



REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

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SPONSOR STATEMENT HB 478

“An Act relating to the municipal harbor facility grant program”

For Alaskan coastal communities, harbors are their road to resources. Not only do they protect vessels from the ocean, harbors are critical transportation links and hubs of waterfront commerce that many businesses depend on. 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 House Bill 478.

HB 478 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. The proposal brought forth by the harbormasters, embodied in HB 478, will set up a fair and reasonable state/local partnership to ensure that our harbors receive the funding they deserve.

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