



# Representative Sam Kito III

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Alaska State Legislature

## Sponsor Statement

### House Bill 292: Municipal Contributions to Alaska Marine Highway System

HB 292 allows municipalities to make an optional contribution to the Alaska marine highway system fund.

The Alaska Marine Highway System (AMHS) is the lifeblood of coastal communities. It facilitates commercial, social, and cultural development and exchange among these communities, with an influence that extends far inland. A 2016 McDowell study found that:

- AMHS accounted for 1,700 Alaska jobs and \$104 million in Alaska wages in 2014;
- AMHS directly spent \$84 million with over 500 Alaska businesses in 2014 in operations and capital expenditures;
- Two-thirds of AMHS passengers are Alaska residents – including significant numbers from non-AMHS communities like Anchorage and Palmer/Wasilla;
- AMHS plays an integral role in Alaska's visitor industry, carrying over 100,000 non-resident passengers annually and bringing in outside dollars to the state.

Recent years have seen a decline in funding for AMHS, the effects of which have been acutely felt in communities around Alaska. HB 292 provides a mechanism by which municipalities may make voluntary contributions to the AMHS fund in order to support services that so directly impact their existence.

Allowing for voluntary contribution does not require local contribution. Instead, HB 292 provides an opportunity for municipalities to become shareholders of AMHS. As such, it builds partnerships and facilitates alignment between AMHS and local communities in order to provide better services and more efficient operations.

Please join me in supporting House Bill 292.