

CHAPTER 113

AN ACT

Relating to the issuance of \$3,800,000 of general obligation bonds of the state or borrowing \$3,800,000 from the United States government to provide state funds to match federal funds and to pay the state's share of engineering and construction expenses for federal-aid highway construction, reconstruction, and repair, and state highway construction, reconstruction, and repair made necessary by damage caused by the earthquake of March 27, 1964; providing standards under which funds shall be used; creating a highway construction, reconstruction, and repair account; creating a bond or loan redemption account; and providing for an effective date.

(H.B. 462)

Be it enacted by the Legislature of the State of Alaska:

Section 1. From the proceeds of the sale of \$50,000,000 of general obligation bonds of the state authorized in Ch. 48, SLA 1964, to provide funds to meet the effects throughout the state of the earthquake that occurred on March 27, 1964, or from money borrowed from the United States government by the state as authorized by the legislature to provide funds to meet the effects of the earthquake of March 27, 1964, an amount not to exceed \$3,800,000 shall be expended to provide state funds to match federal funds and pay the state's share of engineering and construction costs incurred for federal-aid highway construction, reconstruction, and repair under federal-aid highway programs, and to provide funds to pay all expenses for construction, reconstruction, and repair of state highways or on projects where federal matching funds are not available. Funds shall be made available under this Act solely for reconstruction or repair of highways which were damaged by the earthquake of March 27, 1964, or to construct new highways made necessary by the earthquake of March 27, 1964.

Sec. 2. The governor shall determine when state funds to match federal funds and pay the state's share of engineering and construction costs for highway construction, reconstruction, and repair under federal-aid highway construction programs and under state highway construction programs shall be used. In making his determination he shall consider the following standards:

(1) the availability of funds from other sources to meet the state's required contribution of matching funds and engineering and construction costs under federal-aid highway programs or

state expenses under state highway programs;

(2) whether the federal-aid or state highway construction, reconstruction, or repair projects were made necessary by the earthquake of March 27, 1964;

(3) the need for funds to match federal funds and to pay the state's share of engineering and construction costs for federal-aid highway construction, reconstruction, and repair, and to meet expenses under state construction, reconstruction, and repair programs in other localities in the state and the urgency of the need for highway construction, reconstruction, and repair in other areas of the state as compared with the need for construction, reconstruction, or repair of the highway under consideration; and

(4) the general welfare of the state, the municipality, or municipalities and their inhabitants.

Sec. 3. There is hereby created within the Natural Disaster Recovery Fund of 1964 a special account to be known as the "Highway Construction, Reconstruction, and Repair Account" into which shall be paid the proceeds of the sale of bonds or money borrowed from the United States government described in sec. 1 of this Act except for accrued interest.

Sec. 4. There is hereby created within the Natural Disaster General Obligation Bond Redemption Fund a special account to be known as the "Highway Construction, Reconstruction, and Repair Bond and Loan Redemption Account" to the credit of which there shall be set aside such amount of money as may be necessary to pay the principal and interest on the outstanding bonds or money bor-

rowed from the United States as described in sec. 1 of this Act, and which account shall be used for the purpose of paying and securing the payment of the principal and interest when they become due.

Sec. 5. A report outlining all expenditures of funds from the sale of bonds or money borrowed by the state from the United States government under this Act

shall be submitted by the State Bond Committee to the legislature before February 1, 1965, and annually thereafter for each year in which state funds are expended under this Act.

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

Approved May 29, 1964

CHAPTER 114

AN ACT

Relating to disaster relief for persons who have received state veterans' loans; and providing for an effective date.

(H.B. 464)

Be it enacted by the Legislature of the State of Alaska:

Section 1. Any person who has received a veteran's farm, home, or business loan from the Department of Commerce and whose property, if it secures the loan, was damaged by the earthquake or the consequences of the earthquake of March 27, 1964, may apply to the Department of Commerce for relief under sec. 2 of this Act. Any person who has received a veteran's farm, home, or business loan from the Department of Commerce and whose property, if it secures the loan, was destroyed or irreparably damaged by the earthquake or the consequences of the earthquake of March 27, 1964, may apply to the Department of Commerce for relief under sec. 3 of this Act.

Sec. 2. If the Department of Commerce determines that the property which secures the loan was damaged to the extent that the cost of the reconstruction, repair, or replacement of the property will exceed 20 per cent of the market value of the property before the earthquake, the department shall

(1) suspend those payments of principal of the loan and forgive those payments of interest on the loan, which will become due between June 1, 1964, and June 1, 1965, if the department holds the loan instrument; or

(2) pay to the lender, in favor of

the borrower, all payments of principal and interest on the loan which will become due between June 1, 1964, and June 1, 1965, if the department is the guarantor of the loan; or

(3) pay to the holder of the loan instrument, in favor of the borrower, all payments of principal and interest on the loan which will become due between June 1, 1964, and June 1, 1965, if the department assigned the loan before June 1, 1964.

Sec. 3. The Department of Commerce shall release a borrower from all personal liability on his indebtedness on a farm, home, or business loan held by the department if

(1) the borrower pays the department \$1,000; and

(2) the property securing the loan was destroyed or irreparably damaged; and

(3) the borrower surrenders title to the property to the department.

Sec. 4. The amount of money equal to those principal payments suspended or paid by the Department of Commerce under sec. 2 of this Act is a personal obligation of the borrower to the department. The department shall not require repayment of this obligation until the farm, home, or business loan of the borrower is repaid. The obligation may be repaid in twelve equal monthly install-