

SJR

18



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 22, 1993

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

5/2/18

Dear President Halford:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a resolution to amend the Alaska Constitution to provide for a dedicated transportation fund.

Section 1 of the resolution repeals and readopts art. IX, sec. 7, of the Alaska Constitution so that it permits the dedication of revenue under a new sec. 18 of art. IX, which is created by sec. 2 of the resolution. No other substantive change is made to sec. 7.

Section 2 of the resolution amends art. IX of the Alaska Constitution by adding a new sec. 18. New sec. 18(a) requires that certain revenue received after June 30, 1995 that is derived from transportation-related functions be placed into a transportation fund. The revenue that is to be dedicated to the transportation fund is

- 1) revenue from state licenses and fees for the registration, operation, and use of motor vehicles, aircraft, and watercraft;
- 2) revenue from the use of state transportation facilities, including the state ferry system;
- 3) revenue from state taxes on fuel used in and on watercraft and on fuel used by motor vehicles and aircraft.

Refunds or credits from state fuel taxes, as provided by law, and costs for the collection of license, fee, and tax revenue, as provided for by law, would not be required to be placed in the transportation fund.

New sec. 18(a) also provides that the legislature may appropriate revenue from the transportation fund only for

- 1) the maintenance and operation of a state or local government transportation facility (including a highway or marine highway

The Honorable Rick Halford
Page 2

system vessel) if the facility is related to the mode of transportation from which the tax, license, or fee revenue to be appropriated was originally received;

- 2) the construction and improvement of harbor facilities if the tax, license, or fee revenue to be appropriated was obtained from the use of watercraft; and
- 3) the administration and enforcement of motor vehicle laws.

Section 18(b) exempts the following transportation-related revenue from the requirement that it be placed into the new transportation fund:

- 1) revenue received from taxes, licenses, or fees that the state collects on behalf of a local government;
- 2) revenue received by a public corporation whose revenue must, by federal law, be retained and managed by the corporation; and
- 3) revenue received from the use or operation of a transportation facility constructed with bond proceeds if law or bond covenants require that the revenue be used for some other purpose.

Section 18(c) requires the legislature to provide by law for the management and investment of the fund and provides further that income earned from the management and investment of the fund be deposited into the fund.

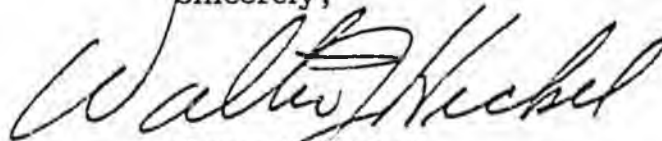
Section 18(d) allows the legislature, upon three-fourths majority vote of both houses, to make appropriations from the fund for any other public purpose.

Section 3 of the resolution requires that the amendment proposed by this resolution be placed before the voters of the state at the next general election in accord with the election laws of the state.

Because transportation facility maintenance and operation, like other state services, is currently a general fund expenditure, declining oil revenue will surely mean a reduction in the funding available for those critical activities. I believe that the most appropriate means to guard against such a reduction, and to provide for stability and continuity in the provision of transportation services, is to permit "user fees" from transportation-related facilities to be dedicated to maintaining and operating Alaska's transportation system.

I urge your favorable consideration of this resolution.

Sincerely,



Walter J. Hickel
Governor



Department of Transportation & Public Facilities

POSITION PAPER

BILL NO: SJR 18

APPROVED:

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

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

DATE: February 4, 1993

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.

HARBORS UNDER STATE MANAGEMENT

INDEX OF HARBOR FACILITIES

<u>NAME OF FACILITY</u>	<u>REGION</u>	<u>CAPACITY</u>
ALEGNAGIK DOCK	CENTRAL	N/A
BARANOF FLOAT	SOUTHEAST	19
CHENEGA BAY BOAT HARBOR	CENTRAL	21
COFFMAN COVE HARBOR	SOUTHEAST	28
COLD BAY DOCK	CENTRAL	N/A
EDNA BAY REFUGE FLOAT	SOUTHEAST	15
ELFIN COVE INNER HARBOR	SOUTHEAST	47
ELFIN COVE OUTER HARBOR	SOUTHEAST	18
ENTRANCE ISLAND REFUGE FLOAT	SOUTHEAST	6
FUNTER BAY FLOAT	SOUTHEAST	8
FUNTER BAY REFUGE FLOAT	SOUTHEAST	8
GUSTAVUS DOCK & FLOAT	SOUTHEAST	7
HALIBUT COVE FLOAT	CENTRAL	27
HELM BAY REFUGE FLOAT	SOUTHEAST	5
HOLLIS FLOAT	SOUTHEAST	11
HYDER HARBOR & FLOAT	SOUTHEAST	29
JAKOLOF BAY FLOAT	CENTRAL	13
JUNEAU TAKU HARBOR	SOUTHEAST	18
KASAAN FLOAT	SOUTHEAST	10
LORING FLOAT	SOUTHEAST	10
MEYERS CHUCK HARBOR	SOUTHEAST	20
NINILCHIK BOAT HARBOR	CENTRAL	32
KUPREANOF FLOAT	SOUTHEAST	8
PETERSBURG PAPKE'S LANDING	SOUTHEAST	9
POINT BAKER FLGAT	SOUTHEAST	27
PORT ALEXANDER INNER HARBOR	SOUTHEAST	15
PORT ALEXANDER OUTER HARBOR	SOUTHEAST	24
PORT LIONS SMALL BOAT HARBOR	CENTRAL	119
PORT PROTECTION REFUGE FLOAT	SOUTHEAST	15
PORT PROTECTION SKIFF FLOAT	SOUTHEAST	6
SWANSON HARBOR REFUGE FLOAT	SOUTHEAST	9
TATITLEK DOCK	NORTHERN	N/A
UNALASKA SMALL BOAT HARBOR	CENTRAL	<u>30</u>
	TOTAL	614



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT DOT&PF	DIVISION Office of the Commissioner	BILL NUMBER SJR 18	SPONSOR Senate Rules
DEPARTMENT POSITION Fully support legislation.			
PREPARED BY M. Clyde Stoltzfus	DATE 2/4/93	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 2-4-93

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Revenue	CONSTITUENT GROUP(S) AFFECTED BY BILL No particular group.
ORGANIZATIONAL SUPPORT FOR BILL Associated General Contractors of Alaska Alaska Highway Users Federation	ORGANIZATIONAL OPPOSITION TO BILL Air Carriers Association

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
This resolution would send a proposed constitutional amendment before the voters for approval. The amendment would create a dedicated fund for maintenance of transportation facilities.

ANALYSIS OF BILL/PROGRAM EFFECTS
Transportation infrastructure is one of the basic building blocks of an economic system. 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.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

FISCAL NOTE

Revision Date: February 4, 1993
Title: Proposing amendments to the
Constitution of the State of Alaska
creating a transportation fund

Agency Affected: DOT&PF
BRU:

Sponsor: Senate Rules Committee
Requestor: Governor

Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	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: None

ANALYSIS: This resolution would put before the voters a ballot measure to amend the constitution to allow for a dedicated transportation fund. The Legislature could appropriate from the fund for maintenance and operation of the Alaska Marine Highway System, the highway system, the aviation system and for construction, maintenance, and operation of the harbor system. Revenue for the fund would be derived from user fees on each system. Revenue from the Alaska Railroad Corporation and the Alaska International Airport System is exempt from the fund.

Prepared by: M. Clyde Stoltzfus
Division: Office of Strategic Management, Policy and Planning

Phone: 465-3900
Date: February 4, 1993

Approved by Commissioner: Frank G. Turpin
Agency: Department of Transportation and Public Facilities

Date: February 4, 1993

Distribution (by preparer):

Legislative Finance, Legislative Sponsor, Requestor, Office of Management and Budget, Impacted Agency(ies)

FISCAL NOTE

Revision Date:
Title: Dedicated Transportation Fund

Department Affected: DOT&PF
BRU: DOT&PF

Sponsor: Rules Committee
Requestor: Governor

Component: ALL
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
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)

1002 FEDERAK RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	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 (FY93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary)

This resolution would put before the voters a ballot measure to amend the constitution to allow for a dedicated transportation fund. The Legislature could appropriate from the fund for maintenance and operation of the Alaska Marine Highway System, the highway system, the aviation system and for construction, maintenance, and operation of the harbor system. Revenue for the fund would be derived from user fees on each system. Revenue from the Alaska Railroad Corporation and the Alaska International Airport System is exempt from the fund.

Prepared by: M. Clyde Stoltzfus, Chief

Phone: 465-3900

Division: Office of Strategic Management, Planning & Policy

Date: November 19, 1992

Approved by Commissioner: 
Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: November 20, 1992

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 3

Bill Version: STR 18

(S) Publish Date: 1/22/93

Revision Date: _____ Dept. Affected: Public Safety

Title: Dedicated Transportation Fund BRU: Motor Vehicles

Component: Driver Services, Vehicle Services

Sponsor: Rules Field Services

Requestor: Governor COMPONENT SERIAL NO. 500, 501, 502

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE FUND SOURCE:						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-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 (FY 93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact upon the Division of Motor Vehicles is expected.

Prepared By: Juanita Hensley, Chief of Driver Services Phone: 465-4335

Division: Division of Motor Vehicles Date: 11/17/92

Approved by Commissioner: [Signature] Date: 11/19/92

Agency: Richard T. Burton, Dept. of Public Safety

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FISCAL NOTE

N 1

Bill Version: SJR 18

(S) Publish Date: 1/22/93

**STATE OF ALASKA
1993 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: Revenue
 Title: Dedicated Transportation Fund BRU: Revenue Operations
 Component: Income & Excise Audit
 Sponsor: Governor
 Requestor: _____ COMPONENT SERIAL NO. 0113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE FUND SOURCE:GF	0	0	(45,000)	(45,000)	(45,000)	(45,000)
Transportation Fund			45,000	45,000	45,000	45,000

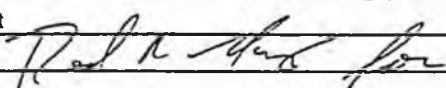
FUNDING:	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL						

POSITIONS:	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: Paul E. Dick Phone: 465-2320
 Division: Income & Excise Audit Date: 11/16/92
 Approved by Commissioner: Darrel J. Rexwinkel  Date: 12/02/92
 Agency: Revenue

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Analysis:

This resolution proposes a constitutional amendment to allow revenues derived from taxes on motor fuel, marine fuel and aviation fuel; revenue derived from license fees for the registration and operation of motor vehicles, aircraft and watercraft; and, revenue derived from the use of state transportation facilities, to be placed into a transportation fund dedicated for the maintenance and operation of transportation facilities.

When passed by the legislature and approved by the voters, this amendment would allow revenues to be deposited into the Transportation Fund beginning July 1, 1995.

FISCAL NOTE

BILL NO. SJR 18

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____
Title: Amendment to the Constitution RE: Creating
Transportation Fund
Sponsor: Senate Rules Committee
Requestor: _____

Department Affected: Office of the Governor
BRU: Division of Elections
Component: General and Primary Elections
COMPONENT SERIAL NO. 22

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	2.2*	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	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 (FY93) 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 the measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing and additional ballot card, the fiscal impact would be 53.4.

Prepared by: Charlot E. Thickstun, Director *Charlot E. Thickstun* Phone: 465-4611
Division: Division of Elections Date: 2/10/93

Approved by Commissioner: John B. Coghill, Lieutenant Governor
Agency: Office of the Governor Date: 2/10/93

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SENATE JOINT RESOLUTION NO. 18

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/22/93
Referred: TRA, JUD, FIN

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska creating a
2 transportation 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
5 readopted to read:

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

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

14 SECTION 18. TRANSPORTATION FUND. (a) The revenue received after
15 June 30, 1995, from State licenses and fees for the registration, operation, and use of
16 motor vehicles, aircraft, and watercraft, from the use of State transportation facilities,

1 including the State ferry system, and from State taxes on fuel used in and on
2 watercraft and for the propulsion of motor vehicles and aircraft, less refunds or credits,
3 and costs of collection, for State taxes on fuel as provided by law, and less costs for
4 collection of revenue from the licenses and fees as provided by law, shall be placed
5 in a transportation fund. Except as provided in (d) of this section, the legislature may
6 appropriate money from the fund only for *+ constr.?*

7 (1) the maintenance and operation of a State or local government
8 transportation facility if the facility is related to the mode of transportation from which
9 the tax, license, or fee revenue to be appropriated was originally received;

10 (2) the improvement and construction of harbor facilities if the tax,
11 license, or fee revenue to be appropriated was originally received from the use of
12 watercraft;

13 (3) the administration and enforcement of motor vehicle laws.

14 (b) This section does not apply to

15 (1) revenue received from taxes, licenses, or fees that the State collects
16 on behalf of a local government;

17 (2) revenue received by a public corporation whose revenue must by
18 federal law be retained and managed by the corporation; *?? example?*

19 (3) revenue received from the use or operation of a transportation
20 facility constructed with bond proceeds to the extent that law or bond covenants
21 require that the revenue be used for other purposes.

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

25 (d) An appropriation from the fund for a public purpose other than one
26 described in (a)(1) - (3) of this section may be made upon an affirmative vote of three-
27 fourths of the members of each house of the legislature.

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

why not here

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