

**SPONSOR STATEMENT
SB 75**

An Act relating to municipal service areas and providing for voter approval of the formation, alteration or abolishment of certain service areas”

Service areas are valuable tools for municipalities and boroughs because they allow these local governments to customize the level of service appropriate to different, and often very diverse and non-contiguous geographical areas. It also allows the levying of a different mill rate. Because of the efforts of volunteer supervisors and board members, and the efficiencies of private sector contracting, most residents of these services areas feel they receive superior service, and at a lower cost. Road, parks and recreation, and fire protection service areas are responsive to, and strongly supported by the residents they serve.

SB 75 provides greater local control by setting parameters as to how a service area can be changed. The following are three examples of required local votes.

- 1) **Abolishment of a service area.** Must be approved by a majority of the voters residing within the service area.
- 2) **Abolishment and replacement of a service area.** Must be approved by a separate vote by a majority of voters within an existing service area and by a majority of the voters residing in the proposed service area, but outside the existing service area.
- 3) **Alteration of service area or combining it with another service area.** Must be approved, separately, by a majority of the voters who vote on the question and who reside in each of the service areas or in a proposed service area affected by the proposal.

Citizens from the Kenai Peninsula to Fairbanks have spoken out strongly in favor of maintaining service areas. Local service areas offer a model for the efficiencies and cost savings that can be achieved through private sector contracting. SB 75 would provide meaningful reassurances to these citizens that they can continue to depend on this very successful method of providing for efficient and cost effective delivery of basic services.