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CS FOR HOUSE BILL NO. 329(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE TRANSPORTATION COMMITTEE

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to the transportation infrastructure fund, to local public
2 transportation, to motor fuel taxes, and to the motor vehicle registration fee; and
3 providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. AS 28.10.421(g) is amended to read:

6 (g) The fees collected by the department under (b), (c), (e), (h), and (i) of this
7 section shall be deposited in the transportation infrastructure fund established in
8 art. IX, sec. 18, Constitution of the State of Alaska. The fees collected by the
9 department under (d) and (f) of this section shall be deposited into the general
10 fund. The Department of Administration shall separately account for three percent of
11 the fees collected under (d) and (f) of this section and deposited in the general fund.
12 The annual estimated balance in the account may be used by the legislature to make
13 appropriations for administration of AS 28.10.021(a) and AS 28.22 (Alaska
14 Mandatory Automobile Insurance Act).

1 * **Sec. 2.** AS 29.60.800(a) is amended to read:

2 (a) There is established the municipal harbor facility grant fund consisting of
3 money appropriated to the fund. Each fiscal year, the legislature may appropriate
4 money to the fund from the transportation infrastructure fund (art. IX, sec. 18,
5 Constitution of the State of Alaska) [WATERCRAFT FUEL TAX ACCOUNT
6 (AS 43.40.010(f))] and from the fisheries business tax collected under AS 43.75.015
7 after payments to municipalities are made under AS 43.75.130. The legislature may
8 make other appropriations to the fund. The legislature may appropriate to the fund
9 income earned on money in the fund.

10 * **Sec. 3.** AS 37.05.146(c)(72) is amended to read:

11 (72) vehicle registration fees collected under AS 28.10.421(d) and
12 28.10.421(f) [AS 28.10.421] and other fees and charges collected under AS 28.10.441;

13 * **Sec. 4.** AS 37.14 is amended by adding new sections to read:

14 **Article 10. Transportation Infrastructure Fund.**

15 **Sec. 37.14.850. Transportation infrastructure fund.** (a) Under art. IX, sec.
16 18, Constitution of the State of Alaska, there is established the transportation
17 infrastructure fund. The fund consists of

18 (1) appropriations to the fund;

19 (2) revenue received after July 1, 2011, from any state tax on fuel used
20 for the propulsion of motor vehicles, aircraft, and watercraft, less refunds, credits, and
21 collection costs as provided by law; and

22 (3) revenue received after July 1, 2011, from a registration fee levied
23 for a motor vehicle that is not a special registration fee.

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

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

1 **Sec. 37.14.860. Use of the fund.** (a) On or before October 1 of each year, the
2 commissioner of revenue shall prepare a report for the legislature that identifies that
3 amount defined as six percent of the average of the market values of the assets of the
4 fund on June 30 for the five fiscal years immediately preceding the fiscal year in
5 which the report is prepared.

6 (b) The amount identified in (a) of this section is available for appropriation
7 for capital projects for transportation and related facilities. An appropriation from the
8 fund may not be made to a project for which federal money has been allocated unless
9 the appropriation is for matching money for the project and the amount of all
10 appropriations from the fund to match federal money does not exceed 10 percent of
11 the total amount available for appropriation from the fund.

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

15 (1) 80 percent of the appropriations from the fund may be used for
16 projects related to roads and surface transportation;

17 (2) 25 percent of the appropriations from the fund may be used for
18 projects related to aviation;

19 (3) 25 percent of the appropriations from the fund may be used for
20 projects related to the Alaska marine highway system;

21 (4) 20 percent of the appropriations from the fund may be used for
22 projects related to harbor facilities and state-owned marine facilities and for deposit
23 into the municipal harbor facility grant fund (AS 29.60.800);

24 (5) 20 percent of the appropriations from the fund may be used for
25 projects related to local community transportation and transit, with priority given to
26 projects in which community matching funds are available; and

27 (6) 15 percent of the appropriations from the fund may be used for
28 projects related to local service roads and trails.

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

of fair value.

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

Sec. 37.14.890. Transportation Infrastructure Fund Advisory Council. (a) The Transportation Infrastructure Fund Advisory Council is established and consists of 10 members as follows:

- (1) the chair of the House Transportation Committee;
- (2) the chair of the Senate Transportation Committee;
- (3) one legislator appointed by the speaker of the house of representatives;
- (4) one legislator appointed by the president of the senate;
- (5) three deputy commissioners of transportation and public facilities appointed by the commissioner of transportation and public facilities, or, if three deputy commissioners are not available, the commissioner's designees; and
- (6) three regional directors of the Department of Transportation and Public Facilities authorized under AS 44.42.040, appointed by the commissioner of transportation and public facilities.

(b) Of the legislative members of the council appointed under (a)(1) - (4) of this section,

- (1) each of two shall represent an election district that
 - (A) does not include a community with a population of 10,000 or more; or
 - (B) includes at least one community with a population of more than 10,000 and less than 20,000 that is not connected by road to Anchorage or Fairbanks; and
- (2) each of two shall represent an election district that is not described in paragraph (1) of this subsection.

(c) 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.

(d) 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. 5.** 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. 6.** 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. 7.** 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. 8. 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. 9. 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 or purchase vehicles to use alternative fuels 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 local public 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 and rural areas.

* **Sec. 10.** AS 44.62.175(a) is amended to read:

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

- (1) notices of proposed actions given under AS 44.62.190(a);
- (2) notices of state agency meetings required under AS 44.62.310(e), even if the meeting has been held;
- (3) notices of solicitations to bid issued under AS 36.30.130;
- (4) notices of state agency requests for proposals issued under AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; **and** AS 38.05.120 [; AND AS 43.40.010];
- (5) executive orders and administrative orders issued by the governor;
- (6) written delegations of authority made by the governor or the head of a principal department under AS 44.17.010;
- (7) the text or a summary of the text of a regulation or order of repeal of a regulation for which notice is given under AS 44.62.190(a), including an emergency regulation or repeal regardless of whether it has taken effect;
- (8) notices required by AS 44.62.245(b) regarding an amended version of a document or other material incorporated by reference in a regulation;
- (9) a summary of the text of recently issued formal opinions and memoranda of advice of the attorney general;
- (10) a list of vacancies on boards, commissions, and other bodies whose members are appointed by the governor; and
- (11) in accordance with AS 39.52.240(h), advisory opinions of the attorney general.

* **Sec. 11.** AS 43.40.010(f), 43.40.010(g), and 43.40.010(j) are repealed.

* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

1 TRANSITION. Notwithstanding AS 37.14.850 - 37.14.899, as enacted by sec. 4 of
2 this Act, the commissioner of revenue shall calculate average transportation infrastructure
3 fund values in the years 2012 through 2016 as follows:

4 (1) the commissioner of revenue shall prepare a report to the legislature on or
5 before October 1, 2011, identifying that amount defined as five percent of the market value of
6 the transportation infrastructure fund on July 1, 2011; the amount is available for
7 appropriation during the First Regular Session of the Twenty-Seventh Alaska State
8 Legislature under AS 37.14.860(b), enacted by sec. 4 of this Act;

9 (2) for average transportation infrastructure fund value calculations for 2012
10 through 2015, on or before October 1, 2012, and on or before October 1 in subsequent years
11 through October 2015, the commissioner of revenue shall prepare a report to the legislature
12 that identifies that amount defined as five percent of the average of the market values of the
13 assets of the transportation infrastructure fund on July 1, 2011, and on June 30 of each
14 subsequent year, as identified in the reports required by this paragraph; the amounts are
15 available for appropriation during the respective regular sessions of the Alaska State
16 Legislature under AS 37.14.860(b), enacted by sec. 4 of this Act.

17 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 CONTINGENCY. Except as to AS 44.42.020(a)(16), enacted by sec. 9 of this Act, the
20 provisions of this Act take effect only if an amendment to the Constitution of the State of
21 Alaska establishing the transportation infrastructure fund as a dedicated fund is approved by
22 the voters before July 1, 2011.

23 * **Sec. 14.** AS 44.42.020(a)(16), enacted by sec. 9 of this Act, takes effect immediately
24 under AS 01.10.070(c).

25 * **Sec. 15.** If, under sec. 13 of this Act, AS 44.42.020(a)(17), enacted by sec. 9 of this Act,
26 takes effect, it takes effect on the day following the date of certification of the results of the
27 2010 general election.

28 * **Sec. 16.** Except as provided in secs. 14 and 15 of this Act, if this Act takes effect under
29 sec. 13 of this Act, it takes effect July 1, 2011.