

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

March 19, 2013

1:02 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Doug Isaacson, Vice Chair
Representative Eric Feige
Representative Lynn Gattis
Representative Craig Johnson
Representative Bob Lynn
Representative Jonathan Kreiss-Tomkins

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 146

"An Act relating to proof of motor vehicle liability insurance; and providing for an effective date."

- MOVED CSHB 146(TRA) OUT OF COMMITTEE

HOUSE BILL NO. 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, to the vehicle rental tax, and to other fees and taxes related to motor vehicles; creating the Alaska Transportation Panel; and providing for an effective date."

- MOVED HB 123 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 146

SHORT TITLE: PROOF OF MOTOR VEHICLE INSURANCE

SPONSOR(s): REPRESENTATIVE(S) HIGGINS

02/27/13	(H)	READ THE FIRST TIME - REFERRALS
02/27/13	(H)	TRA

03/14/13 (H) TRA AT 1:00 PM BARNES 124
03/14/13 (H) -- MEETING CANCELED --
03/19/13 (H) TRA AT 1:00 PM BARNES 124

BILL: HB 123

SHORT TITLE: DEDICATED TRANSPORT FUND/PUB TRANSPORT
SPONSOR(S): REPRESENTATIVE(S) P.WILSON

02/15/13 (H) READ THE FIRST TIME - REFERRALS
02/15/13 (H) TRA, FIN
02/26/13 (H) TRA AT 1:00 PM BARNES 124
02/26/13 (H) Heard & Held
02/26/13 (H) MINUTE(TRA)
03/14/13 (H) TRA AT 1:00 PM BARNES 124
03/14/13 (H) -- MEETING CANCELED --
03/19/13 (H) TRA AT 1:00 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE PETE HIGGINS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as sponsor during the discussion
of HB 146.

THOMAS STUDLER, Staff
Representative Pete Higgins
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 146.

RODNEY DIAL, Lieutenant
Alaska State Troopers
Department of Public Safety (DPS)
Ketchikan, Alaska

POSITION STATEMENT: Testified during the discussion of HB 146.

JEFF OTTESEN, Director
Program Development
Department of Transportation & Public Facilities (DOT&PF)
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 123.

COLLEEN GREENSHIELDS, Administrative Officer
Director's Office, Division of Motor Vehicles (DMV)
Department of Administration (DOA)
Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HB 123.

LORENE PALMER, Director
Division of Economic Development
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 123.

REBECCA ROONEY, Staff
CHAIR P. WILSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions on behalf of CHAIR P. WILSON, the prime sponsor of HB 123.

PAMELA LEARY
State Comptroller
Treasury Division
Department of Revenue (DOR)
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 123.

DON ETHERIDGE, Lobbyist
AFL-CIO
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 123.

DALE NELSON, Chair, Legislative Committee
Alaska Professional Design Council (APDC)
Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HB 123.

ACTION NARRATIVE

[1:02:56 PM](#)

CHAIR PEGGY WILSON called the House Transportation Standing Committee meeting to order at 1:02 p.m. Representatives Feige, Lynn, Isaacson, Kreiss-Tomkins, and Wilson were present at the call to order. Representatives Johnson and Gattis arrived as the meeting was in progress.

HB 146-PROOF OF MOTOR VEHICLE INSURANCE

[1:03:46 PM](#)

CHAIR P. WILSON announced that the first order of business would be HOUSE BILL NO. 146, "An Act relating to proof of motor vehicle liability insurance; and providing for an effective date."

[1:04:14 PM](#)

REPRESENTATIVE ISAACSON moved to adopt the proposed committee substitute (CS) for HB 146, labeled [28-LS0436\N, Strasbaugh, 3/11/13], as the working document. There being no objection, Version N was before the committee.

[1:05:02 PM](#)

REPRESENTATIVE PETE HIGGINS, Alaska State Legislature, said Alaska is often behind the power curve and HB 146 relates to the proof of insurance. Sometimes a vehicle's insurance card is expired, but with modern technology including applications (APPS), it is easy for drivers to show proof of insurance. This bill, HB 146, will allow motorists to provide proof of insurance on a mobile electronic device, such as on a phone application or electronic device such as an iPad. This bill would bring Alaska into the 21st Century and has no fiscal note impact.

[1:06:55 PM](#)

THOMAS STUDLER, Staff, Representative Pete Higgins, Alaska State Legislature, on behalf of Representative Higgins, sponsor of HB 146, stated that six states have already enacted this law and another 20 other states are considering similar legislation. He said the research done showed that two types of electronics proof of insurance exist, including the American Liability Insurance Registry (ALIR), which is performed via the insurance companies and the department of motor vehicles at a cost to the state of \$4.7 million. Second, the driver could provide proof of insurance by using an application (APP) process, which is free to the state, he said.

[1:08:36 PM](#)

REPRESENTATIVE JOHNSON related his own experience with an outdated insurance card, but indicated the officer would not take his phone into the police vehicle. He wanted to clarify and ensure that officers would be able to take the driver's phone to verify the insurance. In his own experience, he had shown the officer his paper insurance card, which was expired, as well as the online version of his proof of insurance, which

had an updated expiration date. He indicated the officer took the expired card to the vehicle, after verifying the information displayed on the phone [to ensure that it was the same policy.]

[1:09:52 PM](#)

RODNEY DIAL, Lieutenant, Alaska State Troopers, Department of Public Safety (DPS), introduced himself.

[1:10:33 PM](#)

REPRESENTATIVE JOHNSON related a scenario about his proof of insurance and use of the phone to verify the vehicle insurance.

LT. DIAL understood that the question related to using a telephone during a routine office stop. He said that the Alaska State Troopers (AST) do not have any restrictions. He advised that the AST officers typically are fairly creative when verifying the information, but as a last resort would issue a correctable citation. He explained that the officers will sometimes call local insurance companies in the smaller communities, such as Ketchikan, and the insurance agent will advise if the driver has insurance. He pointed out that anyone can get an insurance card that shows they have insurance for six months or longer; however, the person could stop making payments and simply retain the card, but the insurance coverage would be terminated. He reiterated that the AST does not have any restrictions and tries to verify insurance before writing a citation.

[1:12:17 PM](#)

REPRESENTATIVE JOHNSON expressed additional concern about the Municipality of Anchorage and whether their officers would have any issues with the online insurance verification. He said he does not want to hold the bill up, but wants to ensure the bill works.

REPRESENTATIVE GATTIS commented that it is possible the Matanuska-Susitna valley might have similar issues. She pointed out that these devices are not just phones but hold calendars and other information. She acknowledged that the communities are all grappling with how to handle these electronic situations.

REPRESENTATIVE ISAACSON related he was mayor of a small community. He suggested that if the person voluntarily gives

the phone as evidence to the officer, it would not likely be an issue. He further suggested that this bill would clarify and be helpful to officers since it would indicate the mobile devices could be used.

REPRESENTATIVE JOHNSON said he supports the bill, but wanted to be sure it works so the person can show their proof of insurance.

[1:15:53 PM](#)

CHAIR P. WILSON referred to [page 2, lines 7-8], and read, "A person may display the proof on a mobile electronic device." She thought it was straight forward as a statewide permission.

REPRESENTATIVE JOHNSON said he was unsure the ability to displace is the same as the police officer being able to accept it.

CHAIR P. WILSON asked whether Representative Johnson could check with the Municipality of Anchorage.

[1:17:35 PM](#)

MR. STUDLER said the Department of Public Safety was fully in support of the bill as a policy for the state and that it would allow local municipalities to also use the policy. He explained that people have to show evidence of proof of insurance upon demand of a peace officer and under the bill the person may display it on an electronic device. He further recalled discussions with the Department of Administration (DOA), specifically, with the Division of Motor Vehicles (DMV) who suggested it would reduce confusion on what a peace officer could accept as proof of insurance.

The committee took an at-ease from 1:18 p.m. to 1:37 p.m.

[1:37:47 PM](#)

CHAIR P. WILSON offered that Representatives Johnson and Isaacson have briefly researched this matter.

REPRESENTATIVE ISAACSON said he spoke to the Department of Public Safety (DPS), who stated if the legislature places the online proof of insurance provision in statute that the AST would comply.

REPRESENTATIVE JOHNSON said he was satisfied. He understood that the police officers would only need to take proof of insurance to their vehicles in instances in which an accident occurs. He further understood that the officers could write the number down if they do not feel comfortable taking the phone. Thus he is comfortable with the bill.

[1:39:03 PM](#)

REPRESENTATIVE ISAACSON moved to report the proposed committee substitute (CS) for HB 146, labeled [28-LS0436\N, Strasbaugh, 3/11/13] out of committee with individual recommendations and the accompanying fiscal note. There being no objection, the CSHB 146(TRA) was reported from the House Transportation Standing Committee.

HB 123-DEDICATED TRANSPORT FUND/PUB TRANSPORT

[1:39:35 PM](#)

CHAIR P. WILSON announced that the final order of business would be HOUSE BILL NO. 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, to the vehicle rental tax, and to other fees and taxes related to motor vehicles; creating the Alaska Transportation Panel; and providing for an effective date."

[1:40:14 PM](#)

CHAIR P. WILSON indicated she does not plan to move the bill today.

The committee took an at-ease from 1:40 p.m. to 1:44 p.m.

[1:44:08 PM](#)

CHAIR P. WILSON turned the gavel over to Representative Feige.

[1:44:22 PM](#)

CHAIR P. WILSON, speaking as sponsor of HB 123, said that Alaska has always had difficulties financing transportation infrastructure. With the Department of Transportation & Public Facilities (DOT&PF)'s Federal Highways Administration (FHWA)

MAP-21 presentation the committee heard, the state will have a deep decline in the amount of funding available for communities and local roads. Despite the aging transportation infrastructure Alaska has not had any new roads built in the last 30-40 years, which she characterized as being atrocious. In fact, the state has a \$20 billion backlog in transportation projects and \$700 million in deferred maintenance. Further, the state needs open new access to natural resources and to do so will require development of Alaska's transportation system. The state needs to depend less on the federal government and start taking responsibility for Alaska's roads, harbors, airports, and railroads. She said, "Plain and simple, we need to plan for the future [slide 2]."

[1:45:47 PM](#)

CHAIR P. WILSON recapped the work the committee has taken in the past few years. Three years ago, the committee listened to DOT&PF's grassroots organizations, transportation organizations, and held hearings to identify the challenges in this geographically diverse state. The committee traveled to rural communities to view first-hand their airports; traveled on rural and urban highways to observe challenges these communities face with regard to safety, congestion, and deferred maintenance. The committee heard from the Alaska Municipal League (AML) and the Matanuska-Susitna Borough (MSB), as well as from national experts at the National Conference of State Legislatures (NCSL). The committee also heard from state experts, including a report by Larry Persily that addressed the fiscal shortfalls with respect to the state's long-range transportation plan. The committee ultimately rejected the options to fix the problem by bonding, which would commit future funds to pay off the debt. She offered the solution she proposes today resulted from all the hours of committee meetings, travel, and research [slide 3].

[1:46:50 PM](#)

CHAIR P. WILSON outlined the transportation funding plan. First, the state needs to reestablish the dedication of transportation taxes and fees as part of a transportation fund that was in existence at statehood. The framers of the Alaska's Constitution grandfathered in two dedicated funds related to transportation. The first one was known as the highway fund whose purpose was established to fund highway-related activities. The second fund was the water and harbor facilities fund, and proceeds were designated for water and harbor facility expenditures. The proposed Alaska Transportation Infrastructure

Fund (ATIF) would combine these two funds into one fund and require a vote of the people to change the constitution to ensure that all fees and taxes paid for transportation activities will be spent only on transportation. Second, she highlighted that the state must continue to fund transportation as it has been done in the past. She emphasized that this is key to making progress to improve transportation infrastructure in Alaska. In doing so, the state could slowly chip away at the \$20 billion backlog of projects. Third, she outlined that the state must engage in more 100 percent state-funded projects, which could mean savings in cost and time since the projects would not be subject to federal constraints. For example, the Elmore Road Extension project in Anchorage was completed in less than 3 years as compared to the 7-10 years it would have taken if the federal processes would have been followed. In conclusion, her intention and goal is to provide a dedicated revenue stream that will allow more projects to be completed faster and with less funding while the state would continue to provide funding for ongoing federal and state projects [slide 4].

[1:49:03 PM](#)

CHAIR P. WILSON explained that the proposed legislation would fund and implement the ATIF. She said the legislature would need to pass three measures: First, HJR 10 would put a constitutional change on the ballot to allow citizens to decide whether to implement the ATIF. Second, this bill, HB 123, would define the laws related to the structure of the fund. Third, HB 122 would appropriate \$2 billion into the fund for start-up funds. She acknowledged the sum of \$2 billion to seed ATIF is considerable; however, it is necessary to make significant progress in the transportation backlog. This seed money, combined with continued funding from the state's operating and capital budgets, would provide a steady measure of progress against the backlog. She has heard anecdotally that a federal dollar is worth \$.75 as compared to state dollars. She emphasized the importance of all three elements of the transportation proposal. The annual revenue would be comprised from [motor fuel tax, tire tax, vehicle rental tax, vehicle registrations and driver's license fees, and new transportation related fees or taxes], which would be deposited into the fund and is estimated at approximately \$80 million per year. She noted any special use fees currently in place have been preserved, including airport lease revenues [slide 5].

[1:51:04 PM](#)

CHAIR P. WILSON referred to a spreadsheet in members' packets entitled, "Alaska Transportation Infrastructure Fund (ATIF)." She said the department will manage the ATIF consistent with 6 percent of market value (POMV), although the rate can be adjusted depending on the economy. Currently, the DOT&PF manages multiple funds and has experience and a good track record. All the profits will be reinvested in the fund each year. Additionally, each year funds will be available for appropriation based on 5 percent POMV over the previous five years, plus half of the taxes and fees collected from the previous year. Further, the fund will cover expenses for the DMV, the cost to administer and manage the fund, and the cost of the advisory council [slide 6]. Lastly, the fund will be self-sufficient and not require any general funds for administration and the appropriations from the fund will follow the regular budget process and will be approved by the legislature and the governor.

[1:52:49 PM](#)

CHAIR P. WILSON provided details on the Alaska Transportation Panel (ATP), which is a panel who will prioritize projects for funding, and submit them to the federalized State Transportation Improvement Plan (STIP) or recommend projects be constructed with ATIF funding, using state standards and procedures [slide 7]. She said the ATP would consist of [four] public members appointed by the governor, the commissioner of DOT&PF, the DOT&PF's STIP member [also considered the project evaluation board member], and a member of the Alaska Infrastructure Commission (AIC). The public members would include one member from the Anchorage area, including the Matanuska-Susitna area; one member from the greater Fairbanks area; one member from a rural coastal community; and one member from a rural interior community. The governor must ensure the public members bring expertise from all modes of transportation, including roads, ferries, and aviation. The ATP would use DOT&PF's established guidelines to analyze all projects and all modes and determine which would be STIP projects or AIC projects. Finally, the AIC would prioritize the projects recommended by the ATP based solely on statewide priorities and needs.

[1:54:58 PM](#)

CHAIR P. WILSON stated that the AIC would consist of a nine member Alaska Infrastructure Commission, as follows: four public members - one from each judicial district - two members

at large; two non-voting legislature members - the Chairs of the House and Senate Transportation Committee - and the commissioner of DOT&PF. The DOT&PF will be charged with writing the weighted criteria used for project evaluation. The AIC's prioritized list is due to the governor and the legislature by October 15th of each year for inclusion into the capital budget, she said.

CHAIR P. WILSON reviewed the ATIF Projects [slide 9]. Projects from all modes of transportation would be considered every year and anyone can submit a project for consideration, including the state, a borough, an unorganized borough, a municipality, a community, or a village. She envisioned that completed submission forms would provide the AIC sufficient information to prioritize projects statewide. She emphasized that every project will be considered. She said that a project using the federal process is constrained and could use no more than 20 percent of the available ATIF funds, which should incentive more state-funded projects. Additionally, ATIF funding cannot be used for federal matching funds for surface transportation, aviation, or the Alaska Marine Highway System (AMHS). Specifically, the goal is for major projects in these areas to be completely funded using state funds.

[1:56:47 PM](#)

CHAIR P. WILSON turned again to the spreadsheet in members' packets, entitled "Alaska Transportation Infrastructure Fund (ATIF)," which projects and identifies the total available for capital appropriations if the state initially funds the ATIF with \$2 billion and also deposits transportation user fees into the fund.

[1:57:15 PM](#)

CHAIR P. WILSON outlined the goals for the ATIF [slide 10]. The ATIF can help Alaska plan for its future, she said. She anticipated the ATIF would decrease the current \$20 billion transportation infrastructure backlog, eliminate deferred maintenance, and decrease Alaska's dependence on federal dollars, although the state will still want to leverage every federal dollar. The ATIF would provide more direct jobs, with an indirect employment boost, as well. Alaska's major roads are not safe due to congestion and deterioration, she stated. The ATIF would also improve safety on Alaska's roads, bridges, airports, and harbors. She referred to numerous studies that show transportation investment creates a competitive environment attracting additional economic investment that includes

increased output, productivity, income, property value, employment, and wages. Additionally, the ATIF will assist the state in reductions in project costs, non-commercial travel time, and improved quality of life, as well as provide a rate of return equal to or greater than the social costs of capital. The state's economy is highly dependent on resource extraction and these industries are transportation intensive. She asserted that Alaska needs a state-funded transportation system that is sufficiently and predictably funded. This reliable flow of funds allows the development of a sound transportation plan that does not fluctuate with funding or the economy.

CHAIR P. WILSON stressed that the state of the economy in Alaska doesn't matter in terms of the ongoing necessity to maintain its roads, and the state must continue to strive and move forward to diversify its economy. She recapped her presentation, noting she has identified the transportation issues, the method of implementing the ATIF, and has addressed the broader social good and economic process the ATIF brings to meet the state's ever-growing transportation needs. She emphasized that the state needs to implement the ATIF. She said, "Alaska needs to take action now while the price of oil is still high. The Permanent Fund recently topped \$40 billion. We've fully repaid the constitutional budget reserve and we've set aside billions more in the statutory budget reserve." Even though the ATIF seems like a huge expenditure, it is really an investment in the state's economic future. In conclusion, she asked members to put the constitutional amendment on the ballot in November 2014 and to move the three measures forward, including HB 123, to let the people of the state decide.

[2:00:32 PM](#)

CHAIR P. WILSON referred again to the spreadsheet entitled "Alaska Transportation Infrastructure Fund (ATIF), pointing out the capital appropriations would initially be \$68 million in the first year, but as the fund and principal grows the state would have \$300 million each year to appropriate to transportation projects throughout the state.

[2:01:38 PM](#)

REPRESENTATIVE JOHNSON said he supports HB 123. He asked for clarification on the make-up of seven-member ATP and whether the ATP's composition could actually exclude a representative from Southeast Alaska.

CHAIR P. WILSON agreed. She clarified that the ATP's purpose is to prioritize projects for the STIP or the ATIP. However, the nine-member AIC would prioritize the projects across the state in terms of importance and need.

REPRESENTATIVE JOHNSON said if she is comfortable with the composition of the panel, then he is also.

[2:02:35 PM](#)

CHAIR P. WILSON asked the DOT&PF to describe the fiscal notes.

[2:03:01 PM](#)

JEFF OTTESEN, Director, Program Development, Department of Transportation & Public Facilities (DOT&PF), stated that the department's fiscal note shows a fiscal impact of \$490,000 in the first year, dropping back to \$209,000 annually. The one-time cost in the first year would cover the purchase of a suite of software to manage the scoring process, as well as \$50,000 in legal costs to promulgate regulations. The remainder would be personal services and travel for the commissions and expenses for the one full-time staff serving both commissions.

[2:04:23 PM](#)

CHAIR P. WILSON asked for clarification on the software the department uses for the STIP.

MR. OTTESEN assumed the department would purchase the software. Currently, the department uses an Excel spreadsheet, since the department scores approximately 40 projects, which takes two days. He described the process as a slow slog since six members must respond to a series of questions and votes are recorded. The STIP also has a way to separate or pre-score the highest projects and a sub-set of projects come before the panel. Otherwise the full panel would need to score 300-400 projects, which would likely take 10 days. He offered his belief that members reach a saturation point after two days of scoring.

CHAIR P. WILSON commented that she sat in on one of the STIP process meetings and found the scoring process interesting, which she briefly described.

MR. OTTESEN interjected that members can hold four percent for specific projects, but 96 percent of the STIP process is based on firm criteria. In further response to a question, he

explained the DOT&PF will need to find a way to record votes simultaneously if this fiscal note did not get approved. He briefly described the voting and weighing process the software provides, which consists of an analytical hierarchy process used to arrive at the collective judgment of the panel. He elaborated this software was developed during the Cold War to evaluate options.

2:09:06 PM

COLLEEN GREENSHIELDS, Administrative Officer, Director's Office, Division of Motor Vehicles (DMV), Department of Administration (DOA), stated that she is filling in for Tiffany Thomas, DMV's Driver Licensing Manager. She explained that the DMV's fiscal note is a zero fiscal note. The division is receipt supported and the change would move the funding from general funds into the ATIF fund. She detailed that the department has identified \$15,725,800 in fees that would not be available to be moved. In response to Representative Wilson, she agreed those funds are dedicated to something else.

CHAIR P. WILSON pointed out these fees are for boat registration fees, snowmobile registration fees, the emission maintenance fees, the donations from the anatomical gift awareness fund, and fees for special plates, trust, and adjustments.

MS. GREENSHIELDS colleen answered yes.

CHAIR P. WILSON remarked that these designated fees will continue to be directed as is currently done.

2:11:26 PM

LORENE PALMER, Director, Division of Economic Development, Department of Commerce, Community & Economic Development (DCCED), stated that the division's fiscal note reflects the impact if the department would develop the ATIF and any changes in receipts for vehicle rental tax. Currently the vehicle rental tax funding is helping support the tourism development activities within the division. She explained the scope of activities includes a variety of efforts to support workplace development, including tourism, research projects, development of niche markets, and assisting rural Alaska develop tourism opportunities. She reported that the three staff assigned to providing some level of tourism activities is also detailed in the fiscal note analysis.

[2:12:48 PM](#)

CHAIR P. WILSON asked whether a percentage of funds the DCCED receives are from the rental taxes.

MS. PALMER replied that the total amount is \$338,000, but she was unsure of the percentage of the vehicle rental taxes.

[2:13:30 PM](#)

REBECCA ROONEY, Staff, CHAIR P. WILSON, Alaska State Legislature, stated that in the previous bills the sponsor has had before the legislature asked for 50 percent of the vehicle rental fees, but this bill is based on 100 percent of the fees. She estimated the figure at \$2 million; however, the department is currently using \$338,000 for tourism activities, which is based on the purposes established for the taxes, including tourism and roads.

CHAIR P. WILSON stated she is willing to consider changing it to 50 percent.

[2:14:45 PM](#)

MS. PALMER recalled that the total vehicle rental tax would be \$9 million. Thus the division takes a small portion to support the tourism development activities. She stated that if the funding was not replaced by the general fund or the ATIF, it would significantly inhibit the department from carrying out these activities.

[2:15:41 PM](#)

PAMELA LEARY, State Comptroller, Treasury Division, Department of Revenue (DOR), stated that the fiscal note addresses the management service fees which would be incurred with the fund. The department assumptions were based on \$1 billion in the ATIF, but they are scalable. Thus depending on the dollar amount the department can adjust the estimate. Additionally, the department used additional revenue amounts based on the revenue forecast for the vehicle taxes, which is \$8.9 million.

REPRESENTATIVE FEIGE asked whether the amount is based on a \$1 billion endowment.

MS. LEARY answered yes. She stated the fiscal note would double with a \$2 billion fund. In response to Representative Wilson,

she answered that it would depend on the fund's investments and the fiscal note represents an estimate.

[2:17:25 PM](#)

REPRESENTATIVE JOHNSON said that there isn't a fiscal note from the Department of Law (DOL) in members' packets. He asked whether Mr. Ottesen had testified that the DOT&PF has legal services [for promulgating regulations.]

MR. OTTESEN answered yes; and explained that the DOT&PF uses the department's [DOL] attorney at \$125 per hour.

[2:18:48 PM](#)

REPRESENTATIVE JOHNSON asked whether the department hires an outside attorney.

MR. OTTESEN answered that the DOT&PF uses a Department of Law attorney assigned to the Transportation Section; however any consultation is charged to the department.

REPRESENTATIVE JOHNSON offered his belief that the committee needs a fiscal note from the Department of Law to reflect an inter-agency transfer.

[2:19:33 PM](#)

DON ETHERIDGE, Lobbyist, AFL-CIO, stated that the AFL-CIO is in support of HB 123. He said the state has not built any new roads in thirty years. The state's transportation infrastructure needs maintenance, including its roads, airports, docks and harbors. In conclusion, the AFL-CIO is fully supportive of all three transportation bills [related to the ATIF.]

[2:20:49 PM](#)

DALE NELSON, Chair, Legislative Committee, Alaska Professional Design Council (APDC), stated that the APDC is comprised of professional society organizations for engineers, surveyors, landscape architects and architects. He offered APDC's support for the bill. He said he would like to see it to move forward.

[2:22:14 PM](#)

The committee took an at-ease from 2:22 to 2:23 p.m.

[2:23:17 PM](#)

REPRESENTATIVE JOHNSON remarked that the ATIF is long overdue. He said that he and CHAIR P. WILSON have fought this battle for five or six years. He also said he has never seen anything with so much public support meet such resistance. He stated that he is a strong advocate of HB 123, and strongly encourages passage of this bill.

REPRESENTATIVE FEIGE remarked that it is incumbent upon the state to take responsibility for its transportation needs, especially during declines in the federal funding. He characterized the ATIF as a prudent exercise to ensure Alaska's transportation needs are met and continue to be met in the future.

[2:24:40 PM](#)

REPRESENTATIVE FEIGE, after first determining no one else wished to testify, closed public testimony on HB 123.

REPRESENTATIVE GATTIS stated her district is one of the fastest growing districts in the state and the Matanuska-Susitna area is unable to keep up with its roads. She said she plans on voting for this bill. She thinks this bill is one way to speed up the process for some of the faster growing communities to keep up with transportation projects.

[2:25:17 PM](#)

REPRESENTATIVE JOHNSON moved to report HB 123 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 123 was reported from the House Transportation Standing Committee.

[2:27:21 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:27 p.m.