

HB

41

STATUS/SCOPE OF LEGISLATION

ISSUE: Relating to State aid to municipalities for roads

SPONSORS: Lacher, Larson, Phillips, Szymanski, and Tischer

CURRENT STATUS: Transportation; (C&RA); Finance

FISCAL IMPACT: \$ 3,185.8

REPRESENTATIVE	A. Comm. Vote	B. Statutory/Tech.	C. Supp. -Memo	D. Opp. -Memo	E. Vote
ABOOD					
ADAMS					
BARNES					
BETTISWORTH					
BUSSEL					
CATO					
CLOCKSIN	no recom.				
COWDERY					
DAVIS					
DUNCAN					
FLOOD					
FRITZ	no recom.				
FULLER					
FURNACE					
GOLL					
GRUSSENDORF					
HAYES					
HERRMAN					
HURLBERT					
KOPONEN					
LACHER	do pass		X		
LARSON					
LINDAUER					
LYSKA					
MALONE					
MARTIN					
MCBRIDE					
MILLER					
MILLER(NP)					
PESTINGER					
PHILLIPS	do pass				
RINGSTAD					
SHULTZ					
SZYMANSKI	do pass				
TISCHER	do pass				
UEHLING					
VASKA					
WARD					
WENDTE					
ZHAROFF					

Assume Rep. Lacker
will be testifying
on HB 41

— from staff
didn't have me
contact anyone
else

Alaska State Legislature

House of Representatives

Committee on Transportation

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

Rep. Bette Cato, Chairman

Tuesday, March 22, 1983

HB 41: Relating to state aid to municipalities for roads; and providing for an effective date.

BY- Lacher, Larson, Phillips, Szymanski and Tischer

Would increase the amount of state aid to municipalities for road maintenance from \$2,500 a mile to \$3,500 a mile for each mile of road, street or highway maintained by the municipality (amends AS 29.89.020 (a) to so reflect). Also would amend a new Municipal Code when enacted by the Thirteenth Legislature. Provides Act takes effect July 1, 1983, and provides payments of state aid shall start during the fiscal year beginning July 1, 1983.

Referred back to the House on February 8, 1983 by Community & Regional Affairs with the majority of the committee recommending it do pass. Not concurring: Fritz and Clocksin signed "no recommendation".

(Do Pass: Lacher, Tischer, Szymanski, Phillips)

Material in folder

HB 41

Memo to C&RA Committee

Memo from Rep. Lacher - Position Paper

Memo from . . . Road Maintenance Costs from House Research

Memo from . . . AK Municipal League

Statutes

Fiscal Note

COMMITTEE REPORT

HOUSE

FINANCE

FURTHER:

2/8/83

Date: 3/22/83

Mr. Speaker:

The Committee on TRANSPORTATION has had HB 41

Relating to state aid to municipalities for roads and providing for an effective date.

under consideration and reports it back as follows:

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

**MEMBERS SIGNING
DO PASS**

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Walter J. ...

Richard ... do Pass

John ...

M.W. Miller

William ... do Pass

Betty ...

Betty ...

CHAIRMAN



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House C & RA Committee Members

FROM: Staff

SUBJECT: House Bill 41

AS. 29.89.020 provides \$2,500 per road mile to municipalities that maintain roads excluding the official state highway system (state maintained) and roads maintained under the local service roads and trails program.

The amount of \$2,500 per road mile of maintainance was established by the Legislature in 1980. There has been no increase in the amount authorized in recognition of inflation in the cost of maintaining roads.

According to figures provided by the Department of Transportation and Public Facilities, they requested an average of \$9,300 per mile for maintenance of state roads in FY 83.

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4103

Position Paper

Re: HB 41

Sponsor: Representative Lacher

Programs Effects

This Bill would increase the per mile amount distributed for road maintenance under the Municipal Revenue Sharing program. It would raise it from \$2500 per mile to \$3500 per mile.

Comments

The Department supports the intent of this bill to increase aid to communities. The Department would suggest an increase to the appropriation to the Municipal Revenue Sharing Fund if this bill were passed. For the current year Chapter 89 Revenue Sharing funds are prorated at 81% of the total each community is eligible for; if this bill were in place that proration factor would be approximately 75%. That would mean that Municipal Revenue sharing for other areas (Health Care, Volunteer Fire Departments, and Unincorporated Communities.) would be reduced to pay for increased assistance for roads if the appropriation were not increased.

Additionally, increasing the amount per mile of road could weight the formula disproportionately in favor of Municipalities located on the road system.

The bill should also be reviewed in light of other proposed changes in the Municipal Revenue Sharing program and projected funding over the next few years.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Fourth Y. State Capitol
Juneau, Alaska 99811
(907) 465-3991

January 31, 1983

MEMORANDUM

TO: Representative Barbara Lacher
Attention: Bob Harris

FROM: Christine Johnson and Jonathan Sherwood
Research Staff

RE: Road Maintenance Costs
Research Requests 83-33

Bob Harris of your staff has requested the following information for hearings scheduled on HB 41. This bill would increase the amount municipalities receive from the State for road maintenance from \$2,500 to \$3,500 per road mile.

- (1) How would HB 41 affect the amount of money received for road maintenance in each election district?
- (2) How much did the State Department of Transportation and Public Facilities receive for road maintenance in FY 83?
- (3) What is the average cost of maintenance per road mile on roads maintained by the State?

Increase in Revenues by Election District

Table 1 on the following page shows the amount of money which would be received in each House district in FY 84 at \$2,500 per mile and at \$3,500 per mile. As the table indicates, municipalities would receive approximately \$11.1 million for road maintenance in FY 84 under HB 41. This compares to \$7.9 million which they could receive under the current program in FY 84, given full funding. The amounts shown on the table include a cost-of-living adjustment computed by the Department of Administration. State law (AS 29.89.070) currently requires that payments to municipalities under this program reflect area cost-of-living differentials.

Please note that where a municipality encompasses more than one House district we have combined those districts.

State Expenditures for Road Maintenance

According to Paul Harris, with the Department of Transportation and Public Facilities Maintenance and Operation Division in Anchorage,

Representative Lacher
January 31, 1983
Page No. 2

the approximate cost of State road maintenance can be obtained by adding the FY 83 appropriation for each region in the Maintenance and Operation Budget Request Unit of DOT/PF's budget (see FY 84 Executive Budget, page 481). The total for all regions, including the Dalton Highway is about \$56 million. According to Mr. Harris, the State is responsible for maintaining approximately 6,000 road miles. Based on this estimate, the average cost per road mile of maintaining State roads is \$9,300.

If you would like any additional information on this topic, please don't hesitate to contact us.

CJ:JS

TABLE I
Amount Which Would Be Received in Each Election District
for Road Maintenance in FY 84
at \$2,500 Per Mile and \$3,500 Per Mile
(Cost-of-Living Adjustment Included)

Election District		Miles of Road	\$2,500 Per Mile	\$3,500 Per Mile	Difference in Revenues
1	Ketchikan-Wrangell-Petersburg	39.28	\$ 99,795	\$ 139,712	\$ 39,917
2	Inside Passage-Cordova	53.85	143,671	201,134	57,463
3	Baranof-Chichagof	23.46	61,346	85,884	24,538
4	Juneau	59.44	148,600	208,040	59,440
5 & 6	Kenai Peninsula	590.35	1,596,029	2,234,436	638,407
7-15	Anchorage	590.91	1,477,275	2,068,185	590,910
16	Matanuska-Susitna	766.99	1,989,382	2,785,133	795,751
17	Interior Highways	32.81	104,637	146,488	41,851
18-21	Fairbanks Area	223.75	648,150	907,406	259,256
22	North Slope-Kotzebue	87.75	305,549	427,765	122,216
23	Norton Sound	52.47	180,806	253,125	72,319
24	Interior Rivers	152.24	526,712	737,396	210,684
25	Lower Kuskokwim	17.97	60,315	84,438	24,123
26	Bristol Bay-Aleutian Islands	147.46	477,002	667,798	190,796
27	Kodiak-East Alaska Peninsula	44.62	120,074	168,102	48,028
TOTAL ALL HOUSE DISTRICTS		2883.35	\$7,939,343	\$11,115,042	\$3,175,699

Source: House Research Agency, 1/83.

Alaska
MUNICIPAL
League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

February 1, 1983

to: House CRA Committee
from: Ginny Chitwood *Ginny*
re: HB 41 - State Aid to Municipalities for Roads

The Alaska Municipal League supports the adoption of HB 41, increasing state aid to municipalities for roads from \$2,500 a mile to \$3,500 a mile if the revenue sharing appropriation is increased to cover the increased entitlement. If the total appropriation is not increased, then municipalities will receive decreased funding in the other revenue sharing categories to make up for the road increases.

It has been three years since the allocation per mile has been increased. Needless to say, the cost of road maintenance has gone up considerably since then. At that time, it was estimated that the actual costs of maintaining a mile of road were between \$4,000 and \$8,000.

(2) to a Native village government under AS 29.89.050. (§ 3 ch 155 SLA 1980)

Sec. 29.89.020. State aid to municipalities for roads. (a) The department shall pay to a municipality which has power to provide for road maintenance and exercises that power, \$2,500 a mile for each mile of road, street or highway maintained by the local government, excluding (1) the official state highway system, (2) roads, streets or highways not dedicated to public use, (3) roads, streets or highways maintained under the local service road program (AS 19.30.111 — 19.30.251), and (4) alleyways, in accordance with regulations adopted by the Department of Transportation and Public Facilities. A payment may not be made under this subsection for maintenance of a road which is not used by automotive equipment.

(b) A frozen waterway and a connection from an inhabited area to a waterway which may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for a payment of \$1,500 per mile if the waterway and connection are maintained during the period of use by a municipality or combination of municipalities. The department, after consultation with the Department of Transportation and Public Facilities, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipalities shall receive the payments under this subsection, unless the municipalities involved have agreed in writing to a particular distribution. (§ 3 ch 155 SLA 1980)

Sec. 29.89.030. State aid to municipalities and other eligible recipients for health facilities and hospitals. (a) The department shall pay

(1) to a municipality which has the power to provide hospital facilities and services and which exercises that power, \$1,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the hospital, or \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; money received under this paragraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(2) on the basis set out in (1) of this subsection to a municipality for a nonprofit hospital not operated by a municipality if the municipality first certifies to the department that the nonprofit hospital is in compliance with all standards for hospitals which have been adopted by the municipality; money may not be paid on behalf of a nonprofit hospital without this certification; payments to the municipality shall be transferred to the nonprofit hospital in accordance with the basis by which the payment was generated by the hospital, and shall be applied to the

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST HB 41
 Bill/Resolution No. _____
 Title " State aid to municipalities for roads... "
 Requested by Representative Lacher Date 1/31/83

II. FISCAL DETAIL
 Agency Affected Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, Or Subprogram(s) Affected Local Government Assistance-Grants
 (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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		\$3,185.8	3,345.1	3,512.4		

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		3,185.8	3,345.1	3,512.4		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would increase the amount Municipalities receive from State Aid (AS 29.89) for road maintenance.

The above projections are based on the currently approved 2883.35 road miles and incorporates the COLA for all the areas. They reflect the difference between the current \$2500 per mile and the proposed \$3500 per mile.

IV. DATE 1/31/83 PREPARED BY T. Farley
 AGENCY Community & Regional Affairs
 PHONE 465-4730
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/82)

OMB Reviewed by: Sana Efird *SE*