

Leg. Finance - Finance Comte Files (1971-72) 8879

SB 211 cont., 215

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1 application at least once every six months.

2 Sec. 47.45.030. ABSENCE FROM THE STATE. A recipient shall notify
3 the commissioner of administration when he expects to be absent from
4 the state if the absence is for a continuous period that exceeds 30
5 days. After such notification, the recipient shall no longer receive
6 bonuses from the Department of Administration after his last regularly
7 approved monthly application. Upon his return to the state he may
8 again make application for a bonus. Whenever the absence is for a
9 continuous period that exceeds 180 days the recipient shall be dis-
10 qualified from receiving bonuses for the next 12 calendar months after
11 his return to the state. However, when the commissioner of adminis-
12 tration determines a period of absence is beyond the control of the
13 recipient, he may not be disqualified, if he still otherwise qualifies
14 upon his return to the state. Continual absences from the state, even
15 though reported, and failure to notify the commissioner of an expected
16 absence may be grounds for disqualification.

17 Sec. 47.45.040. DISQUALIFICATION. Disqualification under this
18 chapter shall rest solely with the commissioner of administration and
19 shall be outlined in the regulations promulgated under sec. 100(1) of
20 this chapter.

21 Sec. 47.45.050. DEPARTMENT HEARING. The Department of Adminis-
22 tration may hold a departmental hearing upon the request of any appli-
23 cant or recipient who has been disqualified. Previous to this hearing
24 the department shall by certified mail notify an applicant or recipient
25 in plain and comprehensive language the exact reason for his disqualifi-
26 cation. Form letters using only referral to state statutes or depart-
27 ment regulations, or otherwise vague in detail, shall not be considered
28 compliance by the department with this section.

29 Sec. 47.45.060. LEGAL REMEDY. Legal remedy from disqualification

1 may be sought by an applicant or recipient in any court of competent
2 jurisdiction in the state. The burden of proof shall rest solely upon
3 the applicant or recipient and any costs related to a disqualification
4 verdict determined against the applicant or recipient may be recoverable
5 by the attorney general from that person; or from any agency represent-
6 ing that person supported in whole, or in part, with state appropri-
7 ations.

8 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
9 one who

10 (1) does not meet the age or residence requirements as
11 provided for under this chapter;

12 (2) meets the age and residence requirements of this chapter
13 but is confined in a mental health institution or facility and is
14 certified by the state as unable to manage his own affairs; however,
15 if such a person was at the time of his commitment the principal
16 support of a spouse, the commissioner of administration may determine
17 to pay the confined person's bonus to his spouse until the spouse is
18 qualified for a bonus;

19 (3) is otherwise qualified but confined in a penal or
20 correctional institute or facility; upon completion of sentence or upon
21 the conferral of a pardon, parole or probation, the person may make
22 application; confinement outside the state shall be considered as
23 residence in the state if a person was convicted and sentenced from a
24 court in Alaska; revocation of parole or probation shall be cause for
25 immediate disqualification until release from confinement is again
26 effected;

27 (4) leaves the state of his own volition and remains absent
28 from the state for a continuous period of more than 180 days.

29 Sec. 47.45.080. ACCRUAL OF BONUSSES. No recipient may, for any

1 reason, receive an accrual of bonuses in excess of two monthly payments
2 No interest may be paid on accrued bonuses. Upon the death of a
3 recipient the commissioner of administration shall pay to the bene-
4 ficiary of the recipient any accrued bonuses not to exceed two monthly
5 payments.

6 Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. (a) There is
7 the Alaska longevity bonus fund created for the purpose of paying the
8 monthly bonuses provided for in this chapter. The fund consists of
9 all money made available by appropriations of the state legislature,
10 and from other appropriated funds, all contributions from whatever
11 source, and income and interest derived from the investment of money.

12 (b) The commissioner of administration is the administrator of
13 the fund.

14 Sec. 47.45.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The
15 commissioner of administration shall

16 (1) promulgate regulations necessary to carry out the
17 provisions of this chapter;

18 (2) make expenditures from the fund necessary to administer
19 this chapter;

20 (3) establish and maintain an adequate system of accounts
21 for the fund;

22 (4) publish annually a report showing the financial condi-
23 tions of the fund.

24 Sec. 47.45.110. ALASKA LONGEVITY BONUS ADVISORY BOARD. (a)
25 There is established the Alaska Longevity Bonus Advisory Board con-
26 sisting of three members acquainted with the investment of funds
27 appointed by the governor for overlapping three-year terms.

28 (b) Members of the board serve without compensation except that
29 each member may be reimbursed for actual and necessary expenses at

1 the rate established by AS 39.20.180.

2 (c) The board shall confer with the commissioner of administra-
3 tion only in matters regarding the administration of the investment
4 policies of the fund and may make such recommendations to him as they
5 consider necessary.

6 (d) The board shall be furnished reports relating to the condi-
7 tion and administration of the fund.

8 (e) The board shall meet at the call of the commissioner of
9 administration.

10 Sec. 47.45.120. CUSTODY AND INVESTMENT. (a) The commissioner of
11 revenue is the treasurer of the system and has powers and duties for
12 this purpose including but not limited to the following:

13 (1) to act as official custodian of the cash and securities
14 belonging to the fund;

15 (2) to receive all items of cash belonging to the system;

16 (3) to collect the interest and principal on securities
17 acquired under this chapter and deposit the interest and principal
18 in the incentive grant fund;

19 (4) to invest and reinvest the assets of the fund in accor-
20 dance with this section.

21 (b) When, in the opinion of the commissioner of administration,
22 there is on hand in the fund a surplus over and above a reasonably safe
23 amount to take care of current demands upon the fund, the surplus or
24 so much of it as in the judgment of the commissioner of administration
25 is considered proper may be invested by the commissioner of revenue in
26 (1) bonds or other interest-bearing obligations and securities of
27 the United States or any agency of the United States, a state of the
28 United States, or a political subdivision of any state of the United
29 States, if the political subdivision has a population as shown by the

1 last federal census preceding the investment of no less than 30,000
2 inhabitants, except no population limitation applies to a political
3 subdivision of this state; (2) first lien real estate mortgage securi-
4 ties insured by the Federal Housing Administration under the National
5 Housing Act of the United States, or held by the Department of Commerce,
6 or the Department of Natural Resources; (3) deposits with mutual
7 savings banks in Alaska, to the extent that the investment is insured
8 by the federal government or an agency of the federal government; and
9 (4) deposits with state and national banks in Alaska to the extent
10 that the investment is insured by the federal government or an agency
11 of the federal government. No more than 25 per cent of the surplus may
12 be invested in mortgage securities of the Department of Commerce, and
13 the state shall appropriate sufficient money from the general fund to
14 reimburse the teachers retirement system for any losses incurred as
15 a result of failure of the obligors to pay on the notes. No more than
16 \$400,000 of the surplus may be invested annually in the mortgage
17 securities of the Department of Natural Resources, and the state shall
18 appropriate sufficient money from the general fund to reimburse the
19 fund created in this chapter for any losses incurred as a result of
20 failure of the obligors to pay on the notes.

21 (c) In making investments the commissioner of revenue shall
22 exercise the judgment and care under the circumstances then prevailing
23 which men of ordinary prudence, discretion, and intelligence exercise
24 in the management of their own affairs not in regard to speculation
25 but in regard to the permanent disposition of their funds, considering
26 the probable income from the fund as well as the probable safety of
27 their capital.

28 (d) Except as provided in (a) - (c) of this section, the commis-
29 sioner of revenue may:

1 (1) invest and reinvest the principal and income of the fund
2 without distinction between principal and income;

3 (2) sell, exchange, convey, transfer or otherwise dispose of
4 any investment of the fund by private contract or at public auction;

5 (3) vote bonds or other securities; give general or special
6 proxies or powers of attorney with or without powers of substitution;
7 exercise conversion privileges, subscription rights or other options
8 and make payments incidental thereto; generally exercise the powers of
9 an owner with respect to bonds, securities or other investments held
10 in the fund;

11 (4) make, execute, acknowledge and deliver documents of
12 transfer and conveyance and other instruments necessary or appropriate
13 to carry out the powers granted by this subsection;

14 (5) register investments in the name of the fund;

15 (6) do all acts whether or not expressly authorized which he
16 considers necessary or proper for the protection of the investments
17 held in the fund.

18 Sec. 47.45.130. EXEMPTION FROM TAXATION AND PROCESS. Bonuses
19 received under this chapter are exempt from all state and political
20 subdivision taxes except sales and use taxes and are not subject to
21 execution, attachment, garnishment or other process. No bonus received
22 under this chapter may be exempt from a federal tax requirement.

23 Sec. 47.45.140. DEATH OR CESSATION OF RESIDENCY. The commis-
24 sioner of administration shall establish procedures to stop a bonus
25 when a recipient under this chapter no longer qualifies. When a
26 recipient dies or discontinues his residency in the state his qualifi-
27 cation for a bonus shall stop at the time of his last approved monthly
28 application.

29 Sec. 47.45.150. PENALTY FOR FALSE STATEMENTS. A person who

1 wilfully or knowingly makes a false statement, or falsifies or permits
2 to be falsified any record required by this chapter, is guilty of
3 a misdemeanor and, upon conviction, is punishable by a fine of not
4 more than \$500, or by imprisonment for not more than six months, or by
5 both, forfeits all rights under this chapter, and shall make adequate
6 restitution for any bonuses illegally received.

7 Sec. 47.45.160. DEFINITIONS. In this chapter

8 (1) "bonus" means a monthly Alaska longevity bonus payment
9 made to a person or his beneficiary who qualifies under this chapter;

10 (2) "domicile" means the place with which a person has a
11 settled connection for determination of his civil status or other
12 legal purposes because it is actually or legally his permanent and
13 principal home.

14 Sec. 47.45.170. The Administrative Procedure Act does not apply
15 to this chapter.

16 Sec. 47.45.180. PURPOSE. The sole purpose of this chapter is
17 to offer and provide all law-abiding Alaskans capable of managing their
18 own affairs who have maintained a domicile in the state for at least
19 20 years and have reached a retirement age of 65, an incentive to
20 continue uninterrupted residency in the state. Under no circumstances
21 shall this chapter be considered a form, type, or manner, of public
22 relief. Bonuses made under this chapter are not predicated on need
23 even though they may appear to provide supplemental income to some
24 qualified persons who would otherwise be forced to become responsi-
25 bilities of the state.

26 * Sec. 2. AS 01.10.030 does not apply to this Act. If any provision of
27 this Act, or the application of a provision of this Act to any person or
28 circumstance is held invalid, this entire Act shall be considered invalid.
29

Introduced: 4/6/71
Referred: Finance

1 IN THE SENATE

BY BUTROVICH AND RAY

2 SENATE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an Alaska longevity bonus."

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

8 * Section 1. AS 47 is amended by adding a new chapter to read:

9 CHAPTER 45. ALASKA LONGEVITY BONUS.

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

11 (a) A person who is 65 years of age or over and who has maintained
12 a domicile in the state for 20 years or more, whether continuous or
13 not, may apply to the commissioner of administration for qualification
14 to receive a monthly bonus not to exceed \$100.

15 (b) When the commissioner of administration determines that an
16 applicant qualifies under this chapter he shall immediately begin
17 payment of the bonus.

18 (c) A person who otherwise qualifies to receive a bonus provided
19 for in this chapter may continue to do so only as long as he continu-
20 ously retains a domicile in the state.

21 Sec. 47.45.020. CONTINUOUS ELIGIBILITY PROCEDURES. After
22 qualification, monthly applications for bonuses may be made in person
23 to any office of the Department of Administration. Mailed monthly
24 applications shall also be considered by the Department of Adminis-
25 tration. In-person or mailed applications shall be made on forms
26 provided by the Department of Administration and shall conform to
27 the conditions as provided by regulation. The commissioner may make
28 exceptions to those residents who are isolated in rural areas and
29 cannot mail a monthly application; however, they shall mail an

1 application at least once every six months.

2 Sec. 47.45.030. ABSENCE FROM THE STATE. A recipient shall notify
3 the commissioner of administration when he expects to be absent from
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22 there is on hand in the fund a surplus over and above a reasonably safe
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28 United States, or a political subdivision of any state of the United
29 States, if the political subdivision has a population as shown by the

1 last federal census preceding the investment of no less than 30,000
2 inhabitants, except no population limitation applies to a political
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4 ties insured by the Federal Housing Administration under the National
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15 to this chapter.

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19 20 years and have reached a retirement age of 65, an incentive to
20 continue uninterrupted residency in the state. Under no circumstances
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26 * Sec. 2. AS 01.10.030 does not apply to this Act. If any provision of
27 this Act, or the application of a provision of this Act to any person or
28 circumstance is held invalid, this entire Act shall be considered invalid.
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Original sponsors: Butrovich and Ray

Offered: 3/29/72
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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7 providing for an effective date."

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14 domicile in the state for 30 years or more, whether continuous or
15 not, may apply to the commissioner of administration for qualification
16 to receive a monthly bonus of \$100.

17 (b) When the commissioner of administration determines that an
18 applicant qualifies under this chapter he shall immediately begin
19 payment of the bonus.

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21 for in this chapter may continue to do so only as long as he continu-
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10 monthly bonuses provided for in this chapter. The fund consists of
11 all money made available by appropriations of the state legislature,
12 and from other appropriated funds, all contributions from whatever
13 source, and income and interest derived from the investment of money.

14 (b) The commissioner of administration is the administrator of
15 the fund.

16 Sec. 47.45.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The
17 commissioner of administration shall

- 18 (1) promulgate regulations necessary to carry out the
19 provisions of this chapter;
20 (2) make expenditures from the fund necessary to administer
21 this chapter;
22 (3) establish and maintain an adequate system of accounts
23 for the fund;
24 (4) publish annually a report showing the financial condi-
25 tions of the fund.

26 Sec. 47.45.110. ALASKA LONGEVITY BONUS ADVISORY BOARD. (a)
27 There is established the Alaska Longevity Bonus Advisory Board con-
28 sisting of three members acquainted with the investment of funds
29 appointed by the governor for overlapping three-year terms.

1 (b) Members of the board serve without compensation except that
2 each member may be reimbursed for actual and necessary expenses at
3 the rate established by AS 39.20.180.

4 (c) The board shall confer with the commissioner of administra-
5 tion only in matters regarding the administration of the investment
6 policies of the fund and may make such recommendations to him as they
7 consider necessary.

8 (d) The board shall be furnished reports relating to the condi-
9 tion and administration of the fund.

10 (e) The board shall meet at the call of the commissioner of
11 administration.

12 Sec. 47.45.120. CUSTODY AND INVESTMENT. (a) The commissioner of
13 revenue is the treasurer of the system and has powers and duties for
14 this purpose including but not limited to the following:

15 (1) to act as official custodian of the cash and securities
16 belonging to the fund;

17 (2) to receive all items of cash belonging to the system;

18 (3) to collect the interest and principal on securities
19 acquired under this chapter and deposit the interest and principal
20 in the incentive grant fund;

21 (4) to invest and reinvest the assets of the fund in accor-
22 dance with this section.

23 (b) When, in the opinion of the commissioner of administration,
24 there is on hand in the fund a surplus over and above a reasonably safe
25 amount to take care of current demands upon the fund, the surplus or
26 so much of it as in the judgment of the commissioner of administration
27 is considered proper may be invested by the commissioner of revenue in
28 (1) bonds or other interest-bearing obligations and securities of
29 the United States or any agency of the United States, a state of the

1 United States, or a political subdivision of any state of the United
2 States, if the political subdivision has a population as shown by the
3 last federal census preceding the investment of no less than 30,000
4 inhabitants, except no population limitation applies to a political
5 subdivision of this state; (2) first lien real estate mortgage securi-
6 ties insured by the Federal Housing Administration under the National
7 Housing Act of the United States, or held by the Department of Commerce,
8 or the Department of Natural Resources; (3) deposits with mutual
9 savings banks or savings and loan associations in Alaska, to the ex-
10 tent that the investment is insured by the federal government or an
11 agency of the federal government; and (4) deposits with state and
12 national banks in Alaska to the extent that the investment is insured
13 by the federal government or an agency of the federal government. No
14 more than 25 per cent of the surplus may be invested in mortgage
15 securities of the Department of Commerce. No more than \$400,000 of the
16 surplus may be invested annually in the mortgage securities of the
17 Department of Natural Resources.

18 (c) In making investments the commissioner of revenue shall
19 exercise the judgment and care under the circumstances then prevailing
20 which men of ordinary prudence, discretion, and intelligence exercise
21 in the management of their own affairs not in regard to speculation
22 but in regard to the permanent disposition of their funds, considering
23 the probable income from the fund as well as the probable safety of
24 their capital.

25 (d) Except as provided in (a) - (c) of this section, the commis-
26 sioner of revenue may

27 (1) invest and reinvest the principal and income of the fund
28 without distinction between principal and income;

29 (2) sell, exchange, convey, transfer or otherwise dispose of

1 any investment of the fund by private contract or at public auction;

2 (3) vote bonds or other securities; give general or special
3 proxies or powers of attorney with or without powers of substitution;
4 exercise conversion privileges, subscription rights or other options
5 and make payments incidental thereto; generally exercise the powers of
6 an owner with respect to bonds, securities or other investments held
7 in the fund;

8 (4) make, execute, acknowledge and deliver documents of
9 transfer and conveyance and other instruments necessary or appropriate
10 to carry out the powers granted by this subsection;

11 (5) register investments in the name of the fund;

12 (6) do all acts whether or not expressly authorized which he
13 considers necessary or proper for the protection of the investments
14 held in the fund.

15 Sec. 47.45.130. EXEMPTION FROM TAXATION AND PROCESS. Bonuses
16 received under this chapter are exempt from all state and political
17 subdivision taxes except sales and use taxes and are not subject to
18 execution, attachment, garnishment or other process. No bonus received
19 under this chapter may be exempt from a federal tax requirement.

20 Sec. 47.45.140. DEATH OR CESSATION OF RESIDENCY. The commis-
21 sioner of administration shall establish procedures to stop a bonus
22 when a recipient under this chapter no longer qualifies. When a
23 recipient dies or discontinues his residency in the state his qualifi-
24 cation for a bonus shall stop at the time of his last approved monthly
25 application.

26 Sec. 47.45.150. PENALTY FOR FALSE STATEMENTS. A person who
27 wilfully or knowingly makes a false statement, or falsifies or permits
28 to be falsified any record required by this chapter, is guilty of
29 a misdemeanor and, upon conviction, is punishable by a fine of not

1 more than \$500, or by imprisonment for not more than six months, or by
2 both, forfeits all rights under this chapter, and shall make adequate
3 restitution for any bonuses illegally received.

4 Sec. 47.45.160. DEFINITIONS. In this chapter

5 (1) "bonus" means a monthly Alaska longevity bonus payment
6 made to a person or his beneficiary who qualifies under this chapter;

7 (2) "domicile" means the place with which a person has a
8 settled connection for determination of his civil status or other
9 legal purposes because it is actually or legally his permanent and
10 principal home.

11 Sec. 47.45.170. The Administrative Procedure Act does not apply
12 to this chapter.

13 Sec. 47.45.180. PURPOSE. The sole purpose of this chapter is
14 to offer and provide all law-abiding Alaskans capable of managing their
15 own affairs who have maintained a domicile in the state for at least
16 30 years and who have reached a retirement age of 65, an incentive to
17 continue uninterrupted residency in the state. Under no circumstances
18 shall this chapter be considered a form, type, or manner, of public
19 relief. Bonuses made under this chapter are not predicated on need
20 even though they may appear to provide supplemental income to some
21 qualified persons who would otherwise be forced to become responsi-
22 bilities of the state.

23 * Sec. 2. This Act takes effect January 1, 1973.
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Original sponsors: Butrovich and Ray

Offered: 4/14/72
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an Alaska longevity bonus; and
7 providing for an effective date."

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

9 * Section 1. AS 47 is amended by adding a new chapter to read:

10 CHAPTER 45.

11 ALASKA LONGEVITY BONUS.

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

13 (a) A person who is 65 years of age or over and who has maintained a
14 domicile in the state for 30 years or more, whether continuous or
15 not, may apply to the commissioner of administration for qualification
16 to receive a monthly bonus of \$100.

17 (b) When the commissioner of administration determines that an
18 applicant qualifies under this chapter he shall immediately begin
19 payment of the bonus.

20 (c) A person who otherwise qualifies to receive a bonus provided
21 for in this chapter may continue to do so only as long as he continu-
22 ously retains a domicile in the state.

23 Sec. 47.45.020. CONTINUOUS ELIGIBILITY PROCEDURES. After
24 qualification, monthly applications for bonuses may be made in person
25 to any office of the Department of Administration. Mailed monthly
26 applications shall also be considered by the Department of Adminis-
27 tration. In-person or mailed applications shall be made on forms
28 provided by the Department of Administration and shall conform to
29 the conditions as provided by regulation. The commissioner may make

1 exceptions to those residents who are isolated in rural areas and
2 cannot mail a monthly application; however, they shall mail an appli-
3 cation at least once every six months.

4 Sec. 47.45.030. ABSENCE FROM THE STATE. A recipient shall notify
5 the commissioner of administration when he expects to be absent from
6 the state if the absence is for a continuous period that exceeds 30
7 days. After such notification, the recipient shall no longer receive
8 bonuses from the Department of Administration after his last regularly
9 approved monthly application. Upon his return to the state he may
10 again make application for a bonus. Whenever the absence is for a
11 continuous period that exceeds 180 days the recipient shall be dis-
12 qualified from receiving bonuses for the next 12 calendar months after
13 his return to the state. However, when the commissioner of adminis-
14 tration determines a period of absence is beyond the control of the
15 recipient, he may not be disqualified, if he still otherwise qualifies
16 upon his return to the state. Continual absences from the state, even
17 though reported, and failure to notify the commissioner of an expected
18 absence may be grounds for disqualification.

19 Sec. 47.45.040. DISQUALIFICATION. Disqualification under this
20 chapter shall rest solely with the commissioner of administration and
21 shall be outlined in the regulations promulgated under sec. 100(1) of
22 this chapter.

23 Sec. 47.45.050. DEPARTMENT HEARING. The Department of Adminis-
24 tration may hold a departmental hearing upon the request of any appli-
25 cant or recipient who has been disqualified. Previous to this hearing
26 the department shall by certified mail notify an applicant or recipient
27 in plain and comprehensive language the exact reason for his disqualifi-
28 cation. Form letters using only referral to state statutes or depart-
29 ment regulations, or otherwise vague in detail, shall not be considered

1 compliance by the department with this section.

2 Sec. 47.45.060. LEGAL REMEDY. Legal remedy from disqualification
3 may be sought by an applicant or recipient in any court of competent
4 jurisdiction in the state. The burden of proof shall rest solely upon
5 the applicant or recipient and any costs related to a disqualification
6 verdict determined against the applicant or recipient may be recover-
7 able by the attorney general from that person; or from any agency repre-
8 senting that person supported in whole, or in part, with state appropri-
9 ations.

10 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
11 one who

12 (1) does not meet the age and residence requirements as
13 provided for under this chapter;

14 (2) is otherwise qualified but is confined in a mental
15 health institution or facility and is certified by the state as
16 unable to manage his own affairs; however, if such a person was at
17 the time of his commitment the principal support of a spouse, the
18 commissioner of administration may determine to pay the confined
19 person's bonus to his spouse until the spouse is qualified for a
20 bonus;

21 (3) is otherwise qualified but is confined in a penal or
22 correctional institute or facility; upon completion of sentence or upon
23 the conferral of a pardon, parole or probation, the person may make
24 application; confinement outside the state shall be considered as
25 residence in the state if a person was convicted and sentenced from a
26 court in Alaska; revocation of parole or probation shall be cause for
27 immediate disqualification until release from confinement is again
28 effected;

29 (4) leaves the state of his own volition and remains absent

1 from the state for a continuous period of more than 180 days.

2 Sec. 47.45.080. ACCRUAL OF BONUSES. No recipient may, for any
3 reason, receive an accrual of bonuses in excess of two monthly payments.
4 No interest may be paid on accrued bonuses. Upon the death of a
5 recipient the commissioner of administration shall pay to the bene-
6 ficiary of the recipient any accrued bonuses not to exceed two monthly
7 payments.

8 Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. (a) There is
9 the Alaska longevity bonus fund created for the purpose of paying the
10 monthly bonuses provided for in this chapter. The fund consists of
11 all money made available by appropriations of the state legislature,
12 and from other appropriated funds, all contributions from whatever
13 source, and income and interest derived from the investment of money.

14 (b) The commissioner of administration is the administrator of
15 the fund.

16 Sec. 47.45.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The
17 commissioner of administration shall

- 18 (1) promulgate regulations necessary to carry out the
19 provisions of this chapter;
20 (2) make expenditures from the fund necessary to administer
21 this chapter;
22 (3) establish and maintain an adequate system of accounts
23 for the fund;
24 (4) publish annually a report showing the financial condi-
25 tions of the fund.

26 Sec. 47.45.110. ALASKA LONGEVITY BONUS ADVISORY BOARD. (a)
27 There is established the Alaska Longevity Bonus Advisory Board con-
28 sisting of three members acquainted with the investment of funds
29 appointed by the governor for overlapping three-year terms.

1 (b) Members of the board serve without compensation except that
2 each member may be reimbursed for actual and necessary expenses at
3 the rate established by AS 39.20.180.

4 (c) The board shall confer with the commissioner of administra-
5 tion only in matters regarding the administration of the investment
6 policies of the fund and may make such recommendations to him as they
7 consider necessary.

8 (d) The board shall be furnished reports relating to the condi-
9 tion and administration of the fund.

10 (e) The board shall meet at the call of the commissioner of
11 administration.

12 Sec. 47.45.120. CUSTODY AND INVESTMENT. (a) The commissioner
13 of revenue is the treasurer of the system and has powers and duties for
14 this purpose including but not limited to the following:

15 (1) to act as official custodian of the cash and securities
16 belonging to the fund;

17 (2) to receive all items of cash belonging to the system;

18 (3) to collect the interest and principal on securities
19 acquired under this chapter and deposit the interest and principal
20 in the incentive grant fund;

21 (4) to invest and reinvest the assets of the fund in accor-
22 dance with this section.

23 (b) When the commissioner of revenue determines that there is in
24 the state longevity bonus fund a surplus above an amount sufficient to
25 meet current cash expenditure needs, the surplus shall be invested in
26 any of the following:

27 (1) obligations of, or obligations insured or guaranteed by,
28 the United States or agencies or instrumentalities of the United States;

29 (2) obligations secured by reserves paid in by the United

1 States or agencies or instrumentalities of the United States or obliga-
2 tions of corporations in which the United States is a shareholder or
3 member;

4 (3) bank certificates of deposit which are secured as to
5 the payment of principal and interest in accordance with Alaska law;

6 (4) other securities, including corporate securities;

7 (5) loans made under the provisions of AS 03.10 and AS 26.15;

8 (6) conventional residential mortgages if the offering
9 financial institution retains at least 25 per cent of the mortgage;

10 (7) other secured loans, if the offering financial institu-
11 tion retains at least 33 1/3 per cent of the mortgage;

12 (8) mortgages of the Alaska Rural Rehabilitation Corporation
13 which secure agricultural loans, agricultural business loans and agri-
14 cultural processing loans;

15 (9) bankers acceptances drawn on and accepted by banks
16 with a combined capital and surplus aggregating at least \$200,000,000.

17 (c) To qualify as a mortgage or secured loan which may be
18 purchased by the state under (a)(6) or (7) of this section, it must

19 (1) be secured by real estate in the state or other col-
20 lateral allowed under (a)(7) of this section;

21 (2) have as a mortgagor an Alaska resident or a corporation
22 in which at least 51 per cent of the stock is owned by Alaska residents;

23 (3) be certified by the originating financial institution
24 that the loan being sold has been made in compliance with law and that
25 liens supporting the loan have been perfected;

26 (4) have no initial closing fees or service fees which
27 exceed one-half of one per cent, excluding closing costs.

28 (d) In making investments the commissioner of revenue shall
29 exercise the judgment and care under the circumstances then prevailing

1 which men of ordinary prudence, discretion, and intelligence exercise
2 in the management of their own affairs not in regard to speculation
3 but in regard to the permanent disposition of their funds, considering
4 the probable income from the fund as well as the probable safety of
5 their capital.

6 (e) Except as provided in (a) - (d) of this section, the commis-
7 sioner of revenue may

8 (1) invest and reinvest the principal and income of the fund
9 without distinction between principal and income;

10 (2) sell, exchange, convey, transfer or otherwise dispose of
11 any investment of the fund by private contract or at public auction;

12 (3) vote bonds or other securities; give general or special
13 proxies or powers of attorney with or without powers of substitution;
14 exercise conversion privileges, subscription rights or other options
15 and make payments incidental thereto; generally exercise the powers of
16 an owner with respect to bonds, securities or other investments held
17 in the fund;

18 (4) make, execute, acknowledge and deliver documents of
19 transfer and conveyance and other instruments necessary or appropriate
20 to carry out the powers granted by this subsection;

21 (5) register investments in the name of the fund;

22 (6) do all acts whether or not expressly authorized which he
23 considers necessary or proper for the protection of the investments
24 held in the fund.

25 Sec. 47.45.130. EXEMPTION FROM TAXATION AND PROCESS. Bonuses
26 received under this chapter are exempt from all state and political
27 subdivision taxes except sales and use taxes and are not subject to
28 execution, attachment, garnishment or other process. No bonus received
29 under this chapter may be exempt from a federal tax requirement.

1 Sec. 47.45.140. DEATH OR CESSATION OF RESIDENCY. The commis-
2 sioner of administration shall establish procedures to stop a bonus
3 when a recipient under this chapter no longer qualifies. When a
4 recipient dies or discontinues his residency in the state his qualifi-
5 cation for a bonus shall stop at the time of his last approved monthly
6 application.

7 Sec. 47.45.150. PENALTY FOR FALSE STATEMENTS. A person who
8 wilfully or knowingly makes a false statement, or falsifies or permits
9 to be falsified any record required by this chapter, is guilty of a
10 misdemeanor and, upon conviction, is punishable by a fine of not more
11 than \$500, or by imprisonment for not more than six months, or by both,
12 forfeits all rights under this chapter, and shall make adequate resti-
13 tution for any bonuses illegally received.

14 Sec. 47.45.160. DEFINITIONS. In this chapter

15 (1) "bonus" means a monthly Alaska longevity bonus payment
16 made to a person or his beneficiary who qualifies under this chapter;

17 (2) "domicile" means the place with which a person has a
18 settled connection for determination of his civil status or other legal
19 purposes because it is actually or legally his permanent and principal
20 home.

21 Sec. 47.45.170. APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT.
22 The Administrative Procedure Act (AS 44.62, does not apply to this
23 chapter.

24 Sec. 47.45.180. PURPOSE. The sole purpose of this chapter is to
25 offer and provide all law-abiding Alaskans capable of managing their
26 own affairs who have maintained a domicile in the state for at least
27 30 years and who have reached a retirement age of 65, an incentive to
28 continue uninterrupted residency in the state. Under no circumstances
29 shall this chapter be considered a form, type, or manner, of public

1 relief. Bonuses made under this chapter are not predicated on need
2 even though they may appear to provide supplemental income to some
3 qualified persons who would otherwise be forced to become responsibili-
4 ties of the state.

5 * Sec. 2. LEGISLATIVE INTENT. It is the intent of the legislature that
6 the Department of Health and Social Services assure by proper administrative
7 action that the monthly assistance standard under Title 1 of the Federal
8 Social Security Act be increased from \$250 to \$350 so that the effect of this
9 Act is not to decrease the amount of old age assistance a recipient is other-
10 wise eligible to receive.

11 * Sec. 3. This Act takes effect on January 1, 1972.
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Original sponsors: Butrovich and Ray

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an Alaska longevity bonus; and
7 providing for an effective date."

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

9 * Section 1. AS 47 is amended by adding a new chapter to read:

10 CHAPTER 45. ALASKA LONGEVITY BONUS.

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

12 (a) A person who is 65 years of age or over, who was domiciled in
13 the territory on or before January 1, 1937 and who has maintained
14 a continuous domicile in the territory or state may apply to the
15 commissioner of administration for qualification to receive a monthly
16 bonus of \$100.

17 (b) When the commissioner of administration determines that an
18 applicant qualifies under this chapter he shall immediately begin
19 payment of the bonus.

20 Sec. 47.45.020. CONTINUOUS ELIGIBILITY PROCEDURES. After
21 qualification, quarterly applications for bonuses may be made in
22 person to any office of the Department of Administration. Mailed
23 quarterly applications shall also be considered by the Department of
24 Administration. In-person or mailed applications shall be made on
25 forms provided by the Department of Administration and shall conform
26 to the conditions as provided by regulation. The commissioner may
27 make exceptions to those residents who are isolated in rural areas
28 and cannot mail a quarterly application; however, they shall mail an
29 application at least once every six months.

1 Sec. 47.45.030. DISQUALIFICATION. Disqualification under this
2 chapter shall rest solely with the commissioner of administration and
3 shall be outlined in the regulations promulgated under sec. 80(1) of
4 this chapter.

5 Sec. 47.45.040. DEPARTMENT HEARING. The Department of Adminis-
6 tration may hold a departmental hearing upon the request of any appli-
7 cant or recipient who has been disqualified. Previous to this hearing
8 the department shall by certified mail notify an applicant or recipient
9 in plain and comprehensive language the exact reason for his disquali-
10 fication. Form letters using only referral to state statutes or
11 department regulations, or otherwise vague in detail, shall not be
12 considered compliance by the department with this section.

13 Sec. 47.45.050. LEGAL REMEDY. Legal remedy from disqualification
14 may be sought by an applicant or recipient in any court of competent
15 jurisdiction in the state. The burden of proof shall rest solely upon
16 the applicant or recipient and any costs related to a disqualification
17 verdict determined against the applicant or recipient may be recover-
18 able by the attorney general from that person; or from any agency
19 representing that person supported in whole, or in part, with state
20 appropriations.

21 Sec. 47.45.060. UNQUALIFIED PERSONS. An unqualified person is
22 one who

23 (1) does not meet the age and residence requirements as
24 provided for under this chapter;

25 (2) is otherwise qualified but is confined in a mental
26 health institution or facility and is certified by the state as unable
27 to manage his own affairs; however, if such a person was at the time
28 of his commitment the principal support of a spouse, the commissioner
29 of administration may determine to pay the confined person's bonus

1 to his spouse until the spouse is qualified for a bonus;

2 (3) is otherwise qualified but is confined in a penal or
3 correctional institute or facility; upon completion of sentence or upon
4 the conferral of a pardon, parole or probation, the person may make
5 application; confinement outside the state shall be considered as
6 residence in the state if a person was convicted and sentenced from a
7 court in Alaska; revocation of parole or probation shall be cause for
8 immediate disqualification until release from confinement is again
9 effected.

10 Sec. 47.45.070. ACCRUAL OF BONUSES. No recipient may, for any
11 reason, receive an accrual of bonuses in excess of two monthly payments.
12 No interest may be paid on accrued bonuses. Upon the death of a
13 recipient the commissioner of administration shall pay to the bene-
14 ficiary of the recipient any accrued bonuses not to exceed two monthly
15 payments.

16 Sec. 47.45.080. BONUS ADMINISTRATION. The commissioner of admin-
17 istration shall

18 (1) promulgate regulations necessary to carry out the
19 provisions of this chapter;

20 (2) make expenditures from funds appropriated to administer
21 this chapter;

22 (3) establish and maintain an adequate system of accounts
23 for the fund.

24 Sec. 47.45.090. EXEMPTIONS. (a) Bonuses received under this
25 chapter are exempt from all state and political subdivision taxes
26 except sales and use taxes and are not subject to execution, attachment,
27 garnishment or other process. No bonus received under this chapter
28 may be exempt from a federal tax requirement.

29 (b) Bonuses received under this chapter shall not be considered

1 in the computation of financial assistance due recipients, and shall
2 be in addition to maximum payments authorized, under AS 47.25.430 -
3 47.25.610, 47.25.620 - 47.25.780, or 47.25.790 - 47.25.970.

4 Sec. 47.45.100. DEATH OR CESSATION OF RESIDENCY. The commis-
5 sioner of administration shall establish procedures to stop a bonus
6 when a recipient under this chapter no longer qualifies. When a
7 recipient dies, his qualification for a bonus shall stop at the time
8 of his last approved quarterly application.

9 Sec. 47.45.110. PENALTY FOR FALSE STATEMENTS. A person who
10 wilfully or knowingly makes a false statement, or falsifies or permits
11 to be falsified any record required by this chapter, is guilty of
12 a misdemeanor and, upon conviction, is punishable by a fine of not
13 more than \$500, or by imprisonment for not more than six months, or by
14 both, forfeits all rights under this chapter, and shall make adequate
15 restitution for any bonuses illegally received.

16 Sec. 47.45.120. APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT.
17 The Administrative Procedure Act does not apply to this chapter.

18 Sec. 47.45.130. PURPOSE. The sole purpose of this chapter is
19 to offer and provide all qualified Alaskans capable of managing their
20 own affairs who have maintained a domicile in the state since January 1,
21 1937, and who have reached a retirement age of 65, with a longevity
22 bonus. Under no circumstances shall this chapter be considered a form,
23 type, or manner, of public relief. Bonuses made under this chapter are
24 not predicated on need even though they may appear to provide supple-
25 mental income to some qualified persons who would otherwise be forced
26 to become responsibilities of the state.

27 Sec. 47.45.140. DEFINITIONS. In this chapter

28 (1) "bonus" means a monthly Alaska longevity bonus payment
29 made to a person or his beneficiary who qualifies under this chapter;

1 (2) "continuous domicile" means the place with which a
2 person has a settled connection for determination of his civil status
3 or other legal purposes because it is actually or legally his permanent
4 and principal home and has been so for at least 30 years.

5 * Sec. 2. This Act takes effect January 1, 1973.
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Original sponsors: Butrovich and Ray

Offered: 3/29/72
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for an Alaska longevity bonus; and
7 providing for an effective date."

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

9 * Section 1. AS 47 is amended by adding a new chapter to read: ,

10 CHAPTER 45. .

11 ALASKA LONGEVITY BONUS.

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

13 (a) A person who is 65 years of age or over and who has maintained a
14 domicile in the state ^{since January 1, 1943,} for ~~30~~ years or more, whether continuous or
15 not, may apply to the commissioner of administration for qualification
16 to receive a monthly bonus of \$100.

17 (b) When the commissioner of administration determines that an
18 applicant qualifies under this chapter he shall immediately begin
19 payment of the bonus.

20 ? [(c) A person who otherwise qualifies to receive a bonus provided
21 for in this chapter may continue to do so only as long as he continu-
22 ously retains a domicile in the state.] ?

23 Sec. 47.45.020. CONTINUOUS ELIGIBILITY PROCEDURES. After
24 qualification, ^{quarterly} monthly applications for bonuses may be made in person
25 to any office of the Department of Administration. Mailed ^{quarterly} monthly
26 applications shall also be considered by the Department of Adminis-
27 tration. In-person or mailed applications shall be made on forms
28 provided by the Department of Administration and shall conform to
29 the conditions as provided by regulation. The commissioner may make

1 exceptions to those residents who are isolated in rural areas and
2 cannot mail a ^{quarterly} monthly application; however, they shall mail an appli-
3 cation at least once every six months.

4 ? [Sec. 47.45.030. ABSENCE FROM THE STATE. A recipient shall notify
5 the commissioner of administration when he expects to be absent from
6 the state if the absence is for a continuous period that exceeds 30
7 days. After such notification, the recipient shall no longer receive
8 bonuses from the Department of Administration after his last regularly
9 approved ^{quarterly} monthly application. Upon his return to the state he may
10 again make application for a bonus. Whenever the absence is for a
11 continuous period that exceeds 180 days the recipient shall be dis-
12 qualified from receiving bonuses for the next 12 calendar months after
13 his return to the state. However, when the commissioner of adminis-
14 tration determines a period of absence is beyond the control of the
15 recipient, he may not be disqualified, if he still otherwise qualifies
16 upon his return to the state. Continual absences from the state, even
17 though reported, and failure to notify the commissioner of an expected
18 absence may be grounds for disqualification.]?

19 Sec. 47.45.040. DISQUALIFICATION. Disqualification under this
20 chapter shall rest solely with the commissioner of administration and
21 shall be outlined in the regulations promulgated under sec. 100(1) of
22 this chapter.

23 Sec. 47.45.050. DEPARTMENT HEARING. The Department of Adminis-
24 tration may hold a departmental hearing upon the request of any appli-
25 cant or recipient who has been disqualified. Previous to this hearing
26 the department shall by certified mail notify an applicant or recipient
27 in plain and comprehensive language the exact reason for his disqualifi-
28 cation. Form letters using only referral to state statutes or depart-
29 ment regulations, or otherwise vague in detail, shall not be considered

1 compliance by the department with this section,

2 Sec. 47.45.060. LEGAL REMEDY. Legal remedy from disqualification
3 may be sought by an applicant or recipient in any court of competent
4 jurisdiction in the state. The burden of proof shall rest solely upon
5 the applicant or recipient and any costs related to a disqualification
6 verdict determined against the applicant or recipient may be recover-
7 able by the attorney general from that person; or from any agency repre-
8 senting that person supported in whole, or in part, with state appropri-
9 ations.

10 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
11 one who

12 (1) does not meet the age and residence requirements as
13 provided for under this chapter;

14 (2) is otherwise qualified but is confined in a mental
15 health institution or facility and is certified by the state as
16 unable to manage his own affairs; however, if such a person was at
17 the time of his commitment the principal support of a spouse, the
18 commissioner of administration may determine to pay the confined
19 person's bonus to his spouse until the spouse is qualified for a
20 bonus;

21 (3) is otherwise qualified but is confined in a penal or
22 correctional institute or facility; upon completion of sentence or upon
23 the conferral of a pardon, parole or probation, the person may make
24 application; confinement outside the state shall be considered as
25 residence in the state if a person was convicted and sentenced from a
26 court in Alaska; revocation of parole or probation shall be cause for
27 immediate disqualification until release from confinement is again
28 effected;

29 (4) leaves the state of his own volition and remains absent

1 from the state for a continuous period of more than 180 days.]?

2 Sec. 47,45,080. ACCRUAL OF BONUSES. No recipient may, for any
3 reason, receive an accrual of bonuses in excess of two monthly payments.
4 No interest may be paid on accrued bonuses. Upon the death of a
5 recipient the commissioner of administration shall pay to the bene-
6 ficiary of the recipient any accrued bonuses not to exceed two monthly
7 payments.

8 ~~Sec. 47,45,090. ALASKA LONGEVITY BONUS FUND. (a) There is~~
9 ~~the Alaska longevity bonus fund created for the purpose of paying the~~
10 ~~monthly bonuses provided for in this chapter. The fund consists of~~
11 ~~all money made available by appropriations of the state legislature,~~
12 ~~and from other appropriated funds, all contributions from whatever~~
13 ~~source, and income and interest derived from the investment of money.~~

14 ~~(b) The commissioner of administration is the administrator of~~
15 ~~the fund.~~

16 *BONUS ADMINISTRATION.*

17 Sec. 47,45,100. ~~POWERS AND DUTIES OF THE ADMINISTRATOR.~~ The
18 commissioner of administration shall

- 19 (1) promulgate regulations necessary to carry out the
20 provisions of this chapter;
- 21 (2) make expenditures from *funds appropriated* ~~the funds necessary~~ to administer
22 this chapter;
- 23 (3) establish and maintain an adequate system of accounts
24 for the fund;
- 25 ~~(4) publish annually a report showing the financial condi-~~
26 ~~tions of the fund.~~

27 ~~Sec. 47,45,110. ALASKA LONGEVITY BONUS ADVISORY BOARD. (a)~~
28 ~~There is established the Alaska Longevity Bonus Advisory Board con-~~
29 ~~sisting of three members acquainted with the investment of funds~~
~~appointed by the governor for overlapping three-year terms.~~

1 ~~(b) Members of the board serve without compensation except that~~
2 each member may be reimbursed for actual and necessary expenses at
3 the rate established by AS 39.20.180.

4 (c) The board shall confer with the commissioner of administra-
5 tion only in matters regarding the administration of the investment
6 policies of the fund and may make such recommendations to him as they
7 consider necessary.

8 (d) The board shall be furnished reports relating to the condi-
9 tion and administration of the fund.

10 (e) The board shall meet at the call of the commissioner of
11 administration.

12 Sec. 47.45.120. CUSTODY AND INVESTMENT. (a) The commissioner of
13 revenue is the treasurer of the system and has powers and duties for
14 this purpose including but not limited to the following:

15 (1) to act as official custodian of the cash and securities
16 belonging to the fund;

17 (2) to receive all items of cash belonging to the system;

18 (3) to collect the interest and principal on securities
19 acquired under this chapter and deposit the interest and principal
20 in the incentive grant fund;

21 (4) to invest and reinvest the assets of the fund in accor-
22 dance with this section.

23 (b) When, in the opinion of the commissioner of administration,
24 there is on hand in the fund a surplus over and above a reasonably safe
25 amount to take care of current demands upon the fund, the surplus or
26 so much of it as in the judgment of the commissioner of administration
27 is considered proper may be invested by the commissioner of revenue in
28 (1) bonds or other interest-bearing obligations and securities of
29 the United States or any agency of the United States, a state of the

1 ~~United States, or a political subdivision of any state of the United~~
2 ~~States, if the political subdivision has a population as shown by the~~
3 ~~last federal census preceding the investment of no less than 30,000~~
4 ~~inhabitants, except no population limitation applies to a political~~
5 ~~subdivision of this state; (2) first lien real estate mortgage securi-~~
6 ~~ties insured by the Federal Housing Administration under the National~~
7 ~~Housing Act of the United States, or held by the Department of Commerce,~~
8 ~~or the Department of Natural Resources; (3) deposits with mutual~~
9 ~~savings banks or savings and loan associations in Alaska, to the ex-~~
10 ~~tent that the investment is insured by the federal government or an~~
11 ~~agency of the federal government; and (4) deposits with state and~~
12 ~~national banks in Alaska to the extent that the investment is insured~~
13 ~~by the federal government or an agency of the federal government. No~~
14 ~~more than 25 per cent of the surplus may be invested in mortgage~~
15 ~~securities of the Department of Commerce. No more than \$400,000 of the~~
16 ~~surplus may be invested annually in the mortgage securities of the~~
17 ~~Department of Natural Resources.~~

18 (c) In making investments the commissioner of revenue shall
19 exercise the judgment and care under the circumstances then prevailing
20 which men of ordinary prudence, discretion, and intelligence exercise
21 in the management of their own affairs not in regard to speculation
22 but in regard to the permanent disposition of their funds, considering
23 the probable income from the fund as well as the probable safety of
24 their capital.

25 (d) Except as provided in (a) - (c) of this section, the commis-
26 sioner of revenue may

27 (1) invest and reinvest the principal and income of the fund
28 without distinction between principal and income;

29 ~~(2) sell, exchange, convey, transfer or otherwise dispose of~~

1 ~~any investment of the fund by private contract or at public auction;~~

2 (3) vote bonds or other securities; give general or special
3 proxies or powers of attorney with or without powers of substitution;
4 exercise conversion privileges, subscription rights or other options
5 and make payments incidental thereto; generally exercise the powers of
6 an owner with respect to bonds, securities or other investments held
7 in the fund;

8 (4) make, execute, acknowledge and deliver documents of
9 transfer and conveyance and other instruments necessary or appropriate
10 to carry out the powers granted by this subsection;

11 (5) register investments in the name of the fund;

12 (6) do all acts whether or not expressly authorized which he
13 considers necessary or proper for the protection of the investments
14 held in the fund;

15 Sec. 47.45.130. EXEMPTION FROM TAXATION AND PROCESS (c) Bonuses
16 received under this chapter are exempt from all state and political
17 subdivision taxes except sales and use taxes and are not subject to
18 execution, attachment, garnishment or other process. No bonus received
19 under this chapter may be exempt from a federal tax requirement.

20 (b) below *
21 Sec. 47.45.140. DEATH OR CESSATION OF RESIDENCY. The commis-
22 sioner of administration shall establish procedures to stop a bonus
23 when a recipient under this chapter no longer qualifies. When a
24 recipient dies or discontinues his residency in the state his qualifi-
25 cation for a bonus shall stop at the time of his last approved ^{quarterly} monthly
26 application.

27 Sec. 47.45.150. PENALTY FOR FALSE STATEMENTS. A person who
28 wilfully or knowingly makes a false statement, or falsifies or permits
29 to be falsified any record required by this chapter, is guilty of
a misdemeanor and, upon conviction, is punishable by a fine of not

(b) Bonuses received under this chapter shall not be considered in the computation of financial assistance due recipients under AS 47.25.430-610, 620-780, or 790-970; they shall be in addition to maximum payments authorized under the referenced statutes.

1 more than \$500, or by imprisonment for not more than six months, or by
2 both, forfeits all rights under this chapter, and shall make adequate
3 restitution for any bonuses illegally received.

4 Sec. 47.45.160. DEFINITIONS. In this chapter

5 (1) "bonus" means a monthly Alaska longevity bonus payment
6 made to a person or his beneficiary who qualifies under this chapter;

7 (2) "domicile" means the place with which a person has a
8 settled connection for determination of his civil status or other
9 legal purposes because it is actually or legally his permanent and
10 principal home.

11 . Sec. 47.45.170. The Administrative Procedure Act does not apply
12 to this chapter.

13 Sec. 47.45.180. PURPOSE. The sole purpose of this chapter is
14 to offer and provide all law-abiding Alaskans capable of managing their
15 own affairs who have maintained a domicile in the state ^{since January} ~~for-at-least~~
16 ^{1, 1943} 10-years and who have reached a retirement age of 65, an incentive to
17 continue uninterrupted residency in the state. Under no circumstances
18 shall this chapter be considered a form, type, or manner, of public
19 relief. Bonuses made under this chapter are not predicated on need
20 even though they may appear to provide supplemental income to some
21 qualified persons who would otherwise be forced to become responsi-
22 bilities of the state.

23 * Sec. 2. This Act takes effect January 1, 1973.
24
25
26
27
28
29

13 April 1972

This meeting of the House Health, Welfare and Education Committee was called to order at 1:30 p.m. with Reps. Chance, Moore, Moses, Naughton, Specking and Whittaker present.

Rep. Whittaker moved for unanimous adoption of the committee substitute for HB 647. There were no objections, and the committee substitute was adopted. Rep. Whittaker then moved for unanimous do pass recommendation for CSHB 647. There were no objections, and the bill moved out with a do pass recommendation.

Next to be considered was HCSCSSB 211. Rep. Chance read a fiscal note on the legislation from the Department of Health and Social Services saying that with the change of permitted income from \$250 to \$350, 150 more people would qualify for the bonus and it would cost the department an additional \$180,000. Rep. Whittaker asked unanimous adoption of the committee substitute for CSSB 211. There were no objections. Rep. Whittaker moved that the bill be reported out of committee with a do pass recommendation. Rep. Moses objected, and the bill moved out with a do pass recommendation.

HB 602 was next to be considered. Rep. Whittaker, sponsor of the bill, explained the reasons for it to the committee. He said that the Craig high school also handles high school students from Klavok and is greatly in need of expansion. The school presently has 9 classrooms for 125 students in grades K-12. He read a letter to the committee from the superintendent of schools in Craig which included fiscal information. The school district will pay costs incurred over \$20,000. Rep. Naughton moved for a unanimous do pass recommendation, and there were no objections.

HB 592 provides for a supplemental appropriation for the University of Alaska to replace construction funds used to purchase books from AMU for the consortium library. Rep. Whittaker moved for unanimous do pass recommendation, and there were no objections.

CSHB 640, providing for secondary school bonds, was considered. Rep. Chance read excerpts from responses to a survey of rural schools. There was discussion of expressing legislative intent that the same architectural plan be used as much as possible to minimize architectural fees. Rep. Whittaker said that he thought three points should be set out: 1. architectural plans should be standardized; 2. local labor should be utilized to the maximum possible extent; 3. it should be indicated that the costs quoted in the bill are intended as maximum and that the schools could be built for less if local labor were used. Reps. Naughton, Moore and Ferguson were asked to draft a letter of legislative intent to be printed in the journal. Rep. Naughton moved for adoption of the committee substitute. There were no objections. Rep. Naughton moved for unanimous do pass recommendation. Rep. Specking objected. The bill was given a do pass recommendation.

At this point there was discussion of whether the commi-

tee wants to send a letter of recommendation to the Finance Committee regarding alternate methods of funding CSSB 211. Rep. Whittaker moved that it be recommended that this be funded through a gross payroll tax. Rep. Specking objected. This letter will be drafted.

There was some discussion of the meeting tomorrow with the Finance Committee and it was decided that the committee members will get together after the session to discuss priorities.

This meeting was adjourned at 2:30 p.m.

11 April 1972

SB-211

This meeting of the House Health, Welfare and Education Committee was called to order at 1:30 p.m. with Reps. Chance, Colletta, Moore, Naughton, Speaking and Whittaker present. Also present were Reps. Barber, Fischer and Hillstrand. This meeting was called as a work session on CSSB 211 which provides for a longevity bonus.

Rep. Chance, in making introductory comments, said that three basic questions had been raised about the bill: 1) whether the provisions of the proposed legislation are constitutional; 2) how to provide the bonus to those 2200 persons who won't benefit under the legislation as presently drafted, as well as the 2100 who presently will benefit; 3) alternative funding proposals

Departmental representatives at this meeting were: Jim Reeves and Jerry Rachetto from the Attorney General's Office, Ron Lind of the Department of Administration, and Bill Mailer and Ray Peganoff of the Department of Health and Social Services. After discussion of the bill, the Attorney General's representatives were instructed to provide the committee with a written opinion on the constitutionality of CSSB 211, alternative methods of funding including a possible tax (how much, how divided, how it can be done legally) and a method of assuring that those on old age assistance will benefit from the \$100 bonus. It was requested that this information be brought back to us by 1:30 p.m. tomorrow in time for the committee meeting on Wednesday.

At this point the meeting was adjourned.

Upon adjournment representatives of the departments, Chairman Chance and Vice Chairman Naughton met. It was determined that the procedure to use to assure that old age assistance recipients would benefit from the bonus would be to amend CSSB 211 with a statement of legislative intent that would become a footnote in the statutes stating that the Department of Health and Social Services is to insure by administrative action that the monthly standard under Title I of the Social Security Act be increased from \$250 to \$350 and that those presently receiving old age assistance will not receive fewer benefits than at present by virtue of this change on CSSB 211. The Department of Health and Social Services was instructed to provide a fiscal note for this amendment. The Department of Revenue was contacted by Chairman Chance, and Commissioner Welforth assured her that he would assign his top tax man to the team of department technicians seeking alternative methods of funding.

12 April 1972

The meeting of the Health, Welfare and Education Committee was called to order by Chairman Genie Chance at 2:03 pm. Members present were Reps. Naughton, Specking, Whittaker, Moses and other Reps. Fischer, Hillstand, Barber and Tillion.

SB 211 Chairman Chance read the amendment, a statement of legislative intent to become a footnote in the statutes. The amendment states that the Department of Health and Social Services is to insure by administrative action that the monthly standard under Title I of the Social Security Act be increased from \$250 to \$350. With this amendment old age assistance will not receive fewer benefits with the passage of CSSB 211 into law.

Jerry Rachetto, from the office of the Attorney General reported that the Attorney General's opinion did not say that the bill would be unconstitutional. It did say that the thirty year residency requirement in the bill might not hold up in court. (see attachment)

The Department of Revenue presented means of funding for SB 211, (see attachments) and suggested a change in the investment section, which would broaden the investment policies to conform with the investment provisions governing the general fund. Chairman Chance directed that the bill be re-drafted to include the footnote and the investment provisions recommended by the Department of Revenue.

The meeting was adjourned at 3:50pm.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

April 12, 1972

The Honorable Genie Chance
Chairman
Committee on Health, Education
and Welfare
Alaska State House of Representatives
Juneau, Alaska 99801

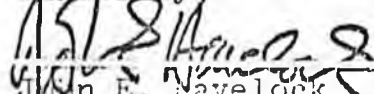
Dear Chairman Chance:

Pursuant to your request, we have reviewed the opinion letter of the Alaska Attorney General dated March 23, 1970, addressed to Senator Engstrom discussing the legal principles applicable to HB 282 which is identical in its principle provisions with CSSB 211 currently before you.

On March 21, 1972, the U.S. Supreme Court ruled that durational residency requirements of one year and ninety days imposed as a condition on the exercise of voting rights are unconstitutional, Dunn v. Blumstein, ___ U.S. ___, 40 L.W. 4269. The Court must determine not "whether the exclusions are reasonable related to a permissible state interest", the standard assumed in the Attorney General's letter, but "whether the exclusions are necessary to promote a compelling state interest" (emphasis the court's). Other language in the court's opinion is further indicative of a very strong position by the court against any state action which might impair the right to travel in any degree whatsoever. The court's opinion speaks for itself and is attached.

In view of Dunn v. Blumstein one would have to say that the possibility of upholding this legislation in Court has been substantially reduced since the Attorney General's letter of 1970.

Sincerely,


John E. Navelock
Attorney General

JEH:ss

STATE
of ALASKA

Handwritten signature/initials

TO: The Honorable Genie Chance, Chairman
Health Education & Welfare Committee

Thru: Joseph R. Henri, Commissioner *JRH*
Department of Administration

DATE : April 12, 1972

FROM: Ronald B. Lind, Program Analyst *RBL*
Division of Budget & Management
Department of Administrative

SUBJECT: Alternatives for funding
CSSB 211.

As requested by your committee on Health, Education and Welfare the Department of Administration and the Department of Revenue have compiled the following list of alternative means of financing costs related to CSSB 211, Alaskan Longevity Bonus. This listing is not intended to be a complete listing of the alternatives available nor should it be construed as a recommendation for one of these methods.

Basically an alternative method of financing will require additional revenue which will be generated by a new tax source, an increase in one of the present taxes or an additional charge for a State service. Since a tax cannot be dedicated, an appropriation will be required from the general fund to the special fund created by CSSB 211 for any funds placed in the special account.

The following are possible sources of revenue that could be used to fund the requirements of this bill.

1. State Payroll Tax

A tax of approximately 0.55% would be required on all wages and salaries of individuals within Alaska to produce \$5,500,000 per year. Since this would be a new tax it would require additional personnel for collection.

2. Statewide Sales Tax

A sales tax of approximately 0.7% would be required on retail sales of goods and services to generate the revenue required for CSSB 211. If this tax were collected by the State with the gross business tax receipts, a minimal amount, perhaps \$25,000, would be required for administration.

3. Individual Income Tax

An increase of 10-12.5% would be required in individual income tax to fund costs of CSSB 211. The easiest way to collect this would be through the use of a sur tax which would not change our basic tax structure but would identify the receipts.

4. Gross Business Tax

Approximately a 100% increase in this tax would be required to fund CSSB 211.



LAWS OF ALASKA

1971

Source

Chapter No.

SCS CSHB 360

94

AN ACT

Relating to the investment of surplus state funds; and providing for an effective date.

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

Section 1. AS 37.10.070(a) is amended to read:

(a) When the commissioner of revenue determines that there is in the state treasury a surplus above an amount sufficient to meet current cash expenditure needs, the surplus shall be invested in any of the following:

(1) obligations of, or obligations insured or guaranteed by, the United States or agencies or instrumentalities of the United States;

(2) obligations secured by reserves paid in by the United States or agencies or instrumentalities of the United States or obligations of corporations in which the United States is a shareholder or member;

(3) notes issued by Farmer's Home Administration;

(4) bank certificates of deposit which are secured as to the payment of principal and interest in accordance with Alaska law;

(5) corporate obligations of prime or equivalent quality, as rated by a nationally recognized rating organization;

(6) other securities, including corporate securities;

(7) Federal Housing Administration mortgages;

Chapter 94

- (8) Federal Veterans Administration mortgages;
- (9) loans made under the provisions of AS 03.10 and AS 26.15;
- (10) conventional residential mortgages if the offering financial institution retains at least 25 per cent of the mortgage;
- (11) other secured loans, if the offering financial institution retains at least 33 1/3 per cent of the mortgage;
- (12) mortgages of the Alaska Rural Rehabilitation Corporation which secure agricultural loans, agricultural business loans and agricultural processing loans;
- (13) bankers acceptances drawn on and accepted by banks with a combined capital and surplus aggregating at least \$200,000,000.

Sec. 2. AS 37.10.070(b) is amended to read:

(b) To qualify as a mortgage or secured loan which may be purchased by the state under (a)(10) or (11) of this section, it must

(1) be secured by real estate in the state or other collateral allowed under (a)(11) of this section;

(2) have as a mortgagor an Alaska resident or a corporation in which at least 51 per cent of the stock is owned by Alaska residents;

(3) be certified by the originating financial institution that the loan being sold has been made in compliance with law and that liens supporting the loan have been perfected;

(4) have no initial closing fees or service fees which exceed one-half of one per cent, excluding closing costs.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

MEMORANDUM

TO: [R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE: April 12, 1972

FROM: Robert S. Gates *R.S.G.*
State Investment Officer
Department of Revenue

SUBJECT: CSSB 211 and SB 392

After reviewing Senate Bill 211, there appears to be some important deficiencies in the language of Section 47.45.120 INVESTMENT AND CUSTODY. However, prior to recommending specific changes in language, I would like to comment briefly on the investment provisions of Senate Bill 211.

It appears that the intent of this bill is to provide a self sustaining fund in perpetuity for the payment of longevity bonuses to long time Alaska residents. This being the case, a maximum degree of investment flexibility will be required in order to provide sufficient revenues to satisfy these payments without drawing on the principal amount of \$100 million which is requested for appropriation in SB 392. For example, if you assume there are presently approximately 4,000 eligible persons and they receive \$100 per month, it will require earnings on these funds in the amount of approximately \$5 million annually in order to avoid invading the principal amount of the fund. In addition, the number of eligible persons will increase each year in the future and unless the revenues of the fund from the outset exceed the drawdown requirements by a fairly substantial margin to offset these additional payments, it will be impossible to make payments out of revenues alone.

If the language in CSSB 211 is revised to permit the same degree of investment flexibility as now exists under Alaska Statutes Section 37.10.070, the probability of generating revenues sufficient to meet future payments would be greatly enhanced. I would suggest the use of the language as presently included under AS 37.10.070 with some modifications. (Copy attached.) Some of the sub-sections of AS 37.10.070 appear to be redundant and it would not be necessary to include those sections in CSSB 211. Sub-sections (3), (5), (7), and (8) of AS 37.10.070 should not be included in this bill.

The bill in its present form permits investment only in U. S. Government obligations, securities of Agencies of the U. S. Government, municipal bonds, first lien real estate mortgages insured by the Federal Housing Administration, mortgages held by the Department of Commerce, or the Department of Natural Resources, and deposits in savings and loans and banks. These requirements appear to be unduly restrictive in scope and will greatly limit the potential earnings of these funds.

It is also noted that the deposits with banks and savings and loans are restricted to amounts which are insured by the Federal government or an agency

of the Federal government. This language would restrict deposits to a total of \$20,000 in each bank or savings and loan throughout the State. Federal insurance on deposits is only available if there is a separate and distinct membership and then insurance only applies to the vested amount of the individual member. This type of funds would not have any individual with vested rights, therefore insurance would be restricted to the maximum of \$20,000 per bank. In my opinion, language pertaining to bank deposits should be restricted using the same language as that in AS 37.10.070. Also, it is imperative that the Department of Revenue have the ability to invest in corporate securities in order to maximize earnings on these funds. It would appear from the existing language in the bill that possibly such powers were intended by virtue of the language included on lines 2, 3, and 7 on page 7 of the bill which relates directly to corporate securities.

It is noted that the effective date on Senate Bill 392 is July 1, 1972 whereas the effective date of CSSB 211 is January 1, 1973. I am not sure if this was intentional, however, I feel that having these two different effective dates may be very desirable. For example, if the appropriation of \$100 million is made as of July 1, 1972 and payments do not commence until January 1, 1973, there will be a six month period of time where earnings can accrue on this fund. This will provide a small cushion of revenues out of which initial payments can be made without invading the principal.

Senate Bill 392, appropriating \$100 million from the general fund will have an immediate effect on both investment revenue and the liquidity balances of the fund.

Regarding investment income, the immediate primary effect will be to reduce investment income, receipt code 646, by at least \$6 million each year following the date of appropriation. In the past, annual investment returns in the general fund has exceeded 6% on marketable investments and the \$6 million annual revenue loss will have at least the following effect on Code 646 estimates.

646 Investment Income
(Thousands)

<u>Fiscal Year</u>	<u>Present Estimate</u>	<u>Revised</u>
1973	44,875.6	38,875.6
1974	38,631.6	32,631.6
1975	35,993.7	29,993.7
1976	20,653.7	14,653.7
1977	10,090.7	4,090.7

This loss of revenue in Receipt Code 646 reflects only the known primary effects on the general fund balances. There will be secondary effects due to the fact that the general fund will not be investing the \$6 million in interest each year which would have otherwise been available. Simply stated, there will be no interest earned on this \$6 million of annual interest receipts. Through fiscal year 1977 this secondary effect will total approximately \$2.029 million.



LAWS OF ALASKA

1970

Source

PCCS HCS CSSB 402

Chapter No.

206

AN ACT

Providing for the investment of surplus state funds; and providing for an effective date.

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

* Section 1. AS 37.10.070 is repealed and re-enacted to read:

Sec. 37.10.070. INVESTMENT OF SURPLUS FUNDS. (a) When the commissioner of revenue determines that there is in the state treasury a surplus above an amount sufficient to meet current demands, the surplus shall be invested in any of the following:

- (1) direct obligations of the United States;
- (2) obligations of agencies and instrumentalities of the United States;
- (3) notes issued by Farmer's Home Administration;
- (4) bank certificates of deposit which are secured as to the payment of principal and interest in accordance with Alaska law;
- (5) corporate obligations of prime or equivalent quality, as rated by a nationally recognized rating organization;
- (6) other securities, including corporate securities;
- (7) Federal Housing Administration mortgages;
- (8) Federal Veterans Administration mortgages;
- (9) loans made under the provisions of AS 03.10 .

Chapter 206

and AS 26.10;

(10) conventional residential mortgages if the originating financial institution retains at least 25 per cent of the mortgage;

(11) other secured loans, if the originating financial institution retains at least 33 1/3 per cent of the mortgage.

(b) To qualify as a mortgage or loan which can be purchased by the state under (a) of this section, it must

(1) be secured by real estate in the state or other collateral allowed under (a)(11) of this section;

(2) have as a mortgagor an Alaska resident or a corporation in which at least 51 per cent of the stock is owned by Alaska residents;

(3) be certified by the originating financial institution that the loan being sold has been made in compliance with law and that liens supporting the loan have been perfected;

(4) have no initial closing fees or service fees which exceed one-half of one per cent, excluding closing costs.

(c) When the aggregate of all loans purchased from a financial institution becomes more than one-half per cent 60 days delinquent, the state shall discontinue purchasing loans from that financial institution until the delinquency is reduced to less than one-half per cent.

(d) The state may purchase loans provided for in (a)(10) - (11) of this section only from financial institutions which are operating under the national banking laws, federal savings and loan laws, or under the provisions of AS 06.05, 06.15, 06.25 and 06.30.

(e) The state may purchase from federal savings and loan associations 100 per cent of the mortgages provided for under (a)(10) and (11) of this section if 20 per cent of the loan is insured by a firm approved by the commissioner of revenue and the loan is for not more than 80 per cent of the appraised value of the property securing the loan. No loans may be purchased under this subsection after June 1, 1971.

(f) Investment policy shall be formulated by the commissioner of revenue who shall be advised by a committee appointed by the governor which shall contain representation from the legislature. In formulating investment policy they shall consider maximum income and safety as governed by the prudent man rule and the benefit to the private and public sectors of the economy in terms of increased housing and commercial credit, stimulated business activity, increased employment, support of the market for state and local bonds, increased public revenue together with the possible inflationary effect of the investment, and paragraphs (h) and (i) of this section.

(g) The commissioner of revenue, with the consent of the committee, may enter into contracts for services providing investment advice, custody of securities, and execution of transactions, in or out of Alaska.

(h) An investment preference shall be given to (a)(3), (7), (8), (9), (10) and (11) of this section.

(i) The commissioner shall purchase notes and mortgages under (a) of this section at a rate conducive to develop and benefit Alaska and Alaska residents and such rate may be less than the market rate.

(j) In this section

(1) "closing costs" means appraisal costs, legal costs, title insurance, and any other out-of-pocket expenses approved by the commissioner of revenue;

(2) "mortgage" means a pledge or security of particular property for the payment of a debt or the performance of some other obligation, whatever form the transaction may take;

(3) "resident" means a person domiciled in the state;

(4) "securities" means bonds, notes, debentures and all other forms of indebtedness; common stock, preferred stock, and all other forms of equity capital; investments in stocks and equity capital may not exceed 33 1/3 per cent of the unappropriated surplus as of the end of the previous fiscal year.

* Sec. 2. AS 37.10 is amended by adding a new section to read:

Sec. 37.10.075. DEPOSIT OF STATE FUNDS. (a) When the commissioner of revenue determines that there are funds in the state treasury which are not being used for the purposes provided for in sec. 70 of this chapter, they may be deposited in financial institutions. Collateral may be required by the commissioner to secure state deposits provided for under this section.

(b) The banks in which state funds are deposited under a time deposit agreement shall pay at least a minimum interest rate to be fixed by the Department of Revenue, and this interest when paid shall be deposited in the general fund or in the other funds which are established by law.

(c) Nothing in this section prohibits the Department of Revenue from depositing the funds which it considers necessary for the proper conduct of the office in solvent banks outside the state under the terms and conditions provided in this section.

(d) The Department of Revenue may deposit funds in banks inside or outside the state in active accounts or on demand deposits without requiring those banks in which the accounts are deposited to pay interest on the deposits. It is the intention of the legislature that the department shall keep active deposits in any bank it considers

Chapter 206

deserving, and that, to partially compensate the banks for cashing state warrants in their regular course of business, no interest shall be paid on the deposits.

(e) Banks holding state deposits shall, as a condition of retaining those deposits, submit all information concerning the deposits and other relevant matters that may be requested by the commissioner.

* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

-4-

Approved by governor: June 11, 1970
Actual effective date: June 12, 1970

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: S B 211
 Title: Old Timers Bill
 Requested by: Genie Chance Date: 4/12/72
 Return Date Requested: 4/11/72
 Agency: Div. of Family & Children Svcs. Program: Old Age Assistance
 e

II. FISCAL DETAIL

Budget Request Unit(s) Affected:
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	180,000	198,000	217,800	239,600	263,600	290,000
TOTAL	180,000	198,000	217,800	239,600	263,600	290,000

B. FUNDING: (Thousands of dollars)

GENERAL FUND	180,000	198,000	217,800	239,600	263,600	290,000
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	na /	na /	na /	na /	na /	na /
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

If, as has been requested, the Division of Family and Children Services were to raise assistance standards under Title I Social Security Act, to a maximum of \$350 to accommodate S. B. 211, the fiscal impact on the Division would be slight. It is anticipated that 150 persons that have income but do not have 30 years of residency would cost the State \$15,000 per month or \$180,000 per year. By raising the Title I standard, no current Old Age Assistance recipient would be disenfranchised from any current program of the Division, namely Food Stamps and medical care.

IV. ATTACHMENTS

V. DATE: 4/12/72 PREPARED BY: [Signature]

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HOUSE JOURNAL

HEALTH, WELFARE AND EDUCATION COMMITTEE

REPORT ON CSSB 211

The Health, Welfare and Education Committee, in cooperation with subcommittees from the Judiciary and the State Affairs committees, held two work sessions on CSSB 211. Participating in the work sessions also were representatives from the Department of Law, the Department of Administration, the Department of Revenue and the Department of Health and Social Services.

There were three basic questions we were trying to answer: (1) How to provide that those presently receiving assistance would receive the bonus in addition to their present assistance; (2) Is CSSB 211 constitutional; and (3) What would be the most appropriate method of funding.

The first question was answered by adding a statement of legislative intent to CSSB 211 directed at the Department of Health and Social Services, which is responsible for the administrative action necessary to assure that present recipients benefit from the Alaska Longevity Bonus. This statement of intent will become a footnote to the statute, according to the revisor of statutes.

The second question was never fully answered by the Attorney General, who cited recent U.S. Supreme Court decisions related to residency requirements, and who concluded his letter by stating that the Alaska Longevity Bonus Act would be more difficult to defend in court than it would have been two years ago. However, in the absence of a statement from the Attorney General that it was, in fact, unconstitutional, the committee accepted the fact that it could be presumed constitutional until and if it is struck down by a future court ruling.

The third question is actually a prerogative of the Finance Committee. However, the Health, Welfare and Education Committee investigated the subject thoroughly with the assistance of the Departments of Administration, Revenue and Law.

The Department of Revenue pointed out that removing \$100 million from the general fund would cause additional losses to the general fund in the form of interest earned, which in turn would be re-invested and earn additional interest. This would result in an estimated loss of investment income to the general fund of more than \$6 million. The majority of the committee is deeply concerned about the immediate effect an appropriation of \$100 million from the general fund would have on both investment revenue and the liquidity balances of the fund.

The committee is also committed to the necessity of assuring that the Alaska Longevity Bonus Fund be established in such a manner that it be continually viable and not be threatened with repeal if and when the time ~~arrives that the state might need the \$100 million and its earnings for broader applications.~~ Consequently, the committee reviewed alternative methods of funding the Alaska Longevity Bonus Fund which were presented by the Department of Revenue.

Of the available alternatives, the majority of the

HOUSE JOURNAL

committee recommends a 0.55% tax on wages and salaries of individuals within Alaska, which would produce \$5,500,000 per year, with an effective date of July 1, 1972.

An additional change was made in CSSB 211 at the request of Department of Revenue. This was to replace the restrictive language in Section 47.45.120 (custody and investment) with the language presently included under AS 37.10.070, which gives greater flexibility for investment and would provide greater earnings to the Alaska Longevity Bonus Fund.

Genie Chance

Genie Chance
Chairman



RECORDS



CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

March 27, 1971

SENATE

_____ Date

Mr. President:

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ CHAIRMAN

HENRY M. JACKSON, WASH., CHAIRMAN
CLINTON P. ANDERSON, N. MEX.
ALAN BIBLE, NEV.
FRANK CHURCH, IDAHO
FRANK E. MOSS, UTAH
QUENTIN N. BURDICK, N. DAK.
GEORGE MCGOVERN, S. DAK.
LEE METCALF, MONT.
MIKE GRAVEL, ALASKA
GORDON ALLOTT, COLO.
LEN B. JORDAN, IDAHO
PAUL J. FANNIN, ARIZ.
CLIFFORD P. HANSEN, WYO.
MARK O. HATFIELD, OREG.
TED STEVENS, ALASKA
HENRY BELLMON, OKLA.

JERRY T. VERKLER, STAFF DIRECTOR

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

SB-215

April 13, 1971

Dear Fellow Alaskan:

We would like to invite you to attend the Alaska Native Housing Conference to be held in Anchorage on Sunday afternoon, April 25, at 1:00 p.m. in the Anchorage Westward Hotel. We are on the threshold of a housing program in Alaska which holds the potential for not only meeting the urgent need for housing in rural Alaska but, equally as important, is of the magnitude which could support the development of an increased Alaskan housing industry.

Our Alaskan program is a part of the President's National Indian Program. Better Indian and Native housing is a key element of this, and over the next five years 30,000 new units have been committed by the federal government to accomplish this national goal. This means an average of 6,000 units annually. Alaska's first share in this new initiative in FY 1972 is 1,200 new homes. And, if we can prove our ability to develop model village subdivisions for these homes, we can expect continued allocations from the Indian housing program. This could mean about \$25 million each year in new rural housing for our state.

The key federal agencies involved are the Department of Housing and Urban Development, which has committed the 1,200 units to Alaska; the Indian Health Service, which can provide most of the funding for the water and sewer needs; and the BIA, which can provide technical assistance and planning funds for the program. In Alaska, the Alaska Federation of Natives, with their 12 regional Native associations, is currently planned to

be the prime sponsor. The AFN will work through the Alaska State Housing Authority and with private contractors, financial institutions, and labor organizations. If Alaskan industry can be mobilized to construct these 1,200 new homes, we will experience a significant expansion in housing activity in the state which will be a real help to our lagging economy.

The purpose of the conference is to describe this new housing program and explore how its initial goal of 1,200 new units may best be met to the advantage of Alaska's economy. We welcome and urge your attendance. We also invite you to join us at a no-host luncheon at 1:00 p.m. at the Westward preceding the 2:00 p.m. meeting.

Please let Mrs. Barbara Andrews in Senator Stevens' Anchorage office (telephone 907 272-9561) know by April 22nd if you will attend and how many others will accompany you. (Alternate phone: Washington, D. C., Mrs. Gloria Britt, (202 225-3004).

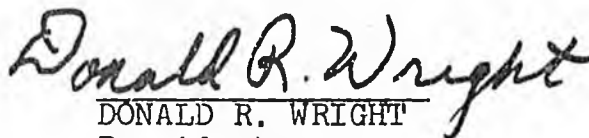
We hope we will see you there.

With best wishes,

Cordially,



TED STEVENS
United States Senator
for Alaska



DONALD R. WRIGHT
President
Alaska Federation
of Natives

P.S. Time was short and we felt the need for calling this conference extremely urgent: so we decided not to take the extra time which would be required to write a personal letter of invitation to each of you. We hope you'll understand and realize that we do hope you will attend.

Original sponsors: Christiansen, Groh,
Hammond and Hensley

Offered: 4/20/71
Referred: Rules

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 215

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating Regional Native Housing Authorities;
7 and providing for an effective date."

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

9 * Section 1. AS 18.55 is amended by adding new sections to read:

10 ARTICLE 5. REGIONAL NATIVE HOUSING AUTHORITIES.

11 Sec. 18.55.995. PURPOSE AND INTENT. The legislature finds that
12 an acute shortage of housing and related facilities exists in the
13 villages of Alaska and that adequate housing cannot be provided by the
14 private sector due to the economic depression which exists in most
15 villages of Alaska. It is the purpose and intent of the legislature
16 to provide a means for certain Native associations to form public
17 corporations with the powers and duties comparable to the Alaska State
18 Housing Authority for the specific purpose of implementing the
19 President's National Indian Program for Indian Housing, under which
20 the State of Alaska share initially will be 1,200 new homes in 1972,
21 in the remote housing program.

22 Sec. 18.55.996. CREATION OF AUTHORITIES. (a) The following
23 associations are given the authority specified in (b) of this section:

- 24 (1) Arctic Slope Native Association (Barrow and Point Hope)
25 (2) Bering Straits Association (Seward Peninsula, Unalakleet,
26 St. Lawrence Island)
27 (3) Northwest Alaska Native Association (Kotzebue)
28 (4) Association of Village Council Presidents (southwest
29 coast of Alaska including all villages in the Bethel area and all

1 villages on the Lower Yukon River and Lower Kuskokwim River)

2 (5) Tanana Chiefs Conference (Koyukuk, the middle and upper
3 Yukon River villages and the upper Kuskokwim and Tanana River villages)

4 (6) Cook Inlet Association (Kenai, Tyonek, Ektutna and
5 Iliamna)

6 (7) Bristol Bay Native Association (Dillingham, Upper Alaska
7 Peninsula)

8 (8) Aleut League (Aleutian Islands, Pribiloff Islands and
9 that part of the Alaska Peninsula which is in the Aleut League)

10 (9) Chugach Native Association (Cordova, Tatitlek, Port
11 Graham, English Bay, Valdez and Seward)

12 (10) Tlingit Haida Central Council (Southeastern Alaska
13 including Metlakatla)

14 (11) Kodiak Area Native Association (all villages on and
15 around Kodiak Island)

16 (12) Copper River Native Association (Copper Center, Glenn-
17 allen, Chitina and Mentasta)

18 (13) Alaska Federation of Natives, Inc.

19 (b) There is created with respect to each of the associations
20 named in (a) of this section a public body corporate and politic to
21 function in the operating area of the individual associations to be
22 known as the regional housing authority of the associations which are
23 agencies of the state possessing all powers, rights and functions now
24 or subsequently specified for the Alaska State Housing Authority, under
25 the Alaska State Housing Authority Act (secs. 10 - 290 of this chapter)
26 except those specified with respect to the construction and acquisition
27 of public buildings for lease to the state or any subsequently speci-
28 fied authority which is inconsistent with sec. 995 of this chapter.

29 (c) A housing authority created by this section may not transact

1 business or exercise powers granted to it until the governing body of
2 the named association has, by proper resolution, declared that there is
3 a need for the authority to function, gives it the authority to function
4 and has named its commissioners as provided under (d) of this section.

5 (d) The governing body of the association in question shall,
6 after determining that they wish to have a regional Native housing
7 authority, appoint five persons to serve as the board of commissioners
8 of the authority. The term of office of each member is for three years
9 except that of the commissioners first appointed, one shall serve for
10 a term of one year and two shall serve for a term of two years. Vacan-
11 cies shall be filled by the governing body of the association in
12 question.

13 (e) Questions arising as to jurisdiction and boundary disputes as
14 a result of the jurisdictional lines set out by (a) of this section
15 shall be resolved by the governing board of the Alaska Federation of
16 Natives.

17 Sec. 18.55.997. CONSTRUCTION. Secs. 995 and 996 of this chapter
18 do not relieve the Alaska State Housing Authority of its responsibility
19 for its present programs or for its financial obligations under these
20 programs.

21 * Sec. 2. This Act takes effect on July 1, 1971.
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HOUSE JOURNAL

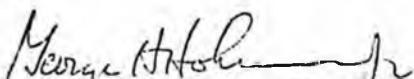
HOUSE FINANCE COMMITTEE REPORT

on

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 215 am

The committee on finance has had Committee Substitute for Senate Bill No. 215 under consideration and the majority of the members of the committee recommend that it be replaced with HOUSE FINANCE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 215 and that the House Committee Substitute do pass.

Briefly, the changes in the House Committee Substitute are designed to assure that the obligations and liabilities of the regional housing authorities shall remain with the authority and shall not become obligations or liabilities of the state. This assurance was effected through deletion of language that would have made the various individual associations "agencies of the state." Also deleted, as unnecessary and perhaps confusing, was a section reaffirming the responsibilities of the Alaska State Housing Authority for its present programs.


George Hohman, Chairman
House Finance Committee

Original sponsors: Christiansen, Groh,
Hammond and Hensley

~~Offered: 4/20/71~~
~~Referred: Rules~~

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 *House: 25/71* CS FOR SENATE BILL NO. 215

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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7 and providing for an effective date."

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15 villages of Alaska. It is the purpose and intent of the legislature
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17 corporations with the powers and duties comparable to the Alaska State
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26 except those specified with respect to the construction and acquisition
27 of public buildings for lease to the state or any subsequently speci-
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29 All obligations or liabilities of the regional housing authorities
shall remain their own and shall not be obligations or liabilities

1 (c) A housing authority created by this section may not
2 transact
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10 of the authority. The term of office of each member is for three years
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17 shall be resolved by the governing board of the Alaska Federation of
18 Natives.
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21 * Sec. 2. This Act takes effect on July 1, 1971.
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CIRCULAR

HPMC-FHA 7580.1

November 2, 1970

Cancellation
Date:

SUBJECT: Indian Employment, Training, and Economic Benefits from
Public Housing Development

1. PURPOSE. This Circular sets forth the HUD policy, authorities and requirements relating to proposals by Indian tribes and their local housing authorities to make special provision for Indian employment, training, and economic benefits in connection with the development of HUD-assisted public housing. This Circular shall apply to proposals by Indian housing authorities involving the waiver or variation of annual contributions contract and other HUD requirements to achieve such ends.

2. BACKGROUND.

a. Federal law. Section 3 of the Housing and Urban Development Act of 1968 provides:

"In the administration by the Secretary of HUD of programs providing direct financial assistance in aid of housing * * * the Secretary shall--

(1) require, in consultation with the Secretary of Labor, that to the greatest extent feasible opportunities for training and employment arising in connection with the planning and carrying out of any project assisted under any such program be given to low income persons residing in the area of such projects; and

(2) require, in consultation with the Administrator of the Small Business Administration, that to the greatest extent feasible contracts for work to be performed in connection with any such project be awarded to business concerns, including but not limited to individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the area of such project. (underscoring supplied)

Distribution: O-1, F-2, R-1,
R-5, W-3-1

HUD-Wash., D. C.

In addition, the special treatment accorded Indians living on or near reservations because of the special Federal interest and responsibility in the promotion of employment opportunities for them is reflected in Title VII (Equal Employment Opportunity) of the Civil Rights Act of 1964. Section 701(b) of that Act excludes Indian tribes (as well as Federal, State, and local governments) from the nondiscrimination requirements of Title VII. In addition, Section 703(d) of that Act provides:

"Nothing contained in this title shall apply to any business or enterprise on or near an Indian reservation with respect to any publicly announced employment practice of such business or enterprise under which a preferential treatment is given to any individual because he is an Indian living on or near a reservation." (underscoring supplied)

- 1819
- b. President's Indian Policy. The President's July 8, 1970, Message to the Congress set forth the Administration's policies and legislative proposals in the field of Indian Affairs. In addition to increasing economic and social development program accomplishments, the President proposed that Indian tribes be given the right by statute to take over and operate (without the necessity of approval by any Federal official) any of the programs (including the related Federal funds which would continue to be appropriated without penalty because of such takeover) operated on their reservation by the Bureau of Indian Affairs and the Indian Health Service. In general, the Message indicated a clear Federal policy of maximum cooperation with and reliance on Indian tribes in the application of Federal assistance programs to their needs.
 - c. State law. With the current exception of those in the states of Oklahoma, Maine, and Texas, Indian housing authorities are authorized and created by tribal ordinance independent of state law. If an Indian housing authority was authorized and established under state law, any pertinent requirements of that state's laws must be considered and complied with in connection with any proposal described in paragraph 1 above from such housing authority.

3. HUD RESPONSE TO INDIAN HOUSING AUTHORITY PROPOSALS.

- a. Adequacy of regular requirements and procedures. In some cases, the employment, training, and economic benefit objectives of an Indian housing authority's proposal may be satisfied by proper application of the provisions of paragraphs 3(c)(2)(e) and 4 of the Low-Rent Housing Turnkey Handbook, RHA 7420.1. Where Area Directors or Regional Administrators (or their

IRA

- (4) The project site is on an Indian reservation or on land owned in trust by the United States for the tribe or individual Indians.
- (5) If an Indian or tribal developer or contractor is to be selected on a preferential basis, any subcontracting to non-Indian contractors will be accomplished in such a manner as to assure that the arrangement is not in fact or appearance one in which the Indian or tribal organization is a front for the purpose of obtaining a contract for the non-Indian developer or contractor.
- (6) The Indian housing authority's proposal and the final arrangement to be approved by HUD shall have the concurrence of the tribal council or other executive committee or official authorized to provide such concurrence.

AFV

The provisions of this Circular should be brought to the attention of each Indian housing authority by the appropriate Area Director or Regional Administrator.

11/70

e 4

Wash., D. C.

This provides an example of one employment preference provision for Indians and is not to be considered as the acceptable type of provision.

The Instructions to Bidding could include a provision such as the following:

"Employment Preference to Local Indian Residents

The attention of bidders is directed to Section _____ of the Special Conditions which, in accordance with established employment practices of the Local Authority, and as permitted in Section 703(i) of Title VII of the Civil Rights Act of 1964, requires the Contractor and each of his subcontractors to give preference in the hiring of workers for the project to qualified Indians living on or near the reservation. A list furnished by the _____ [tribal] Housing Authority setting out laborers and mechanics entitled to such preference, together with the trades or skills represented, will be furnished to all bidders by the _____ Housing Authority."

In line with the foregoing, the Special Conditions of the construction contract would include a provision such as the following:

"Employment Preference to Local Residents

The Contractor and each of his subcontractors shall give preference in the hiring of workers for the project to qualified local Indian residents. The term "local Indian residents" means Indians living on or near the reservation whose names appear on a List furnished to the Contractor by the _____ Housing Authority. Upon initial hiring and whenever a job opening occurs thereafter, the Contractor or subcontractor shall give written notice of such opening to the President of the Tribal Council of the _____ Tribe, stating the time when, and the local place where, job applications will be accepted. Except in cases of emergency, no one other than a local Indian resident shall be hired for any job until 48 hours (not counting Saturdays and Sundays) following the delivery of such notice to the President. The Contractor or subcontractor shall have the right to reject the application

Attachment A

for valid reason, or to terminate the employment, of any local Indian resident, but in either such event, the Contractor or subcontractor shall within three days send a written statement of the reasons for such action to the President of the _____ Tribe. Nothing contained herein shall require the displacement of a non-Indian employee because a local Indian resident becomes available after such employee had been hired for the project"

Deputies) determine such is the case, no special provision need be made under the terms of this Circular.

- b. Inclusion of special requirements in Invitations for Bids, Construction Contracts, Invitations for Turnkey Proposals, and Contracts of Sale. In some cases, the Area Director or Regional Administrator (or their Deputies) may determine the need for and approve such modification of normal procedures and requirements as is necessary to achieve the employment, training, and economic benefit objectives of an Indian housing authority's proposal. However, any such modifications must be in accord with the requirements of subparagraph (d) below. Such modifications may include the addition of specific language to the Invitation for Bids, Construction Contract, Invitation for Turnkey Proposals, and Contract of Sale requiring the provision of preferential employment, training, and economic benefits for local Indian residents. An example of one type employment preference provision is attached to this Circular.
- c. Waiver of Competitive Bidding and Advertising Requirements. Area Directors and Regional Administrators (and their Deputies) are authorized to waive the provision of Section 109(B) of Part Two of the Annual Contributions Contract to permit the negotiation of a Construction Contract or Contract of Sale in exceptional cases where he determines that such action is the only way of achieving the employment, training, and economic benefit objectives of the Indian housing authority and such action will be consistent with the requirements of subparagraph (d) below.
- d. Additional requirements upon which approvals must be based. Approval by the Area Director or Regional Administrator (or their Deputies) of any waivers or modifications under subparagraphs (b) and (c) above shall be made only where he has determined that:
- (1) There is no reason to expect that such approval will result in a higher HUD-assisted development cost than if the regular requirements or procedures were followed.
 - (2) All developers and contractors located on or owned in substantial part by residents of the Indian reservation or the housing authority's area of operation are given an equal opportunity to meet any special employment, training, and economic benefit requirements to be approved.
 - (3) All potential Indian employees and trainees living on or near the reservation shall be provided equal opportunity under any preferential employment or training practice.

Original sponsors: Christiansen, Groh,
Hammond and Hensley

Offered: 4/30/71
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 215

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

7 For an Act entitled: "An Act creating Regional Native Housing Authorities;
8 and providing for an effective date."

9

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

10

* Section 1. AS 18.55 is amended by adding new sections to read:

11

ARTICLE 5. REGIONAL NATIVE HOUSING AUTHORITIES.

12

13 Sec. 18.55.995. PURPOSE AND INTENT. The legislature finds that
14 an acute shortage of housing and related facilities exists in the
15 villages of Alaska and that adequate housing cannot be provided by the
16 private sector due to the economic depression which exists in most
17 villages of Alaska. It is the purpose and intent of the legislature
18 to provide a means for certain Native associations to form public
19 corporations with the powers and duties comparable to the Alaska State
20 Housing Authority for the specific purpose of implementing the
21 President's National Indian Program for Indian Housing, under which
22 the State of Alaska's share initially will be 1,200 new homes in 1972,
in the remote housing program.

23

24 Sec. 18.55.996. CREATION OF AUTHORITIES. (a) The following
associations are given the authority specified in (b) of this section:

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(1) Arctic Slope Native Association (Barrow and Point Hope)

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(2) Bering Straits Association (Seward Peninsula, Unalakleet,

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St. Lawrence Island)

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(3) Northwest Alaska Native Association (Kotzebue)

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(4) Association of Village Council Presidents (southwest

coast of Alaska including all villages in the Bethel area and all

1 villages on the Lower Yukon River and Lower Kuskokwim River)

2 (5) Tanana Chiefs Conference (Koyukuk, the middle and upper
3 Yukon River villages and the upper Kuskokwim and Tanana River villages)

4 (6) Cook Inlet Association (Kenai, Tyonek, Eklutna and
5 Iliamna)

6 (7) Bristol Bay Native Association (Dillingham, Upper Alaska
7 Peninsula)

8 (8) Aleut League (Aleutian Islands, Pribiloff Islands and
9 that part of the Alaska Peninsula which is in the Aleut League)

10 (9) Chugach Native Association (Cordova, Tatitlek, Port
11 Graham, English Bay, Valdez and Seward)

12 (10) Tlingit-Haida Central Council or Alaska Native Brother-
13 hood (Southeastern Alaska including Metlakatla)

14 (11) Kodiak Area Native Association (all villages on and
15 around Kodiak Island)

16 (12) Copper River Native Association (Copper Center, Glenn-
17 allen, Chitina and Mentasta)

18 (13) Alaska Federation of Natives, Inc.

19 (b) There is created with respect to each of the associations
20 named in (a) of this section a public body corporate and politic to
21 function in the operating area of the individual associations to be
22 known as the regional housing authority of the associations possessing
23 all powers, rights and functions now or subsequently specified for
24 the Alaska State Housing Authority, under the Alaska State Housing
25 Authority Act (secs. 10 - 290 of this chapter) except those specified
26 with respect to the construction and acquisition of public buildings
27 for lease to the state or any subsequently specified authority which is
28 inconsistent with sec. 995 of this chapter. All obligations or
29 liabilities of the regional housing authorities shall remain their own

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and shall not be obligations or liabilities of the state.

(c) A housing authority created by this section may not transact business or exercise powers granted to it until the governing body of the named association has, by proper resolution, declared that there is a need for the authority to function, gives it the authority to function and has named its commissioners as provided under (d) of this section.

(d) The governing body of the association in question shall, after determining that they wish to have a regional Native housing authority, appoint five persons to serve as the board of commissioners of the authority. The term of office of each member is for three years except that of the commissioners first appointed, one shall serve for a term of one year and two shall serve for a term of two years. Vacancies shall be filled by the governing body of the association in question.

(e) Questions arising as to jurisdiction and boundary disputes as a result of the jurisdictional lines set out by (a) of this section shall be resolved by the governing board of the Alaska Federation of Natives.

* Sec. 2. This Act takes effect on July 1, 1971.