

Introduced: 3/5/73  
Referred: State Affairs  
and Finance

1 IN THE SENATE

BY RAY AND MELAND

2 SENATE BILL NO. 187

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a capital relocation reparations  
7 fund and Capital Relocation Reparations Board; and  
8 providing for an effective date."

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

10 \* Section 1. AS 44 is amended by adding a new chapter to read:

11 CHAPTER 58. CAPITAL RELOCATION REPARATIONS FUND.

12 Sec. 44.58.010. PURPOSE. It is the purpose of this chapter to  
13 provide for the payment of reparations and compensation to persons  
14 suffering economic loss as the direct result of action by the state  
15 in removing the state capital from its present location in Juneau to  
16 another location in the state.

17 Sec. 44.58.020. CAPITAL RELOCATION REPARATIONS FUND. (a) There  
18 is a capital relocation reparations fund, administered by the Capital  
19 Relocation Reparations Board.

20 (b) Subject to the restrictions of (c) of this section, the board  
21 may, without additional legislative authorization, expend for any fiscal  
22 year not more than \$20,000,000 of the assets of the capital relocation  
23 reparations fund to provide relief for economic loss to applicants  
24 approved by the board.

25 (c) The board shall present to the legislature an annual account-  
26 ing of the funds expended from the capital relocation reparations fund.

27 Sec. 44.58.030. CAPITAL RELOCATION REPARATIONS BOARD. (a) There  
28 is the Capital Relocation Reparations Board in the Office of the  
29 Governor composed of three members to be appointed by the governor.

1 One of the members shall be designated as chairman by the governor. At  
2 least one member shall be a licensed real estate broker or appraiser  
3 familiar with property valuation methods and at least one member shall  
4 be qualified in the field of accounting and the appraisal of businesses.

5 (b) The term of office of each member of the board is three years,  
6 except that of the members first appointed, one shall be appointed for  
7 a term of three years, one for a term of two years, and one for a term  
8 of one year. All vacancies, except for the expiration of term, shall  
9 be filled for the unexpired term only.

10 (c) Each member of the board is eligible for reappointment and  
11 serves at the pleasure of the governor.

12 (d) Members of the board receive no salary, but are entitled to  
13 per diem and travel expenses authorized by law for other boards.

14 (e) The board may appoint one or more hearing officers, who shall  
15 be graduates of an accredited law school, to conduct hearings and take  
16 testimony in proceedings under this chapter, but final determination  
17 of any application shall be made by the board. A hearing officer  
18 acting under this section shall report his findings of fact and con-  
19 clusions of law to the board, together with the reason for the findings  
20 and conclusions. The board shall act only after consideration of the  
21 report and other evidence which it considers appropriate.

22 (f) The board may appoint and fix the duties of personnel neces-  
23 sary to carry out its functions under this chapter.

24 Sec. 44.58.040. APPLICATION FOR COMPENSATION. (a) A person who  
25 may be eligible for compensation under this chapter may make an applica-  
26 tion to the board. If the person entitled to make application is a  
27 minor, the application may be made on his behalf by his parent or  
28 guardian. If the person entitled to make application is mentally  
29 incompetent, the application may be made on his behalf by his parent,

1 guardian or other individual authorized to administer his estate.

2 (b) In order to be eligible for compensation under this chapter,  
3 the applicant shall, before a hearing on an application under this  
4 chapter, submit reports, appraisals, or other written evidence, if  
5 available, tending to indicate the amount of financial or economic loss  
6 suffered by the applicant and the amount of the compensation sought.

7 Sec. 44.58.050. HEARINGS. (a) Upon application made under the  
8 provisions of this chapter, the board shall fix a time and place for a  
9 hearing and shall give notice to the applicant.

10 (b) For the purpose of carrying out the provisions of this chapter,  
11 the board or its hearing officer may hold the hearings, sit and act at  
12 the times and places, and take the testimony that it or he considers  
13 advisable. The board or its hearing officer may administer oaths or  
14 affirmations to witnesses. The board has full powers of subpoena and  
15 compulsion of attendance of witnesses and production of documents, but  
16 no subpoena shall be issued except under the signature of a member of  
17 the board. Applications to a court for aid in enforcing the subpoena  
18 may be made in the name of the board only by a board member. Subpoenas  
19 are served by any person designated by the board.

20 (c) The applicant and any other person having a substantial inter-  
21 est in a proceeding may appear and be heard, produce evidence and cross-  
22 examine witnesses in person or by an attorney. The board or its hearing  
23 officer also may hear other persons who in its or his judgment may have  
24 relevant evidence to submit.

25 (d) Admissibility of evidence is governed by the Administrative  
26 Procedure Act (AS 44.62).

27 (e) Orders and decisions of the board shall be final.

28 Sec. 44.58.060. ATTORNEY FEES. The board may, as part of an  
29 order entered under this chapter, determine and allow reasonable

1 attorney fees, which shall not exceed 15 per cent of the amount awarded  
2 as reparations under sec. 80 of this chapter, to be paid in addition  
3 to the amount of the reparations, to the attorney representing the  
4 applicant. It is unlawful for the attorney to ask for, or receive a  
5 larger sum than the amount allowed in the award.

6 Sec. 44.58.070. REGULATIONS. In the performance of its functions,  
7 the board is authorized to make, rescind, and amend regulations pre-  
8 scribing the procedures to be followed in the filing of applications  
9 and proceedings under this chapter and other matters the board considers  
10 appropriate.

11 Sec. 44.58.080. REPARATIONS PAYMENTS. (a) The board may make  
12 reparations awards under this chapter to any person, including but not  
13 limited to individuals, businesses or municipalities, who establishes  
14 actual economic loss as the direct result of the relocation of the state  
15 capital to a location removed from its present site at Juneau.

16 (b) State employees, resident in Juneau, who are transferred or  
17 required to move to a new location in the state as the direct result of  
18 the movement of the capital are entitled to be reimbursed for all  
19 ordinary and necessary expenses of moving themselves and their families  
20 and households to the new location, including but not limited to travel  
21 expenses, cost of transportation of household goods, cost of settling  
22 an existing lease or disposing of an owned residence in Juneau, cost  
23 of temporary lodging, and the cost of locating suitable housing in the  
24 new location.

25 (c) Persons owning real property located in Juneau, or in the  
26 immediate vicinity of Juneau, who suffer economic loss as the result  
27 of decrease in real property values directly related to the relocation  
28 of the capital are entitled to be reimbursed for the reduction in the  
29 value of their property, measured by the difference between the appraised

1 or assessed value in the year before the decision by the legislature  
2 or by the voters of the state to relocate the capital, and the appraised  
3 or assessed value at the time the application is submitted to the board.

4 (d) Privately owned business, commercial and professional enter-  
5 prises, whether proprietorship, partnership or corporation, located in  
6 or serving the Juneau area, are entitled to be reimbursed for the  
7 direct loss in the value of the enterprise resulting from relocation  
8 of the capital. Direct business losses shall be determined by com-  
9 parison of the average gross receipts of the business before and after  
10 the relocation, as reflected on the Alaska business license tax returns  
11 for the previous five years, or by other acceptable evidence of gross  
12 business receipts for the period.

13 (e) Publicly or privately owned utilities located in or serving  
14 the Juneau area are entitled to be reimbursed for actual losses result-  
15 ing from decreased demand for services directly related to relocation  
16 of the capital, including losses resulting from required cancellation  
17 of programmed improvements or expansions of facilities for which expendi-  
18 tures have been made or committed.

19 (f) Municipalities, including the City and Borough of Juneau, are  
20 entitled to be reimbursed for actual losses to the municipality inci-  
21 dent to the removal of the capital from Juneau, including but not  
22 limited to the reduction in revenues from sales tax, property tax,  
23 licenses and fees, and from municipal services, decreases in state aid  
24 allocated on a per capita basis, loss in value of municipally owned  
25 property, and losses related to municipal bonded indebtedness, including  
26 defaults on special assessments, increases in the effective interest  
27 rate required for the sale of municipal bonds, or inability to market  
28 municipal bonds.

29 Sec. 44.58.090. CONSOLIDATION OF CLAIMS. (a) An applicant

1 making an application for reparations payment shall include in the  
2 application all claims for losses incurred up to the time of filing the  
3 application. An economic loss of an amount known or susceptible of  
4 being determined, incurred before the date of the application and not  
5 included and claimed in the application is waived.

6 (b) Losses incurred by an applicant after the filing of the appli-  
7 cation, or unknown or undeterminable at the date of filing the initial  
8 application may be claimed in a supplemental application.

9 Sec. 44.58.100. LIMITATION ON AWARD. (a) No order for the  
10 payment of reparations under sec. 80 of this chapter may be made unless  
11 the application has been made within two years of the realization of a  
12 compensable loss through the sale of the property on which the loss  
13 was incurred or by the incursion of compensable expenditures.

14 (b) No order for the payment of reparations may be made under  
15 this chapter unless the application has been made not more than 10 years  
16 after the first convening of the legislature at a permanent location  
17 removed from Juneau.

18 Sec. 44.58.110. FALSE CLAIM. A person who knowingly makes a  
19 false claim under this chapter is guilty of a misdemeanor and upon con-  
20 viction is punishable by a fine of not more than \$1,000, or by imprison-  
21 ment for not more than one year, or by both.

22 Sec. 44.58.120. AUTHORIZATION FOR APPROPRIATION. The legislature  
23 is authorized to appropriate to the capital relocation reparations  
24 fund in any one fiscal year the amount of money collected in the pre-  
25 ceding fiscal year from the capital relocation reparations taxes levied  
26 under AS 43.47.

27 \* Sec. 2. This Act takes effect 90 days after the effective date of an  
28 Act removing the capital of the state to a location other than Juneau or on  
29 the date that removal of the state capital to a location other than Juneau

is submitted to and approved by the voters of the state.

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