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Senate District B

Sponsor Statement

SB 105 – Road Service Area Consolidation

Senate Bill 105 provides second class boroughs with the ability to consolidate two or more road service areas (RSAs) if the boards representing those RSAs request consolidation and no new parcels are added to the single new service area.

A road service area is a taxing jurisdiction established at the request of the voters within a geographical area to provide certain services within their specific area. Voters establish their boundaries, the maximum mill levy imposed on real property for the purpose of road maintenance services, and a board that determines the level of road maintenance services and directs contractors to perform these services. Members of the board are nominated by the mayor and confirmed by the borough assembly.

Beginning in 1972, and in the years that followed, RSAs benefited from state shared revenues (SSR) for local road construction and improvements. SSR reductions through the 1990s prompted RSAs to hold elections to establish tax revenue caps to supplement the reduced state funding for local roads. Existing RSAs also resisted annexations of new parcels and roads to their service areas leading to the formation of new RSAs. Of the five second class boroughs in the State of Alaska that have RSAs (Fairbanks, Mat-Su, Kenai, Kodiak and Ketchikan), the Fairbanks North Star Borough has, by far, the most RSAs at 103. The next largest borough by RSAs is the Mat-Su with 16.

While greater efficiencies and lower costs in maintaining local roads could be achieved through consolidating some RSAs, borough assemblies do not have the power to adjust service area boundaries without voter approval. Separate elections are required for each of the RSAs subject to consolidation, and these elections typically fail to turn-out voters. Consolidation efforts led by RSAs themselves, as proposed under SB 105, would lead to greater efficiency and reduced costs through economies of scale and less contract administration by borough administrators.

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