

HB573

(11)

Date Referred: April 1, 1992

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 4/13/92

The FINANCE Committee considered:

HB 573

HOUSE BILL NO. 573

REDUCTIONS IN STATE BENEFIT PROGRAMS

"An Act making changes in state benefit programs; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 573 (FIN) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact DOA 4/16/92

fiscal note(s) _____

DHSS 4/16/92 (APAS)

zero fiscal note DHSS 4/16/92 (AFDC)

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Ed Machean</u> <u>Machean</u>	<input checked="" type="checkbox"/>	<u>Mark Boyer</u> <u>Boyer</u>			<input checked="" type="checkbox"/>
<u>Mike Yavane</u> <u>Yavane</u>	<input checked="" type="checkbox"/>	<u>Jan Brown</u> <u>Brown</u>			<input checked="" type="checkbox"/>
<u>George A. W.</u> <u>JACK</u>	<input checked="" type="checkbox"/>	<u>John Koponen</u> <u>Koponen</u>			<input checked="" type="checkbox"/>
_____		<u>Thomas Barnes</u> <u>Barnes</u>		<input checked="" type="checkbox"/>	
_____		<u>Gene Sharp</u> <u>Sharp</u>		<input checked="" type="checkbox"/>	
_____		<u>Roll E. Hill</u> <u>Hill</u>		<input checked="" type="checkbox"/>	
_____		<u>Robert L. Hansen</u> <u>Hansen</u>		<input checked="" type="checkbox"/>	
_____		<u>_____</u> <u>Ulmer</u>			

Mike Yavane Ed Machean
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

Revision Date: _____
Title: An Act making changes in state benefit programs
Sponsor: Finance Committee
Requestor: _____

Department Affected: Administration
BRU: Division of Pioneers' Benefits
Component: Longevity Bonus Program

COMPONENT

0	0	2	7
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	5.0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	5.0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	5.0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	5.0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) See Attached Page

Prepared by: Dennis L. DeWitt
Division: Pioneers' Benefits

Phone: 465-4400
Date: April 3, 1992

Approved by Commissioner: Nancy Bear Usera
Agency: Administration

Date: 4/2/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

April 3, 1992

Administration

The computer software for the Longevity Bonus program would be modified to provide the correct payment amounts to the recipients.

Contractual Expenses (in \$1,000s)

Software	\$5.0
Total	\$5.0

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES
 Title: AN ACT MAKING CHANGES IN STATE BENEFIT PROGRAMS BRU: ASSISTANCE PAYMENTS
 Component: ADULT PUBLIC ASSISTANCE

Sponsor: HOUSE FINANCE COMMITTEE

Requestor: House Finance Committee COMPONENT SERIAL NO.

0	2	2	2
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: No FY92 Impact

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Jan L. Hansen, Director *Jan L. Hansen* Phone: 465-3347

Division: Division of Public Assistance Date: 4/3/97

Approved by Commissioner: Theodore A. Mala, MD, MPH *Theodore A. Mala*

Agency: Department of Health and Social Services Date: 4-6-97

House Bill 573 retains the existing statutory basis for Adult Public Assistance payment levels and the automatic annual COLA adjustments to the payment levels, and adds language that allows the Department of Health and Social Services to forgo or reduce the COLA adjustments and/or pay reduced benefit payments if sufficient funds are not appropriated to pay the full amounts set forth in regulation. It further requires that the Department review the adequacy of remaining appropriated funds during the fiscal year and report any need for supplemental funding to the Legislature and the Governor by January 15 each year.

This legislation has no fiscal impact on Adult Public Assistance program appropriations. Its effect is to allow DHSS administrative flexibility to maintain Adult Public Assistance expenditures within appropriated levels.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES
 Title: AN ACT MAKING CHANGES IN STATE BRU: ASSISTANCE PAYMENTS
BENEFIT PROGRAMS Component: AID TO FAMILIES WITH DEPENDENT
 Sponsor: HOUSE FINANCE COMMITTEE CHILDREN
 Requestor: House Finance Committee COMPONENT SERIAL NO.

0	2	2	0
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
FUND SOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: No FY92 impact

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Jan L. Hansen, Director *Jan Hansen* Phone: 465-3347
 Division: Division of Public Assistance Date: 4/3/92
 Approved by Commissioner: Theodore A. Mala, MD, MPH *[Signature]*
 Agency: Department of Health and Social Services Date: 4-6-92

House Bill 573 retains the existing statutory maximum AFDC payment levels and the automatic annual COLA adjustments to the maximum payment levels, and adds language that allows the Department of Health and Social Services to forgo or reduce the COLA adjustments and/or pay reduced benefit payments if sufficient funds are not appropriated to pay the full amounts set forth in statute and regulation. It further requires that the Department review the adequacy of remaining appropriated funds during the fiscal year and report any need for supplemental funding to the Legislature and the Governor by January 15 each year.

This legislation has no fiscal impact on AFDC program appropriations. Its effect is to allow DHSS administrative flexibility to maintain AFDC expenditures within appropriated levels.

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:
Referred:

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.

4/12/92

CSHB 573 (Finance)

Section 1: Allows property exempted under optional Sr. Citizen's Property Tax Exemption to be exempt from full and true valuation.
(see analysis of Sec. 3 for savings)

Section 2: Amends the death gratuity from \$750.00 to \$350.00
Savings: \$126.0
(Future year savings will be significant due to increasing number of elderly veterans)

Sections 3,4,5: Establishes the Sr. Citizen Property Tax Exemption as an optional exemption on the part of municipalities.
Savings: \$3,658.8
(Savings reflects both the Sr. Citizen's Property Tax Exemption and no longer funding the renter's rebate)

Section 6,7: Excludes state and federal buildings for purposes of power cost equalization.
Savings: \$2,000.0
(Savings reflects the increase in the base rate done by regulation and the elimination of state and federal buildings from the subsidy)

Section 8: Requires repayment of APA payments made prior to eligibility for SSI.
Savings: \$434.0

Section 9: Provides for proration of Longevity Bonus Payments.
Savings: \$7,154.5

Section 10,11: Provides for a three year suspension of COLA and allows ratable reductions during the same period for AFDC and Adult Public Assistance.
Savings: \$6,962.6
(FY93 savings reflects only 1/2 year COLA costs. Savings in future years would increase by \$1,367.8)

Section 12: Repeals existing Sr. Citizen Property Tax Exemption.

Section 13: Makes effective date for Sr. Citizen Property Tax Exemption effective with the calendar year to conform to previous cycle.

Section 14: Provides for effective date for remainder of bill.

Total General Fund impact: \$20,335.6

7-LS2253J ✓
L. Wuterbach
4/7/92

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:

Referred:

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. Only one exemption may be granted for the same
15 property and, if two or more persons are eligible for an exemption for the same property, the
16 exemption may not be granted unless the parties decide between or among themselves who is to
17 receive the benefit of the exemption. Real property may not be exempted under this subsection
18 if the local assessor determines, after notice and hearing to the parties, that the property was
19 conveyed to the applicant primarily for the purpose of obtaining the exemption. The
20 determination of the assessor may be appealed to the superior court under procedures set out in
21 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 federal offices or federal facilities.

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

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

16 * Sec. 8. AS 47.25.320(d) is amended to read:

17 (d) If benefits under 42 U.S.C. 1381 - 1383d [1381 - 1385] (Social Security Act
18 Supplemental Security Income Program) are increased because of an increase in the cost of
19 living, the department may [SHALL] increase the monetary maximums in (a) of this section on
20 the same day the increase under 42 U.S.C. 1381 - 1383d takes effect by a percentage that
21 does not exceed [EQUAL TO] the percentage increase in benefits under 42 U.S.C. 1381 - 1383d
22 if the department determines by the preceding November 15 that sufficient money has been
23 appropriated to fund the increase for the portion of the fiscal year that occurs after the
24 increase takes effect [1381 - 1385].

25 * Sec. 9. AS 47.25.320(f) is amended to read:

26 (f) In compliance with federal requirements, the department shall periodically study the
27 standards it uses for determining the amounts of assistance that will be granted under this section.
28 Based on the studies, the department shall adjust the standards and amounts within the maximums
29 established by law. Notwithstanding (a) of this section, if the department estimates at the
30 beginning of a fiscal year that insufficient money has been appropriated to fund assistance
31 at the full amounts otherwise payable under the department's regulations for the fiscal year,

1 the department shall, in a manner that complies with federal requirements, reduce each
2 assistance grant otherwise payable by the lower of the following percentages, effective
3 July 1, for the fiscal year: (1) a percentage that will bring total anticipated assistance
4 payments within the amount available to fund them for the fiscal year, or (2) a percentage
5 that will reduce payment rates for the fiscal year to the rates payable on January 1, 1991.
6 In addition to applying this ratable reduction on July 1, the department shall review its case
7 load and payment levels on September 30 and December 30 to determine whether sufficient
8 money has been appropriated to fund the reduced level of payments for the remainder of
9 the fiscal year. If insufficient money is available, the department shall notify the governor
10 and the legislature by January 15 as to the amount of additional money necessary to fund
11 the reduced level of payments for the fiscal year. If statutory changes are needed to make the
12 adjustments otherwise required under this section, the department shall report to the legislature
13 its recommendations for changes in law necessary to authorize the adjustments.

14 * Sec. 10. AS 47.25.430(b) is amended to read:

15 (b) The department shall determine the amount of assistance with regard to the resources
16 and needs of the person and the conditions existing in each case. Within the limits of available
17 funding, assistance [ASSISTANCE] shall be in an amount that will provide the applicant with
18 reasonable subsistence compatible with decency and health in accordance with standards
19 established by the department and with the standards established under 42 U.S.C. 1381 - 1383d
20 [1381 - 1385] (Title XVI, Social Security Act Supplemental Security Income Program). If the
21 department estimates at the beginning of a fiscal year that insufficient money has been
22 appropriated to fund assistance at the full benefit amounts otherwise payable under the
23 department's regulations for the fiscal year, the department shall, in a manner that
24 complies with federal requirements, reduce each benefit otherwise payable by the lower of
25 the following percentages, effective July 1, for the fiscal year: (1) a percentage that will
26 bring total anticipated benefit payments within the amount available to fund them for the
27 fiscal year, or (2) a percentage that will reduce benefit payment rates for the fiscal year to
28 the rates payable on January 1, 1990. In addition to applying this ratable reduction on
29 July 1, the department shall review its case load and payment levels on September 30 and
30 December 30 to determine whether sufficient money has been appropriated to fund the
31 reduced level of payments for the remainder of the fiscal year. If insufficient money is

1 available, the department shall notify the governor and the legislature by January 15 as to
2 the amount of additional money necessary to fund the reduced level of payments for the
3 fiscal year. When benefit amounts under 42 U.S.C. 1381 - 1383d [1381 - 1385] are increased
4 as a result of an increase in the cost of living, the state shall pass along the increase to recipients
5 and may [SHALL] increase the amount of the state contribution to recipients on the same day
6 that the increase under 42 U.S.C. 1381 - 1383d takes effect by a percentage of the state
7 contribution that does not exceed [EQUAL TO] the percentage increase in the benefit amounts
8 under 42 U.S.C. 1381 - 1383d if the department determines by the preceding November 15
9 that sufficient money has been appropriated to fund the increase for the portion of the fiscal
10 year that occurs after the increase takes effect [1381 - 1385]. Direct payments for medical
11 services and remedial care may not be considered in determining the maximum amount payable.

12 * Sec. 11. AS 47.25.455 is amended by adding new subsections to read:

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

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

21 * Sec. 12. AS 47.45 is amended by adding a new section to read:

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

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

1 benefits under this chapter.

2 * Sec. 13. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h), and
3 29.45.030(i), are repealed.

4 * Sec. 14. Sections 1, 3 - 5, and 13 of this Act take effect January 1, 1993.

5 * Sec. 15. Except as provided in sec. 14 of this Act, this Act takes effect July 1, 1992.

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:
Referred:

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 individuals, including an exemption from municipal property taxation for certain primary
3 residences; and providing for an effective date."

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

5 * Section 1. AS 26.10.080(a) is amended to read:

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

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

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

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

14 (k) The department shall adopt regulations to implement the provisions of [(g) AND] (j)

1 of this section.

2 * Sec. 3. AS 29.45.040(f) is amended to read:

3 (f) In this section "disabled veteran" has the meaning given in AS 29.45.052(c)
4 [AS 29.45.030(i)].

5 * Sec. 4. AS 29.45 is amended by adding a new section to read:

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

7 (a) The real property owned and occupied as the primary residence and permanent place of
8 abode by a resident of the state who is (1) 65 years of age or older; (2) disabled veteran; or (3)
9 at least 60 years old who is the widow or widower of a person who qualified for an exemption
10 under (1) or (2) of this subsection, may by ordinance be exempted from taxation ^{up to} ~~on the first~~
11 ~~\$150,000~~ of the assessed value of the real property. ^{REMOVE} [A municipality may, in case of hardship,
12 provide for exemption beyond the first \$150,000 of assessed value under regulations of the
13 department.] Only one exemption may be granted for the same property and, if two or more
14 persons are eligible for an exemption for the same property, the exemption may not be granted
15 unless the parties decide between or among themselves who is to receive the benefit of the
16 exemption. Real property may not be exempted under this subsection if the local assessor
17 determines, after notice and hearing to the parties, that the property was conveyed to the
18 applicant primarily for the purpose of obtaining the exemption. The determination of the
19 assessor may be appealed to the superior court under procedures set out in AS 44.62.560 -
20 44.62.570.

21 (b) An exemption may not be granted under (a) of this section except upon written
22 application for the exemption on a form approved by the state assessor for use by local assessors.
23 The claimant must file the application no later than January 15, or a date provided by ordinance
24 that is not later than March 31, of the assessment year for which the exemption is sought. The
25 governing body of the municipality for good cause shown may waive during a year the
26 claimant's failure to make timely application for exemption for that year and authorize the
27 assessor to accept the application as if timely filed. The claimant must file a separate application
28 for each assessment year in which the exemption is sought. If an application is filed within the
29 required time and is approved by the local assessor, the assessor shall allow an exemption under
30 the provisions of this section. If a failure to file by January 15, or a date provided by ordinance
31 that is not later than March 31, of the assessment year has been waived as provided in this

1 subsection and the application for exemption is approved, the amount of tax that the claimant has
2 already paid for the assessment year for the property exempted shall be refunded to the claimant.
3 The assessor shall require proof in the form the assessor considers necessary of the right to and
4 amount of an exemption claimed under (a) of this section, and shall require a disabled veteran
5 claiming an exemption under (a) of this section to provide evidence of the disability rating. The
6 assessor may require proof under this section at any time.

7 (c) In this section,

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

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

15 * Sec. 5. AS 29.45.110 is amended by adding a new subsection to read:

16 (d) This section does not apply to property exempted under AS 29.45.052.

17 * Sec. 6. AS 47.25.320(d) is amended to read:

18 (d) If benefits under 42 U.S.C. 1381 - 1383d [1381 - 1385] (Social Security Act
19 Supplemental Security Income Program) are increased because of an increase in the cost of
20 living, the department may [SHALL] increase the monetary maximums in (a) of this section on
21 the same day the increase under 42 U.S.C. 1381 - 1383d takes effect by a percentage that
22 does not exceed [EQUAL TO] the percentage increase in benefits under 42 U.S.C. 1381 - 1383d
23 if the department determine by the preceding November 15 that sufficient money has been
24 appropriated to fund the increase for the portion of the fiscal year that occurs after the
25 increase takes effect [1381 - 1385].

26 * Sec. 7. AS 47.25.320(f) is amended to read:

27 (f) In compliance with federal requirements, the department shall periodically study the
28 standards it uses for determining the amounts of assistance that will be granted under this section.
29 Based on the studies, the department shall adjust the standards and amounts within the maximums
30 established by law. Notwithstanding (a) of this section, if the department estimates at the
31 beginning of a fiscal year that insufficient money has been appropriated to fund assistance

1 at the full amounts otherwise payable under the department's regulations for the fiscal year,
2 the department shall, in a manner that complies with federal requirements, reduce each
3 assistance grant otherwise payable by the lower of the following percentages, effective
4 July 1, for the fiscal year: (1) a percentage that will bring total anticipated assistance
5 payments within the amount available to fund them for the fiscal year, or (2) a percentage
6 that will reduce payment rates for the fiscal year to the rates payable on January 1, 1991.
7 In addition to applying this ratable reduction on July 1, the department shall review its case
8 load and payment levels on September 30 and December 30 to determine whether sufficient
9 money has been appropriated to fund the reduced level of payments for the remainder of
10 the fiscal year. If insufficient money is available, the department shall notify the governor
11 and the legislature by January 15 as to the amount of additional money necessary to fund
12 the reduced level of payments for the fiscal year. If statutory changes are needed to make the
13 adjustments otherwise required under this section, the department shall report to the legislature
14 its recommendations for changes in law necessary to authorize the adjustments.

15 * Sec. 8. AS 47.25.430(b) is amended to read:

16 (b) The department shall determine the amount of assistance with regard to the resources
17 and needs of the person and the conditions existing in each case. Within the limits of available
18 funding, assistance [ASSISTANCE] shall be an amount that will provide the applicant with
19 reasonable subsistence compatible with decency and health in accordance with standards
20 established by the department and with the standards established under 42 U.S.C. 1381 - 1383d
21 [1381 - 1385] (Title XVI, Social Security Act Supplemental Security Income Program). If the
22 department estimates at the beginning of a fiscal year that insufficient money has been
23 appropriated to fund assistance at the full benefit amounts otherwise payable under the
24 department's regulations for the fiscal year, the department shall, in a manner that
25 complies with federal requirements, reduce each benefit otherwise payable by the lower of
26 the following percentages, effective July 1, for the fiscal year: (1) a percentage that will
27 bring total anticipated benefit payments within the amount available to fund them for the
28 fiscal year, or (2) a percentage that will reduce benefit payment rates for the fiscal year to
29 the rates payable on January 1, 1990. In addition to applying this ratable reduction on
30 July 1, the department shall review its case load and payment levels on September 30 and
31 December 30 to determine whether sufficient money has been appropriated to fund the

1 reduced level of payments for the remainder of the fiscal year. If insufficient money is
2 available, the department shall notify the governor and the legislature by January 15 as to
3 the amount of additional money necessary to fund the reduced level of payments for the
4 fiscal year. When benefit amounts under 42 U.S.C. 1381 - 1383d [1381 - 1385] are increased
5 as a result of an increase in the cost of living, the state shall pass along the increase to recipients
6 and may [SHALL] increase the amount of the state contribution to recipients on the same day
7 that the increase under 42 U.S.C. 1381 - 1383d takes effect by a percentage of the state
8 contribution that does not exceed [EQUAL TO] the percentage increase in the benefit amounts
9 under 42 U.S.C. 1381 - 1383d if the department determines by the preceding November 15
10 that sufficient money has been appropriated to fund the increase for the portion of the fiscal
11 year that occurs after the increase takes effect [1381 - 1385]. Direct payments for medical
12 services and remedial care may not be considered in determining the maximum amount payable.

13 * Sec. 9. AS 47.25.455 is amended by adding new subsections to read:

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

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

22 * Sec. 10. AS 47.45 is amended by adding a new section to read:

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

28 (b) The commissioner of administration shall determine on September 30 and
29 December 30 whether money available is sufficient to fund the payment level established under
30 (a) of this section for the remainder of the fiscal year. If the commissioner determines that there
31 is insufficient money to fully fund the reduced benefit, the commissioner shall notify the

- 1 governor and the legislature by January 15 as to the amount of additional money needed to fund
2 benefits under this chapter.
- 3 * **Sec. 11.** AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h), and
4 29.45.030(i), are repealed.
- 5 * **Sec. 12.** Sections 2 - 5 and 11 of this Act take effect January 1, 1993.
- 6 * **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect July 1, 1992.