

**HOUSE BILL NO. 329**

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

**BY THE HOUSE TRANSPORTATION COMMITTEE**

**Introduced: 2/5/10**

**Referred: Transportation, Finance**

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

7 LEGISLATIVE INTENT. It is the intent of the legislature that \$1,000,000,000 be  
8 appropriated to the transportation infrastructure fund on establishment of the fund.

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

10 (g) The fees collected by the department under **(b), (c), (e), (h), and (i) of** this  
11 section shall be deposited in the **transportation infrastructure fund established in**  
12 **art. IX, sec. 18, Constitution of the State of Alaska. The fees collected by the**  
13 **department under (d) and (f) of this section shall be deposited into the** general  
14 fund. The Department of Administration shall separately account for three percent of

1 the fees collected under **(d) and (f) of** this section and deposited in the general fund.  
 2 The annual estimated balance in the account may be used by the legislature to make  
 3 appropriations for administration of AS 28.10.021(a) and AS 28.22 (Alaska  
 4 Mandatory Automobile Insurance Act).

5 \* **Sec. 3.** AS 29.60.800(a) is amended to read:

6 (a) There is established the municipal harbor facility grant fund consisting of  
 7 money appropriated to the fund. Each fiscal year, the legislature may appropriate  
 8 money to the fund from [THE WATERCRAFT FUEL TAX ACCOUNT  
 9 (AS 43.40.010(f)) AND FROM] the fisheries business tax collected under  
 10 AS 43.75.015 after payments to municipalities are made under AS 43.75.130. The  
 11 legislature may make other appropriations to the fund. The legislature may appropriate  
 12 to the fund income earned on money in the fund.

13 \* **Sec. 4.** AS 37.05.146(c)(72) is amended to read:

14 (72) vehicle registration fees collected under **AS 28.10.421(d) and**  
 15 **28.10.421(f)** [AS 28.10.421] and other fees and charges collected under AS 28.10.441;

16 \* **Sec. 5.** AS 37.14 is amended by adding new sections to read:

17 **Article 10. Transportation Infrastructure Fund.**

18 **Sec. 37.14.850. Transportation infrastructure fund.** (a) Under art. IX, sec.  
 19 18, Constitution of the State of Alaska, there is established the transportation  
 20 infrastructure fund. The fund consists of

- 21 (1) appropriations to the fund;  
 22 (2) revenue received after April 1, 2011, from any state tax on fuel  
 23 used for the propulsion of motor vehicles, aircraft, and watercraft, less refunds, credits,  
 24 and collection costs as provided by law; and  
 25 (3) revenue received after April 1, 2011, from a registration fee levied  
 26 for a motor vehicle that is not a special registration fee.

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

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

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

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

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

18 (1) 60 percent of the appropriations from the fund may be used for  
19 projects related to roads and surface transportation;

20 (2) 13 percent of the appropriations from the fund may be used for  
21 projects related to aviation;

22 (3) 12 percent of the appropriations from the fund may be used for  
23 projects related to the Alaska marine highway system;

24 (4) eight percent of the appropriations from the fund may be used for  
25 projects related to harbor facilities and state-owned marine facilities and for deposit  
26 into the municipal harbor facility grant fund (AS 29.60.800);

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

30 (6) two percent of the appropriations from the fund may be used for  
31 projects related to local service roads and trails.

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

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

11           **Sec. 37.14.890. Transportation Infrastructure Fund Advisory Council.** (a)  
12 The Transportation Infrastructure Fund Advisory Council is established and consists  
13 of eight members as follows:

- 14                           (1) the chair of the House Transportation Committee;  
15                           (2) the chair of the Senate Transportation Committee;  
16                           (3) one legislator appointed by the chair of the House Transportation  
17 Committee;  
18                           (4) one legislator appointed by the chair of the Senate Transportation  
19 Committee;  
20                           (5) the commissioner of transportation and public facilities; and  
21                           (6) three regional directors of the Department of Transportation and  
22 Public Facilities authorized under AS 44.42.040, appointed by the commissioner of  
23 transportation and public facilities.

24           (b) Two of the legislative members of the council under (a)(1) - (4) of this  
25 section shall represent a rural area and two shall represent an urban area.

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

29           (d) Using the criteria developed by the Department of Transportation and  
30 Public Facilities under AS 44.42.020(a)(17), the advisory council shall submit a report  
31 to the legislature not later than December 31 of each year making recommendations

1 regarding what capital projects for transportation and related facilities should be  
2 funded by the legislature from the fund.

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

6 \* **Sec. 6.** AS 43.40.010(e) is amended to read:

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

16 \* **Sec. 7.** AS 43.40.010(h) is amended to read:

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

24 \* **Sec. 8.** AS 43.40.030(a) is amended to read:

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

- 28 (1) the tax on the motor fuel has been paid;
- 29 (2) the motor fuel is not aviation fuel, or motor fuel used in or on  
30 watercraft; and
- 31 (3) the internal combustion engine is not used in or in conjunction with

1 a motor vehicle licensed to be operated on public ways.

2 \* **Sec. 9.** AS 43.40.070 is amended to read:

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

8 \* **Sec. 10.** AS 44.42.020(a) is amended to read:

9 (a) The department shall

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

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

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

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

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

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

26 (7) manage, operate, and maintain state transportation facilities and all  
27 docks, floats, breakwaters, and buildings, including all state highways, vessels,  
28 railroads, pipelines, airports, and aviation facilities;

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

31 (9) coordinate and develop state and regional transportation systems,

1 considering deletions, additions, and the absence of alterations;

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

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

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

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

18 (14) inspect weights and measures;

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

22 **(16) promote and support methods or modes of local public**  
23 **transportation serving persons in various regions of the state;**

24 **(17) develop criteria for determining eligibility of projects for**  
25 **funding and for evaluating projects for funding from the transportation**  
26 **infrastructure fund that provide for a statewide balance of projects in both urban**  
27 **and rural areas.**

28 \* **Sec. 11.** AS 44.62.175(a) is amended to read:

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

1 agencies. The Alaska Online Public Notice System must include

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

23 \* **Sec. 12.** AS 43.40.010(f), 43.40.010(g), and 43.40.010(j) are repealed.

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

26 TRANSITION. Notwithstanding AS 37.14.850 - 37.14.899, as enacted by sec. 5 of  
27 this Act, the commissioner of revenue shall calculate average transportation infrastructure  
28 fund values in the years 2012 through 2016 as follows:

- 29 (1) the commissioner of revenue shall prepare a report to the legislature on or  
30 before October 1, 2011, identifying that amount defined as five percent of the market value of  
31 the transportation infrastructure fund on July 1, 2011; the amount is available for

1 appropriation during the First Regular Session of the Twenty-Seventh Alaska State  
2 Legislature under AS 37.14.860(b), enacted by sec. 5 of this Act;

3 (2) for average transportation infrastructure fund value calculations for 2012  
4 through 2015, on or before October 1, 2012, and on or before October 1 in subsequent years  
5 through October 2015, the commissioner of revenue shall prepare a report to the legislature  
6 that identifies that amount defined as five percent of the average of the market values of the  
7 assets of the transportation infrastructure fund on July 1, 2011, and on June 30 of each  
8 subsequent year, as identified in the reports required by this paragraph; the amounts are  
9 available for appropriation during the respective regular sessions of the Alaska State  
10 Legislature under AS 37.14.860(b), enacted by sec. 5 of this Act.

11 \* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 CONTINGENCY. Except as to AS 44.42.020(a)(16), enacted by sec. 10 of this Act,  
14 the provisions of this Act take effect only if an amendment to the Constitution of the State of  
15 Alaska establishing the transportation infrastructure fund as a dedicated fund is approved by  
16 the voters before April 1, 2011.

17 \* **Sec. 15.** AS 44.42.020(a)(16), enacted by sec. 10 of this Act, takes effect immediately  
18 under AS 01.10.070(c).

19 \* **Sec. 16.** Except as provided in sec. 15 of this Act, if this Act takes effect under sec. 14 of  
20 this Act, it takes effect April 1, 2011.