

**SB**

**264**

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. SB 264

Revision Date		Dept. Affected	DOT&PF
Title	<u>Municipal Road Maintenance</u>	BRU	<u>Commissioners Office</u>
		Component	<u>Office of the Commissioner</u>
Sponsor	<u>Torgerson, Pearce</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	Commissioner	Date <u>2/10/98</u>
Agency	<u>Department of Transportation and Public Facilities</u>	

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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)

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1001 CBR						
1048 University of AK receipts						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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>	<b>9,342.3</b>	<b>9,454.8</b>	<b>9,503.6</b>	<b>9,552.3</b>	<b>9,601.1</b>	<b>9,649.8</b>

**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)

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. CSSB 264 (TRA)

Revision Date _____	Dept. Affected <u>DOT&amp;PF</u>
Title <u>Municipal Road Maintenance</u>	BRU <u>Commissioners Office</u>
	Component <u>Office of the Commissioner</u>
Sponsor <u>Torgerson, Pearce</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 ( )						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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1003 GF Match						
1004 GF	38.5	39.7	40.8	42.1	43.3	44.6
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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 Dennis Poshard, Special Assistant  
 Division Office of the Commissioner  
 Approved by  Commissioner  
 Agency Department of Transportation and Public Facilities

Phone 465-3900  
 Date 3/20/98  
 Date 3/20/98

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0-LS1232AB  
Cook  
2/26/98

CS FOR SENATE BILL NO. 264( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS TORGERSON, Pearce, Sharp

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to aid for municipal road maintenance, and to the transfer of  
2 roads to municipalities; and providing for an effective date."

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

4 \* Section 1. AS 29.45.020(a) is amended to read:

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

7 "NOTICE TO TAXPAYER

8 For the current fiscal year the (city)(borough) has been allocated the following amount  
9 of state aid for school and municipal purposes under the applicable financial assistance

10 Acts:

11 PUBLIC SCHOOL FOUNDATION PROGRAM

12 ASSISTANCE (AS 14.17) \$

13 STATE AID FOR RETIREMENT OF SCHOOL

14 CONSTRUCTION DEBT (AS 14.11.100) \$

1	MUNICIPAL TAX RESOURCE EQUALIZATION	
2	(AS 29.60.010 - 29.60.080)	\$
3	PRIORITY REVENUE SHARING FOR	
4	MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180)	\$
5	REVENUE SHARING FOR SAFE COMMUNITIES	
6	(AS 29.60.350 - 29.60.375)	\$
7	<u>AID FOR MUNICIPAL ROAD MAINTENANCE</u>	
8	<u>(AS 29.60.700 - 29.60.730)</u>	\$
9	TOTAL AID	\$

10 The millage equivalent of this state aid, based on the dollar value of a mill in the  
 11 municipality during the current assessment year and for the preceding assessment year,  
 12 is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
13		
14		
15	PUBLIC SCHOOL FOUNDATION	
16	PROGRAM ASSISTANCE	... MILLS . . . . MILLS
17	STATE AID FOR RETIREMENT	
18	OF SCHOOL CONSTRUCTION	
19	DEBT	... MILLS . . . . MILLS
20	MUNICIPAL TAX RESOURCE	
21	EQUALIZATION	... MILLS . . . . MILLS
22	PRIORITY REVENUE SHARING	
23	FOR MUNICIPAL SERVICES	... MILLS . . . . MILLS
24	REVENUE SHARING FOR SAFE	
25	COMMUNITIES	... MILLS . . . . MILLS
26	<u>AID FOR MUNICIPAL ROAD</u>	
27	<u>MAINTENANCE</u>	<u>... MILLS . . . . MILLS</u>
28	TOTAL MILLAGE	
29	EQUIVALENT	... MILLS . . . . MILLS"

30 Notice shall be provided  
 31 (1) by furnishing a copy of the notice with tax statements mailed for

1 the fiscal year for which aid is received; or

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

6 \* Sec. 2. AS 29.60 is amended by adding new sections to read:

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

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

12 (1) the official state highway system;

13 (2) roads, streets, or highways not dedicated to public use;

14 (3) roads, streets, or highways maintained under AS 19.30.111 -  
15 19.30.251 (local service road program);

16 (4) alleyways; and

17 (5) roads, streets, or highways not used by automotive equipment.

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

21 **Sec. 29.60.710. Municipal road maintenance account.** (a) The municipal  
22 road maintenance account is established in the department. Money to carry out the  
23 provisions of AS 29.60.700 - 29.60.730 may be annually appropriated by the  
24 legislature from proceeds of the revenue from the tax on motor fuel under  
25 AS 43.40.010(m) or from federal or other sources. If amounts in the account are  
26 insufficient to pay each municipality's grant authorized under AS 29.60.700, the  
27 amounts that are available shall be distributed pro rata among eligible municipalities.

28 (b) Unless otherwise provided in the appropriation, money appropriated to the  
29 municipal road maintenance account for a fiscal year that exceeds the amount required  
30 to fully fund grants authorized under AS 29.60.700 for that fiscal year shall be  
31 allocated by the Department of Community and Regional Affairs to the Department

1 of Transportation and Public Facilities for road improvements under AS 29.60.730(b).

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

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

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

26 \* **Sec. 3.** AS 43.40.010(g) is amended to read:

27 (g) The proceeds of the revenue from the tax on all motor fuels, except as  
28 provided in (e), (f), [AND] (j), and (m) of this section, shall be deposited in a special  
29 highway fuel tax account in the state general fund. The legislature may appropriate  
30 funds from it for expenditure by the Department of Transportation and Public Facilities  
31 directly or as matched with available federal-aid highway money for maintenance of

1 highways, construction of highway projects and ferries included in the program  
2 provided for in AS 19.10.150, including approaches, appurtenances and related  
3 facilities and acquisition of rights-of-way or easements, and other highway costs  
4 including surveys, administration, and related matters. All departments of the state  
5 government authorized to spend funds collected from taxes imposed by this chapter  
6 shall perform, when feasible, all construction or reconstruction projects by contract  
7 after the projects have been advertised for competitive bids, except that, when feasible,  
8 arrangements shall be made with political subdivisions to carry out the construction  
9 or reconstruction projects. If it is not feasible for the work to be performed by state  
10 engineering forces, the commissioner of transportation and public facilities may  
11 contract on a professional basis with private engineering firms for road design, bridge  
12 design, and services in connection with surveys. If more than one private engineering  
13 firm is available for the work, the contracts shall be entered into on a negotiated basis.

14 \* Sec. 4. AS 43.40.010 is amended by adding a new subsection to read:

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

21 \* Sec. 5. AS 29.60.110(a) is repealed.

22 \* Sec. 6. This Act takes effect July 1, 1998.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR TORGERSON

TO: SB 264

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.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Transportation Committee  
committee name

committee on SB 263/264 Secondary Road dated Feb. 11<sup>th</sup>, 98.  
bill # / subject

I am for upgrading Secondary Roads, as I live on Scout Lake Rd in Sterling and I know of no actual Road improvements have been made except for side ditches + culverts put, since 1989. There is more traffic on this road every year. If also, Secondary Roads on the Kenai Peninsula might be addressed quicker (as they need to be) if we were not included into the Anchorage Area, or the whole State. Every Area should have it's own considerations of upgrading, not competing with more population more road theory.

Signed: Suzanne Davitt  
Testifier

Representing (Optional)  
P.O. Box 256, Sterling, AK 99672  
Address  
522-1310  
Phone number

# Alaska State Legislature

## Committee Membership

Senate Finance  
Senate Resources  
Senate Rules  
Legislative Budget & Audit



*Senator John Torgerson*

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Session Address:  
State Capitol: Room 514  
Juneau, AK 99801-1182  
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fax 465-4779

## **SB 264: Aid for Municipal Road Maintenance Sponsor Statement**

SB 264 removes the current municipal road maintenance program from the revenue sharing statutes and establishes a stand-alone program for aid to municipalities for road maintenance. The funds appropriated to the existing program will be eliminated, except for funding for ice street maintenance. (This legislation does not affect the current statutes pertaining to maintenance of ice streets.)

The new program establishes the same requirements for eligibility of the roads as the current program. The source of funds for the new program is established as the motor fuel tax, which is expected to generate some \$9.3 million in FY 99. The current program cost is some \$3.2 million. The new program actually increases the funding by about 40 percent to \$1,000 per mile (the current appropriation amounts to some \$700.00 per mile) with an estimated total program cost of \$4.4 million.

Any balance which remains from the motor fuel tax funding source after the \$1,000 per mile allocation will be allocated to the Department of Transportation. Those funds will then be used for road improvements to facilitate road transfers from the State to a municipality for road maintenance.

Because the existing program is part of the Safe Communities Program, the minimum entitlement for municipalities is affected when this new program is enacted. This bill (with sponsor submitted amendment) would reduce the minimum entitlement amount by the amount gained through the new road maintenance program.

It is hoped that, by creating a stable funding source of revenue sharing for municipal road maintenance and a mechanism for upgrades for transfers to local governments, the amount of maintenance and appropriation by the state will be reduced.

# Alaska State Legislature



## Committee Membership

Senate Finance  
Senate Resources  
Senate Rules  
Legislative Budget & Audit

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Session Address:  
State Capitol: Room 514  
Juneau, AK 99801-1182  
(907) 465-2828  
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*Senator John Torgerson*

## **SB 264: Aid for Municipal Road Maintenance Sectional Analysis**

**Sec. 1:** Amends the existing statute requiring public notice by including the new Aid for Municipal Road Maintenance program for required public notice.

**Sec. 2:** Amends existing statute by adding new Article 9 Aid for Municipal Road Maintenance.

**New 29.60.700.** Aid for municipal road maintenance.

- (a) States that municipalities who exercise road maintenance power are entitled to receive funds for maintenance subject to exclusions set forth in items (1) through (5);
- (b) Specifies funding amount of \$1,000 per mile of maintained road.

**New 29.60.710.** Municipal road maintenance account.

- (a) Establishes the account in the Department of Community and Regional Affairs (DCRA); provides for funds for the account from the tax on motor fuel<sup>1</sup> or from federal or other sources. States that the amount appropriated shall be distributed pro rata among municipalities.
- (b) Allows excess funds in the account to be allocated to the Department of Transportation (DOT) for road improvements.

**New 29.60.720** Regulations.

Requires the DCRA to adopt regulations; to include standards for minimum road maintenance and performance reports by a municipality.

**New 29.69.730** Transfer of roads to municipalities.

- (a) Allows transfer of road from the State to a municipality if after the transfer, the municipality qualifies for a grant for maintenance under this bill.
- (b) Establishes responsibilities for DOT: time line for response to a municipal request for a road transfer; determination of specific road improvement need; requirement to proceed with improvements; and specifies that funds for this section shall be appropriated annually.

**Sec. 3:** Amends AS 43.40.010(g) by referencing this bill's new subsection (m).

<sup>1</sup> AS 43.40.010(m) - new section contained in this bill for motor fuel tax.

**Sec. 4:** Amends AS 43.40.010 by adding new subsection (m) which requires that 37.5 percent of the revenues from motor fuel taxes, less the State's collection costs, are deposited in a municipal road maintenance account. Those funds can then be used for grants to municipalities under the new \$1,000 per mile program and for improvements to roads transferred to a municipality under the new AS 29.60.730(b).

**Sec. 5.** Repeals AS 29.60.110(a), which is the current revenue sharing program road maintenance. Subsection (b) of that statute is not repealed, which is the current revenue sharing program for frozen waterway funding.

**Sec. 6.** Effective date of the bill.

# Alaska State Legislature

## Committee Membership

Senate Finance  
Senate Resources  
Senate Rules  
Legislative Budget & Audit



*Senator John Torgerson*

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## **SB 264: Aid for Municipal Road Maintenance**

(This is the current statute section repealed by Section 5 of SB 264)

Sec. 29.60.110. State aid to municipalities for roads.

(a) The department shall pay to a municipality that has power to provide for road maintenance and exercises that power, an entitlement 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), 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 that is not used by automotive equipment. If at least \$41,472,000 is appropriated for all entitlements under AS 29.60.010 - 29.60.310 for a fiscal year, the entitlement for each municipality under this subsection for that year equals \$3,000 per mile. Otherwise, the entitlement equals \$2,500 per mile.

(b) A frozen waterway and a connection from an inhabited area to a waterway that may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for 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.

History -

(Sec. 16 ch 74 SLA 1975; am Sec. 1 ch 122 SLA 1990)

## FY 99 Projections - Road Aid

Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	73.60	\$50,191	\$73,600	\$23,409
Matanuska-Susitna Borough	71.13	\$48,507	\$71,130	\$22,623
Matanuska-Susitna Borough	141.55	\$96,529	\$141,550	\$45,021
Matanuska-Susitna Borough	15.03	\$10,250	\$15,030	\$4,780
Matanuska-Susitna Borough	91.11	\$62,132	\$91,110	\$28,978
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	41.36	\$28,205	\$41,360	\$13,155
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	14.71	\$10,031	\$14,710	\$4,679
Matanuska-Susitna Borough	7.01	\$4,780	\$7,010	\$2,230
Matanuska-Susitna Borough	4.08	\$2,782	\$4,080	\$1,298
Matanuska-Susitna Borough	74.55	\$50,839	\$74,550	\$23,711
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	39.31	\$26,807	\$39,310	\$12,503
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
City of Nenana	26.39	\$23,287	\$26,390	\$3,103
City of Nome	17.52	\$16,039	\$17,520	\$1,481
City of Noorvik	7.20	\$6,591	\$7,200	\$609
North Slope Borough	95.23	\$87,181	\$95,230	\$8,049
Northwest Arctic Borough	64.09	\$58,673	\$64,090	\$5,417
City of Nunapitchuk	0.00	\$0	\$0	\$0
City of Palmer	32.74	\$22,327	\$32,740	\$10,413
City of Petersburg	13.33	\$9,090	\$13,330	\$4,240
City of Sand Point	11.50	\$9,780	\$11,500	\$1,720
City of Savoonga	7.07	\$6,472	\$7,070	\$598
City of Selawik	3.53	\$3,232	\$3,530	\$298
City of Seward	27.27	\$19,294	\$27,270	\$7,976
City of Shungnak	5.00	\$4,577	\$5,000	\$423
City and Borough of Sitka	25.07	\$17,096	\$25,070	\$7,974
City of Soldotna	37.16	\$26,291	\$37,160	\$10,869
City of St. George	16.28	\$13,846	\$16,280	\$2,434
City of St. Mary's	8.68	\$7,659	\$8,680	\$1,021
City of St. Paul	42.82	\$36,417	\$42,820	\$6,403
City of Tanana	29.50	\$27,007	\$29,500	\$2,493
City of Teller	2.69	\$2,463	\$2,690	\$227
City of Thorne Bay	31.90	\$20,968	\$31,900	\$10,932
City of Unalaska	38.42	\$32,675	\$38,420	\$5,745
City of Valdez	23.88	\$18,868	\$23,880	\$5,012
City of Wasilla	59.71	\$40,719	\$59,710	\$18,991
City of Wrangell	10.29	\$7,017	\$10,290	\$3,273
City and Borough of Yakutat	16.54	\$11,702	\$16,540	\$4,838
<b>Totals:</b>	<b>4432.03</b>	<b>\$3,191,072</b>	<b>\$4,432,030</b>	<b>\$1,240,958</b>
Balance from FY 99 projected			<b>\$4,910,270</b>	
<b>Prjtd FY99 MFT Funds</b>	<b>9,342,300</b>			

# FY 99 Projections - Road Aid

Municipality	FY98 Road Miles	FY98 Road Funds	FY99 at \$1,000	Added Funding
Aleutians East Borough	0.00	\$0	\$0	\$0
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	184.94	\$121,560	\$184,940	\$63,380
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	13.96	\$9,176	\$13,960	\$4,784
Municipality of Anchorage	13.49	\$8,867	\$13,490	\$4,623
Municipality of Anchorage	81.62	\$53,649	\$81,620	\$27,971
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	574.26	\$377,459	\$574,260	\$196,801
Municipality of Anchorage	0.00	\$0	\$0	\$0
Municipality of Anchorage	0.00	\$0	\$0	\$0
City of Aniak	17.76	\$16,259	\$17,760	\$1,501
City of Atkasuk	0.00	\$0	\$0	\$0
City of Barrow	0.00	\$0	\$0	\$0
City of Bethel	15.98	\$14,101	\$15,980	\$1,879
Bristol Bay Borough	26.01	\$22,121	\$26,010	\$3,889
City of Buckland	2.50	\$2,289	\$2,500	\$211
City of Coffman Cove	71.00	\$46,668	\$71,000	\$24,332
City of Cordova	12.90	\$9,825	\$12,900	\$3,075
City of Craig	17.60	\$11,568	\$17,600	\$6,032
City of Deering	4.65	\$4,257	\$4,650	\$393
City of Dillingham	21.75	\$18,498	\$21,750	\$3,252
City of Egegik	14.00	\$11,907	\$14,000	\$2,093
City of Emmonak	5.08	\$4,483	\$5,080	\$597
City of Fairbanks	106.72	\$81,279	\$106,720	\$25,441
Fairbanks North Star Boroug	411.76	\$313,600	\$411,760	\$98,160
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
Fairbanks North Star Boroug	0.00	\$0	\$0	\$0
City of Fort Yukon	29.56	\$27,062	\$29,560	\$2,498
City of Galena	7.10	\$6,500	\$7,100	\$600
City of Haines	11.90	\$8,419	\$11,900	\$3,481
Haines Borough	9.30	\$6,580	\$9,300	\$2,720
Haines Borough	0.00	\$0	\$0	\$0
Haines Borough	0.00	\$0	\$0	\$0
Haines Borough	0.00	\$0	\$0	\$0
Haines Borough	0.00	\$0	\$0	\$0

## FY 99 Projections - Road Aid

City of Homer	23.83	\$16,860	\$23,830	\$6,970
City of Hoonah	75.00	\$53,064	\$75,000	\$21,936
City of Houston	41.33	\$28,185	\$41,330	\$13,145
City and Borough of Juneau	89.83	\$59,045	\$89,830	\$30,785
City and Borough of Juneau	0.00	\$0	\$0	\$0
City and Borough of Juneau	0.00	\$0	\$0	\$0
City of Kake	12.99	\$8,858	\$12,990	\$4,132
City of Kenai	61.32	\$43,385	\$61,320	\$17,935
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
Kenai Peninsula Borough	620.68	\$439,140	\$620,680	\$181,540
Kenai Peninsula Borough	0.00	\$0	\$0	\$0
City of Ketchikan	22.51	\$14,796	\$22,510	\$7,714
Ketchikan Gateway Borough	3.29	\$2,163	\$3,290	\$1,127
Ketchikan Gateway Borough	0.00	\$0	\$0	\$0
Ketchikan Gateway Borough	0.00	\$0	\$0	\$0
Ketchikan Gateway Borough	0.00	\$0	\$0	\$0
Ketchikan Gateway Borough	0.00	\$0	\$0	\$0
City of Kiana	7.82	\$7,159	\$7,820	\$661
City of King Cove	7.82	\$6,651	\$7,820	\$1,169
City of Kivalina	1.09	\$998	\$1,090	\$92
City of Klawock	9.70	\$6,376	\$9,700	\$3,324
City of Kodiak	25.31	\$17,907	\$25,310	\$7,403
Kodiak Island Borough	0.00	\$0	\$0	\$0
Kodiak Island Borough	0.95	\$672	\$950	\$278
Kodiak Island Borough	0.00	\$0	\$0	\$0
Kodiak Island Borough	1.75	\$1,238	\$1,750	\$512
Kodiak Island Borough	9.10	\$6,438	\$9,100	\$2,662
Kodiak Island Borough	0.00	\$0	\$0	\$0
Kodiak Island Borough	11.42	\$8,080	\$11,420	\$3,340
Kodiak Island Borough	0.00	\$0	\$0	\$0
City of Kotzebue	27.96	\$25,597	\$27,960	\$2,363
Lake and Peninsula Borough	52.92	\$45,007	\$52,920	\$7,913
Matanuska-Susitna Borough	19.22	\$13,107	\$19,220	\$6,113
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	101.41	\$69,156	\$101,410	\$32,254
Matanuska-Susitna Borough	70.35	\$47,975	\$70,350	\$22,375
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	87.18	\$59,452	\$87,180	\$27,728
Matanuska-Susitna Borough	39.55	\$26,971	\$39,550	\$12,579
Matanuska-Susitna Borough	0.00	\$0	\$0	\$0
Matanuska-Susitna Borough	83.41	\$56,881	\$83,410	\$26,529
Matanuska-Susitna Borough	43.20	\$29,460	\$43,200	\$13,740



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325, Fax (907)-463-5480

February 10, 1998

Senator Jerry Ward, Chair  
Senate Transportation Committee  
State Capitol  
Juneau, AK 99801

Dear Senator Ward:

I am writing on behalf of the members of the Alaska Municipal League and the Alaska Conference of Mayors in support of SB 264, Aid for Municipal Road Maintenance, sponsored by Senator John Torgerson. Members of our Transportation and Revenue and Finance Subcommittees of the AML Legislative Committee received copies of the SB 264 and discussed it at length at their monthly teleconference. SB 264 has also been discussed by the AML and Alaska Conference of Mayors Executive Committees. The key reasons for support of SB 264 are:

- ◆ **Better Roads and Tax Stabilization for your/our constituents.** Over the past twelve years Revenue Sharing for roads has been cut from \$2500 per mile to an average of \$734 per mile. Of course, the loss of purchasing power of these funds has been much greater. These cuts have greatly reduced the ability of local governments to maintain and improve roads within reasonable budget and local tax limits. We support the increase to \$1000 per road mile, but more important, we need to have a stable source of revenue for roads that allows for more miles of roads. **It is the stated intent of the sponsor to stabilize this amount at least at \$1,000 per mile.**
- ◆ **Gasoline tax is the most appropriate source of funds for municipal road revenue sharing.** Gasoline tax is generated by Alaskans driving on state and municipal roads. Local taxpayers and residents deserve to have a share of their tax payments maintain the state and local roads they drive on.
- ◆ **A voluntary road transfer program can be a win-win-win for the state, the municipal government, and your/our constituents.** SB 264 also provides a mechanism to implement a voluntary road transfer program to municipalities after roads are brought up to standard by the state. Many municipalities may apply to transfer roads. Ultimately your/our constituents benefit. **A critical component of this plan is some reasonable assurance of stable funding.** Without a stable source of funds from the gasoline tax, it may not be reasonable for municipalities to take over roads when road maintenance funding is dwindling. **Every mile of road assumed by municipalities lowers the state budget.**

As stated in the 1998 AML Policy Statement: Part I, Revenue & Finance,

**Transfer of Appropriate State Responsibilities to Municipalities with Adequate Funding:** The League supports the negotiation of service responsibility transfers from the state to municipalities provided the state actively enters into good faith negotiations with municipalities to identify and transfer appropriate services which may more effectively be provided on the local level; and ensure adequate stable, resources to implement these transferred services. The League supports a cooperative agreement with the state to transfer responsibility for operation, maintenance, and improvement of harbors, some classes of local roads, and some classes of air transportation facilities with the long term commitment of the state to share fuel taxes, and other resources to adequately maintain and operate these facilities. The League supports a cooperative agreement with DOT/PF for other services and revenue transfers from the state as appropriate to best serve the citizens of Alaska.

**Motor Vehicle Fuel Tax:** The League supports the increase of the motor vehicle fuel tax to fund state and municipal highway and road operation, maintenance, and improvements. (*Note: includes the use of current motor fuel tax*)

SB 264 clearly ties the source of funds, the motor vehicle tax, directly to related vehicle use. Because maintenance of all roads in Alaska is a critical issue to your/our constituents, we look forward to working with the state to keep them in the best possible condition.

If you have any questions regarding this bill or other municipal issues, please feel free to call on me or any member of AML or the Alaska Conference of Mayors.

Sincerely,



Kevin C. Ritchie, Executive Director

cc: Senator John Torgerson  
AML Board of Directors