

Introduced: 8/31/64  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 1

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a program of grants to  
7 homeowners whose property was destroyed or  
8 severely damaged by the effects of the  
9 earthquake of March 27, 1964; and providing  
10 for an effective date."

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

12 \* Section 1. INTENT OF ACT. It is the intention of the  
13 legislature that the State of Alaska cooperate with the federal  
14 government in establishing a program to retire or adjust out-  
15 standing home mortgage obligations or other real property liens  
16 secured by one to four family dwellings which were destroyed or  
17 severely damaged in the earthquake of March 27, 1964 and subse-  
18 quent seismic waves and to comply with the requirements of Section  
19 57 of the "1964 Amendments to the Alaska Omnibus Act." Doubt as  
20 to the proper construction of a provision of this Act shall be  
21 resolved in favor of conformity with the provisions of the Alaska  
22 Omnibus Act of 1964 and the manifest intent of Congress.

23 \* Sec. 2. PURPOSE. (a) It is determined and declared as a  
24 matter of legislative finding that

25 (1) a large number of one to four family homes that  
26 were severely damaged or destroyed in the March 1964 earthquake  
27 and subsequent seismic waves were owned subject to substantial  
28 mortgages and other liens;

29 (2) the damage to family homes in many cases exceeded

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1 60 per cent of the pre-earthquake value of the homes;

2 (3) that no federal or state programs exist to relieve  
3 the economic hardship suffered by the home owners although such  
4 programs do exist in many cases to assist other individuals and  
5 businesses;

6 (4) the President of the United States is authorized  
7 by Section 57 of the "1964 Amendments to the Alaska Omnibus Act"  
8 to make additional grants to the state in an amount up to  
9 \$5,500,000 to match, on a fifty-fifty basis, any funds provided  
10 by the state to pay costs of retiring and adjusting such mortgage  
11 obligations;

12 (5) the absence of an effective program for relief of  
13 said mortgagors threatens to depress a substantial portion of the  
14 economy of the state and several municipalities within the state;

15 (6) the absence of an effective program for relief of  
16 said mortgagors will make it impossible for great numbers of  
17 individuals to rebuild their homes which will result in an exodus  
18 of solid citizens from the state and decrease the economy and the  
19 tax base of the state and certain municipalities at all levels;

20 (7) the absence of an adequate program for relief of  
21 mortgagors creates conditions contrary to the public interest  
22 which threaten, or may threaten, the health, safety, welfare,  
23 comfort, and security of the citizens of the state;

24 (8) an adequate program for relief of mortgagors will  
25 permit substantial rebuilding that would otherwise not be done  
26 and thus stabilize the economy of the state;

27 (9) an adequate plan for relief will stimulate the  
28 economy of the state by making available \$5,500,000 of federal  
29 matching funds on a grant basis and is both necessary and

1 desirable and in the best interests of the public welfare;

2 (10) as a result of the 1964 earthquake and subsequent  
3 seismic waves there is an aggravated housing shortage in several  
4 areas of the state that were affected by the earthquake and  
5 seismic waves and an adequate relief program will greatly contri-  
6 bute to the rebuilding of homes that were severely damaged or  
7 destroyed;

8 (11) there is a definite need for relief in the state  
9 for mortgagors who have lost their homes but still are burdened  
10 by substantial mortgages.

11 (b) Therefore, it is the policy of the state to promote the  
12 health, safety, and welfare of its citizens by the creation of an  
13 agency to implement Section 57 of the "1964 Amendments to the  
14 Alaska Omnibus Act" by using federal grants and state matching  
15 money to relieve mortgagors whose homes were severely damaged or  
16 destroyed in the 1964 earthquake and subsequent seismic waves.  
17 The implementation of this program will stabilize the population  
18 of the state and stimulate and improve the economy and increase  
19 the tax base of the state and municipalities affected by the 1964  
20 earthquake. These purposes are considered necessary and are  
21 public purposes for which public money may be spent.

22 \* Sec. 3. POWERS AND DUTIES. (a) The commissioner of com-  
23 merce may make grants to mortgagors for the purpose of retiring  
24 or adjusting mortgage obligations or other real property liens  
25 secured by one to four family dwellings which were destroyed or  
26 damaged in the earthquake and seismic waves of March 27, 1964.

27 (b) The commissioner of commerce or his duly authorized  
28 agent shall:

29 (1) prepare a plan to be submitted by the Governor to

1 the President of the United States for the implementation of the  
2 purpose of Section 57 of the "1964 Amendments to the Alaska  
3 Omnibus Act";

4 (2) enact rules and regulations and do all other things  
5 necessary to effectuate the purpose of this Act;

6 (3) hire, define the duties, and fix the compensation  
7 of personnel necessary to effectuate the purposes of this Act;

8 (4) make reports in the form and containing the in-  
9 formation required by the federal government;

10 (5) allow the federal government access to all records  
11 pertaining to the purposes of this Act;

12 (c) Personnel hired under this Act shall be exempt from the  
13 State Personnel Act (AS 39.25.010 - 220).

14 (d) Rules and regulations promulgated under this Act shall  
15 not be subject to the Administrative Procedures Act.

16 (e) The commissioner of commerce may take title to property  
17 that is subject to this Act and may transfer property acquired  
18 under this Act to further the purposes of the program established  
19 under this Act.

20 \* Sec. 4. GRANTS. Mortgagors whose property was severely  
21 damaged or destroyed in the earthquake of March 27, 1964, and  
22 subsequent seismic waves may make application for relief under  
23 this Act on or before March 31, 1965. Grants shall be approved  
24 only if the physical damage to the one to four family dwellings  
25 securing the home mortgage obligation or other real property  
26 lien amounts to 60 per cent or more of the pre-earthquake value  
27 of the secured property. Pre-earthquake value means the fair  
28 market value of the property on March 27, 1964 but before the  
29 earthquake. The mortgagor shall be required to absorb the

1 physical damage loss to the entire extent of his equity interest  
2 in the property and also agree to pay up to \$1,000 of the out-  
3 standing mortgage balance. No grant shall exceed \$30,000 on a  
4 single property. Where the land on which the earthquake-damaged  
5 properties were located has been destroyed or altered so drasti-  
6 cally as to render the site unacceptable as a location for future  
7 structures, the commissioner of commerce may require the transfer  
8 of title to the state in order to facilitate urban land stabiliza-  
9 tion and other community action. The commissioner of commerce  
10 shall assure equal treatment among home owners and prevent un-  
11 justified payments or gains to mortgagors or mortgagees. The  
12 decision of the commissioner to approve or disapprove a grant is  
13 final and no appeal from his decision may be taken to any court.

14 \* Sec. 5. A person who makes a false statement or misrepre-  
15 sentation knowing it is false or who knowingly fails to disclose  
16 a material fact, to obtain an increase of payment under the pro-  
17 gram established pursuant to this Act, either for himself or  
18 another person, upon conviction, is punishable by a fine of not  
19 more than \$10,000, or by imprisonment for not more than one year,  
20 or both. Each false statement or misrepresentation or failure  
21 to disclose a material fact is a separate offense.

22 \* Sec. 6. This Act takes effect on the day after its passage  
23 and approval or on the day it becomes law without such approval.  
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