1987.

19 * Sec. 7. AS 47.45.015 is amended by adding a new subsection to read:

20 (c) Notwithstanding (a) of this section, the monthly longevity
21 bonus in a fiscal year for a person who is 65 years of age after
22 January 1, 1988, may not exceed the monthly longevity bonus amount for
23 that fiscal year set out in case B, table 1, of the Alaska State
24 Legislature, House of Representatives, Research Agency memorandum
25 dated May 15, 1987, entitled "Projected Costs of the Longevity Bonus
26 Program Under Senate Bill 56; Research Request 87.303 (Supplemental
27 Information)."

28 * Sec. 8. Section 1, ch. 99, SLA 1985, is repealed.

29 * Sec. 9. Chapter 99, SLA 1985, and secs. 1 - 6 of this Act apply only

1 to permanent fund dividends for years beginning after December 31, 1987.
2 Notwithstanding the amendments to AS 43.23 made by ch. 99, SLA 1985, and
3 this Act, permanent fund dividends for 1987 and prior years shall be made
4 under the law as it existed before the effective date of this Act.

5 * Sec. 10. This Act takes effect immediately under AS 01.10.070(c).

Original sponsor: Coghill

1 IN THE SENATE BY THE LABOR AND COMMERCE COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 108 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to decisions of the commissioner of
7 natural resources regarding the eligibility of an
8 applicant for a pipeline right-of-way permit."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 38.35.100 is amended to read:
11 Sec. 38.35.100. DECISION ON APPLICATION. (a) The commissioner
12 shall promptly determine, in a written finding, on an application
13 filed under AS 38.35.050, whether the applicant is fit, willing, and
14 able to perform the transportation or other acts proposed in a manner
15 that will be required by the present or future public interest. In
16 making a determination the commissioner shall consider whether or not
17 (1) the proposed use of the right-of-way will unreasonably
18 conflict with existing uses of the land involving a superior public
19 interest;
20 (2) the applicant has the technical and financial capabil-
21 ity to protect state and private property interests;
22 (3) the applicant has the technical and financial capabil-
23 ity to take action to the extent reasonably practical to
24 (A) prevent any significant adverse environmental
25 impact, including but not limited to, erosion of the surface of
26 the land and damage to fish and wildlife and their habitat;
27 (B) undertake any necessary restoration or revegeta-
28 tion; and
29 (C) protect the interests of individuals living in the

1 general area of the right-of-way who rely on fish, wildlife, and
2 biotic resources of the area for subsistence purposes;

3 (4) the applicant has the financial capability to pay
4 reasonably foreseeable damages for which the applicant may become
5 liable on claims arising from the construction, operation, mainte-
6 nance, or termination of the pipeline;

7 (5) the applicant has agreed that in the construction and
8 operation of a pipeline within the right-of-way the applicant will
9 comply with, and require contractors and their subcontractors to
10 comply with, applicable and valid laws and regulations regarding the
11 hiring of residents of the state then in effect or that take effect
12 subsequently.

13 (b) If the commissioner makes the [THESE] determinations under
14 (a) of this section favorably to the applicant, then the commissioner
15 may grant the whole or part of the application. If the commissioner
16 makes the determinations under (a)(1) - (5) of this section favorably
17 to the applicant but determines that the applicant is not then fit,
18 willing, and able to perform under the application, the commissioner
19 may grant the application under a conditional lease subject to con-
20 ditions established by the commissioner that will ensure that the
21 applicant will, within a prescribed period of time not exceeding 10
22 years, establish that the applicant is fit, willing, and able, under
23 (a) of this section, to perform the transportation or other acts that
24 will be required by the present or future public interest. An appli-
25 cant is not entitled to a notice or authorization to proceed to con-
26 struction, or its equivalent, under a conditional lease until the
27 commissioner determines in writing that the applicant has satisfac-
28 torily established that the applicant is then fit, willing, and able
29 to perform under (a) of this section. Otherwise, the commissioner

1 shall deny the application.

2 (c) The commissioner may offer the applicant a lease or a condi-
3 tional lease under this section. If the applicant does not accept a
4 lease offered under this section within 30 days, the lease offered is
5 withdrawn [IN ORDER TO GRANT THE WHOLE OR PART OF THE APPLICATION THE
6 COMMISSIONER SHALL OFFER A LEASE TO THE APPLICANT FOR ITS ACCEPTANCE
7 THROUGH SIGNING OF THE LEASE AND AGREEING TO COMPLY WITH ITS TERMS,
8 CONDITIONS, AND OBLIGATIONS. ONLY UPON PROPER ACCEPTANCE OF OFFERED
9 LEASE BY THE APPLICANT WITHIN 30 DAYS AFTER ITS HAVING BEEN PRESENTED
10 IS THE GRANT OF THE APPLICATION CONSUMMATED].

11 * Sec. 2. AS 38.35.100 is amended by adding new subsections to read:

12 (d) The commissioner shall include in a conditional lease each
13 requirement and condition of the covenants established under AS 38.-
14 35.120. The commissioner may also require that the lessee agree to
15 additional conditions that the commissioner finds to be in the public
16 interest. In place of the covenant established under AS 38.35.-
17 120(a)(9), the commissioner shall require the lessee to agree that it
18 will not transfer, assign, pledge, or dispose of in any manner, di-
19 rectly or indirectly, its interest in a conditional right-of-way lease
20 or a pipeline subject to the conditional lease, unless the commis-
21 sioner, after considering the public interest and issuing written
22 findings to substantiate a decision to allow the transfer, authorizes
23 the transfer. The commissioner shall also require the lessee to agree
24 not to allow the transfer of control of the lessee without the
25 approval of the commissioner; as used in this subsection, "transfer of
26 control of the lessee" means the transfer of 30 percent or more, in
27 the aggregate, of ownership interest in the lessee in one or more
28 transactions to one or more persons by one or more persons.

29 (e) The commissioner shall require a conditional lessee to agree

1 that

2 (1) in the absence of the approval of the commissioner, a
3 transfer may not relieve the lessee of an obligation assumed under the
4 lease;

5 (2) a transfer, including the transfer of lessee, that
6 occurs without the approval of the commissioner is ineffective to
7 transfer interests in and obligations under the lease; and

8 (3) a transfer constitutes a default under the lease.

9 (f) In an application for the approval under (d) of this section
10 of a transfer of an interest, the commissioner shall consider whether
11 the proposed transferee will be fit, willing, and able to perform the
12 transportation or other acts proposed under the conditions established
13 in the conditional lease and whether the transfer is in the public
14 interest. In approving the transfer of an interest under (d) of this
15 section and this subsection, the commissioner may impose any condition
16 on the transfer that the commissioner considers in the public inter-
17 est.

18 (g) If, during the term of a conditional lease, the commissioner
19 determines under (a) of this section that the applicant is fit, will-
20 ing, and able to perform the transportation or other acts proposed in
21 a manner that will be required by the present or future public inter-
22 est, the commissioner may amend the conditional right-of-way lease to
23 insert the covenant established in AS 38.35.120(a)(9) in place of the
24 covenant against a transfer established under (d) and (e) of this
25 section.

26 (h) The issuance of a conditional lease does not prevent the
27 commissioner from issuing other conditional or unconditional leases
28 for the same right-of-way. A conditional lease may be revoked at any
29 time that the commissioner determines that the applicant or

1 conditional lessee will not be fit, willing, and able to perform
2 during the term of the lease or when another applicant or conditional
3 lessee is determined to be fit, willing, and able to perform under an
4 application or lease for all or part of the right-of-way. An appli-
5 cant or conditional lessee accrues no rights, including preference or
6 priority rights, to a particular right-of-way until the commissioner
7 makes a determination that the applicant or conditional lessee is then
8 fit, willing, and able to perform the transportation or other acts
9 proposed under (a) of this section.

10 (i) The commissioner shall insert a provision implementing the
11 requirements of (a)(5) of this section into each agreement entered
12 into by the commissioner for the construction and operation of a
13 pipeline within the state.

Original sponsors: Kerttula, Halford
and Fischer

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 56 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act amending and making effective an annuity
7 program and amendments to the longevity bonus program
8 and the permanent fund dividend program provided for
9 in secs. 2 - 18, ch. 99, SLA 1985; and providing for
10 an effective date."

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

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14 fund in the state treasury. The annuity investment fund consists of
15 money transferred from the dividend fund, cash contributions under
16 AS 43.23.125, and income earned by the annuity investment fund.
17 Notwithstanding AS 37.13.145, an amount equal to the permanent fund
18 dividends taken as annuity credits under this chapter shall be annual-
19 ly transferred from the dividend fund to the annuity investment fund.

20 * Sec. 2. AS 43.23 is amended by adding a new section to read:

21 Sec. 43.23.125. CASH CONTRIBUTIONS. An individual who is eligi-
22 ble to receive the permanent fund dividend as an annuity credit under
23 AS 43.23.005(d) but does not elect to do so or who elects to receive
24 only a portion of the permanent fund dividend as an annuity credit may
25 make a cash contribution to that individual's annuity account. The
26 total amount credited and contributed to an annuity account in a year
27 may not exceed the amount of the permanent fund dividend for that
28 year.

29 * Sec. 3. AS 43.23.130(a) is amended to read:

1 (a) An individual with one or more annuity credits or cash
2 contributions under AS 43.23.125 may receive an annuity upon reaching
3 the age of 65.

4 * Sec. 4. AS 43.23.130(e) is amended to read:

5 (e) If a person elects to credit a permanent fund dividend or
6 make a cash contribution to an annuity account in a particular year,
7 that person may make an irrevocable choice regarding death benefits
8 with respect to that credit or contribution. If a person dies before
9 age 65 and that person has selected death benefits in at least one
10 year, a lump sum payment shall, subject to appropriation, be paid to
11 the surviving spouse by right of survivorship unless a different
12 beneficiary was designated. When no spouse survives and no benefi-
13 ciary is designated, the lump sum shall be paid to the decedent's
14 estate. The lump sum payment includes all dividends credited to the
15 person's annuity account in years in which death benefits were select-
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24 withdrawal from that individual's annuity account before reaching the
25 age of 65 if the individual establishes to the satisfaction of the
26 commissioner that the withdrawal is necessary to meet an unforeseeable
27 emergency. The amount withdrawn may not exceed the total amount in
28 the individual's annuity account or the amount actually necessary to
29 meet the emergency, whichever is less. The commissioner shall define

1 the term "unforeseeable emergency" by regulation. An individual may
2 only make one withdrawal under this section and may pay it back with
3 interest under terms established by the commissioner.

4 * Sec. 6. AS 47.45.015(a) is amended to read:

5 (a) Except as provided in (b) of this section, the monthly
6 longevity bonus is equal to \$250, minus the maximum possible straight
7 life annuity [FOR A PERSON 65 YEARS OF AGE] under the annuity program
8 (AS 43.23.110 - 43.23.130), as determined by the commissioner of
9 administration. The maximum possible straight life annuity equals the
10 amount a person would receive if that person became 65 on January 2,
11 1988, and contributed 100 percent of all permanent fund dividends or
12 the cash equivalency to the annuity program for every year after
13 December 31, 1987. However, for purposes of this section the maximum
14 possible straight life annuity may not exceed the amount that a person
15 turning 65 in the current year would receive if that person had
16 contributed 100 percent of all permanent fund dividends or the cash
17 equivalency to the annuity program for every year after December 31,
18 1987.

19 * Sec. 7. Section 1, ch. 99, SLA 1985, is repealed.

20 * Sec. 8. Chapter 99, SLA 1985, and secs. 1 - 6 of this Act apply only
21 to permanent fund dividends for years beginning after December 31, 1987.
22 Notwithstanding the amendments to AS 43.23 made by ch. 99, SLA 1985, and
23 this Act, permanent fund dividends for 1987 and prior years shall be made
24 under the law as it existed before the effective date of this Act.

25 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).

Offered: 3/3/87
Referred: Health, Education and
Social Services, Judiciary
and Finance

5-0363B

Original sponsors: Kerttula, Halford
and Fischer

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2 CS FOR SENATE BILL NO. 56 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

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24 withdrawal from that individual's annuity account before reaching the
25 age of 65 if the individual establishes to the satisfaction of the
26 commissioner that the withdrawal is necessary to meet an unforeseeable
27 emergency. The amount withdrawn may not exceed the total amount in
28 the individual's annuity account or the amount actually necessary to
29 meet the emergency, whichever is less. The commissioner shall define

1 the term "unforeseeable emergency" by regulation. An individual may
2 only make one withdrawal under this section and may pay it back with
3 interest under terms established by the commissioner.

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5 * Sec. 7. Chapter 99, SLA 1985, and secs. 1 - 5 of this Act apply only
6 to permanent fund dividends for years beginning after December 31, 1987.
7 Notwithstanding the amendments to AS 43.23 made by ch. 99, SLA 1985, and
8 this Act, permanent fund dividends for 1987 and prior years shall be made
9 under the law as it existed before the effective date of this Act.

10 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

Introduced: 1/19/87
Referred: Health, Education and
Social Services, Judiciary
and Finance

5-0363A

1 IN THE SENATE

BY KERTTULA, HALFORD,
AND FISCHER

2

SENATE BILL NO. 56

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making effective an annuity program and
7 amendments to the longevity bonus program and the
8 permanent fund dividend program provided for in secs.
9 2 - 18, ch. 99, SLA 1985; and providing for an effec-
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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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13 * Sec. 2. Chapter 99, SLA 1985, applies only to permanent fund
14 dividends for years beginning after December 31, 1987. Notwithstanding the
15 amendments to AS 43.23 made by ch. 99, SLA 1985, permanent fund dividends
16 for 1987 and prior years shall be made under the law as it existed before
17 the effective date of this Act.

18 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).