

CS FOR SENATE BILL NO. 264(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 5/4/98

Offered: 3/30/98

Sponsor(s): SENATORS TORGERSON, Pearce, Sharp, Taylor

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to municipal highway construction grants, to minimum payments
2 under certain municipal aid programs, to aid for municipal road maintenance, and
3 to the transfer of roads to municipalities; and providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. AS 19.20 is amended by adding a new section to read:

6 **Sec. 19.20.100. Municipal highway construction grants.** (a) Each fiscal
7 year, \$10,000,000 of federal funds may be appropriated to the department for
8 municipal road construction grants. The department shall make grants of the federal
9 funds to municipalities for construction projects for highways that are under municipal
10 jurisdiction. To qualify for a grant, a municipality must

11 (1) apply for the grant in the manner prescribed by the department; and

12 (2) meet all federal matching and other federal requirements for receipt
13 and expenditure of the funds.

14 (b) The amount of a municipal road construction grant is based on each mile

1 of highway maintained by the municipality, excluding (1) the official state highway
 2 system, (2) highways not dedicated to public use, (3) highways maintained under
 3 AS 19.30.111 - 19.30.251 (local service road program), (4) alleyways as defined in
 4 regulations adopted by the department, and (5) highways not used by automotive
 5 equipment. The grant for each municipality equals \$2,500 per mile of road maintained
 6 by the municipality. If amounts appropriated are insufficient to pay each
 7 municipality's grant in full, the amounts that are available shall be distributed pro rata
 8 among eligible municipalities.

9 (c) The department may adopt regulations under AS 44.62 (Administrative
 10 Procedure Act) to carry out the purposes of this section.

11 * **Sec. 2.** AS 29.45.020(a) is amended to read:

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

14 "NOTICE TO TAXPAYER

15 For the current fiscal year the (city)(borough) has been allocated the following amount
 16 of state aid for school and municipal purposes under the applicable financial assistance
 17 Acts:

18 PUBLIC SCHOOL FOUNDATION PROGRAM

19 ASSISTANCE (AS 14.17) \$

20 STATE AID FOR RETIREMENT OF SCHOOL

21 CONSTRUCTION DEBT (AS 14.11.100) \$

22 MUNICIPAL TAX RESOURCE EQUALIZATION

23 (AS 29.60.010 - 29.60.080) \$

24 PRIORITY REVENUE SHARING FOR

25 MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180) \$

26 REVENUE SHARING FOR SAFE COMMUNITIES

27 (AS 29.60.350 - 29.60.375) \$

28 **AID FOR MUNICIPAL ROAD MAINTENANCE**

29 **(AS 29.60.700 - 29.60.730)** \$

30 TOTAL AID \$

31 The millage equivalent of this state aid, based on the dollar value of a mill in the

1 municipality during the current assessment year and for the preceding assessment year,
 2 is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
3		
4		
5	PUBLIC SCHOOL FOUNDATION	
6	PROGRAM ASSISTANCE MILLS MILLS
7	STATE AID FOR RETIREMENT	
8	OF SCHOOL CONSTRUCTION	
9	DEBTMILLSMILLS
10	MUNICIPAL TAX RESOURCE	
11	EQUALIZATIONMILLSMILLS
12	PRIORITY REVENUE SHARING	
13	FOR MUNICIPAL SERVICESMILLSMILLS
14	REVENUE SHARING FOR SAFE	
15	COMMUNITIESMILLSMILLS
16	<u>AID FOR MUNICIPAL ROAD</u>	
17	<u>MAINTENANCE</u>	<u>. . . .MILLSMILLS</u>
18	TOTAL MILLAGE	
19	EQUIVALENTMILLSMILLS"

20 Notice shall be provided

21 (1) by furnishing a copy of the notice with tax statements mailed for
 22 the fiscal year for which aid is received; or

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

27 * **Sec. 3.** AS 29.60.290(c) is amended to read:

28 (c) The department shall pay to each municipality eligible to receive a
 29 minimum payment under this section an amount equal to the difference between the
 30 minimum payment determined under (a) and (b) of this section and the sum of the
 31 amounts payable for the same fiscal year under AS 29.60.010 - 29.60.080, [AND]

1 29.60.100 - 29.60.180, and 29.60.700 - 29.60.720.

2 * **Sec. 4.** AS 29.60.372(a) is amended to read:

3 (a) If a municipality qualifies for a payment during a fiscal year under
4 AS 29.60.350 and also under AS 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, or
5 29.60.290, and if the total amount payable to the municipality under those sections is
6 less than a minimum entitlement of \$40,000, the department shall pay to the
7 municipality an amount equal to the difference between \$40,000 and the total amount
8 payable under AS 29.60.350, 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, 29.60.290,
9 and 29.60.700 - 29.60.720 [THOSE SECTIONS AND \$40,000] as adjusted under
10 AS 29.60.373.

11 * **Sec. 5.** AS 29.60 is amended by adding new sections to read:

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

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

17 (1) the official state highway system;

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

19 (3) roads, streets, or highways maintained under AS 19.30.111 -
20 19.30.251 (local service road program);

21 (4) alleyways; and

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

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

26 **Sec. 29.60.710. Municipal road maintenance account.** (a) The municipal
27 road maintenance account is established in the department. Money to carry out the
28 provisions of AS 29.60.700 - 29.60.730 may be annually appropriated by the
29 legislature from proceeds of the revenue from the tax on motor fuel under
30 AS 43.40.010(m) or from federal or other sources. If amounts in the account are
31 insufficient to pay each municipality's grant authorized under AS 29.60.700, the

1 amounts that are available shall be distributed pro rata among eligible municipalities.

2 (b) Unless otherwise provided in the appropriation, money appropriated to the
3 municipal road maintenance account for a fiscal year that exceeds the amount required
4 to fully fund grants authorized under AS 29.60.700 for that fiscal year shall be
5 allocated by the Department of Community and Regional Affairs to the Department
6 of Transportation and Public Facilities for road improvements under AS 29.60.730(b).

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

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

19 (b) Within 60 days after receiving a request from a municipality for the
20 transfer of a road, street, or highway, the Department of Transportation and Public
21 Facilities shall determine, and notify the municipality, whether the road, street, or
22 highway needs grading, surfacing, or other improvements before it is transferred to the
23 municipality under this section. Within 60 days after receiving the notification, the
24 municipality may withdraw its request for the transfer. If the Department of
25 Transportation and Public Facilities determines that the road, street, or highway may
26 be transferred after improvements are made to it and if the municipality does not
27 withdraw its request for the transfer, the Department of Transportation and Public
28 Facilities shall make those improvements, subject to appropriations for that purpose,
29 and transfer the road, street, or highway after the improvements are made. Money to
30 carry out this section shall be annually appropriated.

31 * **Sec. 6.** AS 43.40.010(g) is amended to read:

1 (g) The proceeds of the revenue from the tax on all motor fuels, except as
 2 provided in (e), (f), [AND] (j), and (m) of this section, shall be deposited in a special
 3 highway fuel tax account in the state general fund. The legislature may appropriate
 4 funds from it for expenditure by the Department of Transportation and Public Facilities
 5 directly or as matched with available federal-aid highway money for maintenance of
 6 highways, construction of highway projects and ferries included in the program
 7 provided for in AS 19.10.150, including approaches, appurtenances and related
 8 facilities and acquisition of rights-of-way or easements, and other highway costs
 9 including surveys, administration, and related matters. All departments of the state
 10 government authorized to spend funds collected from taxes imposed by this chapter
 11 shall perform, when feasible, all construction or reconstruction projects by contract
 12 after the projects have been advertised for competitive bids, except that, when feasible,
 13 arrangements shall be made with political subdivisions to carry out the construction
 14 or reconstruction projects. If it is not feasible for the work to be performed by state
 15 engineering forces, the commissioner of transportation and public facilities may
 16 contract on a professional basis with private engineering firms for road design, bridge
 17 design, and services in connection with surveys. If more than one private engineering
 18 firm is available for the work, the contracts shall be entered into on a negotiated basis.

19 * **Sec. 7.** AS 43.40.010 is amended by adding a new subsection to read:

20 (m) Each year, the Department of Community and Regional Affairs shall
 21 determine the amount necessary to fully fund grants to municipalities under
 22 AS 29.60.700. That amount of the proceeds of the revenue from the taxes on motor
 23 fuel used in motor vehicles licensed to be operated on public ways shall be deposited
 24 in a special municipal road maintenance account in the state general fund. The
 25 legislature may appropriate funds from the municipal road maintenance account for
 26 grants to municipalities under AS 29.60.700.

27 * **Sec. 8.** AS 29.60.110(a) is repealed.

28 * **Sec. 9.** This Act takes effect July 1, 1998.