

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

March 12, 2020

1:11 p.m.

MEMBERS PRESENT

Representative Louise Stutes, Chair
Representative Bryce Edgmon
Representative Matt Claman
Representative Harriet Drummond
Representative Andi Story
Representative Dave Talerico
Representative Mel Gillis

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 115 (FIN) (EFD FLD)

"An Act relating to vehicle registration fees; and relating to the motor fuel tax."

- MOVED HCS CSSB 115 (TRA) OUT OF COMMITTEE

HOUSE BILL NO. 273

"An Act relating to vehicles abandoned on private property."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 115

SHORT TITLE: MOTOR FUEL TAX; EV REG FEES

SPONSOR(s): SENATOR(s) BISHOP

04/24/19	(S)	READ THE FIRST TIME - REFERRALS
04/24/19	(S)	FIN
02/03/20	(S)	FIN AT 9:00 AM SENATE FINANCE 532
02/03/20	(S)	Heard & Held
02/03/20	(S)	MINUTE (FIN)
02/21/20	(S)	FIN RPT CS 3DP 1DNP 3NR NEW TITLE
02/21/20	(S)	DP: VON IMHOF, HOFFMAN, BISHOP
02/21/20	(S)	NR: STEDMAN, WILSON, OLSON
02/21/20	(S)	DNP: WIELECHOWSKI

02/21/20 (S) FIN AT 9:00 AM SENATE FINANCE 532
02/21/20 (S) Moved CSSB 115(FIN) Out of Committee
02/21/20 (S) MINUTE(FIN)
03/02/20 (S) TRANSMITTED TO (H)
03/02/20 (S) VERSION: CSSB 115(FIN) (EFD FLD)
03/03/20 (H) READ THE FIRST TIME - REFERRALS
03/03/20 (H) TRA, FIN
03/10/20 (H) TRA AT 1:00 PM BARNES 124
03/10/20 (H) Heard & Held
03/10/20 (H) MINUTE(TRA)
03/12/20 (H) TRA AT 1:00 PM BARNES 124

BILL: HB 273

SHORT TITLE: ABANDONED VEHICLES; PRIVATE PROPERTY
SPONSOR(S): REPRESENTATIVE(S) STUTES

02/24/20 (H) READ THE FIRST TIME - REFERRALS
02/24/20 (H) TRA, STA
03/05/20 (H) TRA AT 1:00 PM BARNES 124
03/05/20 (H) -- MEETING CANCELED --
03/12/20 (H) TRA AT 1:00 PM BARNES 124

WITNESS REGISTER

WILLIAM HARRINGTON
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 115.

JOE MICHEL
Alaska Trucking Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 115.

KATHERINE WOOD
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 115.

SARA PERMAN, Staff
Representative Louise Stutes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented Amendment 1 to CSSB 115(FIN) (efd fld).

DARWIN PETERSON, Staff
Senator Click Bishop
Alaska State Legislature

POSITION STATEMENT: On behalf of Senator Bishop, prime sponsor of CSSB 115(FIN)(efd fld), answered a question related to a proposed amendment.

ROB CARPENTER, Deputy Commissioner
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on CSSB 115(FIN)(efd fld).

JOE GREENOUGH, Staff
Representative Louise Stutes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 273 on behalf of Representative Stutes, prime sponsor.

DAVID SCOTT CAMPBELL, Deputy Chief of Police
Juneau Police Department
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 273.

ACTION NARRATIVE

[1:11:45 PM](#)

CHAIR LOUISE STUTES called the House Transportation Standing Committee meeting to order at 1:11 p.m. Representatives Talerico, Story, Gillis, Drummond, and Stutes were present at the call to order. Representatives Edgmon and Claman arrived as the meeting was in progress.

SB 115-MOTOR FUEL TAX; EV REG FEES

[1:12:41 PM](#)

CHAIR STUTES announced that the first order of business would be CS FOR SENATE BILL NO. 115(FIN)(efd fld), "An Act relating to vehicle registration fees; and relating to the motor fuel tax."

[1:13:21 PM](#)

CHAIR STUTES opened public testimony on CSSB 115(FIN)(efd fld).

[1:13:46 PM](#)

WILLIAM HARRINGTON testified in opposition to SB 115. He said money raised by SB 115 would be inconsequential in the big picture and taking equal amounts from rich and poor was not equal representation or taxation.

[1:16:23 PM](#)

JOE MICHEL, Alaska Trucking Association, informed the committee Alaska Trucking Association (ATA) has endorsed fuel tax in the past. He said ATA members support SB 115 in general but want assurance that the money collected would indeed be used for road maintenance.

[1:17:38 PM](#)

KATHERINE WOOD testified in support of SB 115. She said looking for additional revenue sources was a better idea than "touching the corpus" of the Permanent Fund Dividend (PFD). She said Alaska's infrastructure is far behind the rest of the U.S. and state funding for transportation was limited. She added that transportation infrastructure underpins regional and local economies and is crucial for quality of life for all Alaskans, and the state capital budget for transportation infrastructure is "anemic at best." Federal highway infrastructure appears to be stable, she said, but with the federal highway trust fund depleted, the future is uncertain. She opined there should be a tax on electric vehicles (EVs) calculated by miles traveled, as opposed to a flat fee per year.

[1:20:47 PM](#)

CHAIR STUTES closed public testimony on CSSB 115(FIN)(efd fld).

[1:20:55 PM](#)

The committee took an at-ease from 1:20 p.m. until 1:21 p.m.

[1:21:00 PM](#)

REPRESENTATIVE EDGMON moved to adopt Amendment 1, labeled 31-LS0895\K.A.7, Nauman, 3/12/20, which read as follows:

Page 3, lines 22 - 30:

Delete all material and insert:

"* **Sec. 5.** AS 43.40.030(a) is amended to read:

(a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to operate

(1) an internal combustion engine is entitled to a motor fuel tax refund of 12 [SIX] cents a gallon if

(A) [(1)] the tax on the motor fuel has been paid;

(B) [(2)] the motor fuel is not aviation fuel, or motor fuel used in or on watercraft; and

(C) [(3)] the internal combustion engine is not used in or in conjunction with a motor vehicle licensed to be operated on public ways; or

(2) a watercraft used for commercial fishing is entitled to a motor fuel tax refund of five cents a gallon if the tax on the motor fuel has been paid."

[1:21:54 PM](#)

CHAIR STUTES objected, for the purpose of discussion.

[1:22:02 PM](#)

SARA PERMAN, Staff, Representative Louise Stutes, Alaska State Legislature, presented Amendment 1, which updated Section 5 of CSSB 115(FIN) (efd fld). Amendment 1 would remove the additional \$.05 tax for commercial fishing vessels. All other watercraft including cruise ships and tour boats would still be required to pay the additional tax, she added.

[1:23:18 PM](#)

CHAIR STUTES moved to adopt Conceptual Amendment 1 to Amendment 1, to insert the following language between the words "commercial fishing" and "is entitled" in the proposed language of paragraph (2): "that has a valid license issued under 16.05.490 or 16.05.530".

[1:24:44 PM](#)

REPRESENTATIVE DRUMMOND objected, for the purpose of discussion, and asked whether the license applied only to Alaska licenses.

[1:25:20 PM](#)

CHAIR STUTES answered that the license applied to Commercial Fisheries Entry Commission (CFEC)-registered vessels and that a vessel could be from outside Alaska if it had a valid CFEC permit to fish in Alaska.

[1:25:35 PM](#)

REPRESENTATIVE STORY said she understood the reason for the amendment, especially due to the Chinese tariffs.

[1:25:52 PM](#)

REPRESENTATIVE DRUMMOND removed her objection to Conceptual Amendment 1 to Amendment 1. There being no further objection, it was so ordered.

[1:26:27 PM](#)

REPRESENTATIVE TALERICO asked to hear the opinion of the bill sponsor's staff on Amendment 1, as amended.

[1:26:45 PM](#)

DARWIN PETERSON, Staff, Senator Click Bishop, Alaska State Legislature, on behalf of Senator Bishop, prime sponsor of CSSB 115(FIN)(efd fld), responded that the amendment was not what the sponsor wanted but that he would respect the will of the committee.

[1:27:13 PM](#)

CHAIR STUTES removed her objection to Amendment 1, as amended. There being no further objection, it was so ordered.

[1:27:39 PM](#)

The committee took an at-ease from 1:27 p.m. to 1:28 p.m.

[1:28:13 PM](#)

CHAIR STUTES clarified that Amendment 1, as amended, had been adopted.

[1:28:32 PM](#)

REPRESENTATIVE STORY, referencing Mr. Michel's testimony, asked how revenue generated by SB 115 would be certain to go toward road maintenance.

[1:30:43 PM](#)

ROB CARPENTER, Deputy Commissioner, Department of Transportation & Public Facilities, replied that revenue would be designated by statute to go toward road maintenance, but it would be up to the legislature to appropriate the money.

1:31:20 PM

REPRESENTATIVE TALERICO asked whether [revenue generated] fell under what was considered receipt authority.

MR. CARPENTER replied that it would not, as it was a tax on users, whereas receipts were established to cover operations of a division.

REPRESENTATIVE TALERICO said that most of his constituents were in opposition to CSSB 115(FIN) (efd fld).

1:33:39 PM

REPRESENTATIVE EDGMON said he thought it took courage to put CSSB 115(FIN) (efd fld) before the public, because no one liked paying additional taxes. He said he saw the proposed legislation as bringing Alaska into the modern era, and although it wasn't necessarily "likeable," the services additional taxation would provide would benefit Alaskans.

1:35:36 PM

REPRESENTATIVE CLAMAN said that his constituents had suggested a higher increase, especially if it was going to take so long to implement change. He added that while supporting CSSB 115(FIN) (efd fld) was not exactly easy, because no one wanted to raise taxes, he saw it not only as a positive step for roads but a positive step for the future of Alaskan communities.

1:37:36 PM

REPRESENTATIVE DRUMMOND asked how much the refund to commercial fishing vessels in Amendment 1, [as amended], would mean to projected revenue.

1:38:27 PM

REPRESENTATIVE EDGMON replied that \$5 million of the projected \$33 million was tied to marine fuel but within that \$5 million it was anyone's guess how many fishermen would complete the necessary paperwork to receive the refund.

[1:38:52 PM](#)

REPRESENTATIVE DRUMMOND commented that the lack of road maintenance and, therefore, repair costs, were harder on lower income families who tended to drive older vehicles.

[1:40:34 PM](#)

REPRESENTATIVE EDGMON moved to report CSSB 115(FIN)(efd fld), as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 115(TRA) was reported out of the House Transportation Standing Committee.

[1:41:11 PM](#)

The committee took an at-ease from 1:41 p.m. to 1:44 p.m.

HB 273-ABANDONED VEHICLES; PRIVATE PROPERTY

[1:43:55 PM](#)

CHAIR STUTES announced that the final order of business would be HOUSE BILL NO. 273, "An Act relating to vehicles abandoned on private property."

[1:44:33 PM](#)

JOE GREENOUGH, Staff, Representative Louise Stutes, Alaska State Legislature, presented HB 273 on behalf of Representative Stutes, prime sponsor. He related that abandoned vehicles were a statewide problem, and under current statute it took more than six months for property owners to be able to remove them. The time property owners needed to wait to remove abandoned vehicles, under HB 273, would be reduced from six months to 45 days, Mr. Greenough imparted. The vehicle owner would still have 30 days to respond, he added. If the property owner chose to have the vehicle towed, then the towing company would have a lien against the vehicle for towing fees and storage.

[1:47:41 PM](#)

The committee took a brief at-ease at 1:47 p.m.

[1:47:55 PM](#)

REPRESENTATIVE STORY referenced a letter in the committee packet from the Juneau Economic Development Council in which the council expressed concerns about public safety, especially regarding abandoned vehicles.

[1:48:50 PM](#)

The committee took an at-ease from 1:49 p.m. to 1:59 p.m.

[1:59:38 PM](#)

DAVID SCOTT CAMPBELL, Deputy Chief of Police, Juneau Police Department, told the committee that Juneau Police Department (JPD) had almost 900 reports of abandoned vehicles in one year. When a report is received, the case is assigned to a Community Service Officer (CSO), he informed the committee, who then works to have the vehicle removed before impounding it or involving the Division of Motor Vehicles (DMV). If the CSO's efforts were exhausted and the vehicle is on private property, the property owner must then go through the process of obtaining ownership of the vehicle with the DMV so the vehicle can be properly disposed. In Juneau, vehicles are disposed at the recycling center at no charge to the owner; however, the owner is responsible for the cost of towing.

MR. CAMPBELL shared the "broken windows" theory, in which any visible sign of "anti-social activity" tends to breed more of this type of activity. This is seen in Juneau when multiple abandoned cars end up in "big box store" parking lots, he explained. He addressed the question of why a store wouldn't deal with an abandoned vehicle found in its parking lot. Since the store wouldn't be able to take over the vehicle's ownership, it would have to pay the \$12 per day throughout the six-month process. Finally, he said that private property owners usually just pushed the vehicle onto the street because the vehicle would then become the responsibility of the City and Borough of Juneau (CBJ). Mr. Campbell said that he supported reducing the time frame so that abandoned vehicles may be dealt with more expediently.

[2:05:23 PM](#)

REPRESENTATIVE CLAMAN said he supported shortening the time frame but asked why it was 45 days. He also asked whether a vehicle [abandoned] in a "prime" parking spot at a box store would at least be pushed to the side of the parking lot.

MR. CAMPBELL answered that older junk vehicles tend to be left at the periphery of a parking lot. He pointed out that owners tend to properly dispose of their vehicles because there is no cost to do so at the recycling center, while those [abandoning] vehicles tend to be people with whom the vehicle has transferred hands several times and perhaps they have taken parts from the vehicle and then decide to dump it. Another issue, he said, is if JPD towed a vehicle and it was damaged during the process, the repairs would then become JPD's responsibility. This would also apply to stores moving vehicles around lots, he surmised. He agreed that 45 days seemed too long but may be in place for people who were out of town. He admitted that this was not usually the case and by the time the owner was found the vehicle was worth next to nothing.

[2:09:47 PM](#)

REPRESENTATIVE CLAMAN confirmed property owners who pushed abandoned vehicles onto the street without having contacted JPD beforehand would alleviate the property owner of responsibility.

[2:11:24 PM](#)

REPRESENTATIVE GILLIS questioned why HB 273 had not been proposed earlier, because abandoned vehicles were a serious problem.

[2:11:49 PM](#)

CHAIR STUTES asked what percentage of abandoned vehicles' owners were found.

[2:11:58 PM](#)

MR. CAMPBELL replied that in 2017-2018, out of 890 complaints of abandoned vehicles on public and private property, 190 were impounded and 700 complaints were resolved without the vehicles having to be impounded.

[2:12:53 PM](#)

CHAIR STUTES announced that HB 273 would be held over.

[2:13:39 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:14 p.m.