

**HOUSE BILL NO. 395**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/9/22

Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the Alaska marine highway system fund and the Alaska marine  
2 highway system vessel replacement fund; establishing the Alaska marine highway  
3 system fund and the Alaska marine highway system vessel replacement fund outside the  
4 general fund; authorizing the commissioner of transportation and public facilities to  
5 expend money from the Alaska marine highway system fund and the Alaska marine  
6 highway system vessel replacement fund; and providing for an effective date."

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

8 \* **Section 1.** AS 19.65.060(a) is amended to read:

9 (a) There is created, as a special account outside and separate from [IN] the  
10 general fund, the Alaska marine highway system fund. The commissioner of  
11 transportation and public facilities shall administer the Alaska marine highway  
12 system fund consistent with AS 19.65.065 and may expend money from the fund  
13 without further appropriation. The Alaska marine highway system fund consists

1 **of money appropriated to it by the legislature from the following sources:** [, INTO  
2 WHICH SHALL BE DEPOSITED]

3 (1) the gross revenue of the Alaska marine highway system;

4 (2) **the general fund** [MONEY THAT IS APPROPRIATED TO THE  
5 ALASKA MARINE HIGHWAY SYSTEM FUND BY THE LEGISLATURE IN AN  
6 AMOUNT THAT IS CONSISTENT FROM YEAR TO YEAR AND IS THE  
7 AMOUNT NECESSARY, AFTER CONSIDERATION OF GROSS REVENUE, TO  
8 PROVIDE STABLE SERVICES TO THE PUBLIC CONSISTENT WITH THE  
9 PROVISIONS OF AS 19.65.050(b)(4), WHICH APPROPRIATIONS ARE NOT  
10 ONE-YEAR APPROPRIATIONS AND THE BALANCES OF WHICH DO NOT  
11 LAPSE UNDER AS 37.25.010]; and

12 (3) **designated federal receipts** [ANY OTHER MONEY THAT IS  
13 APPROPRIATED TO THE ALASKA MARINE HIGHWAY SYSTEM FUND BY  
14 THE LEGISLATURE, WHICH APPROPRIATIONS ARE NOT ONE-YEAR  
15 APPROPRIATIONS AND THE BALANCES OF WHICH DO NOT LAPSE UNDER  
16 AS 37.25.010].

17 \* **Sec. 2.** AS 19.65 is amended by adding a new section to read:

18 **Sec. 19.65.065. Permissible expenditures from the Alaska marine highway**  
19 **system fund.** The commissioner of transportation and public facilities may use money  
20 from the Alaska marine highway system fund in a manner that is consistent with the  
21 program and financial plan prepared under AS 37.07.050 to

22 (1) effectuate the intents and purposes of the legislature found in  
23 AS 19.65.050(b) and (c);

24 (2) fund and support the operation of Alaska marine highway system;

25 (3) pay costs incurred through the operation of the Alaska marine  
26 highway system, excluding capital improvements;

27 (4) acquire, hold, lease, sell, or dispose of property that is necessary to  
28 the administrative functioning of the Alaska marine highway system;

29 (5) fund contracts or agreements relating to the Alaska Marine  
30 highway system with

31 (A) the federal government, a municipality, or a political

subdivision; or

(B) with a foreign government, if the contract is approved by the federal government; and

(6) award and administer grants authorized by the legislature.

\* **Sec. 3.** AS 19.65.100(1) is amended to read:

(1) "annual operating cycle" means the **calendar** [ANNUAL STATE FISCAL] year beginning on **January 1** [JULY 1] and ending at midnight on the following **December 31** [JUNE 30];

\* **Sec. 4.** AS 37.05.550(a) is amended to read:

(a) **The** [THERE IS IN THE GENERAL FUND THE] Alaska marine highway system vessel replacement fund **is established as a fund outside and separate from the general fund**. The fund consists of money appropriated to it by the legislature. Money appropriated to the fund does not lapse. [THE DEPARTMENT OF REVENUE SHALL MANAGE THE FUND.] Interest received on money in the fund shall be accounted for separately and may be appropriated into the fund annually. **The commissioner of transportation and public facilities shall administer the fund and may expend money from the fund without further appropriation** [THE LEGISLATURE MAY APPROPRIATE MONEY FROM THE FUND] for refurbishment of existing state ferry vessels, acquisition of additional state ferry vessels, or replacement of retired or outmoded state ferry vessels.

\* **Sec. 5.** AS 19.65.080 is repealed.

\* **Sec. 6.** This Act takes effect June 30, 2022.