

Leg. Finance - Finance Comte Files (1971-72) 8879
HB 282 cont., 296, 260, 263am, 296

That is the purpose of House Bill No. 282, to provide enabling legislation to conform to the requirements of the Federal act and to allow agencies of the State of Alaska administering Federally assisted programs to implement uniform guidelines.

Following is a section by section analysis of the proposed legislation as compared with the provisions in the present law with major differences noted:

SECTION

(Sec. 44.81.010)

(Sec. 44.81.020)

(Sec. 44.81.030)

(Sec. 44.81.040)

MAJOR DIFFERENCES

No policy statement in present law.

Section 19.35.010 in present law.

Major difference is to establish a program for all state agencies. Present Law applies to highway activities only.

Section 19.35.020 of present law applies only to Highway activities. The present law also authorizes the highway department to establish local relocation advisory assistance offices on the projects.

Section 19.35.030 of present law. HB 282 adds the payment for actual direct losses of tangible personal property. Adds payment for actual reasonable expenses in searching for a replacement business or farm. Increases the moving expense allowance from \$200 to \$300 and the dislocation allowance from \$100 to \$200, and

(Sec 44.81.050)

increases the "in lieu of moving costs" payment to business from a maximum of \$5,000 to a minimum of \$2,500 and a maximum of \$10,000. Section 19.35.040(a) of present law. H.B. 282 increases the replacement housing payment from a maximum of \$5,000 to \$15,000 which will include a payment for increase interest costs on a new mortgage and closing costs, not including prepaid expenses. The required ownership time has been decreased from one year to 180 days. The present law authorized the payment to the owner of a "single-two-or-three family dwelling." Any structure having more dwelling units was considered a business. H.B. 282 provides the payment for any owner occupied dwelling.

(Sec. 44.81.060)

Section 19.35.040(b) of present law. H.B. 282 increases the amount of payment from a maximum of \$1500 over a two year period to a maximum of \$4,000 over a four year period. The increased amount (maximum of \$4,000) may also be used as a down payment including closing costs, except that if the

downpayment exceeds \$2,000 the claimant must equally match any amount in excess of \$2,000.

(Sec. 44.81.070)

Sec. 19.35.050 of present law. Substantially the same except H.B. 282 provides that the mortgage must be a valid lien on the property for not less than 180 days prior to start of negotiations.

(Sec. 44.81.080)

No provision was made for payment of these expenses under present law.

(Sec 44.81.090)

Sec. 19.35.060 of present law. H.B. 282 is substantially the same with the major difference being that if the state agency determines a person occupying property immediately adjacent to the real property acquired is caused substantial economic injury, the agency may offer relocation advisory assistance. H.B. 282 also provides that all State agencies shall cooperate to the maximum extent feasible to insure that the displaced person receives the maximum assistance available to them.

(Sec. 44.81.100)

Sec. 19.35.090 of present law. No Change except effective date.

(Sec. 44.81.110)

Sec. 19.35.080 of present law. No change.

(Sec. 44.81.120)

No provisions in present law. However, all procedures outlined in HB 282 are presently complied with by the Highway Department through our own internal policies and procedures.

(Sec. 44.81.130)

No provisions in present law. However, provisions outlined are standard operational procedure of our Department.

(Sec 44.81.140)

Sec 19.35.070 of present law. No change, except the increase of the moving expense schedule from \$200 to \$300.

(Sec. 44.81.150)

Sec. 19.35.100 of present law. No major changes except that HB 282 eliminates a person who moves "in reasonable expectation of the acquisition of the real property" as a displaced person under the definition.

*Section 2

Chapter 35 (Relocation Assistance) of Title 19 (Highways and Ferries) is repealed and re-enacted as this proposed legislation under Title 44 (State Government)

*Section 3

It is recommended that the provisions of this act be retroactive to January 2,

1971 to conform to the Federal Law
which was effective on that date.

*Section 4

No comment

In enacting the "Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970" the Federal Government has provided that all payments made in accordance with the provisions of the law will be 100% Federally financed until July 1, 1972. This is added incentive for the States to enact this much needed enabling legislation. However, failure to comply with the relocation provisions of the Federal law will jeopardize Federal participation of any project involving displacement of people. Therefore, it is imperative that HB 282 be enacted into law as soon as possible.

PAYMENTS

EXISTING LAW
TITLE 19, CHAPTER 35

Moving Expenses
Individual & Family

19.35.030
Actual or up to \$200 by
schedule + \$100 dislocation
allowance

Business & Farm

Actual or if put out of
business up to \$5000 as
supplemental payment

Supplemental Housing
Payment for owners

19.35.040(a)
Up to \$5000 if owner:
a) owns at least one year
b) building is triplex or
less

Supplemental Housing
Payments for tenants
and other owners not
qualified above

19.35.040(b)
Up to \$1500 to be used as
two years' rent or as down
payment.

Litigation Expenses

No provision

H.B. 282

44.51.040

Actual or up to \$300 by
schedule + \$200 dislocation
allowance

Actual or if put out of
business a minimum of \$2500,
a maximum of \$10,000 plus
payment for personal property
loss during move and cost of
searching for replacement
space.

44.81.050

Up to \$15,000 which can include
added interest cost and closing
costs if owner:

- a) owns at least 180 days
- b) is any owner-occupied
dwelling structure

44.81.060

Up to \$4000 to be used as four
years' rent or down payment
(owner matches everything over
\$2000 when used for down pay-
ment.)

44.81.080

State pays condemnation expenses
of owner if:

- a) State can't prove necessity
- b) State abandons suit
- c) Owner wins inverse condemnation
suit.

CHANGE

Raises maximum of schedule
payment and increases
dislocation allowance

Increases allowable payment.
Sets minimum. Adds personal
property loss and cost of
looking for replacement
space.

Increases maximum payment and
adds increased interest costs
and closing costs. Decreases
ownership time. Makes any
dwelling unit eligible.

Increases payment and rental
period. Provides for matching
funds by owner on down payment
over \$2000.

MEMORANDUM

State of Alaska

TO: Representative George H. Hohman
Chairman, House Finance Committee
Alaska State Legislature

DATE: March 31, 1971

ATTN: Representative Tom Fink

FILE NO: 00-3077

FROM: B. A. Campbell
Commissioner
Department of Highways

SUBJECT: House Bill 282
Replacement Housing

file

out file



The question has been raised as to disposition of any replacement housing constructed by the Highway Department under the authority of House Bill 282. Federal regulations setting forth procedures to implement the law have not been finalized as yet. However, it is our opinion that the language of the law and the interim guidelines issued by the federal government indicate that the department will be allowed to construct and subsequently transfer ownership and management to other agencies such as Alaska State Housing Authority or, if necessary, to sell the improvement to private enterprise.

We wish to reaffirm that actual construction by the department will only be undertaken as a last resort, and after construction the replacement housing will be transferred to ASHA, HUD, other governmental organizations, or sold to private enterprise, and this department will not subsidize renters for more than four years as outlined in Section 44.81.060. All possibilities of having the housing constructed expeditiously under other federal or state housing programs or through private industry will first be exhausted.

We assume that the federal government will require reimbursement of its prorata share of any proceeds received from the transfer or sale of the improvements. This assumption is based on present requirements in disposition of excess properties in which federal funds were used in the acquisition.

We are available for any further discussion on this bill your committee may desire.

BAC/DC/kf

STATE OF ALASKA

WILLIAM A. EGAN, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K, STATE CAPITOL - JUNEAU 99801

March 18, 1971

The Honorable George Hohman
Chairman
House Finance Committee
House of Representatives
Juneau, Alaska 99801

Dear Mr. Chairman:

I am writing in reference to House Bill No. 282 which deals with relocation assistance and acquisition policies. The bill has been referred to your committee after favorable consideration by the State Affairs Committee. Because of considerations which have come to light since the original introduction of the bill, the staff of the Department of Law was requested to draft an amendment. The amendment is attached and would incorporate those parts of the federal act which (1) allow for loans up to 80 per cent of the cost of planning for replacement housing; (2) allow as a last resort for the agency itself to provide replacement housing. These provisions are not required in order to assure conformity with federal law, but they are nonetheless necessary to the agencies administering federal programs, and should contribute to the development of the entire housing assistance program. Reflected in these amendments are secs. 206 and 215 of P.L. 91-646; 84 Stat. 1897.

Additionally, the committee might wish to consider an amendment which would incorporate the language in sec. 206 to the effect that:

"No person shall be required to move from his dwelling on or after the effective date of this chapter, because of any federally-assisted project, unless the state agency is satisfied that replacement housing in accord with sec. 90(c)(3) of this chapter is available to the person."

I believe this would best be placed after the definition

The Honorable George Hohman

March 18, 1971

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section as a new 44.81.145. Again, it is my understanding that P.L. 91-646 does not require this language for conformity.

Very truly yours,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By *Donna Spragg*

Donna Spragg
Assistant Attorney General

JEH:DS:dw

2 Page 12 at approximately line 9-10 insert following sections:

3 Sec. 44.81.135. PLANNING LOANS FOR ADDITIONAL HOUSING. In
4 addition to the other programs authorized by this chapter, a state
5 agency may make loans in order to encourage and facilitate the
6 construction or rehabilitation of housing to meet the needs of
7 displaced persons. These loans are a part of the federally-
8 assisted project cost and may be made to nonprofit, limited
9 dividend, or cooperative organizations or public bodies. The loans
10 may be made only for necessary and reasonable expenses, prior to
11 construction, for planning and obtaining federally insured mortgage
12 financing for the rehabilitation or construction of housing for
13 displaced persons. The loans may not exceed 80 per cent of the
14 reasonable costs expected to be incurred in planning, and in
15 obtaining financing for housing for displaced persons. Reasonable
16 costs include but are not limited to costs for preliminary surveys
17 and analysis of market needs, preliminary architectural fees,
18 site acquisition, application and mortgage commitment fees, and
19 construction loan fees and discounts. Loans to an organization
20 established for profit shall bear interest at a market rate
21 established by the state agency. All other loans shall be without
22 interest. The state agency shall require repayment of loans made
23 under this section, under terms and conditions established by the
24 state agency. Repayment shall be made upon completion of the
25 project or sooner, and except in the case of a loan to an organi-
26 zation established for profit, the state agency may cancel any
27 part or all of a loan following a determination by the state
28 agency that a permanent loan to finance the rehabilitation or
29 construction of the housing cannot be obtained in an amount

adequate for repayment of such loan.

Sec. 44.81.137. HOUSING REPLACEMENT ASSISTANCE AS LAST
RESORT. If a federally-aided program or project cannot proceed
to actual construction because comparable replacement sale or
rental housing is not available, and the state agency determines
that such housing cannot otherwise be made available, the agency
may take such action as is necessary or appropriate to provide
the housing by use of funds authorized for the project.

The Legislature of the State of Alaska
FISCAL NOTE

- COPIES: THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST
 THE HOUSE FINANCE COMMITTEE STAFF
 THE SENATE FINANCE COMMITTEE STAFF
 THE DIVISION OF BUDGET & MANAGEMENT
 RETAIN A COPY FOR YOUR FILES

Subject Relocation Assistance
Replacement Housing HB 282 SB _____
 requested by Nadine Williams
 referred to T. A. Johnson - Dick Chitty date of request 3-17-71
 completion date requested _____ date received _____

EXPENDITURE DETAIL	FY1971-72	FY 1972-73	FY1973-74
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES			
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES	2,445,000	2,620,000	2,795,000
700 GRANTS, CLAIMS & SHARED REVENUE			
TOTAL	\$ 2,445,000	\$ 2,620,000	\$ 2,795,000

FUNDING DETAIL	FY 1971-72	FY 1972-73	FY 1973-74
FEDERAL RECEIPTS	\$ 2,445,000	\$ 2,358,000	\$ 2,515,000
SPECIAL FUNDS	---	262,000	280,000
UNRESTRICTED GENERAL FUND RECEIPTS	---	---	

Man Months
 Permanent Positions
 Temporary Positions

FISCAL ANALYSIS The Relocation Assistance, Replacement Housing Programs will be funded by 100% federal receipts until June 30, 1972. Both programs will revert to the effective federal-aid matching ratio after that date. The administration of these two programs can be handled within the current operating budget.

Attached are exhibit 1 fiscal analysis replacement housing and exhibit 2 relocation payments.

DATE 3/25/71

SIGNATURE

NAME & TITLE

T. A. Johnson
Adm. Director

FISCAL ANALYSIS H.B. 282

Relocation Payments

Exhibit #2

District	71-72		Units 72-73		73-74		Unit Costs Average		71-72	Totals	73-74
	Owner	Bus.	Owner	Bus.	Owner	Bus.	Owner	Bus.		72-73	
Central	34	7	37	8	41	9	\$10,000	\$5,000	\$ 375,000	\$ 410,000	\$ 455,000
Interior	45	1	49	2	54	3	10,000	5,000	455,000	500,000	555,000
Southeastern	39	13	42	14	46	15	10,000	5,000	455,000	490,000	535,000
Western	0	0	1	0	2	1	10,000	5,000	-0-	10,000	25,000
South Central	0	0	1	0	2	1	10,000	5,000	-0-	10,000	25,000
TOTALS	118	21	130	24	145	29			\$1,285,000	\$1,420,000	\$1,595,000

This estimate is based on past experience under the present law and should be accepted with the understanding that little criteria exists as to unit costs. Projections past 71-72 are figured on the basis of a 10% increase in relocation activities.

FISCAL ANALYSIS H.R. 282

(Construction of Replacement Housing)

Exhibit #1

<u>District</u>	<u>Household Units</u>			<u>Unit Cost Average</u>	<u>71-72</u>	<u>Total Cost</u>	
	<u>71-72</u>	<u>72-73</u>	<u>73-74</u>			<u>72-73</u>	<u>73-74</u>
Central	10	10	10	\$20,000	\$ 200,000	\$ 200,000	\$ 200,000
Interior	18	18	18	20,000	360,000	360,000	360,000
Southeastern	30	30	30	20,000	600,000	600,000	600,000
Western	0	1	1	20,000	-0-	20,000	20,000
South Central	0	1	1	20,000	-0-	20,000	20,000
TOTALS	58	60	60		\$1,160,000	\$1,200,000	\$1,200,000

Availability of housing through changing trends in the market will have a marked effect on the projections for replacement housing construction past the 71-72 year.

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
1117 Bank Building
221 S. W. Harrison Street
Portland, Oregon 97204

March 4, 1971

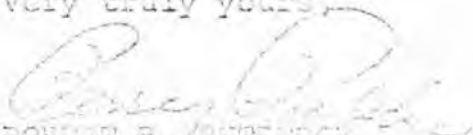
File # 08-00.11

Henry Rolak, Esq.
Assistant Attorney General, Highways
Fourth N
State Capitol Building
Fairbanks, Alaska 99801

Dear Mr. Rolak:

Enclosed for your information is a copy of Assistant
Chief Counsel Reis' February 26, 1971 memorandum comment-
ing on the proposed relocation legislation for Alaska.
It should be pointed out that when these comments were
prepared, our Washington office did not have a copy of
your proposed amendment to Section 19.35.065 of the Alaska
Statutes.

Very truly yours,


ROBERT B. RUTLEDGE
Regional Counsel

TO: [Faded text]

DATE: [Faded text]
BY: [Faded text]

FROM: [Faded text]

Subject: [Faded text]

It was noted that the subject bill forwarded with your memorandum of January 26, 1971. It appears necessary to advise the State Department of the bill to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-346).

The following comments are made:

- 1. The bill is applicable only to displacements caused by highway activities. P.L. 91-346 applies to all State and local programs providing Federal financial assistance.
- 2. The proposed bill does not provide authority to comply with sections 206 and 215 of P.L. 91-346. Compliance with these sections is not mandatory, however, they make Federal funds available for the construction of replacement housing for displaced persons. Compliance with these sections could help assure the availability of replacement housing. State agencies need provide assurances that such funds are available before [Faded text] of the Federal Act.

The Department of Housing and Urban Development has been instructed to develop procedures for implementing sections 206 and 215 of the Federal Act. Such procedures have not yet been developed. Consequently, the State has designed to comply with this section should be done in the language of the Federal Act and provide for broad rule-making authority.

- more -

VERY TRULY YOURS, [Faded text]

It is the policy of the Government to provide for the
employment of persons who are unable to find other means of
support. The Government is committed to the principle that
every citizen has the right to work and to a fair wage.
The Government is committed to the principle that every
citizen has the right to a fair wage and to a fair
standard of living.



AN ACT

84 STAT. 114

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970".

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

TITLE I—GENERAL PROVISIONS

Definitions.

Sec. 101. As used in this Act—

(1) The term "Federal agency" means any department, agency, or instrumentality in the executive branch of the Government (except the National Capital Housing Authority), any wholly owned Government corporation (except the District of Columbia Redevelopment Land Agency), and the Architect of the Capitol, the Federal Reserve banks and branches thereof.

(2) The term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, the Trust Territory of the Pacific Islands, and any political subdivision thereof.

(3) The term "State agency" means the National Capital Housing Authority, the District of Columbia Redevelopment Land Agency, and any department, agency, or instrumentality of a State or of a political subdivision of a State, or any department, agency, or instrumentality of two or more States or of two or more political subdivisions of a State or States.

(4) The term "Federal financial assistance" means a grant, loan, or contribution provided by the United States, except any Federal guarantee or insurance and any annual payment or capital loan to the District of Columbia.

(5) The term "person" means any individual, partnership, corporation, or association.

(6) The term "displaced person" means any person who, on or after the effective date of this Act, moves from real property, or moves his personal property from real property, as a result of the acquisition of such real property, in whole or in part, or as the result of the written order of the acquiring agency to vacate real property, for a program or project undertaken by a Federal agency, or with Federal financial assistance; and solely for the purposes of sections 202(a) and (b) and 205 of this title, as a result of the acquisition of or as the result of the written order of the acquiring agency to vacate other real property, on which such person conducted a business or farm operation, for such program or project.

(7) The term "business" means any lawful activity, excepting a farm operation, conducted primarily—

(A) for the purchase, sale, lease and rental of personal and real property, and for the manufacture, processing, or marketing of products, commodities, or any other personal property;

(B) for the sale of services to the public;

(C) by a nonprofit organization; or

(D) solely for the purposes of section 202(a) of this title, for advertising in the purchase, sale, lease, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of an outdoor advertising display

or the place, whether or not such display or displays are located on the premises on which any of the above activities are conducted.

(5) The term "farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products, or conduct of an industry, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(6) The term "mortgage" means such charges of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of the State in which the real property is located, together with the credit instruments, if any, secured thereby.

TITLE I - EFFECT UPON PROPERTY ACQUISITION

Sec. 102. (a) The provisions of section 301 of title III of this Act create no rights or liabilities and shall not affect the validity of any property acquisitions by purchase or condemnation.

(b) Nothing in this Act shall be construed as creating in any condemnation proceedings brought under the power of eminent domain, any element of value or of damage not in existence immediately prior to the date of enactment of this Act.

TITLE II - UNIFORM RELOCATION ASSISTANCE

DECLARATION OF POLICY

Sec. 201. The purpose of this title is to establish a uniform policy for the fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs in order that such persons be kept free from disproportionate injuries as a result of programs necessary to the health and safety of the public as a whole.

MOVING AND RELATED EXPENSES

Sec. 202. (a) Whenever the acquisition of real property for a program or project undertaken by a Federal agency in any State will result in the displacement of any person on or after the effective date of this Act, the head of such agency shall make a payment to any displaced person, upon proper application as approved by such agency for the following:

(1) actual reasonable expenses in moving himself, his family, his business, or other personal property;

(2) a lump sum benefit of tangible personal property as a result of moving or of continuing a business or farm operation, but not exceeding an amount equal to the reasonable expenses that would have been incurred to relocate such property, as determined by the head of the agency; and

(3) actual reasonable expenses in searching for a replacement residence.

(b) The displaced person shall be the person under relocation (including a tenant) who is displaced from his dwelling and who has been displaced from the premises by the action of the agency. The displaced person shall be the person who is displaced from the premises by the action of the agency if the displaced person is a member of the family of the displaced person, as determined by the head of the agency. The displaced person shall be the person who is displaced from the premises by the action of the agency if the displaced person is a member of the family of the displaced person, as determined by the head of the agency. The displaced person shall be the person who is displaced from the premises by the action of the agency if the displaced person is a member of the family of the displaced person, as determined by the head of the agency.

(c) Any displaced person eligible for payment under subsection (a) of this section who is displaced from his place of business or firm, farm operation and who elects to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (b) of this section, may receive a fixed payment in an amount equal to the average annual net earnings of the business or farm operation, except that such payment shall be not less than \$2,500 nor more than \$10,000. In the case of a business no payment shall be made under this subsection unless the head of the Federal agency is satisfied that such business: (1) cannot be relocated without a substantial loss of continuing patronage, and (2) is not a part of a commercial enterprise which, at least one other establishment not being acquired by the United States, which is engaged in the same or similar business. For purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation, less Federal, State, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operation moves from the real property acquired for such purpose, or during such other period as the head of such agency determines to be more equitable for establishing such earnings, and includes any compensation paid by the business or farm operation to the owner, spouse, or his dependents during such period.

REPLACEMENT HOUSING FOR HOMEOWNER

Sec. 303. (a)(1) In addition to payments otherwise authorized by this title, the head of the Federal agency shall make an additional payment not in excess of \$15,000 to any displaced person who is displaced from a dwelling actually owned and occupied by such displaced person for not less than one hundred and eighty days prior to the initiation of negotiations for the acquisition of the property. Such additional payment shall include the following elements:

(A) The amount, if any, which when added to the acquisition cost of the dwelling acquired by the Federal agency, equals the reasonable cost of a comparable replacement dwelling which is a decent, safe, and sanitary dwelling adequate to accommodate such displaced person, reasonably accessible to public services and places of employment available on the private market. All determinations required under this subparagraph shall be made in accordance with standards established by the head of the Federal agency making the additional payment.

(B) The amount, if any, which will compensate such displaced person for any increase in interest costs which such person is required to pay for financing the acquisition of any such comparable replacement dwelling. Such amount shall be paid only if the displacement by the Federal agency was caused by a bona fide mortgage which was a valid lien on such dwelling for not less than one hundred and eighty days prior to the initiation of negotiations for the acquisition of such dwelling. Such amount shall be paid in full, in excess of the unpaid principal and other debt covered by such amount of the prepayment of the mortgage on the replacement dwelling which is equal to the unpaid balance on the mortgage on the displaced dwelling, less the reasonable cost of the interest on the replacement dwelling, reduced to discounted present value. The discount rate shall be the prevailing interest rate paid on savings deposits in commercial banks in the general area in which the replacement dwelling is located.

(b) Federal agencies administering programs which may be of assistance to displaced persons covered by this Act shall cooperate to the maximum extent feasible with the Federal or State agency causing the displacement to ensure that such displaced persons receive the maximum assistance available to them.

(c) Each relocation assistance advisory program required by subsection (a) of this section shall include such measures, facilities, or services as may be necessary or appropriate in order to:

(1) determine the need, if any, of displaced persons, for relocation assistance;

(2) provide current and continuing information on the availability, prices, and rentals, of comparable decent, safe, and sanitary sales and rental housing, and of comparable commercial properties and locations for displaced businesses;

(3) assure that, within a reasonable period of time, prior to displacement there will be available in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings, as defined by such Federal agency head, equal in number to the number of and available to such displaced persons who require such dwellings and reasonably accessible to their places of employment, except that the head of that Federal agency may prescribe by regulation situations when such a surrogacy may be waived;

(4) assist a displaced person displaced from his business or farm operation in obtaining and becoming established in a suitable replacement location;

(5) supply information concerning Federal and State housing programs, disaster loan programs, and other Federal or State programs offering assistance to displaced persons; and

(6) provide other advisory services to displaced persons in order to minimize hardships to such persons in adjusting to relocation.

(d) The head of Federal agencies shall coordinate relocation activities with project work, and other planned or proposed governmental actions in the community or nearby areas which may affect the carrying out of relocation assistance programs.

HOUSING REPLACEMENT BY FEDERAL AGENCY AS TO OTHERS

Sec. 906. (a) If a Federal project cannot proceed to acquisition, construction because comparable replacement sale or rental housing is not available, and the head of the Federal agency determines that such housing cannot otherwise be made available he may take such action as he may deem appropriate to provide such housing by use of funds authorized for such project.

(b) No person shall be required to move from his dwelling or to alter the use, liveability of the dwelling, on account of any Federal project, unless the Federal agency head is satisfied that replacement housing is available in the relocation area (4) available to such person.

APPLICABILITY OF CERTAIN FEDERAL AGENCY PROGRAMS TO OTHERS

Sec. 907. Whenever and wherever it is required by a State agency and furnished as required to a relocation member or to a Federal program or project, the Federal agency having authority over the pro-

FEDERAL SHARE OF COSTS

Sec. 211. (a) The cost to a State agency of providing payments and assistance pursuant to sections 206, 210, 215, and 305, shall be included as part of the cost of a program or project for which Federal financial assistance is available to such State agency, and such State agency shall be eligible for Federal financial assistance with respect to such payments and assistance in the same manner and to the same extent as other program or project costs, except that, notwithstanding any other law in the case where the Federal financial assistance is by grant or contribution the Federal agency shall pay the full amount of the first \$25,000 of the cost to a State agency of providing payments and assistance for a displaced person under sections 206, 210, 215, and 305, on account of any acquisition or displacement occurring prior to July 1, 1972, and in any case where such Federal financial assistance is by loan, the Federal agency shall loan such State agency the full amount of the first \$25,000 of such cost.

(b) No payment or assistance under section 210 or 305 shall be required or included as a program or project cost under this section, if the displaced person receives a payment required by the State law of eminent domain which is determined by such Federal agency head to have substantially the same purpose and effect as such payment under this section, and to be part of the cost of the program or project for which Federal financial assistance is available.

(c) Any grant to, or contract or agreement with, a State agency executed before the effective date of this title, under which Federal financial assistance is available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this Act, shall be amended to include the cost of providing payments and services under sections 210 and 305. If the head of a Federal agency determines that it is necessary for the expeditious completion of a program or project he may advance to the State agency the Federal share of the cost of any payments or assistance by such State agency pursuant to sections 206, 210, 215, and 305.

ADMINISTRATION OF RELOCATION ASSISTANCE IN PROGRAMS RECEIVING FEDERAL FINANCIAL ASSISTANCE

Sec. 212. In order to prevent unnecessary expenses and duplications of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons under sections 206, 210, and 215 of this title, a State agency may enter into contracts with any individual, firm, association, or corporation for a service in connection with such program, or may carry out its functions under this title through any Federal or State governmental agency or instrumentality having any established organization for conducting relocation assistance programs. Such State agency shall, in carrying out the relocation assistance activities described in section 211, where practicable, utilize the services of State or local Government agencies or other agencies having experience in the administrative management of similar relocation assistance activities.

UNIFORMITY OF FEDERAL ASSISTANCE

Sec. 213. (a) In order to promote uniform and effective administration of relocation assistance and avoid duplication of State or local housing agencies, or other governmental programs or activities by

82 2227, 1-10

dividend, or cooperative organizations or to public bodies, for necessary and reasonable expenses, prior to construction, for planning and obtaining federally financed mortgage financing for the rehabilitation or construction of housing for such displaced persons. Notwithstanding the preceding sentence, or any other law, such loans shall be available for not to exceed 80 per centum of the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing, prior to the availability of such financing, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering, preliminary architectural fees, site acquisition, application and mortgage commitment fees, and construction loan fees and discounts. Loans to an organization established for profit shall bear interest at a market rate established by the head of such Federal agency. All other loans shall be without interest. Such Federal agency head shall require repayment of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of a loan if he determines that a permanent loan to finance the rehabilitation or the construction of such housing cannot be obtained in an amount adequate for repayment of such loan. Upon repayment of any such loan, the Federal share of the sum repaid shall be credited to the account from which such loan was made, unless the Secretary of the Treasury determines that such account is no longer in existence, in which case such sum shall be returned to the Treasury and credited to miscellaneous receipts.

PAYMENTS NOT TO BE CONSIDERED AS INCOME

Sec. 216. No payment received under this title shall be considered as income for the purposes of the Internal Revenue Code of 1954; or for the purposes of determining the eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other Federal law.

26 2227, 1.
26 2227 1
26 2227.
27 2227, 230.
27 2227 105.

DISPLACEMENT BY CONSTRUCTION, REHABILITATION, AND DEMOLITION PROGRAMS RECEIVING FEDERAL ASSISTANCE

Sec. 217. A person who moves or discontinues his business, or moves other personal property, or moves from his dwelling on or after the effective date of this Act, as a direct result of any project or program which receives Federal financial assistance under title I of the Housing Act of 1949, as amended, or as a result of carrying out a comprehensive city demonstration program under title I of the Demonstration Cities and Metropolitan Development Act of 1960 shall, for the purposes of this title, be deemed to have been displaced as the result of the acquisition of real property.

27 2227, 211.
27 2227, 217.
27 2227 120.
27 2227.
27 2227, 415.
27 2227 201.
27 2227.

TRANSFERRING OF REAL PROPERTY

Sec. 218. The Administration of General Assistance shall have authority to issue Federal assistance for the purposes of paragraphs 1, 2, and 3 of section 209 of this Act, for the rehabilitation or construction of housing for such displaced persons, without the meaning of the Federal Housing and Administration Act of 1949, as amended, such loans shall be subject to such terms and conditions as the Administration shall determine necessary to protect the interest of the United States and may be made without requiring such collateral, except that such States may, if they so desire, require all amounts received by such person from any sale, lease, or other disposition of such property for such loan fees.

27 2227, 171.
27 2227 171.
27 2227.

Federal programs or projects by State agencies receiving Federal financial assistance, the heads of Federal agencies shall consult with them in the establishment of regulations and procedures for the implementation of such programs.

(b) The head of each Federal agency is authorized to establish such regulations and procedures as he may determine to be necessary to assure

(1) that the payments and assistance authorized by this Act shall be administered in a manner which is fair and reasonable, and as uniform as practicable;

(2) that a displaced person who makes proper application for a payment authorized for such person by this title shall be paid promptly after a move or, in hardship cases, be paid in advance; and

(3) that any person aggrieved by a determination as to eligibility for a payment authorized by this Act, or the amount of a payment, may have his application reviewed by the head of the Federal agency having authority over the applicable program or project, or in the case of a program or project receiving Federal financial assistance, by the head of the State agency.

(c) The head of each Federal agency may prescribe such other regulations and procedures, consistent with the provisions of this Act, as he deems necessary or appropriate to carry out this Act.

ANNUAL REPORT

(a) The head of each Federal agency shall prepare and submit an annual report to the President on the activities of such agency under this title for the preceding year and copies of such report shall be transmitted to the Senate and the House of Representatives. Such reports shall be submitted to the Congress not later than January 15 of each year, beginning January 15, 1971, and ending January 15, 1972, together with his comments or recommendations. Such reports shall give special attention to: (1) the effectiveness of the provisions of this Act in assuring the availability of comparable replacement housing, which is decent, safe, and sanitary, for displaced homeowners and tenants; (2) actions taken by the agency to achieve the objective of the policies of Congress stated in this Act, to provide uniform and equal treatment, to the greatest extent practicable, for all persons displaced by, or because of, any action by the Federal Government; and (3) the progress made in carrying out the major programs authorized by this Act, including: (A) the major programs conducted or administered by the heads of such agencies and departments of Federal agencies; (B) any Federal Government programs of policies in the public interest; and (C) any recommendations for further improvement in any such program or policy and for further improvement in the Federal Government's policies and procedures.

(b) The President shall transmit a copy of each such report to the

Senate and the House of Representatives. The President or either of the Senate or the House of Representatives may refer any such report to a committee of the Senate or the House of Representatives, or to a subcommittee of such committee, for a study and report thereon. The President or either of the Senate or the House of Representatives may also refer any such report to a committee of the Senate or the House of Representatives, or to a subcommittee of such committee, for a study and report thereon.

DISPLACED PERSONS BY A FEDERAL AGENCY

Sec. 10. Notwithstanding any other provision of this title, a

- (1) who moves or dis-enters his business, moves other personal property, or moves to a new dwelling, on or after January 1, 1962, and before the 90th day after the date of enactment of this Act as the result of the contemplated demolition of structures or the construction of improvements on real property acquired, in whole or in part, by a Federal agency within the area in New York, New York, bounded by Lexington and Third Avenues and 51st and 53d Streets; and

(2) who has lived on, or conducted a business on, such real property for at least one year prior to the date of enactment of this Act;

may be considered a displaced person for purposes of sections 202 (a) and (b), 201, and 205 of this title, by the head of the agency acquiring the real property if—

(A) the head of the agency determines that such person has suffered undue hardship as the result of displacement from the real property; and

(B) the Federal Government acquired and held such property for at least five years prior to the date of enactment of this Act.

REVIEWS

Sec. 10. (a) The following laws and parts of laws are hereby repealed:

(1) The Act entitled "An Act to authorize the Secretary of the Interior to collect reasonable expenses required for development under the provisions for their recovery, expenses, and for other purposes," approved May 20, 1965 (13 U.S.C. 2231-2234).

(2) Paragraph 11 of section 203 (b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2173).

(3) Section 205 of title 10, Code of States Code.

(4) Section 204 of the Urban Mass Transportation Act of 1965 (49 U.S.C. 100504).

(5) Sections 11 of the Housing Act of 1959 (42 U.S.C. 1495).

(6) Paragraphs (7) (A) (ii) and (8) of section 15 of the United States Housing Act of 1967 (42 U.S.C. 1415, 1415(8)), except the last sentence of paragraph (7).

(7) Sections 2 of the Act entitled "An Act to authorize the Comptroller General of the United States to pay relief on costs made necessary by actions of the District of Columbia Government, and for other purposes," approved October 15, 1964 (42 Stat. 1904; Public Law 86-379; D.C. Code, 2294).

(8) The amended of the Housing and Urban Development Act of 1968 (42 U.S.C. 1417).

(9) Sections (b) (1) and (c) of the Labor-Migration Codes and Standards Administration Act of 1966 (42 U.S.C. 2007).

(10) Sections 201, 202, and 203 of the Housing Act of 1965 (42 U.S.C. 1411-1413).

(11) Sections 201, 202, and 203 of the Housing Act of 1965 (42 U.S.C. 1411-1413).

(12) Any law or part of a law, including such public Acts or provisions thereof, which have not been amended by the present Act, which are prior Acts or provisions of laws, which are inconsistent with this Act.

U.S. GOVERNMENT PRINTING OFFICE: 1971 O 344-100

EFFECTIVE DATE

Section 1, (a) Except as provided in subsections (b) and (c) of this section, this Act and the amendments made by this Act shall take effect on the date of its enactment.

(b) Part and July 1, 1972, sections 299 and 305 shall be applicable to a State only to the extent that such State is able under its laws to comply with such sections. After July 1, 1972, such sections shall be completely applicable to all States.

(c) The reports made by paragraphs (1), (5), (6), (8), (9), (10), (11), and (12) of section 299(a) of this title and section 306 of title 34 shall not apply to any State so long as sections 299 and 305 are not applicable in such State.

TITLE III—UNIFORM REAL PROPERTY ACQUISITION POLICY

UNIFORM POLICY ON REAL PROPERTY ACQUISITION PRACTICES

Sec. 301. In order to encourage and expedite the acquisition of real property by agreements with owners, to avoid litigation and relieve congestion in the courts, to assure consistent treatment for owners in the many Federal programs, and to promote public confidence in Federal land acquisition practices, heads of Federal agencies shall, to the greatest extent practicable, be guided by the following policies:

(1) The head of a Federal agency shall make every reasonable effort to acquire expeditiously real property by negotiation.

(2) Real property shall be appraised before the initiation of negotiations, and the owner or his designated representative shall be given an opportunity to accompany the appraiser during his inspection of the property.

(3) Before the initiation of negotiations for real property, the head of the Federal agency concerned shall establish an amount which he believes to be just compensation therefor and shall make a prompt offer to acquire the property for the full amount so established. In no event shall such amount be less than the agency's approved appraisal of the fair market value of such property. Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is required, or by the likelihood that the property would be required for such improvement, other than that caused by Federal deterioration within the reasonable control of the owner, shall be determined in determining the compensation for the property. The head of the Federal agency concerned shall provide the owner of real property to be acquired with a written statement of the amount of the offer. In the event a fair market value is established as just compensation, when an appraiser's just compensation for the real property acquired and for damages to remaining real property shall be paid.

(4) No owner shall be required to surrender possession of real property to the Federal Government if such owner is offered prompt payment of just compensation in accordance with section 101 of the National Housing Act (42 U.S.C. 1414) or section 204 of the National Flood Insurance Act (42 U.S.C. 2044), for the acquisition of such property, or if such owner's approved appraisal of such property is at least as high as the agency's approved appraisal of such property, or the amount of the award of just compensation in the condemnation proceeding for such property.

(4) The construction or development of a public improvement shall be completed that, to the greatest extent practicable, no person lawfully occupying real property shall be required to move from a dwelling or, if moving, replacement dwelling is required by title II will be completed, or to move his business or farm operation, without at least ninety days' notice from the head of the Federal agency concerned, of the date by which such move is required.

(5) If the head of a Federal agency permits an owner or tenant to occupy the real property acquired on a rental basis for a short term or for a period subject to termination by the Government on short notice, the amount of rent required shall not exceed the fair rental value of the property on short-term occupancy.

(6) In no event shall the head of a Federal agency either advance the time of condemnation, or defer negotiations or condemnation and the deposit of funds in court for the use of the owner, or take any other action coercive in nature, in order to compel an agreement on the price to be paid for the property.

(7) If any interest in real property is to be acquired by exercise of the power of eminent domain, the head of the Federal agency concerned shall institute formal condemnation proceedings. No Federal agency head shall intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of his real property.

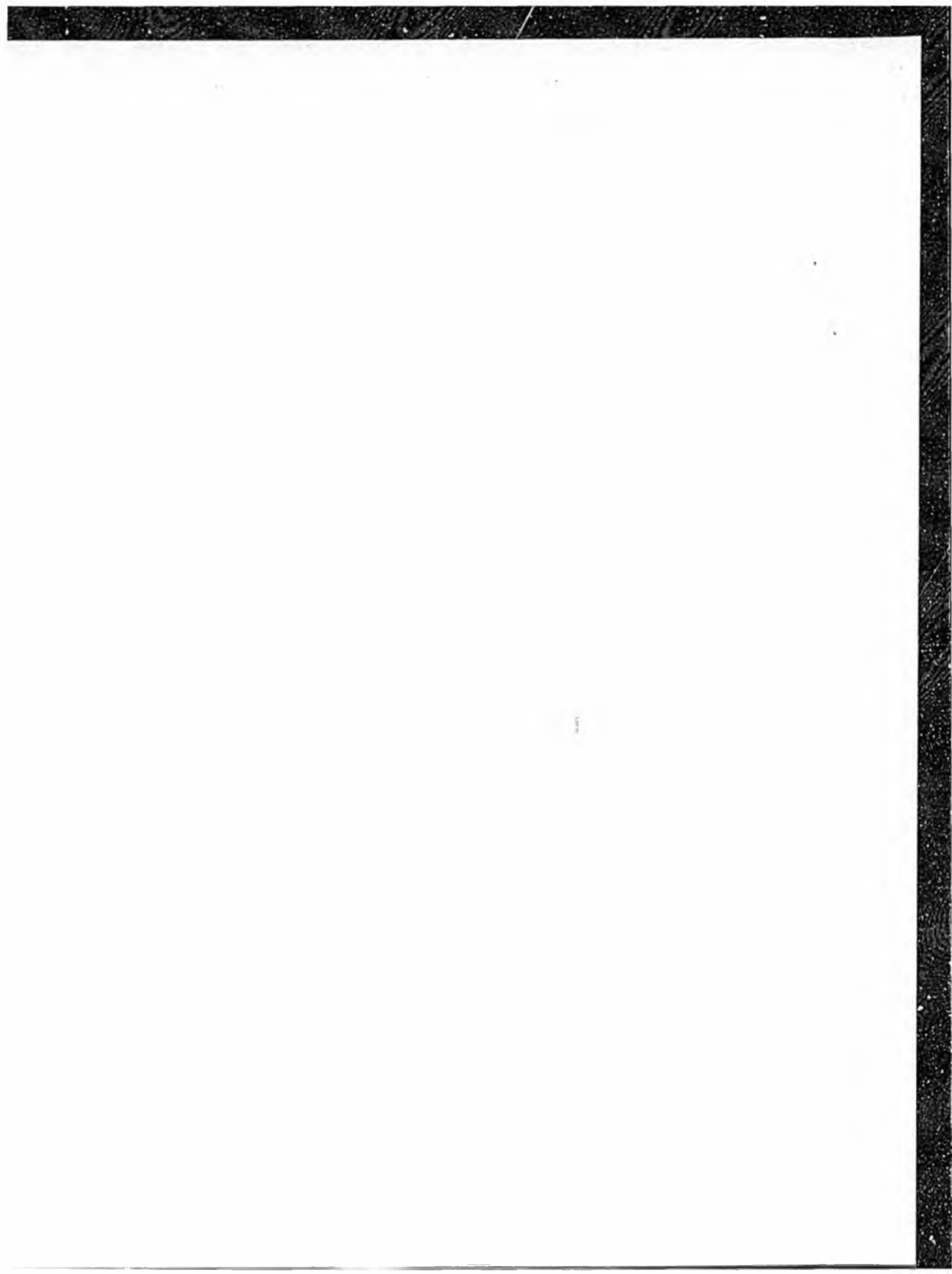
(8) If the acquisition of only part of a property would leave its owner with an economically remnant, the head of the Federal agency concerned shall offer to acquire the entire property.

TECHNICAL PROVISIONS AND EMBEZZLEMENTS

(9) Notwithstanding any other provision of law, if the head of a Federal agency requires any interest in real property in any State or District of Columbia to be demolished or in all building, structures, or other improvements located upon the real property to be removed and which he requires to be removed from such real property he shall, in the process, be adversely affected by the use to which such real property will be put.

(10) For the purpose of determining the just compensation to be paid for any building, structure, or other improvement required to be demolished or, in violation of this section, such building, structure, or other improvement, it shall be deemed to be a part of the real property to which it is attached, including the right or obligation of a tenant, as well as the value of any other interest in the real property, to remove such building, structure, or other improvement at the expiration of its term, or the fair market value which such building, structure, or improvement contributes to the fair market value of the real property to be acquired, and the fair market value of such building, structure, or other improvement removed from the real property shall be deemed the fair market value of the real property therefor.

(11) Payments made to the owner of any real property in violation of this section shall be deemed to be payments made by law, and such payments shall be treated as if they were so made by law, and shall be included in the estate of the decedent, for any such decedent who dies after the date of such payment, and whose estate in the United States is subject to the Federal estate tax, in the same manner as such improvement's State in the case of payment of the proceeds to deprive the tenant of any such interest, or payment under this subsection and to obtain payment of the same, respectively, in the case of a decedent with applicable Federal estate tax liability.



Introduced: 3/5/71
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 282

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for uniform relocation assistance
7 and real property acquisition practices; and providing
8 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 81. RELOCATION ASSISTANCE AND REAL
12 PROPERTY ACQUISITION PRACTICES.

13 Sec. 44.81.010. DECLARATION OF POLICY. The purpose of this
14 chapter is to establish a uniform policy for the fair and equitable
15 treatment of persons displaced as a result of federally assisted
16 programs in order that the displaced persons will not suffer dis-
17 proportionate injuries as a result of programs designed for the benefit
18 of the public as a whole.

19 Sec. 44.81.020. STATE AGENCIES TO ESTABLISH PROGRAM. State
20 agencies shall establish and provide the means for implementing a
21 program providing fair and reasonable relocation and other payment for
22 persons displaced as a result of federally assisted activities under-
23 taken by state agencies, to carry out relocation assistance programs
24 for persons displaced, and to provide payments to persons as a result
25 of acquisition of real property for activities of state agencies.

26 Sec. 44.81.030. ADMINISTRATION OF PROGRAM. In order to prevent
27 unnecessary expenses and duplication of functions, and to promote
28 uniform and effective administration of relocation assistance programs
29 for displaced persons under this chapter, state agencies may enter into

1 contracts with any individual, firm, association, or corporation for
2 services in connection with relocation assistance programs, or may
3 carry out its functions under this chapter through any federal or state
4 governmental agency or instrumentality having an established organiza-
5 tion for conducting relocation assistance programs.

6 Sec. 44.81.040. RELOCATION PAYMENTS. (a) Whenever the acquisi-
7 tion of real property for a federally assisted program or project
8 undertaken by a state agency will result in the displacement of any
9 person on or after January 2, 1971, the state agency responsible for
10 the program or project shall make payment to any displaced person, upon
11 proper application as approved by the state agency, for

12 (1) actual reasonable expenses in moving himself, his
13 family, business, farm operation, or other personal property;

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

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

21 (b) Any displaced person eligible for payments under (a) of this
22 section who is displaced from a dwelling and who elects to accept the
23 payments authorized by this subsection in lieu of payments authorized
24 by (a) of this section may receive a moving expense allowance, deter-
25 mined according to a schedule established by the state agency not to
26 exceed \$300 and a dislocation allowance of \$200.

27 (c) Any displaced person eligible for payments under (a) of this
28 section who is displaced from his place of business or from his farm
29 operation and who elects to accept the payment authorized by this

1 subsection in lieu of the payment authorized by (a) of this section,
2 may receive a fixed payment in an amount equal to the average annual
3 net earning of the business or farm operation, except that such payment
4 shall not be less than \$2,500 or more than \$10,000. In the case of a
5 business, no payment may be made under this subsection unless the
6 state agency is satisfied that the business

7 (1) cannot be relocated without a substantial loss of its
8 existing patronage; and

9 (2) is not a part of a commercial enterprise having at
10 least one other establishment not being acquired by the state agency
11 or by the United States, which is engaged in the same or similar
12 business. For purposes of this subsection, the term "average annual
13 net earnings" means one-half of any net earnings of the business or
14 farm operation, before federal and state income taxes, during the two
15 taxable years immediately preceding the taxable year in which the
16 business or farm operation moves from the real property acquired for
17 the project, or during any other period as the state agency determines
18 to be more equitable for establishing the earnings, and includes any
19 compensation paid by the business or farm operation to the owner, his
20 spouse, or his dependent during the applicable period.

21 Sec. 44.81.050. REPLACEMENT HOUSING FOR HOMEOWNERS. (a) In
22 addition to payments otherwise authorized by this chapter, the state
23 agency shall make an additional payment not in excess of \$15,000, to
24 any displaced person who is displaced from a dwelling actually owned
25 and occupied by him for not less than 180 days prior to the initiation
26 of negotiations for the acquisition of the property. This additional
27 payment shall include the following elements

28 (1) the amount, if any, which when added to the acquisition
29 cost of the dwelling acquired by the state agency, equals the reasonable

1 cost of a comparable replacement dwelling which is a decent, safe and
2 sanitary dwelling adequate to accommodate the displaced person, reason-
3 ably accessible to public services and places of employment and avail-
4 able on the private market. All determinations required to carry out
5 this paragraph shall be made in accordance with standards established
6 by the state agency making the additional payment;

7 (2) the amount, if any, which will compensate the displaced
8 person for any increased interest costs which the displaced person is
9 required to pay for financing the acquisition of the comparable
10 replacement dwelling. This amount may be paid only if the dwelling
11 acquired by the state agency was encumbered by a bona fide mortgage
12 which was a valid lien on the dwelling for not less than 180 days
13 prior to the initiation of negotiations for the acquisition of the
14 dwelling. This amount shall be equal to the excess in the aggregate
15 interest and other debt service costs of that amount of the principal
16 of the mortgage on the replacement dwelling which is equal to the un-
17 paid balance of the mortgage on the acquired dwelling, over the
18 remainder term of the mortgage on the acquired dwelling, reduced to
19 discounted present value. The discount rate shall be the prevailing
20 interest rate paid on savings deposits by commercial banks in the
21 general area in which the replacement dwelling is located;

22 (3) reasonable expenses incurred by the displaced person
23 for evidence of title, recording fees, and other closing costs incident
24 to the purchase of the replacement dwelling, but not including prepaid
25 expenses.

26 (b) The additional payment authorized by (a) of this section may
27 be made only to a displaced person who purchases and occupies a
28 replacement dwelling which is decent, safe and sanitary not later than
29 the end of the one year period beginning on the date on which he

1 receives from the state agency final payment of all costs of the
2 acquired dwelling, or the date on which he moves from the acquired
3 dwelling, whichever is the later date.

4 Sec. 44.81.060. REPLACEMENT HOUSING FOR TENANTS AND OTHERS. In
5 addition to amounts otherwise authorized by this chapter, the state
6 agency shall make a payment to or for any displaced person displaced
7 from any dwelling not eligible to receive a payment under sec. 50 of
8 this chapter which dwelling was actually and lawfully occupied by the
9 displaced person for not less than 90 days prior to the initiation of
10 negotiations for acquisition of the dwelling. The payment shall be
11 either

12 (1) the amount necessary to enable the displaced person to
13 lease or rent for a period not to exceed four years, a decent, safe
14 and sanitary dwelling of standards adequate to accommodate such person
15 in areas not generally less desirable in regard to public utilities
16 and public and commercial facilities, and reasonably accessible to his
17 place of employment, but not to exceed \$4,000; or

18 (2) the amount necessary to enable the displaced person to
19 make a downpayment, including incidental expenses described in sec.
20 50(a)(3) of this chapter on the purchase of a decent, safe and
21 sanitary dwelling of standards adequate to accommodate the displaced
22 person in areas not generally less desirable in regard to public
23 utilities and public and commercial facilities, but not to exceed
24 \$4,000, except that if this amount exceeds \$2,000, the displaced person
25 must equally match any amount in excess of \$2,000 in making the down-
26 payment.

27 Sec. 44.81.070. EXPENSES INCIDENTAL TO TRANSFER OF PROPERTY. The
28 state agency, as soon as practicable after the date of payment of the
29 purchase price or the date of deposit in court of funds to satisfy the

1 award of compensation in a condemnation proceeding to acquire real
2 property, whichever is the earlier, shall reimburse the owner, to the
3 extent the department deems fair and reasonable, for expenses he
4 necessarily incurred for

5 (1) recording fees, transfer taxes, and similar expenses
6 incidental to conveying the real property to the state agency;

7 (2) penalty costs for prepayment of a preexisting recorded
8 mortgage entered into in good faith encumbering the real property,
9 provided that the mortgage was a valid lien on the property for not
10 less than 180 days prior to the initiation of negotiations for the
11 acquisition of the property; and

12 (3) the pro rata portion of real property taxes paid which
13 are allocable to a period subsequent to the date of vesting title in
14 the state, or the effective date of possession of the real property by
15 the state agency, whichever is the earlier.

16 Sec. 44.81.080. LITIGATION EXPENSES. (a) The state court
17 having jurisdiction of a proceeding instituted by the state agency
18 to acquire real property by condemnation shall award the owner of any
19 right, or title to, or interest in, the real property a sum which will
20 in the opinion of the court reimburse the owner for his reasonable
21 costs, disbursements and expenses, including reasonable attorney,
22 appraisal and engineering fees, actually incurred because of the
23 condemnation proceedings, if

24 (1) the final judgment is that the state agency cannot
25 acquire the real property by condemnation; or

26 (2) the proceeding is abandoned by the state agency.

27 (b) Any award made pursuant to (a) of this section shall be paid
28 be paid by the state agency for whose benefit the condemnation proceed-
29 ings were instituted.

1 (c) The court rendering a judgment for the plaintiff in a pro-
2 ceeding brought against a state agency, awarding compensation for the
3 taking of property by the state agency, or the attorney for the state
4 agency effecting a settlement of any such proceeding, shall determine
5 and award or allow to the plaintiff, as a part of the judgment or
6 settlement, a sum which will in the opinion of the court or the
7 attorney for the state agency reimburse the plaintiff for his reason-
8 able costs, disbursements and expenses, including reasonable attorney,
9 appraisal and engineering fees, actually incurred because of the
10 proceeding.

11 Sec. 44.81.090. RELOCATION SERVICES. (a) Whenever the acquisi-
12 tion of real property for a program or project undertaken by a state
13 agency for a federally assisted program or project undertaken by the
14 state agency will result in the displacement of any person on or after
15 January 2, 1971, the state agency shall provide a relocation assistance
16 advisory program for displaced persons which shall offer the services
17 described in (c) of this section. If the state agency determines that
18 any person occupying property immediately adjacent to the real
19 property acquired is caused substantial economic injury because of the
20 acquisition, it may offer the occupant relocation advisory services
21 under this program.

22 (b) State agencies administering programs which may be of assist-
23 ance to displaced persons covered by this chapter shall cooperate to
24 the maximum extent feasible with the state agency causing the dis-
25 placement to assure that the displaced persons receive the maximum
26 assistance available to them.

27 (c) Each relocation assistance advisory program required by (a)
28 of this section shall include measures, facilities, or services
29 necessary or appropriate in order to

1 (1) determine the need, if any, of displaced persons, for
2 relocation assistance;

3 (2) provide current and continuing information on avail-
4 ability, prices and rentals, of comparable decent, safe and sanitary
5 sales and rental housing, and of comparable commercial properties and
6 locations for displaced businesses;

7 (3) assure that, within a reasonable period of time, prior
8 to displacement there will be available in areas not generally less
9 desirable in regard to public utilities and public and commercial
10 facilities and at rents or prices within the financial means of the
11 families and individuals displaced, decent, safe and sanitary dwellings,
12 as defined by the state agency, equal in number to the number of and
13 available to the displaced persons who require the dwellings and
14 reasonably accessible to their places of employment, except that the
15 state agency may prescribe by regulation situations when such
16 assurances may be waived;

17 (4) assist a displaced person displaced from his business
18 or farm operation in obtaining and becoming established in a suitable
19 replacement location;

20 (5) supply information concerning federal and state
21 housing programs, disaster loan programs, and other federal or state
22 programs offering assistance to displaced persons; and

23 (6) provide other advisory services to displaced persons in
24 order to minimize hardships in adjusting to relocation.

25 (d) The state agency shall coordinate relocation activities with
26 project work, and other planned or proposed governmental actions in
27 the community or nearby areas which may affect the carrying out of
28 relocation assistance programs.

29 Sec. 44.81.100. EMINENT DOMAIN. Nothing contained in this

1 chapter may be construed as creating in a condemnation proceeding,
2 brought under the power of eminent domain, an element of damages not
3 in existence on January 2, 1971.

4 Sec. 44.81.110. NONTAXATION OF PAYMENTS. No payment received by
5 a displaced person under this chapter may be considered as income for
6 the purposes of the state or federal income tax, personal or corporate.
7 The payments may not be considered as income or resources to a
8 recipient of public assistance and the payments may not be deducted
9 from the amount of aid to which the recipient would otherwise be
10 entitled.

11 Sec. 44.81.120. UNIFORM REAL PROPERTY ACQUISITION POLICY. Any
12 state agency or other entity acquiring real property for any project
13 or program in which federal or federal-aid funds are used shall to the
14 greatest extent practicable comply with the following policies:

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

17 (2) Real property shall be appraised before the initiation
18 of negotiations, and the owner or his designated representative shall
19 be given an opportunity to accompany the appraiser during his
20 inspection of the property.

21 (3) Before the initiation of negotiations for real property,
22 an amount shall be established which is reasonably believed to be
23 just compensation for the real property and that amount shall be offered
24 for the property. In no event shall the amount be less than the
25 approved appraisal of the fair market value of the property. Any
26 decrease or increase in the fair market value of real property prior
27 to the date of valuation caused by the public improvement for which the
28 property is acquired or by the likelihood that the property would be
29 acquired for the improvement, other than that due to physical

1 deterioration within the reasonable control of the owner, will be dis-
2 regarded in determining the compensation for the property. The owner
3 of the real property to be acquired shall be provided with a written
4 statement of, and a summary of the basis for, the amount established as
5 just compensation.

6 (4) No owner shall be required to surrender possession of
7 real property before the state agency concerned pays the agreed
8 purchase price or deposits with the court in accordance with applicable
9 law, for the benefit of the owner, an amount not less than the approved
10 appraisal of the fair market value of the property, or the amount of
11 the award of compensation in the condemnation proceeding for the
12 property.

13 (5) The construction or development of a public improvement
14 shall be so scheduled that, to the greatest extent practicable, no
15 person lawfully occupying real property shall be required to move from
16 a dwelling (assuming a replacement dwelling will be available) or to
17 move his business or farm operation, without at least 90 days' written
18 notice of the date by which the move is required.

19 (6) If an owner or tenant is permitted to occupy the real
20 property acquired on a rental basis for a short term or for a period
21 subject to termination by the state agency on short notice, the amount
22 of rent required shall not exceed the fair rental value of the property
23 to a short-term occupier.

24 (7) In no event shall the time of condemnation be advanced
25 or negotiations or condemnation and the deposit of funds in court for
26 the use of the owner be deferred, nor any other coercive action be
27 taken in order to compel an agreement on the price to be paid for the
28 property.

29 (8) If an interest in real property is to be acquired by

1 exercise of the power of eminent domain, formal condemnation proceedings
2 shall be instituted. The acquiring state agency shall not intention-
3 ally make it necessary for an owner to institute legal proceedings to
4 prove the fact of the taking of his real property.

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

8 Sec. 44.81.130. UNIFORM ACQUISITION POLICY FOR IMPROVEMENTS. (a)
9 Notwithstanding any other provision of law, if a state agency acquires
10 any interest in real property, the state agency must acquire at least
11 an equal interest in all buildings, structures, or other improvements
12 located upon the real property which the state agency requires to be
13 removed from the real property or which the state agency determines
14 will be adversely affected by the use to which the real property will
15 be put.

16 (b) For the purpose of determining just compensation to be paid
17 for any building, structure, or other improvement required to be
18 acquired under (a) of this section, the building, structure or other
19 improvement is considered to be a part of the real property to be
20 acquired notwithstanding the right or obligation of a tenant, as
21 against the owner of any other interest in the real property, to remove
22 the building, structure or improvement at the expiration of his term,
23 and the fair market value which the building, structure or improvement
24 contributes to the fair market value of the real property to be acquired,
25 or the fair market value of such building, structure or improvement for
26 removal from the real property, whichever is the greater, shall be
27 paid to the tenant.

28 (c) Payment for the buildings, structures or improvements under
29 this section may not result in duplication of any payments otherwise

1 authorized by law. No payment for buildings, structures or improvements
2 may be made unless the owner of the land involved disclaims all interest
3 in the improvements of the tenant. In consideration for any such
4 payment, the tenant shall assign, transfer and release to the state
5 agency all his right, title and interest in and to the improvements.
6 Nothing in paragraphs (10) and (11) of this section may be construed
7 to deprive the tenant of any rights to reject payment and to obtain
8 payment for the property interests in accordance with other laws of
9 the state.

10 Sec. 44.81.140. REGULATIONS. State agencies are authorized to
11 adopt regulations to implement this chapter. These regulations shall
12 include provisions relating to

13 (1) a moving expense allowance for displaced persons who
14 move from a dwelling, determined according to a schedule, not to exceed
15 \$300;

16 (2) procedures for an aggrieved person to have his deter-
17 mination of eligibility or amount of payment reviewed by the state
18 agency;

19 (3) eligibility of a displaced person for relocation assist-
20 ance payments, the procedure for displaced persons to claim the payments,
21 amount of the payments; and

22 (4) other regulations necessary to implement the provisions
23 of this chapter.

24 Sec. 44.81.150. DEFINITIONS. In this chapter

25 (1) "state agency" means any department, agency, instru-
26 mentality, corporate authority of the state, or a political subdivision
27 of the state, or any department, agency, instrumentality, or authority
28 of two or more political subdivisions of the state participating in
29 federally assisted programs;

1 (2) "person" means any individual, partnership, corporation,
2 or association;

3 (3) "displaced person" means any person who, on or after
4 January 2, 1971 moves from real property, or moves his personal
5 property from real property, as a result of the acquisition of the real
6 property, in whole or in part, or as a result of the written order of
7 the state agency to vacate real property, for a program or project
8 undertaken by the state agency, and solely for the purpose of secs.
9 40(a) and 90 of this chapter, as a result of the acquisition of, or as
10 a result of the written order of a state agency to vacate other real
11 property on which the person conducts a business or farm operation for
12 the program or project;

13 (4) "business" means any lawful activity, excepting a farm
14 operation, conducted primarily

15 (A) for the purchase, sale, lease and rental of personal
16 and real property, and manufacture, processing, or marketing of
17 products, commodities, or any other personal property;

18 (B) for the sale of services to the public;

19 (C) by a non-profit organization; or

20 (D) solely for the purpose of sec. 40(a) of this
21 chapter, for assisting in the purchase, sale, resale, manufacture,
22 processing, or marketing of products, commodities, personal
23 property, or services by the erection and maintenance of an
24 outdoor advertising display or displays, whether or not such
25 display or displays are located on the premises on which any of
26 the above activities are conducted;

27 (5) "farm operation" means any activity conducted solely
28 or primarily for the production of one or more agricultural products
29 or commodities, including timber, for sale or home use, and customarily

1 producing these products or commodities in sufficient quantity to be
2 capable of contributing materially to the operator's support;

3 (6) "mortgage" means such classes of liens as are commonly
4 given to secure advances on, or the unpaid purchase price of, real
5 property, under the law of the state in which the real property is
6 located, together with the credit instruments, if any, secured by the
7 property.

8 * Sec. 2. AS 19.35 is repealed.

9 * Sec. 3. This Act is retroactive to January 2, 1971.

10 * Sec. 4. This Act takes effect on the day after its passage and approval
11 or on the day it becomes law without approval.



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

"An Act exempting from city and borough taxation the real property of certain residents having limited income; and providing for an effective date"

Committee Report

HOUSE OF REPRESENTATIVES

_____ Date

Mr. Speaker:

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ CHAIRMAN

April 17, 1972

Mrs. Betty Mears
Secretary
Greater Palmer Chamber
of Commerce
Box 45
Palmer, Alaska 99645

Dear Mrs. Mears:

This is to acknowledge receipt of your letter dated April 14, 1972 regarding COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 296 (Senior Citizens Property Tax Relief).

I am enclosing a copy of information which was provided to the House Finance Committee and which I believe will be helpful to you for preparation of a discussion of this bill.

Sincerely,

J. H. Hogan
Fiscal Analyst

Encl.



**GREATER PALMER
CHAMBER OF COMMERCE**

BOX 45, PALMER, ALASKA 99645.

April 14, 1972

Mr. Jay Hogan
Fiscal advisor
Alaska State Legislature
Pouch V
Junesau, Alaska 99801

Dear Mr. Hogan:

Our Greater Palmer Chamber of Commerce members, at a recent meeting, asked that I inquire about costs to the State of the proposed CSHB 296 that they be better informed in considering the merits of the bill at their next meeting.

May we have that information, please, at your earliest convenience? Thank you.

Sincerely,

Mrs. Betty Nears, secretary



Alaska State Legislature
Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman
House Finance Committee

FROM: Rich Guthrie
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: 3/24/72

The following House bills are now in the Senate Finance Committee for consideration:

<u>Bill No.</u>	<u>Title</u>
HB 296	Senior Citizens Property Tax Relief

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.

MEMORANDUM

State of Alaska

TO: [

Honorable George H. Hohman
 Chairman, House Finance Committee
 Alaska State Legislature
 Juneau, Alaska

DATE: April 13, 1971

FROM:

R. D. Stevenson
 R. D. Stevenson
 Deputy Commissioner
 Department of Revenue
 Alaska Office Building
 Juneau, Alaska

SUBJECT: Committee Substitute for House
 Bill No. 296
 Senior Citizens Property Tax Relief

Committee Substitute for House Bill No. 296 provides for property tax relief in general for residents who are 65 years of age or older whose gross annual income totals less than \$10,000.

Section 2 (g) of the proposed legislation provides that the state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. The Department of Revenue cannot offer estimates on the state's cost of lost real property tax revenues as this information would have to be amassed after a year's experience as to the number of potential persons claiming exemption was gained at the local government level, after verifying those persons whose gross annual income was under \$10,000.

By the terms of the proposed legislation the assessor may at any time require proof in the form he considers necessary of the right and amount of the exemption claimed under this section, and in that respect may as one form or proof require authorization from the taxpayer to verify gross income level by reference to gross income shown in the latest state income tax return available for all or part of the assessment year for which the exemption is sought.

The above language does not conflict or pose any problem with the Alaska Statutes 43.20.190 (c) which provides that:

"The department, upon written request, shall furnish to the taxpayer a copy of his return upon payment of \$1."

Problems and cost of administration

In every instance wherein the taxpayer authorizes the Department of Revenue to furnish to the assessor a verification of gross income level, it is normally necessary that a Xerox copy be made of the taxpayer's complete state income tax return and that further an attestation of official record, copy of which is attached, be prepared, notarized and the official seal of the State of Alaska be placed thereon to accompany the copy of the taxpayer's state income tax return. All charges for such service at \$1 a copy will be deposited in the state's general fund.

If the verification process contemplated in the proposed legislation were to be fully implemented and forecasting 3,000 to 4,000 persons involved, the Department of Revenue would require one additional employee of the Clerk Typist II level; additional stationery, Xerox supplies, desk, chair

April 13, 1971

and typewriter to prepare and mail the necessary verification documents.

Additional costs to the Department of Revenue are then as follows

Personal Services

Wage of 1 Clerk Typist II	\$6,432.00	
Employee benefits @ 17%	<u>1,093.00</u>	\$7,525.00

Equipment

Desk	\$ 200.00	
Electric Typewriter	500.00	
Typist Chair	<u>40.00</u>	740.00

Stationery, Xerox supplies and mailing		<u>700.00</u>
--	--	---------------

Total cost to Department of Revenue - unbudgeted		<u>\$8,965.00</u>
--	--	-------------------

It is to be noted that taxpayers have until April 15 of each year following the end of the calendar year to file state income tax returns. Therefore, copies of tax returns as authorized by taxpayers to be delivered to assessors would not be available at the earliest date until after April 15 of each year.

RDS:eh

cc: Honorable Helen M. Fischer
Vice-Chairman
House State Affairs Committee
Sponsor, House Bill No. 296

ATTESTATION OF OFFICIAL RECORD

STATE OF ALASKA) ss.

I, _____, _____
(Name) (Title)

Department of Revenue, do hereby certify that the annexed State Income Tax Return
of _____, to-wit:

Attachment #1

Attachment #2

Attachment #3

Files # _____ are the original or certified true
copies of the records of original entry on file in my office and in my custody.

IN WITNESS WHEREOF, I have hereunto set my hand at Juneau, Alaska, this
_____ day of _____, 19_____.

(Name)

(Title)

(SEAL)

SUBSCRIBED and SWORN to before me this _____ day of _____,
19_____.

Notary Public in and for the State of
Alaska

My commission expires: _____

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99701

March 22, 1971

Mr. Dan Casey
c/o The Honorable Richard L. McVeigh
Chairman
House State Affairs Committee
Pouch V
Juneau, Alaska 99801

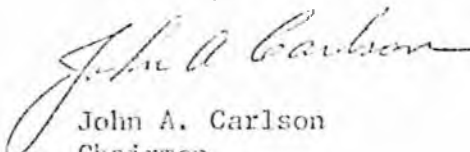
Dear Mr. Casey:

Reference your telephone conversation this morning with Mr. Dinkins.

During tax and calendar year 1970 our records show that our Senior Citizens Tax Exemption Program cost the borough \$29,421, the City of North Pole \$133, and the City of Fairbanks \$16,719 in sacrificed real property taxes. Total real property tax billings prior to the exemptions for the same period for all three local governments were \$3,568,067.

As you can see, the revenues sacrificed under this program were negligible in comparison with total real property tax revenues. The borough is enthusiastic about continuing the program and we hope that it may contribute to the ability of those senior citizens who wish to do so to remain in Alaska during the years when their incomes are normally reduced.

Sincerely,


John A. Carlson
Chairman

JAC/tj

OFFICE OF THE GOVERNOR

The Honorable Bill Miller
Chairman, Joint Governmental Committee
Alaska State House of Representatives

From: Mr. Simon E. Hillott
Deputy, Local Affairs Agency

DATE: March 25, 1971

RE: House Bill 135 and House Bill 296

Sylvia J. Strandberg
Administrative Specialist

The agency has reviewed House Bills 135 and 296 both of which relate to partial or complete exemption from city and borough taxation of the homesteads of senior citizens of limited incomes. It is our conclusion, after careful and thorough analysis, that both bills, while addressing themselves to the growing problems of our senior citizens, do not represent measures which would be in the best interests of the state or local governments.

We fully recognize that the sponsors of the bills are seeking to remedy the situation that a growing number of state citizens at age 65 and over are facing, i.e., increasing property taxes due to appreciating values on real property coupled with the effect of the inflationary spiral of living costs in the face of rather static personal incomes. It is hoped our municipalities to shoulder the additional local revenue needs which would result from exemption of senior citizens from property taxation will only act to further erode the financial base of local governments.

While senior citizen tax exemptions are not presently mandatory, a number of Alaska cities and boroughs are providing for such exemptions at their own option.

It has been suggested that both House Bills 135 and 296 might be amended to provide for the State to reimburse local governments to the extent that senior citizen property tax exemptions are granted. Prior to enactment of such a bill, it will be necessary to determine the cost to the State. A study of this nature for all municipal property taxing jurisdictions could not be immediately done because neither the local governments nor the office of the State Assessor have available the statistics to go along with property tax assessment rolls. As a consequence, a fiscal note on either H. B. 135 or H. B. 296 would be quite difficult to prepare.

As a further note, it is the agency's judgment that legislative approval to broaden the exemption to property taxation will likely encourage further exemptions during subsequent legislative sessions.

In conclusion, it is the feeling of the agency that House Bills 135 and 296 should not be acted upon until such time that the actual costs of these measures, both to the local governments and to the State, can be ascertained.

OFFICE OF THE COMMISSIONER

John L. Elliott
Director
State Affairs Agency

DATE: March 31, 1971

SUBJECT: Revenue Bills 133 and 296

Robert Benier
State Assessor

In concert with the comments of Sigvald Strandberg as stated in his memorandum through you to Representative Mike Miller dated March 25, 1971.

In prior years, numerous bills have been introduced concerning assistance to senior citizens. enactment has failed due to the cumbersome and costly procedure.

There is little justification for saddling the various sophisticated levels of Alaska Local Government with the administration of any formulae which requires access to state income tax records. This is not a compatible arrangement under the borough form of government.

Consider for a moment that it is difficult for senior citizens with limited incomes to reside in Alaska. Not only those who own property but those who rent a place to live as well.

A formulae based on residency, age, and income could be administered properly and economically on the state level. Payments thus received by qualifying senior citizens could be used as desired.

SJD:rv

3-11-71
Mile

April 6, 1971

Revenue loss due to exemptions in HB 296:

Palmer	\$150,000
Wrangell	\$ 15,000 - 25,000
Kenai Peninsula	Very Little
Sitka Borough	\$ 5,411.57

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE 583-7477

JUNEAU, ALASKA 99901 APR 6 AM 7 12

1000 1 1111

COMMUNICATIONS ALASKA 2 4125 417

COMMUNICATIONS ALASKA MUNICIPAL LEADER

COMMUNICATIONS

COMMUNICATIONS ALASKA MUNICIPAL LEADER

COMMUNICATIONS ALASKA MUNICIPAL LEADER

COMMUNICATIONS ALASKA MUNICIPAL LEADER

COMMUNICATIONS ALASKA MUNICIPAL LEADER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE 588-7477

UNNEAU, ALASKA 99801

1971 APR 5 PM 5 57

RECEIVED AT THE OFFICE OF THE DISTRICT ATTORNEY
OF THE STATE OF ALASKA
IN WASHINGTON DC ON APRIL 5 1971
BY THE DISTRICT ATTORNEY

MESSAGE NO. 6-1325
ADD TO D.H.
8400
JP TO BE Delv
46

FILE NO. 100-100000
(8)

Original sponsor: Fischer

Offered: 4/9/71
Referred: Finance

1 IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE
2 CS FOR HOUSE BILL NO. 296
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from city and borough taxation the
7 real property of certain residents having limited
8 incomes; and providing for an effective date."

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

10 * Section 1. AS 29.10.336(a) is amended to read:

11 (a) Property owned by the city or the state; the real property
12 of certain residents of the state to the extent and subject to the
13 conditions provided in (e) of this section; the household furniture of
14 the head of a family or a householder not exceeding \$500 in value;
15 all property used exclusively for nonprofit religious, charitable,
16 cemetery, hospital, or educational purposes; the property of an organi-
17 zation, not organized for business purposes, whose membership is
18 composed entirely of individuals with 90 days or more of active service
19 in the armed forces of the United States whose conditions of service
20 and separation were other than dishonorable, or the property of the
21 auxiliary of any such organization; and all money on deposit are exempt
22 from taxation.

23 * Sec. 2. AS 29.10.336 is amended by adding new subsections to read:

24 (e) The real property owned and occupied as a permanent place
25 of abode by a resident 65 years of age or over whose gross annual
26 income totals less than \$10,000 is exempt from taxation of the assessed
27 value of the real property. Only one exemption may be granted with
28 respect to the same property and, if two or more persons are eligible
29 for an exemption with respect to the same property, the parties shall

1 decide between or among themselves which shall receive the benefit of
2 the exemption; however, in the case of more than one party eligible
3 for an exemption with respect to the same property, the total combined
4 gross annual income of the parties may not exceed \$10,000. No real
5 property may be exempted under this subsection which the assessor
6 determines, after notice and hearing to the parties concerned, has
7 been conveyed to the applicant primarily for the purpose of obtaining
8 the exemption. The determination of the assessor is appealable under
9 AS 44.62.560 - 44.62.570.

10 (f) No exemption may be granted except upon written application
11 for the exemption upon a form prescribed by the state assessor for
12 use by local assessors. The claimant must file the application no
13 later than January 15 of the assessment year for which the exemption
14 is sought and must file a separate application for each assessment
15 year in which the exemption is sought. If an application is filed
16 within the required time and is approved by the assessor, he shall
17 allow an exemption in accordance with the provisions of this section.
18 The assessor may at any time require proof in the form he considers
19 necessary of the right and amount of an exemption claimed under this
20 section, and in that respect may as one form of proof require authori-
21 zation from the taxpayer to verify gross income level by reference
22 to gross income shown in the latest state income tax return available
23 for all or part of the assessment year for which an exemption is
24 sought.

25 (g) The state shall reimburse a borough or city, as appropriate,
26 for the real property tax revenues lost to it by the operation of (e)
27 of this section.

28 * Sec. 3. AS 07.12.200 is amended to read:

29 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.200

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relating to the collection of penalties on property taxes and interest on property and sales taxes, applies to home rule boroughs.

(b) AS 29.10.336(e) - (f), which limit home rule taxing power, apply to home rule boroughs.

* Sec. 4. This Act takes effect January 1, 1972.

1 IN THE HOUSE

BY FISCHER

2 HOUSE BILL NO. 296

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from city and borough taxation the
7 real property of certain residents having limited
8 incomes; and providing for an effective date."

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

10 * Section 1. AS 29.10.336(a) is amended to read:

11 (a) Property owned by the city or the state; the real property
12 of certain residents of the state to the extent and subject to the
13 conditions provided in (e) of this section; the household furniture of
14 the head of a family or a householder not exceeding \$500 in value;
15 all property used exclusively for nonprofit religious, charitable,
16 cemetery, hospital, or educational purposes; the property of an organi-
17 zation, not organized for business purposes, whose membership is
18 composed entirely of individuals with 90 days or more of active service
19 in the armed forces of the United States whose conditions of service
20 and separation were other than dishonorable, or the property of the
21 auxiliary of any such organization; and all money on deposit are exempt
22 from taxation.

23 * Sec. 2. AS 29.10.336 is amended by adding new subsections to read:

24 (e) The real property of a resident 65 years of age or over whose
25 gross annual income totals less than \$10,000 is exempt from taxation
26 of the assessed value of the real property. Only one exemption may be
27 granted with respect to the same property and, if two or more persons
28 are eligible for an exemption with respect to the same property, the
29 parties shall decide between or among themselves which shall receive

1 the benefit of the exemption.

2 (f) No exemption may be granted except upon written application
3 for the exemption upon a form prescribed by the state assessor for
4 use by local assessors. The claimant must file the application no
5 later than January 15 of the assessment year for which the exemption
6 is sought and must file a separate application for each assessment
7 year in which the exemption is sought. If an application is filed
8 within the required time and is approved by the assessor, he shall
9 allow an exemption in accordance with the provisions of this section.
10 The assessor may at any time require proof in the form he considers
11 necessary of the right and amount of an exemption claimed under this
12 section, and in that respect may as one form of proof require authori-
13 zation from the taxpayer to verify gross income level by reference
14 to gross income shown in the latest state income tax return available
15 for all or part of the assessment year for which an exemption is
16 sought.

17 * Sec. 3. AS 07.12.200 is amended to read:

18 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.-
19 200, relating to the collection of penalties on property taxes and
20 interest on property and sales taxes, applies to home rule boroughs.

21 (b) AS 29.10.336(e) - (f), which limit home rule taxing power,
22 apply to home rule boroughs.

23 * Sec. 4. This Act takes effect July 1, 1971.
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RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 11, 1971

The Honorable George H. Hohman
Chairman, House Finance Committee
House of Representatives
State Capitol Building
Juneau, Alaska 99801

Dear Mr. Hohman:

Subject: House Bill 260

I have discussed HB 260 with Miss Donna Spragg,
Assistant Attorney General.

I am informed that under present law (AS 44.19.975)
commission members receive the per diem of State
employees rather than board members. Last year they
received \$21 per day. She is under the impression
they would now be allowed \$30 per day under the
existing statute. At present, of course, they are
not allowed compensation but there is no limit on
the number of meetings.

As you know, under the proposed legislation members
would receive the same per diem as other board and
commission members (\$35 per day) but they would be
limited to 2 meetings per year.

Let us assume 11 members on the commission with two
meetings of 4 days each, the per diem would total
about \$3,080.

Again, let us assume the same 11 members with round
trip air fares twice of about \$150, which would equal
a total of \$3,300 in addition.

I hope this information is of some assistance to your
committee in its deliberations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Warren W. Wiley".

Warren W. Wiley
Administrative Assistant

Introduced: 3/4/71
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY BANFIELD AND FISCHER

2 HOUSE BILL NO. 260

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the per diem compensation for
7 members of the Alaska Commission on the Status of
8 Women; and providing for an effective date."

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

10 * Section 1. AS 44.19.975 is repealed and re-enacted to read:

11 Sec. 44.19.975. COMPENSATION. The members of the commission
12 shall not receive compensation for their services. Per diem and
13 transportation expenses authorized under AS 39.20.180 shall only be
14 paid to the commission members for attendance at not more than two
15 meetings each year.

16 * Sec. 2. This Act takes effect on July 1, 1972.

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RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 3/4/71
Referred: Local Government
and Health, Welfare & Education

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2 HOUSE BILL NO. 263

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the minimum teachers salary scale;
7 and providing for an effective date."

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

9 * Section 1. AS 14.20.220(a)(2) is amended to read:

10 (2) The base salary for a teacher holding a bachelor's degree
11 and having the requisite number of hours in education is \$10,000
12 [\$9,500]. This salary is augmented by the sum of .04 times the base
13 for each year of school experience in the state up to and including
14 seven years. Teachers transferring experience from outside the state
15 are subject to (e) of this section.

16 * Sec. 2. AS 14.20.220(a)(3) is amended to read:

17 (3) The base salary for a teacher having a master's degree
18 and the required number of hours of education is \$11,400 [\$10,900].
19 This salary is augmented by the sum of .04 times the base for each
20 year of school experience in the state up to and including 11 years.
21 Teachers transferring experience from outside the state are subject
22 to (e) of this section.

23 * Sec. 3. This Act takes effect on July 1, 1971.
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Referred: Local Government
and Health, Welfare & Education

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BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

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James D. Smith
Signature of Camera Operator

4/4/89
Date

4/10/72

Rich,

I think 296 & its various substitutes present some problems. (1) Senate CS for CS for HB 296 is really little more than a \$400.00 + grant for old timers; why not just increase grants and be done with it? (2) There are some of the same inequities as are present in SB 211. (i.e. if an OAA recipient has real property, he would be able to get a tax exemption, and his income would be increased accordingly. On the other hand, an OAA recipient not owning real property would get \$400 cash & find his welfare grant reduced accordingly. Thus, the property owner would be assisted, but the non-property owner would not have his status changed.

Also, what would prevent me (if my aged parents or grand-parents lived in the state) from pulling my property in the name of a relative who is over 65 & getting a tax break. (Many old people live in the names of their children, now & then. They could easily put the property in the name of the parent.)

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: CSHB 296, SCS CSHB 296
 Title: City & Borough Property Tax Exemptions for Limited Income Residents
 Requested by: Legislative Finance Date: 3/24/72
 Return Date Requested: 3/31/72
 Agency: Local Affairs Agency Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
900 CENTRAL DUPLICATING		\$1,000				
TOTAL		\$1,000				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		\$1,000				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Agency will be involved only with the printing and distribution to taxing jurisdictions of the exemption forms as outlined in Sec. 2, Subsection (f) of the bill.

Estimated expenditure - \$1,000

IV. ATTACHMENTS

Memo to Warren Wiley dated 3/31/72.

V. DATE: March 31, 1972 PREPARED BY: R. Dozier

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Warren Wiley

MEMORANDUM

State of Alaska
OFFICE OF THE GOVERNORTO: Warren Wiley
Administrative AssistantTHRU: Byron Mallott
Director
FROM: Local Affairs Agency

DATE : March 31, 1972

SUBJECT: Estimated fiscal note on
CS HB 296 - SCS CSHB 296S. Robert Dozier *RD*
State Assessor

As instructed in your memo dated 3/24/72, I have prepared a fiscal note for both CS HB 296 and SCS CSHB 296. I have also contacted Fred Boetsch, Director of Revenue Audit, Department of Revenue. Mr. Boetsch is preparing a separate fiscal note together with his comments and recommendations.

Statistics concerning heads of households, urban and rural, were extracted from tables 16 and 37 in the 1970 census of population publication PC (1) B3, entitled, "General Population Characteristics Alaska", published by the U.S. Department of Commerce, Bureau of the Census.

Information concerning gross or net income as related to taxable property valuations of senior citizens is not available either from the Department of Revenue or from units of Alaska local government.

The provisions of CS HB 296 are quite different from those of SCS CS HB 296 as to requirements of income, type of property, tax exemptions and grants.

My comments and suggestions will pertain primarily to Senate Committee Substitute for CS for HB 296. However, I have estimated that implementation of CS HB 296, which rebates to local taxing jurisdictions, the loss in revenue on real property owned and used as the principle place of abode of senior citizens with annual gross incomes of \$10,000 or less to be in the neighborhood of \$500,000. Processing of individual income tax records is not compatible with administration of the property tax under the borough form of government.

SCS CS HB 296 Provisions:

1. The personal property of and real property owned and occupied includes real estate, mobile homes and chattels.
2. The net taxable income of \$10,000.
3. An option provision for receiving the \$400 grant in lieu of the tax exemption establishes the minimum entitlement to all heads of households who qualify as to age and income.

According to the 1970 census population figures there were approximately 6,909 senior citizens; 3,942 of these were heads of households. Divided as follows: rural - 1,472; urban within taxing jurisdictions - 2,240; and urban outside taxing jurisdiction - 230.

Certain assumptions are required in order to establish a basis on which to estimate the total cost to the state and the amount which will be required to reimburse borough and cities for property tax revenue which is exempt by the provisions of this bill.

1. Minimum grant for qualifying senior citizens - \$400
(average 25,000 @ 16 mills = \$400)
2. Maximum exemption for qualifying senior citizens with taxable property in excess of \$25,000 - \$630
(average 35,000 @ 18 mills = \$630)
3. Urban senior citizens with taxable real and personal property in excess of \$25,000 estimated to number - 1,129
4. Income exclusion - 10%

Estimated Cost to the State:

Urban - 1,341 X \$400 = (minimum exemption or grant)	\$536,400	
Urban - 1,129 X \$630 = (maximum exemption from property tax)	\$711,270	
Rural - 1,472 X \$400 = (minimum grant provision)	<u>\$588,800</u>	
Subtotal		\$1,836,470
Less 10% income exclusion	<u>\$183,670</u>	
Total Cost		<u>\$1,652,800</u>

Estimated Loss in Borough and City Revenue:

Average - 1,111 X \$400 =	\$444,400	
Above average - 1,129 X \$630 =	<u>\$711,270</u>	
Subtotal		\$1,155,670
Less 10% income exclusion	<u>\$115,670</u>	
Total property tax loss		<u>\$1,040,000</u>

Recommendations

1. The administration of SCS CS HB 296 could be greatly simplified by granting only the \$400 to all qualifying heads of households. According to the figures above there are 1,129 qualified senior citizens within taxing jurisdictions owning property which has a value which would indicate a tax bill in excess of the minimum \$400 grant provision. The estimated average excess

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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for each is estimated as 230. For a total of \$259,670 or 14% of the total senior citizen entitlement.

The grant would not necessarily have to be tied to the costly administration of the property tax. The formulae based on residency, age, head of household, and income could be administered properly and most economically on the state level. Payments then received by qualifying senior citizens could be used as desired.