

SB

59

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/20/01

REPORTED OUT

 APR 02 2002

 SENATE FINANCE
 COMMITTEE

FURTHER:

DATE TURNED IN TO OFFICE: 4/03/02

funding
 in
 transfer
 in
 discouraging
 in
 Alaska
 living
 in
 exchange

Finance Committee considered **SENATE BILL NO. 59**

FEDERAL FUNDS TO MUNICIPALITIES FOR ROADS

"An Act relating to awards of federal funds to municipalities for road projects; and providing for an effective date."

and recommends:

- be replaced with CS SB 59 (FIN)
- adopt previous CS CS Forthcoming ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
FN Forthcoming				

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>		X		
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>		X		
COCHAIR: <i>[Signature]</i>			✓	

Continues the unfair discrimination against 42% of Alaska's living in exchange

APR 02 2002

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSSB59(FIN)
() Publish Date: _____

Revision Date/Time (Note if correction): 4/23/2002 Dept. Affected: DOT&PF
Title An Act relating to awards of federal BRU DOT&PF Capital Budget
funds to municipalities for road projects... Component DOT&PF Capital Budget
Sponsor Senator Torgerson
Requester Senate Rules Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)
-----------------------------	------------------	------------------	------------------	------------------	------------------	------------------

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB59 requires that the local government sponsor provide the local match for their project. This will have the effect of reducing state local general fund match need by approximately \$1.5M per year.

Key points: the state cannot "grant" Federal Highway funds; DOT&PF remains "on the hook" and responsible for the satisfaction of federal requirements. The state can obligate the local sponsor to meet those requirements through a project agreement, but cannot transfer the ultimately responsibility for the proper use of the funds. The engineering capability of most Alaska communities is very modest; the federal requirements are substantial. Our experience is that local staff have little experience meeting federal environmental (NEPA) and federal right-of-way acquisition requirements.

The result is that both the local sponsor and DOT must exercise project oversight which expands the cost of the project administration and construction engineering. For projects that have problems, this duplication of oversight is substantial, leaving less of the project funds to be used for actual construction than would be the case if DOT&PF administered the project.

Prepared by: Dennis R. Poshard, Assistant to Commissioner Phone 465-3904
Division Commissioner's Office Date/Time 4/23/02 3:40 PM
Approved by: Joseph L. Perkins, Commissioner Date 4/23/2002
Agency Alaska Department of Transportation and Public Facilities

SENATE FINANCE COMMITTEE
 / / 2002 COMMITTEE ACTION

Bill Number	59		
Amendment			
Motion	Move from Committee		
<u>Motion by</u>	WARD		
<u>Objection by</u>	DONLEY		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Olson	✓		
Senator Ward	✓		
Senator Wilken	✓		
Senator Austerman	✓		
Senator Green	✓		
Senator Hoffman			✓
Senator Leman	✓		
Co-Chair Donley			✓
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	7		
Nay	2		
Absent			
<u>MOTION</u>	PASSED		



CS FOR SENATE BILL NO. 59(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/20/01

Referred: Finance

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to awards of federal funds to municipalities for road projects; and
2 providing for an effective date."

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

4 * Section 1. AS 19.05 is amended by adding new sections to read:

5 **Article 4. Awards of Federal Funds to Municipalities for Road Projects.**

6 **Sec. 19.05.150. Municipal road projects.** (a) Each fiscal year, the
7 department shall award federal funds to municipalities for road projects. The total
8 amount awarded statewide in a fiscal year may not exceed \$20,000,000. The
9 maximum amount awarded to a single municipality may not exceed \$3,000,000.
10 Awards are subject to state appropriations of federal funds for municipal road projects.

11 (b) Appropriations for awards under this section are not one-year
12 appropriations and do not lapse under AS 37.25.010.

13 **Sec. 19.05.155. Project applications.** A municipality with the power to
14 construct and maintain roads may apply to the department for an award of federal

1 money for a road project. The project application must contain all information
2 regarding the road project that is requested by the department. The municipality must
3 agree to provide money to match federal funds if a match is required by federal law,
4 and the municipality must agree to comply with all other federal requirements for
5 receipt and expenditure of the federal funds for the road project. The department may
6 not accept an application for a road project until the department determines that the
7 project will qualify for federal funding.

8 **Sec. 19.05.160. Priorities for road projects.** (a) The department shall set
9 priorities for all municipal road projects for which it accepts an application under
10 AS 19.05.155. In setting priorities for projects, the department shall assign a higher
11 priority to road projects involving the reconstruction or rehabilitation of a state
12 maintained road where the municipality also agrees to accept maintenance
13 responsibility for the road upon completion of the project.

14 (b) Unless prohibited under federal law, the department shall include the
15 municipal road projects that it accepts under AS 19.05.155 in a statewide
16 transportation plan in the order of priority established under (a) of this section and in a
17 manner that ensures that municipal road projects qualify for federal funding each
18 fiscal year.

19 * Sec. 2. This Act takes effect July 1, 2001. July 1, 2002

#3

SENATE FINANCE COMMITTEE

1 / 2002 COMMITTEE ACTION

Bill Number	59		
Amendment	#4		
Motion	Change effective date		
<u>Motion by</u>	Leman		
<u>Objection by</u>			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>			

No objections

Proof

Amendment #1

22-LS04661F

OK'd
By
Laura
2PM
4/3/02

CS FOR SENATE BILL NO. 59(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

A BILL
FOR AN ACT ENTITLED

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3 agree to provide money to match federal funds if a match is required by federal law,
4 and the municipality must agree to comply with all other federal requirements for
5 receipt and expenditure of the federal funds for the road project. The department may
6 not accept an application for a road project until the department determines that the
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12 maintained road where the municipality also agrees to accept maintenance
13 responsibility for the road upon completion of the project.

14 (b) Unless prohibited under federal law, the department shall include the
15 municipal road projects that it accepts under AS 19.05.155 in a statewide
16 transportation plan in the order of priority established under (a) of this section and in a
17 manner that ensures that municipal road projects qualify for federal funding each
18 fiscal year.

19 * Sec. 2. This Act takes effect July 1, 2002.

Amendment to the Amendment #2
Green

22-LS0466(C

(FAILED)

CS FOR SENATE BILL NO. 59(CRA)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION**

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

**Offered: 3/20/01
Referred: Finance**

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

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7 department shall award federal funds to municipalities for road projects. The total
8 amount awarded statewide in a fiscal year may not exceed ~~\$20,000,000~~^{\$40,000,000}. The #3
9 maximum amount awarded to a single municipality may not exceed ~~\$3,000,000~~^{\$6,000,000}.
10 Awards are subject to state appropriations of federal funds for municipal road projects.

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16 transportation plan in the order of priority established under (a) of this section and in a
17 manner that ensures that municipal road projects qualify for federal funding each
18 fiscal year.

19 * **Sec. 2.** This Act takes effect July 1, 2001.

SENATE FINANCE COMMITTEE
4/21/2002 COMMITTEE ACTION

Bill Number	59		
Amendment	# 3		
Motion	Amend Amendment # 2		
<u>Motion by</u>	Green		
<u>Objection by</u>	Kelly		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Ward	✓		
Senator Wilken			✓
Senator Austerman			✓
Senator Green	✓		
Senator Hoffman			✓
Senator Leman			✓
Senator Olson			✓
Co-Chair Donley			✓
Co-Chair Kelly			✓
<u>Tally</u>			
Yea	2		
Nay	7		
Absent			
<u>MOTION</u>	FAILED		

Amendment # 2
Donley

22-LS04661C

FAILED

CS FOR SENATE BILL NO. 59(CRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/20/01

Referred: Finance

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

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9 maximum amount awarded to a single municipality may not exceed \$^{#2}7,000,000.
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17 manner that ensures that municipal road projects qualify for federal funding each
18 fiscal year.

19 * Sec. 2. This Act takes effect July 1, 2001.

SENATE FINANCE COMMITTEE
4/2/2002 COMMITTEE ACTION

Bill Number	2 39		
Amendment	# 2		
Motion			
<u>Motion by</u>	Donley		
<u>Objection by</u>	r		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Wilken			✓
Senator Austerman			✓
Senator Green			✓
Senator Hoffman			✓
Senator Leman	✓		
Senator Olson			✓
Senator Ward	✓		
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	4		
Nay	5		
Absent			
<u>MOTION</u>	FAILED		

SENATE FINANCE COMMITTEE
~~2000 COMMITTEE ACTION~~

3/27/01

Bill Number	SB 59		
Amendment			
Motion	Move from Committee		
<u>Motion by</u>	G		
<u>Objection by</u>	D		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffmann			
Senator Leman			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	WITHDREW		

Amend #1
(Failed)

22-LS04661C

CS FOR SENATE BILL NO. 59(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/20/01

Referred: Finance

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

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16 transportation plan in the order of priority established under (a) of this section and in a
17 manner that ensures that municipal road projects qualify for federal funding each
18 fiscal year.

19 * **Sec. 2.** This Act takes effect July 1, 2001.

SENATE FINANCE COMMITTEE
~~2000~~ COMMITTEE ACTION

8/27/01

Bill Number	5859		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	Green		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Wilken			✓
Senator Austerman			✓
Senator Green			✓
Senator Hoffman			✓
Senator Lemman	✓		
Senator Olson			✓
Senator Ward			
Co-Chair Donley	✓		
Co-Chair Kelly			✓
<u>Tally</u>			
Yea	2		
Nay	6		
Absent	1		
<u>MOTION</u>	FAILED		



ALASKA STATE LEGISLATURE

SENATOR JOHN TORGERSON

- ◆ CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
- ◆ CHAIR, SENATE RESOURCES COMMITTEE

Session:

State Capitol, Room 427, Juneau, AK 99801
Telephone 907/465-2828 Fax 907/465-4779

District:

45457 Kenai Spur Hwy.; Suite 101B, Soldotna, AK 99669
Telephone 907/260-3042 Fax 907/260-3044

SB 59 – FEDERAL FUNDS TO MUNICIPALITIES FOR ROADS

Sponsor Statement

SB 59 establishes a new Municipal Road Projects Program (MRPP) that directly awards up to \$20 million of federal funds to municipalities for re-construction or construction projects that are eligible for federal funding.

The Department of Transportation is responsible for developing a project application that sets out all information that will be requested by the Department. The municipality is required to provide the federal match and the project must qualify for federal funding. The municipality must comply with all federal requirements for receipt and expenditures of the funds.

The department also develops priorities for all municipal road projects, but is required to assign a higher priority to projects that involve reconstruction of current state maintained roads when the municipality agrees to accept maintenance responsibility at the completion of the project. The municipality becomes responsible for all aspects of the project, including the match requirements for the federal funding. This will also reduce the state's road maintenance costs when roads are transferred to a municipality.

The bill provides for a system so a municipality can be the recipient of federal funds and provide necessary improvements for local roads. This process is currently in place in many states and in fact, Alaska is one of very few states that do not provide for pass through funding to local governments.

I urge your support for this bill.

JT/mj: SB 59 (S-FIN) SS 3-20-01

REPRESENTING THE KENAI PENINSULA

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo
Kasilof Lowell Point Moose Pass Nunwalek Nikolaevsk Ninilchik Port Graham Ruzdolna Seward Seldovia Soldotna Startski Sterling Voznesenka*



ALASKA STATE LEGISLATURE

SENATOR JOHN TORGERSON

- ◆ CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
- ◆ CHAIR, SENATE RESOURCES COMMITTEE

Session:

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Telephone 907/465-2728 Fax 907/465-4779

District:

45457 Kenai Spur Hwy.: Suite 101B, Soldotna, AK 99669
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SB 59 – Federal Funds to Municipalities for Roads Sectional Analysis

Sec. 1: This adds a new Article 4 – Awards of Federal Funds to Municipalities for Road Projects to AS 19.05.

New 19.05.150

- (a) Authorizes a program for federal fund awards, maximum \$20 million, to municipalities for roads, subject to appropriations.
- (b) Language that the awards do not lapse under AS 37.25.010.

New 19.05.155

Sets out the process by which a municipality applies to the department for the federal money for a road project. Requires that the municipality provide the matching funds and that they agree to comply with all federal regulations. Requires the department to not accept applications unless the project qualifies for federal funding.

New 19.05.160

- (a) Authorizes the department to set a priority process for projects, but requires a higher priority be assigned to reconstruction/rehabilitation of a road that will be transferred to a municipality for maintenance.
- (b) Requires the department to include the municipal road projects in the STIP in priority order establish above, unless a project is prohibited under federal law.

Sec. 2: Effective date of the bill.

JT/mj: SB 59(S-FIN) SA: 3-20-01

REPRESENTING THE KENAI PENINSULA

Anchor Point Bear reek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo
Kasilof Lowell Point Moose Pass Nunwalek Nikolaevsk Ninilchik Port Graham Razdolna Seward Seldavia Soldotna Stariski Sterling Voznesenku



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

February 21, 2001

Senator John Torgerson
State Capitol
Juneau, AK 98111

Re: SB 59 "relating to awards of federal funds to municipalities for road projects"

Dear Senator Torgerson,

Today the Alaska Municipal League Legislative Committee Public Works and Infrastructure Subcommittee **voted unanimously to support SB 59**. Members commented that they are often frustrated by the State process to set local road construction priorities and that this bill provides an optional tool for a municipality to better serve the needs of its citizens.

This bill was discussed as part of a general devolution of responsibilities to municipalities that may improve local service, but may also contribute toward increased local taxes. The subcommittee suggested that the legislature also consider increasing road revenue sharing back to its statutory level of \$2500 per mile (currently it is less than \$500), creation of a municipal dividend, or similar measure to provide additional resources.

Thank you for your efforts on behalf of municipalities.

Sincerely,

Kevin Ritchie
Executive Director

SENATE COMMITTEE REPORT

DATE: 3/14/01

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 3-20-01

Community and Regional Affairs Committee considered

SENATE BILL NO. 59

FEDERAL FUNDS TO MUNICIPALITIES FOR ROADS

"An Act relating to awards of federal funds to municipalities for road projects; and providing for an effective date."

and recommends:

- be replaced with CS SR 59 (CRA)
- adopt previous CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

- Senate Bill:**
 same title
 new title
- House Bill:**
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
NOTE PT	3/15/01	✓		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
CHAIR: <i>[Signature]</i>	✓			

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/30/01

FURTHER: CRA
Finance

Date of 5-Day Notice: 2-15-01
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/13/01

Transportation considered SENATE BILL NO. 59

"An Act relating to awards of federal funds to municipalities for road projects; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>		✓		
CHAIR: <i>[Signature]</i>	✓			

SB 59-FEDERAL FUNDS TO MUNICIPALITIES FOR ROADS
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: Jeff Ottosen Subject/Bill No: SB 59
Co./Dept./Title: DOT/PF Phone: 465-6971
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: Tim Rogers Subject/Bill No: SB 191
Co./Dept./Title: Municipality of Anch Phone: 2291-3577
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions