

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5190 HTRA SJR 54 - SJR 68

762

STATE OF ALASKA  
THE LEGISLATURE

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POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. TRANS.

2-17-88

1:30 p.m.

# HOUSE COMMITTEE REPORT

(7)

Date referred: 2/3/88

FURTHER REFERRALS:

DATE: February 17, 1988

The Transportation Committee has considered SJR 54

Expressing support for the Alaska Airlines application for approval to fly to Siberia.

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note
- zero with analysis  same as previous zero fiscal note published 1/22/88

**SIGNING DO PASS:**

*Mike Hall*  
\_\_\_\_\_  
*Walter Keener*  
\_\_\_\_\_  
*Harold Springs*  
\_\_\_\_\_  
*Bill Anderson*  
\_\_\_\_\_  
*Butte Cook*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Butte Cook*  
\_\_\_\_\_  
Chairman's signature



Official Business

**COMMITTEE:**

House Transportation Committee

**DATE:** February 17, 1988

**SIGN-IN**

**Subject of meeting:**

- \* HB 437: "An Act relating to naming the Robert J. Mitchell Expressway."
- \* HJR 52: Opposing reductions in the budget of the United States Coast Guard.
- \* SJR 54: Expressing support for the Alaska Airlines application for approval to fly to

NAME Please include title	ADDRESS Please use full address. Please include zip.	PHONE	REPRESENTING Siberia.	DO YOU WANT TO TESTIFY? on what?
Rep Steve Frank	The Alaska State Legislature Juneau	465-3709	<del>Juneau</del> Fairbanks, Alaska	HB 437
Rep Cliff Davidson	" " "	465-2487		HJR 52
Chief of operations for the 17 <sup>th</sup> Coast Guard District Capt. Wade Moncrief	Box 3-5000 Juneau, Ak. 99802	586-7354	Coast Guard	"
Sen. Arliss Sturgis	Juneau Alaska State Legislature Juneau	465-4984		SJR 54
Jim Stimpfle	Box 729 Nome, Alaska 99762	443-2002	Nome Chamber of Commerce, C.C.P.	SJR 54

\* indicates first public hearing

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*****
*
* DELIVER TO: LHSCTRA
*
* ORIGINAL
* SENT: 02/17/88 TIME: 15:18
* FROM: LIOCFBX
* SUBJECT: HTRA,FS,MITCHELL EXPY-2-17-88
* PRINT DATE: 02/17/88 TIME: 16:26
*
*****

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FINAL STATS

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DATE: FEBRUARY 17, 1988_____
SITE: FAIRBANKS_____
SPONSOR: HOUSE TRANSPORTATION_____
SUBJECT: HB 437: ROBERT J. MITCHELL EXPRESSWAY_____
MODERATOR: BARR_____

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\*\*\*\*\*

TESTIFY:

NAME\REPRESENTING	ADDRESS	PHONE #
1.) ROGER BURNS,	2557 DALE ROAD, FAIRBANKS 99709	479-2724
2.) GARY WILKEN,	2600 RIVERVIEW DR., FAIRBANKS 99709	474-0341
3.) CELIA M. HUNTER,	1819 MUSKOX TR., FAIRBANKS 99709	479-2754
4.) GINNY HILL WOOD,	1819 MUSKOX TR., FAIRBANKS 99709	479-2754
5.) ALASKA LINCK,	666 TENTH AVE., FAIRBANKS 99701	456-5107
6.) NANCY BAKER,	49 TIMBERLAND, FAIRBANKS 99701	452-2624
7.) JOE TREMARELLO,	BOX 80574, COLLEGE 99708	476-6051
8.) EVOLYN MELVILLE,	2526 OUTSIDE BLVD., N POLE 99705	488-2679
9.) PETE EAGAN,	BOX 1170 FAIRBANKS 99707	456-4793
10.) ANGIE KRUCKENBERG,	BOX 10449, FAIRBANKS 99710	457-6270
11.) MARK RINGSTAD,	502 MONROE ST., FAIRBANKS 99701	456-5734
12.) GEORGIANNE FRANK,	BOX 81109 FAIRBANKS 99708	479-4394
13.) HAROLD HERNING,	BOX 1797, FAIRBANKS 99707	488-2291

\*\*\*\*\*

OBSERVE:

NAME\REPRESENTING	ADDRESS	PHONE #
1.) JAN WEAVER,	304 EIGHTEENTH AVE., FAIRBANKS 99701	456-4866
2.) JO SWARNER,	SEN. FAHRENKAMP'S OFFICE	

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TESTIFY:  __13__          START TIME: 1:30 P.M.
OBSERVE:  __ 2__          END TIME: 2:30 P.M.
TOTAL:    __15__

```

SJR

58



Official Business

# Alaska State Legislature

House of Representatives

House Transportation Committee

P.O. Box V  
Juneau, Alaska  
99811

Phone:  
(907) 465-4859

March 21, 1988

\*\*\*\*\*

## COMMITTEE CALENDAR:

SB 3: "An Act relating to motor vehicle registration and registration plates; and providing for an effective date."

SJR 58: Relating to Cordova, Alaska, as the home port of the United States Coast Guard Cutter "Sweetbrier."

FOR THIS MEETING, YOU HAVE BEEN GIVEN:

a notebook on SB 3 that includes:

inside cover: two letters, opposed  
item #1: memo from Senator Abood  
#2: CS SB 3 (Finance)  
#3: fiscal note and position paper -  
Department of Public Safety  
#4: sectional analysis  
#5: statutes  
#6: history of CS SB 3

a folder on SJR 58 that includes:

item #1: SJR 58  
#2: memo from Senator Kerttula  
#3: fiscal note - DOT/PF  
#4: resolution of support - city of Cordova

# STATE OF ALASKA



## SENATE JUDICIARY COMMITTEE

SEN. JAY KERTTULA  
SEN. ARLISS STURGULEWSKI  
SEN. JAN FAIKS  
SEN. JOE JOSEPHSON  
SEN. PAT RODEY

P.O. BOX V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3717  
(907) 465-3771

DATE: MARCH 16, 1988

TO: REPRESENTATIVE *Bette* BETTE CATO, CHAIRMAN  
HOUSE TRANSPORTATION COMMITTEE

FROM: SENATOR JAY KERTTULA *Jay*

RE: SJR 58, RELATING TO THE COAST GUARD CUTTER  
SWEETBRIER

SJR 58 requests that the U.S. Coast Guard keep Cordova as the home port of the cutter Sweetbrier. The Coast Guard has had a presence in Cordova for 53 years, and the Sweetbrier has been stationed in Cordova for almost 12 years.

The bill passed the Senate unanimously on March 3. Attached is the City of Cordova's Resolution, which parallels SJR 58.

At the beginning of 1988 it was believed that the Coast Guard might pull out of Cordova, taking one hundred and eleven Cordova residents, approximately four percent of the town's population, with it when it departed.

SJR 58 shows that the Alaska State Legislature is serious about its interest in maintaining Cordova as the home port for the Sweetbrier.

Since 1976, when the Sweetbrier was first brought to Cordova, it has performed 130 to 140 rescues. The Coast Guard's presence in Cordova must be maintained to protect the marine safety of this busy port and that of Prince William Sound.

Prince William Sound is one of the world's prime fisheries. It is critical for the protection of the fishing industry for the Coast Guard to maintain its presence in Cordova.

Thank you for your consideration of SJR 58. If you have any questions please contact either Beth Kerttula or Alexis Miller at 465-3717.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Cordova as home Port for  
Coast Guard Cutter  
Sponsor: Kerttula/Szymanski  
Requestor: Jones

Agency Affected: DOT&PF  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_  
*FEB 19 1988*

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
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
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REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This legislation would have no impact to the Department of Transportation and Public Facilities.

Prepared by: W. Keith Gerken  
Division: Deputy Commissioner, Operations  
Approved by Commissioner: *W.K. Gerken* Mark S. Hickey  
Agency: Transportation & Public Facilities

Phone: 465-3900  
Date: 2-17-88  
Date: 2-17-88

- Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

CITY of CORDOVA, ALASKA

JAN 15 1988

RESOLUTION 88-3

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, THAT THE UNITED STATES COAST GUARD IS INVITED AND ENCOURAGED TO CONTINUE ITS PRESENCE IN PRINCE WILLIAM SOUND, WITH CORDOVA AS THE HOME PORT OF THE U.S.C.G. CUTTER SWEETBRIER

WHEREAS, the United States Coast Guard has held a respected and necessary presence in the city of Cordova, Alaska, for fifty-three years; and

WHEREAS, the Coast Guard Cutter "Sweetbrier" has proven its critical importance to maritime safety and navigation in Prince William Sound since 1976; and

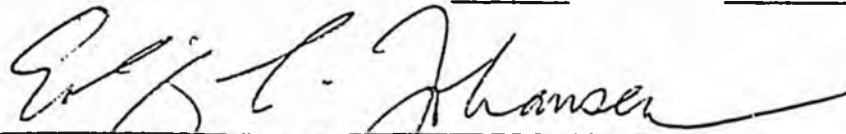
WHEREAS, commercial fishing, which is the basis of the economy of Cordova, is dependent upon the Coast Guard to protect the safety of the fleet and fishery; and

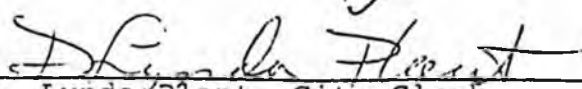
WHEREAS, the officers and crew of the "Sweetbrier" represent the presence of one hundred eleven Cordova residents, which is approximately 4% of the population of Cordova; and

WHEREAS, the city of Cordova is, and wishes to remain, the Home Port of the Coast Guard Cutter "Sweetbrier";

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Cordova, Alaska, that the United States Coast Guard is invited and encouraged to continue its presence in Prince William Sound, with Cordova as the Home Port of the U.S.C.G. Cutter "Sweetbrier".

PASSED AND APPROVED THIS 7th DAY of January, 1988.

  
\_\_\_\_\_  
Mayor Erling T. Johansen

  
\_\_\_\_\_  
D. Lynda Plant, City Clerk

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907.465.3800

LEGISLATIVE AFFAIRS AGENCY  
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. TRANS.

3-21-88

1:30 p.m.

# HOUSE COMMITTEE REPORT

(7)

Date referred: 3/4/88

FURTHER REFERRALS:

DATE: March 21, 1988

The Transportation Committee has considered SJR 58

Relating to Cordova, Alaska, as the home port of the United States Coast Guard cutter "Sweetbrier."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(s):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published 2-22-88
- zero with analysis

**SIGNING DO PASS:**

*(Signature)*  
*Bill Hudson*  
*Heinrich Sprungel*  
*Bette Cato*  
*Mike Miller*  
*D.A. Zamboni*

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Bette Cato*  
 \_\_\_\_\_  
 Chairman's signature



SJR

bb



Official Business

# Alaska State Legislature

House of Representatives

House Transportation Committee

P.O. Box V  
Juneau, Alaska  
99811

Phone:  
(907) 465-4859

May 4, 1988

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## COMMITTEE CALENDAR:

SJR 66: Proposing an amendment to the Constitution of the State of Alaska creating a dedicated fund for the construction and maintenance of roads and highways.

FOR THIS MEETING, YOU HAVE BEEN GIVEN:

a folder on SJR 66 that includes:

- item #1: CS SJR 66
- #2: statement - Sen. Jones
- #3: fiscal note - Division of Elections
- #4: letter of intent
- #5: position paper - DOT/PF
- #6: position paper - Federal Hwy Administration
- #7: Depart. of Rev. report of fuel sold in Alaska
- #8: status of HWY user fee protection

# ALASKA STATE LEGISLATURE

Home Address  
3813 Denali Street  
Ketchikan, AK 99901  
907-225-9082

While in Juneau  
P.O. Box V  
Juneau, AK 99811  
907-465-3743

Senator Lloyd Jones

## MEMORANDUM

TO: Representative Bette Cato, Chairman  
Members, House Transportation Committee

FROM: Senator Lloyd Jones 

DATE: May 2, 1988

SUBJECT: SJR 66 - Proposed constitutional amendment creating a dedicated fund for highways.

The purpose of this proposed constitutional amendment is to dedicate the proceeds of the motor fuel tax, thus making it a direct user fee. This constitutional amendment would assure, with a diminishing state budget, these fuel tax funds would not be diverted to other uses.

The highways and roads of our state have not been adequately maintained over the past few years. This has been the result of a combination of factors, among them; an expansion of the state's road system during the high growth years and an inflated DOT/PF administrative budget. These factors resulted in less money for maintenance of roads when the DOT/PF budget was reduced.

Twenty-four states<sup>1</sup> presently have constitutional provisions in place which protect highway user revenue through anti-diversion language.

The fund would receive an estimated annual revenue stream of \$23,235,888<sup>2</sup> in proceeds from the highway motor fuel tax, from both highway and off-highway uses, after the six cents per gallon off-highway rebate.

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<sup>1</sup>According to the June 1, 1987, STATUS ON HIGHWAY USER FEE PROTECTION, by the Highway users Federation for Safety and Mobility

<sup>2</sup>Source: Department of Revenue FY 87

Page 2,  
SJR 66  
May 2, 1988

This resolution would afford the voters of Alaska the option of dedicating proceeds from the highway fuel tax to a highway fund. The fund would be available for appropriation by the legislature for expenditure for construction and maintenance of roads and highways in the state.

In conclusion, I am offering this proposal to ensure all funds received from the fuel tax will continue to be utilized for the construction, and maintenance of roads and highways in the state. I believe dedicating these funds will give the citizens of Alaska confidence that expenditures from these user taxes will be used for roads and highways into the future.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSJR 66 (TRSP)  
PUBLISH DATE: Senate 3/4/88

FISCAL NOTE

REQUEST:

Revision Date: 2/16/88  
 Title: Constitutional amendment creating a dedicated fund for construction/maintenance of roads/highways.  
 Sponsor: JONES  
 Requestor: Senate Transportation & Finance  
 Agency Affected: Office of the Governor  
 BRU: Division of Elections  
 Components: II - Primary & General Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		2.2*	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	2.2*	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

\* Costs included cover 2 to 3 additional pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote (cont.)

Prepared by: Linda Edgeworth Phone: 465-4611  
 Division: Elections Date: 2/16/88

Approved by Commissioner: [Signature] Date: 2/22/88  
 Agency: Office of the Governor, Division of Elections

Distribution (by preparer): 2/23/88

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

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSJR 66 (TRSP)

counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be \$51.2.

Under these circumstances the fiscal note would be:

53.4

*Transportation Comm.  
Letter of Intent*

Letter of Intent SJR 66

It is the intent of the Legislature that ongoing research related to roadbuilding materials, products, and equipment is considered a necessary component of construction and maintenance of roads in the State of Alaska.

*Senate adopted 4/29/88*

STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX Z  
JUNEAU, ALASKA 99811-2500  
PHONE: (907) 465-3900

March 18, 1988

The Honorable Steve Cowper  
Governor, State of Alaska  
Post Office Box A  
Juneau, AK 99811

Dear Governor Cowper:

In your Administrative Order creating the Task Force on Transportation Facilities, we were charged with, among other things, examining "reasonable and equitable funding sources for maintenance activities, including a review of the motor fuel tax..." Pursuant to this charge, the task force has closely examined issues related to using fuel taxes as a means of providing funding for the maintenance and operations of transportation facilities and has unanimously adopted two interim recommendations which are conveyed by this letter.

There are some underlying assumptions and positions which we feel deserve highlighting. First, in reviewing historical information related to the fuel tax issue in Alaska, it is clear that the tax was meant to be a user fee collected to recoup some of the funds necessary to maintain the particular transportation system from which it was collected. We believe that over the years this purpose has become clouded by legislative action. We are unanimous in our belief that the state should clarify and reaffirm the intended purpose of the fuel tax in Alaska as a user fee for the particular transportation system from which it was collected.

After considerable thought and debate, it is the position of the task force that a fuel tax is one of the reasonable and equitable funding sources for expenses, related to transportation systems, so long as it is treated as a user fee. In this regard, it is our unanimous recommendation that the best method of re-establishing the fuel tax as a user fee is to dedicate the revenues from the tax to the expenses related to the maintenance activities of the transportation system from which the revenue was generated.

In adopting the attached interim recommendations, the task force also debated at length what expenses should be included in maintenance activity costs. It is the unanimous consensus of the task force that all direct costs for improvement, maintenance and operation of the existing transportation systems should be included in the maintenance activity costs. This analysis would include such expenses as the operation of a maintenance station

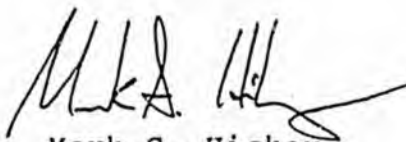
March 18, 1988

camp facility as a maintenance expense, but would exclude indirect administrative costs as a maintenance expense. Similarly, reconstruction of an existing highway to comparable standards would be a direct maintenance expense, while construction of a new highway to a higher standard, even on an existing right-of-way, would not be a maintenance expense.

The task force continues to study issues related to the distribution of responsibility and equitable funding sources for transportation facilities as you directed. As this study continues, it is becoming increasingly clear that any realignment of responsibility also involves establishing a mechanism whereby adequate funding to support a transferred facility is consistently available. We have a full schedule during the next four months, and expect to have our final recommendations to you by the June 30th deadline.

Thank you for your consideration of our recommendations. If you have any questions or would like to discuss our recommendations with the members of the task force, please do not hesitate to call upon us.

Sincerely,



Mark S. Hickey  
Chairman, Governor's Task  
Force on Transportation  
Facilities

cc: Senator Jan Faiks, President, Alaska State Senate  
Representative Ben Grussendorf, Speaker, Alaska State House  
of Representatives  
Members of the Governor's Task Force on Transportation  
Facilities

GOVERNOR'S TASK FORCE ON  
TRANSPORTATION FACILITIES

INTERIM TASK FORCE RECOMMENDATION # 2

**Whereas:** This task force was created by the Governor's Administrative Order #105 and under intent language adopted by the 15th Alaska Legislature.

**Whereas:** The charge by the Governor and the Legislature to this task force was to evaluate and examine reasonable and equitable funding sources for expenses related to transportation facilities.

**Whereas:** The charge by the Governor and the Legislature to this task force specifically required a review of motor fuel taxes in Alaska.

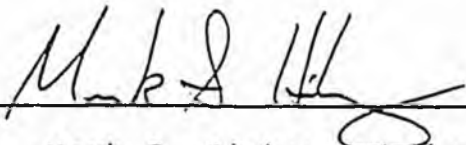
**Whereas:** The task force, for purposes of this resolution, interprets expenses related to transportation facilities to mean expenses for the Alaska transportation systems excluding indirect costs.

**Whereas:** This task force has recommended with Interim Task Force Recommendation # 1, that revenue collected and retained by the State of Alaska for fuel taxes should be dedicated for direct costs related to the transportation system from which the revenue was generated.

**And Whereas:** It is the determination of this task force that the current status of the dedication of fuel taxes for the Alaska transportation systems found in article IX, section 7, of the Alaska Constitution is unclear.

**NOW THEREFORE BE IT RESOLVED,** that it is the recommendation of this task force that the Governor and the Legislature should seek a constitutional amendment which would unequivocally dedicate all fuel tax revenues collected and retained by the State of Alaska to the direct costs associated with the improvement, maintenance and operation of the existing transportation system from which the revenues were generated.

Adopted this 8th day of March, 1988.

  
\_\_\_\_\_  
Mark S. Hickey, Chairman

GOVERNOR'S TASK FORCE ON  
TRANSPORTATION FACILITIES

INTERIM TASK FORCE RECOMMENDATION # 1

Whereas: This task force was created by the Governor's Administrative Order #105 and under intent language adopted by the 15th Alaska Legislature.

Whereas: The charge by the Governor and the Legislature to this task force was to evaluate and examine reasonable and equitable funding sources for expenses related to transportation facilities.

Whereas: The charge by the Governor and the Legislature to this task force specifically required a review of motor fuel taxes in Alaska.

Whereas: This task force has evaluated and examined historical, constitutional and statutory information regarding fuel taxes as a source of funding for transportation facilities in Alaska.

Whereas: The task force, for the purposes of this resolution, interprets expenses related to transportation facilities to mean expenses for the Alaska transportation systems excluding indirect costs.

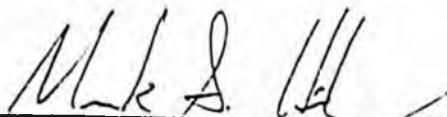
Whereas: This task force has determined that fuel taxes are one reasonable source of funding for expenses related to the Alaska transportation systems.

Whereas: This task force has determined that fuel taxes are one equitable method of assessing costs for the use of the Alaska transportation systems.

And Whereas: This task force has further determined that funding for transportation systems is an important function of government; that the Alaska transportation systems are an investment in current and future economic development and stability; that funding for the Alaska transportation systems requires a predictable and stable source of revenue.

NOW THEREFORE BE IT RESOLVED, that it is the recommendation of this task force after careful review of all information put before us, and in response to the charge of the Governor and the Legislature of the State of Alaska, that revenue collected and retained by the State of Alaska for fuel taxes should be dedicated for direct costs related to the transportation system from which the revenue was generated.

Adopted this 8th day of March, 1988.



Mark S. Hickey, Chairman



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

Alaska Division

P.O. Box 21648  
Juneau, Alaska 99802-1648

April 19, 1988

HDA-AK

The Honorable Lloyd Jones  
Alaska State Senate  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Jones:

Senate Joint Resolution No. 66

Your April 15, 1988 letter asked for a position paper from the Federal Highway Administration on a proposed constitutional amendment. This amendment, if passed, would dedicate the proceeds of the tax on motor fuel to a fund for the construction and maintenance of roads and highways.

The mechanism the State utilizes in securing funding for construction and maintenance of roads and highways would not be an issue in which the Federal Highway Administration would have an official position. We do have related concerns that adequate funding is provided to have a state highway department (Title 23, United States Code, Section 302) and to maintain any project constructed with Federal-aid funds (Title 23, Section 116). However, how those funds are derived should remain a State issue.

A review of what other States are doing would offer support for your proposal. Thirty-eight states have highway user fees dedicated for highway purposes and of the remaining twelve states, seven have special funds designated for highway purposes.

Sincerely yours,

Barry F. Morehead  
Division Administrator

For CITMERON H3 ~~39~~ 340

ALASKA DEPARTMENT OF REVENUE

REPORT OF FUEL SOLD OR DISTRIBUTED  
IN ALASKA

During the Month of June 1987

Distribution Items	Aviation Gasoline Gallons	Aviation Jet Fuel Gallons	Marine Gasoline Gallons	Marine Diesel Gallons	Other Gasoline Gallons	Other Diesel Gallons
Exempt Distributions						
Sold for heating use					605	6,290,268
Federal government	27,817	9,660,018	60,194	123,172	247,655	3,720,354
State/local government	14,580	21,954	27,262	772,943	334,515	1,465,069
Charitable institution	566	0	110	0	7,019	3,983
Pub. util./non-profit power assoc.						1,880,156
Exempt power plant					5,283	1,337,035
Jet fuel - foreign flights		14,824,557				
Bonded jet fuel		0				
Consigned to foreign countries	0	0	0	86,594	7,406	11,005
Exported as cargo	8,666	0	0	19,500	830	36,493,830
Gasohol	0	0	0	0	27,257	3,466
Actual losses	0	0	0	0	10,402	10,898
Other	0	0	0	0	0	0
Total exempt distributions		24,506,529	87,566	1,002,209	640,972	51,216,064
Taxable Distributions						
Total taxable distributions	2,206,787	30,752,001	2,360,151	10,876,876	19,244,227	20,401,247
Accumulative total of exempt distributions from <u>7/1/86</u> to <u>6/30/87</u>	708,135	292,306,132	251,391	79,926,742	19,669,241	650,795,97
Accumulative total of taxable distributions from <u>7/1/86</u> to <u>6/30/87</u>	17,485,683	321,430,993	11,321,902	93,647,017	207,332,452	248,005,14

X .04 X .035 X .05 X .05 X .08 X .08  
\$ 699,427 8,035,775.

566,995 4,682,351 16,586,596 19,840,  
Returns credits 37,239 (12,873,85  
6,247,358 6,744,53  
22,235 4488 P. 11 T

**STATUS OF HIGHWAY USER FEE PROTECTION**

June 1, 1987

Prepared by

John W. English  
Legal Consultant

7428 Tower Street  
Falls Church, VA 22046

For the

Highway Users Federation for Safety and Mobility

1776 Massachusetts Avenue N.W.  
Washington, DC 20036

## Highway User Fees

Highway user fees are those taxes and fees which are imposed on the owners and operators of motor vehicles for the privilege of using the highways. Although such fees are imposed by the federal, state, and local governments, we are primarily concerned in this project with state highway user fees. State highway user fees include all of the following:

**Vehicle registration fees.** This is the first structure tax on highway users. It is a tax imposed directly on the owners of the vehicles which use the highways. Typically the fees are collected on an annual basis, and vary according to the weight and use of the vehicle. Heavier vehicles and commercial vehicles generally pay more.

**Motor fuel taxes.** This is the second structure tax on highway users. It is a tax on the fuel which is used in motor vehicles operated on the highways. The gasoline tax is the most common of this group of taxes, but taxes on diesel fuel and other special fuels are generally included.<sup>1</sup> The tax is typically imposed on a cents per gallon basis. It is generally assessed against distributors of the fuel, and then passed on to highway users in the price of the fuel. Most states also have some form of motor fuel use tax which is assessed directly against certain highway users such as commercial carriers. This is not really a separate tax. It is just a different means of collecting the regular motor fuel taxes. It is intended to prevent avoidance of the motor fuel taxes by out of state purchases.

**Weight-distance taxes.** This group of taxes, which constitutes a third structure tax on highway users, is the least well defined. Only about one-fifth of the states impose this

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1. The term "special fuel" typically refers to all combustible gases and liquids suitable for use to generate power in an internal combustion engine, except gasoline.

kind of tax, and it differs from state to state.<sup>2</sup> The tax is imposed only on commercial carriers, and typically only on vehicles which exceed a specified weight limit. In most cases, the tax is based on vehicle weight and the miles operated within the state during the tax year.

**Other taxes and fees.** There are, of course, myriad other state and local taxes and fees imposed on highway users which are in some way related to the use of their vehicles or the highways. Some of these obviously should be considered highway user fees, and some should not. Some examples:

- Sales tax on vehicles, accessories, and fuels
- Personal property tax on vehicles
- Vehicle title fees
- Driver license fees
- Overweight permit fees and overweight fines
- Traffic law fines
- Motor carrier registration or permit fees
- Highway tolls

---

2. Examples of such taxes may be found in Arizona, Arkansas, Colorado, Idaho, Kentucky, New Mexico, New York, Ohio (based on number of axles rather than weight), Oregon, Utah (based on months of operation rather than mileage), and Wyoming. Several other states, Illinois and Nevada for example, have taxes which are similar to weight-distance taxes, but which are imposed only in lieu of some other kind of tax.

Not all of these taxes are discussed in the state summaries which make up the bulk of this report. In those states which have a protective constitutional anti-diversion provision, our research did not explore the statutory provisions relative to each highway user tax.

General sales taxes and personal property taxes are based on the value of the vehicle or other object of the tax. Such ad valorem taxes have generally not been considered highway user taxes, although a few states will include revenue from some such taxes as highway user revenue.<sup>3</sup>

Title fees, driver licensing fees, and other service fees charged by the motor vehicle administration are generally not large revenue producers. In most states, these fees are used to pay the administrative cost of providing the service, but there are exceptions.<sup>4</sup> Motor carrier registration and permit fees are also generally used to pay the cost of administering and enforcing the carrier regulations.

Highway tolls, overweight or oversize vehicle permit fees, and size-weight fines or penalties seem clearly to be highway user fees. It is somewhat surprising that few of the constitutional or statutory provisions which protect highway user revenue specifically mention these fees.<sup>5</sup> Revenue from all traffic law fines, often including size-weight violations, is often allocated to traffic safety programs or enforcement, or to the general education fund. Tolls are often collected and expended by a separate entity which owns and operates the toll roads.

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3. See, for example, the state summaries for Alabama (revenue from use tax in lieu of sales tax on vehicle is not highway user revenue), Arizona (constitutional license tax in lieu of ad valorem tax on vehicle is not protected highway user revenue), and Virginia (revenue from sales tax on vehicle is highway user revenue).

4. See, for example, the state summaries for Indiana and Pennsylvania (driver license fees); Kansas (title fees); and Maryland, New York, North Carolina, and Wisconsin (all DMV revenue).

5. See, for example, the state summaries for New Hampshire (tolls), Maryland and Vermont (overweight penalties), and Connecticut (all penalties).

Some states also impose other kinds of taxes on highway users which differ from the taxes imposed in most states.<sup>6</sup> Although they may clearly constitute highway user fees, it is difficult to compare one state with another on the basis of these taxes.

The goal of this project was to assess the overall status of highway user fee protection in the United States, and to identify state where that protection is particularly strong, or weak. In order to accomplish that, we have focused primarily on the first and second structure taxes -- the vehicle registration fees and the motor fuel taxes. Other highway user fees move in and out of the picture, from state to state, but the registration fees and fuel taxes are constants. Every state imposes these taxes on highway users, and they certainly constitute the largest component of state highway user revenue. Evaluation of the protection of revenue from these two user fees affords an excellent assessment of the overall status.

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6. Pennsylvania, for example, imposes an "axle tax" and a "gross receipts tax" on commercial carriers

## Legitimate Use and Diversion

The purpose in assessing highway user fees is to create a fund to defray the expense of providing the highways being used, now and in the future. Some uses of highway funds are unquestionably legitimate. Using the funds for construction and maintenance of a highway, for example, is clearly legitimate. Highways cannot be built without right of way, so using the funds to purchase right of way is obviously legitimate. Highways are often funded through the sale of bonds. Where the proceeds of the bond sale are used entirely for highway purposes, highway funds can legitimately be used to pay off those bonds. These are easy conclusions.

There are some other uses of highway funds which are clearly not legitimate. Expending highway funds to build schools or pay teachers, for example, would clearly be a diversion. Spending highway money on a subway system or other forms of nonhighway transportation is also a diversion of the funds from their proper use.

Between these extremes, however, there are many potential uses for highway funds which are less clearly either legitimate or diversionary. This report will not attempt to determine which expenses are legitimate. It will list some of the potential uses for highway funds, along with references to identify the state summaries in which there is some discussion of the manner in which the issue has been addressed by the states. This listing follows in the tables on the next six pages.

NOTE: Keep in mind that the tables do not show whether a particular kind of expenditure is considered legitimate in a particular state. The tables only indicate that more information on that issue will be found in the state summary for the indicated state.

## Overview of Highway User Fee Protection

In assessing the overall status of highway user fee protection, it is important to understand that only a clear and comprehensive constitutional anti-diversion provision can provide any real protection. That point cannot be too strongly emphasized.

The kind of constitutional provision needed does not have to be long or complicated. The following language would serve quite well, for example:

No monies derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on the public highways, or to fuels used for the propulsion of such vehicles, shall be expended for other than the cost of administering the laws under which such monies are derived, statutory refunds and adjustments provided therein, payment of highway obligations, the cost of construction, reconstruction, maintenance, and repair of public highways and bridges, and the expense of state enforcement of traffic laws.

Seventeen states currently have language in their constitutions which affords that kind of excellent protection for highway user revenue. These states are shown in column A of the table on the next two pages. Another seven states have constitutional provisions which afford some protection for highway user revenue, but the protection is not complete. These states are shown in column B of the table.

## ALASKA

Alaska lacks a constitutional anti-diversion provision. Current statutes afford protection for motor fuel tax revenue only. The constitution prohibits any new dedication of tax revenue to any particular purpose.

A statutory provision specifies that revenue from the tax on motor fuels used to propel vehicles on the highways must be deposited in a special highway fuel tax account.<sup>1</sup> These funds may be expended only for highway construction and maintenance, construction of ferries, right of way acquisition, and other highway costs, including surveys, administration, and related matters.<sup>2</sup>

The constitution prohibits dedication of the proceeds of any state tax or license fee to any special purpose except when such dedication is required by the federal government as a condition of participation in federal programs.<sup>3</sup> The provision also specifies that dedications existing at the time the provision was adopted (1956) may be continued. The statutory dedication of motor fuel tax revenue described above was in effect prior to the adoption of the constitution's prohibition of dedications.<sup>4</sup>

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1. Alaska Stat. § 43.40.010 (g) (1935).

2. The law also permits paying valid motor fuel tax refund claims from the highway fuel tax account. Alaska Stat. § 43.40.010 (h) (1985).

3. Alaska Const. art. 9, § 7 (1985).

4. This constitutional provision was ratified on April 24, 1956. This provision has been construed strictly against dedications. The state attorney general has concluded that the only power which the legislature retains with respect to existing dedications is to repeal them. Existing dedications may be continued but may not be revised in any way which would increase or decrease either the percentage or total amount of the proceeds which are dedicated. Op. Atty. Gen. No. 7, No. 14 (1959). If the tax is decreased, the entire dedication falls and all of the tax revenue goes to the general fund; if the tax is increased, all of the increased revenue goes to the general fund. Op. Atty. Gen. No. 14 (1959).

**PROTECTION OF HIGHWAY FUNDS**

- A = Has a constitutional anti-diversion provision which affords excellent protection for highway user revenue.
- B = Has a constitutional provision, but protection is incomplete.
- C = Has a constitutional provision which specifically permits or requires diversion.
- D = Has no relevant constitutional provision but current statutes generally apply highway user revenue to highway purposes.
- E = Has no relevant constitutional provision and current statutes afford little or no protection for highway user revenue.
- F = Has no relevant constitutional provision and current statutes provide for significant diversion of highway user revenue to nonhighway purposes.

Designated states are marked with an 'O'

	A	B	C	D	E	F
Alabama	-	O	-	-	-	-
Alaska	-	-	-	-	O	-
Arizona	O	-	-	-	-	-
Arkansas	-	O	-	-	-	-
California	-	-	O	-	-	-
Colorado	O	-	-	-	-	-
Connecticut	-	-	-	-	O	-
Delaware	-	-	-	-	O	-
D. of Columbia	-	-	-	-	O	-
Florida	-	-	-	-	-	O
Georgia	-	O	-	-	-	-
Hawaii	-	-	-	-	O	-
Idaho	O	-	-	-	-	-
Illinois	-	-	-	-	O	-
Indiana	-	-	-	O	-	-
Iowa	O	-	-	-	-	-
Kansas	-	O	-	-	-	-
Kentucky	O	-	-	-	-	-
Louisiana	-	-	-	-	-	O
Maine	O	-	-	-	-	-
Maryland	-	-	-	-	-	O

The situation in the remaining states is much worse. Four states are shown in column D as having no constitutional provision but having current statutes which apply highway user revenue to highway purposes. While the current application of the revenue in these states is laudable, that status could change at any time the legislature decided to change it. There is no real protection for highway user revenue in these states.<sup>7</sup> A statutory dedication cannot provide any real protection for highway user revenue.

The 18 states shown in columns E and F of the table have no constitutional provision, and current statutes do not allocate all of the revenue to highway purposes. In some cases, the statutes provide for diversion of the funds. Statutes in the eight column F states provide for significant diversions to nonhighway purposes.

The five states shown in column C have constitutional provisions which specifically permit or require a diversion of some highway user revenue to nonhighway purposes.

It is interesting to compare the status today with the status of constitutional anti-diversion provisions in 1965.<sup>8</sup> Today there are 17 states with excellent protection. In 1965 there were 22. One of the 22 has been repealed (Louisiana). The other four were not repealed but were amended to specifically permit or require some diversion of funds (California, Massachusetts, Michigan, and Montana). The total number of relevant constitutional provisions remains 29 today, just as it was in 1965. The one provision newly adopted since 1965 (New Jersey) affects only a portion of highway user revenue and dedicates it to general transportation purposes rather than specifically to highway purposes. We might conclude that there has not been a significant amount of change since 1965, but all the change has been negative.

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7. The point is well illustrated by the statutory laws of Illinois. One section attempts to dedicate highway user revenue to highway purposes, while other sections provide for extensive diversion. See the Illinois summary.

8. In 1965 the National Highway Users Conference published the text of the then-current constitutional anti-diversion provisions in a paper entitled, "Texts of Good Roads Amendments." That is the basis for this comparison.

## COLORADO

Colorado has a constitutional anti-diversion provision which affords excellent protection for highway user revenue.

The constitution provides that revenue from any license, registration fee, or other charge with respect to the operation of a motor vehicle on the highways, and revenue from the imposition of any excise tax on gasoline or other liquid motor fuel, except aviation fuel used for aviation purposes, must be used exclusively for the construction, maintenance, and supervision of the highways.<sup>1</sup>

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1. Colo. Const. art. 10, § 18 (1980). The provision also specifies that the revenue may be used for the cost of administration of the tax law.

Since this section sets aside the whole of the revenues from the specified taxes for highway purposes, no appropriation by the legislature is required. *Johnson v. McDonald*, 49 P.2d 1017 (Colo. 1935).

## IOWA

Iowa has a constitutional anti-diversion provision which affords excellent protection for highway user revenue.

The constitution provides that revenue from motor vehicle registration fees and all taxes and license fees on motor vehicle fuel must be used exclusively for the construction, maintenance, and supervision of the highways, or for the payment of principal and interest on highway construction bonds.<sup>1</sup>

This provision has been interpreted to allow use of the funds to pay for relocation of utilities necessitated by highway construction;<sup>2</sup> to lease land in order to provide barriers to control wind erosion which interferes with highway maintenance and safety;<sup>3</sup> to pay the salaries of the highway patrol, since supervision of the highways is one of their primary duties;<sup>4</sup> to erect a garage to house and maintain highway construction and maintenance equipment;<sup>5</sup> and to provide rest areas along the highways.<sup>6</sup> On the other hand, the provision prohibits use of highway funds to pay for construction of a bridge when part of it would lie in another state;<sup>7</sup> to develop and operate a motor vehicle ferry service;<sup>8</sup> and to purchase billboards, signs, and

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1. Iowa Const. art. 7, § 8 (1949). Motor vehicle certificate of title fees and lien notation fees are not "registration fees" within the meaning of this provision. Op.Att'y.Gen. (Thompson) April 13, 1971. Also, revenue from tax on motor vehicle fuel used for non-highway purposes is not covered by this provision. Op.Att'y.Gen. (Tieden) March 13, 1970.

2. *Edge v. Brice*, 113 N.W.2d 755 (Iowa 1962).

3. Op.Att'y.Gen. (Scott) April 26, 1979.

4. Op.Att'y.Gen. (Walsh) May 3, 1971.

5. Op.Att'y.Gen. (Fenton) June 2, 1969.

6. Op.Att'y.Gen. Jan. 16, 1968.

7. *Frost v. State*, 172 N.W.2d 575 (Iowa 1969).

8. Op.Att'y.Gen. (Rigler) Oct. 12, 1977.

## KENTUCKY

Kentucky has a constitutional anti-diversion provision which affords excellent protection for highway user revenue.

The constitution provides that money derived from taxes related to gasoline and other motor fuels, and from taxes relating to registration, operation, or use of vehicles on the highways may be expended only for the payment of highway obligations; the costs of construction, reconstruction, maintenance, and repair of the highways and bridges; the cost of highway right-of-way; and the cost of enforcing the state traffic and motor vehicle laws.<sup>1</sup> Several judicial and attorney general's opinions have construed this section.<sup>2</sup>

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1. Ky. Const. § 230 (1973). The section also specifies that such money may be expended for the cost of administration and for refunds and adjustments relating to the tax from which the money is derived.

2. The funds may be used for publication and distribution of highway information which results in increased revenue for use in the highway program. *Keck v. Manning*, 231 S.W.2d 604 (Ky. 1950). The funds may be used for necessary relocation of utilities belonging to a municipality. Op. Atty. Gen. 74-199. The funds may not be used for a transit authority. Op. Atty. Gen. 78-144. A municipality may not expend the funds for a parking lot. Op. Atty. Gen. 82-492. Where a municipality places road funds in an interest bearing account, the interest earned on the funds is subject to the same restrictions as the road funds. Op. Atty. Gen. 81-143.

## MINNESOTA

Minnesota has several constitutional provisions which together afford excellent protection for highway user revenue.

One section creates a highway user tax distribution fund to be used solely for highway purposes.<sup>1</sup> This fund is divided into three other funds, for use on state, county, and municipal highways. The sections which create these funds allow expenditures only to pay the principal or interest on highway bonds or for construction, improvement, and maintenance of highways.<sup>2</sup>

The highway user tax distribution fund consists of revenue from taxes authorized by two other sections. The first of these sections authorizes the legislature to tax motor vehicles using the highways, and specifies that this tax is in lieu of any other tax upon motor vehicles except wheelage taxes imposed by political subdivisions solely for highway purposes.<sup>3</sup> The second of the two sections authorizes an excise tax on any means or substance used for propelling vehicles on the highways, or on the business of selling such a substance.<sup>4</sup>

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1. Minn. Const. art. 14, § 5 (1976).

2. Minn. Const. art. 14, §§ 2, 6, 7, 8 (1976); art. 14, § 11 (Supp. 1985).

3. Minn. Const. art. 14, § 9 (1976).

4. Minn. Const. art. 14, § 10 (1976).

MISSOURI -- Continued

other purposes and contingencies relating and appertaining to the construction and maintenance of highways and bridges as the commission may deem necessary and proper.<sup>3</sup>

Another constitutional provision specifies that one-half the revenue from the state sales tax on vehicles shall be dedicated to "highway and transportation use."<sup>4</sup> Most of this revenue goes to the state road fund described above.<sup>5</sup>

Another section deals with revenue from the motor vehicle fuel tax, and specifies how the portion of that revenue which does not go to the state road fund is to be spent. Ten percent of the fuel tax revenue goes to a county road fund, to be used by counties only for construction, reconstruction, maintenance, and repair of highways and bridges.<sup>6</sup> Fifteen percent of the fuel tax revenue goes to municipalities to be used only for construction, reconstruction, maintenance, repair, policing, signing, lighting, and cleaning highways.<sup>7</sup>

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3. The section specifically allows the payment of fuel tax refunds, and payment of costs of collecting all the taxes before the revenue is credited to the state road fund. Some of the expenses listed in the text are authorized before the revenue is credited to the state road fund; others are authorized from the road fund itself.

4. Mo. Const. art. 4, § 30(b)2 (Supp. 1986).

5. Seventy-four percent goes to the state road fund; twenty-five percent goes to political subdivisions for highway and transportation use; one percent goes to the state transportation fund to be used as provided by law.

6. Mo. Const. art. 4, § 30(a)1(1) (Supp. 1986).

7. Mo. Const. art. 4, § 30(a)1(2) (Supp. 1986). This provision also allows the money to be used for payment of principal and interest on indebtedness incurred prior to January 1, 1980 for highway purposes.

## NEW HAMPSHIRE

New Hampshire has a constitutional anti-diversion provision which affords excellent protection for highway user revenue.

The constitutional section provides that revenue from registration fees, operators licenses, motor fuel road tolls, and any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels may be used only for the costs of construction, reconstruction, and maintenance of highways; for the payment of principal and interest of highway obligations; and for the costs of supervision of traffic on the highways.<sup>1</sup>

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1. N.H. Const. part 2, art. 6-a (1970). The section also specifies that such revenue may be expended for the cost of administration and collection of the tax or fee from which the revenue is derived.

## OHIO

Ohio has a constitutional anti-diversion provision which affords excellent protection for highway user revenue.

The section provides that revenue derived from fees or taxes relating to the registration, operation, or use of vehicles on the highways, or to fuels used for propelling such vehicles may be used only for the payment of highway obligations; the costs of construction, reconstruction, maintenance, and repair of highways and bridges; other statutory highway purposes; expenses of state enforcement of traffic laws; and expenses authorized for hospitalization of indigent persons injured in motor vehicle accidents on the highways.<sup>1</sup>

This section has been held applicable only to state revenue; it does not restrict the use of revenue from taxes and fees imposed by municipal corporations.<sup>2</sup>

---

1. Ohio Const. art. 12, § 5a (1979). The section also specifies that such revenue may be expended for the cost of administration and for refunds and adjustments relating to the tax from which the revenue is derived.

It has been held that the funds may be used for street lighting systems on urban portions of limited access highways. State ex rel. Walter v. Vogel, 159 N.E.2d 892 (Ohio 1959).

2. Garrett v. Cincinnati, 139 N.E.2d 35 (Ohio 1956).

## PENNSYLVANIA

Pennsylvania has a constitutional anti-diversion provision which affords excellent protection for highway user revenue.

The provision applies to revenue from gasoline and other motor fuel taxes, motor vehicle registration fees, drivers license fees, and other taxes on products used in motor transportation.<sup>1</sup> It specifies that these funds must be used solely for highway construction, reconstruction, maintenance, and repair; highway safety; expenses incident to those activities; or to pay bond obligations incurred for those purposes.<sup>2</sup> The section also provides for distribution of the funds to political subdivisions to use solely for the same purposes.

The provision also permits the state to borrow from the funds for a period not exceeding eight months. The loan must be repaid within one month after the beginning of a new fiscal year.

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1. Pa. Const. art. 8, § 11(a) (Supp. 1985). A tax on gross receipts of a motor carrier has been held not to be covered by this provision. *Shirks Motor Express Corp. v. Messner*, 100 A.2d 913 (Pa. 1954), appeal dismissed, 347 U.S. 941 (1954).

2. The language of this provision which would permit use of the funds for construction of a bridge does not permit use of the funds for purchase of an already constructed bridge. *Peoples Bridge Co. v. Shroyer*, 50 A.2d 499 (Pa. 1947). But see 1973 Op.Att'y.Gen. No. 19. Payment of that portion of a county engineer's salary attributable to the highway purposes specified in the section is a legitimate use of the funds. 1975 Op.Att'y.Gen. No. 10. Payment by the Dept. of Transportation to lease an aircraft for use in highway construction and maintenance is also a legitimate use. 1973 Op.Att'y.Gen. No. 40.

## WASHINGTON

Washington has a constitutional anti-diversion provision which affords excellent protection for highway user revenue.

The constitutional provision applies to all fees collected by the state as license fees for motor vehicles; all excise taxes collected by the state on the sale, distribution, or use of motor vehicle fuel; and all other state revenue intended to be used for highway purposes.<sup>1</sup> All such revenue must be placed in a special fund and may be used only for highway purposes.<sup>2</sup>

The section provides that "highway purposes" includes construction, reconstruction, maintenance, repair, and betterment of state, county, and city highways and bridges. More specifically, this includes the cost of right of way acquisition; the cost of installing, maintaining, and operating traffic signs and signal lights; the cost of policing the highways by the state; the cost of operation of movable span bridges; and the cost of operation of ferries which are a part of any highway.<sup>3</sup> The section also provides that "highway purposes" includes the necessary operating, engineering, and legal expenses connected with the administration of the highways.<sup>4</sup>

---

1. Washington Const. amend. 18 (1966). The section also specifies that it shall not be construed to apply to revenue from general or special taxes or excises not levied primarily for highway purposes, or to vehicle operator's license fees, any excise tax imposed on motor vehicles or the use thereof in lieu of a property tax thereon, or fees for certificates of ownership of motor vehicles.

2. The section specifically allows use of the revenue for refunds authorized by law on taxes paid on motor vehicle fuels, and for paying the cost of collecting any revenues described in the section.

3. See State ex rel. Toll Bridge v. Yelle, 377 P.2d 466 (Wash. 1962). The funds may not be used for public transportation systems. State ex rel. O'Connell v. Slavin, 452 P.2d 943 (Wash. 1969). The funds may be used for construction and operation of "park and ride" lots. State Highway Commission v. O'Brien, 523 P.2d 190 (Wash. 1974).

4. The section also specifies that "highway purposes" includes the payment or refunding of any obligation of the state or any political subdivision thereof for which any of the described revenues may have been legally pledged prior to the effective date of the section.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. TRANS.      5-4-88      1:30 p.m.

# HOUSE COMMITTEE REPORT

(7)

Date referred: 5/2/88

FURTHER REFERRALS: Judiciary  
Finance

DATE: 5-4-88

The Transportation Committee has considered CSSJR 66(Trsp)

Proposing an amendment to the Constitution of the State of Alaska creating a dedicated fund for the construction and maintenance of roads and highways.

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published 3-4-88
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

True  
Mike Miller  
Heinrich Springer  
Bette Cato  
Bob C. ...  
Bill ...

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Bette Cato  
 Chairman's signature



SJR

68



Official Business

# Alaska State Legislature

House of Representatives

House Transportation Committee

P.O. Box V  
Juneau, Alaska  
99811

Phone:  
(907) 465-4859

March 30, 1988

\*\*\*\*\*

## COMMITTEE CALENDAR:

SJR 27: Urging the United States Army Corps of Engineers to dredge the shoal developing in St. Paul Harbor, Kodiak.

SJR 68: Relating to radioluminescent runway lights.

HB 544: "An Act relating to civil liability for voluntary aircraft inspection programs."

## FOR THIS MEETING, YOU HAVE BEEN GIVEN:

a folder on SJR 27 that includes:

- item #1: SJR 27
- #2: a statement from Senator Zharoff
- #3: fiscal note - DOT/PF
- #4: position paper - DOT/PF
- #5: map of the shoal
- #6: status of the shoal
- #7: correspondences to and from the Governor
- #8: correspondences to and from the Alaska's congressional delegation
- #9: information on the original soundings

a folder on SJR 68 that includes:

- item #1: SJR 68
- #2: fiscal note - DOT/PF
- #3: a statement from Sen. John Binkley
- #4: letter of support - DOT/PF Commissioner
- #5: resolutions and a letter of support

a folder on HB 544 that includes:

- item #1: HB 544
- #2: fiscal note - Dept. of Public Safety
- #3: position paper - Dept. of Public Safety
- #4: background information
- #5: statutes

STATE OF ALASKA 1988 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: SJR 68  
Publish Date: 2-24-88

REQUEST 2/22/88

Revision Date: \_\_\_\_\_  
Title: Radioluminescent Runway Lights

Agency Affected: DOT&PF  
BRU: \_\_\_\_\_

Sponsor: Binkley  
Requestor: Jones

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
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	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: There is no fiscal impact to the Department of Transportation and Public Facilities. However, the certification of RL lights will allow future capital funds for rural runway lighting to go farther due to the avoidance of diesel generation required for conventional lighting systems.

Prepared by: W. Keith Gerken *WKG*  
Division: Deputy Commissioner, Operations

Phone: 465-3900  
Date: 2/22/88

Approved by Commissioner: Mark S. Hickey *MSH*  
Agency: DOT&PF

Date: 2/22/88

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

# Senator Johne Binkley

Senate Finance Committee  
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985



March 24, 1988

Finance Committee  
Co-Chairman

The Honorable Bette Cato  
Chairman, Transportation Committee  
Alaska House of Representatives  
Room 15, Capitol Building  
Juneau, AK 99801

Dear Representative Cato:

On Friday, March 25, you will have before your committee SJR 68, relating to radioluminescent runway lights. I would like to offer the following on this type of lighting system for the information of the committee.

As you know, most rural airports are community class, requiring a runway of about 3,000 feet. DOT/PF estimates that the cost of purchasing and installing a diesel generator powered medium intensity runway lighting system for a runway of this length is about \$250,000 with annual maintenance and operational costs of about \$10,000.

The cost of purchasing and installing a radioluminescent (RL) lighting system for the same length runway is approximately \$190,000 with no annual maintenance or operational costs. At this time, only one private company has the required Federal Energy Regulatory Commission's permit to manufacture and sell RL lights. However, four other companies have applied for the necessary permits to manufacture RL lights. The Statewide Research Division of DOT/PF in Fairbanks expects the price of this lighting system to drop by 50% as more companies enter the market and the technology becomes established.

Currently, there are twenty-four community class airports statewide without any type of lighting system which would be good candidates for RL lights. However, until the FAA has completed its testing and approved the RL lights, the system cannot be fully implemented. FAA approval is essential to commercial use of RL lights as an alternative to lanterns under FAR 135.229. Your favorable consideration of this Resolution would be greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Johne".

Senator Johne Binkley  
Yukon-Kuskokwim and  
Interior Rivers

jka

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX Z  
JUNEAU, ALASKA 99811-2500  
PHONE: (907) 465-3900

February 23, 1988

The Honorable John Binkley  
Alaska State Senate  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Binkley:

I am writing to express my support for the resolution that you have introduced that asks the Federal Aviation Administration (FAA) to complete their evaluation of radioluminescent runway edge lighting (RL) systems. Alaska has an immediate need for low maintenance RL systems for our rural airports. RL systems represent a cost effective alternative to electrical powered lights. However, until FAA completes its testing of RL systems and grants some level of approval, their usefulness is greatly diminished.

Thank you for your support of the radioluminescent runway edge lights program.

Sincerely,

  
Mark S. Hickey  
Commissioner

cc: Lynn J. Harnisch, P.E., Regional Director, Northern Region

# YUKON KUSKOKWIM DELTA MAYOR'S CONFERENCE

BETHEL, ALASKA  
OCTOBER 7, 8, and 9, 1987

RESOLUTION 87-18



A RESOLUTION OF THE 1987 YUKON-KUSKOKWIM DELTA MAYOR'S CONFERENCE REQUESTING THE LEGISLATURE AND GOVERNOR TO WORK TOGETHER TO ACCELERATE THE FUNDING AND CONSTRUCTION OF AIRPORT RUNWAY LIGHTING SYSTEMS WHICH ARE NEEDED THROUGHOUT RURAL ALASKA.

WHEREAS, there are many rural airports which remain without any form of adequate runway lighting or navigational aides which would enhance the safety of our people; and

WHEREAS, runway lighting systems at these village locations is an absolutely essential need for purposes of public transportation, freight delivery, public safety and medical services; and

WHEREAS, this is a basic service which many municipalities have been requesting for years and others have enjoyed for years.

NOW THEREFORE BE IT RESOLVED THAT the Yukon-Kuskokwim Delta Mayor's Conference requests the State of Alaska Department of Transportation aggressively pursue the investigation and testing of new technology, where it appears that such technology may facilitate the installation of needed electrically powered runway lighting and that the State provide funds for the installation.

PASSED and APPROVED BY THE NINTH ANNUAL YUKON-KUSKOKWIM DELTA MAYOR'S CONFERENCE this 9th day of October, 1987.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

*Janice*

# AVCP

Association of Village Council Presidents  
P. O. Box 219 • Bethel, Alaska 99559 • Phone 543-3521

## CONVENTION RESOLUTION NO. 87-10-11

### A RESOLUTION CALLING ON THE STATE OF ALASKA TO PROVIDE GRANT FUNDS TO THE CITY OF AKIAK FOR SOME AIRPORT LIGHTS.

WHEREAS, The City of Akiak is a second class city which is a responsible organization to maintain airport lights through the Department of Transportation; and

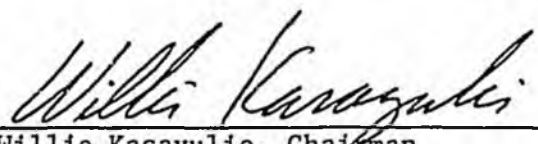
WHEREAS, The City of Akiak has no airport lights and when there is an emergency during the night and early morning hours, the health aide has to contact 4 to 5 people to light up the airstrip with their trucks and 3-wheelers; and

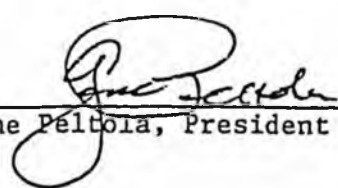
WHEREAS, The local people of Akiak are affected by this need as well as producing a hazard for the planes without airport lights; and

NOW THEREFORE BE IT RESOLVED that the City of Akiak call upon the Association of Village Council Presidents at its Annual Convention to assist the City of Akiak in their pursuit of grant funds to provide lights at their airport; and

BE IT FURTHER RESOLVED that the AVCP Administration bring this request to the State of Alaska's Department of Transportation.

Adopted by action of unanimous vote of delegates assembled at the 1987 Fall Convention of the Association of Village Council Presidents held in Scammon Bay, Alaska, on October 17, 1987, meeting in a duly constituted meeting of the AVCP Full Board of Directors with a quorum having been present.

  
\_\_\_\_\_  
Willie Kasayulie, Chairman

  
\_\_\_\_\_  
Gene Peltola, President

COPY

July 20, 1987

Mr. Lee Leonard, Facilities Research Manager  
Alaska Department of Transportation and Public Facilities  
2301 Peger Road  
Fairbanks, AK, 99709

Dear Mr. Leonard,

At our last meeting, Phyllis Tate told Association members about "radioactive luminescent" runway lights that the state is using at remote locations. We depend on our runway for all passenger and freight traffic in and out of Minchumina, and there are several small planes based here permanently. We have had no runway lights for some years, and this has restricted aviation activities at Minchumina, for both scheduled and unscheduled flights, to daylight hours. With lights, planes can land in darkness, adding greatly to safety, both for us and for transient pilots.

We understand there is a set of these lights available, and we would greatly appreciate it if they could be installed at Lake Minchumina.

Sincerely,



Florence K. Collins, Secretary

cc: Senator John Binkley  
Representative Kay Wallis

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907.465.3800

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. TRANS.

3-30-88

1:30 p.m.

# HOUSE COMMITTEE REPORT

(7)

Date referred: 3/2/88

FURTHER REFERRALS:

DATE: 3-30-88

The Transportation Committee has considered SJR 68

Relating to radioluminescent runway lights.

## RECOMMENDS:

- replace with \_\_\_\_\_  the same title  
 attached amendment(s)  a new title  
 do pass  
 do not pass  
 no recommendation  
 individual recommendations  
 additional referral to the \_\_\_\_\_ Committee

ADOPTS:  \_\_\_\_\_ letter of intent

## ATTACHES NEW FISCAL NOTE(S):

- fiscal impact  same as previous fiscal note published \_\_\_\_\_  
 zero fiscal note  same as previous zero fiscal note published 2-24-88  
 zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

\_\_\_\_\_  
*Bill Harts*  
*Mike Miller*  
*Heinrich Springer*  
*House Liaison*  
\_\_\_\_\_  
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*Heinrich Springer*  
Chairman's signature



Official Business

**COMMITTEE:**

House Transportation Committee

**DATE:** March 30, 1988

**SIGN-IN**

**Subject of meeting:**

- SJR 27: Urging the U.S. Army Corps of Engineers to dredge the shoal developing in St. Paul Harbor, Kodiak.
- SJR 68: Relating to Radioluminescent Runway Lights.
- \* HB 544: "An Act relating to civil liability for Voluntary Aircraft Inspection Programs."

**NAME** Please include title      **ADDRESS** Please use full address. Please include zip.      **PHONE**      **REPRESENTING**      **DO YOU WANT TO TESTIFY?**

NAME Please include title	ADDRESS Please use full address. Please include zip.	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Roger McCoy	P.O. Box 2 JUNEAU, AK, 99811	465-4322	DEPT. OF PUBLIC SAFETY	AVAILABLE FOR QUESTIONS THAT MAY ARISE.
Michael Hill	CAP RM 121	4922	SEN ZHAROFF	SJR 27
James Adair		4985	Binkley	SJR 68

\* indicates first public hearing