

ALASKA STATE LEGISLATURE

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**REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2**

SPONSOR STATEMENT

House Bill 31

“An Act making a special appropriation to the transportation infrastructure fund; and providing for an effective date.”

HB 31 will appropriate \$1,000,000,000 (\$1B) to the Alaska Transportation Infrastructure Fund (ATIF). A large seed amount is necessary because Alaska currently has a \$8,000,000,000 backlog in transportation projects and \$763,000,000 in deferred maintenance according to DOT.

The fund will provide for an appropriation of up to 6 percent of market value on June 30th every year as well as 50% of the revenue earned from motor fuel taxes, studded tire taxes, vehicle rental taxes, drivers' license fees and vehicle registration fees for the previous year for appropriation. This equates to approximately \$100,000,000 per year available for appropriation. It will be the responsibility of Department of Revenue to invest the fund consistent with using up to 6% POMV per year.

In FY10 87% of our transportation budget came from the federal government. The current federal reauthorization legislation has already expired and has been extended until new legislation can be passed. The new federal reauthorization bill is unfavorable for states with small populations by emphasizing mass transit and green transportation. Private/Public partnerships are the wave of future for transportation funding. There aren't enough cars on the road, people on the ferries or residents landing at our airports to generate the economy of scale that is needed under the proposed new reauthorization to generate enough revenue to pay for our transportation needs.

As federal funding is diminishing, Alaska will have to shoulder more of the responsibility for its transportation infrastructure. This appropriation is about meeting ever-growing transportation needs for Alaskans. Transportation investment creates a competitive environment, attracting additional economic investment which means jobs for Alaskans.