

Introduced: 4/17/85  
Referred: State Affairs,  
Judiciary and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 384

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to relocation assistance and real  
7 property acquisition practices; and providing for an  
8 effective date."

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

10 \* Section 1. AS 34.60.010 is amended to read:

11 Sec. 34.60.010. PURPOSE. The purpose of this chapter is to  
12 establish a uniform policy for the fair and equitable treatment of  
13 persons displaced as a result of public [FEDERALLY ASSISTED] programs  
14 in order that the displaced persons will not suffer disproportionate  
15 injuries as a result of programs designed for the benefit of the  
16 public as a whole.

17 \* Sec. 2. AS 34.60.020 is amended to read:

18 Sec. 34.60.020. STATE AGENCIES TO ESTABLISH PROGRAM. State  
19 agencies shall establish and provide the means for implementing a  
20 program providing fair and reasonable relocation and other payment for  
21 persons displaced as a result of [FEDERALLY ASSISTED] activities  
22 undertaken by state agencies, to carry out relocation assistance  
23 programs for persons displaced, and to provide payments to persons  
24 displaced as a result of acquisition of real property for activities  
25 of state agencies.

26 \* Sec. 3. AS 34.60.040(a) is amended to read:

27 (a) When the acquisition of real property for a [FEDERALLY AS-  
28 SISTED] program or project undertaken by a state agency will result in  
29 the displacement of a person on or after the effective date of this

1 Act [JANUARY 2, 1971], the state agency responsible for the program or  
2 project shall make payment to the displaced person, upon proper appli-  
3 cation as approved by the state agency, for

4 (1) actual reasonable expenses in moving the person, the  
5 person's [HIMSELF, HIS] family, business, farm operation, or other  
6 personal property;

7 (2) actual direct losses of tangible personal property as a  
8 result of moving or discontinuing a business or farm operation, but  
9 not to exceed an amount equal to the reasonable expenses that would  
10 have been required to relocate the property as determined by the state  
11 agency; and

12 (3) actual reasonable expenses in searching for a replace-  
13 ment business or farm.

14 \* Sec. 4. AS 34.60.090(a) is amended to read:

15 (a) When the acquisition of real property for a program or proj-  
16 ect undertaken by a state agency [FOR A FEDERALLY ASSISTED PROGRAM OR  
17 PROJECT UNDERTAKEN BY THE STATE AGENCY] will result in the displace-  
18 ment of a person on or after the effective date of this Act [JANUARY  
19 2, 1971], the state agency shall provide a relocation assistance  
20 advisory program for displaced persons which offers the services  
21 described in (c) of this section. If the state agency determines that  
22 a person occupying property immediately adjacent to the real property  
23 acquired is caused substantial economic injury because of the acquisi-  
24 tion, it may offer the occupant relocation advisory services under  
25 this program.

26 \* Sec. 5. AS 34.60.120 is amended to read:

27 Sec. 34.60.120. UNIFORM REAL PROPERTY ACQUISITION POLICY. A  
28 state agency or other entity acquiring real property for any project  
29 or program [IN WHICH FEDERAL OR FEDERAL-AID FUNDS ARE USED] shall to

1 the greatest extent practicable comply with the following policies:

2 (1) Every reasonable effort shall be made to expeditiously  
3 acquire real property by negotiation.

4 (2) Real property shall be appraised before the initiation  
5 of negotiations, and the owner or the owner's [HIS] designated repre-  
6 sentative shall be given an opportunity to accompany the appraiser  
7 during the appraiser's [HIS] inspection of the property.

8 (3) Before the initiation of negotiations for real proper-  
9 ty, an amount shall be established which is reasonably believed to be  
10 just compensation for the real property and that amount shall be  
11 offered for the property. In no event shall the amount be less than  
12 the approved appraisal of the fair market value of the property. A  
13 decrease or increase in the fair market value of real property before  
14 the date of valuation caused by the public improvement for which the  
15 property is acquired or by the likelihood that the property would be  
16 acquired for the improvement, other than that due to physical deterio-  
17 ration within the reasonable control of the owner, will be disregarded  
18 in determining the compensation for the property. The owner of the  
19 real property to be acquired shall be provided with a written state-  
20 ment of, and a summary of the basis for, the amount established as  
21 just compensation.

22 (4) No owner may be required to surrender possession of  
23 real property before the state agency concerned pays the agreed pur-  
24 chase price or deposits with the court in accordance with applicable  
25 law, for the benefit of the owner, an amount not less than the ap-  
26 proved appraisal of the fair market value of the property, or the  
27 amount of the award of compensation in the condemnation proceeding for  
28 the property.

29 (5) The construction or development of a public improvement

1 shall be so scheduled that, to the greatest extent practicable, no  
2 person lawfully occupying real property may be required to move from a  
3 dwelling (assuming a replacement dwelling will be available) or to  
4 move the person's [HIS] business or farm operation, without at least  
5 90 days' written notice of the date by which the move is required.

6 (6) If an owner or tenant is permitted to occupy the real  
7 property acquired on a rental basis for a short term or for a period  
8 subject to termination by the state agency on short notice, the amount  
9 of rent required shall not exceed the fair rental value of the prop-  
10 erty to a short-term occupier.

11 (7) In no event may the time of condemnation be advanced or  
12 negotiations or condemnation and the deposit of funds in court for the  
13 use of the owner be deferred, nor any other coercive action be taken  
14 in order to compel an agreement on the price to be paid for the prop-  
15 erty.

16 (8) If an interest in real property is to be acquired by  
17 exercise of the power of eminent domain, formal condemnation proceed-  
18 ings shall be instituted. The acquiring state agency shall not inten-  
19 tionally make it necessary for an owner to institute legal proceedings  
20 to prove the fact of the taking of the owner's [HIS] real property.

21 (9) If the acquisition of only part of the property would  
22 leave its owner with an uneconomic remnant, an offer to acquire the  
23 entire property shall be made.

24 \* Sec. 6. AS 34.60.135 is amended to read:

25 Sec. 34.60.135. PLANNING LOANS FOR ADDITIONAL HOUSING. In  
26 addition to the other programs authorized by this chapter, a state  
27 agency may make loans in order to encourage and facilitate the con-  
28 struction or rehabilitation of housing to meet the needs of displaced  
29 persons. These loans are a part of the [FEDERALLY ASSISTED] project

1 cost and may be made to nonprofit, limited dividend, or cooperative  
2 organizations or public bodies. The loans may be made only for neces-  
3 sary and reasonable expenses, before construction, for planning and  
4 obtaining federally insured mortgage financing for the rehabilitation  
5 or construction of housing for displaced persons. The loans may not  
6 exceed 80 percent of the reasonable costs expected to be incurred in  
7 planning, and in obtaining financing for housing for displaced per-  
8 sons. Reasonable costs include but are not limited to costs for  
9 preliminary surveys and analysis of market needs, preliminary archi-  
10 tectural fees, site acquisition, application and mortgage commitment  
11 fees, and construction loan fees and discounts. Loans to an orga-  
12 nization established for profit shall bear interest at a market rate  
13 established by the state agency. All other loans shall be without  
14 interest. The state agency shall require repayment of loans made  
15 under this section, under terms and conditions established by the  
16 state agency. Repayment shall be made upon completion of the project  
17 or sooner, and except in the case of a loan to an organization estab-  
18 lished for profit, the state agency may cancel any part or all of a  
19 loan following a determination by the state agency that a permanent  
20 loan to finance the rehabilitation or construction of the housing  
21 cannot be obtained in an amount adequate for repayment of the loan.

22 \* Sec. 7. AS 34.60.137 is amended to read:

23 Sec. 34.60.137. HOUSING REPLACEMENT ASSISTANCE AS LAST RESORT.  
24 If a [FEDERALLY AIDED] program or project cannot proceed to actual  
25 construction because comparable replacement sale or rental housing is  
26 not available, and the state agency determines that this [HIS] housing  
27 cannot otherwise be made available, the agency may take action neces-  
28 sary or appropriate to provide the housing by use of funds authorized  
29 for the project.

1 \* Sec. 8. AS 34.60.150(2) is amended to read:

2 (2) "displaced person" means any person who[, ON OR AFTER  
3 JANUARY 2, 1971] moves from real property, or moves the person's [HIS]  
4 personal property from real property, as a result of the acquisition  
5 of the real property, in whole or in part, or as a result of the  
6 written order of the state agency to vacate real property, for a  
7 program or project undertaken by the state agency, and solely for the  
8 purpose of AS 34.60.040(a) and 34.60.090, as a result of the acquisi-  
9 tion of, or as a result of the written order of a state agency to  
10 vacate other real property on which the person conducts a business or  
11 farm operation for the program or project;

12 \* Sec. 9. AS 34.60.150(6) is amended to read:

13 (6) "state agency" means a department, agency, instrumentality,  
14 corporate authority of the state, or a political subdivision of  
15 the state, or a department, agency, instrumentality or authority of  
16 two or more political subdivisions of the state participating in land  
17 acquisition [FEDERALLY ASSISTED] programs.

18 \* Sec. 10. This Act takes effect July 1, 1986.