

**SENATE BILL NO. 264**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY SENATOR TORGERSON, Pearce, Sharp

Introduced: 1/27/98

Referred: Transportation, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to aid for municipal road maintenance; and providing for an  
2 effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** AS 29.45.020(a) is amended to read:

5 **Sec. 29.45.020. Taxpayer notice.** (a) If a municipality levies and collects  
6 property taxes, the governing body shall provide the following notice:

7 "NOTICE TO TAXPAYER

8 For the current fiscal year the (city)(borough) has been allocated the following amount  
9 of state aid for school and municipal purposes under the applicable financial assistance

10 Acts:

11 PUBLIC SCHOOL FOUNDATION PROGRAM

12 ASSISTANCE (AS 14.17) \$

13 STATE AID FOR RETIREMENT OF SCHOOL

14 CONSTRUCTION DEBT (AS 14.11.100) \$

1	MUNICIPAL TAX RESOURCE EQUALIZATION	
2	(AS 29.60.010 - 29.60.080)	\$
3	PRIORITY REVENUE SHARING FOR	
4	MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180)	\$
5	REVENUE SHARING FOR SAFE COMMUNITIES	
6	(AS 29.60.350 - 29.60.375)	\$
7	<b><u>AID FOR MUNICIPAL ROAD MAINTENANCE</u></b>	
8	<b><u>(AS 29.60.700 - 29.60.730)</u></b>	<b>\$</b>
9	TOTAL AID	\$

10 The millage equivalent of this state aid, based on the dollar value of a mill in the  
 11 municipality during the current assessment year and for the preceding assessment year,  
 12 is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
15 PUBLIC SCHOOL FOUNDATION		
16 PROGRAM ASSISTANCE	. . . . MILLS	. . . . MILLS
17 STATE AID FOR RETIREMENT		
18 OF SCHOOL CONSTRUCTION		
19 DEBT	. . . .MILLS	. . . .MILLS
20 MUNICIPAL TAX RESOURCE		
21 EQUALIZATION	. . . .MILLS	. . . .MILLS
22 PRIORITY REVENUE SHARING		
23 FOR MUNICIPAL SERVICES	. . . .MILLS	. . . .MILLS
24 REVENUE SHARING FOR SAFE		
25 COMMUNITIES	. . . .MILLS	. . . .MILLS
26 <b><u>AID FOR MUNICIPAL ROAD</u></b>		
27 <b><u>MAINTENANCE</u></b>	<b><u>. . . .MILLS</u></b>	<b><u>. . . .MILLS</u></b>
28 TOTAL MILLAGE		
29 EQUIVALENT	. . . .MILLS	. . . .MILLS"

30 Notice shall be provided  
 31 (1) by furnishing a copy of the notice with tax statements mailed for

1 the fiscal year for which aid is received; or

2 (2) by publishing in a newspaper of general circulation in the  
3 municipality a copy of the notice once each week for a period of three successive  
4 weeks, with publication to occur not later than 45 days after the final adoption of the  
5 municipality's budget.

6 \* **Sec. 2.** AS 29.60 is amended by adding new sections to read:

7 **Article 9. Aid for Municipal Road Maintenance.**

8 **Sec. 29.60.700. Aid for municipal road maintenance.** (a) The department  
9 shall pay to a municipality that has the power to provide for road maintenance and  
10 exercises that power a grant based on each mile of road, street, or highway maintained  
11 by the municipality excluding

12 (1) the official state highway system;

13 (2) roads, streets, or highways not dedicated to public use;

14 (3) roads, streets, or highways maintained under AS 19.30.111 -  
15 19.30.251 (local service road program);

16 (4) alleyways; and

17 (5) roads, streets, or highways not used by automotive equipment.

18 (b) The amount of a grant to a municipality under this section for a year  
19 equals \$1,000 for each mile of road, street, or highway maintained by the municipality  
20 during that year.

21 **Sec. 29.60.710. Municipal road maintenance account.** (a) The municipal  
22 road maintenance account is established in the department. Money to carry out the  
23 provisions of AS 29.60.700 - 29.60.730 may be annually appropriated by the  
24 legislature from proceeds of the revenue from the tax on motor fuel under  
25 AS 43.40.010(m) or from federal or other sources. If amounts in the account are  
26 insufficient to pay each municipality's grant authorized under AS 29.60.700, the  
27 amounts that are available shall be distributed pro rata among eligible municipalities.

28 (b) Unless otherwise provided in the appropriation, money appropriated to the  
29 municipal road maintenance account for a fiscal year that exceeds the amount required  
30 to fully fund grants authorized under AS 29.60.700 for that fiscal year shall be  
31 allocated by the Department of Community and Regional Affairs to the Department

1 of Transportation and Public Facilities for road improvements under AS 29.60.730(b).

2 **Sec. 29.60.720. Regulations.** The department shall adopt regulations necessary  
3 to carry out the purposes of AS 29.60.700 - 29.60.730. The regulations must include  
4 minimum road maintenance standards required for eligibility for grant money. The  
5 department shall require a municipality to submit a performance report adequate to  
6 demonstrate to the department that maintenance was performed by the municipality and  
7 that the maintenance meets minimum standards prescribed by regulation.

8 **Sec. 29.60.730. Transfer of roads to municipalities.** (a) On application to  
9 the Department of Transportation and Public Facilities by a municipality, a road, street,  
10 or highway located within the boundaries of the municipality may be transferred to that  
11 municipality by the Department of Transportation and Public Facilities if, after the  
12 transfer, the municipality will qualify for a grant to maintain the road, street, or  
13 highway under AS 29.60.700.

14 (b) Within 60 days after receiving a request from a municipality for the  
15 transfer of a road, street, or highway to the municipality, the Department of  
16 Transportation and Public Facilities shall determine whether the road, street, or  
17 highway needs grading, surfacing, or other improvements before it is transferred to the  
18 municipality under this section. If the Department of Transportation and Public  
19 Facilities determines that the road, street, or highway may be transferred if  
20 improvements are made to it, the Department of Transportation and Public Facilities  
21 shall make those improvements subject to appropriations for that purpose. Money to  
22 carry out this section shall be annually appropriated.

23 \* **Sec. 3.** AS 43.40.010(g) is amended to read:

24 (g) The proceeds of the revenue from the tax on all motor fuels, except as  
25 provided in (e), (f), [AND] (j), **and (m)** of this section, shall be deposited in a special  
26 highway fuel tax account in the state general fund. The legislature may appropriate  
27 funds from it for expenditure by the Department of Transportation and Public Facilities  
28 directly or as matched with available federal-aid highway money for maintenance of  
29 highways, construction of highway projects and ferries included in the program  
30 provided for in AS 19.10.150, including approaches, appurtenances and related  
31 facilities and acquisition of rights-of-way or easements, and other highway costs

1 including surveys, administration, and related matters. All departments of the state  
2 government authorized to spend funds collected from taxes imposed by this chapter  
3 shall perform, when feasible, all construction or reconstruction projects by contract  
4 after the projects have been advertised for competitive bids, except that, when feasible,  
5 arrangements shall be made with political subdivisions to carry out the construction  
6 or reconstruction projects. If it is not feasible for the work to be performed by state  
7 engineering forces, the commissioner of transportation and public facilities may  
8 contract on a professional basis with private engineering firms for road design, bridge  
9 design, and services in connection with surveys. If more than one private engineering  
10 firm is available for the work, the contracts shall be entered into on a negotiated basis.

11 \* **Sec. 4.** AS 43.40.010 is amended by adding a new subsection to read:

12 (m) Thirty-seven and one-half percent of the proceeds of the revenue from the  
13 taxes on motor fuel used in motor vehicles licensed to be operated on public ways,  
14 excluding the amount determined to have been spent by the state in its collection, shall  
15 be deposited in a special municipal road maintenance account in the state general fund.

16 The legislature may appropriate funds from this account for grants to municipalities  
17 under AS 29.60.700 and for road improvements under AS 29.60.730(b).

18 \* **Sec. 5.** AS 29.60.110(a) is repealed.

19 \* **Sec. 6.** This Act takes effect July 1, 1998.