

SB

291

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
APR 27 2006
 SENATE FINANCE COMMITTEE

DATE: 3/13/06

FURTHER:

DATE TURNED
 IN TO OFFICE: 4/27/06

Finance Committee considered **SENATE BILL NO. 291**

SB 291 MUNICIPAL HARBOR FACILITY GRANTS

"An Act relating to the municipal harbor facility grant program; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SB 291 (CRA)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:
 Same Title
 New Title

SCS House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
<u>DOTPF</u>	<u>3/2/06</u>			<input checked="" type="checkbox"/>	<u>1</u>

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<u>[Signature]</u>		<input checked="" type="checkbox"/>		
<u>[Signature]</u>	<input checked="" type="checkbox"/>			
<u>[Signature]</u>	<input checked="" type="checkbox"/>			
<u>[Signature]</u>			<input checked="" type="checkbox"/>	
COCHAIR: <u>[Signature]</u>			<input checked="" type="checkbox"/>	
COCHAIR: <u>[Signature]</u>	<input checked="" type="checkbox"/>			

FISCAL NOTE

STATE OF ALASKA
 2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 291(CRA)
 (S) Publish Date: 3/13/06

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title: Municipal Harbor Facility Grants RDU: Administration & Support
 Component: Commissioner's Office
 Sponsor: Senator Stedman
 Requester: _____ Component No.: 530

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
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 ()						
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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 (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Based on current information, the Department anticipates it will be able to administer this program with existing staff.

Prepared by: John Manly
 Division: Commissioner's Office DOT&PF
 Approved by: Mike Barton, commissioner
 Agency: DOT&PF

Phone: 465-8994
 Date/Time: 3/02/06 at 4:45 pm
 Date: 3/2/2006

SENATE FINANCE COMMITTEE
4 / 27 / 2006 COMMITTEE ACTION

Bill Number	SB 291 (CRA)		
Amendment			
Motion	to report from Committee		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Bunde & Green		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Dyson	✓		
Senator Hoffman	✓		
Senator Olson	✓		
Senator Stedman	(
Senator Bunde			-
Co-Chair Wilken	✓		
Co-Chair Green	✓		
<u>Tally</u>			
Yea	5		
Nay	1		
Absent	1		
MOTION	PASSED		

ALASKA STATE LEGISLATURE

SESSION

State Capitol, Rm 30
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
(907) 465-3922 Fax
(877) 463-3873 Toll Free
Senator_Bert_Stedman@legis.state.ak.us



INTERIM

50 Front Street
Ketchikan, AK 99901-6442
Phone (907) 225-8088
Fax (907) 225-0713

SENATOR BERT K. STEDMAN

SPONSOR STATEMENT SB 291

"An Act relating to the municipal harbor facility grant program; and providing for an effective date."

For Alaskan coastal communities, harbors are their road to resources. Harbors are critical transportation links, hubs of waterfront commerce that many businesses depend on and protection areas for ocean going vessels.

Over the past 10 years, the Department of Transportation has transferred ownership of state harbors to 22 municipalities around Alaska's coast. In many instances the state had neglected its responsibility for conducting major preventative maintenance on those harbors. Although funds accompanied the transfers, the funds were insufficient to bring the harbors up to safe and serviceable condition. Accordingly, when local harbormasters took over the budgeting for their facilities they inherited a major financial burden that their local governments could not afford.

In 2005 the Statewide Harbormasters Association met to find a solution to the approximately \$99,858,000 in needed repairs. They brought forward a proposal for a 50/50 matching grant program. That proposal is reflected in Senate Bill 291.

SB 291 establishes the Municipal Harbor Facility Grant Fund and a 50/50 capital matching funding program administered by the Department of Transportation. The bill sets out strict criteria to determine project eligibility. For example the application must be for a capital improvement project, not routine maintenance, which is considered a local responsibility, and the municipality must have the financial capability to maintain the harbor in the future. The bill prioritizes repair and major maintenance projects above other projects or new construction. Once a harbor facility receives funding under this program it will not be eligible for additional grants.

In order to access resources and continue to stimulate our economy, Alaskan harbors must be in good working order. This legislation partners the state and municipalities in this endeavor.

Contact: Kim Carnot, Aide to Senator Bert Stedman at (907) 465-3873

DISTRICT A

*Ketchikan • Sitka • Peterburg • Wrangell
Pelican • Egegik • Port Alexander • Sarman • Alyeska • Homer Bay • Copper River • Hoth*

Alaska Association of Harbormasters and Port Administrators Deferred Maintenance Funding Summary

List of Communities That Have Accepted Harbor Ownership from the State of Alaska

Location	Facility	Sale Date/Type	*State Funds Already Provided	Cost Est Provided	Funds Required	Contact	Phone Number
Chitnaa	Oil Spill Response & Seaplane Float	10/8/1998 Bill of Sale	\$ 315,000		\$678,000	Olen Harris	562-1444
Cold Bay	Dock	6/30/1992 Bill of Sale	n/a	Eng Est 5/4/03	\$500,000	Bob Justinet	274-7555
Cordova	Small Boat Harbor	8/03/2003 Bill of Sale	\$ 4,876,000	Est 1/31/2006		Dale Muma	424-6400
Craig	Dock North Cove Small Boat Harbor South Cove Small Boat Harbor	12/19/2001 Bill of Sale 6/30/1992 Comm's Deed 9/14/1995 Comm's Deed	\$ 581,000	Quote 2/1/2006	\$175,000	Michael Kaupmich	826-3404
Homer	Small Boat Harbor	4/30/1999 Bill of Sale	\$ 3,605,400	Est 10/2005	\$3,300,000	Steve Dean	235-3160
Jureau	Aurora Small Boat Harbor Don Statter Small Boat Harbor Douglas Dock Douglas Small Boat Harbor Harris Small Boat Harbor Taku Small Boat Harbor North Douglas Launch Ramp	4/2/2003 Bill of Sale	\$ 7,119,000	Eng Report 3/04	\$17,100,000	John Stone	586-0294
Ketchikan	Bar Harbor North Bar Harbor South City Float Ryus Float Hudson Basin Small Boat Harbor	8/11/2004 Bill of Sale 5/15/2002 Bill of Sale 1/1/1999 Bill of Sale 8/11/2004 Bill of Sale 8/11/2004 Bill of Sale	\$ 7,876,000	Est 9/1/03	\$13,450,000	Clay Brewton	228-5632
King Cove	Old Harbor	3/25/1993 Bill of Sale	\$ 352,000	Eng Est 2/9	\$4,592,000	David Bath	497-2217
Klawock	Small Boat Harbor Dock	3/28/2003 Bill of Sale 5/16/1986 Quad Claim Deed	\$ 896,000		\$200,000	John Morris	755-2261
Kodiak	City Float St. Herman's Small Boat Harbor St. Paul Small Boat Harbor Channel Treatment Float	3/12/1999 Bill of Sale	\$ 7,775,500	Eng Rep 2/02 Update Est 2/06	\$14,900,000	Mary Owen	486-3080
Old Harbor	Dock Float	5/20/1993 Bill of Sale 5/20/1993 Bill of Sale	\$ 154,000		\$1,000,000	Jim Nestic	286-2204
Pelican	Small Boat Harbor & Seaplane Float	9/06/2001 Bill of Sale	\$ 1,451,142	1/30/2/06	\$1,040,000	Patsy Phillips	735-2202
Petersburg	North Harbor Middle Small Boat Harbor South Small Boat Harbor	12/06/2005 Bill of Sale 6/03/2003 Bill of Sale	\$ 2,500,000 \$ 3,729,000	Eng Est 2/6/06	\$4,000,000 \$2,500,000	Jon Stromdahl	772-4688
Sand Point	Small Boat Harbor	12/21/1992 Bill of Sale	n/a		\$2,100,000	Richard Koelsten, Sr	383-2696
Seldovia	Small Boat Harbor	5/18/2004 Bill of Sale	\$ 2,628,000		\$3,400,000	Ronda Hayden	234-7643
Seward	Small Boat Harbor	2/25/1999 Bill of Sale	\$ 1,134,200	Eng Est 2/6/06	\$7,693,000	Scott Rawson	224-3138
Sitka	Crescent Harbor (A-D, 1-4) Crescent Harbor (E-F, 5-7) Sealing Cove Small Boat Harbor Thomson Small Boat Harbor - Old ASU Float	11/09/2001 Bill of Sale 08/30/2004 Bill of Sale 08/30/2004 Bill of Sale 08/30/2004 Bill of Sale 6/18/1992 Comm's Deed	\$ 6,468,000	Est 2/1/06	\$4,500,000	Ray Majewski	747-3439
Skagway	Small Boat Harbor	10/21/2004 Bill of Sale	\$ 1,068,852	Est 1/1/06	\$ 2,575,000	Matthew O'Boyle	981-2626
Tatook	Oil Spill Response and Ferry Dock	10/8/1998 Bill of Sale	\$ 315,000		\$270,000	Olen Harris	562-1444
Vakier	Small Boat Harbor	12/03/2003 Bill of Sale	\$ 3,013,300	Est 2/1/06	\$2,500,000	Alan Sutton	835-4901
Whittier	Passenger Loading Dock Small Boat Harbor	5/15/2002 Bill of Sale 8/02/2004 Bill of Sale	\$ 2,479,000		\$4,898,000	Mark Earnest	472-2323x113
Wrangell	Fish & Game Float Inner Small Boat Harbor Reliance Small Boat Harbor Shoemaker Bay Harbor Stanard Oil Float	8/20/2004 Bill of Sale	\$ 3,492,000	Eng Est 2/2/06	\$6,200,000	Greg Menzies	874-3736
Yakutat	Small Boat Harbor and Seaplane Float	8/8/2005 Bill of Sale	\$ 526,000	Eng Rep 12/04	\$ 2,295,000	Erving Gray	784-3323

Total State Funding Provided **\$64,354,394**

Funding Needed to Complete Repairs **\$99,858,000**

Spreadsheet prepared by Alan Sutton on 25 March 2005. Contact: (907) 835-4981
*Revised by John Stone on Feb. 6, 2006 to show verified cost estimates, 907-586-0294

AAHPA is requesting a 50% match grant program.
(e.g., State Funding request of approximately \$48 million, local match requirement of \$48 million)



**Alaska Association of Harbormasters
And Port Administrators**
617 Katlian Ave., Sitka, AK 99835
Phone: (907) 747-4877 Fax: (907) 747-6278

Senate Community and Regional Affairs Committee

March 6, 2006

SB 291

Testimony by John Stone
President, AAHPA

Mr. Chair and members of the Senate Community and Regional Affairs Committee, my name is John Stone. I am the president of the Alaska Association of Harbormasters and Port Administrators.

The Alaska Association of Harbormasters is an organization comprised of the senior managers from 27 community harbor systems. These include Anchorage, Bethel, Bristol Bay Borough/Naknek, Cordova, Craig, Dillingham, Haines, Homer, Hoonah, Juneau, Kenai, Ketchikan, King Cove, Kodiak, Nome, Pelican, Petersburg, Port MacKenzie, Sand Point, Seward, Sitka, Skagway, Unalaska/Dutch Harbor, Valdez, Whittier, Wrangell, and Yakutat. The Association's goal is simple: to make Alaska's harbors the best they can be.

First, let me say that the Association fully supports SB 291 and appreciates the Committee taking the lead on this important state and community issue. During the past several years, the Association has attempted to bring the dilapidated condition of Alaska's harbor infrastructure to the attention of the Legislature. We appreciated the opportunity to speak to the Fish Caucus last session to discuss this statewide problem. We are also very encouraged that the Alaska Department of Transportation fully supports this bill.

Most of Alaska's harbor infrastructure was built by the Alaska Department of Transportation and Public Facilities in the 1960's and 1970's. Largely, this infrastructure is at the end its useful life making complete replacement of it necessary. We believe the financial resources needed to replace these facilities before the end of their lives requires the collective effort of the State and local harbor jurisdictions.

**Testimony of John Stone, President of AAHPA, on SB-291
Before the Senate Community and Regional Affairs Committee
March 6, 2006**

The State's policy for many years was to enter into agreements with the cities and municipalities for the operation of the harbor systems with the State retaining title to the physical harbor improvements. The cities and municipalities established enterprise funds and assessed fees to users in an amount necessary to finance the operating cost of the facilities. This arrangement has worked very well from an operations standpoint. Unfortunately, neither party addressed facility replacement; the locals because they did not hold title to the improvements and the State because funding was not available.

In the 1990's, the State developed a new policy whereby the title of the physical improvements would be turned over to the local harbor jurisdictions along with some funding to help with facility replacement. Although the policy is sound, the program suffered from the fact that the funding provided with the transfer of title was only a fraction of the funding needed to replace the infrastructure that was transferred.

As the transfers have gone forward, local harbor jurisdictions developed facility replacement schedules and began looking at fees to cover facility replacement costs. It became clear that harbor fees needed to increase several-fold in short order. It also became clear that fees alone are not sufficient to recapitalize the transferred harbor infrastructure before it is lost.

Local harbor jurisdictions have indeed stepped up to the plate. Many of us are looking to finance revenue bonds with fee increases in order to replace transferred infrastructure. The Association believes this presents a good opportunity for a match funding program with the State. Many local governments, the State Chamber, the Alaska Municipal League, and our Association have adopted resolutions in support of this harbor match funding program.

We ask for this match program because we believe it is a good investment for the State. My colleagues at the Association will expand upon this point. Suffice to say that our harbors substantially contribute to the State's economy and are the lifeblood of many communities.

In summary, we thank the Chair and Committee for its consideration of SB 291. The Alaska Association of Harbormasters and Port Administrators strongly supports this bill. The dilemma facing us is that we have a tremendous amount of harbor

**Testimony of John Stone, President of AAHPA, on SB-291
Before the Senate Community and Regional Affairs Committee
March 6, 2006**

infrastructure that is at the end of its useful life. This infrastructure has been put into our hands. We are scrambling to find ways to replace it before it is lost. We are also substantially increasing fees to help with replacement costs. We have learned that fees are not the total answer. This bill provides much needed help with these replacements by matching our local investments. This bill also achieves the policy goal of the harbor transfers, whereby the local communities become responsible for the operation, maintenance, and replacement of the harbor improvements, because it gives us the capability to replace the transferred infrastructure before it is lost.

Thank-you.

Headquarters:
217 2nd Street, Suite 201
Juneau, Alaska 99801
(907) 586-2323 FAX 463-5515
www.alaskachamber.com



Regional Office:
601 W. 5th Ave., Suite 700
Anchorage, Alaska 99501
(907) 278-2722 FAX 278-6643

March 6, 2006

Senator Bert Stedman, Chair
Community & Regional Affairs Committee
State Capital
Juneau, AK 99801-1182

The Honorable Chairman and Members of the Senate Community & Regional Affairs
Committee,

The Alaska State Chamber of Commerce strongly supports SB 291. Supporting Alaska's Harbor Infrastructure has been one of the State Chamber's legislative priorities for a number of years. Without adequate harbor infrastructure, commercial fishermen and sport anglers have little opportunity to grow their uniquely Alaskan businesses.

Whether to help our commercial fishermen offload their catch, or to provide safe ramping for Alaska's burgeoning tourist activities, our harbors are in need of repair and expansion to increase our opportunities for commerce. The State of Alaska has an obligation to provide adequate harbor facilities in many parts of the state; our harbors are the transportation corridors for Alaska's maritime roadways. Without adequate harbor infrastructure, Alaska will continue to be limited in its growth of maritime commerce.

SB 291 attempts to address many of Alaska's harbor funding problems by creating the municipal harbor grant fund through the collection of fuel tax revenues and fisheries business taxes. While SB 291 makes headway in fixing many of Alaska's harbors, the State Chamber feels that the taxes collected will not provide adequate revenues to address Alaska's aging harbor infrastructure. The Chamber feels that additional appropriations may be necessary or additional bonding utilizing tax revenues might ultimately provide adequate revenues to address the funding necessary to help our harbors.

Yours in economic prosperity,

Wayne A. Stevens
President/CEO
Alaska State Chamber of Commerce

**Alaska State Chamber of Commerce
2006 Position
State and Federal Funding Dock and Harbor Maintenance and
Development Projects throughout Alaska**

Request that the State of Alaska fund and assist in acquiring federal funding for existing and future harbor and dock development projects in an effort to stimulate economic growth in Alaskan communities. The Alaska State Chamber of Commerce further urges the State of Alaska to make funding available to repair and improve existing facilities to serviceable standards consistent with DOT regulations as part of their mandated transferal of ownership of these harbors to communities.



Cordova District Fishermen United

P.O. Box 939
Cordova, Alaska 99574
(907) 424-3447 FAX (907) 424-3430

February 22, 2006

RECEIVED
2/27/06

Senator Bert Stedman
State Capitol, Room 30
Juneau, AK 99801-1182

RE: Support SB 291 - Municipal Harbor Facilities Grant Fund

Dear Senator Stedman,

Cordova District Fishermen United (CDFU) supports SB 291 that will create a program to achieve capital improvements for harbor facilities through a one-time 50/50 match grant to municipalities.

The transfer of harbor management and funding from the state of Alaska to local communities has proven to be extremely costly to those communities that have been willing to assume this responsibility. This is in part due to deferred maintenance and the rising cost of repairs

For Alaska's coastal communities, harbors maintenance & facilities are critical for the fishing industry as well as residents & visitors. It is imperative that these harbors be in a good state of repair, both for functionality & safety of its users.

CDFU supports the creation of a program that will fund capital improvements as well as major maintenance or harbor facilities made possible through SB 291.

Sincerely,

Diane Platt
Executive Director



City

of

RECEIVED
11 6 06

Pelican

BOX 737 · PELICAN, ALASKA 99832 · PHONE 735-2202-2203 · FAX 735-2258 · E-MAIL cityhall@pelicancity.net · WEBSITE www.pelicancity.net

**CITY OF PELICAN
RESOLUTION 2006-2**

A RESOLUTION TO PROVIDE MATCHING MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENT OWNED HARBORS

WHEREAS, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

WHEREAS, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

WHEREAS, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

WHEREAS, local governments are willing to assume financial responsibility of their ownership roles; and,

WHEREAS, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,

WHEREAS, increased moorage fees is a disincentive for using the Pelican Boat Harbor; and,

WHEREAS, local governments seek financial assistance from the Legislature to improve Alaska's harbor facilities; and

WHEREAS, local governments request the Legislature to provide a 50% match funding program for the maintenance and repair of the transferred harbors.

NOW, THEREFORE BE IT RESOLVED that the City of Pelican requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

RESOLUTION 2006-2
PAGE 2

PASSED, APPROVED AND ADOPTED this 31ST day of JANUARY,
2006.

Signed: Patricia Phillips
Patricia Phillips, Mayor

Attest:

Betty L. Bean
Betty L. Bean, City Clerk/Treasurer

RESOLUTION # 1791

A RESOLUTION REQUESTING THE STATE LEGISLATURE PROVIDE
MATCHING MAINTENANCE AND REPAIR FUNDS TO LOCAL
GOVERNMENT OWNED HARBORS

Offered by: Anderson
Supported by: Sarff

Whereas, the State of Alaska built and owned many of the harbor facilities in Alaska's communities and under State of Alaska ownership the maintenance and repair of the harbor facilities was minimal; and


Whereas, when transferring ownership of the harbor facilities to the local governments the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and

Whereas, local governments are willing to assume financial responsibility of their ownership roles, but have realized that ownership requires moorage rates to the public be increased substantially to restore the harbors to "good" condition; and

Whereas, local governments are not able to implement the dramatic moorage increases needed to restore the facilities and must seek financial assistance from the Legislature.

THEREFORE, BE IT RESOLVED by the Petersburg City Council - in order to prevent Alaska's harbor facilities from decaying and disappearing. the State of Alaska Legislature is requested to provide a 50% capital matching fund program to local governments who have accepted ownership of the previously State owned harbors for the purpose of helping the local governments fund deferred port and harbor maintenance projects.

PASSED AND APPROVED by the Petersburg City Council February 6, 2006.

ATTES: 
Kathy O'Rear, City Clerk


Ted Smith, Mayor

CERTIFIED COPY

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 05-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ,
ALASKA, URGING THE LEGISLATURE TO PROVIDE MAINTENANCE
AND REPAIR FUNDS TO LOCAL GOVERNMENT OWNED HARBORS

WHEREAS, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

WHEREAS, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

WHEREAS, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

WHEREAS, local governments are willing to assume financial responsibility of their ownership roles;

WHEREAS, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,


WHEREAS, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

WHEREAS, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the State of Alaska Legislature is urged to provide capital funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments transition to their ownership roles.

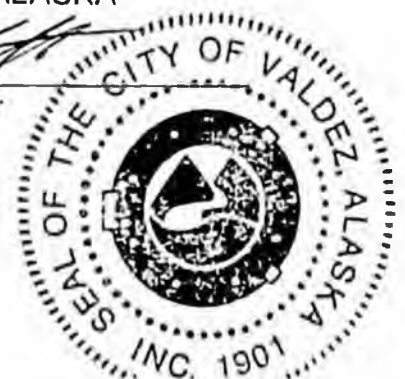
PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 22nd day of February, 2005.

CITY OF VALDEZ, ALASKA


Bert L. Cottle, Mayor

ATTEST:


Sheri L. Pierce, CMC/AE, City Clerk



ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS

Resolution Number 2005-01

A resolution of the Alaska Association of Harbormasters and Port Administrators for the Legislature to provide matching maintenance and repair funds to local government owned harbors.

Whereas, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

Whereas, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

Whereas, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

Whereas, local governments are willing to assume financial responsibility of their ownership roles;

Whereas, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,

Whereas, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

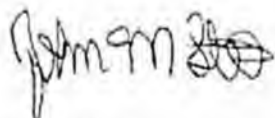
Whereas, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

Whereas, local governments request the Legislature to provide 50% match funding program for the maintenance and repair of the transferred harbors.

THEREFORE, BE IT RESOLVED by the Alaska Association of Harbormasters and Port Administrators that it requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

Section 1. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the Alaska Association of Harbormasters and Port Administrators, this 12th day of October, 2005.



John M. Stone, P.E., President
Alaska Association of Harbormasters and Port Administrators

ALASKA STATE LEGISLATURE

News From The House & Senate Majority

web site: <http://www.akrepublicans.org>

House Majority Press
Renee Limoge (907) 465-5446
3803



Senate Majority Press
Jeff Turner (907) 465-

For Immediate Release: February 14, 2005

Lawmakers Team Up to Maintain Safe Harbors *Companion Bills Create Harbor Grant Fund*

(Juneau) – Sen. Bert Stedman (R – Sitka) and Rep. Bill Thomas (R – Haines) have introduced legislation in the House and Senate to establish a new Municipal Harbor Facility Grant Fund.

HB 478 and SB 291 create a program to achieve capital improvements for harbor facilities through a one-time 50/50 matching grant to municipalities. The program, administered by the Department of Transportation and Public Facilities, will fund major maintenance and capital improvements of harbor facilities using a portion of the watercraft fuel tax.

"As a commercial fisherman I know how important harbors are to the towns in my district. These harbors are the center of business for most of the towns in my district and they need repairs because the state ignored them for years. This is a very reasonable way for the state and local governments to get these facilities into better working condition," said Rep. Thomas.

Harbor facilities were transferred to municipalities but it became clear that the state had not kept up on the maintenance. State funding at the time of the transfer was inadequate to cover the deferred maintenance. As a result, many harbors are in disrepair and are unable to safely and effectively fulfill their purpose in our communities.

The idea for the matching fund program in HB 478 and SB 291 came from the Statewide Harbormasters Association. Its members realized it was going to take about \$100 million dollars to bring Alaska's harbors back to proper condition and the Association brought forward a commitment to maintain the harbors facilities in the future.

"The importance of harbors in small coastal communities can't be overstated. Quality harbors make Alaska's abundant natural resources accessible and that stimulates the state's economy in a way that benefits all Alaskans. Harbors are our roads to resources," said Sen. Stedman.

SB 291 has been referred to the Senate Community & Regional Affairs and Finance committees.

HB 478 has been referred to the House Community & Regional Affairs and Finance committees.

###

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/14/06

FURTHER: Finance

Date of 5-Day Notice: 3/2/06
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/10/2006

Community and Regional Affairs Committee considered

SENATE BILL NO. 291

SB 291 MUNICIPAL HARBOR FACILITY GRANTS

"An Act relating to the municipal harbor facility grant program; and providing for an effective date."

and recommends:

- be replaced with C CS SB 291 (CRA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
SCS House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DotPF	3/2			✓	1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Wagoner	<i>Thomas N. Wagoner</i>	✓			
G. Stevens	<i>[Signature]</i>	✓			
Koolesh	<i>Alvin Koolish</i>	✓			
Stedman	CHAIR: <i>[Signature]</i>	✓			