

HEB

185

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number 1
 Bill Version: CSHB 185(CRA)
 (H) Publish Date 3/28/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Municipal Road Service Areas RDU Community Assist & Ec Dev (405)
 Component Community Advocacy
 Sponsor Coghill
 Requester House Community & Regional Affairs Component No 2703

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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						
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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 (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation amends AS 29.35.450 to add two exceptions to the law which requires a public vote before making certain changes to municipal service areas. The first exception states that a subdivision may be added to a service area without a public vote, if the roads provide the only access or are required by subdivision plat, regulation or ordinance. The second exception states that a subdivision may be excluded from a service area without a public vote, if the roads do not provide the only access or are required by subdivision plat, regulation or ordinance.

This legislation will have no fiscal impact on the operations of the division.

Prepared by: Mike Black, Director Phone 907.269.4535
 Division Community Advocacy Date/Time 3/21/07 2:48 PM
 Approved by: Emil Notti, Commissioner Date 3/21/2007
 Agency Commerce, Community, and Economic Development



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

May 8, 2007

Senator Albert Kookesh
Senate Transportation Chair
State Capitol
Juneau, Alaska 99811

Dear Senator Kookesh,

The Alaska Municipal League would like to offer its full support of HB185. First and foremost, our reasons for this support stem from our belief in and our commitment to **local control**.

This bill only makes sense in that it would give a municipal borough Assembly the opportunity to bring equity to road taxing authority in that any party that is not currently in the road service area, yet uses taxed roads as the only available access to their home/business, etc., can be brought into the road service area without a vote of approval by those people. To our knowledge, we have seen very few people jump at the opportunity to vote in support of paying for something that they have always received for free.

By the same token, if a subdivision of group of homes/businesses did not use a road in the road service area because of other access roads, those same people could be removed from the road service area, no longer being required to pay taxes on a road that did not use.

Again, the Alaska Municipal League would like to offer its whole-hearted support for HB185. Thank you for addressing this matter.

Sincerely,

Kathie Wasserman
Kathie Wasserman
Alaska Municipal League

ALASKA STATE LEGISLATURE
HOUSE BILL NO. 185

HISTORY IN THE HOUSE

HISTORY IN THE SENATE

2007 Road first time and referred to:

2007 Read first time and referred to:

3/12 CRA TRA

4/25 TRA

3/28 CRA RPT CS(CRA) New Title
2 DP φ DNP 4 NR φ AM
FN 1 OFN / Prev: FN OFN

 RPT SCS() NT: SCR
 DP DNP NR AM
 FN OFN / Prev: FN OFN

4/13 TRA RPT CS(CRA) New Title
2 DP φ DNP 2 NR φ AM
FN OFN / Prev: FN 1 OFN

 RPT SCS() NT: SCR
 DP DNP NR AM
 FN OFN / Prev: FN OFN

 RPT CS() New Title
 DP DNP NR AM
 FN OFN / Prev: FN OFN

 RPT SCS() NT: SCR
 DP DNP NR AM
 FN OFN / Prev: FN OFN

 RPT CS() New Title
 DP DNP NR AM
 FN OFN / Prev: FN OFN

 RPT SCS() NT: SCR
 DP DNP NR AM
 FN OFN / Prev: FN OFN

Read second time

Read second time

CS(CRA) Adopted New Title

SCS() Adopted New Title

Amended

Amended

LC Advanced / 3rd Rdg.

 Advanced / 3rd Rdg.

Read third time

Read third time

Title Amendment

Title Amendment

Return to 2nd & amended

Return to 2nd & amended

Passed Y 36 N φ E 4 A φ

Passed Y N E A

EFD same or Y N E A

EFD same or Y N E A

CBR same or Y N E A

CBR same or Y N E A

CRT same or Y N E A

CRT same or Y N E A

Reconsideration

Reconsideration

Reconsideration not taken up

Reconsideration not taken up

Title Amendment

Title Amendment

Return to 2nd & amended

Return to 2nd & amended

Passed/Rec Y N E A

Passed/Rec Y N E A

EFD same or Y N E A

EFD same or Y N E A

CBR same or Y N E A

CBR same or Y N E A

CRT same or Y N E A

CRT same or Y N E A

Engrossed, signed by the Speaker
Transmitted to the Senate

Engrossed, signed by the President
Returned to the House

Suzanne Lowrie
Chief Clerk of the House

Secretary of the Senate

SENATE COMMITTEE REPORT

DATE: 4/25/07

FURTHER:

DATE TURNED
IN TO OFFICE: 5-8-07

Transportation Committee considered CS FOR HOUSE BILL NO. 185(CRA)

HB 185 MUNICIPAL ROAD SERVICE AREAS

"An Act relating to certain municipal service areas that provide road services."

and recommends:

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

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____


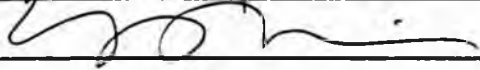
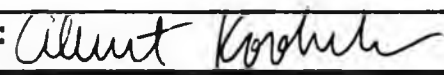
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

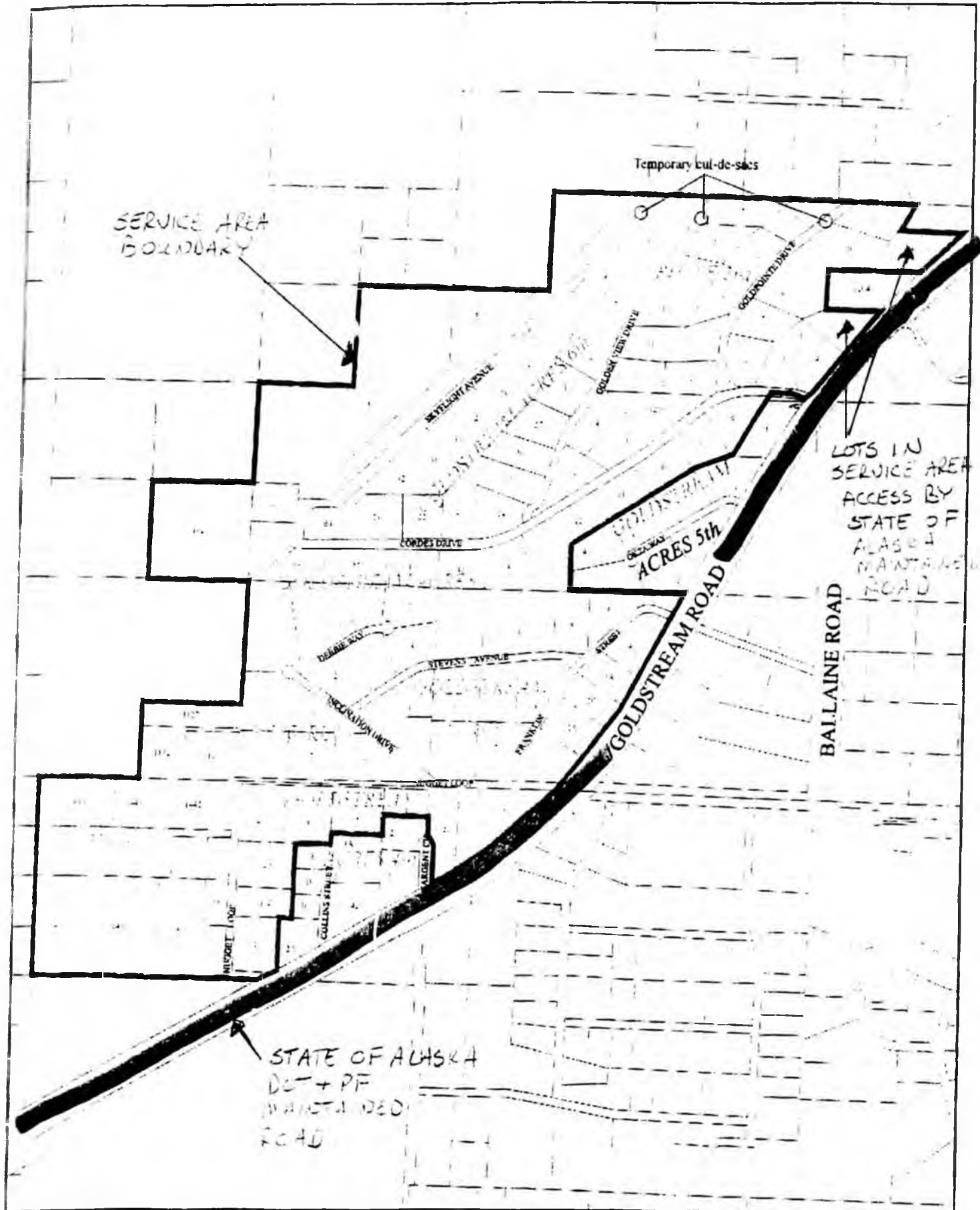
Department	Date	Fiscal	Indet.	Zero	FN#
CEO	3/21				

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED LAST NAME	Do PASS	Do Not PASS	NO REC	AMEND
	WILKEN			X	
	Wlodek			✓	
CHAIR: 	Korduba	✓			



Cordes Drive Road Service Area



CS FOR HOUSE BILL NO. 185(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/28/07

Referred: Transportation

Sponsor(s): REPRESENTATIVE COGHILL

COPY

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to certain municipal service areas that provide road services."**

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

3 *** Section 1. AS 29.35.450(c) is amended to read:**

4 (c) If voters reside within a service area that provides road, fire protection, or
5 parks and recreation services, abolishment of the service area is subject to approval by
6 the majority of the voters residing in the service area who vote on the question. A
7 service area that provides road, fire protection, or parks and recreation services in
8 which voters reside may not be abolished and replaced by a larger service area unless
9 that proposal is approved, separately, by a majority of the voters who vote on the
10 question residing in the existing service area and by a majority of the voters who vote
11 on the question residing in the area proposed to be included within the new service
12 area but outside of the existing service area. A service area that provides road, fire
13 protection, or parks and recreation services in which voters reside may not be altered
14 or combined with another service area unless that proposal is approved, separately, by
15 a majority of the voters who vote on the question and who reside in each of the service

1 areas or in the area outside of service areas that is affected by the proposal. This
2 subsection does not apply

3 (1) to a proposed change to a service area that provides fire protection
4 services that would result in increasing the number of parcels of land in the service
5 area or successor service area if the increase is not more than six percent and would
6 add not more than 1,000 residents;

7 (2) [. THIS SUBSECTION DOES NOT APPLY] in a second class
8 borough to abolishment of a road service area or consolidation of two or more road
9 service areas if

10 (A) [(1)] taxes have not been levied in the service area for road
11 maintenance or construction during the last 12 months and there is no balance
12 in any account available to pay for these road services for the service area;

13 (B) [(2)] during the last 12 months, the service area board has
14 not met with a quorum present and in accordance with law; or

15 (C) [(3)] there are no road maintenance contracts in effect for
16 the service area or the existing road maintenance contracts fail to provide for
17 minimum road standards required by law that are necessary to protect the
18 borough from civil liability;

19 (3) to require approval by the voters residing in a subdivision or
20 parcel proposed to be added to a road service area if roads maintained by the
21 service area provide the only access to the subdivision or parcel or provide access
22 to the subdivision or parcel that is required by the subdivision plat or by other
23 regulation or ordinance;

24 (4) to a change in the boundaries of a road service area to exclude
25 a subdivision or parcel that does not rely on the use of roads maintained by the
26 service area for the subdivision's or parcel's only access or for access that is
27 required by the subdivision plat or by other regulation or ordinance.

ALASKA STATE HOUSE OF REPRESENTATIVES



Session

Contact:

Physical Address:

**3340 Badger Road
North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271**

(907)-465-3719
FAX# (907)-465-3258
**State Capitol
Room 204**

REPRESENTATIVE JOHN COGHILL

Sponsor Statement

House Bill 185 provides boroughs with a means of altering existing road service area boundaries to ensure taxpayer fairness among residents of service areas.

A service area is a taxing jurisdiction within a borough that has been established to provide special services such as road maintenance or fire protection. These services are requested and approved by voters residing within a specific area.

State law permits borough residents living outside a service area to use service area roads for their sole or legally required access. These residents derive a direct benefit equal to residents within the service area, yet they can refuse to contribute to the costs of construction or maintenance of these roads by voting down any annexation attempt. These state mandated annexation votes typically fail as individuals are reluctant to join a service area when they can instead use these maintained roads for free.

HB 185 amends state law by allowing a service area to vote to annex property that uses its roads for their sole or legally required access without a separate vote of the property to be annexed.

A second issue arises where residents of a service area are required to pay into a service area even though they do not utilize the service area roads for access to their property. Service areas, however, are often reluctant to vote to remove property from the service area because it effectively raises taxes on the remaining property owners.

HB 185 amends state law by allowing a borough assembly to exercise its judgment to alter, by ordinance, a service area boundary to exclude a property that does not use service area roads as its sole or legally required access.



Fairbanks North Star Borough

Department of Law

809 Pioneer Road • PO Box 71267 • Fairbanks, AK 99707 - (907) 459-1318 FAX 459-1155

March 23, 2007

VIA FACSIMILE: 907-465-2819

Representative Anna Fairclough
State Capitol, Room 411
Juneau, AK 99801-1182

Representative Fairclough:

Thank you for the opportunity to comment on the questions posed by the Municipality of Anchorage, through Mr. Johnson's e-mail. After receiving a copy of the e-mail, I contacted Rhonda Fehlen Westover, Deputy Municipal Attorney for the Municipality of Anchorage. We agreed, after an extensive discussion of HB 185, including its impacts on our respective municipalities, to provide you with a joint response, and we are authorized on behalf of our respective governmental entities, to support HB 185.

We are both confident the new clause 3, at line 19, page 2, is constitutional. Alaska's Constitution provides that service areas "may be established, altered, or abolished" by the Assembly, subject to the provisions of law or charter. Thus, while state law could certainly add additional requirements, our Constitution only requires assembly approval. HB 185 preserves this constitutional requirement.

With respect to charter provisions, Alaska Statute 29.35.450 is one of the limitations on home rule powers, and supersedes charter provisions. A charter amendment is not necessary to implement HB 185 if approved by the legislature.

If you have any further questions, please feel free to contact either or both of us.

Sincerely,

FAIRBANKS NORTH STAR BOROUGH

MUNICIPALITY OF ANCHORAGE

A. René Broker
Borough Attorney

Rhonda Fehlen Westover
Deputy Municipal Attorney

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By: Randy Frank
Tim Beck
Introduced: 02/08/07
Substituted: 02/08/07
Adopted: 02/08/07

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2007 - 04

A RESOLUTION ASKING THE ALASKA STATE LEGISLATURE TO MODIFY STATE LAW CONCERNING SERVICE AREA ALTERATIONS

WHEREAS, it is the responsibility of local governments to ensure service areas are established, operated, and altered in a manner consistent with the constitutional purpose of service areas and the overall public good; and

WHEREAS, the Fairbanks North Star Borough Assembly supports legislative changes that would enable local governments to exercise appropriate control and management of its service areas; and

WHEREAS, the Assembly recently placed a request for a state law change concerning service area alterations on its 2007 legislative priority list; and

WHEREAS, the previously suggested language would only permit the assembly to include property in a road service area if the property utilizes the road services area's roads; and

WHEREAS, as a matter of fairness, the assembly should also have the right to remove property from a road service area if the property does not utilize the road service area's roads.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough supports the following change to AS 29.35.450(a):

(a) A service area to provide special services in a borough or unified municipality may be established, operated, altered, or abolished by ordinance, subject to (c) of this section except that:

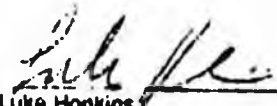
(1) no vote of the area proposed to be included into a road service area shall be required if the area proposed to be included utilizes the road service area's roads for either its sole or its legally required subdivision access; and

(2) no vote should be required to alter the boundaries of a road service area to exclude an area that does not utilize the road service area's roads for either its sole or its legally required subdivision access.

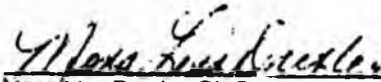
47 BE IT FURTHER RESOLVED that the Assembly requests the Alaska
 48 State Legislature to modify the current language in AS29.35.450(a) concerning service
 49 area alterations as noted above.

50
 51 BE IT FURTHER RESOLVED, that copies of this resolution shall be sent
 52 to the Alaska Interior Delegation.

53
 54 PASSED AND APPROVED THIS 8th DAY OF FEBRUARY 2007.


 Luke Hopkins
 Presiding Officer

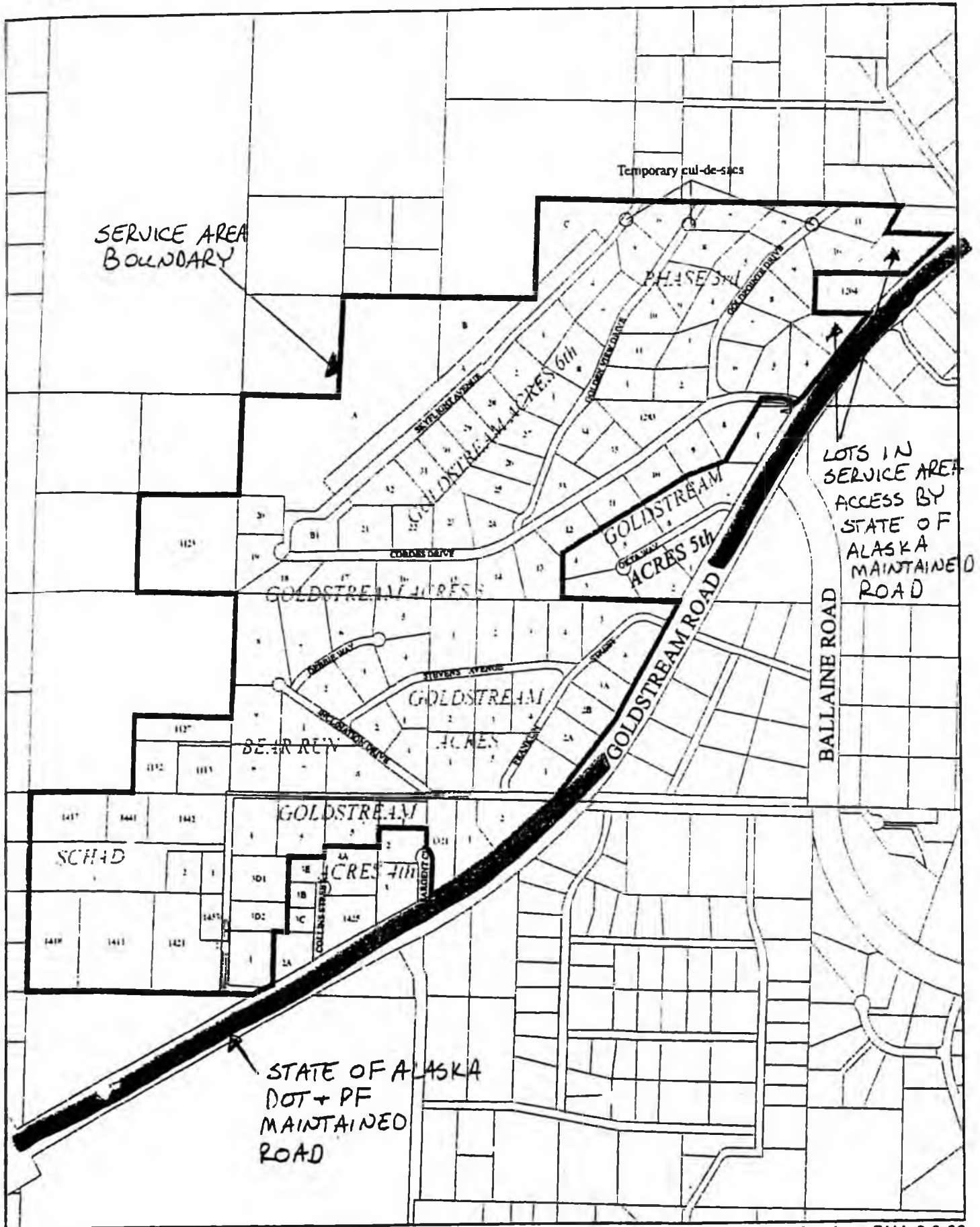
ATTEST:


 Mona Lisa Drexler, CMC
 Municipal Borough Clerk

55
 56 Ayes: Bartos, Beck, Frank, Foote, Winters, Musick, Tharren, Rex, Hopkins
 57 Noes: None
 58



Cordes Drive Road Service Area



FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 185(CRA)
 (H) Publish Date: 3/28/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title: Municipal Road Service Areas RDU: Community Assist & Ec Dev (405)
 Component: Community Advocacy
 Sponsor: Coghill
 Requester: House Community & Regional Affairs Component No.: 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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						
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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 (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation amends AS 29.35.450 to add two exceptions to the law which requires a public vote before making certain changes to municipal service areas. The first exception states that a subdivision may be added to a service area without a public vote, if the roads provide the only access or are required by subdivision plat, regulation or ordinance. The second exception states that a subdivision may be excluded from a service area without a public vote, if the roads do not provide the only access or are required by subdivision plat, regulation or ordinance.

This legislation will have no fiscal impact on the operations of the division.

Prepared by: Mike Black, Director Phone 907.269.4535
 Division: Community Advocacy Date/Time 3/21/07 2:48 PM
 Approved by: Emil Notti, Commissioner Date 3/21/2007
 Agency: Commerce, Community, and Economic Development

ALASKA STATE LEGISLATURE
HOUSE BILL NO. 185

HISTORY IN THE HOUSE

2007 **Read first time and referred to:**
3/12 CRA TRA

3/28 CRA RPT CS(CRA) New Title
2 DP φ DNP 4 NR φ AM
FN 1 OFN / Prev: FN OFN

4/13 TRA RPT CS(CRA) New Title
2 DP φ DNP 2 NR φ AM
FN OFN / Prev: FN 1 OFN

 RPT CS() New Title
 DP DNP NR AM
 FN OFN / Prev: FN OFN

 RPT CS() New Title
 DP DNP NR AM
 FN OFN / Prev: FN OFN

4/24 **Read second time**
 CS(CRA) Adopted New Title

Amended
 UC Advanced / 3rd Rdg.

4/24 **Read third time**
 Title Amendment
 Return to 2nd & amended

Passed Y 36 N φ E 4 A φ
 EFD same or Y N E A
 CBR same or Y N E A
 CRT same or Y N E A

Reconsideration

Reconsideration not taken up

Title Amendment
 Return to 2nd & amended

Passed/Rec Y N E A
 EFD same or Y N E A
 CBR same or Y N E A
 CRT same or Y N E A

4/24 Engrossed, signed by the Speaker
Transmitted to the Senate
Suzanne Lowrie
Chief Clerk of the House

HISTORY IN THE SENATE

2007 **Read first time and referred to:**
4/25 TRA

 RPT SCS() NT: SCR
 DP DNP NR AM
 FN OFN / Prev: FN OFN
To:

 RPT SCS() NT: SCR
 DP DNP NR AM
 FN OFN / Prev: FN OFN
To:

 RPT SCS() NT: SCR
 DP DNP NR AM
 FN OFN / Prev: FN OFN
To:

Read second time

SCS() Adopted New Title
SCR No.

Amended
 Advanced / 3rd Rdg.

Read third time

Title Amendment
 Return to 2nd & amended

Passed Y N E A
 EFD same or Y N E A
 CBR same or Y N E A
 CRT same or Y N E A

Reconsideration

Reconsideration not taken up

Title Amendment
 Return to 2nd & amended

Passed/Rec Y N E A
 EFD same or Y N E A
 CBR same or Y N E A
 CRT same or Y N E A

Engrossed, signed by the President
Returned to the House

Secretary of the Senate

HOUSE-SENATE HISTORY (continued)

20

Version Received from the Senate:

Concur in Senate Amendment
Y____N____E____A____
 EFD same or Y____N____E____A____
 CBR same or Y____N____E____A____
 CRT same or Y____N____E____A____

Failed concur in Senate amd., ask Senate recede
Y____N____E____A____

Senate failed to recede from amendment
Y____N____E____A____

CC appointed by House _____ Chair

CC appointed by Senate _____ Chair

(H) Granted Limited Powers of Free Conference
(S) Granted Limited Powers of Free Conference

20

(H) Adopted CC Rpt _____
Y____N____E____A____
 EFD same or Y____N____E____A____
 CBR same or Y____N____E____A____
 CRT same or Y____N____E____A____

(S) Adopted CC Rpt _____
Y____N____E____A____
 EFD same or Y____N____E____A____
 CBR same or Y____N____E____A____
 CRT same or Y____N____E____A____

Sent to enrolling
Received from Enrolling _____ Manifest Error

Sent to Governor
_____ By Governor

Chapter Number _____
Filed with Lieutenant Governor

Some AS S



CS FOR HOUSE BILL NO. 185(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/28/07

Referred: Transportation

Sponsor(s): REPRESENTATIVE COGHILL

This is the vehicle to use -

C

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to certain municipal service areas that provide road services."**

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

3 *** Section 1. AS 29.35.450(c) is amended to read:**

4 (c) If voters reside within a service area that provides road, fire protection, or
5 parks and recreation services, abolishment of the service area is subject to approval by
6 the majority of the voters residing in the service area who vote on the question. A
7 service area that provides road, fire protection, or parks and recreation services in
8 which voters reside may not be abolished and replaced by a larger service area unless
9 that proposal is approved, separately, by a majority of the voters who vote on the
10 question residing in the existing service area and by a majority of the voters who vote
11 on the question residing in the area proposed to be included within the new service
12 area but outside of the existing service area. A service area that provides road, fire
13 protection, or parks and recreation services in which voters reside may not be altered
14 or combined with another service area unless that proposal is approved, separately, by
15 a majority of the voters who vote on the question and who reside in each of the service

1 areas or in the area outside of service areas that is affected by the proposal. This
2 subsection does not apply

3 (1) to a proposed change to a service area that provides fire protection
4 services that would result in increasing the number of parcels of land in the service
5 area or successor service area if the increase is not more than six percent and would
6 add not more than 1,000 residents;

7 (2) [. THIS SUBSECTION DOES NOT APPLY] in a second class
8 borough to abolishment of a road service area or consolidation of two or more road
9 service areas if

10 (A) [(1)] taxes have not been levied in the service area for road
11 maintenance or construction during the last 12 months and there is no balance
12 in any account available to pay for these road services for the service area;

13 (B) [(2)] during the last 12 months, the service area board has
14 not met with a quorum present and in accordance with law; or

15 (C) [(3)] there are no road maintenance contracts in effect for
16 the service area or the existing road maintenance contracts fail to provide for
17 minimum road standards required by law that are necessary to protect the
18 borough from civil liability;

19 (3) to require approval by the voters residing in a subdivision or
20 parcel proposed to be added to a road service area if roads maintained by the
21 service area provide the only access to the subdivision or parcel or provide access
22 to the subdivision or parcel that is required by the subdivision plat or by other
23 regulation or ordinance;

24 (4) to a change in the boundaries of a road service area to exclude
25 a subdivision or parcel that does not rely on the use of roads maintained by the
26 service area for the subdivision's or parcel's only access or for access that is
27 required by the subdivision plat or by other regulation or ordinance.

ALASKA STATE HOUSE OF REPRESENTATIVES



Session

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FAX# (907)-465-3258
**State Capitol
Room 204**

Contact:

Interim Address:

**3340 Badger Road
North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271**

REPRESENTATIVE JOHN COGHILL

Sponsor Statement

House Bill 185 provides boroughs with a means of altering existing road service area boundaries to ensure taxpayer fairness among residents of service areas.

A service area is a taxing jurisdiction within a borough that has been established to provide special services such as road maintenance or fire protection. These services are requested and approved by voters residing within a specific area.

State law permits borough residents living outside a service area to use service area roads for their sole or legally required access. These residents derive a direct benefit equal to residents within the service area, yet they can refuse to contribute to the costs of construction or maintenance of these roads by voting down any annexation attempt. These state mandated annexation votes typically fail as individuals are reluctant to join a service area when they can instead use these maintained roads for free.

HB 185 amends state law by allowing a service area to vote to annex property that uses its roads for their sole or legally required access without a separate vote of the property to be annexed.

A second issue arises where residents of a service area are required to pay into a service area even though they do not utilize the service area roads for access to their property. Service areas, however, are often reluctant to vote to remove property from the service area because it effectively raises taxes on the remaining property owners.

HB 185 amends state law by allowing a borough assembly to exercise its judgment to alter, by ordinance, a service area boundary to exclude a property that does not use service area roads as its sole or legally required access.



Fairbanks North Star Borough

Department of Law

809 Pioneer Road • PO Box 71267 • Fairbanks, AK 99707 - (907) 459-1318 FAX 459-1155

March 23, 2007

VIA FACSIMILE: 907-465-2819

Representative Anna Fairclough
State Capitol, Room 411
Juneau, AK 99801-1182

Representative Fairclough:

Thank you for the opportunity to comment on the questions posed by the Municipality of Anchorage, through Mr. Johnson's e-mail. After receiving a copy of the e-mail, I contacted Rhonda Fehlen Westover, Deputy Municipal Attorney for the Municipality of Anchorage. We agreed, after an extensive discussion of HB 185, including its impacts on our respective municipalities, to provide you with a joint response, and we are authorized on behalf of our respective governmental entities, to support HB 185.

We are both confident the new clause 3, at line 19, page 2, is constitutional. Alaska's Constitution provides that service areas "may be established, altered, or abolished" by the Assembly, subject to the provisions of law or charter. Thus, while state law could certainly add additional requirements, our Constitution only requires assembly approval. HB 185 preserves this constitutional requirement.

With respect to charter provisions, Alaska Statute 29.35.450 is one of the limitations on home rule powers, and supersedes charter provisions. A charter amendment is not necessary to implement HB 185 if approved by the legislature.

If you have any further questions, please feel free to contact either or both of us.

Sincerely,

FAIRBANKS NORTH STAR BOROUGH

MUNICIPALITY OF ANCHORAGE

A. René Broker
Borough Attorney

Rhonda Fehlen Westover
Deputy Municipal Attorney

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By: Randy Frank
Tim Beck
Introduced: 02/08/07
Substituted: 02/08/07
Adopted: 02/08/07

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2007 - 04

A RESOLUTION ASKING THE ALASKA STATE LEGISLATURE TO MODIFY STATE LAW CONCERNING SERVICE AREA ALTERATIONS

WHEREAS, it is the responsibility of local governments to ensure service areas are established, operated, and altered in a manner consistent with the constitutional purpose of service areas and the overall public good; and

WHEREAS, the Fairbanks North Star Borough Assembly supports legislative changes that would enable local governments to exercise appropriate control and management of its service areas; and

WHEREAS, the Assembly recently placed a request for a state law change concerning service area alterations on its 2007 legislative priority list; and

WHEREAS, the previously suggested language would only permit the assembly to include property in a road service area if the property utilizes the road services area's roads; and

WHEREAS, as a matter of fairness, the assembly should also have the right to remove property from a road service area if the property does not utilize the road service area's roads.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough supports the following change to AS 29.35.450(a):

(a) A service area to provide special services in a borough or unified municipality may be established, operated, altered, or abolished by ordinance, subject to (c) of this section except that:

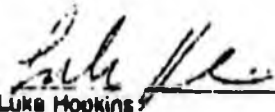
(1) no vote of the area proposed to be included into a road service area shall be required if the area proposed to be included utilizes the road service area's roads for either its sole or its legally required subdivision access; and

(2) no vote should be required to alter the boundaries of a road service area to exclude an area that does not utilize the road service area's roads for either its sole or its legally required subdivision access.

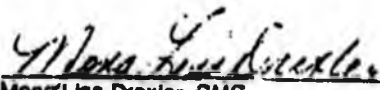
47 BE IT FURTHER RESOLVED that the Assembly request the Alaska
 48 State Legislature to modify the current language in AS29.35.450(a) concerning service
 49 area alterations as noted above.

50
 51 BE IT FURTHER RESOLVED, that copies of this resolution shall be sent
 52 to the Alaska Interior Delegation.

53
 54 PASSED AND APPROVED THIS 8th DAY OF FEBRUARY 2007.


 Luke Hopkins
 Presiding Officer

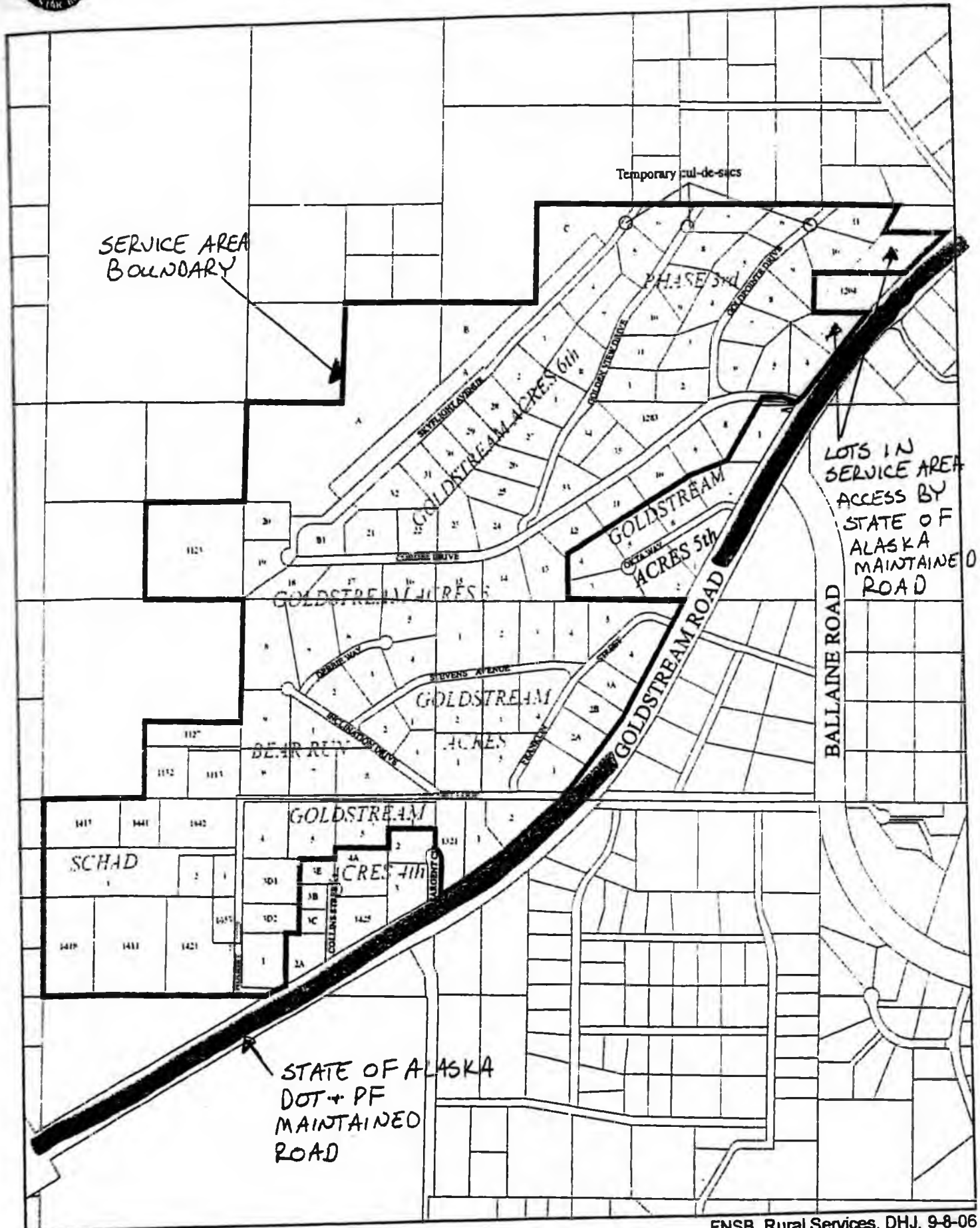
ATTEST.


 Mona Lisa Drexler, CMC
 Municipal Borough Clerk

55
 56 Ayes: Bartos, Beck, Frank, Foote, Winters, Musick, Therrian, Rex, Hopkins
 57 Noes: None
 58



Cordes Drive Road Service Area



**CITY OF CORDOVA, ALASKA
RESOLUTION 04-07-17**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA,
ALASKA, OPPOSING THE PROPOSED USER FEE SYSTEM AND AVIATION
GASOLINE TAX INCREASE PROPOSED BY THE
FEDERAL AVIATION ADMINISTRATION (FAA)**

WHEREAS, the FAA wants to change its funding mechanism from an excise tax to a system of user fees and eliminate congressional oversight on FAA spending; and

WHEREAS, the FAA wants to raise general aviation gasoline taxes 366% from 21.9 to 70.1 cents per gallon; and

WHEREAS, the Aviation Trust Fund, the primary source of FAA funding, is growing and not running out of money; and

WHEREAS, the U.S. air transportation system is the safest, most efficient, and largest in the world; and

WHEREAS, the general aviation is an important part of the Alaskan economy; and

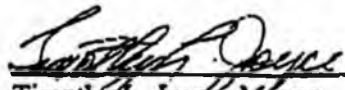
WHEREAS, general aviation in Cordova plays a critical role in supporting the commercial fishing industry, the tourism industry and local access to remote locations; and

WHEREAS, increased costs to the general aviation industry in Cordova will create unneeded hardships on all of our residents.

NOW, THEREFORE, BE RESOLVED that the City of Cordova, strongly opposes the proposed user fee system and aviation gasoline tax increase proposed by the FAA.

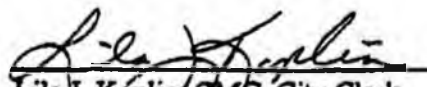
PASSED AND APPROVED THIS 18TH DAY OF APRIL, 2007.





Timothy L. Joyde, Mayor

ATTEST:



Lila J. Koplin, CMC, City Clerk

Private road: a road or driveway on privately owned property, limited to the use of the owner or a group of owners who share the use and maintain the road without help from a government agency. A private road has not been given to a government entity (like a borough, city, or state) and accepted by that entity for public use.

Public Road: A road maintained by a government agency or a road that has been given to a government entity (like a borough, city or state and accepted by that entity for public use.

*The lady testifying
gave this to me -*

CS FOR HOUSE BILL NO. 185(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/28/07

Referred: Transportation

Sponsor(s): REPRESENTATIVE COGHILL

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to certain municipal service areas that provide road services."**

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

3 *** Section 1. AS 29.35.450(c) is amended to read:**

4 (c) If voters reside within a service area that provides road, fire protection, or
5 parks and recreation services, abolishment of the service area is subject to approval by
6 the majority of the voters residing in the service area who vote on the question. A
7 service area that provides road, fire protection, or parks and recreation services in
8 which voters reside may not be abolished and replaced by a larger service area unless
9 that proposal is approved, separately, by a majority of the voters who vote on the
10 question residing in the existing service area and by a majority of the voters who vote
11 on the question residing in the area proposed to be included within the new service
12 area but outside of the existing service area. A service area that provides road, fire
13 protection, or parks and recreation services in which voters reside may not be altered
14 or combined with another service area unless that proposal is approved, separately, by
15 a majority of the voters who vote on the question and who reside in each of the service

1 areas or in the area outside of service areas that is affected by the proposal. This
 2 subsection does not apply

3 (1) to a proposed change to a service area that provides fire protection
 4 services that would result in increasing the number of parcels of land in the service
 5 area or successor service area if the increase is not more than six percent and would
 6 add not more than 1,000 residents;

7 (2) [. THIS SUBSECTION DOES NOT APPLY] in a second class
 8 borough to abolishment of a road service area or consolidation of two or more road
 9 service areas if

10 (A) [(1)] taxes have not been levied in the service area for road
 11 maintenance or construction during the last 12 months and there is no balance
 12 in any account available to pay for these road services for the service area;

13 (B) [(2)] during the last 12 months, the service area board has
 14 not met with a quorum present and in accordance with law; or

15 (C) [(3)] there are no road maintenance contracts in effect for
 16 the service area or the existing road maintenance contracts fail to provide for
 17 minimum road standards required by law that are necessary to protect the
 18 borough from civil liability;

19 (3) to require approval by the voters residing in a subdivision or
 20 parcel proposed to be added to a road service area if roads maintained by the
 21 service area provide the only access to the subdivision or parcel or provide access
 22 to the subdivision or parcel that is required by the subdivision plat or by other
 23 regulation or ordinance;

24 (4) to a change in the boundaries of a road service area to exclude
 25 a subdivision or parcel that does not rely on the use of roads maintained by the
 26 service area for the subdivision's or parcel's only access or for access that is
 27 required by the subdivision plat or by other regulation or ordinance.

ALASKA STATE HOUSE OF REPRESENTATIVES

**Contact:**

Interim Address:

3340 Badger Road
North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271

Session

(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 204

REPRESENTATIVE JOHN COGHILL

Sponsor Statement

House Bill 185 provides boroughs with a means of altering existing road service area boundaries to ensure taxpayer fairness among residents of service areas.

A service area is a taxing jurisdiction within a borough that has been established to provide special services such as road maintenance or fire protection. These services are requested and approved by voters residing within a specific area.

State law permits borough residents living outside a service area to use service area roads for their sole or legally required access. These residents derive a direct benefit equal to residents within the service area, yet they can refuse to contribute to the costs of construction or maintenance of these roads by voting down any annexation attempt. These state mandated annexation votes typically fail as individuals are reluctant to join a service area when they can instead use these maintained roads for free.

HB 185 amends state law by allowing a service area to vote to annex property that uses its roads for their sole or legally required access without a separate vote of the property to be annexed.

A second issue arises where residents of a service area are required to pay into a service area even though they do not utilize the service area roads for access to their property. Service areas, however, are often reluctant to vote to remove property from the service area because it effectively raises taxes on the remaining property owners.

HB 185 amends state law by allowing a borough assembly to exercise its judgment to alter, by ordinance, a service area boundary to exclude a property that does not use service area roads as its sole or legally required access.



Fairbanks North Star Borough

Department of Law

809 Pioneer Road • PO Box 71267 • Fairbanks, AK 99707 - (907) 459-1318 FAX 459-1155

March 23, 2007

VIA FACSIMILE: 907-465-2819

Representative Anna Fairclough
State Capitol, Room 411
Juneau, AK 99801-1182

Representative Fairclough:

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If you have any further questions, please feel free to contact either or both of us.

Sincerely,

FAIRBANKS NORTH STAR BOROUGH

MUNICIPALITY OF ANCHORAGE

A. René Broker
Borough Attorney

Rhonda Fehlen Westover
Deputy Municipal Attorney

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By: Randy Frank
Tim Beck
Introduced: 02/08/07
Substituted: 02/08/07
Adopted: 02/08/07

FAIRBANKS NORTH STAR BOROUGH

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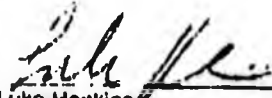
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48 State Legislature to modify the current language in AS29.35.450(a) concerning service
49 area alterations as noted above.

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52 to the Alaska Interior Delegation.

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54 PASSED AND APPROVED THIS 8th DAY OF FEBRUARY 2007.



Luke Hopkins
Presiding Officer

ATTEST:



Mona Lisa Drexler, CMC
Municipal Borough Clerk

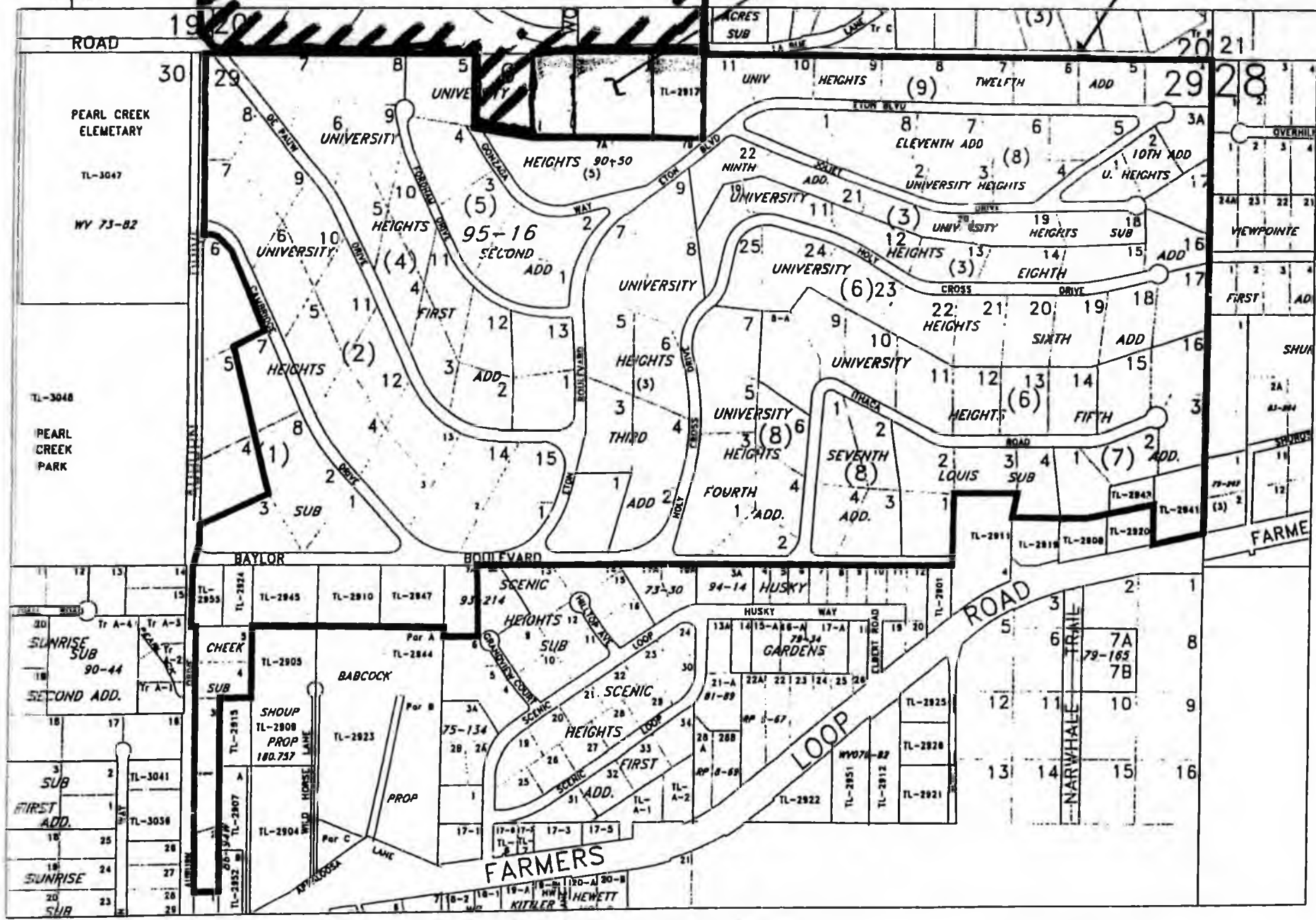
55
56 Ayes: Bartos, Beck, Frank, Foote, Winters, Musick, Therrien, Rex, Hopkins
57 Noes: None
58



MUSK OX ROAD SERVICE AREA

LOTS OUTSIDE SERVICE AREA. ACCESS IS BY SERVICE AREA ROADS

UNIVERSITY HEIGHTS ROAD SERVICE AREA



**CITY OF CORDOVA, ALASKA
RESOLUTION 04-07-17**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA,
ALASKA, OPPOSING THE PROPOSED USER FEE SYSTEM AND AVIATION
GASOLINE TAX INCREASE PROPOSED BY THE
FEDERAL AVIATION ADMINISTRATION (FAA)**

WHEREAS, the FAA wants to change its funding mechanism from an excise tax to a system of user fees and eliminate congressional oversight on FAA spending; and

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WHEREAS, the Aviation Trust Fund, the primary source of FAA funding, is growing and not running out of money; and

WHEREAS, the U.S. air transportation system is the safest, most efficient, and largest in the world; and

WHEREAS, the general aviation is an important part of the Alaskan economy; and

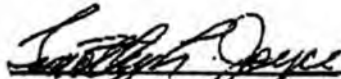
WHEREAS, general aviation in Cordova plays a critical role in supporting the commercial fishing industry, the tourism industry and local access to remote locations; and

WHEREAS, increased costs to the general aviation industry in Cordova will create unneeded hardships on all of our residents.

NOW, THEREFORE, BE RESOLVED that the City of Cordova, strongly opposes the proposed user fee system and aviation gasoline tax increase proposed by the FAA.

PASSED AND APPROVED THIS 18TH DAY OF APRIL, 2007.




Timothy L. Joyce, Mayor

ATTEST:


Lila J. Koplin, CMC, City Clerk