

ALASKA STATE LEGISLATURE

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Session:
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REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 33

SPONSOR STATEMENT House Bill 123

“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 123 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 the public will see projects completed faster than the 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 FY14, 79% of our capital transportation budget will come from the federal government. The Federal Government passed a new, two year highway program, MAP-21. The good news is that the overall federal-aid funding remains consistent with SAFETEA-LU, the previous program. However, the amount of funding for roads not on the National Highway System (NHS) has been cut by about 50%. We will see a lot less funding for our borough and city roads. The categories of funding have been reduced and they are much more restrictive. 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 10 will put an initiative before the voters to change the Alaska State Constitution to re-instate a dedicated fund for Transportation Projects. With passage of the initiative, HB 123 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.

In addition to potential endowments, ATIF will receive the revenue generated from fuel taxes, vehicle registrations, driver’s license and identification card fees, all tire taxes, 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, five 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.

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HB 123 establishes a two-step, two-panel advisory process to direct project priorities for spending from the fund. All final project selection and funding decisions remain with the legislature and the governor in the capital budget. The bill creates the "Alaska Transportation Panel" (ATP) that would recommend whether a project should be funded through the existing State Transportation Integrated Plan (STIP) process administered by the Department of Transportation (DOT) that leverages federal funds that come with strings, or be considered for construction with ATIF money using state standards and procedures.

The seven-member ATP would have 5 public members appointed by the governor, the DOT Commissioner and a member of the department's internal STIP board. The public representation on the panel includes one member from Anchorage Area, one member from Fairbanks area and 2 rural members, one coastal and one interior. The fifth public member is from the Alaska Infrastructure Commission (AIC) described below.

The AIC is a nine-member group that includes two non-voting legislative members. The voting members are the DOT Commissioner, 4 public members, one from each of judicial district, and 2 at large members. Each of the members will have expertise in at least one mode of transportation. All members of both entities, AIC and ATP, will serve staggered 4 year terms.

The AIC will prioritize projects recommended by the ATP based solely on statewide priorities and need.

The AIC's recommendations on projects and funding levels are due to the governor and legislature by each October 15.

The funds will be used for projects relating to

1. roads and surface transportation both state and municipal,
2. aviation,
3. Alaska Marine Highway,
4. harbor facilities, state owned marine facilities and for deposit into the municipal harbor facility grant fund,
5. local community transportation and transit,
6. trails and bike-paths,
7. railroads

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.