

ALASKA STATE LEGISLATURE

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Session:
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REPRESENTATIVE PEGGY WILSON HOUSE DISTRICT 2

SPONSOR STATEMENT House Bill 30

“An Act relating to the transportation infrastructure fund, to local public transportation, to the municipal harbor facility grant fund, to motor fuel taxes, to the motor vehicle registration fee, to driver’s license fees, to identification card fees, to the studded tire tax, and to the vehicle rental tax; and providing for an effective date.”

HB 30 will define the Alaska Transportation Infrastructure Fund (ATIF), how it will be funded and where the funds will be spent.

The roads, bridges, airports, ferries and other transit systems that make up our state’s transportation system are essential to mobility, commerce and economic development. These systems increase safety, enhance economic competitiveness, and lead to a better quality of life. To ensure Alaska has the infrastructure necessary to develop our resources as well as improve the living conditions for our citizens we must commit to funding transportation. Having a dependable revenue stream from year to year will allow Alaska to manage current congestion and maintenance projects as well as develop access to needed resources and energy.

Additionally the use of state funds for construction means we will have greater control and funding will go towards completing projects as opposed to the expensive and lengthy federal process. Anchorage has benefited from the use of state funds and has seen projects such as the Bragraw Intersection and Dowling Street Extension get done faster and cheaper than they would have using the federal guidelines.

In FY10, 87% of our transportation budget came from the federal government. There have been several major deposits to the Federal Highway Fund to keep the expired federal transportation reauthorization program going. After 2 years we are still operating under the old reauthorization guidelines. All indicators show that the new reauthorization bill will be unfavorable for states with small populations due to an emphasis on mass transit and green transportation. It favors toll roads and bridges and other transportation that pays for itself or that can be supported with a public private partnership. Our own DC delegation have told the legislature that Alaska needs to rely less on the federal government and start shouldering some of the burden of improving our transportation infrastructure.

HJR 4 will put an initiative before the voters to change the Alaska State Constitution to allow a dedicated fund for Transportation Projects. With passage of the initiative, HB 30 will define the fund. It will outline how the fund will be managed, how the earnings will be spent and who will decide which projects will be funded each year.

The fund will be seeded with a \$1B endowment. In addition to the endowment ATIF will receive the revenue generated from fuel taxes, vehicle registrations, driver’s license and identification card fees, studded tire tax, and vehicle rental taxes. One half of these revenues will be available each year for appropriation. The other half will be deposited into the fund to both grow the fund and inflation proof it. In addition, six percent of the market value (POMV) of the fund will be available for appropriation. The Department of Revenue will be charged with administering the fund. The Legislature should be able to

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appropriate approximately ~\$100M the first year and then grow the appropriation about \$1.5-2M per year after that.

HB 30 will create an advisory council to evaluate the project submissions. The council is comprised of 17 voting members, 1 Department of Transportation /Public Facilities employee, 11 from transportation affiliated associations and 1 from native organization and 4 public members and 2 non-voting members of the legislature. The four members of the public will be appointed by the governor. The members representing organizations will be appointed by their respective organizations.

Alaska DOT/PF will be required to create a set of criteria to rank the projects. The panel will use these criteria to give each project a numeric score to be used in prioritizing the projects. These prioritized projects will go through the normal budgetary cycle each year for final authorization.

The bill defines how the funds shall be appropriated. **Not more** than

1. 80% of the funds may be used for roads and surface transportation both state and municipal,
2. 25 % may be used for aviation,
3. 25% may be used for the Alaska Marine Highway,
4. 20 % may be used for harbor facilities, state owned marine facilities and for deposit into the municipal harbor facility grant fund,
5. 20% may be used for local community transportation and transit.
6. 15% may be used for trails and bike-paths.

These percentages will provide the flexibility needed to focus on one mode one year and switch to another the following year as needs dictate.

Besides the above appropriations, the fund will pay for all fund administration costs and for the operations of the Department of Motor Vehicles.

Alaska is geographically the largest state in the country, and the future of the economic and social well being of its citizens is critically dependent on a reliable transportation system. This fund is one of the tools needed to create a modern, reliable transportation system.

The CS from House Transportation reduced the size of the Advisory Council by 5 members and removed the revenue stream from airport leases and airspace leases. It also made all the provisions of HB 30 contingent upon the voters passage of the initiative to change the constitution to allow this dedicated fund.