

HB

131

<TARGET><BILL>HB 131</BILL><SUBJECT>HB
131</SUBJECT><COMM>HTRA30</COMM></TARGET>



30th Alaska State Legislature

House Transportation Committee

Co-Chairs:

Rep. Louise Stutes
Rep. Adam Wool

Members:

Rep. Matt Claman
Rep. Harriet Drummond
Rep. Chuck Kopp
Rep. Mark Neuman
Rep. Colleen Sullivan-
Leonard
Rep. Gabrielle LeDoux *alt*

Committee Aides:

Matt Gruening
State Capitol 406
907-465-3271

Laura Stidolph
State Capitol 412
907-465-6879

Committee Email:

htra@akleg.gov

House Bill 131 Sponsor Statement

"An Act relating to relocation assistance for federally assisted public construction and improvement projects and programs; and providing for an effective date."

House Bill 131 would allow an increase of the maximum relocation benefits available to a person or a business displaced by federally assisted projects and programs. In 2012, Congress passed the Moving Ahead for Progress in the 21st Century Act, aka MAP-21 Act which, among other things, increased the maximum relocation benefits available under 42 U.S.C. 4601 – 4655 (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970), which are payable to a person or business displaced by a federally assisted project or program. The bill proposes to provide these increased federal benefits to Alaskans and Alaska businesses.

Further, the bill would provide that a displaced person or business in the state would be retroactively eligible for an increased federal maximum benefit for relocation expenses incurred after October 1, 2014, which is when the increased maximum federal benefit became available.

In summary, HB131 is a federal compliance bill which assures Alaskans that their legislature wants them to be compensated the same as a resident of any other state. It is important to compensate Alaskans fairly in those circumstances when the design of a federally-funded highway, bridge, or facilities project requires that the State must acquire private property and reimburse individuals for their relocations expenses.

Thank you for your support of this legislation.

*If you have any questions please contact House Transportation Committee Aide,
Laura Stidolph (907) 465-4976.*

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 131
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB131-DOT-DES-2-17-17
Title: RELOCATION ASSISTANCE FOR FED.
PROJ/PROG
Sponsor: TRANSPORTATION
Requester: (H) TRA

Department: Department of Transportation and Public Facilities
Appropriation: Design, Engineering and Construction
Allocation: Statewide Design and Engineering Services
OMB Component Number: 2357

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: <u>Mike Lesmann</u>	Phone: <u>(907)465-4772</u>
Division: <u>Commissioner's Office</u>	Date: <u>02/17/2017 02:05 PM</u>
Approved By: <u>Amanda Holland</u>	Date: <u>02/17/17</u>
Agency: <u>DOT&PF</u>	

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2017 LEGISLATIVE SESSION**

BILL NO. HB 131

Analysis

HB 131 brings the state into compliance with federal law, ensuring Alaskan families, business, and farms that relocated due to a federally-funded project on their land are compensated to the maximum amount possible. This bill increases the amount of compensation that can be paid to an individual. The increased relocation costs will be absorbed within existing capital program funding, therefore the department is submitting a zero fiscal note.

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).



612 W. Willoughby Ave., Suite B
P.O. Box 21989, Juneau, AK 99802
Phone (907) 586-4351

www.seconference.org

Email info@seconference.org

SOUTHEAST ALASKA REGIONAL DEVELOPMENT ORGANIZATION

March 6, 2018

Honorable Representative Adam Wool, Co-Chair
Honorable Louise Stutes, Co-Chair
House Transportation members
Alaska State Legislature
State Capital
Juneau, AK 99801

Re: Next steps for AMHS Reform – statutory changes

Dear Co-Chairs and House Transportation committee members:

Southeast Conference and our statewide steering committee and stakeholders are so appreciative for the opportunity last month to present the update on our 2-year project to identify solutions for the Alaska Marine Highway System. The strategic business and operations plan provides guidance on governance changes and operational strategies that can bring a more businesslike mindset to the transportation enterprise.

We understand that the continued public process will likely take a couple of years to refine and enact. Our goal is to work with the Dept. of Transportation to institute changes to the greatest extent possible until statutory efforts can be implemented.

On behalf of the statewide steering committee, we would respectfully request that the House Transportation committee sponsor the first bill that would establish the Alaska Marine Highway Corporation.

We look forward to working with the committee during upcoming hearings to consider the bill and subsequent amendments that would transform the Alaska Marine Highway System into a viable and more reliable component of the State's intermodal transportation system.

Sincerely,

Robert Venables
Executive Director
Southeast Conference

