

Legislature can't override Hammond veto

The Associated Press

Gov. Jay Hammond, in what may be remembered as one of his more controversial vetoes, last week axed a bill amending the FRANK initiative on capital move costs.

Lawmakers failed to garner the 40 necessary votes to override the veto when they met early this week. The vote favored the pro-movers 34-23 but 40 votes for a two-thirds margin was necessary.

At the same time his veto was announced, Hammond introduced two alternative capital move proposals and urged lawmakers to pass either one in an attempt

to put to rest the issue that has divided Alaska since statehood.

Hammond said he rejected the bill because it would not allow Alaskans to vote on the true cost of the capital move.

The intent of the nearly 70,000 Alaskans who approved the FRANK initiative in 1978 was that "they, not the Legislature, wanted to approve the full costs of a move prior to its start," Hammond said.

Hammond's first alternative bill would leave the FRANK initiative untouched. The bill calls for an update of the relocation cost estimate made by the Capital Site Planning Commis-

sion in 1978. The updated estimate would be calculated by a team of three certified public accountants.

They would be directed to submit an updated cost estimate by August 1982 and would be required to correct any erroneous assumptions made by the planning commission in figuring the original cost estimate.

The updated estimate then would be placed before voters in 1982.

Three years ago, voters rejected a \$966 million bond issue for a new capital. The cost estimate resulted from the planning commission's 1978 report.

Hammond's second bill would amend the FRANK initiative, revitalize the Capital Site Planning Commission, and direct the panel to revise its previous

work. The commission would calculate a new cost estimate, which would be put before voters in 1982. In contrast to the original FRANK initiative, the bill specifies all the expenses that would be included in the cost estimate.

As passed in 1978, the initiative prohibits relocation of the capital until voters approve "all bondable costs" of building a new capital. Hammond's bill calls for a vote on the "total cost to the state of providing for completion of relocation of a functional state capital" at Willow.

Hammond listed five major reasons for vetoing the bill:

- *It would require "an understatement of costs" because proceeds from the sale and lease of state land at Willow would be

deducted from the cost estimate.

- *It would not require the cost estimate to be based on accurate inflation rates.

- *The bill called for costs to be computed through 1990, which Hammond said is an "unrealistic completion date."

- *Because the bill set what Hammond said was an early completion date, the number of employees to be moved to the new capital would be understated. As a result, Hammond said costs for construction, moving employees to Willow and Juneau indemnification would be understated.

- *The bill called for cost estimates to be based on a growth rate for state government employees that is less than the actual rate experienced.