



LAWS OF ALASKA

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1

AN ACT

Relating to a program of grants to homeowners whose property was destroyed or severely damaged by the effects of the earthquake of March 27, 1964; and providing for an effective date."

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

* Section 1. INTENT OF ACT. It is the intention of the legislature that the State of Alaska cooperate with the federal government in establishing a program to retire or adjust outstanding home mortgage obligations or other real property liens secured by one to four family dwellings which were destroyed or severely damaged in the earthquake of March 27, 1964 and subsequent seismic waves and to comply with the requirements of Section 57 of the "1964 Amendments to the Alaska Omnibus Act." Doubt as to the proper construction of a provision of this Act shall be resolved in favor of conformity with the provisions of the Alaska Omnibus Act of 1964 and the manifest intent of Congress.

* Sec. 2. PURPOSE. (a) It is determined and declared as a matter of legislative finding that

(1) a large number of one to four family homes that were severely damaged or destroyed in the March 1964 earthquake

and subsequent seismic waves were owned subject to substantial mortgages and other liens;

(2) the damage to family homes in many cases exceeded 60 per cent of the pre-earthquake value of the homes;

(3) that no federal or state programs exist to relieve the economic hardship suffered by the home owners although such programs do exist in many cases to assist other individuals and businesses;

(4) the President of the United States is authorized by Section 57 of the "1964 Amendments to the Alaska Omnibus Act" to make additional grants to the state in an amount up to \$5,500,000 to match, on a fifty-fifty basis, any funds provided by the state to pay costs of retiring and adjusting such mortgage obligations;

(5) the absence of an effective program for relief of said mortgagors threatens to depress a substantial portion of the economy of the state and several municipalities within the state;

(6) the absence of an effective program for relief of said mortgagors will make it impossible for great numbers of individuals to rebuild their homes which will result in an exodus of solid citizens from the state and decrease the economy and the tax base of the state and certain municipalities at all levels;

(7) the absence of an adequate program for relief of mortgagors creates conditions contrary to the public interest which threaten, or may threaten, the health, safety, welfare, comfort, and security of the citizens of the state;

(8) an adequate program for relief of mortgagors will permit substantial rebuilding that would otherwise not be done and thus stabilize the economy of the state;

(9) an adequate plan for relief will stimulate the economy of the state by making available \$5,500,000 of federal matching funds on a grant basis and is both necessary and desirable and in the best interests of the public welfare;

(10) as a result of the 1964 earthquake and subsequent seismic waves there is an aggravated housing shortage in several areas of the state that were affected by the earthquake and seismic waves and an adequate relief program will greatly contribute to the rebuilding of homes that were severely damaged or destroyed;

(11) there is a definite need for relief in the state for mortgagors who have lost their homes but still are burdened by substantial mortgages;

(12) a large number of mortgages, on one to four family homes which were severely damaged or destroyed in the March 1964 earthquake and subsequent seismic waves, are owned by banks and lending institutions outside the State of Alaska. These banks and lending institutions are a primary source of development capital for financing home mortgages, industrial development programs, and capital improvement programs within the State of Alaska. Bankruptcy and defaults resulting from the inability of individuals to pay their mortgage obligations may substantially and adversely affect the credit of the State of Alaska and its citizens and damage its reputation in financial circles throughout the United States for meeting its financial commitments. Injury to the state's credit and to its reputation for meeting financial obligations threaten to reduce sources of development capital which are essential to the economic growth and development of the State of Alaska.

(b) Therefore, it is the policy of the state to promote the health, safety, and welfare of its citizens by the creation of an agency to implement Section 57 of the "1964 Amendments to the Alaska Omnibus Act" by using federal grants and state matching money to relieve mortgagors whose homes were severely damaged or destroyed in the 1964 earthquake and subsequent seismic waves. The implementation of this program will stabilize the population of the state and stimulate and improve the economy and increase the tax base of the state and municipalities affected by the 1964 earthquake. These purposes are considered necessary and are public purposes for which public money may be spent.

* Sec. 3. POWERS AND DUTIES. (a) The commissioner of commerce may make grants to mortgagors for the purpose of retiring or adjusting mortgage obligations or other real property liens secured by one to four family dwellings which were destroyed or damaged in the earthquake and seismic waves of March 27, 1964.

(b) The commissioner of commerce or his duly authorized agent shall:

(1) prepare a plan to be submitted by the governor to the President of the United States for the implementation of the purpose of Section 57 of the "1964 Amendments to the Alaska Omnibus Act";

(2) enact rules and regulations and do all other things necessary to effectuate the purpose of this Act;

(3) hire, define the duties, and fix the compensation of personnel necessary to effectuate the purposes of this Act;

(4) make reports in the form and containing the information required by the federal government;

(5) allow the federal government access to all records

pertaining to the purposes of this Act.

(c) Personnel hired under this Act shall be exempt from the State Personnel Act (AS 39.25.010 - 39.25.220).

(d) Rules and regulations promulgated under this Act shall not be subject to the Administrative Procedure Act.

(e) The commissioner of commerce may take title to property that is subject to this Act and may transfer property acquired under this Act to further the purposes of the program established under this Act.

* Sec. 4. GRANTS. Mortgagors whose property was severely damaged or destroyed in the earthquake of March 27, 1964, and subsequent seismic waves may make application for relief under this Act on or before March 31, 1965. Grants shall be approved only if the physical damage to the one to four family dwellings securing the home mortgage obligation or other real property lien amounts to 60 per cent or more of the pre-earthquake value of the secured property. Pre-earthquake value means the fair market value of the property on March 27, 1964, but before the earthquake. The mortgagor shall be required to absorb the physical damage loss to the entire extent of his equity interest in the property and also agree to pay up to \$1,000 of the outstanding mortgage balance. No grant shall exceed \$30,000 on a single property. Where the land on which the earthquake-damaged properties were located has been destroyed or altered so drastically as to render the site unacceptable as a location for future structures, the commissioner of commerce may require the transfer of title to the state in order to facilitate urban land stabilization and other community action. The commissioner of commerce shall assure equal treatment among home owners and prevent un-

justified payments or gains to mortgagors or mortgagees.

* Sec. 5. A person who makes a false statement or misrepresentation knowing it is false or who knowingly fails to disclose a material fact, to obtain an increase of payment under the program established pursuant to this Act, either for himself or another person, upon conviction, is punishable by a fine of not more than \$10,000, or by imprisonment for not more than one year, or both. Each false statement or misrepresentation or failure to disclose a material fact is a separate offense.

* Sec. 6. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.