

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055

Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

SPONSOR STATEMENT House Bill 329

“An act relating to the transportation infrastructure fund, to local public transportation, to motor fuel taxes, and to the motor vehicle registration fee; and providing for an effective date.”

HB 329 will define the Alaska Transportation Infrastructure Fund (ATIF), how it will be funded and where the funds will be spent.

In FY10, 87% of our transportation budget came from the federal government. The current federal reauthorization legislation has already expired and is being extended month to month until new legislation can be passed. The new reauthorization bill is 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.

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 an amount that is guaranteed 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 an 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. These projects cost less and were completed earlier than they would have had they been done using the federal process.

HJR 42 will put a constitutional amendment before voters to change the Alaska constitution to allow a dedicated fund for Capital Transportation Projects. With

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055



Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON HOUSE DISTRICT 2

passage, HB 329 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 ATIF will be seeded with a \$1B endowment. In addition to the endowment ATIF will receive the revenue generated from fuel taxes and vehicle registrations. The Department of Revenue will be charged with administering the fund. Six percent of the market value (POMV) of the fund will be available for appropriation each year. ATIF is estimated to generate \$65-70M the first year and then grow by \$5-7M per year after that.

HB 329 will create a panel to evaluate the project submissions. The panel is comprised of eight members, including 4 legislators, 2 from each house that represent a rural and an urban district. The other 4 members of the panel will be the regional directors from DOT/PF and the commissioner or a designee.

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.

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

1. 60% of the funds may be used for roads and surface transportation,
2. 13 % may be used for aviation,
3. 12% may be used for the Alaska Marine Highway,
4. 8 % may be used for harbor facilities, state owned marine facilities and for deposit into the municipal harbor facility grant fund,
5. 5% may be used for local community transportation and transit.
6. 2% may be used for trails and bike-paths.

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.