

CS FOR HOUSE BILL NO. 30(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered: 3/9/11

Referred: Finance

Sponsor(s): REPRESENTATIVES PEGGY WILSON AND THOMPSON, Muñoz, Johnson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the transportation infrastructure fund, to local public
2 transportation, to the municipal harbor facility grant fund, to motor fuel taxes, to the
3 motor vehicle registration fee, to driver's license fees, to identification card fees, to the
4 studded tire tax, to the vehicle rental tax, and to other fees and taxes related to motor
5 vehicles; and providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 18.65.310 is amended by adding a new subsection to read:

8 (l) The fees collected by the department under this section shall be deposited
9 into the transportation infrastructure fund established in art. IX, sec. 18, Constitution
10 of the State of Alaska.

11 * **Sec. 2.** AS 28.10.421(g) is amended to read:

12 (g) The fees collected by the department under **(b), (c), (e), (h), and (i) of** this
13 section shall be deposited in the **transportation infrastructure fund established in**

1 **art. IX, sec. 18, Constitution of the State of Alaska. The fees collected by the**
 2 **department under (d) and (f) of this section shall be deposited into the** general
 3 fund. The Department of Administration shall separately account for three percent of
 4 the fees collected under **(d) and (f) of** this section and deposited in the general fund.
 5 The annual estimated balance in the account may be used by the legislature to make
 6 appropriations for administration of AS 28.10.021(a) and AS 28.22 (Alaska
 7 Mandatory Automobile Insurance Act).

8 * **Sec. 3.** AS 28.90 is amended by adding a new section to article 1 to read:

9 **Sec. 28.90.050. Fees collected by the department.** Unless otherwise provided
 10 by law, state fees or taxes collected under this title, less refunds, shall be deposited in
 11 the transportation infrastructure fund established under art. IX, sec. 18, Constitution of
 12 the State of Alaska. Any tax or fee related to snowmobiles collected under this title
 13 may not be deposited into the transportation infrastructure fund established under art.
 14 IX, sec. 18, Constitution of the State of Alaska.

15 * **Sec. 4.** AS 29.60.800(a) is amended to read:

16 (a) There is established the municipal harbor facility grant fund consisting of
 17 money appropriated to the fund. Each fiscal year, the legislature may appropriate
 18 money to the fund [FROM THE WATERCRAFT FUEL TAX ACCOUNT
 19 (AS 43.40.010(f)) AND FROM THE FISHERIES BUSINESS TAX COLLECTED
 20 UNDER AS 43.75.015 AFTER PAYMENTS TO MUNICIPALITIES ARE MADE
 21 UNDER AS 43.75.130. THE LEGISLATURE MAY MAKE OTHER
 22 APPROPRIATIONS TO THE FUND]. The legislature may appropriate to the fund
 23 income earned on money in the fund.

24 * **Sec. 5.** AS 37.05.146(c)(72) is amended to read:

25 (72) vehicle registration fees collected under **AS 28.10.421(d) and (f)**
 26 [AS 28.10.421] and other fees and charges collected under AS 28.10.441;

27 * **Sec. 6.** AS 37.14 is amended by adding new sections to read:

28 **Article 10. Transportation Infrastructure Fund.**

29 **Sec. 37.14.850. Transportation infrastructure fund.** (a) Under art. IX, sec.
 30 18, Constitution of the State of Alaska, the transportation infrastructure fund is
 31 established. The fund consists of

1 (1) appropriations to the fund;

2 (2) revenue received after the effective date of this section from any
3 state tax on fuel used for the propulsion of motor vehicles, aircraft, and watercraft, less
4 refunds, credits, and collection costs as provided by law;

5 (3) revenue received after the effective date of this section from a
6 registration fee levied for a motor vehicle that is not a special registration fee and from
7 any driver's license fee;

8 (4) revenue received after the effective date of this section from the
9 studded tire tax under AS 43.98.025;

10 (5) other revenue received after the effective date of this section, as
11 designated by the legislature.

12 (b) The commissioner of revenue shall manage the fund as an endowment,
13 with the goal that the purchasing power of the fund will not diminish over time
14 without regard to additional contributions that may be made to the fund. The
15 commissioner shall invest the assets of the fund in a manner likely to yield at least a
16 six percent real rate of return over time.

17 (c) Money from an appropriation made to the fund remaining in the fund at the
18 end of a fiscal year does not lapse and remains available for investment and
19 appropriation in successive fiscal years.

20 **Sec. 37.14.860. Use of the fund.** (a) On or before October 1 of each year, the
21 commissioner of revenue shall prepare a report for the legislature that identifies

22 (1) that amount defined as six percent of the average of the market
23 values of the assets of the fund, excluding the money deposited into the fund in the
24 previous year under AS 37.14.850(a)(2) - (5), on June 30 for the five fiscal years
25 immediately preceding the fiscal year in which the report is prepared; and

26 (2) that amount defined as 50 percent of the revenue deposited into the
27 fund under AS 37.14.850(a)(2) - (5) in the previous fiscal year.

28 (b) The amount identified in (a) of this section is available for appropriation
29 for capital projects and major maintenance for transportation and related facilities and
30 for costs related to motor vehicle licensing and registration. An appropriation from the
31 fund may be made to a project for which federal money has been allocated if the

1 appropriation accelerates project completion or is used for specific items of work that
 2 are not eligible for federal funding. The amount of all appropriations from the fund to
 3 match federal money may not exceed 20 percent of the total amount available for
 4 appropriation from the fund.

5 (c) Appropriations made from the fund for capital projects for transportation
 6 and related facilities shall be distributed based on amounts not to exceed the following
 7 percentages:

8 (1) 80 percent of the appropriations from the fund may be used for
 9 projects related to roads and surface transportation, to include development of, major
 10 maintenance of, and improvements to the road system in the state, all related
 11 appurtenances within the rights-of-way, and walkways;

12 (2) 25 percent of the appropriations from the fund may be used for
 13 projects related to aviation, to include development of, major maintenance of, and
 14 improvements to the state's rural airport system and airports owned by the state or a
 15 municipality;

16 (3) 25 percent of the appropriations from the fund may be used for
 17 projects related to the Alaska marine highway system, to include the lease, purchase,
 18 rehabilitation, major maintenance, or modification of existing or new vessels;

19 (4) 20 percent of the appropriations from the fund may be used for
 20 projects related to harbor facilities and for deposit into the municipal harbor facility
 21 grant fund (AS 29.60.800), to include the development of, major maintenance of, and
 22 improvements to harbor and marine facilities;

23 (5) 20 percent of the appropriations from the fund may be used for
 24 projects related to community transportation and public transit with priority given to
 25 projects in which community matching funds are available, to include development of
 26 and improvements to public transit conveyances and facilities, including land-based
 27 and water-based vehicles and specialized local transportation for the elderly and
 28 persons with disabilities; and

29 (6) 15 percent of the appropriations from the fund may be used for
 30 projects related to pedestrian facilities, trails, and bike paths, to include development
 31 of and improvements to sidewalks, bike paths, or pedestrian facilities that are located

1 in the rights-of-way maintained by the department and that are adjacent to a road.

2 **Sec. 37.14.870. Market value of the fund.** The Department of Revenue shall
3 determine the market value of the fund on the close of business on June 30 of each
4 year in accordance with generally accepted accounting principles for the determination
5 of fair value.

6 **Sec. 37.14.880. Powers and duties of the commissioner of revenue.** In
7 carrying out the investment duties under AS 37.14.850 - 37.14.899, the commissioner
8 of revenue has the powers and duties set out in AS 37.10.071. Not later than the 10th
9 day following the convening of each regular session of the legislature, the
10 commissioner of revenue shall make available a report to the legislature on the
11 condition and investment performance of the fund.

12 **Sec. 37.14.890. Transportation Infrastructure Fund Advisory Council.** (a)
13 The Transportation Infrastructure Fund Advisory Council is established as an
14 independent, nonpolitical body to prioritize a list of eligible transportation projects
15 solely on the factors of nonbiased information and need. The council consists of 19
16 members as follows:

17 (1) the chair of the House Transportation Committee as a nonvoting
18 member;

19 (2) the chair of the Senate Transportation Committee as a nonvoting
20 member;

21 (3) the commissioner of transportation and public facilities or the
22 commissioner's designee;

23 (4) four members of the public, appointed by the governor, who
24 represent various modes of transportation, including land, air, and water; and

25 (5) one representative from each of the following organizations:

26 (A) Alaska Municipal League;

27 (B) Alaska Travel Industry Association;

28 (C) Alaska State Chamber of Commerce;

29 (D) The Associated General Contractors of Alaska;

30 (E) Alaska Trucking Association;

31 (F) Aviation Advisory Board;

(G) Alaska Marine Transportation Advisory Board;

(H) Alaska Association of Harbormasters and Port Administrators;

(I) Alaska Oil and Gas Association;

(J) Alaska Miners Association;

(K) Alaska Mobility Coalition; and

(L) Alaska Inter-Tribal Council.

(b) Each of the four public members appointed under (a)(4) of this section shall

(1) be from a different judicial district as described in AS 22.10.010; and

(2) have extensive experience and knowledge in the field of transportation of people and goods.

(c) The council members listed in (a)(4) and (5) of this section shall serve staggered four-year terms.

(d) From the members listed in (a)(4) and (5) of this section, the council shall elect a chair of the council. If a vacancy occurs among the members appointed under (a)(4) of this section, the governor shall immediately appoint a member for the unexpired portion of the term.

(e) A member of the council appointed under (a) of this section serves without compensation but is entitled to travel and per diem expenses as provided in AS 39.20.180.

(f) Using the criteria developed by the Department of Transportation and Public Facilities under AS 44.42.020(a)(17), the advisory council shall submit a report to the governor and the legislature not later than October 15 of each year making recommendations regarding what capital projects for transportation and related facilities should be funded from the fund.

Sec. 37.14.899. Definition. In AS 37.14.850 - 37.14.899, "fund" means the transportation infrastructure fund established in art. IX, sec. 18, Constitution of the State of Alaska.

* **Sec. 7.** AS 43.40.010(e) is amended to read:

(e) Sixty percent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be paid into the transportation infrastructure fund established in art. IX, sec. 18, Constitution of the State of Alaska [A SPECIAL AVIATION FUEL TAX ACCOUNT IN THE STATE GENERAL FUND. THE LEGISLATURE MAY APPROPRIATE FUNDS FROM THIS ACCOUNT FOR AVIATION FACILITIES].

* **Sec. 8.** AS 43.40.010(h) is amended to read:

(h) All motor fuel tax receipts shall be paid into the transportation infrastructure fund established in art. IX, sec. 18, Constitution of the State of Alaska [GENERAL FUND AND DISTRIBUTED TO THE PROPER ACCOUNTS IN THE GENERAL FUND]. Valid motor fuel tax refund claims shall be paid from the transportation infrastructure fund established in art. IX, sec. 18, Constitution of the State of Alaska [HIGHWAY FUEL TAX ACCOUNT IN THE GENERAL FUND].

* **Sec. 9.** AS 43.40.030(a) is amended to read:

(a) A [EXCEPT AS SPECIFIED IN AS 43.40.010(j), A] person who uses motor fuel to operate an internal combustion engine is entitled to a refund of six cents a gallon if

- (1) the tax on the motor fuel has been paid;
- (2) the motor fuel is not aviation fuel, or motor fuel used in or on watercraft; and
- (3) the internal combustion engine is not used in or in conjunction with a motor vehicle licensed to be operated on public ways.

* **Sec. 10.** AS 43.40.070 is amended to read:

Sec. 43.40.070. Refund warrants. Upon approval of a refund claim by the department, a disbursement shall be made from the transportation infrastructure fund established in art. IX, sec. 18, Constitution of the State of Alaska, [HIGHWAY FUEL TAX ACCOUNT IN THE GENERAL FUND] in favor of the

applicant in the amount of the claim.

* **Sec. 11.** AS 43.52.080(b) is amended to read:

(b) **Fifty percent of the** [THE] proceeds of the vehicle rental taxes imposed by AS 43.52.010 - 43.52.099 shall be deposited into **the transportation infrastructure fund established in art. IX, sec. 18, Constitution of the State of Alaska. Fifty percent of the proceeds of the vehicle rental tax imposed by AS 43.52.010 - 43.52.099 shall be deposited into** a special vehicle rental tax account in the general fund.

* **Sec. 12.** AS 43.98.025 is amended by adding a new subsection to read:

(i) The fees remitted to the department under (b) of this section shall be deposited in the transportation infrastructure fund established in art. IX, sec. 18, Constitution of the State of Alaska.

* **Sec. 13.** AS 44.42.020(a) is amended to read:

(a) The department shall

(1) plan, design, construct, and maintain all state modes of transportation and transportation facilities and all docks, floats, breakwaters, buildings, and similar facilities;

(2) study existing transportation modes and facilities in the state to determine how they might be improved or whether they should continue to be maintained;

(3) study alternative means of improving transportation in the state with regard to the economic costs of each alternative and its environmental and social effects;

(4) develop a comprehensive, long-range, intermodal transportation plan for the state;

(5) study alternatives to existing modes of transportation in urban areas and develop plans to improve urban transportation;

(6) cooperate and coordinate with and enter into agreements with federal, state, and local government agencies and private organizations and persons in exercising its powers and duties;

(7) manage, operate, and maintain state transportation facilities and all

docks, floats, breakwaters, and buildings, including all state highways, vessels, railroads, pipelines, airports, and aviation facilities;

(8) study alternative means of transportation in the state, considering the economic, social, and environmental effects of each alternative;

(9) coordinate and develop state and regional transportation systems, considering deletions, additions, and the absence of alterations;

(10) develop facility program plans for transportation and state buildings, docks, and breakwaters required to implement the duties set out in this section, including but not limited to functional performance criteria and schedules for completion;

(11) supervise and maintain all state automotive and mechanical equipment, aircraft, and vessels, except vessels and aircraft used by the Department of Fish and Game or the Department of Public Safety; for state vehicles maintained by the department, the department shall, every five years, evaluate the cost, efficiency, and commercial availability of alternative fuels for automotive purposes, and the purpose for which the vehicles are intended to be used, and convert vehicles to use alternative fuels or purchase energy efficient vehicles whenever practicable; the department may participate in joint ventures with public or private partners that will foster the availability of alternative fuels for all automotive fuel consumers;

(12) supervise aeronautics inside the state, under AS 02.10;

(13) implement the safety and financial responsibility requirements for air carriers under AS 02.40;

(14) inspect weights and measures;

(15) at least every four years, study alternatives available to finance transportation systems in order to provide an adequate level of funding to sustain and improve the state's transportation system;

(16) promote and support methods or modes of coordinated transportation serving persons in various regions of the state;

(17) develop criteria for determining eligibility of projects for funding and for evaluating projects for funding from the transportation infrastructure fund that provide for a statewide balance of projects in both urban

1 and rural areas.

2 * **Sec. 14.** AS 44.62.175(a) is amended to read:

3 (a) The lieutenant governor shall develop and supervise the Alaska Online
4 Public Notice System, to be maintained on the state's site on the Internet. The
5 lieutenant governor shall prescribe the form of notices posted on the system by state
6 agencies. The Alaska Online Public Notice System must include

7 (1) notices of proposed actions given under AS 44.62.190(a);

8 (2) notices of state agency meetings required under AS 44.62.310(e),
9 even if the meeting has been held;

10 (3) notices of solicitations to bid issued under AS 36.30.130;

11 (4) notices of state agency requests for proposals issued under
12 AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; and AS 38.05.120 [; AND
13 AS 43.40.010];

14 (5) executive orders and administrative orders issued by the governor;

15 (6) written delegations of authority made by the governor or the head
16 of a principal department under AS 44.17.010;

17 (7) the text or a summary of the text of a regulation or order of repeal
18 of a regulation for which notice is given under AS 44.62.190(a), including an
19 emergency regulation or repeal regardless of whether it has taken effect;

20 (8) notices required by AS 44.62.245(b) regarding an amended version
21 of a document or other material incorporated by reference in a regulation;

22 (9) a summary of the text of recently issued formal opinions and
23 memoranda of advice of the attorney general;

24 (10) a list of vacancies on boards, commissions, and other bodies
25 whose members are appointed by the governor; and

26 (11) in accordance with AS 39.52.240(h), advisory opinions of the
27 attorney general.

28 * **Sec. 15.** AS 28.10.152(e); AS 43.40.010(f), 43.40.010(g), and 43.40.010(j) are repealed.

29 * **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to
30 read:

31 TRANSITION. Notwithstanding AS 37.14.850 - 37.14.899, as enacted by sec. 6 of

1 this Act, the commissioner of revenue shall calculate average transportation infrastructure
2 fund values for purposes of AS 37.14.860(a)(1) in the years 2014 through 2018 as follows:

3 (1) the commissioner of revenue shall prepare a report to the legislature on or
4 before October 1, 2013, identifying that amount defined as six percent of the market value of
5 the transportation infrastructure fund, excluding the money deposited into the fund in the
6 previous fiscal year under AS 37.14.850(a)(2) - (5), on July 1, 2013; the amount is available
7 for appropriation during the First Regular Session of the Twenty-Eighth Alaska State
8 Legislature under AS 37.14.860(b), enacted by sec. 6 of this Act;

9 (2) for average transportation infrastructure fund value calculations for 2014
10 through 2017, on or before October 1, 2014, and on or before October 1 in subsequent years
11 through October 2017, the commissioner of revenue shall prepare a report to the legislature
12 that identifies that amount defined as six percent of the average of the market values of the
13 assets of the transportation infrastructure fund, excluding the money deposited into the fund in
14 the previous fiscal year under AS 37.14.850(a)(2) - (5), on July 1, 2013, and on June 30 of
15 each subsequent year, as identified in the reports required by this paragraph; the amounts are
16 available for appropriation during the respective regular sessions of the Alaska State
17 Legislature under AS 37.14.860(b), enacted by sec. 6 of this Act.

18 * **Sec. 17.** The uncoded law of the State of Alaska is amended by adding a new section to
19 read:

20 INITIAL APPOINTMENTS AND TERMS. Notwithstanding AS 37.14.890(a), as
21 enacted by sec. 6 of this Act, the terms of the first members of the Transportation
22 Infrastructure Fund Advisory Council appointed by the governor under AS 37.14.890(a)(4)
23 and (5), as enacted by sec. 6 of this Act, are as follows: (1) four members shall be appointed
24 for four-year terms; (2) four members shall be appointed for three-year terms; (3) four
25 members shall be appointed for two-year terms; and (4) four members shall be appointed for
26 one-year terms. The governor shall specify the term of office of each member appointed
27 subject to this section.

28 * **Sec. 18.** The uncoded law of the State of Alaska is amended by adding a new section to
29 read:

30 SEVERABILITY. Under AS 01.10.030, if AS 37.14.890(a)(1) or (2), enacted by sec.
31 6 of this Act, or the application of them to any person or circumstance is held invalid, the

1 remainder of the provisions of that section and their application to other persons or
2 circumstance is not affected.

3 * **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 CONTINGENCY. The provisions of this Act take effect only if an amendment to the
6 Constitution of the State of Alaska establishing the transportation infrastructure fund as a
7 dedicated fund is approved by the voters before July 1, 2013.

8 * **Sec. 20.** If, under sec. 19 of this Act, this Act takes effect, it takes effect on the effective
9 date of the constitutional amendment described in sec. 19 of this Act.