

HJR 19

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 6, 1992

FURTHER REFERRALS:

Date of Committee Action: 5/7/92

The FINANCE Committee considered:

HJR 19

HOUSE JOINT RESOLUTION NO. 19

TRANSPORTATION FUND

Proposing amendments to the Constitution of the State of Alaska creating a transportation fund.

RECOMMENDATIONS:

be replaced with CS HR 19 (FIN) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact DOT

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) DOT 5/6/92

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Mike Savare</i>	<input checked="" type="checkbox"/>	<i>Base Table</i>		<input checked="" type="checkbox"/>	
<i>Mark Bayer</i>	<input checked="" type="checkbox"/>	<i>Key Points</i>			<input checked="" type="checkbox"/>
<i>John Ulmer</i>	<input checked="" type="checkbox"/>	<i>Response</i>			<input checked="" type="checkbox"/>
<i>David [unclear]</i>	<input checked="" type="checkbox"/>	<i>Best things unless amend</i>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
<i>[unclear]</i>	<input checked="" type="checkbox"/>	<i>Eldon Muehlen</i>		<input checked="" type="checkbox"/>	
		<i>General Haines</i>	<input checked="" type="checkbox"/>		

Mike Savare Eldon Muehlen
CHAIRMAN'S SIGNATURE

1992 LEGISLATIVE SESSION

Revision Date: 01/13/92
 Title: Amendment to the Constitution RE: Transportation Fund
 Sponsor: Transportation Committee
 Requestor: Transportation Committee

Department Affected: Office of the Governor-Elections
 BRU: Division of Elections
 Component: II-Primary and General Elections

COMPONENT SERIAL NO.

0	0	2	2
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	2.2*	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	2.2*	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	2.2*	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	2.2*	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.) * This figure covers cost of inclusion of information about this issue in the Official Elections Pamphlet as required by AS 15.58, and programming for DataVote counting of votes cast on this measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing an additional ballot card, the fiscal impact would be: 53.4.

Prepared by: Elizabeth Ziegler, Deputy Director
 Division: Elections

Phone: 465-4611
 Date: 01/13/92

Approved by Commissioner: *Charles E. Thickett*
 Agency: Office of the Governor

Date: 01-13-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HJR-19

Revision Date: 1/22/92

Department Affected: Revenue

Title: Amending the State's constitution to create a transportation fund.

BRU: Operations

Component: Treasury Management

Sponsor: Transportation

Requestor: Judiciary

Component Serial No.

0	1	2	1
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES		5.0	5.0	5.0	5.0	5.0
TRAVEL						
CONTRACTUAL		20.0	20.0	20.0	20.0	20.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		25.0	25.0	25.0	25.0	25.0

CAPITAL						
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REVENUE						
Unrestricted-General Fund:		(62,000.0)	(62,000.0)	(62,000.0)	(62,000.0)	(62,000.0)
Restricted-Transportation Fund:		62,000.0	62,000.0	62,000.0	62,000.0	62,000.0

FUNDING: (Thousands of Dollars)

GENERAL FUND/Unrestricted						
FEDERAL FUNDS						
OTHER/Transportation Fund		25.0	25.0	25.0	25.0	25.0
TOTAL		25.0	25.0	25.0	25.0	25.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: The 25.0 expenditure in total operating costs is the basic personal services and contractual costs for a trust managed by the Treasury Division. Contractual costs would consist of external investment management, accounting, auditing, and custodial services. Future cost increases are dependent on the asset growth of the trust fund from revenues and appropriations. (continued)

Prepared by: Brian C. Andrews

Phone: 465-2350

Division: Treasury

Date: January 22, 1992

Approved by Commissioner: *David Bevil*

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Continued Analysis HJR 19

ANALYSIS: This legislation would reduce the unrestricted revenue to the general fund received from the State's licenses and fees for the registration, operation, and use of motor vehicles, aircraft, and watercraft and from net State taxes on fuel used for motor vehicles, aircraft and watercraft by approximately 62 million dollars. These revenues would then be used for authorized expenditures from the transportation fund.

FY 1991 TRANSPORTATION REVENUES

Unrestricted Revenues - Preliminary (000s)

AKSAS CODE	TITLE	ACTUALS FY 91
60210/20/30	Fuel Taxes	39,917
62210	Motor Vehicle License/Registration	20,760
65311	Airspace Leases	6
64405	Landing Fee	122
64420	Oil & Gas Fee	74
64430/40	Vehicle Parking/Building Rent	(4)
64460	Concession Fee	19
64475	Land Rental	113
55100	Appropriated Unrestricted Revenue	1,008
<hr/> TOTAL TRANSPORTATION FUND		62,015

Source: Treasury Division, 1/14/92.

FISCAL NOTE

Revision Date:
Title: Transportation Fund

Department Affected: DOT&PF
BRU:

Sponsor: House Transportation
Requestor: House Judiciary

Component:
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Catherine McHugh

Phone: 465-3900

Division: Special Assistant to the Commissioner

Date: May 5, 1992

Approved by Commissioner: 
Frank E. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: May 5, 1992

Distribution By Preparer: Leg. Finance, Leg. Sponsor, Requestor, OMB/DBR, Gov. Leg. Office, Impacted Agency(ies).

CS FOR HOUSE JOINT RESOLUTION NO. 19 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE TRANSPORTATION COMMITTEE

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska creating a transportation
2 fund.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska, is repealed and readopted to read:

5 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any State tax or
6 license shall not be dedicated to any special purpose. This provision shall not prohibit the
7 continuance of any dedication for special purposes existing on April 24, 1956, and shall not
8 prohibit the dedication of revenue under Section 15 or Section 18 of this article or when required
9 by the federal government for State participation in federal programs.

10 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended by adding a new section to read:

11 SECTION 18. TRANSPORTATION FUND. (a) The revenue received after June 30,
12 1993, from State licenses and fees for the registration, operation, and use of motor vehicles,
13 aircraft, and watercraft, from the use of State transportation facilities, and from State taxes on
14 fuel used in and on watercraft and for the propulsion of motor vehicles and aircraft, less refunds,
15 credits, and fee collection costs as provided by law, shall be placed in a transportation fund.
16 Except as provided in (d) of this section, the legislature may make appropriations from the fund

1 only for

2 (1) the maintenance and operation of a state or local government facility that
3 relates to the mode of transportation from which the revenue was collected, and, with regard to
4 revenue obtained from watercraft, also for the improvement and construction of harbor facilities;

5 or

6 (2) the administration and enforcement of motor vehicle laws.

7 (b) This section does not apply

8 (1) to a tax, license, or fee that the State collects on behalf of a local government;

9 (2) to revenue received by a public corporation whose revenue must by federal
10 law be retained and managed by the corporation;

11 (3) to the extent required by law or by the bond covenants, to revenue received
12 from the use or operation of a facility constructed with bond proceeds; and

13 (4) to revenue received from the motor fuel surcharge that is in effect on the
14 effective date of this section and whose purpose is specifically stated in law to be for remedying
15 environmental problems created by underground petroleum storage tanks or underground tank
16 systems.

17 (c) The legislature shall provide by law for the management and investment of the fund
18 balance. The income earned from the management and investment of the fund shall be deposited
19 into the fund.

20 (d) An appropriation from the fund for any public purpose may be made upon an
21 affirmative vote of two-thirds of the members of each house of the legislature.

22 * Sec. 3. The amendments proposed by this resolution shall be placed before the voters of the state
23 at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska, and
24 the election laws of the state.

Department of Transportation & Public Facilities



POSITION PAPER

BILL NO: HJR 19

APPROVED:

A handwritten signature in black ink, appearing to read "J. D. ...".

TITLE: Proposing a dedicated fund

DATE: February 27, 1991

The Department of Transportation and Public Facilities endorses this Resolution proposing a constitutional amendment establishing a dedicated transportation fund. The department has the statutory responsibility for the maintenance and operation of Alaska's transportation system. The department believes that maintaining the state's transportation system in a responsible manner is of vital importance to the economic well-being of all Alaskans. Consequently, the department is concerned that the volatility of current revenue sources make it increasingly difficult to insure that the necessary funds are available to maintain the system in a responsible manner.

The department believes that user fees are one of the more equitable and appropriate methods of attaining a stable funding source for transportation facilities. The department also recognizes that a direct linkage between the expenditures of a fee and the services provided, raises the credibility of the user fee concept and may make increasing those fees more acceptable to system users. Moreover, establishing a direct linkage between the fees collected and the expenditures authorized would provide the consuming public with the ability to make an informed decision about the cost of the services they expect. Since a dedicated fund would create the direct linkage between expenditures authorized and the fees collected, the department believes that establishment of a dedicated fund is the most significant, long-term step needed to better manage the capital assets the State has in its transportation infrastructure.

Alaska Association of Harbormasters & Port Administrators, Inc.

H
File

334 Front Street
Ketchikan, Alaska 99901

January 6, 1992

The Honorable Representative Dave Donley
Alaska State Legislature
House Judiciary Committee
Room 122, Capitol
P. O. Box V
Juneau, Alaska 99811

Dear Representative Donley:

The Alaska Association of Harbormasters and Port Administrators is an organization of the Harbormasters and Port Administrators who are responsible for the maintenance and operation of the majority of the small boat harbors and port facilities located throughout the State. Our Association is 20 years old and has over 64 members.

As stewards of the State-owned small boat harbors we are fully aware of the value of those assets to the State and her people. As professionals we take great pride in our commitment to provide the best in moorage and service to the thousands of vessel operators who use harbor and port facilities each year.

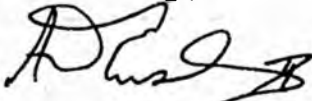
Over the years our members have expressed grave concern over the lack of dedication the State has shown toward the small boat harbors. These valuable assets are aging rapidly. Some harbors are over forty years old and require attention that is beyond the ability of the operators. This situation is the result of maintenance, expensive maintenance, that has been deferred by the State and to some extent the operators.

For many years the Alaska Association of Harbormasters and Port Administrators has advocated establishing a dedicated fund by which the State could fulfill its obligation to perform maintenance in its small boat harbors. On November 7, 1991, our Association unanimously approved a resolution of support for establishing such a fund.

You are currently reviewing House Joint Resolution 19 (Judiciary) which proposes amendments to the Constitution of the State of Alaska, creating a Transportation fund. Our Association supports the resolution and asks that those funds generated by the State tax on fuel used by water craft be made available to fund maintenance of the State's small boat harbors.

On behalf of the membership of the Alaska Association of Harbor-masters and Port Administrators it is requested House Joint Resolution No. 19 be passed out of committee and presented for legislative approval.

Sincerely,



A. D. Ensley II, President
Alaska Association of Harbormasters
and Port Administrators, Inc.

ADE:sd



Rep. D. Donley	H. Springer
Co.	Co. AGC
Dept.	Phone #
Fax # 465-2299	Fax #

ASSOCIATED GENERAL CONTRACTORS of ALASKA

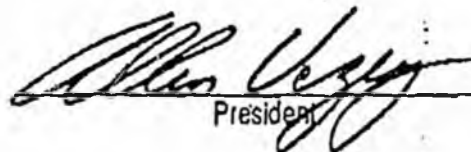
1011 B STREET • ANCHORAGE, ALASKA 99501
P.O. BOX 240009 • ANCHORAGE, ALASKA 99521-0009
TELEPHONE (907) 561-5354 • FAX (907) 562 6118

A RESOLUTION OF THE ASSOCIATED GENERAL CONTRACTORS OF ALASKA REQUESTING THE ALASKA STATE LEGISLATURE TO PASS A RESOLUTION TO PUT THE 1992 GENERAL ELECTION BALLOT A CONSTITUTIONAL AMENDMENT TO DEDICATE TRANSPORTATION USER FEES TO TRANSPORTATION SERVICES

- WHEREAS, fluctuating oil prices create instability in budgets which are dependent on oil revenues, and
- WHEREAS, stability is needed for a proper management of capital assets and for industry to be prepared to manage those assets, and
- WHEREAS, oil production from Prudhoe Bay is expected to decrease, and as a result, the State's oil revenues will also decrease, and
- WHEREAS, the State's transportation systems are so important to Alaska's economic vitality to be subject to this downturn in revenues, and
- WHEREAS, the costs of maintenance and repair brought on by use of the transportation system should be paid by users of the system, and
- WHEREAS, user fees are the most equitable and fair, and therefore the most reasonable source of funding for expenses related to the Alaska transportation system, and
- WHEREAS, dedicated user fees are needed to ensure that these fees go to transportation services and create the connection which will allow adjustments to the levels of revenues being collected, based on needs, and
- WHEREAS, the dedicating of user fees in the State of Alaska requires that voters approve an amendment to the Constitution,

NOW, THEREFORE, BE IT RESOLVED by the Associated General Contractors of Alaska that it requests the Legislature to pass a resolution to put on the 1992 general election ballot a Constitutional Amendment to dedicate transportation user fees to transportation services.

PASSED AND ADOPTED BY AGC OF ALASKA ON THIS 10TH DAY OF FEBRUARY, 1992.



President

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Dedicated tax would solve pothole problem

JUNEAU — Because most of us commute regularly, we have a seat-of-the pants feel for the bumps and potholes and roller-coaster ups and downs of troublesome stretches of our roads and highways.

We wonder why repairing our highways has such a low priority in how we spend our state money. Why doesn't our Department of Transportation and Public Facilities get the job done? Is it true they would rather build than repair what we have already?

The answer to all of these questions is understandable. Voter pressure! Your Legislature is very sensitive to the squeaky wheel. And the wheels that want highways repaired have been running quietly. Much too quietly. Not until this session have legislators heard enough from squeaky maintenance wheels to give the transportation department what was asked for to spend on highway maintenance.

Lawmakers are not against maintenance. Not at all. It's just a matter of priorities. Other constituent requests push maintenance to the bottom of the list. How do you solve this?

Well, at transportation department we have a way. Dedicated revenue. Gasoline taxes should be used only for highway maintenance and construction. Aviation



Frank Turpin

fuel taxes should be dedicated to airports. Marine fuels to boat harbors. This is an idea whose time has come. In fact, it is an idea whose worth and effectiveness are already proven in many other states.

We need to take care of what we have. The practice of deferred maintenance, resulting in the past from funding going elsewhere where the pressure to deliver money was stronger, has to be eliminated and the needed money put into upkeep.

Our engineers tell me that we have over \$40 million of deferred maintenance today in our highways and rural airports, and to me that is almost an emergency situation.

There is similar neglect in needed upkeep of public buildings and other facili-

ties. I just don't think that we should permit our public properties and services that depend on them to go that far down. We need to do much more to protect the infrastructure we have in place.

Regarding highways, if we doubled the current 8-cent gasoline tax we would still be well below the national average of 18-cents per gallon while gaining about \$88 million in needed maintenance funds. For rural airports, if we added 2-cents a gallon to the fuel tax, we would have almost all the money we need for their maintenance.

In many instances of the transportation department's responsibility, similar circumstances apply: The facilities and services provided can, unlike many government functions, generate a distinct stream of revenues for their own operation.

A resolution is under consideration in the Legislature that proposes a change in our constitution, to be voted on in 1992, that would permit designated funding for transportation and public facilities maintenance. I think people, if they can be sure their money will provide better facilities and services, will want that.

Frank G. Turpin is Commissioner of the Alaska Department of Transportation and Public Facilities.