

**HJR**

**4**

<TARGET><BILL>HJR 4</BILL><SUBJECT>HJR  
4</SUBJECT><COMM>HFIN27</COMM></TARGET>

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 9, 2011

FURTHER REFERRALS:

Date of Committee Action: 3/2/12

The FINANCE Committee considered:

HJR 4

**HOUSE JOINT RESOLUTION NO. 4**

Proposing amendments to the Constitution of the State of Alaska creating a transportation infrastructure fund.  
**HJR 4-CONST. AM: TRANSPORTATION FUND**

Recommends it be replaced with  HCS or  CS for HJR 4 (FIN)  
 For Senate Bills with new title:  Technical Title  New Title: HCR  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

- List of Abbrev for Depts.:
- ADM
  - CED
  - COR
  - CRT
  - EED
  - DEC
  - DFG
  - GOV
  - DHS
  - LWF
  - LAW
  - LEG
  - MVA
  - DNR
  - DPS
  - REV
  - DOT
  - UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	HFIN for REV			✓
	GOV	✓		

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Anna Fairclough</i>	FAIRCLOUGH	✓			
<i>[Signature]</i>	Ceara			✓	
<i>Sammy Wilson</i>	T. Wilson	✓			
<i>[Signature]</i>	WILSON			✓	
<i>[Signature]</i>	Toyle			✓	
<i>[Signature]</i>	NEUMAN			✓	
<i>Spe Edgmon</i>	Edgmon			✓	
<i>Mike Doogan</i>	DOOGAN	✓			
Chair: <i>Bill Stolpe</i>	Stolpe			✓	
Chair: <i>Will B...</i>	Boyan	✓			

# FISCAL NOTE

STATE OF ALASKA cost # codes  
2012 LEGISLATIVE SESSION

FIN  
CSHJR 4(TRA)

Bill Version \_\_\_\_\_  
Fiscal Note Number \_\_\_\_\_  
Publish Date \_\_\_\_\_

Identifier (file name) HJR004CS(TRA)-OOG-DOE-2-27-12 Dept. Affected Office of the Governor  
Title Constitutional amendment related to creating a Appropriation Elections  
transportation infrastructure fund Allocation Elections  
Sponsor Reps P. Wilson, Thompson, Fairclough, Costello  
Requester House Finance Committee OMB Component Number 21

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>					
Personal Services							
Travel							
Services	1.5						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>FUND SOURCE</b>		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF	1.5					
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>POSITIONS</b>							
Full-time							
Part-time							
Temporary							

<b>CHANGE IN REVENUES</b>							
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Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Updated on new fiscal note form.

Prepared by Gail Fenumiai, Director  
Division Division of Elections

Approved by Guy Bell, Administrative Director  
Administrative Services

Phone 465-2644  
Date/Time 2/27/2012, 9:46am  
Date 2/27/2012

**FISCAL NOTE**

**STATE OF ALASKA  
2012 LEGISLATIVE SESSION**

**BILL NO. CSHJR 4(TRA)**

**Analysis**

Passage of this resolution would require the constitutional amendment to appear on the 2012 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58, is \$1.5. Should the addition of this resolution require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version CSHJR 4 (FIN)  
 Fiscal Note Number \_\_\_\_\_  
 () Publish Date \_\_\_\_\_

Identifier (file name) HJR004CS(TRA)-DOR-TRS-02-28-12 Dept. Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Title Transportation Infrastructure Fund Appropriation Treasury and Taxation  
 Allocation Treasury Division  
 Sponsor Reps P. Wilson, Thompson, Fairclough, Costello  
 Requester (H) FIN OMB Component Number 121

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
	<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS**

Full-time							
Part-time							
Temporary							

**CHANGE IN REVENUES**

--	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY12) operating costs** \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY13) costs** \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

The fiscal note was zeroed out by the House Finance Committee.

Prepared by Joe Michel  
 Division House Finance Committee  
 Approved by Rep. Bill Stoltze  
House Finance Co-chair

Phone 465-4958  
 Date/Time 3/2/12 3:35 PM  
 Date 3/2/2012

FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSHJR 4 (FIN)

**Analysis**

A large, empty rectangular box with a thin black border, occupying the central portion of the page. It is intended for the analysis of the bill.

**CS FOR HOUSE JOINT RESOLUTION NO. 4(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES PEGGY WILSON AND THOMPSON, Fairclough, Costello, Johnson, Lynn**

**A RESOLUTION**

1 **Proposing amendments to the Constitution of the State of Alaska creating a**  
2 **transportation infrastructure 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 amended to read:

5 **Section 7. Dedicated Funds.** The proceeds of any state tax or license shall not  
6 be dedicated to any special purpose, except as provided in Sections 15 and 18  
7 [SECTION 15] of this article or when required by the federal government for state  
8 participation in federal programs. This provision shall not prohibit the continuance of  
9 any dedication for special purposes existing on April 24, 1956 [UPON THE DATE  
10 OF RATIFICATION OF THIS SECTION BY THE PEOPLE OF ALASKA].

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

13 **Section 18. Transportation Infrastructure Fund.** (a) The revenue received  
14 after July 1, 2013, from transportation-related fees and funds shall be placed in a  
15 transportation infrastructure fund. The legislature may appropriate additional amounts  
16 to the fund. The fund shall be managed as an endowment. Each year, the legislature

1 may appropriate up to fifty percent of the transportation-related fees and funds  
2 received by the fund in that year and up to seven percent of the average market value  
3 of the fund over the previous five fiscal years for transportation and related facilities  
4 that are designated by law and for the costs to administer the fund as designated by  
5 law. The legislature shall by law determine which fees and funds are transportation-  
6 related under this section.

7 (b) The legislature shall provide by law for the management and investment of  
8 the fund balance. The income earned from the fund shall be deposited into the fund.

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

Adopted  
3/2/12

27-LS0197/T  
Martin  
3/1/12

**CS FOR HOUSE JOINT RESOLUTION NO. 4(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES PEGGY WILSON AND THOMPSON, Fairclough, Costello, Johnson, Lynn**

**A RESOLUTION**

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7 **[SECTION 15]** of this article or when required by the federal government for state  
8 participation in federal programs. This provision shall not prohibit the continuance of  
9 any dedication for special purposes existing **on April 24, 1956** **[UPON THE DATE**  
10 **OF RATIFICATION OF THIS SECTION BY THE PEOPLE OF ALASKA].**

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1           may appropriate up to fifty percent of the transportation-related fees and funds  
2           received by the fund in that year and up to seven percent of the average market value  
3           of the fund over the previous five fiscal years for transportation and related facilities  
4           that are designated by law and for the costs to administer the fund as designated by  
5           law. The legislature shall by law determine which fees and funds are transportation-  
6           related under this section.

7                       (b) The legislature shall provide by law for the management and investment of  
8           the fund balance. The income earned from the fund shall be deposited into the fund.

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

# FISCAL NOTE

STATE OF ALASKA cost # codes  
 2012 LEGISLATIVE SESSION

Bill Version CSHJR 4(TRA)  
 Fiscal Note Number \_\_\_\_\_  
 Publish Date \_\_\_\_\_

Identifier (file name) HJR004CS(TRA)-DOR-TRS-02-28-12 Dept. Affected Revenue  
 Title Transportation Infrastructure Fund Appropriation Treasury and Taxation  
 Allocation Treasury Division  
 Sponsor Reps P. Wilson, Thompson, Fairclough, Costello  
 Requester (H) FIN OMB Component Number 121

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services			214.0	217.0	220.0	223.0	226.0	
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>214.0</b>	<b>217.0</b>	<b>220.0</b>	<b>223.0</b>	<b>226.0</b>	

FUND SOURCE		(Thousands of Dollars)						
		FY13	FY14	FY15	FY16	FY17	FY18	
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)		214.0	217.0	220.0	223.0	226.0	
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>214.0</b>	<b>217.0</b>	<b>220.0</b>	<b>223.0</b>	

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Removed Personal services costs; Treasury division will not incur additional personal services costs to manage the fund.

Prepared by Pamela Leary, Comptroller  
 Division Treasury Division  
 Approved by Angela Rodell, Deputy Commissioner  
Department of Revenue

Phone 465-2350  
 Date/Time 2/28/12 3:00 AM  
 Date 2/28/2012

**FISCAL NOTE**

**STATE OF ALASKA  
2012 LEGISLATIVE SESSION**

**BILL NO. CSHJR 4(TRA)**

**Analysis**

This resolution provides for a Transportation Infrastructure Fund assumed to be established in the amount of \$1 billion with additional funding from state fuel taxes, registration and driver's license fees, identification card fees, studded tire taxes, state airport lease and space fees, and other designated fees and funds. It is anticipated that the fund will be managed with an asset allocation of 38% fixed income, 10% international equity and 52% domestic equity. Costs of the fund include investment management fees, audit, accounting and custody fees and are projected base on the assumptions provided by the divisions investment advisor and the divisions cost allocation plan.



## ASSOCIATED GENERAL CONTRACTORS of ALASKA

---

8005 Schoon Street • Anchorage, Alaska 99518  
Telephone (907) 561-5354 • Fax (907) 562-6118

3750 Bonita Street • Fairbanks, Alaska 99706  
Telephone (907) 452-1809 • Fax (907) 456-8599

March 1, 2012

Representative Peggy Wilson  
State Capitol Building, Room 415  
Juneau, AK 99801

RE: HJR4

Dear Representative Wilson:

On behalf of the Associated General Contractors of Alaska, a construction industry trade association of 650 business members, I offer support for HJR4.

HJR4 would put an initiative on the ballot for a constitutional amendment to dedicate certain revenue for a state funded transportation program.

A state funded transportation program has been a legislative priority of the AGC for many years, and dedication of funds is the most certain way to insure that a state funded program is maintained. HJR42 is companion legislation to HB30, the enabling legislation for a state funded program, which is also supported by AGC.

Transportation is one of the most important issues to Alaskans, and something that affects every Alaskan every day. Funding of transportation projects is always well received. I believe there has been only one transportation bond issue since statehood that has not been approved by the voters; most with overwhelming support.

In closing, Alaska needs a transportation program, sufficiently funded with regular, predictable and reliable funding with an annual appropriation of state funds so we can begin to address our many transportation needs, and dedication of funds for such a program is an essential element.

Sincerely,

John MacKinnon  
Executive Director  
Associated General Contractors of Alaska

# FISCAL NOTE

Replaced

**STATE OF ALASKA** cost # codes  
**2012 LEGISLATIVE SESSION**

Bill Version CSHJR 4  
 Fiscal Note Number \_\_\_\_\_  
 Publish Date \_\_\_\_\_

Identifier (file name) HJR004CS-DOR-TRS-12-14-11 Dept. Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Title Transportation Infrastructure Fund Appropriation Treasury and Taxation  
 Allocation Treasury Division  
 Sponsor P Wilson, Thompson, Fairclough, Costello, Johnson, Lynn  
 Requester H FIN OMB Component Number 121

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services			232.0	235.0	239.0	242.0	245.0
Travel							
Services			214.0	217.0	220.0	223.0	226.0
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>446.0</b>	<b>452.0</b>	<b>459.0</b>	<b>465.0</b>	<b>471.0</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)		446.0	452.0	459.0	465.0	471.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>446.0</b>	<b>452.0</b>	<b>459.0</b>	<b>471.0</b>

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated **SUPPLEMENTAL (FY12) operating costs** \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

**New Fiscal note format.**

Prepared by Pamela Leary, Comptroller  
 Division Treasury Division  
 Approved by Jerry Burnett, Director - Administrative Services Division  
Department of Revenue

Phone 465-2350  
 Date/Time 12/11/11 3:00 AM  
 Date 12/14/2011

FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSHJR 4

**Analysis**

This resolution provides for a Transportation Infrastructure Fund assumed to be established in the amount of \$1 billion with additional funding from state fuel taxes, registration and driver's license fees, identification card fees, studded tire taxes, state airport lease and space fees, and other designated fees and funds. It is anticipated that the fund will be managed with an asset allocation of 38% fixed income, 10% international equity and 52% domestic equity. Costs of the fund include investment management fees, audit, accounting and custody fees and are projected base on the assumptions provided by the division's investment advisor and the divisions cost allocation plan.

# ALASKA STATE LEGISLATURE

*Interim:*  
P. O. Box 109  
Wrangell, AK 99929  
Phone: (907) 874-3088  
Fax: (907) 874-3055



*Session:*  
State Capitol, Room 406  
Juneau, AK 99801-1182  
Phone: (907) 465-3824  
1-800-686-3824  
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON  
HOUSE DISTRICT 2

## SPONSOR STATEMENT House Joint Resolution 4

### **“Proposing amendments to the constitution of the State of Alaska creating a transportation infrastructure fund”**

---

HJR 4 will put a constitutional amendment before voters to amend the Alaska constitution to reinstate a dedicated fund for Transportation Projects.

The crafters of the constitution allowed for 3 dedicated funds at the time of statehood. They realized that some funds would be needed no matter the economic or political climate. Transportation, one for land and one for sea, were two of the funds that predated the constitution. They lasted for several years until they were eliminated. HJR 4 will reinstate a transportation fund.

In FY10, 87% of our transportation budget came from the federal government. There have been several major deposits to the Federal Highway Fund to keep the expired federal transportation reauthorization program going. After 2 years we are still operating under the old reauthorization guidelines. All indicators show that the new reauthorization bill will be unfavorable for states with small populations due to an emphasis on mass transit and green transportation. It favors toll roads and bridges and other transportation that pays for itself or that can be supported with a public private partnership. Our own DC delegation have told the legislature that Alaska needs to rely less on the federal government and start shouldering some of the burden of improving our transportation infrastructure.

The roads, bridges, airports, ferries and transit systems that make up our state's transportation system are essential to mobility, commerce and economic development. This system enhances economic competitiveness, increases safety and enhances quality of life. There is a growing imbalance between system use and capacity as well as the need for new infrastructure to access our valuable resources. To insure Alaska has the infrastructure necessary to develop our resources as well as providing a quality of life for our citizens we must commit to funding transportation. Having a dependable revenue stream from year to year will allow Alaska to tackle today's congestion and maintenance projects as well as developing the needed access to resources and energy.

Version D has removed one of the revenue streams, airport leases and airspace leases, because federal grants requirements state that the revenue from those leases be used directly on the airports they were collected from.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 25, 2011

**SUBJECT:** Effect of federal laws regarding aviation fuel tax changes in CSHB 30( ) (Work Order No. 27-LS0198\D)

**TO:** Representative Peggy Wilson  
Attn: Becky Rooney

**FROM:** Brian J. Kane **BJK**  
Legislative Counsel

You have asked the following regarding CSHB 30( ): Is there a problem with sec. 7 of the bill placing a portion of the aviation fuel tax into the transportation infrastructure fund in that it violates 49 U.S.C. 47133?

The pertinent part of sec. 7 of the bill reads as follows:

All other proceeds of the taxes on aviation fuel shall be paid into **the transportation infrastructure fund established in art. IX, sec. 18, Constitution of the State of Alaska** [A SPECIAL AVIATION FUEL TAX ACCOUNT IN THE STATE GENERAL FUND. THE LEGISLATURE MAY APPROPRIATE FUNDS FROM THIS ACCOUNT FOR AVIATION FACILITIES].

The concern that has been brought to your attention involves a federal statute dealing with aviation fuel, 49 U.S.C. 47133, which, in part, reads as follows:

- (a) Prohibition. - Local taxes on aviation fuel (except taxes in effect on December 30, 1987) or the revenues generated by an airport that is the subject of Federal assistance may not be expended for any purpose other than the capital or operating costs of -
- (1) the airport;
  - (2) the local airport system; or
  - (3) any other local facility that is owned or operated by the person or entity that owns or operates the airport that is directly and substantially related to the air transportation of passengers or property.

The state tax on aviation fuel was in place well before December 30, 1987, so it would seem that the state aviation tax is exempted from the requirements of this federal statute. Thus, the money can be used in any manner the state chooses, not just on airport-related

Representative Peggy Wilson  
February 25, 2011  
Page 2

projects. Under the current AS 43.40.010(e), money in the special aviation fuel tax account *may* be appropriated by the legislature for aviation facilities. Thus, even in current statute there is no requirement for the money to be spent on airport-related projects. The change being made in sec. 7 of the bill is simply replacing the "special aviation fuel tax account" with the transportation infrastructure fund as the place where the tax revenue will be deposited.

If I may be of further assistance, please advise.

BJK:ljw  
11-138.ljw

### ATIF Payout Rate 6.0%

HB30 Calculation of balances for the Transportation Infrastructure Fund assuming \$1 billion starting appropriation.  
 DRAFT at March 23, 2011

(in 000's)

Year	Date	Balance to generate earnings		Revenue	Value Based Appropriation	Admin Expenses	DMV expenses	Ending bal	Mgt fees	50% of Revenue	Total
		Earnings								Appropriation	Appropriation
Year 0	July 1, 2013			1,000,000				1,000,000			
Year 1	FY 2014	1,040,282	62,417	80,564		(177)	(6,467)	1,136,337	(455)		
Year 2	FY 2015	1,176,164	70,570	80,564	(63,346)	(177)	(6,467)	1,176,744	(471)	40,282	103,628
Year 3	FY 2016	1,216,555	72,993	80,564	(66,976)	(177)	(6,467)	1,215,929	(486)	40,282	107,258
Year 4	FY 2017	1,255,725	75,343	80,564	(68,969)	(177)	(6,467)	1,255,455	(502)	40,282	109,251
Year 5	FY 2018	1,295,235	77,714	80,564	(70,559)	(177)	(6,467)	1,295,747	(518)	40,282	110,841
Year 6	FY 2019	1,335,510	80,131	80,564	(71,996)	(177)	(6,467)	1,337,001	(535)	40,282	112,278
Year 7	FY 2020	1,376,748	82,605	80,564	(74,404)	(177)	(6,467)	1,378,305	(551)	40,282	114,686
Year 8	FY 2021	1,418,036	85,082	80,564	(76,822)	(177)	(6,467)	1,419,652	(568)	40,282	117,104
Year 9	FY 2022	1,459,366	87,562	80,564	(79,267)	(177)	(6,467)	1,461,017	(584)	40,282	119,549
Year 10	FY 2023	1,500,714	90,043	80,564	(81,734)	(177)	(6,467)	1,502,379	(601)	40,282	122,016
Year 11	FY 2024	1,542,060	92,524	80,564	(84,213)	(177)	(6,467)	1,543,727	(617)	40,282	124,495
Year 12	FY 2025	1,583,391	95,003	80,564	(86,694)	(177)	(6,467)	1,585,056	(634)	40,282	126,976
Year 13	FY 2026	1,624,704	97,482	80,564	(89,175)	(177)	(6,467)	1,626,367	(651)	40,282	129,457
Year 14	FY 2027	1,665,999	99,960	80,564	(91,656)	(177)	(6,467)	1,667,659	(667)	40,282	131,938
Year 15	FY 2028	1,707,274	102,436	80,564	(94,135)	(177)	(6,467)	1,708,931	(684)	40,282	134,417
Year 16	FY 2029	1,748,529	104,912	80,564	(96,614)	(177)	(6,467)	1,750,183	(700)	40,282	136,896
Year 17	FY 2030	1,789,765	107,386	80,564	(99,092)	(177)	(6,467)	1,791,415	(717)	40,282	139,374
Year 18	FY 2031	1,830,981	109,859	80,564	(101,568)	(177)	(6,467)	1,832,627	(733)	40,282	141,850
Year 19	FY 2032	1,872,176	112,331	80,564	(104,043)	(177)	(6,467)	1,873,820	(750)	40,282	144,325
Year 20	FY 2033	1,913,352	114,801	80,564	(106,517)	(177)	(6,467)	1,914,993	(766)	40,282	146,799

**Assumptions:**

50% of Revenues are available for appropriation every year

Earnings real rate of return= 6.00%

Payout rate 6.00%

Revenue estimates are based on average estimates provided in the Fall Revenue Sources Book (which may not be 100% available) as follows:

	Avg Rev	% per HB329	Available
Studded Tire Tax	414	100%	414
Vehicle Registration, Drivers license, ID card fees	37,900	100%	37,900
Vehicle Rental Tax	7,500	50%	3,750
Motor Fuel Tax	38,500	100%	38,500
Airport Lease Fees	0	40%	0
	84,314		80,564

Management fees are based on ending MV balance

First 5 yrs appropriations are average of previous years

Administrative expenses are based on DOT Fiscal note HB030-DOT-CO-2-11-11

DMV expenses are based on DOA Fiscal note HB030-DOA-DMV-02-11-11



## ALASKA MINERS ASSOCIATION, INC.

### Issues of Concern for the Alaska Mining Industry for 2011

Actions needed by the Administration and/or the Legislature:

January 2011

#### **CRITICAL ITEMS: PERMITTING INTEGRITY – LITIGATION REFORM – ENERGY – INFRASTRUCTURE**

**Integrity of Permitting System** - Ensure the integrity of the current, very rigorous, science-based state permitting process and fund it at a level that will ensure its integrity.

- Provide sufficient staff and funding for permitting functions of the Departments of Natural Resources, Fish & Game and Environmental Conservation.
- Establish public confidence in the permitting system.

**Alaska Coastal Management Program (ACMP)** – Ensure reforms made in 2003 are not compromised.

**Litigation Reform** – Support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.

**Infrastructure** - Advocate for and fund infrastructure that will provide access to remote areas of Alaska so natural resource projects can be developed.

- Settle on a route from the Parks Hwy to Nome and begin development of it.
- Establish an effective standard for pioneer roads.
- Fund roads between communities.

**Energy** - Advocate and adopt a state energy plan and fund interties, pipelines, hydroelectric, etc. to provide energy for resource development and communities.

- Ensure that Healy Plant #2 comes on line at the earliest possible date.
- Rationalize the management and control of the railbelt electrical intertie system.
- Fund and construct an intertie between the railbelt intertie and Bethel.
- Develop and implement a strategy to provide stable sources of energy to the railbelt.

#### **PERMITTING PROCESS**

**Water Quality Standards** - Continue to revise water quality standards to ensure standards are scientifically supportable and developed using Alaska-specific criteria. Also, ensure continued availability of mixing zones and adoption of anti-degradation regulations.

**Non-Profit Foundation Money** - Enact legislation to require public disclosure whenever funds from 501(c)(3) non-profit foundations are used to affect public policy; disclosure to include name of the source, amounts and purpose for which the moneys are given.

**Financial Assurance** - Ensure that financial assurance (bonding) requirements for environmental compliance are managed exclusively by the State. Aggressively oppose federal takeover.

**Endangered Species Act/Essential Fish Habitat** – Continue to aggressively oppose ESA listings in the courts to ensure decisions are based on sound science.

#### **FISCAL ISSUES**

**Taxation** - Maintain an equitable and stable tax structure at state and local government levels to ensure Alaska industry remains competitive.

**State Fiscal Policy** - Adopt a long range fiscal plan.

**Annual Airborne Geophysical Mapping Program** - Increase funding for the extremely effective airborne geophysical mapping program; initiate statewide baseline water quality mapping.

**Mineral Education & Training** - Continue to support mining engineering and geological engineering, geology, the Mining and Petroleum Training Service (MAPTS), and the Delta Mine

February 9, 2011

The Honorable Peggy Wilson  
Alaska State House  
State Capitol Room 408  
Juneau, AK 99801

Dear Representative Wilson:

The undersigned business associations, working together under the banner of the Business Advocacy Committee, represent hundreds of firms and tens of thousands of employees from every major industry in Alaska. Our organizations share a common vision for Alaska's future – one in which a thriving private-sector economy creates good jobs for Alaskans and attractive economic opportunities for investors. State government, focused on the right issues, can help make this vision a reality.

Our organizations have identified five priority areas to be dealt with during this legislative session. Progress on each of these priorities will make Alaska a better place for business by encouraging private-sector investment and job creation. We urge you and your colleagues to address these issues.

#### OIL TAX REFORM

Taxes on the oil industry account for nearly nine out of every ten dollars in revenue the state collects. While current oil prices are exceedingly high relative to historic standards, North Slope oil production is only one-third the level of its peak. Alaska's taxation policy should encourage more investment to reverse this dramatic, continuing production decline. We support meaningful reform of Alaska's oil production tax system that reduces the state's tax burden on all Alaska oil and gas exploration and development activities and encourages increased production.

#### REGULATIONS

The Alaska Coastal Zone Management Program (ACMP) is due to sunset in 2011. We are comfortable renewing the program in its current form. *However, we oppose any changes to the ACMP that diminish the program's ability to provide concise, streamlined, and predictable permitting in Alaska's coastal zone.*

#### LITIGATION REFORM

Alaska's resource industries are ongoing targets of anti-development groups utilizing the court system and the state and federal appeals processes to stop and delay responsible resource development. Other businesses, local governments and community development projects can also be subject to frivolous lawsuits. Meanwhile, state agencies are forced to spend inordinate amounts of staff and financial resources dealing with third-party lawsuits at the expense of their mission to serve the public at-large. *We support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.*

#### FISCAL RESPONSIBILITY

Unrestricted general fund spending within the state's operating budget has increased from \$3.1 billion in fiscal year 2006 to \$4.8 billion in fiscal year 2011. We do not believe such spending growth is sustainable especially in light of the continuing decline in North Slope oil production. The Legislature and Governor must do more to control growth in the operating budget. *We recommend the Legislature*

*hold unrestricted general fund spending in the operating budget to \$3.5 billion – a level of spending equal to fiscal year 2010. With regard to the capital budget, we encourage the state to focus on strategic investments that help generate new private sector investment.*

#### STRATEGIC TRANSPORTATION INFRASTRUCTURE

There is strong agreement the long-term economic benefits derived from investment in Alaska's transportation infrastructure far exceed the cost of the initial investment. Considering the vastness of Alaska, the state's current transportation infrastructure is inadequate and requires continued planning, upgrades, and expenditures to assure Alaska citizens are provided with essential services. *We support a state funded transportation program that is adequately and predictably funded, provides continuity between succeeding administrations, and addresses all modes of transportation.*

Working together we can improve Alaska's business climate. We request an opportunity to meet with you to discuss these matters in more detail. A representative from the Business Advocacy Committee will be in touch with your office to schedule a meeting.

Sincerely,

Steve Borell, Executive Director  
Alaska Miners Association

John MacKinnon, Executive Director  
Associated General Contractors – Alaska

Marilyn Crockett, Executive Director  
Alaska Oil and Gas Association

Mike Satre, Executive Director  
Council of Alaska Producers

Rachael Petro, President & CEO  
Alaska State Chamber of Commerce

Scott Hawkins, President  
Prosperity Alaska

Rebecca Logan, General Manager  
Alaska Support Industry Alliance

Jason Brune, Executive Director  
Resource Development Council for Alaska, Inc.

Aves Thompson, Executive Director  
Alaska Trucking Association

Please join us in support of HJR 4

Associated General Contractors of Alaska

Alaska Municipal League

Alaska AFL-CIO

Alaska State Chamber

Alaska Teamsters Local # 959

Alaska Laborers Local 942 & 341

Alaska Transportation Priorities Project

Alaska Trucking Association

Alaska Harbormasters Association

American Society of Civil Engineers

Alaska Mobility Coalition

Alaska Airports

Alaska Owners and Pilots Association

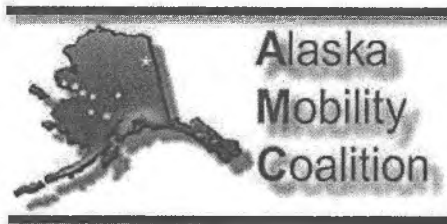
Alaska Marine Pilots

Marine Transportation Advisory Board

Southeast Conference

Submitted by Sponsor

# SW Alaska Conference of Mayors



**Achieving mobility through community appropriate transportation services**

3705 Arctic Blvd #1777  
Anchorage, AK 99503.  
907-240-2702

February 15, 2011

Representative Peggy Wilson  
State Capitol, Rm 408  
Juneau, AK 99801-1182

Dear Representative Wilson:

On behalf of the Alaska Mobility Coalition (AMC), we strongly support HJR4 (a constitution amendment creating a transportation infrastructure fund) and HB30 (transportation infrastructure fund).

The AMC is a private, non-profit membership organization that represents and advocates for public and community transportation in Alaska. The AMC has ninety seven members across the state from Bethel to Prince of Wales Island. The AMC membership provides over seven million rides annually for Alaskans to get to work, school, shopping trips, recreational opportunities and medical appointments. For more information on the AMC, I have attached a link to our website for your review (<http://www.alaskamobility.org>)

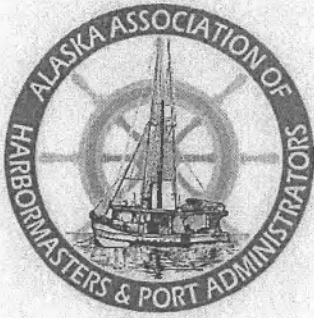
Alaska is one of just three states that do not provide general operating support for transit service. In addition, there are road maintenance, ferry operation and urban and rural trails that are neglected around the state because of the lack of infrastructure support. The federal government will be reducing its investment in transportation in Alaska in the next few years and it is time for legislature to dedicate its gas taxes and other transportation-related user fees for transportation infrastructure.

The Alaska Mobility Coalition would be honored to serve on the Transportation Infrastructure Fund Advisory Council as proposed in HB 30.

Thank you for your efforts in supporting transit in Alaska. I look forward to working with you and the Alaska legislature on your legislation during the current session.

Sincerely,

David M. Levy  
Executive Director



**ALASKA ASSOCIATION OF HARBORMASTERS  
AND PORT ADMINISTRATORS**

**Kim Elliot, Executive Secretary**

**7 Maksoutoff Street  
Sitka, AK 99835  
Phone: (907) 747-7677  
[aahpa@gci.net](mailto:aahpa@gci.net)**

February 14, 2011

The Honorable Peggy Wilson  
State Capitol Room 408  
Juneau, AK 99801-1182

Dear Representative Wilson:

The Alaska Association of Harbormasters and Port Administrators (AAHPA) is a statewide professional organization comprised of senior managers from 31 municipal harbor systems. Our members operate and maintain the majority of the harbors in the State of Alaska.

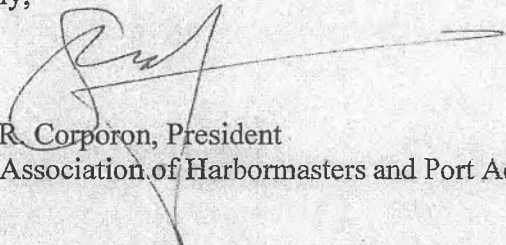
The AAHPA strongly supports House Bill No. 30, which among other things provides a funding source for the State's Municipal Harbor Matching Grant Program (AS 29.60.800). This grant program was developed with substantial input and support from the AAHPA in 2006; however, it has received funding in only three of the State budgets enacted since then.

The primary target of this grant program is the small boat harbors constructed by the State of Alaska in the 1960s and 1970s, which have been transferred to local municipalities during the past several years. Most of these facilities were in less than stellar condition at the time ownership was transferred and are in need of major repairs or replacement.

These harbors play a critical economic role by enabling trade, transportation, commercial fisheries, tourism, and recreational opportunities across the State. Providing a stable funding source for the Municipal Harbor Matching Grant Program, as HB 30 will do, is a significant step in ensuring that we are able to adequately repair and maintain these valuable facilities throughout the State of Alaska.

Please contact me at (907) 228-6049 if you have any questions regarding AAHPA's support of HB 30.

Sincerely,

  
Steven R. Corporon, President  
Alaska Association of Harbormasters and Port Administrators

**From:** Steve Sorensen [<mailto:steve.ak.ranch@gmail.com>]

**Sent:** Monday, February 14, 2011 9:09 PM

**To:** Rep. Alan Dick; Rep. Bob Miller; Rep. David Guttenberg; Rep. Scott Kawasaki; Rep. Steve Thompson; Sen. John Coghill; Rep. Tammie Wilson

**Cc:** Sen. Albert Kookesh; Sen. Joe Thomas; Sen. Joe Paskvan

**Subject:** HJR 4 and HB 30

Key to Alaska's vitality is its transportation system. I vigorously support HJR 4 – the constitutional amendment to re-instate a dedicated transportation fund and HB 30 - the enabling statutes for the fund. This is long overdue and is sorely needed legislation and will greatly benefit interior Alaska. The Senate needs to get on board and proactively support this legislation.

Sincere Regards,

Steve Sorensen P.E.

"We loved a great many things - birds and trees and books and all things beautiful, and horses and rifles and children and hard work and the joy of life."      Teddy Roosevelt