

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 439

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska marine highway system,  
7 its funding and its budget; establishing the Alaska  
8 marine highway system fund; and providing for an  
9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. AS 19.65 is amended by adding new sections to read:

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ARTICLE 2. ALASKA MARINE HIGHWAY SYSTEM FUND AND BUDGET.

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Sec. 19.65.050. LEGISLATIVE FINDINGS, PURPOSE, AND INTENT. (a)

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The legislature finds that

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(1) the Alaska marine highway system is an essential part  
16 of the state transportation system, and that it warrants continued and  
17 predictable state support;

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(2) many communities' economies are dependent on a steady  
19 and stable marine highway system service level;

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(3) the state's tourism industry is greatly enhanced by a  
21 dependable marine highway transportation network; and

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(4) efficient and prudent management of the system will  
23 benefit the state's economy and foster economic development.

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(b) It is the purpose of AS 19.65.060 - 19.65.100 to

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(1) enable the Alaska marine highway system to manage and  
26 operate in a manner that will enhance performance and accountability  
27 by allowing the system to account for and spend its generated revenue;

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(2) provide the management tools necessary to efficiently  
29 operate the Alaska marine highway system;

1 (3) within constitutional constraints, provide for a pre-  
2 dictable funding base for system operations; and

3 (4) provide for predictability and stability in the service  
4 level furnished to communities served by the system.

5 (c) It is the intent of AS 19.65.050 - 19.65.100 to

6 (1) achieve more accurate operations planning, scheduling,  
7 and budgeting by managers of the Alaska marine highway system;

8 (2) increase revenue from the operation of the system  
9 consistent with the public interest, increase service consistent with  
10 sound fiscal policy, and assist the prudent management and operation  
11 of the system;

12 (3) achieve stability in the level of service communities  
13 can anticipate; and

14 (4) provide a system that anticipates a predictable funding  
15 base of appropriations of at least \$31,000,000 each year from the  
16 general fund, in addition to gross revenue.

17 Sec. 19.65.060. ALASKA MARINE HIGHWAY SYSTEM FUND. (a) There  
18 is created, as a special account in the general fund, the Alaska  
19 marine highway system fund, into which shall be deposited

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

21 (2) money that is appropriated to the Alaska marine highway  
22 system fund by the legislature in an amount that is consistent from  
23 year to year and is the amount necessary, after consideration of gross  
24 revenue, to provide stable services to the public consistent with the  
25 provisions of AS 19.65.050(b)(4), which appropriations are not one-yea  
26 appropriations and the balance of which does not lapse under  
27 AS 37.25.010; and

28 (3) any other money that is appropriated to the Alaska  
29 marine highway system fund by the legislature, which appropriations

1 are not one-year appropriations and the balances of which do not lapse  
2 under AS 37.25.010.

3 (b) Nothing in this chapter exempts money deposited into the  
4 Alaska marine highway system fund from the requirements of the Execu-  
5 tive Budget Act (AS 37.07) or dedicates that money for a specific  
6 purpose.

7 Sec. 19.65.070. REVENUE ACCOUNTING. (a) The Alaska marine  
8 highway system shall account for and remit to the Department of Reve-  
9 nue in accordance with AS 37.10.050 all gross revenue generated from  
10 the operation of the Alaska marine highway system during each annual  
11 operating cycle. The money shall then be deposited in the Alaska  
12 marine highway system fund.

13 (b) The Alaska marine highway system shall submit a written  
14 report to the legislature, no later than the 10th day of each regular  
15 legislative session, regarding the previous annual operating cycle.  
16 The report shall identify

17 (1) gross revenue generated during the previous annual  
18 operating cycle;

19 (2) gross revenue generated during the current annual  
20 operating cycle and an estimate of gross revenue for the remainder of  
21 the current annual operating cycle;

22 (3) projections of the gross revenue to be generated during  
23 the next annual operating cycle; and

24 (4) the difference between previous gross revenue estimates  
25 prepared under this section and the revenues actually generated.

26 Sec. 19.65.080. ANNUAL APPROPRIATION. (a) Commencing with  
27 appropriations for the fiscal year that begins July 1, 1991, on an  
28 annual basis and under the Executive Budget Act (AS 37.07), the legis-  
29 lature may appropriate amounts from the Alaska marine highway system

1 fund to the Alaska marine highway system.

2 (b) The Department of Transportation and Public Facilities may  
3 request the legislature to appropriate money from the Alaska marine  
4 highway system fund to the marine highway system for capital improve-  
5 ments, if

6 (1) the appropriation under (a) of this section has been  
7 made;

8 (2) the amount in the fund, without regard to the appro-  
9 priation under (a) of this section, exceeds the total of gross revenue  
10 deposited in the fund and the general fund appropriations under  
11 AS 19.65.060(a)(2) by 10 percent; and

12 (3) the amount requested for appropriation under this  
13 subsection does not exceed 50 percent of the balance remaining after  
14 the appropriation for annual management and operations is made under  
15 (a) of this section.

16 (c) The unexpended and unobligated balance of money appropriated  
17 from the Alaska marine highway system fund lapses back into the Alaska  
18 marine highway system fund at the end of the fiscal year for which it  
19 was appropriated.

20 Sec. 19.65.100. DEFINITIONS. For the purpose of AS 19.65.050 -  
21 19.65.100,

22 (1) "annual operating cycle" means the annual state fiscal  
23 year beginning on July 1 and ending at midnight on the following June  
24 30;

25 (2) "gross revenue" means all money, except money refunded  
26 to ticket holders and others for unused services, that is generated  
27 from the operation of the Alaska marine highway system, including that  
28 derived from vessel operations and uses of Alaska marine highway  
29 system facilities.

1 \* Sec. 2. This Act takes effect July 1, 1990.  
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