

House Transportation Committee

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ALASKA STATE HOUSE OF REPRESENTATIVES

Sponsor Statement

House Bill 322

AMHS System Fund & Vessel Replacement Fund

House Bill 322 would protect the Alaska Marine Highway System (AMHS) Fund and Vessel Replacement Fund from the constitutional sweep under Article IX, section 17(d) of the Alaska Constitution.

Funds subject to the sweep must be both available for appropriation and reside in the General Fund. In *Alaska Federation of Natives v. Dunleavy*—the 2021 case in which the Superior Court determined the Power Cost Equalization Endowment Fund is not sweepable under the State Constitution—the court considered the state treasury to be distinct from the General Fund. Thus, by establishing the System Fund and Vessel Replacement Fund as a separate funds in the state treasury rather than in the General Fund, it is not subject to the sweep.

On-going, crucial state services such as the Marine Highway System should not suffer the destabilizing effects that result from the sweep of funds. HB 322 will shield the AMHS System Fund and Vessel Replacement Fund from the sweep and reinforce the Legislature’s authority to assess for itself the prudence of appropriations.