

HJR

19

HOUSE COMMITTEE REPORT

(7)  
 Date Referred: March 8, 1991 FURTHER REFERRALS: Finance

Date of Committee Action: 5/4/92

The JUDICIARY 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 HJR 19 (JUD)  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 \_\_\_\_\_  fiscal note(s) \_\_\_\_\_  
 zero fiscal note Transportation  zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Mike Miller</u>	<input checked="" type="checkbox"/>	<u>David Donley</u>		<input checked="" type="checkbox"/>	
<u>Terry Martin with amendment</u>	<input checked="" type="checkbox"/>	<u>D. L. ...</u>		<input checked="" type="checkbox"/>	
		<u>William ...</u>		<input checked="" type="checkbox"/>	
		<u>H. J. Ellis</u>		<input checked="" type="checkbox"/>	

David Donley  
 CHAIRMAN'S SIGNATURE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NUMBER: HJR 19

# 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
<b>TOTAL OPERATING:</b>	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
<b>TOTAL FUNDING:</b>	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 G. 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).

**FISCAL NOTE**

Revision Date: \_\_\_\_\_ Department Affected: DOT&PF  
 Title: Proposing amendments to the Constitution of the State of Alaska creating a transportation fund BRU:  
 Sponsor: House Transportation Committee Component:  
 Requestor: House Transportation Committee Component Serial Number:

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
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
<b>TOTAL OPERATING:</b>	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	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	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	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) See page 2.**

Prepared by: M. Clyde Stoltzfus

Phone: 465-3900

Division: Commissioners Office

Date: February 26, 1991

Approved by Commissioner:   
Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: February 27, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

ANALYSIS (cont. from page 1):

Transportation infrastructure is one of the basic building blocks of an economic system. Transportation not only moves people and goods: it also moves the economy. In this regard, the condition of the transportation infrastructure has been clearly shown to be directly linked to the productivity of an economy. Under the current system, funding to maintain Alaska's transportation infrastructure varies greatly depending on the competing demand for state general fund dollars and fluctuating state revenues. As a basic underpinning of a healthy growing economy, maintaining our basic transportation infrastructure is too important to allow continued fluctuation. As a result of past funding variations, today we are facing an overwhelming backlog of deferred maintenance just to keep from losing our capital assets. Aside from the threat to our capital assets, the poor condition of our transportation system has had an untold impact on the productivity of our economy. In the final analysis, poor maintenance on our transportation system is a hidden cost for all businesses and ultimately all consumers in the state. This legislation would stabilize our maintenance funding so that long-term management decisions could be made that would eventually benefit all Alaskans.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. HJR 19

Revision Date: \_\_\_\_\_  
Title: Proposing amendments to the Constitution of the State of Alaska creating a transportation fund  
Sponsor: House Transportation Committee  
Requestor: House Transportation Committee

Department Affected: Revenue  
BRU: Revenue Operations  
Component: Treasury Management

Component Serial No.

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

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL				5,000	5,000	5,000
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	5,000	5,000	5,000

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER: <u>Transportation Fund</u>				5,000	5,000	5,000
<b>TOTAL</b>	0	0	0	5,000	5,000	5,000

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

**ANALYSIS:** Assumes an independent audit beginning in FY 95 for FY 94, the first year of funding. Contractual requirements may be more if fund accumulates substantial money requiring investment related fees.

Prepared by: Darrel J. Rexwinkel Phone: 465-2300  
Division: Treasury Date: March 5, 1991  
Approved by Commissioner: *Darrel Rexwinkel acting*  
Agency: Revenue

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

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. HJR 19

Revision Date: \_\_\_\_\_ Department Affected: Office of the Governor-Elections  
 Title: Amendment to the Constitution BRU: Division of Elections  
est. Transportation Fund Component: II - Primary and General Elections  
 Sponsor: Transportation Committee  
 Requestor: Transportation Comm COMPONENT SERIAL NO. 

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

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		2.2*				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		2.2*				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		2.2*				
FEDERAL FUNDS						
OTHER						
TOTAL		2.2*				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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 Election 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 Phone: 465-4611  
 Division: Division of Elections Date: 3-4-91  
 Approved by Commissioner: *Charles E. Kristol*  
 Agency: Division of Elections Date: 3-4-91

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

# Alaska State Legislature

## House of Representatives



Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4858

### Committee on Transportation

TO: Rep. Dave Donley  
Chairman, House Judiciary Committee

FROM: Representative Richard Foster *RF*  
Chairman, House Transportation Committee

SUBJECT: HJR 19

DATE: April 9, 1991

I would like to request a hearing on HJR 19 at your earliest convenience. This is a very important resolution for the transportation system as it would place the issue of a dedicated transportation fund before the voters at the next election.

I would appreciate your assistance with scheduling this resolution Dave.



## Department of Transportation & Public Facilities

# POSITION PAPER

**BILL NO:** HJR 19

**APPROVED:**

A handwritten signature in cursive script, likely belonging to J. Durkin.

**TITLE:** Proposing a dedicated fund

**DATE:** February 27, 1991

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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.

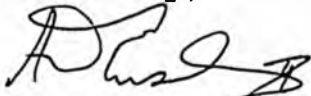
Over the years our members have expressed grave concern over the lack of dedication the State has shown toward the small boat harbors. These valuable assets are aging rapidly. Some harbors are over forty years old and require attention that is beyond the ability of the operators. This situation is the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



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

## ASSOCIATED GENERAL CONTRACTORS of ALASKA

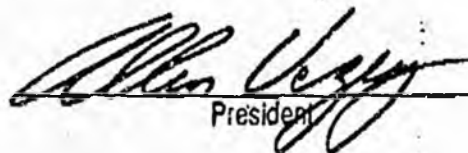
1041 B STREET • ANCHORAGE, ALASKA 99503  
P.O. BOX 240009 • ANCHORAGE, ALASKA 99524-0009  
TELEPHONE (907) 561-5354 • FAX (907) 562 6118

### 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 too 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

FAIRBANKS  
P.O. BOX 60005 • FAIRBANKS, AK 99706  
(907) 452-1889

JUNEAU  
99901 GLACIER HIGHWAY  
(907) 561-5754

SIGI DOTNA  
P.O. BOX 350 • SOLDOTNA, AK 99669  
(907) 262-2485

# 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 \$400 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 19-cents per gallon while gaining about \$66 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.*

THE  
**CONSTITUTION**  
OF THE  
**STATE OF**  
**ALASKA**



**John B. Coghill**  
**Lieutenant Governor**

December 1990

**Article IX**

**Finance and Taxation**

**Section 1 - Taxing Power.**

The power of taxation shall never be surrendered. This power shall not be suspended or contracted away, except as provided in this article.

**Section 2 - Nondiscrimination.**

The lands and other property belonging to citizens of the United States residing without the State shall never be taxed at a higher rate than the lands and other property belonging to the residents of the State.

**Section 3 - Assessment Standards.**

Standards for appraisal of all property assessed by the State or its political subdivisions shall be prescribed by law.

**Section 4 - Exemptions.**

The real and personal property of the State or its political subdivisions shall be exempt from taxation under conditions and exceptions which may be provided by law. All, or any portion of, property used exclusively for non-profit religious, charitable, cemetery, or educational purposes, as defined by law, shall be exempt from taxation. Other exemptions of like or different kind may be granted by general law. All valid existing exemptions shall be retained until otherwise provided by law.

**Section 5 - Interests in Government Property.**

Private leaseholds, contracts, or interests in land or property owned or held by the United States, the State, or its political subdivisions, shall be taxable to the extent of the interests.

**Section 6 - Public Purpose.**

No tax shall be levied, or appropriation of public money made, or public property transferred, nor shall the public credit be used, except for a public purpose.

**Section 7 - Dedicated Funds.**

The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in Section 15 of this article or when required by the federal government for state participation in federal

programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska. [Amendment approved November 2, 1976 - Effective February 21, 1977]

#### Section 8 - State Debt.

No state debt shall be contracted unless authorized by law for capital improvements or unless authorized by law for housing loans for veterans, and ratified by a majority of the qualified voters of the State who vote on the question. The State may, as provided by law and without ratification, contract debt for the purpose of repelling invasion, suppressing insurrection, defending the State in war, meeting natural disasters, or redeeming indebtedness outstanding at the time this constitution becomes effective. [Amendment approved November 2, 1982 - Effective December 24, 1982]

#### Section 9 - Local Debts.

No debt shall be contracted by any political subdivision of the State, unless authorized for capital improvements by its governing body and ratified by a majority vote of those qualified to vote and voting on the question.

#### Section 10 - Interim Borrowing.

The State and its political subdivisions may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that year, but all debt so contracted shall be paid before the end of the next fiscal year.

#### Section 11 - Exceptions.

The restrictions on contracting debt do not apply to debt incurred through the issuance of revenue bonds by a public enterprise or public corporation of the State or a political subdivision, when the only security is the revenues of the enterprise or corporation. The restrictions do not apply to indebtedness to be paid from special assessments on the benefited property, nor do they apply to refunding indebtedness of the State or its political subdivisions.

#### Section 12 - Budget.

The governor shall submit to the legislature the budget for the next fiscal year setting forth the anticipated income of all departments, and the governor, at the same time, shall submit to the legislature recommendations to authorize the proposed expenditures in the budget for the next fiscal year.

#### Section 13 - Expenditures.

No money shall be withdrawn from the treasury for any purpose other than appropriations made by law. No obligations shall be incurred except as authorized by law. Obligations outstanding at the end of the period for which they were incurred shall be void.

#### Section 14 - Legislative Post-Audit.

The legislature shall appoint an auditor who shall be a certified public accountant. The auditor shall be prescribed by law and shall report to the legislature.

#### Section 15 - Alaska Permanent Fund.

At least twenty-five per cent of all mineral lease proceeds, federal mineral revenue received by the State shall be placed in the Alaska Permanent Fund, of which shall be used only for those purposes specifically designated by law as eligible. All income from the permanent fund shall be deposited in the fund unless otherwise provided by law. [Amendment approved November 2, 1976 - Effective February 21, 1977]

#### Section 16 - Appropriation Limit.

Except for appropriations for Alaska State bonds, appropriations of revenue bond proceeds, the principal and interest on general obligations of money received from a non-State source for a public purpose, including revenues of a public utility of the State that issues revenue bonds, and appropriations made for a fiscal year shall not exceed the cumulative change, derived from federal population and inflation since July 1,