

# **DOT&PF's Proposed Bill for Relocation Assistance Program Compliance**

The purpose of this proposed bill is to bring Alaska's statutes into compliance with new Federal law. When right of ways are acquired for public transportation purposes Federal law requires the Department to compensate property owners for the value of the property and provide relocation benefits to displaced families, businesses, and farms. Under the Federal initiative known as MAP-21, our funding partners have made it easier to qualify and increased the maximum relocation assistance available to these affected parties. Benefits paid to Alaskan families and businesses for this program are eligible for Federal participation.

## **Possible Q & A**

### **Q: What is the "Uniform Act"?**

**A:** The Uniform Relocation Assistance and Real Property Acquisition Policies Act (Public Law 91-645, 84 Stat. 1894, as amended) is a Federal requirement to treat all affected parties fairly and equitably. It is a directive on how to compensate property owners and displaced parties when we acquire property for public transportation purposes. We are required to comply with the Act to receive Federal funds on our projects. These projects currently amount to about \$730 million annually in Federal participation (and countless jobs). (Formally described as, "An Act to provide for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal and federally-assisted programs and to establish uniform and equitable land acquisition policies for federal and federally-assisted programs.")

There are two major components to the Uniform Act: acquisition and relocation. This bill addresses only relocations. Alaskans will still be paid fairly for property that must be acquired for transportation projects. This bill only allows for added payments to help relocate eligible, displaced parties after acquisition.

### **Q: When was the last statute update?**

**A:** Alaska enacted AS 34.60.010-.150 in 1971 shortly after the federal government's creation of the relocation assistance program. Having an equivalent state statute is one of the requirements for a State to receive a delegated authority to independently administer the federal program.

Before MAP-21 the Federal government last updated the provisions of the relocation assistance payments in the 1980s. An update was necessary to help keep pace with inflation and other rising costs related to assisting displaced Alaskan families, businesses, and farms in their relocations.

**Q: Are there further changes required as a result of the FAST Act?**

No, the FAST Act did not amend these provisions of federal law.

**Q: Why are you removing the maximums (writing blank checks)?**

**A:** When we must displace families and businesses for public transportation projects we are required to comply with Federal law, treating everyone equitably under the Uniform Act. It is costly to have to come back to the Legislature for specific authorization to follow the Federal law. Doing so causes delays and hardships on displaced families while we are out of compliance. Being out of compliance, even for a short period of time, jeopardizes our relationship with our funding partners, putting our entire program at risk. These projects currently amount to about \$730 million annually in Federal participation (and countless jobs). In light of these issues the Department of Law's Legislation and Regulations Section drafted our bill in this way, adding the purpose statement in Section 1 for just this reason.

**Section 1521 (MAP-21) contains the following significant changes:**

- **Increases maximum reestablishment expense payment**
  - from \$10,000 to \$25,000
- **Increases maximum amount of the fixed payment for nonresidential moves**
  - from \$20,000 to \$40,000
- **Increases maximum purchase price differential for homeowners**
  - from \$22,500 to \$31,000
- **Increases maximum rental supplement for 90-Day Tenants**
  - from \$5,250 to \$7,200
- **Changes the occupancy requirement for owner-occupants**
  - from 180 days to 90 days
- **Treats 90- and 180-day+ owner-occupants the same with regard to mortgage differential eligibility**
  - In this case Alaska will be ahead of the Federal government. It is widely believed that this anomaly was an oversight in the Federal law and that we will likely see a Federal amendment to address this discrepancy. Alaska, following other states such as Arizona, Louisiana, and Ohio, will be ahead of the curve so that we do not have to come back to the legislature for another minor change to stay in compliance with Federal law. Three states have enacted laws similar to Alaska's slightly more generous (and more consistent) proposal: Arizona, Louisiana, and Ohio. Our federal funding partners have agreed to participate in these added payments for these states where the more generous payments are in State law. Preliminary discussions with our federal funding partners appear to indicate that our funding partners are likely treat Alaska similarly and participate in these payments.

**Q: Why do you have a “zero” fiscal note? Isn't there some cost to the State?**

**A:** It is incredibly difficult to estimate the impact of this bill because it will be affected by project prioritization, funding availability, and design. Our projects continuously design

and redesign projects to help minimize impact to Alaskan families and Alaskan businesses, speed up project delivery, and keep costs down. It is true that the Federal government pays ~90% of our capital project costs and the State picks up the balance through capital funds. However, we generally try to avoid total acquisitions and related relocations whenever possible because they are costly, time-consuming, and have a real impact on Alaskan families and businesses.

**Q: Won't this bill just make it easier for you to expand your eminent domain takings of my constituents' properties?**

**A:** No, this bill only addresses relocation reimbursements and not acquisitions. Authorizing higher payments to displaced Alaskan families and businesses would have no bearing on how we design projects. It is our general practice to minimize our impact on Alaskan families and Alaskan businesses; speed up project delivery; and keep costs down. This bill would simply authorize us to maximize the amount of federal dollars due to eligible Alaskans relocated for the purpose of facilitating mission-critical transportation projects.

**Q: Why do we need a State law to do what's right/follow Federal law?**

**A:** We already have this statute in place and it is out of date. We must update our existing statutes to come into compliance with the new Federal law. We need to maintain within our statutes the authority to follow Federal law. We also need to clearly communicate to our funding partners our interpretation and intended compliance with their requirements.

**Q: Why not simply repeal our outdated statute and just follow Federal law without our own statute?**

**A:** We need to maintain within our statutes the authority to follow Federal law. We also need to clearly communicate to our funding partners our interpretation and intended compliance with their requirements.

**Q: Why hasn't this already been done?**

**A:** Federal actions are lagging. The Federal government passed MAP-21 in 2012 and made the relevant provisions effective October 2014. The delay was intended to provide time for the Federal government to update the related Code of Federal Regulations, which was only just released in November 2016. We attempted to pass this update last year to be ready for the release from the federal government. After clearing all referred committees and the House, the bill stalled on the Senate Floor in favor of more pressing business (primarily related to Alaska's fiscal matters).