

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

March 9, 2010

1:07 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Craig Johnson, Vice Chair
Representative Kyle Johansen
Representative Cathy Engstrom Munoz
Representative Tammie Wilson
Representative Max Gruenberg
Representative Pete Petersen

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 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."

- MOVED CSHB 329(TRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 329

SHORT TITLE: DEDICATED TRANSPORT FUND/PUB TRANSPORT

SPONSOR(S): TRANSPORTATION

02/05/10	(H)	READ THE FIRST TIME - REFERRALS
02/05/10	(H)	TRA, FIN
02/09/10	(H)	TRA AT 1:00 PM CAPITOL 17
02/09/10	(H)	Heard & Held
02/09/10	(H)	MINUTE(TRA)
02/11/10	(H)	TRA AT 1:00 PM CAPITOL 17
02/11/10	(H)	Heard & Held
02/11/10	(H)	MINUTE(TRA)
02/18/10	(H)	TRA AT 1:00 PM BUTROVICH 205
02/18/10	(H)	Heard & Held
02/18/10	(H)	MINUTE(TRA)
02/25/10	(H)	TRA AT 1:00 PM CAPITOL 17

02/25/10 (H) Heard & Held
02/25/10 (H) MINUTE(TRA)
03/09/10 (H) TRA AT 1:00 PM CAPITOL 17

WITNESS REGISTER

REBECCA ROONEY
Staff, Representative Peggy Wilson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the changes contained in Version D on behalf of the prime sponsor.

AVES THOMPSON, Executive Director
Alaska Trucking Association
Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HB 329.

MIKE GAULT
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 329.

COLLEEN SOBERAY
CH2M Hill
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 329.

MICHAEL MILLER
Granite Construction Company
Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HB 329.

REBECCA LOGAN, President
Associated Builders and Contractors of Alaska (ABC Alaska)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 329.

WHITNEY BREWSTER, Director
Division of Motor Vehicles (DMV)
Department of Administration (DOA)
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 329.

ACTION NARRATIVE

[1:07:19 PM](#)

CHAIR PEGGY WILSON called the House Transportation Standing Committee meeting to order at 1:07 p.m. Representatives P. Wilson, Gruenberg, Johnson, Munoz, and Petersen were present at the call to order. Representatives Johansen and T. Wilson arrived as the meeting was in progress.

[1:07:29 PM](#)

HB 329-DEDICATED TRANSPORT FUND/PUB TRANSPORT

[1:08:23 PM](#)

CHAIR P. WILSON announced that the only order of business would be HOUSE BILL NO. 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."

CHAIR P. WILSON stated several hearings have been held on HB 329 and a new committee substitute has been developed that incorporates many of the changes that the committee suggested.

[1:08:41 PM](#)

REPRESENTATIVE JOHNSON moved to adopt the proposed Committee Substitute for HB 329 labeled 26-LS-1307\D, Kane, 3/5/10, as the working document. There being no objection, Version D was before the committee.

REPRESENTATIVE JOHNSON objected for the purpose of discussion.

[1:08:55 PM](#)

REBECCA ROONEY, Staff, Representative Peggy Wilson, Alaska State Legislature, on behalf of the sponsor, explained three major changes contained in Version D. She referred members to page 3, lines 8-9, which would allow the appropriation of 50 percent of the revenues deposited to the proposed dedicated transportation fund (ATIF) to be spent each year in addition to the percent of market value (POMV). This paragraph was changed to increase the available appropriation annually to allow for bigger projects or a greater number of projects funded in any given year. Additionally, this provision was added in case the proposed ATIF was not seeded with the anticipated \$1 billion to capitalize the fund.

[1:10:18 PM](#)

MS. ROONEY referred to a spreadsheet in members' packets dated 3/9/2010 titled, "Appropriation Estimates Spreadsheet." She indicated the spreadsheet was prepared by the Department of Revenue (DOR). She directed members to Scenario 2, and the column labeled "Yearly Approp" which projects appropriations from the proposed dedicated transportation fund based on Version K of HB 329. The last column on the right, labeled "Total Approp" lists the projected appropriation with the additional revenue available each year. It is not mandatory to appropriate all available funds each year so the legislature has the option to retain the funds. She referred members to the ending balances listed in the two scenarios. She pointed out that the ending balance in Scenario 1, which was based on Version D lists \$900 million more than Scenario 2, which was based on Version K. She explained the difference in the amounts represents the tradeoff of completing more projects within the 20-year timeframe.

[1:11:46 PM](#)

MS. ROONEY referred to page 4, lines 13-14, which would allow the appropriations from the proposed ATIF to be used for the operating costs of Division of Motor Vehicles (DMV). She noted a mistake in the percentage listed in Version D, which reads one percent but should be three percent. Thus, an amendment will be offered for committee consideration. She remarked that during this hearing someone from DMV will discuss the DMV figures.

[1:13:10 PM](#)

MS. ROONEY referred to page 4, lines 28-31, and page 5, lines 16-18, to the composition of the proposed Alaska Transportation Infrastructure Fund Advisory Council (ATIFAC). She explained that Version D would change the composition of the proposed ATIFAC to 12 members, including 2 legislative members, the House and Senate Transportation Committee Chairs; 6 DOT&PF members, the three regional DOT&PF directors, three DOT&PF deputy commissioners, and would add 4 public members, one from each of the four judicial districts. The public member appointees would be required to have substantial knowledge of transportation issues and a familiarity with all transportation modes. The public members would be appointed by the governor and serve staggered terms.

[1:14:42 PM](#)

REPRESENTATIVE JOHNSON asked for a definition of extensive experience and substantial knowledge.

MS. ROONEY said it was a "squishy" term at this point.

REPRESENTATIVE JOHNSON asked whether the committee could develop a better definition.

MS. ROONEY explained that the language was modeled after the definition Pennsylvania used for selecting members to serve on its transportation commission. She offered to continue to work on the definition.

REPRESENTATIVE JOHNSON asked what experience a person would need to qualify to serve as a public member in the Pennsylvania model.

MS. ROONEY offered that Pennsylvania board members had varied experience, ranging from serving on business boards, as owner or operators of major transportation companies, or specific job training or experience related to transportation.

CHAIR P. WILSON commented that public members on the ATIFAC would need to have extensive experience and knowledge in the field of transportation or transportation of people and goods. She stated the goal of acquiring public members with experience that relates to transportation, airplanes, or ferries.

REPRESENTATIVE JOHNSON expressed concern over the term "extensive experience" as he was not certain what that term meant. He stated that if the term works in the state of Pennsylvania, it should also work in Alaska. He envisioned that if two people applied to serve on the ATIFAC, it is likely that the most experienced person would likely be selected.

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REPRESENTATIVE MUNOZ referred to page 2, line 19 to the state tax on fuel, and asked whether Version D would return a percentage of revenue to municipal airports.

MS. ROONEY answered that Version D allows for the aircraft fuel tax to be returned to the airports.

REPRESENTATIVE MUNOZ related her understanding that unless there is an exception this paragraph would pertain to all aircraft tax so it may be necessary to specify the tax that will be returned.

MS. ROONEY related that municipal airports would still receive 60 percent of aviation tax. She offered to ask the bill drafter for additional information on the aviation taxes.

CHAIR P. WILSON recalled that a certain percentage is already passed on to municipalities.

REPRESENTATIVE MUNOZ offered her belief that the language in Version D encompasses all taxes on aircraft, unless another provision addresses aircraft tax.

MS. ROONEY referred to page 2, line 20, and suggested that the aircraft tax might be covered under the specific language "less refunds."

REPRESENTATIVE JOHNSON related that this language is limited to the fuel tax and not passenger facility charges (PFC), landing fees, or other revenue sources at airports.

REPRESENTATIVE MUNOZ, in response to Ms. Rooney, thanked her for noting the location that addresses aviation tax in Section 5, page 5, line 32 of Version D.

[1:20:26 PM](#)

AVES THOMPSON, Executive Director, Alaska Trucking Association, read his testimony as follows [original punctuation provided]:

Thank you. Madame Chair and members of the committee, I am Aves Thompson, Executive Director of the Alaska Trucking Association. The Alaska Trucking Association is a state wide organization representing the interests of our nearly 200 member companies from Barrow to Ketchikan. Freight movement represents a large chunk of our economy and impacts all of us each and every day. The simple truth is that "if you got it, a truck brought it."

One of the priorities of the Alaska Trucking Association has been a state funded capital projects program as federal funding is very likely to decrease to a point where it will no longer meet Alaska's

transportation infrastructure needs. Alaska needs to invest our dollars in our transportation system.

We believe that HB329 goes a long way to setting the stage for a robust state funded capital projects program that will benefit all motorists as well as other users of other transportation modes.

As the largest payer of the motor fuel tax, the trucking industry is glad to see an effort to devote these user fees to the improvement and expansion of our state highway system infrastructure. As an association, we have supported fuel tax increase proposals in the past, provided they are dedicated to the highway system.

We understand that some changes will be made to the makeup of the ATIF Advisory Board and are hopeful that one of the members of that board will be from the trucking industry. We are also hopeful that this system will tend to de-politicize the decision making process.

One additional concern is that there may be a tendency to look to this fund to support more and more of the state expenditures on our highway system. We are hopeful that the ATIF appropriations will provide additional funding as General Fund appropriations continue to support a robust state capital projects program. Simply put, if the ATIF is not an add on, it won't accomplish its' purpose.

We believe the Transportation Infrastructure Fund has the potential to supplement existing programs. Thank you.

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CHAIR P. WILSON remarked that Mr. Thompson has presented a good reason to consider adding someone from the trucking association.

REPRESENTATIVE JOHNSON asked whether a designee from the trucking industry should be added, and if so, for guidance on a definition to identify the trucking representative.

MR. THOMPSON agreed that the ATA would feel comfortable with someone from the trucking industry to serve on the ATIFAC. He suggested selecting a person from the motor carrier side of the trucking industry, such as someone working with a major trucking organization that operates on the statewide highway system.

REPRESENTATIVE JOHNSON offered the language might read a representative from the ATA or their designee, as selected by the ATA.

MR. THOMPSON agreed.

[1:26:08 PM](#)

MIKE GAULT explained that he is representing himself, although he has 32 years of experience working in the highway construction industry. He related that he has 20 years of experience as a senior project engineer for the Central Region of DOT&PF. He expressed his support for HB 329. He pointed out that state-funded projects are less restrictive than federally funded projects. Thus, the trend has been to use state funds whenever possible on DOT&PF projects. He advocated for a dedicated fuel tax for automotive and aviation fuel tax to fund the proposed ATIF. He suggested that the proposed ATIF should also be used for maintenance and not just for construction of capital projects.

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CHAIR P. WILSON responded that the bill would deposit the motor fuel taxes and vehicle registration fees to the proposed ATIF, after some uses currently provided for are covered.

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COLLEEN SOBERAY, CH2M Hill, offered her company's support for HB 329. She offered his belief that HB 329 will augment transportation funding needs while allowing the state better control of projects. Federal funds are often necessary, but come with stringent requirements that significantly delay completion of projects. Additionally, federal dollars are declining in Alaska. She explained that she attends several out-of-state transportation conferences per year. Last year, other states were "pointing the finger" at Alaska's federal funding match compared to higher populous states. It was clear to her there will be vocal opposition to continue high levels of federal funding to Alaska. Still, a large gap exists between

Alaska's transportation needs and funding for projects. She predicted that the gap will continue to grow. She asked how the legislature will be able to address the growing gap in the future. Transportation investment has been proven to be an economic driver and a competitive advantage for states. Times have changed, she said. Alaska prides itself in being "doers" and "an owner state." Alaska is at a crossroads that requires it to be creative and proactive with funding initiatives. This bill represents proactive government and addresses multi-modal transportation needs. Studies have shown that transportation systems can help or hinder local economies. The ATIF is about jobs and economies. The DOT&PF has about 3,400 employees as compared to more than 71,000 transportation industry-related jobs in Alaska, including jobs in the trucking industry. She said, "I trust the legislature will finalize this bill, providing for the details of the fund, control of the fund, and appropriations of the fund." She urged members to support the bill.

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MICHAEL MILLER, Granite Construction Company, stated that he has worked in the construction industry for almost 37 years. He has served as the past-president of the Associated General Contractors of Alaska (AGC) as well as a member of the national AGC's Western Association of State and Highway Transportation Official's Committee. This bill recognizes the future, he stated. Alaska can no longer characterize itself as "small, poor, and remote." The Federal Highway Trust Fund is in jeopardy and the new reauthorization will not be friendly to rural states. Passing this bill is "a smart thing to do. It's forward looking. It will create jobs and will benefit the state's economy many times over." He suggested the committee review the Alaska Municipal League's study January 2010, Alaska Transportation Finance Study to obtain additional ideas.

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REBECCA LOGAN, President, Associated Builders and Contractors of Alaska (ABC Alaska), related that ABC Alaska supports HB 329 since it creates the opportunity to depoliticize the decisions surrounding transportation projects. Additionally, this bill would create a dedicated funding stream for transportation projects, contains a strong element of planning for the future, and establishes criteria for selecting projects. She suggested when selecting four public members to serve on the ATIFAC that someone should be selected who has a construction background on

large infrastructure projects. She emphasized that firms that work on the larger projects should participate by serving on the ATIFAC.

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CHAIR P. WILSON, after first determining no one else wished to testify, closed public testimony on HB 329.

[1:37:14 PM](#)

CHAIR P. WILSON referred to page 4, line 13, to an amendment in members' packets.

[1:38:26 PM](#)

REPRESENTATIVE JOHNSON made a motion to adopt Amendment 1, labeled 26-LS1307\D.1, Kane, 3/9/10, which read:

Page 4, line 13:
Delete "one"
Insert "three"

REPRESENTATIVE JOHANSEN objected for the purpose of discussion.

[1:38:42 PM](#)

REPRESENTATIVE JOHANSEN expressed concern with the allocation listed in HB 329. He said he thought that placing the language in statute may "tie the hands of the legislature" as the appropriating body. He remarked that he did not wish to hold up the bill. He then removed his objection.

CHAIR P. WILSON explained that Amendment 1 would affect subsection (d) which read, "Not more than one percent..." Thus, Amendment 1 would allow up to three percent to be appropriated for the operating costs of the DMV. Additionally, Amendment 1 would actually limit the amount that can be spent and the DMV would still need to justify its operating costs through the budget process.

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REPRESENTATIVE JOHNSON referred to page 3, line 19, to language that read "80 percent of the appropriations from the fund may be used..." He pointed out that it does not read "must be used," which gives the department the flexibility to use up to 80

percent. However, the language does not require the legislature to appropriate the entire 80 percent. He said he understood Representative Johansen's concern, but thought this language may "soften it a little bit."

REPRESENTATIVE JOHANSEN maintained his concern that the bill caps the percentage, which may dictate how much can be appropriated for each transportation mode.

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REPRESENTATIVE GRUENBERG also expressed concern. He said, "Either authorizing or appropriating, there is only such a big pie." He mentioned that one percent or three percent may not seem like a lot, but he shared the concern that the allocation is over 100 percent.

[1:43:02 PM](#)

WHITNEY BREWSTER, Director, Division of Motor Vehicles (DMV), Department of Administration (DOA), explained the DMV's operating and capital expenditures. The DMV's operating funds are funded through receipt supported services (RSS), which means the DMV "lives off" its receipts and surpluses are deposited to the general fund (GF). The DMV goes through the normal budgetary process and the legislature authorizes its expenditures, but the funding source is from RSS. She referred the committee to a spreadsheet in members' packets titled, "Division of Motor Vehicles, Revenues, and Expenditures." She explained the DMV funding process by referring members to FY 11, to the projected revenues of \$64,356,300. She stated that roughly \$12 million is currently collected on behalf of other entities, such as the Motor Vehicle Registration Tax which is collected for local cities. She remarked that \$37,415,900 represents the vehicle registration fees collected, which is designated for the ATIF. The remaining revenue is derived from fees collected, including from drivers' licenses, license plates, identification cards, specialty vehicle plates, and motor vehicle titles. The DMV currently retains a certain portion of the Motor Vehicle Registration Tax for its operations. She turned to the DMV Expenditures, which identifies the RSS operating expenses for FY 11 at \$16,286,000.

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MS. BREWSTER related that since the DMV collects less than the anticipated fees collected, it will have shortfalls. The DMV

advocates for enough funds to operate the DMV. She anticipated that the three percent appropriation under consideration in Amendment 1 would likely be sufficient for FY 2012. However, she projected a shortfall would exist for the DMV, which could result in the DMV require supplemental funding since two-thirds of the DMV's budget covers personal services. She estimated that in FY 10, a potential shortfall exists in the amount of \$9.2 million. She offered the DMV's support for the bill but expressed concern over that the bill caps the percentage of the appropriation to cover the DMV's operating expenses.

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CHAIR P. WILSON recalled earlier discussions on this matter. She related that the next committee of referral is the House Finance Standing committee, which would be an appropriate committee to review the budgetary impact for the DMV.

[1:49:02 PM](#)

REPRESENTATIVE JOHNSON inquired as to whether the DMV projected a \$9 million deficit in 10 years.

MS. BREWSTER agreed with the projected deficit amount.

REPRESENTATIVE JOHNSON asked what percentage was used to project the \$9 million deficit.

MS. BREWSTER answered that the figure used was a three percent increase per year. She explained that the DMV attempts to contain its costs, but with two-thirds of its budget consisting of personal services, the DMV does not have much control.

REPRESENTATIVE JOHNSON asked whether the DMV submitted a ten-year plan to the finance committee.

MS. BREWSTER said she was not certain. She offered to follow-up after the meeting. She stated that the three percent used represented an estimate.

REPRESENTATIVE JOHNSON expressed interest in the DMV's projected budget.

MS. BREWSTER offered to provide the budget documents. She remarked that the DMV requested a budget decrement this year and the DMV is conscious of its budget and "pays close attention" to costs.

[1:51:11 PM](#)

REPRESENTATIVE JOHANSEN referred to FY 11 and projected revenues of \$64 million on the DMV's spreadsheet. He commented that \$12 million is collected on behalf of other entities and \$37 million would be deposited into the proposed ATIF.

MS. BREWSTER answered yes, that \$37 million would be deposited to the ATIF.

[1:52:03 PM](#)

REPRESENTATIVE JOHANSEN asked if the DMV would have \$14.9 million remaining in revenue, but anticipated \$26 million in expenditures.

MS. BREWSTER responded that the DMV's operating costs are projected at \$16.2 million in RSS, but adding in the anticipated capital expenditures, the total expenditures for FY 11 are anticipated at \$26 million and revenues of \$14.9 million.

CHAIR P. WILSON pointed out that the fiscal note reflects \$2.5 million per year for FY 2011-FY 2016.

MS. BREWSTER, in response to Representative Johansen, stated that the \$37 million in fees collected by the DMV are deposited to the state's general fund.

REPRESENTATIVE JOHANSEN commented that currently the DMV is a "money maker."

MS. BREWSTER answered yes.

There being no further objection, Amendment 1 passed.

[1:54:58 PM](#)

The committee took an at-ease from 1:54 p.m. to 1:55 p.m.

[1:55:45 PM](#)

REPRESENTATIVE GRUENBERG asked whether the committee would like to set out maximum percentages for allocation to transportation modes or leave the categories listed but to not assign any percentages. For example, he expressed interest in increases to public transportation in his district. He restated that the

committee could list transportation categories, but not assign percentages.

REPRESENTATIVE JOHANSEN related that he would be comfortable moving the bill on to the House Finance Standing Committee to work on the allocation issue.

CHAIR P. WILSON recalled during public testimony the Alaska Trucking Association (ATA) and major construction industry representatives asked for participation on the ATIFAC. She referred to page 5 to the composition of ATIFAC, which she offered as a substantive rather than financial consideration.

REPRESENTATIVE JOHANSEN agreed.

REPRESENTATIVE GRUENBERG asked to discuss percentages of allocation.

CHAIR P. WILSON asked to first consider the composition of the ATIFAC.

[1:59:43 PM](#)

REPRESENTATIVE T. WILSON related that the proposed four public members could accommodate the ATA and construction industry participation. She said she thought the current proposed ATIFAC is good.

REPRESENTATIVE JOHANSEN agreed. He said he thought that many user groups would be interested in participating and the four public members should suffice.

REPRESENTATIVE JOHNSON offered his belief that it would be a good idea to have the two additional user groups serve on the proposed ATIFAC.

CHAIR P. WILSON asked for the committee's interest in the ATIFAC.

[2:01:49 PM](#)

REPRESENTATIVE JOHNSON offered Conceptual Amendment 2 to add one member of Alaska Trucking Association and a member of the construction industry that works on infrastructure to serve on the proposed ATIFAC.

REPRESENTATIVE JOHANSEN objected.

REPRESENTATIVE T. WILSON pointed out that the public member appointments would be made by the governor. She speculated that the state's overall needs may change. She suggested the committee not specifically assign the public members to sectors, and simply allow the appointment process to work.

[2:03:32 PM](#)

REPRESENTATIVE JOHNSON related that one member of the ATIFAC should be an ATA member who uses the road on a daily basis, but the construction of the infrastructure position could be a person who works for the AMHS or the Ketchikan shipyard. He did not envision the transportation infrastructure designee would exclude anyone involved in major transportation issues. Designating someone who works on major infrastructure places someone actively involved in transportation construction on the ATIFAC, he stated. He said he thought that person would bring extensive knowledge to the process.

REPRESENTATIVE PETERSEN pointed out that 12 members on the proposed ATIFAC would likely bring a wide variety of backgrounds to the council. He also agreed it was not necessary to specify individuals from transportation sectors to serve as public members.

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REPRESENTATIVE JOHNSON withdrew Conceptual Amendment 2. He maintained that his concern is primarily over the "extensive experience" language in the bill.

REPRESENTATIVE JOHNSON expressed concern about the two members of the legislature being appointed to an administrative body. He reported his own experience with the AMATS. He recalled a suggestion at a prior meeting.

REPRESENTATIVE JOHANSEN made a motion to adopt Conceptual Amendment 3, on page 4, lines 29-30, that the two proposed legislative members selected to serve on the ATIFAC be severable from the bill. He stated that he did not want the entire bill to "go down" if the membership participation is found to be unconstitutional.

REPRESENTATIVE T. WILSON objected.

REPRESENTATIVE GRUENBERG explained severability clauses. He stated current statutes contains a general severability clause, for example, if any provision in a bill is unconstitutional, the presumption is the rest of the bill would not be considered unconstitutional. He further stated that separate severability language would rarely be put in the bill itself, although it could be included. He said he did not have an issue in doing so, but normally severability would apply to the entire bill. He asked whether Representative Johnson's intent was that the severability would apply only to the specific ATIFAC provision.

REPRESENTATIVE JOHNSON responded that his specific concern surrounds the history of legislators being removed from boards due to the separation of powers issue. He did not object to the severability clause applying to the whole bill. However, he wanted to be clear that he did not wish HB 329 to "go down" if the legislature appointments to the ATIFAC were found to be unconstitutional.

[2:09:01 PM](#)

REPRESENTATIVE GRUENBERG suggested other constitutional issues could arise. He offered his belief that Representative Johnson would like a severability clause added at the end of the bill.

REPRESENTATIVE JOHNSON pointed out that Conceptual Amendment 3 conceptual so it would be up to the bill drafter to decide the specific placement.

REPRESENTATIVE GRUENBERG restated that normally a separate section would add a severability clause.

[2:10:13 PM](#)

REPRESENTATIVE PETERSEN recalled the possibility of making the chairs of the House and Senate Transportation committees as non-voting members on the proposed ATIFAC and asked whether that could solve the problem.

REPRESENTATIVE JOHNSON reported that he previously was appointed as a non-voting member serving on AMATS, but the court ruled he was not eligible to serve and prohibited him from serving being on the board. He further recalled that he was strictly an ex-officio member and recalled his situation was similar to this.

CHAIR P. WILSON restated Conceptual Amendment 3.

REPRESENTATIVE JOHANSEN offered that he supports Conceptual Amendment 3, but since the bill is subject to general severability provisions, he did not believe the provision was specifically needed.

REPRESENTATIVE JOHANSEN removed his objection. There being no further objection, Conceptual Amendment 3 was adopted.

2:12:39 PM

REPRESENTATIVE JOHNSON moved to report HB 329, Version 26-LS1307\D, Kane, 3/5/10, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 329(TRA) was reported from the House Transportation Standing Committee.

2:13:09 PM

CHAIR P. WILSON applauded the committee as being proactive. She related that needs and funding gaps exist throughout the state. The proposed dedicated transportation fund, ATIF, is important in order for economic and resource development to happen. She pointed out that the founders of the Alaska Constitution grandfathered in two dedicated funds and one was for transportation. Thus, this bill is not contrary to action taken by the drafters of the constitution. Passing this bill could be a big step for Alaska to move forward economically since transportation has been proven to be an economic driver. She thanked members for their work.

REPRESENTATIVE JOHANSEN commented on the great process and commended the committee's staff. He said he was glad that the sponsor was open to suggestions. He offered his belief that the best thing the crafters of the state's constitution did was to allow for a process to make changes to the constitution. In 1955, a computer with the ability of our current computers would have taken up an entire warehouse.

2:16:46 PM

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:16 p.m.