

**SB**

**264**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/20/98

FURTHER: REPORTED DATE  
3/27/98

DATE TURNED

IN TO OFFICE: 30 March 1998

Finance Committee considered

SENATE BILL NO. 264

"An Act relating to aid for municipal road maintenance; and providing for an effective date."

and recommends:

be replaced with \_\_\_\_\_ CS SB 264 (FIN)

adopt previous \_\_\_\_\_ CS \_\_\_\_\_

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to the \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title
- House Bill:**
- same title
- technical title
- new: SCR# \_\_\_\_\_

SIGNING/DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>					
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal

Department	Date	Zero	Fiscal
Revenue	2/2/98	Ø	
DOT PF	3/20/98		38.5

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's Bill

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

No. 1  
Bill Version: CSSB 264 (TRA)  
(S) Publish Date: 3-20-98

Revision Date _____	Dept. Affected <u>DOT&amp;PF</u>
Title <u>Municipal Road Maintenance</u>	BRU <u>Commissioners Office</u>
Sponsor <u>Torgerson, Pearce</u>	Component <u>Office of the Commissioner</u>
Requester <u>(S) TRA</u>	Component Serial No. <u>530</u>

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	88.5	39.7	40.8	42.1	43.3	44.6
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>88.5</b>	<b>39.7</b>	<b>40.8</b>	<b>42.1</b>	<b>43.3</b>	<b>44.6</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF	88.5	39.7	40.8	42.1	43.3	44.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>88.5</b>	<b>39.7</b>	<b>40.8</b>	<b>42.1</b>	<b>43.3</b>	<b>44.6</b>

Estimate of any current year (FY98) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The Department will require \$50.0 in FY99 for setting minimum road maintenance standards for the regulation adoption process. The routine operating costs are based on the following assumptions:

- 50 requests received from municipalities for road, street, or highway transfers
- 4 person-days per request required for determination of need for upgrade
- No travel will be required for remote sites; instead, DOT&PF maintenance staff will make the required determinations.

Prepared by	<u>Dennis Poshard, Special Assistant</u>	Phone	<u>465-3900</u>
Division	<u>Office of the Commissioner</u>	Date	<u>2/10/98</u>
Approved by	<u><i>Joseph L. Poshard</i></u> Commissioner	Date	<u>2/10/98</u>
Agency	<u>Department of Transportation and Public Facilities</u>		

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FISCAL NOTE

No. 2  
Bill Version: CSSB 264(TRA)  
(S) Publish Date: 3-20-98

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Aid for Municipal Road Maintenance BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Senator Torgerson  
 Requestor: (S) TRA COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1001 CBRF						
1048 University of AK receipts						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill provides that 37.5% of highway motor fuel tax collections, less costs of collection, be deposited into a special municipal road maintenance account. The legislature may appropriate funds from this account for grants to municipalities under AS 29.60.700 and for road improvements under AS 29.60.730(b). This bill takes effect July 1, 1998. The Department of Revenue projects that deposits into the special municipal road maintenance account will range from \$9.3 to \$9.7 million over FY 99 - 04 (see attached analysis). The department does not anticipate additional costs for depositing funds into the special account.

Prepared by: Paul E. Dick  
 Division: Income and Excise Audit  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Revenue

Phone: 465-3691  
 Date: February 2, 1998  
 Date: February 2, 1998

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**Alaska Department of Revenue**  
*Income and Excise Audit Division*

**SB 264 - Aid for Municipal Road Maintenance**  
**Analysis of Highway Revenue Allocation**

<b>Fiscal Year</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>
<b>Total Highway Tax Collections</b>	25,100.0	25,400.0	25,530.0	25,660.0	25,790.0	25,920.0
<b>Allocation %</b>	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%
<b>Gross Municipal Road Account</b>	9,412.5	9,525.0	9,573.8	9,622.5	9,671.3	9,720.0
<b>Cost of Collection</b>	(70.2)	(70.2)	(70.2)	(70.2)	(70.2)	(70.2)
<b>Net Municipal Road Account</b>	<u>9,342.3</u>	<u>9,454.8</u>	<u>9,503.6</u>	<u>9,552.3</u>	<u>9,601.1</u>	<u>9,649.8</u>

**Notes**

Revenue projections for FY 99 and FY 00 are based on state's Fall Revenue Forecast

Revenue projections for FY 01 - 04 assume a .5% growth in consumption

Cost of Collection are based on IEAD FY97 Annual Report Table 3 (with allocation to 37.5% of highway revenue)

2-2

SB 264  
#2

# FISCAL NOTE

REPORTED OUT OF  
 No. 3 3/27/98  
 Bill Version: CSSB 264 (TRA)  
 (S) Publish Date: 3-23-98

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

Revision Date _____	Dept. Affected <u>DOT&amp;PF</u>
Title <u>Municipal Road Maintenance</u>	BRU <u>Commissioners Office</u>
Sponsor <u>Torgerson, Pearce</u>	Component <u>Office of the Commissioner</u>
Requester <u>SEIN S TRA</u>	Component Serial No. <u>530</u>

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	38.5	39.7	40.8	42.1	43.3	44.6
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>38.5</b>	<b>39.7</b>	<b>40.8</b>	<b>42.1</b>	<b>43.3</b>	<b>44.6</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	38.5	39.7	40.8	42.1	43.3	44.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>38.5</b>	<b>39.7</b>	<b>40.8</b>	<b>42.1</b>	<b>43.3</b>	<b>44.6</b>

Estimate of any current year (FY98) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The routine operating costs are based on the following assumptions:

- 50 requests received from municipalities for road, street, or highway transfers
- 4 person-days per request required for determination of need for upgrade
- No travel will be required for remote sites; instead, DOT&PF maintenance staff will make the required determinations.

Prepared by <u>Dennis Poshard, Special Assistant</u>	Phone <u>465-3900</u>
Division <u>Office of the Commissioner</u>	Date <u>3/20/98</u>
Approved by <u><i>[Signature]</i></u> Commissioner	Date <u>3/20/98</u>
Agency <u>Department of Transportation and Public Facilities</u>	

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OFFICIAL BUSINESS

Alaska State Legislature  
Senate  
Office of the Secretary

**FOR YOUR IMMEDIATE ATTENTION**

STATE CAPITOL, ROOM 213  
JUNEAU, ALASKA 99801-1182  
(907) 465-3701  
FAX: 465-2832  
EMAIL: senate\_secretary@Legis.state.ak.us

DATE: March 23, 1998  
TO: Finance Committee  
(JerryLee/Mindy - Room 520)  
FROM: Office of the Senate Secretary

The attached fiscal note or notes relate to the following bill(s) pending in your Committee:

**SENATE BILL NO. 264**

"An Act relating to aid for municipal road maintenance; and providing for an effective date."

Please place the fiscal note(s) inside the front cover of the blue or yellow committee folder.

Thank you.

Attachment(s)



From The  
**SENATE**  
**FINANCE COMMITTEE**

---

2/22

Sen. Torgerson  
copy of CS 98-264(115) with  
outlined amendments for your approval.

Thanks,

Terry

OK



From The  
**SENATE  
FINANCE COMMITTEE**

3/28

Sen. Pearce:

copy of CS 51764(11M) with  
outlined amendments for your  
approval. Thanks

Terry

LARRY —

PLZ CHECK.

OK

THX

STEPHANIE

But see corrections to Am #15

SL

CS FOR SENATE BILL NO. 264(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS TORGERSON, Pearce, Sharp

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to <sup>Amend #2 (Torgerson)</sup> municipal highway construction grants, to <sup>Amend #1</sup> minimum payments  
 2 <sup>(Torgerson)</sup> under certain municipal aid programs, to aid for municipal road maintenance, and  
 3 to the transfer of roads to municipalities; and providing for an effective date."

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

5 \* Section 1. AS 19.20 is amended by adding a new section to read:

6       **Sec. 19.20.100. Municipal highway construction grants.** (a) Each fiscal  
 7 year, \$10,000,000 of federal funds        be appropriated to the department for  
 8 municipal road construction grants. The department shall make grants of the federal  
 9 funds to municipalities for construction projects for highways that are under municipal  
 10 jurisdiction. To qualify for a grant, a municipality must

- 11               (1) apply for the grant in the manner prescribed by the department; and
- 12               (2) meet all federal matching and other federal requirements for receipt
- 13 and expenditure of the funds.

14               (b) The amount of a municipal road construction grant is based on each mile

1 of highway maintained by the municipality, excluding (1) the official state highway  
2 system, (2) highways not dedicated to public use, (3) highways maintained under  
3 AS 19.30.111 - 19.30.251 (local service road program), (4) alleyways as defined in  
4 regulations adopted by the department, and (5) highways not used by automotive  
5 equipment. The grant for each municipality equals \$2,500 per mile of road maintained  
6 by the municipality. If amounts appropriated are insufficient to pay each  
7 municipality's grant in full, the amounts that are available shall be distributed pro rata  
8 among eligible municipalities.

9 (c) The department may adopt regulations under AS 44.62 (Administrative  
10 Procedure Act) to carry out the purposes of this section

11 \* Sec. 2. AS 29.45.020(a) is amended to read:

12 **Sec. 29.45.020. Taxpayer notice.** (a) If a municipality levies and collects  
13 property taxes, the governing body shall provide the following notice:

14 "NOTICE TO TAXPAYER

15 For the current fiscal year the (city)(borough) has been allocated the following amount  
16 of state aid for school and municipal purposes under the applicable financial assistance  
17 Acts:

18	PUBLIC SCHOOL FOUNDATION PROGRAM	
19	ASSISTANCE (AS 14.17)	\$
20	STATE AID FOR RETIREMENT OF SCHOOL	
21	CONSTRUCTION DEBT (AS 14.11.100)	\$
22	MUNICIPAL TAX RESOURCE EQUALIZATION	
23	(AS 29.60.010 - 29.60.080)	\$
24	PRIORITY REVENUE SHARING FOR	
25	MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180)	\$
26	REVENUE SHARING FOR SAFE COMMUNITIES	
27	(AS 29.60.350 - 29.60.375)	\$
28	<u>AID FOR MUNICIPAL ROAD MAINTENANCE</u>	
29	<u>(AS 29.60.700 - 29.60.730)</u>	\$
30	TOTAL AID	\$

31 The millage equivalent of this state aid, based on the dollar value of a mill in the

*Amended  
to increase*

1 municipality during the current assessment year and for the preceding assessment year,  
 2 is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
3		
4		
5		
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9		
10		
11		
12		
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Notice shall be provided

(1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or

(2) by publishing in a newspaper of general circulation in the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget.

\* Sec. 3. AS 29.60.290(c) is amended to read:

(c) The department shall pay to each municipality eligible to receive a minimum payment under this section an amount equal to the difference between the minimum payment determined under (a) and (b) of this section and the sum of the amounts payable for the same fiscal year under AS 29.60.010 - 29.60.080, [AND]

*Amended  
Torgerson*

1           29.60.100 - 29.60.180, and 29.60.700 - 29.60.720.

2       \* **Sec. 4.** AS 29.60.372(a) is amended to read:

3           (a) If a municipality qualifies for a payment during a fiscal year under  
4           AS 29.60.350 and also under AS 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, or  
5           29.60.290, and if the total amount payable to the municipality under those sections is  
6           less than a minimum entitlement of \$40,000, the department shall pay to the  
7           municipality an amount equal to the difference between \$40,000 and the total amount  
8           payable under AS 29.60.350, 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, 29.60.290,  
9           and 29.60.700 - 29.60.720 [THOSE SECTIONS AND \$40,000] as adjusted under  
10          AS 29.60.373.

11       \* **Sec. 5.** AS 29.60 is amended by adding new sections to read:

12                               **Article 9. Aid for Municipal Road Maintenance.**

13           **Sec. 29.60.700. Aid for municipal road maintenance.** (a) The department  
14           shall pay to a municipality that has the power to provide for road maintenance and  
15           exercises that power a grant based on each mile of road, street, or highway maintained  
16           by the municipality excluding

- 17                               (1) the official state highway system;  
18                               (2) roads, streets, or highways not dedicated to public use;  
19                               (3) roads, streets, or highways maintained under AS 19.30.111 -  
20           19.30.251 (local service road program);  
21                               (4) alleyways; and  
22                               (5) roads, streets, or highways not used by automotive equipment.

23           (b) The amount of a grant to a municipality under this section for a year  
24           equals \$1,000 for each mile of road, street, or highway maintained by the municipality  
25           during that year.

26           **Sec. 29.60.710. Municipal road maintenance account.** (a) The municipal  
27           road maintenance account is established in the department. Money to carry out the  
28           provisions of AS 29.60.700 - 29.60.730 may be annually appropriated by the  
29           legislature from proceeds of the revenue from the tax on motor fuel under  
30           AS 43.40.010(m) or from federal or other sources. If amounts in the account are  
31           insufficient to pay each municipality's grant authorized under AS 29.60.700, the

1 amounts that are available shall be distributed pro rata among eligible municipalities.

2 (b) Unless otherwise provided in the appropriation, money appropriated to the  
3 municipal road maintenance account for a fiscal year that exceeds the amount required  
4 to fully fund grants authorized under AS 29.60.700 for that fiscal year shall be  
5 allocated by the Department of Community and Regional Affairs to the Department  
6 of Transportation and Public Facilities for road improvements under AS 29.60.730(b).

7 **Sec. 29.60.720. Regulations.** The department shall adopt regulations necessary  
8 to carry out the purposes of AS 29.60.700 - 29.60.730. The regulations must include  
9 minimum road maintenance standards required for eligibility for grant money. The  
10 department shall require a municipality to submit a performance report adequate to  
11 demonstrate to the department that maintenance was performed by the municipality and  
12 that the maintenance meets minimum standards prescribed by regulation.

13 **Sec. 29.60.730. Transfer of roads to municipalities.** (a) On application to  
14 the Department of Transportation and Public Facilities by a municipality, a road, street,  
15 or highway located within the boundaries of the municipality may be transferred to that  
16 municipality by the Department of Transportation and Public Facilities if, after the  
17 transfer, the municipality will qualify for a grant to maintain the road, street, or  
18 highway under AS 29.60.700.

19 (b) Within 60 days after receiving a request from a municipality for the  
20 transfer of a road, street, or highway, the Department of Transportation and Public  
21 Facilities shall determine, and notify the municipality, whether the road, street, or  
22 highway needs grading, surfacing, or other improvements before it is transferred to the  
23 municipality under this section. Within 60 days after receiving the notification, the  
24 municipality may withdraw its request for the transfer. If the Department of  
25 Transportation and Public Facilities determines that the road, street, or highway may  
26 be transferred after improvements are made to it and if the municipality does not  
27 withdraw its request for the transfer, the Department of Transportation and Public  
28 Facilities shall make those improvements, subject to appropriations for that purpose,  
29 and transfer the road, street, or highway after the improvements are made. Money to  
30 carry out this section shall be annually appropriated.

31 \* **Sec. 6.** AS 43.40.010(g) is amended to read:

1 (g) The proceeds of the revenue from the tax on all motor fuels, except as  
 2 provided in (e), (f), [AND] (j), and (m) of this section, shall be deposited in a special  
 3 highway fuel tax account in the state general fund. The legislature may appropriate  
 4 funds from it for expenditure by the Department of Transportation and Public Facilities  
 5 directly or as matched with available federal-aid highway money for maintenance of  
 6 highways, construction of highway projects and ferries included in the program  
 7 provided for in AS 19.10.150, including approaches, appurtenances and related  
 8 facilities and acquisition of rights-of-way or easements, and other highway costs  
 9 including surveys, administration, and related matters. All departments of the state  
 10 government authorized to spend funds collected from taxes imposed by this chapter  
 11 shall perform, when feasible, all construction or reconstruction projects by contract  
 12 after the projects have been advertised for competitive bids, except that, when feasible,  
 13 arrangements shall be made with political subdivisions to carry out the construction  
 14 or reconstruction projects. If it is not feasible for the work to be performed by state  
 15 engineering forces, the commissioner of transportation and public facilities may  
 16 contract on a professional basis with private engineering firms for road design, bridge  
 17 design, and services in connection with surveys. If more than one private engineering  
 18 firm is available for the work, the contracts shall be entered into on a negotiated basis.

19 \* Sec. 7. AS 43.40.010 is amended by adding a new subsection to read:

20 (m) Thirty-seven and one-half percent of the proceeds of the revenue from the  
 21 taxes on motor fuel used in motor vehicles licensed to be operated on public ways,  
 22 excluding the amount determined to have been spent by the state in its collection, shall  
 23 be deposited in a special municipal road maintenance account in the state general fund.  
 24 The legislature may appropriate funds from this account for grants to municipalities  
 25 under AS 29.60.700 and for road improvements under AS 29.60.730(b).

26 \* Sec. 8. AS 29.60.110(a) is repealed.

27 \* Sec. 9. This Act takes effect July 1, 1998.

CS FOR SENATE BILL NO. 264(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS TORGERSON, Pearce, Sharp

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to <sup>Amend<sup>#</sup> 1 (Torgerson)</sup> municipal highway construction grants, to <sup>Amend<sup>#</sup> 2</sup> minimum payments  
 2 <sup>(Torgerson)</sup> under certain municipal aid programs, to aid for municipal road maintenance, and  
 3 to the transfer of roads to municipalities; and providing for an effective date."

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

5 \* Section 1. AS 19.20 is amended by adding a new section to read:

6           Sec. 19.20.100. Municipal highway construction grants. (a) Each fiscal  
 7 year, \$10,000,000 of federal funds may be appropriated to the department for  
 8 municipal road construction grants. The department shall make grants of the federal  
 9 funds to municipalities for construction projects for highways that are under municipal  
 10 jurisdiction. To qualify for a grant, a municipality must

11                           (1) apply for the grant in the manner prescribed by the department; and

12                           (2) meet all federal matching and other federal requirements for receipt  
13 and expenditure of the funds.

14                           (b) The amount of a municipal road construction grant is based on each mile

*Amend<sup>#</sup> 1 (Torgerson)*

amendment  
Torgerson

1 of highway maintained by the municipality, excluding (1) the official state highway  
2 system, (2) highways not dedicated to public use, (3) highways maintained under  
3 AS 19.30.111 - 19.30.251 (local service road program), (4) alleyways as defined in  
4 regulations adopted by the department, and (5) highways not used by automotive  
5 equipment. The grant for each municipality equals \$2,500 per mile of road maintained  
6 by the municipality. If amounts appropriated are insufficient to pay each  
7 municipality's grant in full, the amounts that are available shall be distributed pro rata  
8 among eligible municipalities.

9 (c) The department may adopt regulations under AS 44.62 (Administrative  
10 Procedure Act) to carry out the purposes of this section.

11 \* Sec. 2. AS 29.45.020(a) is amended to read:

12 Sec. 29.45.020. Taxpayer notice. (a) If a municipality levies and collects  
13 property taxes, the governing body shall provide the following notice:

14 "NOTICE TO TAXPAYER

15 For the current fiscal year the (city)(borough) has been allocated the following amount  
16 of state aid for school and municipal purposes under the applicable financial assistance  
17 Acts:

18	PUBLIC SCHOOL FOUNDATION PROGRAM	
19	ASSISTANCE (AS 14.17)	\$
20	STATE AID FOR RETIREMENT OF SCHOOL	
21	CONSTRUCTION DEBT (AS 14.11.100)	\$
22	MUNICIPAL TAX RESOURCE EQUALIZATION	
23	(AS 29.60.010 - 29.60.080)	\$
24	PRIORITY REVENUE SHARING FOR	
25	MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180)	\$
26	REVENUE SHARING FOR SAFE COMMUNITIES	
27	(AS 29.60.350 - 29.60.375)	\$
28	<u>AID FOR MUNICIPAL ROAD MAINTENANCE</u>	
29	<u>(AS 29.60.700 - 29.60.730)</u>	\$
30	TOTAL AID	\$

31 The millage equivalent of this state aid, based on the dollar value of a mill in the

1 municipality during the current assessment year and for the preceding assessment year,  
 2 is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
3		
4		
5	PUBLIC SCHOOL FOUNDATION	
6	PROGRAM ASSISTANCE	.... MILLS
7	STATE AID FOR RETIREMENT	.... MILLS
8	OF SCHOOL CONSTRUCTION	
9	DEBT	... .MILLS
10	MUNICIPAL TAX RESOURCE	
11	EQUALIZATION	... .MILLS
12	PRIORITY REVENUE SHARING	
13	FOR MUNICIPAL SERVICES	... .MILLS
14	REVENUE SHARING FOR SAFE	
15	COMMUNITIES	... .MILLS
16	<u>AID FOR MUNICIPAL ROAD</u>	
17	<u>MAINTENANCE</u>	<u>... .MILLS</u>
18	TOTAL MILLAGE	
19	EQUIVALENT	... .MILLS

20 Notice shall be provided

21 (1) by furnishing a copy of the notice with tax statements mailed for  
 22 the fiscal year for which aid is received; or

23 (2) by publishing in a newspaper of general circulation in the  
 24 municipality a copy of the notice once each week for a period of three successive  
 25 weeks, with publication to occur not later than 45 days after the final adoption of the  
 26 municipality's budget.

27 \* Sec. 3. AS 29.60.290(c) is amended to read:

28 (c) The department shall pay to each municipality eligible to receive a  
 29 minimum payment under this section an amount equal to the difference between the  
 30 minimum payment determined under (a) and (b) of this section and the sum of the  
 31 amounts payable for the same fiscal year under AS 29.60.010 - 29.60.080, [AND]

*Amended by  
Torgerson*

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29.60.100 - 29.60.180, and 29.60.700 - 29.60.720.

\* Sec. 4. AS 29.60.372(a) is amended to read:

(a) If a municipality qualifies for a payment during a fiscal year under AS 29.60.350 and also under AS 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, or 29.60.290, and if the total amount payable to the municipality under those sections is less than a minimum entitlement of \$40,000, the department shall pay to the municipality an amount equal to the difference between \$40,000 and the total amount payable under AS 29.60.350, 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, 29.60.290, and 29.60.700 - 29.60.720 [THOSE SECTIONS AND \$40,000] as adjusted under AS 29.60.373.

Amended  
Torgersen

\* Sec. 5. AS 29.60 is amended by adding new sections to read:

**Article 9. Aid for Municipal Road Maintenance.**

**Sec. 29.60.700. Aid for municipal road maintenance.** (a) The department shall pay to a municipality that has the power to provide for road maintenance and exercises that power a grant based on each mile of road, street, or highway maintained by the municipality excluding

- (1) the official state highway system;
- (2) roads, streets, or highways not dedicated to public use;
- (3) roads, streets, or highways maintained under AS 19.30.111 - 19.30.251 (local service road program);
- (4) alleyways; and
- (5) roads, streets, or highways not used by automotive equipment.

(b) The amount of a grant to a municipality under this section for a year equals \$1,000 for each mile of road, street, or highway maintained by the municipality during that year.

**Sec. 29.60.710. Municipal road maintenance account.** (a) The municipal road maintenance account is established in the department. Money to carry out the provisions of AS 29.60.700 - 29.60.730 may be annually appropriated by the legislature from proceeds of the revenue from the tax on motor fuel under AS 43.40.010(m) or from federal or other sources. If amounts in the account are insufficient to pay each municipality's grant authorized under AS 29.60.700, the

1 amounts that are available shall be distributed pro rata among eligible municipalities.

2 (b) Unless otherwise provided in the appropriation, money appropriated to the  
3 municipal road maintenance account for a fiscal year that exceeds the amount required  
4 to fully fund grants authorized under AS 29.60.700 for that fiscal year shall be  
5 allocated by the Department of Community and Regional Affairs to the Department  
6 of Transportation and Public Facilities for road improvements under AS 29.60.730(b).

7 **Sec. 29.60.720. Regulations.** The department shall adopt regulations necessary  
8 to carry out the purposes of AS 29.60.700 - 29.60.730. The regulations must include  
9 minimum road maintenance standards required for eligibility for grant money. The  
10 department shall require a municipality to submit a performance report adequate to  
11 demonstrate to the department that maintenance was performed by the municipality and  
12 that the maintenance meets minimum standards prescribed by regulation.

13 **Sec. 29.60.730. Transfer of roads to municipalities.** (a) On application to  
14 the Department of Transportation and Public Facilities by a municipality, a road, street,  
15 or highway located within the boundaries of the municipality may be transferred to that  
16 municipality by the Department of Transportation and Public Facilities if, after the  
17 transfer, the municipality will qualify for a grant to maintain the road, street, or  
18 highway under AS 29.60.700.

19 (b) Within 60 days after receiving a request from a municipality for the  
20 transfer of a road, street, or highway, the Department of Transportation and Public  
21 Facilities shall determine, and notify the municipality, whether the road, street, or  
22 highway needs grading, surfacing, or other improvements before it is transferred to the  
23 municipality under this section. Within 60 days after receiving the notification, the  
24 municipality may withdraw its request for the transfer. If the Department of  
25 Transportation and Public Facilities determines that the road, street, or highway may  
26 be transferred after improvements are made to it and if the municipality does not  
27 withdraw its request for the transfer, the Department of Transportation and Public  
28 Facilities shall make those improvements, subject to appropriations for that purpose,  
29 and transfer the road, street, or highway after the improvements are made. Money to  
30 carry out this section shall be annually appropriated.

31 \* **Sec. 6.** AS 43.40.010(g) is amended to read:

1 (g) The proceeds of the revenue from the tax on all motor fuels, except as  
2 provided in (e), (f), [AND] (j), and (m) of this section, shall be deposited in a special  
3 highway fuel tax account in the state general fund. The legislature may appropriate  
4 funds from it for expenditure by the Department of Transportation and Public Facilities  
5 directly or as matched with available federal-aid highway money for maintenance of  
6 highways, construction of highway projects and ferries included in the program  
7 provided for in AS 19.10.150, including approaches, appurtenances and related  
8 facilities and acquisition of rights-of-way or easements, and other highway costs  
9 including surveys, administration, and related matters. All departments of the state  
10 government authorized to spend funds collected from taxes imposed by this chapter  
11 shall perform, when feasible, all construction or reconstruction projects by contract  
12 after the projects have been advertised for competitive bids, except that, when feasible,  
13 arrangements shall be made with political subdivisions to carry out the construction  
14 or reconstruction projects. If it is not feasible for the work to be performed by state  
15 engineering forces, the commissioner of transportation and public facilities may  
16 contract on a professional basis with private engineering firms for road design, bridge  
17 design, and services in connection with surveys. If more than one private engineering  
18 firm is available for the work, the contracts shall be entered into on a negotiated basis.

19 \* Sec. 7. AS 43.40.010 is amended by adding a new subsection to read:

20 (m) Thirty-seven and one-half percent of the proceeds of the revenue from the  
21 taxes on motor fuel used in motor vehicles licensed to be operated on public ways,  
22 excluding the amount determined to have been spent by the state in its collection, shall  
23 be deposited in a special municipal road maintenance account in the state general fund.  
24 The legislature may appropriate funds from this account for grants to municipalities  
25 under AS 29.60.700 and for road improvements under AS 29.60.730(b).

26 \* Sec. 8. AS 29.60.110(a) is repealed.

27 \* Sec. 9. This Act takes effect July 1, 1998.

SENATE FINANCE  
COMMITTEE

Amendment Number: # 2  
Bill Number: SB 264  
Sponsor:                      Date: 3/27/98  
Logged In By: Mindy

0-LS1232\F.1  
Cook  
3/26/98

AMENDMENT

OFFERED IN THE SENATE  
TO: CSSB 264(TRA)

BY SENATOR TORGERSON

*moved by Sen. Torgerson  
Sen. Adams objection  
5-1 (Adams)  
adopted*

1 Page 1, line 1, following "relating to":

2 Insert "municipal highway construction grants, to"

3 Page 1, following line 3:

4 Insert a new bill section to read:

5 **\*\* Section 1.** AS 19.20 is amended by adding a new section to read:

6 **Sec. 19.20.100. Municipal highway construction grants.** (a) Each fiscal  
7 year, \$10,000,000 of federal funds may be appropriated to the department for  
8 municipal road construction grants. The department shall make grants of the federal  
9 funds to municipalities for construction projects for highways that are under municipal  
10 jurisdiction. To qualify for a grant, a municipality must

11 (1) apply for the grant in the manner prescribed by the department;

12 and

13 (2) meet all federal matching and other federal requirements for receipt  
14 and expenditure of the funds.

15 (b) The amount of a municipal road construction grant is based on each mile  
16 of highway maintained by the municipality, excluding (1) the official state highway  
17 system, (2) highways not dedicated to public use, (3) highways maintained under  
18 AS 19.30.111 - 19.30.251 (local service road program), (4) alleyways as defined in  
19 regulations adopted by the department, and (5) highways not used by automotive  
20 equipment. The grant for each municipality equals \$2,500 per mile of road  
21 maintained by the municipality. If amounts appropriated are insufficient to pay each  
22 municipality's grant in full, the amounts that are available shall be distributed pro rata  
23 among eligible municipalities.

24 (c) The department may adopt regulations under AS 44.62 (Administrative

1 Procedure Act) to carry out the purposes of this section."

2 Page 1, line 4:

3 Delete "\* Section 1."

4 Insert "\* Sec. 2."

5 Renumber the following bill sections accordingly.

SENATE FINANCE  
COMMITTEE

Amendment Number: 1 0-LS1232E.2  
Bill Number: SB 264 Cook  
Sponsor: Torgerson Date: 3/26/98 2/4/98  
Logged In By: J. Soltau

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 264

BY SENATOR TORGERSON

*moved by Sen. Torgerson  
Sen. Adams's objection  
5-1 (Adams) adopted*

1 Page 1, line 1, following "to":

2 Insert "**minimum payments under certain municipal aid programs; relating to**"

3 Page 3, following line 5:

4 Insert new bill sections to read:

5 **\*Sec. 2.** AS 29.60.290(c) is amended to read:

6 (c) The department shall pay to each municipality eligible to receive a  
7 minimum payment under this section an amount equal to the difference between the  
8 minimum payment determined under (a) and (b) of this section and the sum of the  
9 amounts payable for the same fiscal year under AS 29.60.010 - 29.60.080, [AND]  
10 29.60.100 - 29.60.180, and 29.60.700 - 29.60.720.

11 **\*Sec. 3.** AS 29.60.372(a) is amended to read:

12 (a) If a municipality qualifies for a payment during a fiscal year under  
13 AS 29.60.350 and also under AS 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, or  
14 29.60.290, and if the total amount payable to the municipality under those sections is  
15 less than a minimum entitlement of \$40,000, the department shall pay to the  
16 municipality an amount equal to the difference between \$40,000 and the total amount  
17 payable under AS 29.60.350, 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, 29.60.290,  
18 and 29.60.700 - 29.60.720 [THOSE SECTIONS AND \$40,000] as adjusted under  
19 AS 29.60.373."

20 Renumber the following bill sections accordingly.