

HOUSE BILL NO. 401

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE DAVIES

Introduced: 2/11/02

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the motor fuel tax levied and collected on motor vehicles and on**
2 **certain fuel for internal combustion engines not used in or in conjunction with a motor**
3 **vehicle; directing separate accounting of amounts derived from motor vehicle licensing,**
4 **registration, and transfers and related activities; authorizing the appropriation of the**
5 **proceeds of the motor fuel tax on motor vehicles and the amounts separately accounted**
6 **for in the special highway fuel tax account to meet the costs of activities relating to**
7 **motor vehicle licensing and registration and for the uses identified in the law**
8 **establishing the account; and providing for an effective date."**

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

10 *** Section 1.** AS 28.10 is amended by adding a new section to read:

11 **Sec. 28.10.595. Separate accounting.** Except as to the proceeds of fees for
12 which a different form of accounting and disposition is otherwise specifically provided

1 in this chapter,

2 (1) the fees collected by the department under this chapter shall be
3 deposited in the special highway fuel tax account in the state general fund described in
4 AS 43.40.010(g); and

5 (2) the legislature may appropriate the annual estimated balance of the
6 funds from the special highway fuel tax account for the purposes described in
7 AS 43.40.010(g).

8 * **Sec. 2.** AS 43.40.010(g) is amended to read:

9 (g) The proceeds of the revenue from the tax on all motor fuels, except as
10 provided in (e), (f), and (j) of this section, shall be deposited in a special highway fuel
11 tax account in the state general fund. The legislature may appropriate **the annual**
12 **estimated balance of the** funds from **the account** [IT] for **(1) the annual operating**
13 **costs for the operating division or unit in the Department of Administration that**
14 **has the duties and responsibilities described in AS 28.05.011(b)(1) - (7), including**
15 **registration, titling, and transfer of motor vehicles; and (2)** expenditure by the
16 Department of Transportation and Public Facilities directly or as matched with
17 available federal-aid highway money for maintenance of highways, construction of
18 highway projects and ferries included in the program provided for in AS 19.10.150,
19 including approaches, appurtenances and related facilities and acquisition of rights-of-
20 way or easements, and other highway costs including surveys, administration, and
21 related matters. All departments of the state government authorized to spend funds
22 collected from taxes imposed by this chapter shall perform, when feasible, all
23 construction or reconstruction projects by contract after the projects have been
24 advertised for competitive bids, except that, when feasible, arrangements shall be
25 made with political subdivisions to carry out the construction or reconstruction
26 projects. If it is not feasible for the work to be performed by state engineering forces,
27 the commissioner of transportation and public facilities may contract on a professional
28 basis with private engineering firms for road design, bridge design, and services in
29 connection with surveys. If more than one private engineering firm is available for the
30 work, the contracts shall be entered into on a negotiated basis.

31 * **Sec. 3.** AS 43.40.010 is amended by adding a new subsection to read:

1 (m) In addition to the tax on motor fuel levied under (a) and (b) of this section,
2 there is levied an additional tax of 10 cents a gallon on all motor fuel sold or otherwise
3 transferred within the state or consumed by a user. The levy made by this subsection
4 does not apply to motor fuel described in (a)(1) - (3) or to motor fuel described in
5 (b)(1) - (3) of this section.

6 * **Sec. 4.** AS 43.40.030(a) is amended to read:

7 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to
8 operate an internal combustion engine is entitled to a refund of 16 [SIX] cents a gallon
9 if

10 (1) the tax on the motor fuel has been paid;

11 (2) the motor fuel is not aviation fuel, or motor fuel used in or on
12 watercraft; and

13 (3) the internal combustion engine is not used in or in conjunction with
14 a motor vehicle licensed to be operated on public ways.

15 * **Sec. 5.** This Act takes effect July 1, 2002.