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Called Mon, 3/10/86

Steve White, Sen. Jack Ge told <sup>him</sup> date bill will be heard. - requested he get any backup data Sen. Z has on bill to me for the Com - he said he assumed she would testify

3/14/86

c. DOT PF - left word for S. Fleishauer to return my call. (need position paper & fiscal note on the bill)

3/14/86

Susan Fleishauer returned my call & I requested position paper & fiscal note. Also gave her date + time of Com mtg (3/20 - 3:30p)

3/14

Steve White <sup>agrees</sup> ~~says~~ on SB 411 pag 1, line 27, the 1st "maintenance" on that line should be changed to "improvement".

3/14

Have Geo. Utermohle, Leg Sec changes to bill. Said he would get draft CS to me today or Monday.

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

POUCHY - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*Sen. Community and Regional Aff:  
3/20/86.*

COMMITTEE REPORT  
SENATE

FURTHER:

TRSP  
FINANCE

2/14/86

Date 3/20/86

Mr. President

The Committee on C&RA considered SB 411  
relating to road maintenance service areas.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 411 (C+RA)
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  ~~NEW~~ FISCAL NOTE  
3rd
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

William Sturgis  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

[Signature] NR  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Edna de Vries  
Chairman  
Do Pass  
Chairman recommendation

Original sponsor: Faiks

1 IN THE SENATE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 411 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to road maintenance service areas."

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

8 \* Section 1. AS 19.30.260 is amended to read:

9 Sec. 19.30.260. PURPOSE. The purpose of AS 19.30.260 - 19.30.-  
10 320 is to facilitate funding for the upgrading, reconstruction, re-  
11 habilitation, or paving of existing subdivision roads within a road  
12 maintenance service area established under AS 29.35.450 or under a  
13 home rule charter. Grants to road maintenance service areas under  
14 AS 19.30.260 - 19.30.320 are limited to those road maintenance service  
15 areas in which road improvement was not financed through the issuance  
16 of municipal debt during the three previous fiscal years.

17 \* Sec. 2. AS 19.30.280 is amended to read:

18 Sec. 19.30.280. ELIGIBILITY. (a) After establishing a road  
19 maintenance service area under AS 29.35.450, or under a home rule  
20 charter, a municipality may apply to the department for a grant as  
21 money is available for road improvements, subject to regulations  
22 adopted by the department to carry out the provisions of AS 19.30.-  
23 260 - 19.30.320. The department shall require a municipality to  
24 submit a five-year plan for the upgrading, reconstructing, rehabilita-  
25 ting, or paving of maintenance service area roads for approval before  
26 October 1 of each fiscal year and to show the source of funds used for  
27 road improvement within each road maintenance service area during the  
28 prior three fiscal years.

29 (b) A municipality shall establish design standards for

1 construction in a road maintenance service area. An application for a  
2 grant for improving an existing road under this section which is  
3 constructed after the effective date of this Act [JULY 1, 1984] may  
4 not be granted by the department until the existing road meets the  
5 minimum design standards of the municipality.

6 \* Sec. 3. AS 19.30.290(b) is amended to read:

7 (b) Construction under AS 19.30.260 - 19.30.320 shall be admin-  
8 istered by the municipality in which the road maintenance service area  
9 is located. Road construction within the road maintenance service  
10 area may be performed by the municipality.

11 \* Sec. 4. AS 19.30.310 is amended to read:

12 Sec. 19.30.310. REPORT. No later than October [AUGUST] 1 of  
13 each year, a municipality that has received money under AS 19.30.270  
14 shall submit a report to the department showing the use of the money  
15 by the municipality during the preceding fiscal year. No later than  
16 December 1 of each year, the department shall prepare and submit to  
17 the governor a report showing the use of the money allocated under  
18 AS 19.30.270 during the preceding fiscal year.

19 \* Sec. 5. AS 19.30.320(1) is amended to read:

20 (1) "construction" or "road improvement" has the meaning  
21 given in AS 19.45.001 and includes utility and drainage costs but does  
22 not include financing [EXCLUDES FINANCIAL] costs, right-of-way costs  
23 except costs of acquiring easements to widen existing roads, and new  
24 road construction except for realignment of the road bed within the  
25 right-of-way;

26 \* Sec. 6. AS 19.30.320(3) is amended to read:

27 (3) "municipality" means an organized borough of any class,  
28 a unified municipality, or a city of any class, that has road con-  
29 struction and [OR] maintenance powers;



Official Business

# Alaska State Legislature

## Senate

### Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

C&RA Committee Meeting -- 3/20/86

SB 411 -- An Act relating to road maintenance service areas

CS for HB 327 (Jud) Am -- An Act relating to the disclosure of information

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SB 411 would make changes to the Road Maintenance Service Areas Program, AS 19.30.260 through AS 19.30.320, to provide road improvement funds only to those outlying districts which do not have access to such funds.

CS for HB 327 (Jud) was considered by the Committee on March 13th. The Committee agreed the bill needed more work with reference to unclear wording and punctuation. Revisions to the bill are indicated on a marked up copy of the House version of the bill. A Committee Substitute work draft, containing the revisions has been prepared.

Information attached on the bills:

- (1) Memo dtd 3/11/86 from Sen. Faiks on SB 411.
- (2) Copy of current law AS 19.30.260 - 19.30.320 re. SB 411.
- (3) Fiscal Note from DOT&PF on SB 411.
- (4) PQM from Wayne Wiersium on HB 327.
- (5) Staff memo to Sen. DeVries re. msg from Merle Akers on SB 327.

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : SB 411  
 Title : An act relating to road maintenance service areas  
 Sponsor : Faiks  
 Requestor : Devries  
 Date of Request : March 11, 1986

**FISCAL DETAIL**

Agency Affected : DOT&PF  
 BRU : Capital Program  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
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<b>REVENUE</b>						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

ATTACHED

Prepared by : Charles D. Karella Phone : 465-2171  
 Division : Plans, Programs, and Budget Date : 3/13/86

Approved by Commissioner : [Signature] Date : 3/14/86  
 Agency : Transportation and Public Facilities

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SR411

## ANALYSIS

The proposed bill is strictly a housekeeping measure and has no fiscal impact on either the operating or capital budget. No additional positions are required.

The proposed bill revised AS 19.30 in five areas:

- 1) AS 19.30.260 and 19.30.280 prohibit funding in those road improvement areas that are financed through the issuance of municipal debt. For clarity, the addition to 19.30.260 should read as follows: Grants to road maintenance service areas under AS 19.30.260 - 19.30.320 are limited to those road maintenance service areas in which road improvement was not financed through the issuance of municipal debt during the three previous fiscal years.
- 2) AS 19.30.290(b) clarifies the fact that road construction can be performed by the municipality.
- 3) AS 19.30.310 changes the due date for reports. This change does not adversely affect the departments capability to submit a combined annual report to the Governor by December 1.
- 4) AS 19.30.320(1) clarifies exceptable expenditures related to road improvements by expanding the definition.
- 5) AS 19.30.320(3) clarifies the definition and requirements of a municipality and should be revised as follows to reflect the powers necessary to qualify for a road improvement grant:
  - (3) "municipality" means an organized borough of any class, a unified municipality, or a city of any class, that has road construction and [OR] maintenance powers.

MAR 13 1986

# Alaska State Legislature

CO-CHAIRMAN  
FINANCE COMMITTEE

907-465-3740

JAN FAIKS  
POUCH V  
CAPITOL BUILDING  
JUNEAU ALASKA 99811

## Senate

March 11, 1986

### MEMORANDUM

TO: Senator DeVries, Chairman  
Senate Community and Regional Affairs Committee

FROM: Senator Jan Faiks

SUBJECT: Request for Committee Substitute and Background  
on Senate Bill 411

Alaska Statutes 19.30.260 through 19.30.320 contain legislation which I introduced during the Thirteenth Legislature. This legislation was intended to facilitate the funding of road improvements to outlying areas through the establishment of road maintenance service areas - "RMSA's".

This bill will make changes to the RMSA program in order to bring it into line with the original intent of this legislation and to help the Department of Transportation and Public Facilities implement this program.

The original intent of the program was to provide road improvement funds to those outlying districts which do not have access to such funds. Since the program came into being, however, some RMSA's have been established within road service areas which already have improvement funds available to them. These funds are based upon the the issuance of municipal debt, i.e., the selling of general obligation bonds.

Those RMSA's within the Anchorage Roads and Drainage Service Area (ARDSA) are an example. In FY 1985, ARDSA sold approximately \$15 million worth of general obligation bonds for road improvements within its boundaries. In the same year, at least \$317,357 was granted by the RMSA program for road improvements to service areas within its boundaries. This represents about 10% of the total \$3,000,000 distributed by the RMSA program that year.

OUT OF SESSION

In other words, about 1/10th of the money under this state program was given to service areas which already had improvement funds available to them, instead of being reserved for those areas which have no other funding sources. This was certainly not the intent of my legislation two years ago.

Sections 1 and 2 of this bill will solve this problem by excluding from the RMSA program any service area whose road improvements have been financed by the issuance of municipal debt during the preceding three years.

The remaining sections of the bill contain amendments which were proposed by the Department of Transportation and Public Facilities. These are offered to help the Department administer the RMSA program.

Section 3 makes it clear that road improvements may be performed by municipal forces as well as private contractors. Section 4 changes the reporting date to October 1st so that it is consistent with the reporting date for the 5-year plan in AS 19.30.280 and the Local Service Roads and Trails program. This will simplify the administration of both programs by the municipalities.

Section 5 clarifies that financing costs are excluded, but that costs to realign and widen existing roads are included for program funding. Finally, Section 6 expands the definition of municipality to make it consistent with more common terminology in our statutes.

Since this bill was introduced, I have discovered several changes which are needed to further accomplish these goals. I offer them to you as a possible committee substitute for this bill. These changes are:

1. On page 1, line 15, the word "maintenance" should be changed to "improvement". "Maintenance" is not proper here because I have been advised that road maintenance can never be funded through municipal debt.
2. On page 2, line 29, replace the word "or" with the word "and" since some municipalities possess maintenance powers but not construction powers.

Thank you.

Article 4. Road Maintenance Service Areas.

Section  
260. Purpose  
270. Allocation of money  
280. Eligibility  
290. Administration

Section  
300. Maintenance  
310. Report  
320. Definitions

Effective date of article. — Sect. 2, ch. 56, SLA 1984, provides "This act takes effect July 1, 1984."

**Sec. 19.30.260. Purpose [Effective January 1, 1986].** The purpose of AS 19.30.260 — 19.30.320 is to facilitate funding for the upgrading, reconstruction, rehabilitation, or paving of existing subdivision roads within a road maintenance service area established under AS 29.35.450 or under a home rule charter. (§ 1 ch 56 SLA 1984; am § 47 ch 74 SLA 1985)

**Effect of amendments.** — The 1985 substituted "AS 29.35.450" for "AS amendment, effective January 1, 1986, 29.63."

**Sec. 19.30.270. Allocation of money.** (a) During each fiscal year each municipality shall receive money from the department that has been appropriated or otherwise designated for expenditure for road improvements within the municipality, based on the total road mileage in each road maintenance service area in the municipality. The amounts that are available shall be distributed pro rata among eligible municipalities.

(b) Money allocated to a municipality under this section shall be disbursed by the municipality for road maintenance service areas based on a first come, first served priority of road maintenance service area applications, subject to a 50 percent match by each road maintenance service area.

(c) Money allocated under this section shall be available for expenditure in the road maintenance service area for which the funds are authorized for a period of five years after the end of the fiscal year for which the funds are authorized. Money allocated for a road maintenance service area that is unexpended and unobligated at the end of the five-year period shall be used for other road maintenance service areas in the same municipality in accordance with AS 19.30.260 — 19.30.320. If there are no other road maintenance service areas in the municipality for which the money can be used, the municipality shall remit the unexpended and unobligated money to the department and it shall lapse into the general fund.

(d) Fifty percent of the cost of construction in a road maintenance service area shall be paid by the road maintenance service area through road improvement district assessments, grants, or other appropriate financing means. (§ 1 ch 56 SLA 1984)

**Sec. 19.30.280. Eligibility.** (a) [Effective January 1, 1986] After establishing a road maintenance service area under AS 29.35.450, or under a home rule charter, a municipality may apply to the department for a grant as money is available for road improvements, subject to regulations adopted by the department to carry out the provisions of AS 19.30.260 — 19.30.320. The department shall require a municipality to submit a five-year plan for the upgrading, reconstructing, rehabilitating, or paving of maintenance service area roads for approval before October 1 of each fiscal year.

(b) A municipality shall establish design standards for construction in a road maintenance service area. An application for a grant for improving an existing road under this section which is constructed after July 1, 1984 may not be granted by the department until the existing road meets the minimum design standards of the municipality. (§ 1 ch 56 SLA 1984; am § 48 ch 74 SLA 1985)

**Effect of amendments.** — The 1985 substituted "AS 29.35.450" for "AS 29.63" amendment, effective January 1, 1986, in the first sentence of subsection (a).

**Sec. 19.30.290. Administration.** (a) A contract entered into by a municipality for road construction within a road maintenance service area for which funds allocated to the municipality under AS 19.30.260 — 19.30.320 are used shall be awarded only on the basis of the lowest responsible bid by a bidder meeting established criteria of responsibility.

(b) Construction under AS 19.30.260 — 19.30.320 shall be administered by the municipality in which the road maintenance service area is located. (§ 1 ch 56 SLA 1984)

**Sec. 19.30.300. Maintenance.** The road maintenance service area shall be responsible for maintaining roads constructed under AS 19.30.260 — 19.30.320. The road maintenance service area may contract with a municipality for maintenance of the roads. (§ 1 ch 56 SLA 1984)

**Sec. 19.30.310. Report.** No later than August 1 of each year, a municipality that has received money under AS 19.30.270 shall submit a report to the department showing the use of the money by the municipality during the preceding fiscal year. No later than December 1 of each year, the department shall prepare and submit to the governor a report showing the use of the money allocated under AS 19.30.270 during the preceding fiscal year. (§ 1 ch 56 SLA 1984)

**Sec. 19.30.320. Definitions.** In AS 19.30.260 — 19.30.320

- (1) "construction" or "road improvement" has the meaning given in AS 19.45.001 and includes utility and drainage costs but excludes financial costs, right-of-way costs, and new road construction;
- (2) "department" means the Department of Transportation and Public Facilities;
- (3) "municipality" means a municipality that has road construction or maintenance powers;
- (4) "subdivision" has the meaning given in AS 40.15.190(2). (§ 1 ch 56 SLA 1984)

#### Chapter 40. James Dalton Highway.

##### Section

100. Use of the highway by industrial or commercial traffic
- Section  
200. Disposal of land or materials  
210. Prohibition of off-road vehicles

**Sec. 19.40.100. Use of the highway by industrial or commercial traffic.** (a) The department shall maintain the highway and keep it open to industrial or commercial traffic throughout the year.

(b) "Industrial or commercial traffic" means

- (1) travel necessary and related to resource exploration and development or to support of those activities, if the individual engaged in those activities has all necessary permits;
- (2) travel necessary and related to access by local residents to their property; or
- (3) motor carriers engaged in commerce. (§ 3 ch 177 SLA 1980; am § 51 ch 59 SLA 1982; am § 10 ch 21 SLA 1985)

**Effect of amendments.** — The 1982 amendment substituted "traffic" for "travel" in the introductory language of subsection (b), and deleted "or" at the end of paragraph (1) of that same subsection. The 1985 amendment, effective May 10, 1985, deleted "which are common carriers or contract carriers regulated by the Alaska Transportation Commission under AS 42.10" at the end of paragraph (3) of subsection (b).