

**HOUSE BILL NO. 358**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVE KOHRING**

**Introduced: 1/11/06**

**Referred: Community and Regional Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to use by municipalities of money received under certain state aid**  
2 **programs; and providing for an effective date."**

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

4 **\* Section 1.** AS 29.10.200 is amended by adding new paragraphs to read:

5 (64) AS 29.60.110 (aid for roads);

6 (65) AS 29.60.290(e) (minimum aid payments).

7 **\* Sec. 2.** 29.60.050(a) is amended to read:

8 (a) An equalization entitlement generated by the tax levy of a taxing unit may  
9 be used only for **roads, schools, police protection, or fire protection and only to the**  
10 **extent that the use is an** authorized **expenditure** [EXPENDITURES] of that taxing  
11 unit, but up to 15 percent of the payment of an equalization entitlement generated by  
12 areawide revenue of a municipality may be used by the municipality for areawide or  
13 nonareawide purposes at the discretion of its governing body. This subsection applies  
14 to home rule and general law municipalities.

1 \* **Sec. 3.** AS 29.60.110 is amended to read:

2           **Sec. 29.60.110. State aid to municipalities for roads.** (a) The department  
3 shall pay to a municipality that has power to provide for road maintenance and  
4 exercises that power [,] an entitlement based on each mile of road, street, or highway  
5 maintained by the municipality, excluding (1) the official state highway system, (2)  
6 roads, streets, or highways not dedicated to public use, (3) roads, streets, or highways  
7 maintained under AS 19.30.111 - 19.30.251 (local service road program), and (4)  
8 alleyways, in accordance with regulations adopted by the Department of  
9 Transportation and Public Facilities. A payment may not be made under this  
10 subsection for maintenance of a road that is not used by automotive equipment. If at  
11 least \$41,472,000 is appropriated for all entitlements under AS 29.60.010 - 29.60.310  
12 for a fiscal year, the entitlement for each municipality under this subsection for that  
13 year equals \$3,000 a [PER] mile. Otherwise, the entitlement equals \$2,500 a [PER]  
14 mile. **Money received under this subsection may be used by the municipality only**  
15 **for road maintenance.**

16           (b) A frozen waterway and a connection from an inhabited area to a waterway  
17 that may be safely used for public transportation by automotive equipment and is so  
18 used during a portion of a year is eligible for payment of \$1,500 a [PER] mile if the  
19 waterway and connection are maintained during the period of use by a municipality or  
20 combination of municipalities. The department, after consultation with the Department  
21 of Transportation and Public Facilities, shall determine which waterways and  
22 connections qualify and, where the waterways or connections lie outside the corporate  
23 limits of a municipality, which municipalities shall receive the payments under this  
24 subsection, unless the municipalities involved have agreed in writing to a particular  
25 distribution. **Money received under this subsection may be used by a municipality**  
26 **only for maintenance of a frozen waterway and connection from an inhabited**  
27 **area to the waterway.**

28 \* **Sec. 4.** AS 29.60.110 is amended by adding a new subsection to read:

29           (c) This section applies to home rule and general law municipalities.

30 \* **Sec. 5.** AS 29.60.290(e) is amended to read:

31           (e) Payments under this section shall be made from the money allocated to the

1 tax equalization account established in AS 29.60.060 **and may be used only for**  
2 **roads, schools, police protection, and fire protection. This subsection applies to**  
3 **home rule and general law municipalities.**

4 \* **Sec. 6.** This Act takes effect July 1, 2006.