

HOUSE BILL NO. 30

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES PEGGY WILSON AND THOMPSON, Muñoz

Introduced: 1/18/11

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the transportation infrastructure fund, to local public**
2 **transportation, to the municipal harbor facility grant fund, to motor fuel taxes, to the**
3 **motor vehicle registration fee, to driver's license fees, to identification card fees, to the**
4 **studded tire tax, and to the vehicle rental tax; and providing for an effective date."**

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

6 *** Section 1.** AS 02.15.090 is amended by adding a new subsection to read:

7 (j) The funds received by the department from leases or fees under this section
8 shall be deposited in the transportation infrastructure fund established in art. IX, sec.
9 18, Constitution of the State of Alaska.

10 *** Sec. 2.** AS 18.65.310 is amended by adding a new subsection to read:

11 (l) The fees collected by the department under this section shall be deposited
12 into the transportation infrastructure fund established in art. IX, sec. 18, Constitution
13 of the State of Alaska.

14 *** Sec. 3.** AS 28.10.421(g) is amended to read:

1 (g) The fees collected by the department under **(b), (c), (e), (h), and (i) of** this
 2 section shall be deposited in the **transportation infrastructure fund established in**
 3 **art. IX, sec. 18, Constitution of the State of Alaska. The fees collected by the**
 4 **department under (d) and (f) of this section shall be deposited into the** general
 5 fund. The Department of Administration shall separately account for three percent of
 6 the fees collected under **(d) and (f) of** this section and deposited in the general fund.
 7 The annual estimated balance in the account may be used by the legislature to make
 8 appropriations for administration of AS 28.10.021(a) and AS 28.22 (Alaska
 9 Mandatory Automobile Insurance Act).

10 * **Sec. 4.** AS 28.15.271 is amended by adding a new subsection to read:

11 (f) All fees collected under this section shall be deposited into the
 12 transportation infrastructure fund established in art. IX, sec. 18, Constitution of the
 13 State of Alaska.

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

15 (a) There is established the municipal harbor facility grant fund consisting of
 16 money appropriated to the fund. Each fiscal year, the legislature may appropriate
 17 money to the fund [FROM THE WATERCRAFT FUEL TAX ACCOUNT
 18 (AS 43.40.010(f)) AND FROM THE FISHERIES BUSINESS TAX COLLECTED
 19 UNDER AS 43.75.015 AFTER PAYMENTS TO MUNICIPALITIES ARE MADE
 20 UNDER AS 43.75.130. THE LEGISLATURE MAY MAKE OTHER
 21 APPROPRIATIONS TO THE FUND]. The legislature may appropriate to the fund
 22 income earned on money in the fund.

23 * **Sec. 6.** AS 37.05.146(c)(72) is amended to read:

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

26 * **Sec. 7.** AS 37.14 is amended by adding new sections to read:

27 **Article 10. Transportation Infrastructure Fund.**

28 **Sec. 37.14.850. Transportation infrastructure fund.** (a) Under art. IX, sec.
 29 18, Constitution of the State of Alaska, the transportation infrastructure fund is
 30 established. The fund consists of

31 (1) appropriations to the fund;

1 (2) revenue received after July 1, 2013, from any state tax on fuel used
2 for the propulsion of motor vehicles, aircraft, and watercraft, less refunds, credits, and
3 collection costs as provided by law;

4 (3) revenue received after July 1, 2013, from a registration fee levied
5 for a motor vehicle that is not a special registration fee and from any driver's license
6 fee;

7 (4) revenue received after July 1, 2013, from the studded tire tax under
8 AS 43.98.025;

9 (5) revenue received after July 1, 2013, from leases and fees from use
10 of airport facilities or space;

11 (6) revenue received after July 1, 2013, from airspace leases authorized
12 under 23 U.S.C. 156;

13 (7) other revenue received after July 1, 2013, as designated by the
14 legislature.

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

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

23 **Sec. 37.14.860. Use of the fund.** (a) On or before October 1 of each year, the
24 commissioner of revenue shall prepare a report for the legislature that identifies

25 (1) that amount defined as six percent of the average of the market
26 values of the assets of the fund, excluding the money deposited into the fund in the
27 previous year under AS 37.14.850(a)(2) - (7), on June 30 for the five fiscal years
28 immediately preceding the fiscal year in which the report is prepared; and

29 (2) that amount defined as 50 percent of the revenue deposited into the
30 fund under AS 37.14.850(a)(2) - (7) in the previous fiscal year.

31 (b) The amount identified in (a) of this section is available for appropriation

1 for capital projects and major maintenance for transportation and related facilities. An
2 appropriation from the fund may not be made to a project for which federal money has
3 been allocated unless the appropriation is for matching money for the project and the
4 amount of all appropriations from the fund to match federal money does not exceed 20
5 percent of the total amount available for appropriation from the fund.

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

9 (1) 80 percent of the appropriations from the fund may be used for
10 projects related to roads and surface transportation, to include development of, major
11 maintenance of, and improvements to the road system in the state, all related
12 appurtenances within the rights-of-way, and walkways;

13 (2) 25 percent of the appropriations from the fund may be used for
14 projects related to aviation, to include development of, major maintenance of, and
15 improvements to the state's rural airport system and airports owned by the state or a
16 municipality;

17 (3) 25 percent of the appropriations from the fund may be used for
18 projects related to the Alaska marine highway system, to include the lease, purchase,
19 rehabilitation, major maintenance, or modification of existing or new vessels;

20 (4) 20 percent of the appropriations from the fund may be used for
21 projects related to harbor facilities and for deposit into the municipal harbor facility
22 grant fund (AS 29.60.800), to include the development of, major maintenance of, and
23 improvements to harbor and marine facilities;

24 (5) 20 percent of the appropriations from the fund may be used for
25 projects related to community transportation and public transit with priority given to
26 projects in which community matching funds are available, to include development of
27 and improvements to public transit conveyances and facilities, including land-based
28 and water-based vehicles and specialized local transportation for the elderly and
29 persons with disabilities; and

30 (6) 15 percent of the appropriations from the fund may be used for
31 projects related to pedestrian facilities, trails, and bike paths, to include development

1 of and improvements to sidewalks, bike paths, or pedestrian facilities that are located
2 in the rights-of-way maintained by the department and that are adjacent to a road.

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

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

13 **Sec. 37.14.890. Transportation Infrastructure Fund Advisory Council.** (a)
14 The Transportation Infrastructure Fund Advisory Council is established and consists
15 of 24 members as follows:

- 16 (1) the chair of the House Transportation Committee;
- 17 (2) the chair of the Senate Transportation Committee;
- 18 (3) three deputy commissioners of transportation and public facilities
19 appointed by the commissioner of transportation and public facilities, or, if three
20 deputy commissioners are not available, the commissioner's designees;
- 21 (4) four members of the public, appointed by the governor, who
22 represent various modes of transportation, including land, air, and water; and
- 23 (5) one representative from each of the following organizations:
- 24 (A) Anchorage Metropolitan Area Transportation Solutions
25 Policy Committee;
- 26 (B) Fairbanks Metropolitan Area Transportation System Policy
27 Committee;
- 28 (C) Alaska Municipal League;
- 29 (D) Alaska Travel Industry Association;
- 30 (E) Alaska State Chamber of Commerce;
- 31 (F) The Associated General Contractors of Alaska;

1 (G) Alaska Trucking Association;

2 (H) Aviation Advisory Board;

3 (I) Alaska Marine Transportation Advisory Board;

4 (J) Alaska Association of Harbormasters and Port
5 Administrators;

6 (K) Alaska Oil and Gas Association;

7 (L) Alaska Miners Association;

8 (M) Alaska Mobility Coalition;

9 (N) Alaska Inter-Tribal Council; and

10 (O) Alaska Federation of Natives.

11 (b) Each of the four public members appointed under (a)(4) of this section
12 shall

13 (1) be from a different judicial district as described in AS 22.10.010;
14 and

15 (2) have extensive experience and knowledge in the field of
16 transportation of people and goods.

17 (c) The council members listed in (a)(4) and (5) of this section shall serve
18 staggered four-year terms.

19 (d) From the members listed in (a)(4) and (5) of this section, the council shall
20 elect a chair of the council. If a vacancy occurs among the members appointed under
21 (a)(4) of this section, the governor shall immediately appoint a member for the
22 unexpired portion of the term.

23 (e) A member of the council appointed under (a) of this section serves without
24 compensation but is entitled to travel and per diem expenses as provided in
25 AS 39.20.180.

26 (f) Using the criteria developed by the Department of Transportation and
27 Public Facilities under AS 44.42.020(a)(17), the advisory council shall submit a report
28 to the governor and the legislature not later than October 15 of each year making
29 recommendations regarding what capital projects for transportation and related
30 facilities should be funded from the fund.

31 **Sec. 37.14.899. Definition.** In AS 37.14.850 - 37.14.899, "fund" means the

1 transportation infrastructure fund established in art. IX, sec. 18, Constitution of the
2 State of Alaska.

3 * **Sec. 8.** AS 43.40.010(e) is amended to read:

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

13 * **Sec. 9.** AS 43.40.010(h) is amended to read:

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

21 * **Sec. 10.** AS 43.40.030(a) is amended to read:

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

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

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

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

30 * **Sec. 11.** AS 43.40.070 is amended to read:

31 **Sec. 43.40.070. Refund warrants.** Upon approval of a refund claim by the

1 department, a disbursement shall be made from the **transportation infrastructure**
 2 **fund established in art. IX, sec. 18, Constitution of the State of Alaska,**
 3 [HIGHWAY FUEL TAX ACCOUNT IN THE GENERAL FUND] in favor of the
 4 applicant in the amount of the claim.

5 * **Sec. 12.** AS 43.52.080(b) is amended to read:

6 (b) **Fifty percent of the** [THE] proceeds of the vehicle rental taxes imposed
 7 by AS 43.52.010 - 43.52.099 shall be deposited into **the transportation**
 8 **infrastructure fund established in art. IX, sec. 18, Constitution of the State of**
 9 **Alaska. Fifty percent of the proceeds of the vehicle rental tax imposed by**
 10 **AS 43.52.010 - 43.52.099 shall be deposited into** a special vehicle rental tax account
 11 in the general fund.

12 * **Sec. 13.** AS 43.98.025 is amended by adding a new subsection to read:

13 (i) The fees remitted to the department under (b) of this section shall be
 14 deposited in the transportation infrastructure fund established in art. IX, sec. 18,
 15 Constitution of the State of Alaska.

16 * **Sec. 14.** AS 44.42.020(a) is amended to read:

- 17 (a) The department shall
- 18 (1) plan, design, construct, and maintain all state modes of
 19 transportation and transportation facilities and all docks, floats, breakwaters, buildings,
 20 and similar facilities;
 - 21 (2) study existing transportation modes and facilities in the state to
 22 determine how they might be improved or whether they should continue to be
 23 maintained;
 - 24 (3) study alternative means of improving transportation in the state
 25 with regard to the economic costs of each alternative and its environmental and social
 26 effects;
 - 27 (4) develop a comprehensive, long-range, intermodal transportation
 28 plan for the state;
 - 29 (5) study alternatives to existing modes of transportation in urban areas
 30 and develop plans to improve urban transportation;
 - 31 (6) cooperate and coordinate with and enter into agreements with

1 federal, state, and local government agencies and private organizations and persons in
2 exercising its powers and duties;

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

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

8 (9) coordinate and develop state and regional transportation systems,
9 considering deletions, additions, and the absence of alterations;

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

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

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

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

26 (14) inspect weights and measures;

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

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

1 **(17) develop criteria for determining eligibility of projects for**
 2 **funding and for evaluating projects for funding from the transportation**
 3 **infrastructure fund that provide for a statewide balance of projects in both urban**
 4 **and rural areas.**

5 * **Sec. 15.** AS 44.62.175(a) is amended to read:

6 (a) The lieutenant governor shall develop and supervise the Alaska Online
 7 Public Notice System, to be maintained on the state's site on the Internet. The
 8 lieutenant governor shall prescribe the form of notices posted on the system by state
 9 agencies. The Alaska Online Public Notice System must include

10 (1) notices of proposed actions given under AS 44.62.190(a);

11 (2) notices of state agency meetings required under AS 44.62.310(e),
 12 even if the meeting has been held;

13 (3) notices of solicitations to bid issued under AS 36.30.130;

14 (4) notices of state agency requests for proposals issued under
 15 AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; **and** AS 38.05.120 [; AND
 16 AS 43.40.010];

17 (5) executive orders and administrative orders issued by the governor;

18 (6) written delegations of authority made by the governor or the head
 19 of a principal department under AS 44.17.010;

20 (7) the text or a summary of the text of a regulation or order of repeal
 21 of a regulation for which notice is given under AS 44.62.190(a), including an
 22 emergency regulation or repeal regardless of whether it has taken effect;

23 (8) notices required by AS 44.62.245(b) regarding an amended version
 24 of a document or other material incorporated by reference in a regulation;

25 (9) a summary of the text of recently issued formal opinions and
 26 memoranda of advice of the attorney general;

27 (10) a list of vacancies on boards, commissions, and other bodies
 28 whose members are appointed by the governor; and

29 (11) in accordance with AS 39.52.240(h), advisory opinions of the
 30 attorney general.

31 * **Sec. 16.** AS 43.40.010(f), 43.40.010(g), and 43.40.010(j) are repealed.

1 * **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 TRANSITION. Notwithstanding AS 37.14.850 - 37.14.899, as enacted by sec. 7 of
4 this Act, the commissioner of revenue shall calculate average transportation infrastructure
5 fund values for purposes of AS 37.14.860(a)(1) in the years 2014 through 2018 as follows:

6 (1) the commissioner of revenue shall prepare a report to the legislature on or
7 before October 1, 2013, identifying that amount defined as six percent of the market value of
8 the transportation infrastructure fund, excluding the money deposited into the fund in the
9 previous fiscal year under AS 37.14.850(a)(2) - (7), on July 1, 2013; the amount is available
10 for appropriation during the First Regular Session of the Twenty-Eighth Alaska State
11 Legislature under AS 37.14.860(b), enacted by sec. 7 of this Act;

12 (2) for average transportation infrastructure fund value calculations for 2014
13 through 2017, on or before October 1, 2014, and on or before October 1 in subsequent years
14 through October 2017, the commissioner of revenue shall prepare a report to the legislature
15 that identifies that amount defined as six percent of the average of the market values of the
16 assets of the transportation infrastructure fund, excluding the money deposited into the fund in
17 the previous fiscal year under AS 37.14.850(a)(2) - (7), on July 1, 2013, and on June 30 of
18 each subsequent year, as identified in the reports required by this paragraph; the amounts are
19 available for appropriation during the respective regular sessions of the Alaska State
20 Legislature under AS 37.14.860(b), enacted by sec. 7 of this Act.

21 * **Sec. 18.** The uncodified law of the State of Alaska is amended by adding a new section to
22 read:

23 INITIAL APPOINTMENTS AND TERMS. Notwithstanding AS 37.14.890(a), as
24 enacted by sec. 7 of this Act, the terms of the first members of the Transportation
25 Infrastructure Fund Advisory Council appointed by the governor under AS 37.14.890(a)(4)
26 and (5), as enacted by sec. 7 of this Act, are as follows: (1) five members shall be appointed
27 for four-year terms; (2) five members shall be appointed for three-year terms; (3) five
28 members shall be appointed for two-year terms; and (4) four members shall be appointed for
29 one-year terms. The governor shall specify the term of office of each member appointed
30 subject to this section.

31 * **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 SEVERABILITY. Under AS 01.10.030, if AS 37.14.890(a)(1) or (2), enacted by sec.
3 7 of this Act, or the application of them to any person or circumstance is held invalid, the
4 remainder of the provisions of that section and their application to other persons or
5 circumstance is not affected.

6 * **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 CONTINGENCY. Except as to AS 44.42.020(a)(16), enacted by sec. 14 of this Act,
9 the provisions of this Act take effect only if an amendment to the Constitution of the State of
10 Alaska establishing the transportation infrastructure fund as a dedicated fund is approved by
11 the voters before July 1, 2013.

12 * **Sec. 21.** AS 44.42.020(a)(16), enacted by sec. 14 of this Act, takes effect immediately
13 under AS 01.10.070(c).

14 * **Sec. 22.** If, under sec. 20 of this Act, AS 44.42.020(a)(17), enacted by sec. 14 of this Act,
15 takes effect, it takes effect on the day following the date of certification of the results of the
16 2012 general election.

17 * **Sec. 23.** Except as provided in secs. 21 and 22 of this Act, if this Act takes effect under
18 sec. 20 of this Act, it takes effect July 1, 2013.