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STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Rec'd
FEB 22 1983

Bill No: HB 180 Page 1 of 2 Date on Bill: 2/9/83
Title: "An act relating to eligibility for Veteran's Interest Rates"
Sponsor: Liska et al
Requestor: House Special Committee on Loans

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital	-0-			
Operating	-0-			
Total	-0-			

b. Revenues:

Revenue				

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

On July 27, 1982, the Board of Directors of Alaska Housing Finance Corporation adopted a resolution doing away with the one year and five year residency requirement for veterans that is currently in the statutes. The resolution was based on an Attorney General's opinion dated July 14, 1982, which stated that the U.S. Supreme Court's decision in the Zobel case made the residency requirements in 18.56.101 constitutionally defective.

AHFC would suggest the AG's office be contacted regarding the definition and parameters of "resident" as used in 18.56.

It is difficult to measure the financial impact caused by the expansion of the group of widows and widowers of veterans as the Corporation has no way of determining potential applicants who have not been eligible in the past. A review of previous lending activity to widows and widowers, as currently allowed, suggests the proposed change in eligibility will have an insignificant fiscal impact on the Corporation.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Mary Reifed, Spec. Asst.
Division: Comm. Office

Phone: 465-2300
Date: 2/22/83

Approved by Commissioner: Kathleen O'Brien
Department: Revenue

Date: 2/22/83

HB 100 TITLE & SPONSOR SUMMARY

14:42 5/22/84 PAGE 1 OF 3

AMENDED TITLE:

AN ACT RELATING TO ELIGIBILITY FOR VETERANS' INTEREST RATES ON LOANS MADE UNDER THE SPECIAL MORTGAGE LOAN PURCHASE PROGRAM (AS 19.56.098) BY THE ALASKA HOUSING FINANCE CORPORATION

GENERAL DOLLARS: \$0 (F. NOTE)

PRIME SPONSOR: LISKA.

OTHER DOLLARS: \$0

CO-SPONSORS: BUSSELL, FLOOD, FRITZ, LACHER, LINDAUER, PESTINGER, PHILLIPS, TISCHER, UEHLING, WARD, FURNACE, BARNES.

CURRENT STATUS: 5/17/83 IN (C) LABOR & COM REFERRAL: FINANCE

HB 100 HOUSE ACTION 14:42 5/22/84 PAGE 2 OF 3

LEGISLATIVE ACTION

DATE	SEQ	PAGE	ACTION
02/09/83	01	0213	FIRST READING -- COMMITTEE REPORTS
02/23/83	02	0322	LOAN -- DP04
02/23/83	03	0322	LOANS CMTE ZERO F/NOTE
04/12/83	04	0821	FIN -- DP08, NR02
05/15/83	05	1364	RLS -- DP06, NR02
			TAKEN UP IMMEDIATELY
05/16/83	06	1365	SECOND READING
05/16/83	07	1365	ADVANCED TO 3RD READING BY UNAN CONSENT
05/16/83	08	1365	THIRD READING
05/16/83	09	1365	PASSED BY DIV 38-00-02
***	**	**	*** *** ***

HB 100 SENATE ACTION 14:42 5/22/84 PAGE 3 OF 3

LEGISLATIVE ACTION

DATE	SEQ	PAGE	ACTION
05/17/83	10	0998	FIRST READING -- COMMITTEE REPORTS
			LABOR & COMMERCE
			FINANCE
			RULES
***	**	**	*** *** ***

Alaska State Legislature
House of Representatives

John J. Liska

While in Session
Pouch V
Juneau, Alaska 99811
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Home - District 15
P.O. Box 421
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Official Business

PROPOSED AMENDMENTS
House Bill 180
April 26, 1983

Because of the continuing legal questions about residency, and in keeping with the opinion presented by the Attorney General, I would like to offer the following amendments to House Bill 180:

- 1) On page 1, delete lines 19 through 29, Subsections (A) and (B)
- 2) On page 2, line 5, place a semicolon (;) after the word "state". Delete everything after the semicolon through the end of of line 6.

These amendments would eliminate references to residency requirements which are now in question.

John J. Liska
Representative - District 15

BY LISKA, BUSSELL, FLOOD, FRITZ,
LACHER, LINDAUER, PESTINGER,
PHILLIPS, TISCHER, UEHLING, WARD,
FURNACE AND BARNES

1 IN THE HOUSE

2

HOUSE BILL NO. 180

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to eligibility for veterans' interest rates on loans made under the special mortgage loan purchase program (AS 18.56.098) by the Alaska Housing Finance Corporation."

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

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* Section 1. AS 18.56.101 is amended to read:

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Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. (a)

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The following persons are eligible veterans for the purposes of AS 18.56.098(g) and (h):

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(1) a person who served in the armed forces of the United States for 90 days or more, or whose service was for less than 90 days because of injury or disability incurred in the line of duty, after April 6, 1917,

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(A) who at the time of induction into the service was a resident of the territory or state, who had been a resident for not less than one year immediately before [HIS] induction, and who returned to the territory or state within one year after discharge as a resident with the intention of remaining in the territory or state; or

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(B) who, not being a bona fide resident of the territory or state at the time of entry into the service, has been a resident of the territory or state for at least one year at the time of the loan application [AND HAS BEEN A RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST FIVE YEARS]; and

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1 (C) whose discharge was under honorable conditions;

2 (2) the widow or widower of a member of the armed forces or
3 of a [AN ELIGIBLE] veteran if

4 (A) the member or veteran was a resident of the terri-
5 tory or state; for at least one year before the death of the
6 member or veteran [INDUCTION INTO THE SERVICE];

7 (B) the member or veteran served in the armed forces
8 for at least 90 days after April 6, 1917; and

9 (C) in the case of a widow or widower of a veteran,
10 the veteran's [HIS] discharge was under honorable conditions;

11 (3) a person who has served in the Alaska Army National
12 Guard, the Alaska Air National Guard, or the Alaska Naval Militia or
13 who has served in a reserve unit of the United States armed forces in
14 Alaska if the reserve unit required, as a minimum, one weekend each
15 month of duty and 15 consecutive days of active duty training each
16 year for not less than five years and whose discharge was under honor-
17 able conditions.

18 * Sec. 2. AS 18.56.101 is amended by adding a new subsection to read:

19 (b) In this section

20 (1) "widow or widower of a member of the armed forces"
21 means the widow or widower of a person who died while serving in the
22 armed forces; and

23 (2) "widow or widower of a veteran" means the widow or
24 widower of a person who was a veteran of the armed forces at the time
25 of death.

Alaska State Legislature
House of Representatives

While in Session
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Official Business

John J. Liska

Home - District 15
P.O. Box 421
Eagle River, Alaska 99577
(907) 688-2526

February 21, 1983

TO: House Special Committee on State Loans, Rick Uehling, Chairman

FROM: John J. Liska, Representative - District 15 *JL*

SUBJECT: House Bill 180, "An Act relating to eligibility for Veterans' interest rates on loans made under the special mortgage loan purchase program (AS 18.56.098) by the Alaska Housing Authority."

Briefly, House Bill 180 has been introduced in order to provide widows and widowers of Veterans a more equitable statute protecting their rights and eligibility for veteran's rates on mortgage loans.

According to the current statute referenced above, Section 18.56.101, widowers and widows of eligible veterans are required to fulfill one more eligibility requirement than their spouses, ie., they are required to have been married to veterans who resided in the State of Alaska at least one year prior to their induction into the services. This was not necessarily a requirement for the veteran himself (herself).

The intent of this Bill as introduced, is to allow the widow or widower of an eligible veteran to more equitably inherit the mortgage loan benefits earned by his or her spouse.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Bill Sheffield, Governor

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

February 22, 1983

Honorable Rick Uehling
Representative
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: HB 180 (veterans' loans)

Dear Representative Uehling:

This is a response to your February 16 request for our review of HB 180 "to determine the legality of the residency requirement in the bill." In fact, the bill does not impose any residence requirements at all. Rather, it would amend AS 18.-56.101 to delete a five-year residence requirement for eligibility for special veterans' interest rates on Alaska Housing Finance Corporation (AHFC) loans. The bill leaves unchanged several other one-year residence requirements for eligibility for the same program.

In our view, the deletion of the five-year residence requirement does not raise any legal or constitutional problems. On the other hand, while reasonable arguments can be raised in defense of the remaining one-year residence requirements, we believe a much safer approach would be to substitute a subjective bona fide residence test with a durational presence requirement of 30 days. However, in light of the fact that no residence requirement whatsoever is imposed on nonveteran applicants for AHFC loans, even a 30-day requirement for veterans may be difficult to successfully defend.

We have enclosed a copy of our July 14, 1982 opinion which concludes that the current one-year residence requirements could not withstand constitutional scrutiny. See specifically pages 22 -- 26 of that opinion.

We are currently working with the governor's office on legislation to eliminate the vulnerable residence requirements

Honorable Rick Uehling
Representative

February 22, 1983
Page 2

now on our statute books.

Please contact this office again if we can provide you
further assistance.

Sincerely yours,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 

Peter B. Froehlich
Assistant Attorney General

PBF:eja

Enclosure:

ALASKA

STATE LEGISLATURE

MEMORANDUM

*Support
Back-up*

February 18, 1983

TO: House Special Committee on State Loans, Rick Uehling,
Chairman

FROM: John J. Liska, Representative - District 15 *JJL*

SUBJECT: House Bill 180, "An Act relating to eligibility for
Veterans' interest rates on loans made under the special
mortgage loan purchase program (AS 18.56.098) by the
Alaska Housing Authority."

The following authorities have reviewed this proposed bill:

Denna Cline, AHFC, Anchorage:

Only 4 women were turned down for Veteran's Rates Home Loans in 1982 and January of 1983. These widows were not eligible under the existing statute. Ms. Cline's experience leads her to believe that the fiscal impact of this proposed legislation would be negligible.

- * Trish Hurley Smith, Executive Director, Anchorage Board of Realtors
- * Mark Korting, President, Realtors Political Action Committee

* See Attached Telegram

TELEGRAM

ALASCOM, INC.
PHONE: 486-6442
JUNEAU, AK 99802

Realtor

FEB 21 PM 5 00

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PMS REPRESENTATIVE JOHN LISKA

POUCH V

1279

JUNEAU AK 99811

ALASKA ASSOCIATION OF REALTORS PRESIDENT MARK KORTING AND
LEGISLATIVE CHAIRMAN JESS COOK HAVE REVIEWED HB130 AND THEY
SUPPORT THE RESIDENCY REQUIREMENT CHANGE FROM 5 YEARS TO 1
YEAR AND THE INCLUSION OF WIDOWS AND WIDOWERS UNDER STATE
VETERAN ELIGIBILITY PROVISIONS. THANK FOR YOU THIS OPPORTUNITY
TO COMMENT.

TRISH HURLEY SMITH EXECUTIVE OFFICER

ANCHORAGE BOARD OF REALTORS