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SENATE FINANCE COMMITTEE REPORT

DATE: 4/5/90

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered

SB 521

"An Act relating to state aid to municipalities for roads; and providing for an effective date."

and recommended:

- replace with _____ CS _____ same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

*Hearings 4-20-90
4-27-90*

Bill died in committee.

ATTACHES NEW FISCAL NOTE(S):
 fiscal note(s) _____ Dept/Date:

APPROVES PREVIOUS:
 fiscal note(s) _____ Dept/Date:

zero fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1. _____

2. _____

Co-Chairs: Signatures and Recommendations

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

6-2333E/2
b?

DATE: 3/13/90

FURTHER: Finance

Date of 5-Day Notice: 3-22-90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-4-90

Transportation Committee considered SB 521

Relating to state aid to municipalities for roads; efd.

majority center
and recommended: *it be*

- replace with _____ cs SB 521 (TRSP) same title
- attached amendment(s) and report it back as follows new title *with "no recommendations"*
- _____ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FM ~~_____~~

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) CRSA

- appropriation-no fiscal note
- Governor's bill w/fiscal note

SIGNING DO PASS: *"DO Pass"*
[Signature]

OTHER RECOMMENDATIONS:
[Signature]
Paul Finch (No Rec)

[Signature]
Chair: Signature and Recommendation

Original sponsor(s): C&RA Committee

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 CS FOR SENATE BILL NO. 521 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to municipalities for
7 roads; and providing for an effective date."

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

9 * Section 1. AS 29.60.110 is amended by adding a new subsection to
10 read:

11 (c) The road maintenance account is established. Money to carry
12 out the provisions of this section shall be allocated by the depart-
13 ment to the account in accordance with AS 29.60.280. If amounts in
14 the account are insufficient to pay each municipality's or other
15 recipient's share authorized under this section, the amounts that are
16 available shall be distributed pro rata among eligible municipalities
17 and other recipients.

18 * Sec. 2. AS 29.60.170 is amended to read:

19 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscella-
20 neous services account is established. Money to carry out the pro-
21 visions of AS 29.60.100 and 29.60.120 - 29.60.180 [AS 29.60.100 -
22 29.60.180] shall be allocated by the department to the account in
23 accordance with AS 29.60.280. If amounts in the account are insuffi-
24 cient to pay each municipality's or other recipient's share authorized
25 under AS 29.60.100 and 29.60.120 - 29.60.180 [AS 29.60.100 - 29.60.-
26 180], the amounts that are available shall be distributed pro rata
27 among eligible municipalities and other recipients.

28 * Sec. 3. AS 29.60.280(a) is amended to read:

29 (a) Each year, the department shall allocate money appropriated
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1 to the accounts established in AS 29.60.060, 29.60.110(c), 29.60.170,
2 and former AS 29.90.020 in the amounts determined by the legislature.

3 * Sec. 4. AS 29.60.280(b) is amended to read:

4 (b) Money in the road maintenance account established in AS 29.-
5 60.110(c) and money in the miscellaneous services account established
6 in AS 29.60.170 that exceeds the amount required to fully fund dis-
7 tributions authorized by AS 29.60.100 - 29.60.180 shall be reallocated
8 to the tax equalization account established in AS 29.60.060 and dis-
9 tributed according to the provisions of AS 29.60.010 - 29.60.080.

10 * Sec. 5. This Act takes effect July 1, 1990.
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BY THE C&RA COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 521

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to municipalities for
7 roads; and providing for an effective date."

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

9 * Section 1. AS 29.60.110 is amended to read:

10 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
11 department shall pay to a municipality that has power to provide for
12 road maintenance and exercises that power, \$5,000 [\$2,500] a mile for
13 each mile of road, street, or highway maintained by the municipality,
14 excluding (1) the official state highway system, (2) roads, streets,
15 or highways not dedicated to public use, (3) roads, streets, or high-
16 ways maintained under the local service road program (AS 19.30.111 -
17 19.30.251), and (4) alleyways, in accordance with regulations adopted
18 by the Department of Transportation and Public Facilities. A payment
19 may not be made under this subsection for maintenance of a road that
20 is not used by automotive equipment.

21 (b) A frozen waterway and a connection from an inhabited
22 area to a waterway that may be safely used for public transportation
23 by automotive equipment and is so used during a portion of a year is
24 eligible for payment of \$3,000 [\$1,500] per mile if the waterway and
25 connection are maintained during the period of use by a municipality
26 or combination of municipalities. The department, after consultation
27 with the Department of Transportation and Public Facilities, shall
28 determine which waterways and connections qualify and, where the
29 waterways or connections lie outside the corporate limits of a
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1 municipality, which municipalities shall receive the payments under
2 this subsection, unless the municipalities involved have agreed in
3 writing to a particular distribution.

4 * Sec. 2. This Act takes effect July 1, 1990.

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FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to state aid to municipalities for roads..."
Sponsor: Senate C&RA Committee
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	25.0	-0-	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	25.0	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	25.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: Jim Plasman, Deputy Director
Division: Municipal & Regional Assistance

Phone: 465-4750

Date: 4/3/90

Approved by Commissioner: [Signature]
Agency: Community & Regional Affairs

Date: 2/22/90

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Community & Regional Affairs
 Title: "An Act..state aid to municipalities for roads..." BRU: _____
 Sponsor: Senate C&RA Committee Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: *Jim Plasman* Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 3/26/90
 Approved by Commissioner: *Wanda Hagan* Date: 3-26-90
 Agency: Community & Regional Affairs

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

CRA Fiscal note

6-2333Ea ✓

Cook

4/20/90

Pat Carney

A M E N D M E N T

OFFERED IN THE SENATE

BY SEN. SZYMANSKI

TO: CSSB 521 (Transportation)

Page 1, line 7:

Delete "; and providing for an effective date"

Page 2, line 10:

Delete "This Act takes effect July 1, 1990"

Insert "The amendments made by this Act apply only to entitlements for fiscal year 1992 and thereafter"

4/20/90

STEVE COWPER, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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- 949 E. 36TH AVENUE, SUITE 400
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PHONE: (907) 563-1073

April 3, 1990

POSITION PAPER

RE: CS for Senate Bill 521

Sponsor: Senate Community and Regional Affairs Committee

Program Effects of Bill

Under existing law, entitlements for road maintenance under AS 29.60.110 are paid from the miscellaneous services account in the state revenue sharing program. This bill would create a separate account in the revenue sharing program to which funds would be allocated for road maintenance.

Comments

Currently payments from the Miscellaneous Services Account, including payments for road maintenance under AS 29.60.110, are prorated at about 50 percent because of underfunding of the miscellaneous services account. By establishing a separate account to which funds for road maintenance payments would be allocated, this bill creates the possibility that road maintenance entitlements would be treated differently than other entitlements paid from the miscellaneous services account, including payments for hospitals, health facilities, unincorporated communities and volunteer fire departments.

The drafters of the revenue sharing program linked the various service categories together by having them funded from one account so that they would share from the same pot of money. In this manner, it was hoped to minimize competition and conflict and to encourage consensus in funding decisions for the program. CSSB 521 creates the potential for conflict and competition for funds among the various recipients which may benefit differently from the various service categories because it will be possible to fund the separate accounts at different levels relative to the full funding benchmark. This conflict and competition would weaken the overall program goal of support for local government services.

CS for Senate Bill 521
April 3, 1990
Page Two

Under existing law, provision is made at AS 29.60.280(b) that if the money in the miscellaneous services account exceeds the full funding amount for distributions under the account, then the excess amount shall "pour over" to the tax equalization account. The department recommends that the new road maintenance account be treated similarly by creating a new subsection (d) in AS 29.60.280 which contains the appropriate language to accomplish this purpose.


David G. Hoffman, Commissioner



Alaska State Legislature

Senator Mike Szymanski

4/20/90
Szymanski

Write in Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-4978

Interim:
3111 C Street, Suite 510
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or
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Wasilla, Alaska 99687
(907) 376-6453

Sponsor Statement on CSSB 521

What does CSSB 521 do?

This committee substitute will remove funding for municipal road maintenance from the Miscellaneous Service account and place it in a separate Road Maintenance account, to be funded separately.

It is the intention of the sponsor to provide an opportunity for the legislature to deal with road maintenance funding as a separate item.

Amendment # 1 is provided so that this change will not become effective until after this years budget is completed. The small fiscal note is to provide the department with funding to complete the necessary reprogramming of the computer.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 14, 1990

POSITION PAPER

RE: Senate Bill 521

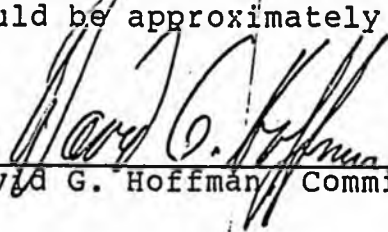
Sponsor: Senate Community and Regional Affairs Committee

Program Effects of Bill

This bill would raise the entitlement for road mileage in the Miscellaneous Services account in the state revenue sharing program from \$2,500 per mile of road to \$5,000. It also raises the entitlement for ice roads from \$1,500 to \$3,000 per mile.

Comments

Currently payments under AS 29.60.110, the revenue sharing provision for aid to municipalities for roads, is prorated at about 50 percent because of underfunding of the miscellaneous services account. The levels of entitlement for roads and ice roads have not been changed in over ten years. While the department is sympathetic to the need to fund road payments at an appropriate level to support the service, changing this level of entitlement would serve to reallocate funds in the miscellaneous services account away from other recipients. If other recipients were to be held harmless from this change, it is estimated the fiscal cost would be approximately \$1,500,000.



David G. Hoffman, Commissioner

3/16/90
(5) TRH
STEVE COWPER, GOVERNOR FIN

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SB 521

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • Phone (907) 276-1149 • Fax (907) 274-1946

TESTIMONY OF FRANK J. DILLON, ATA EXECUTIVE DIRECTOR SUBMITTED
TO SENATE FINANCE COMMITTEE, ALASKA LEGISLATURE, APRIL 20, 1990

Mr. Chairman and Members of the Senate Finance Committee:

My name is Frank J. Dillon. I am Executive Director of Alaska Trucking Association, Inc. I am writing on behalf of the state-wide ATA membership asking you to support Senate Bill 368 entitled "An act related to commercial vehicle inspections".

There is no excuse for the operation of an unsafe truck. Alaska's motoring public has every right to expect that the commercial vehicles operated over Alaska's public highways are in safe operating condition and that the drivers are qualified to drive those vehicles.

Senate Bill 368 addresses vehicle condition standards and allows for the periodic on highway inspection of commercial vehicles. Alaska's trucking industry believes that a strong vehicle safety inspection program conducted by qualified state inspectors is absolutely necessary to help prevent accidents involving trucks. It is a sad but true circumstance that in today's trucking environment shortcuts are being taken that will ultimately contribute to an increase in truck accidents. In far too many cases trucks are not being properly maintained. Due to this lack of proper maintenance accidents will occur. The economic pressures involved in operating in Alaska's cut throat deregulated trucking environment have resulted in some truckers cutting corners and failing to keep their vehicles in safe working condition. Unsafe tires, poorly adjusted or worn out brakes are far too common in today's Alaskan trucking industry.

Current state and local enforcement activity regarding vehicle safety standards is inadequate. The chances some truck operators have chosen to take in running unsafe equipment are unacceptable. Unsafe trucks should not be allowed on the highways. Equipment safety must be a part of a truckers cost of doing business and all trucks should be maintained in safe working order. It is the position of Alaska Trucking Association's membership that unsafe trucks constitute an unacceptable and unavoidable risk. Passage of Senate Bill 368 would put the state of Alaska back to the business of helping assure that commercial vehicles operating on the highways are in fact, safe.

Passage of the bill would force those operators who have chose to cut corners on maintenance, thus increasing the chance of an accident, to spend the money necessary to maintain their equipment in safe working order. Because of the important public interests Senate Bill 368 represents, ATA urges you to vote in favor of its passage.

Thank you very much for considering this testimony.