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REPRESENTATIVE MIKE CHENAULT HOUSE DISTRICT 29

SPONSOR STATEMENT

HOUSE BILL 148: "An Act relating to service areas in second class boroughs; and providing for an effective date."

House Bill 148 expands the authority for second-class boroughs to exercise the local option of creating a non-taxable service area to provide emergency response along state highway corridors not covered by existing emergency services areas. In particular, this legislation would enable the Kenai Peninsula Borough to establish a service area for coordinated coverage for the almost 90 miles of the heavily traveled Seward and Sterling highways that are not within the boundaries of any established emergency services area.

The bill proposes additional language in AS 29.35.490(a) Establishment of a Service Area, allowing second-class boroughs to create service areas along state highway corridors by ordinance, provided that no voters reside within the service area boundaries and no new taxes are levied for the service area. Under the current statute, approval by a majority of voters is required to create a new service area with residents — this legislation would not change that provision. The intent is to deal only with unpopulated highway right-of-way corridors. Second class boroughs within the state, besides the Kenai Peninsula Borough, are the Aleutians East Borough, the Bristol Bay Borough, the Fairbanks North Star Borough, the Ketchikan Gateway Borough, the Kodiak Island Borough and the Matanuska-Susitna Borough.

In the case of the Kenai Peninsula, subject to borough assembly approval, the municipal government could use a portion of its federal payment-in-lieu-of-taxes (PILT) allocation to cover the costs of providing highway corridor travelers with life-and-safety response services.

The Overview, Background and Conclusion brief that is included in your back up materials provides a more in-depth analysis as to why this legislation is necessary and needed.