

HB

782

COMMITTEE REPORT

SENATE

FURTHER: None

4/14/80

Date: 4-24-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 782
local service roads and trails

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]
CHAIRMAN
Do Pass

Committee Log Book - 1980

Tape Number XXIV

SENATE C/RA - Chairman Sturgulewski

Side Number 1

Committee

Mbrs: Senators Mulcahy, Kelly, Stimson, Rodey
All members present. Sen. Rodey came in late.

Dates 4/24/80 to --

Bill Numbers Discussed

CSHB 782									
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/24/80 1:40	001	782	Sen. Sturgulewski on CSHB 782
	040	"	John Scribner/DOT/PF
	117	"	Terry Earley, Dept. C/RA - no spec. comments
	132		Chairman Sturgulewski, Section by Section
	139		Royce Weller, Representative Malone's Office
	159		Section 1
	194		" 2
	201		" 3-4-5
	280		Senator Kelly, Chrmn. Sturgulewski, Royce State's Authority
	300		Section 6
	327		Chrmn. Sturgulewski reads statutes
	362		Section 7
	398		Section 8
	407		Section 7
	425		Chrmn. Sturgulewski - Section 9, 10, 11, 12
	469		Sen. Rodey explains "royalties"
	489		Section 12
	495		Chrmn. Sturgulewski

514
567

Sen. Stimson - Procedure explanation
"DO PASS" move

4-18-80

Re: Ron Lind

CS HB 782

Ron to send F.N.

"CS" came about as
testimony from Dot-Pi

- So all concerns are now
met. They support

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1 REQUIREMENT OR OBLIGATION MAY BE IMPOSED UPON A BIDDER AS A CONDITION
2 PRECEDENT TO THE AWARD OF A CONTRACT TO A BIDDER UNLESS THE REQUIREMENT
3 OR OBLIGATION IS OTHERWISE LAWFUL AND SPECIFICALLY SET OUT IN THE ADVER-
4 TISED SPECIFICATIONS.]

5 * Sec. 8. AS 19.30.191(c) is amended to read:

6 (c) All contracts by a local government that has not assumed local
7 road powers must [AWARDED BY COMPETITIVE BIDDING UNDER (b) OF THIS SEC-
8 TION MUST COMPLY WITH THE PROVISIONS OF THIS SECTION, AND] have the
9 prior concurrence of the commissioner.

10 * Sec. 9. AS 19.30.191 is amended by adding a new subsection to read:

11 (d) Except as provided (b) of this section and in AS 44.33.300,
12 construction of each project shall be administered by the department in
13 accordance with guidelines established by the commissioner by regulation.

14 * Sec. 10. AS 19.30.201 is amended to read:

15 Sec. 19.30.201. CONSTRUCTION. The construction of a local service
16 road or trail undertaken by the department [A LOCAL GOVERNMENT] or under
17 its direct supervision under the provisions of AS 19.30.111 - 19.30.241,
18 shall be performed according to approved design standards and are sub-
19 ject to the inspection and approval of the commissioner. All construc-
20 tion work done and labor performed by or under the direct supervision of
21 the department [LOCAL GOVERNMENT] shall be in accordance with [THE LAWS
22 OF THAT LOCAL GOVERNMENT AND] applicable state law.

23 Deleted Sec. 19.30.211 - in this am. from CS HB 782

* Sec. 11. AS 19.30.221 is amended to read:

24 Sec. 19.30.221. AVAILABILITY OF ALLOCATED SUMS. (a) On and after
25 the date that the commissioner has certified the sums allocated to each
26 local government, the sums shall be available for expenditure [BY THE
27 LOCAL GOVERNMENT] under the provisions of this chapter.

28 (b) These allocated sums shall be [CONTINUE] available for expen-
29 diture [BY THAT LOCAL GOVERNMENT] for a period of five years after the

1 close of the fiscal year for which the sums are authorized and any
2 amounts so obligated remaining unexpended at the end of that period
3 shall lapse and shall be available for other local service road or trail
4 construction within that allocation district in accordance with AS 19.-
5 30.111 - 19.30.241.

6 (c) This section applies to sums transferred under AS 19.30.-
7 151(b).

8 (d) The payment of royalties required to obtain materials to con-
9 struct local service road and trail projects is a valid expenditure under
10 this chapter.

11 * Sec. 12. AS 19.30 is amended by adding a new section to read:

12 Sec. 19.30.233. REPORTS. (a) No later than October 1 of each
13 year, a local government which has received money under AS 19.30.151(b)
14 shall prepare a report showing the use of the money by the local govern-
15 ment during the preceding 12 months. The local government shall submit
16 a copy of the report to the commissioner.

17 (b) No later than December 1 of each year, the commissioner shall
18 prepare a report showing the use of the money allocated under this
19 chapter during the preceding 12 months and a report on the status of all
20 projects under this chapter for which the department has construction
21 responsibility. The commissioner shall submit copies of the reports to
22 the governor.

23 * Sec. 13. AS 19.30.241 is amended by adding new paragraphs to read:

24 (7) "commissioner" means the commissioner of transportation
25 and public facilities;

26 (8) "department" means the Department of Transportation and
27 Public Facilities.

28 * Sec. 14. AS 19.30.191(a) and 19.30.231 are repealed.
29

Sent. Amended

Original sponsors: Malone and Rogers

Offered: 4/8/80
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 782

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to local service roads and trails."

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

8 * Section 1. AS 19.10.015 is amended by adding a new subsection to read:

9 (b) Notwithstanding (a) of this section, a municipality may design-
10 nate the width of a road which is not a part of the state highway system
11 if the municipality maintains the road.

12 * Sec. 2. AS 19.30.151(a) is amended to read:

13 (a) Upon application by a local government, local service roads
14 and trails constructed under the provisions of AS 19.30.111 - 19.30.241
15 and located within the jurisdictional boundaries of a local government,
16 as defined in AS 19.30.241(3), may be transferred to that local govern-
17 ment upon approval by the Department of Transportation and Public Faci-
18 lities and after a vote of the people in the area. [A LOCAL GOVERNMENT
19 WHICH HAS ASSUMED ROAD POWERS BEFORE MAY 20, 1971 MAY NOT BE REQUIRED TO
20 HOLD AN ELECTION AS PROVIDED BY THIS SECTION.]

21 * Sec. 3. AS 19.30.151(b) is amended to read:

22 (b) The commissioner shall, upon request of a local government,
23 [IS AUTHORIZED TO] transfer funds allocated under AS 19.30.131 to any
24 local government which has assumed local road powers [HE DETERMINES TO
25 BE QUALIFIED TO CONSTRUCT LOCAL SERVICE ROADS OR TRAILS].

26 * Sec. 4. AS 19.30.161 is amended to read:

27 Sec. 19.30.161. DESIGN STANDARDS, RIGHTS-OF-WAY AND WIDTHS.
28 Design standards, rights-of-way and widths for each local service road
29 and trail project shall have the prior approval of the commissioner,

1 unless the project is under the supervision of a local government that
2 has assumed local road powers. If the project is under the supervision
3 of a local government that has assumed road powers, design standards,
4 rights-of-way and widths shall be established by the local goverment.

5 * Sec. 5. AS 19.30.171(b) is amended to read:

6 (b) The costs incurred by the commissioner in acquiring this land
7 or interest in land includes all costs and any fees incidental to acqui-
8 sition (, INCLUDING RELOCATION ASSISTANCE AND PAYMENTS IN ACCORDANCE
9 WITH AS 34.60). All costs incurred [BY THE COMMISSIONER] in connection
10 with the acquisition of the land or interest in land for local govern-
11 ments that have assumed local road powers shall be paid by the local
12 government for which the land or interest in land is acquired. Right-of-
13 way acquisition costs incurred by the commissioner for local governments
14 without local road powers under AS 19.30.151(a) shall be charged to the
15 project allocation for the local government for which the land or inter-
16 est in land is acquired.

17 * Sec. 6. AS 19.30.181 is repealed and re-enacted to read:

18 Sec. 19.30.181. PROJECT AGREEMENTS. A local government which has
19 assumed local road powers may enter into a formal project agreement with
20 the commissioner for the construction of a specific project.

21 * Sec. 7. AS 19.30.191(b) is amended to read:

22 (b) [EXCEPT AS PROVIDED IN AS 44.33.300, CONSTRUCTION OF EACH
23 PROJECT SUBJECT TO THE PROVISIONS OF THIS SECTION SHALL BE PERFORMED BY
24 CONTRACT AWARDED BY COMPETITIVE BIDDING, UNLESS THE COMMISSIONER FINDS
25 THAT, UNDER THE CIRCUMSTANCES RELATING TO THE PROJECT, SOME OTHER METHOD
26 IS IN THE PUBLIC INTEREST.] Contracts entered into by a local government
27 that has assumed local road powers for the construction of each project
28 shall be awarded only on the basis of the lowest responsible bid sub-
29 mitted by a bidder meeting established criteria of responsibility. [NO

1 REQUIREMENT OR OBLIGATION MAY BE IMPOSED UPON A BIDDER AS A CONDITION
2 PRECEDENT TO THE AWARD OF A CONTRACT TO A BIDDER UNLESS THE REQUIREMENT
3 OR OBLIGATION IS OTHERWISE LAWFUL AND SPECIFICALLY SET OUT IN THE ADVER-
4 TISED SPECIFICATIONS.]

5 * Sec. 8. AS 19.30.191(c) is amended to read:

6 ✓ (c) All contracts by a local government that has not assumed local
7 road powers must [AWARDED BY COMPETITIVE BIDDING UNDER (b) OF THIS SEC-
8 TION MUST COMPLY WITH THE PROVISIONS OF THIS SECTION, AND] have the
9 prior concurrence of the commissioner.

10 * Sec. 9. AS 19.30.191 is amended by adding a new subsection to read:

11 (d) Except as provided (b) of this section and in AS 44.33.300,
12 construction of each project shall be administered by the department in
13 accordance with guidelines established by the commissioner by regulation.

14 * Sec. 10. AS 19.30.201 is amended to read:

15 Sec. 19.30.201. CONSTRUCTION. The construction of a local service
16 road or trail undertaken by the department [A LOCAL GOVERNMENT] or under
17 its direct supervision under the provisions of AS 19.30.111 - 19.30.241,
18 shall be performed according to approved design standards and are sub-
19 ject to the inspection and approval of the commissioner. All construc-
20 tion work done and labor performed by or under the direct supervision of
21 the department [LOCAL GOVERNMENT] shall be in accordance with [THE LAWS
22 OF THAT LOCAL GOVERNMENT AND] applicable state law.

23 * Sec. 11. AS 19.30.211 is amended to read:

24 Sec. 19.30.211. MAINTENANCE. The department shall maintain, or
25 cause to be maintained, any project constructed by the department under
26 the provisions of AS 19.30.111 - 19.30.241, except that upon mutual
27 agreement of the commissioner and the local government the responsibility
28 for maintenance may be transferred to the local government if it is
29 authorized to assume road maintenance powers.

*Deleted
in Sen. Am.*

1 * Sec 12. AS 19.30.221 is amended to read:

2 Sec. 19.30.221. AVAILABILITY OF ALLOCATED SUMS. (a) On and after
3 the date that the commissioner has certified the sums allocated to each
4 local government, the sums shall be available for expenditure [BY THE
5 LOCAL GOVERNMENT] under the provisions of this chapter.

6 (b) These allocated sums shall be [CONTINUE] available for expen-
7 diture [BY THAT LOCAL GOVERNMENT] for a period of five years after the
8 close of the fiscal year for which the sums are authorized and any
9 amounts so obligated remaining unexpended at the end of that period
10 shall lapse and shall be available for other local service road or trail
11 construction within that allocation district in accordance with AS 19.-
12 30.111 - 19.30.241.

13 (c) This section applies to sums transferred under AS 19.30.-
14 151(b).

15 (d) The payment of royalties required to obtain materials to con-
16 struct local service road and trail projects is a valid expenditure under
17 this chapter.

18 * Sec. 13. AS 19.30 is amended by adding a new section to read:

19 Sec. 19.30.233. REPORTS. (a) No later than October 1 of each
20 year, a local government which has received money under AS 19.30.151(b)
21 shall prepare a report showing the use of the money by the local govern-
22 ment during the preceding 12 months. The local government shall submit
23 a copy of the report to the commissioner.

24 (b) No later than December 1 of each year, the commissioner shall
25 prepare a report showing the use of the money allocated under this
26 chapter during the preceding 12 months and a report on the status of all
27 projects under this chapter for which the department has construction
28 responsibility. The commissioner shall submit copies of the reports to
29 the governor.

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* Sec. 14. AS 19.30.241 is amended by adding new paragraphs to read:

(7) "commissioner" means the commissioner of transportation and public facilities;

(8) "department" means the Department of Transportation and Public Facilities.

* Sec. 15. AS 19.30.191(a) and 19.30.231 are repealed.

IN THE HOUSE

The House was called to order at 11:30 a.m.

UNFINISHED BUSINESS

SB 559 The Speaker added an additional referral to the State Affairs Committee on SENATE BILL NO. 559 (convening of the legislature).

CSHB 782 The message from the Senate concerning COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 782 (local service roads and trails) and COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 782 amended Senate (same title) was before the House at this time.

Representative Anderson moved that the House concur in the Senate amendment to CSHB 782, thus adopting CSHB 782amS and asked that the members vote no.

The question being: "Shall the House concur in the Senate amendment to CSHB 782?" The roll was taken with the following result:

CSHB 782AMS

Yeas: 0

Nays: 35 Anderson, Barnes, Beirne, Bettsworth, Branson, Brown, Buchholdt, Carney, Chatterton, Cotten, Duncan, Freeman, Fuller, Gardiner, Guy, Halford, Hayes, Hurlbert, McKinnon, Malone, Martin, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Randolph, Rogers, Zharoff

Not Voting: 5 Eliason, Haugen, Meekins, Schaeffer, Smith

Representative Buchholdt changed her vote from "yea" to "nay."

And so, the House failed to concur in the Senate amendment to CSHB 782.

The Chief Clerk was instructed to s notify the Senate and respectfully request that they recede from the amendment.

CSHB
782

In the event the Senate fails to recede, the Speaker appointed the following members to a Free Conference Committee to meet with a like committee from the Senate to consider the above bills:

Representative Malone, Chairman

Representativ Rogers

Reprcintative Martin

Representative Brown moved and asked unanimous consent that the House adopt the letter of intent on COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1031 (continuing the existence of the Board of Electrical Examiners, and amending the statutes relating to the powers and duties of the board; effective date) (pages 1261 - 1262 of the journal). There being no objection, it was so ordered.

CSHB
1031

Representative Metcalfe moved and asked unanimous consent that SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 856 (relating to the relocation of the state capital; effective date) be taken from the State Affairs Committee and sent to the next committee of referral.

SSHB
856

Representative Miller objected.

The question being: "Shall SSHB 856 be taken from the State Affairs Committee and sent to the next committee of referral?" The roll was taken with the following result:

MOTION: SSHB 856

- Yeas: 7 Barnes, Bettisworth, Hayes, Martin, Metcalfe, Montgomery, Randolph
- Nays: 29 Anderson, Beirne, Branson, Brown, buchholdt, Carney, Chatterton, Cotten, Duncan, Freeman, Fuller, Gardiner, Guy, Halford, Hurlbert, McKinnon, Malone, Miles, Miller, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Rogers, Smith, Zharcff

HOUSE BILL 782

TITLE:

An Act relating to Local Service Roads and Trails Program

OBJECTIVE OF LEGISLATION:

✓ (a) To grant local governments which have assumed road powers increased authority and responsibility over local road criteria and the expenditure of the program's funds.

✓ (b) To grant local governments which have not assumed road powers the authority to charge right-of-way costs to the program.

MAJOR AMENDMENTS TO PRESENT STATUTES:

(1) Remove the authority of the Commissioner of the Department of Transportation to withhold program money from "qualified" local governments and remove the authority to mandate project agreements between the Department and the local governments (with road powers) concerning the construction of projects.

(2) This legislation would grant to local governments which have adopted road powers the authority to establish the design standards, right-of-ways, and the right-of-way width (not the Commissioner).

* (3) Allow program funds to be used for the purchase of right-of-ways (present statutes prohibit such a usage).

* (4) As a valid cost of road construction, royalty payments for materials shall be charged to the program.

* The Department of Transportation has estimated that right-of-way and material costs will require an additional expenditure of \$1.2 million in a typical year. However, since the appropriation is a lump sum, allocated in a manner set by statute, I do not recommend funding above the proposed level for the next fiscal year. The flexibility to use available funds for the above purposes will result in an improved program.

HOUSE BILL 782

TITLE: AN ACT RELATING TO LOCAL SERVICE ROADS AND TRAILS PROGRAM.

OBJECTIVES OF LEGISLATION: To grant local governments, which have assumed local road powers, increased authority/responsibility over local road criterions and the expenditure of the program's funds.

MAJOR AMENDMENTS TO PRESENT LAW: (A). Remove the discretionary authority of the commissioner of the department of transportation to withhold program money from "qualified" local governments; and power to mandate project agreements between the dept. and local governments concerning the construction of projects.

(B). Under this Act, local governments, which have adopted local road powers, may establish the design standards, right of ways, and widths, not the commissioner.

(C). The proposed language would allow the useage of program funds for the purchase of rights of ways. Present law prohibits such a useage.

SECTIONAL ANALYSIS OF HOUSE BILL 782

SEC 1 19.10.015

✓ (B) would provide a municipality, that has assumed road powers (and will maintain said road) with the authority to designate road widths.

SEC 2 19.30.151

✓ (A) is amended to remove reference to a date requiring a local government election. Amended version would require the transfer of L. S.R. and T's, upon approval by D.O.T., to the requesting local government.

SEC. 3 19.30.151

✓ (B) is amended by deleting the commissioner's authority to with-hold program funds; based on his interpretation of qualification.

SEC 4 19.30.161

✓ is amended by delegating to a local government, which has assumed road powers, the authority to establish road design standards, rights of way and widths for projects carried out under this program.

SEC 5 19.30.171

✓ (B) is amended by deleting the requirement that the local government shall pay for the acquirement of rights of ways. Amended language would allow for the usage of program funds to acquire rights of ways.

SEC 6 19.30.181

✓ is amended by deleting the project approval/disapproval authority of the commissioner and the requirement that the state and the appropriate local government enter into a formal project agreement. Amended language gives the local government the option to enter into a formal project agreement with the state, on any specific project.

SEC 7 19.30.191

(B) For local governments, which have not assumed road powers, amended language would delete the commissioner's authority to award contracts on a non-competitive basis. For Local governments, which have assumed local road powers, amended language deletes references to commissioner bidding participation. Furthermore, to insure that winning bids are selected upon the principle of "the lowest responsible bid", references to requirements or obligations that may be imposed upon a bidder were deleted.

SEC 8 19.30.201

technical amendments that serve to separate D.O.T. design standards and state law, from local government design standards and ordinances.

I. REQUEST
 Bill/Resolution No. CS HB 782
 Title An Act relating to local service roads and trails
 Requested by Senate Community & Regional Affairs Committee Date 4/18/80

II. FISCAL DETAIL

Agency Affected Transportation & Public Facilities
 Program Category Affected Highways - Design & Construction
 BRU, Program, or Subprogram(s) Affected Highways
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		690	690			
700 GRANTS, CLAIMS, ETC.						
TOTAL		690	690			

FUNDING (Thousands of Dollars)

GENERAL FUND		690	690			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The revision to this bill will result in payment for all right of way related costs. The above estimated costs are based only upon the proposed FY 81 CIP Bond Issue for \$10,000,000.

IV. DATE 4/18/80 PREPARED BY Charles D. Karella

AGENCY DOT/PF

PHONE 364-2121

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

3/12/80 CDK

Fiscal Note HB 782

Local Service Roads and Trails projects average 150 per Bond issue.

Average project is one mile in length.

Urban

R/W Acq ($\$130,000$ per A.) = $200,000$
R/W Admin @ 25% $50,000$ } $250,000$
Construction @ $\$1,000,000$ per mi.
R/W cost percentage of Const. = 25%

Suburban

R/W Acq ($\$40,000$ per Acre) = $\$80,000$
R/W Admin @ 35% $28,000$ } $108,000$
Construction @ $500,000$ per mi.
R/W cost percent. of Const. = 22%

Remote Areas

R/W Acq ($\$3,500$ per Acre) = $23,000$
R/W Admin @ 40% $3,000$ } $11,000$
Construction @ $200,000$ per mi.
R/W cost percent. of Construction = 5%

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 782

Title An Act relating to Local Service Roads and Trails

Requested by House State Affairs

Date 3/18/80

II. FISCAL DETAIL

Agency Affected DOT/PF

Program Category Affected Transportation

BRU, Program, or Subprogram(s) Affected Highways

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		500	500			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		690	690			
700 GRANTS, CLAIMS, ETC.						
TOTAL		1190	1190			

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		1190	1190			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The revision to this bill will result in payment for all right of way and royalty related costs.

IV. DATE 3/14/80

PREPARED BY Charles D. Karella

AGENCY DOT/PF

Orig. Legislative Finance
cc. Budget and Management

PHONE 364-2121

Prime Sponsor (First Legislator Named)

HOUSE BILL 782 RELATING TO THE LOCAL SERVICE ROADS & TRAILS
SPONSORED BY MALONE AND ROGERS

The Department of Transportation and Public Facilities recommends the following revisions to the proposed changes:

Section 19.30.171(b) Revise to read as follows:

The costs incurred by the commissioner in acquiring this land or interest in land includes all costs and any fees incidental to acquisition. All costs incurred in connection with the acquisition of the land or interest in land for local governments with road powers shall be paid by the local government for which the land or interest in land is acquired. Right of way acquisition costs incurred by the commissioner for local governments without road powers is chargeable to the project allocation for the local government for which the land or interest in land is acquired.

Comment: This revision is necessary to clarify the area of responsibility of funding for right of way costs. Deleted reference to relocation assistance.

Section 19.30.173 Royalty. Add the following section:

Royalty payments required to obtain the necessary materials to construct local service roads and trails projects is a valid item of construction costs.

Comment: This addition is necessary to clarify the area of responsibility of funds related to royalty payments.

Section 19.30.191(b) Revise as follows:

Contracts for the construction of each project by the local government with road powers shall be awarded only on the basis of the lowest responsible bid submitted by a bidder meeting established criteria of responsibility.

Comment: This revision is necessary to differentiate between local governments with road powers and others without.

Section 19.30.191(c) Revise as follows:

All contracts by other than a local government with road powers awarded by competitive bidding under (b) of this section must comply with the provisions of this section, and have the prior concurrence of the commissioner.

Comment: This revision is necessary to place the responsibility of proper contract procedures with local autonomy.

Section 19.30.191(d) Add the following section:

Except as provided in AS 44.33.300 and in (b) above, construction of each project subject to the provisions of this section shall be administered by the Department within the commissioner's guidelines.

Comment: This addition is necessary to direct the local governments without road powers to a source document such as the LSR&T Handbook. The LSR&T Handbook will cover the policy and procedures necessary to carry out the LSR&T program concerning other than local governments with road powers.

Fiscal Note for HB 782 SUPPORT

Local Service Roads & Trails project average cost breakdown for one mile projects are as follows:

I. Right-of-Way Costs

Urban

Construction cost	\$1,000,000
R/W Acquisition (\$130,000 per Acre)	200,000
R/W Administration @25%	50,000
R/W Cost/Construction cost	25%

Suburban

Construction cost	\$ 500,000
R/W Acquisition (\$40,000 per Acre)	80,000
*R/W Administration @30%	24,000
R/W cost/Construction cost	30%

*Additional cost percentage due to some travel and additional map source such as BLM, ADL Native allotments, etc..

Remote Areas

Construction cost	\$ 200,000
R/W Acquisition (\$3,500 per Acre)	8,000
*R/W Administration @40%	3,200
R/W cost/Construction cost	5%

*Additional cost percentage due to more travel involved than the Suburban areas.

15% increase of project costs for Right-of-Way is anticipated reflecting \$690,000 per year for a \$10,000,000 bond issue.

II. Payment of Royalties. Based on royalty payments for materials, needed funding for the program follows:

Assuming that each project averages one mile and 15,000 cu. yds. is utilized per project, royalty related costs are computed as follows:

Calendar years 1981 & 1982. Each average 16 new projects in the unorganized Boroughs. Estimated cost of material at \$.75/cu. yd. paid for royalties (Tanana Village Streets is set at \$.55 and paid for through a special appropriation by the legislature). Cost of load count employee is \$3,000 to \$6,000 per month. (State employees will be base X O.H. factor of 1.77. Survey part time and travel would exceed \$8,000).

15,000 cu. yd. X \$.75	=	\$11,250.00
Load Count Employee	=	<u>5,000.00</u>
TOTAL	=	\$16,250.00

16 projects X \$16,250 = \$260,000/year.
1981 & 1982 Poyalty related costs = \$520,000 total.

An additional \$500,000 per year increase funding is anticipated.