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# 31st Alaska State Legislature



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## Senator John Coghill

### **SB 218 – Road Service Areas Sponsor Statement**

*“An Act Relating to Road Service Area Consolidation.”*

Senate Bill 218 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 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 appointed 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.

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. Such consolidation would lead to greater efficiency and reduced costs through economies of scale and less contract administration by borough administrators.

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