

S B

4

1

1

Alaska State Legislature

Senate Transportation Committee



Sen. John B. (Jack) Coghill, Chairman
Sen. Paul Fischer, Vice-chairman
Sen. Mitch Albood
Sen. Jan Faiks
Sen. Joe Josephson

Douch V
Juneau, Alaska 99811

MEMORANDUM

TO: Committee Members
Senate Transportation

FROM: Committee Staff

RE: SB 411 Relating to Road Maintenance Service Areas

Wednesday, April 9, the committee will be holding a hearing on SB 411 "An act relating to road maintenance service areas." Enclosed in your packet you will find an introduction by Senator Faiks to SB 411, with a sectional analysis and its rationale, a fiscal note and position paper by DOT/PF and a copy of the bill.

Also enclosed are two proposed amendments to SB 411 as per Senator Faik's request.

Offered: 3/21/86
Referred: Transportation
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

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

1024 WEST SIXTH AVENUE, SUITE 302 ANCHORAGE, ALASKA 99501 907-274-6611

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.

AMENDMENT NUMBER ONE

On Page 1, Line 15:

DELETE "maintenance"

ADD "improvement"

AMENDMENT NUMBER TWO

On Page 2, line 29

DELETE "or"

ADD "and"

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/21/86

Date 4-9-86

Mr. President

The Committee on TRANSPORTATION considered SB 411
relating to raod 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 _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Jan [Signature]
[Signature]
Joe [Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
 Chairman
[Signature]
 Chairman recommendation

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						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

ATTACHED

Prepared by : Charles D. Karella
 Division : Plans, Programs, and Budget

Phone : 465-2171
 Date : 3/13/86

Approved by Commissioner : *[Signature]*
 Agency : Transportation and Public Facilities

Date : 3/14/86

Distribution (by Agency preparing fiscal note) :

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

Fiscal Note

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB411

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.

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
Zuo
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

William Sturgis
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature] NR

Edna Weis
 Chairman
Do Pass
 Chairman recommendation

Article 4. Road Maintenance Service Areas.

Section	Section
260. Purpose	300 Maintenance
270. Allocation of money	310 Report
280. Eligibility	320 Definitions
290. Administration	

Effective date of article. — Section 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)