

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6747 SENATE TRANSPORTATION

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## SOUTH DAKOTA

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

The constitutional provision applies to revenue from registration fees or other charges with respect to the operation of a motor vehicle on the highways, and revenue from any tax on gasoline or other liquid motor fuel used to propel a motor vehicle on the highways.<sup>1</sup> It specifies that such revenue may be used only for the maintenance, construction, and supervision of highways and bridges.<sup>2</sup>

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1. S.D. Const. art. 11, § 8 (1978).

2. The section also specifies that the revenue may be used for the cost of administration of the gasoline and motor fuel tax law.

Ad valorem taxes on motor vehicles are not covered. Op.Atty.Gen. p. 325 (1967-68).

The provision has been tightly construed. The funds may not be used to pay either the interest or the administrative costs on highway bonds. In Re Opinion of Supreme Court, 257 N.W.2d 442 (S.D. 1977). The funds may not be used to pay contractors for cost overruns or damages for breach of contract on highway contracts. *G. B. Lindekugel & Sons, Inc. v. State Highway Comm.*, 202 N.W.2d 125 (S.D. 1972); *Northern Improvement Co. v. State Highway Comm.*, 202 N.W.2d 861 (S.D. 1972); *John A. Carlson, Inc. v. State Highway Comm.*, 202 N.W.2d 867 (S.D. 1972). A special, additional tax on motor fuels imposed to fund the operation and maintenance of a state-owned railroad was declared unconstitutional because a railroad is not a "highway." *South Dakota Automobile Club, Inc. v. Volk*, 305 N.W.2d 693 (S.D. 1981). The funds may not be used for regulation and removal of public utility facilities and billboards along the highway right of way. Op.Atty.Gen. p. 34 (1963-64). Motor vehicle funds distributed to municipalities must be used for maintenance of streets. Op.Atty.Gen. p. 118 (1951-52).

On the other hand, highway "maintenance, construction, and supervision" includes the cost of acquiring and developing land for roads; acquiring and utilizing materials and equipment for building new roads and maintaining existing ones; and salaries for all highway department employees, including back pay ordered paid by the state personnel policy board. *Chilstrom v. State Department of Transportation*, 271 N.W.2d 4 (S.D. 1978).

## 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>

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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.

## WEST VIRGINIA

West Virginia has a constitutional provision which affords excellent protection for highway user revenue.

The constitutional provision applies to revenue from gasoline and other motor fuel excise and license taxation, motor vehicle registration and license taxes, and all other revenue derived from motor vehicles or motor fuels.<sup>1</sup> It specifies that such revenue must be used only for construction, reconstruction, repair, and maintenance of the highways; or for payment of interest and principal on highway bonds; or for the payment of obligations incurred in such highway work.<sup>2</sup>

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1. West Virginia Const. § 52 (1982).

2. The provision specifies that statutory refunds and the cost of administration and collection may be paid from the revenues.

The cost of relocation of utility facilities is an obligation incurred in highway construction and may be paid from these revenues. State ex rel. Appalachian Power Co. v. Gainer, 143 S.E.2d 351 (W.Va. 1965). The cost of construction, maintenance, and operation of an office building and related facilities for the exclusive use of the highway department is a necessary and proper incident of highway construction, maintenance, and repair, and is a legitimate use of these revenues. State ex rel. State Bldg. Comm'n v. Moore, 184 S.E.2d 94 (W.Va. 1971).

An aerial, black and white photograph of a town in Alaska. A road winds through the town, and a bridge crosses a river or stream. The town is surrounded by dense forest and mountains in the background.

# **CROSSROADS:**

**A REPORT ON THE DELIVERY OF  
TRANSPORTATION SERVICES IN ALASKA**

**Final Report to  
the Governor and Legislature**

**Governor's Task Force On  
Transportation Facilities  
July 1988**

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Transportation Services in Alaska**

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**Governor's Task Force on  
Transportation Facilities  
July 1988**

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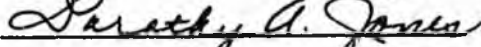
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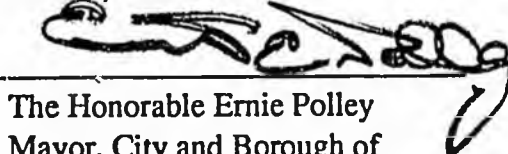
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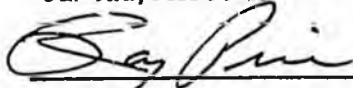
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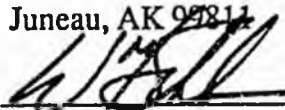
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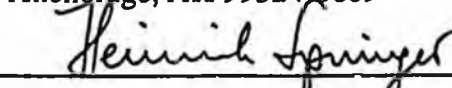
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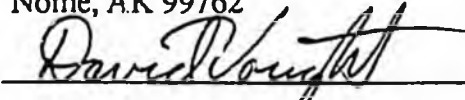
  
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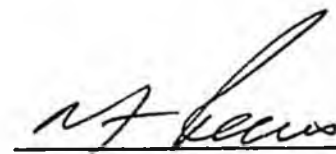
  
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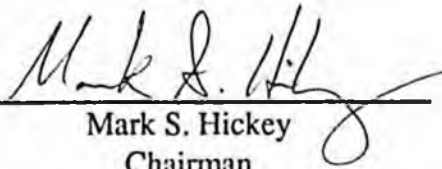
## PREFACE

The task force has reviewed the problems associated with the efficient and equitable delivery of transportation services in Alaska as directed by the Governor and the Legislature and provides this report for the general public and for state policy makers.

In addition to other benefits gained, the task force has determined that the delivery of transportation services could be more efficiently and equitably provided if the continued care of some of Alaska's transportation facilities would be more widely distributed among various private and governmental entities. As an example, the Department of Transportation and Public Facilities (DOT/PF) estimates that 28% of the department's highway responsibilities are roads that primarily serve a local function.

For all facets of the problems related to the delivery of transportation services, adequate funding and the ongoing stability of funding are the critical issues. In this regard, the task force is unanimous in recommending that the maintenance of the transportation system should be supported to the extent practical with dedicated user fees.

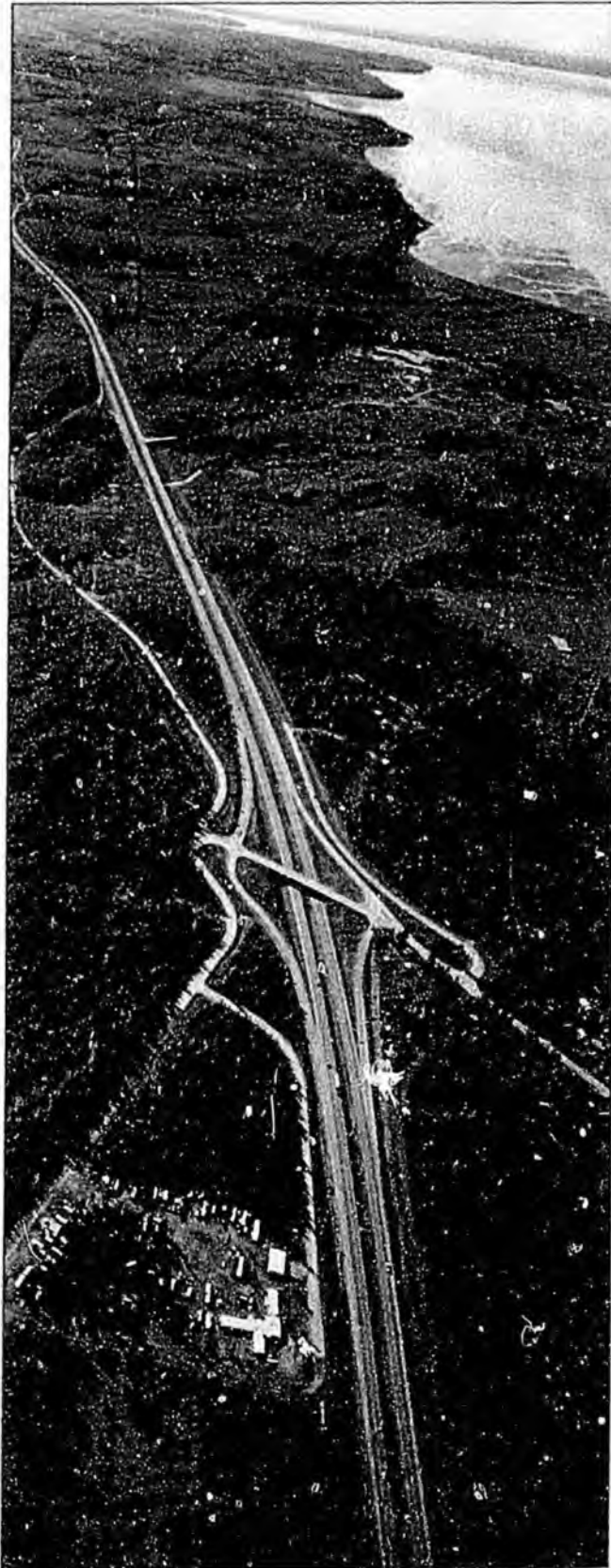
The problems associated with the efficient and equitable delivery of transportation services present many complicated issues which the task force finds need addressing as a state policy matter. This report sets out a policy framework which the task force believes will assist state policy makers at this critical juncture of the development of the transportation delivery system.



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Mark S. Hickey  
Chairman

## INTRODUCTION



The main task of the Governor's Task Force on Transportation Facilities was to make recommendations on the equity and efficiency of Alaska's transportation delivery system. The task force understood the transportation delivery system to be the sum of all activities and physical facilities managed or undertaken by an Alaskan government entity that results in the provision of transportation services to the general public. (The Alaska Railroad is not part of this discussion because of its unique position in the state system by statute.)

For this report, the goal of the task force was to present a short concise synopsis of the issues relevant to achieve an efficient and equitable transportation delivery system. The task force understood the equity and efficiency of Alaska's transportation delivery system to be dependent in large part on what entity is responsible for components of the system and how the system is funded.

The report is organized so that the first section develops the context that decision-makers should be aware of with funding being the most important issue. The second and third sections of the report focus on the responsibility issues related to Alaska's transportation delivery system with the delineation of responsibility between state government and local government being the major focus.

## SUMMARY OF FINDINGS

1. The condition and efficiency of Alaska's transportation system is of vital importance to all Alaskans.
2. There is a vast inventory of transportation facilities that requires constant maintenance and periodic rehabilitation.
3. There is currently not enough funding allocated to maintain and rehabilitate the transportation system.
4. Maintenance is being increasingly deferred over portions of the transportation system.
5. Portions of the transportation system are deteriorating and as deterioration progresses become more costly to repair.
6. There is little likelihood that additional funding will be available from the general fund; therefore, other sources of funding need to be examined.
7. The DOT/PF is responsible for some transportation facilities that would ordinarily in other states be the responsibility of local government.
8. The DOT/PF's responsibility for local transportation facilities makes it difficult to give clear focus to statewide issues including performance of a statutory duty to provide statewide planning.
9. Financial considerations associated with rehabilitating local roads will need to be addressed regardless of how alignment of responsibility is resolved.
10. The frequent changes in leadership at DOT/PF cause problems that affect the efficiency of the delivery of transportation services.
11. Funding for the road service account in the Municipal Revenue Sharing Program should be stabilized.

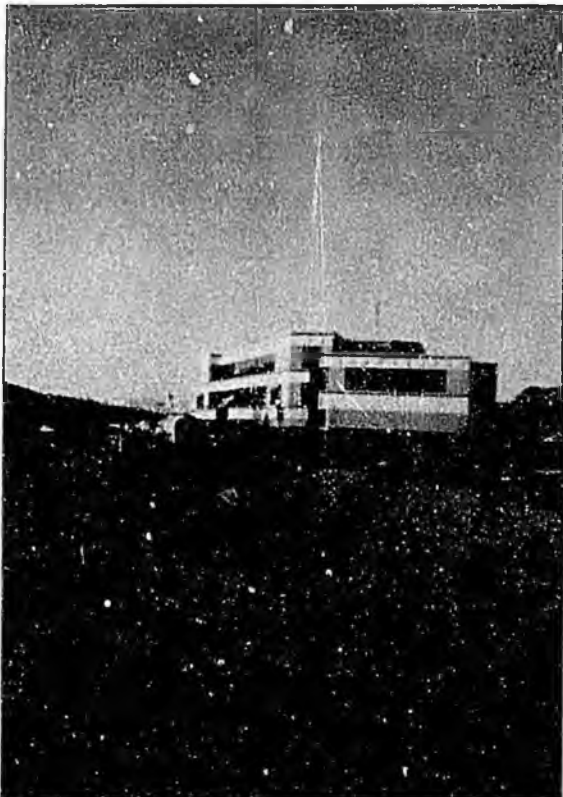
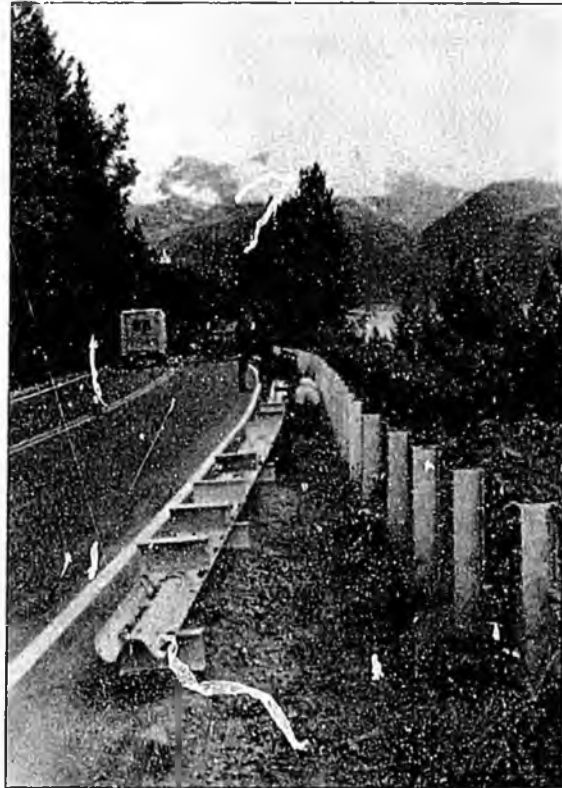
## SUMMARY OF RECOMMENDATIONS

1. The maintenance of Alaska's transportation system should be supported, to the degree possible, through user fees.
2. User fee revenues should be dedicated.
3. The state should have an annually updated six year revenue plan for transportation.
4. There should be greater emphasis on a cost/benefit analysis of capital projects during the state planning process.
5. Responsibility for the maintenance of capital projects should be determined before they are built.
6. Responsibility for existing transportation facilities should be clarified and revisions made where cost efficiencies can be clearly indicated.
7. There should be an orderly program developed to transfer responsibility for some transportation facilities from the state to local government.
8. Statutory powers of local government for providing transportation services should be made more uniform.
9. The state and local communities should eliminate duplication of transportation services in some communities.
10. The state should aggressively attempt to influence the new federal highway program.
11. The merits of creating a board of commissioners to oversee DOT/PF should be analyzed.

## I. ALASKA'S TRANSPORTATION DELIVERY SYSTEM

### Transportation Services

The task force finds that the condition of Alaska's transportation delivery system is a critical factor in enhancing the state's productivity and Alaska's ability to compete and survive in today's demanding economic environment. The task force finds that there is a vast inventory of transportation facilities that require constant maintenance and periodic rehabilitation, and that on a portion of this inventory maintenance and rehabilitation is currently being deferred.



Additionally, the task force is concerned that future expansion of Alaska's infrastructure for strategic economic development is in danger of stagnation because of the declining funds available for capital projects. The task force is concerned about funding for capital expenditures because of the combination of the uncertainty over federal transportation policy direction after 1991 and reduced state revenues.

A deteriorating infrastructure combined with a stagnation of the strategic development of Alaska's infrastructure will eventually lead to economic decline. The task force finds that above all other issues it has explored, the lack of adequate and stable future funding for the transportation system is the most troubling.

## The Revenue Picture

In addition to the well publicized decline in state revenue, the task force warns that Alaska must be prepared to face potential declines of unknown magnitude in the current sizeable federal contribution to our capital construction program.

**Caveat:** *The following estimates are provided to illustrate the potential revenue problem. Although the task force believes these estimates to be reliable enough for this exercise, readers should be aware that these figures are not provided for any purpose other than to help explain the revenue problem.*

### ALASKA HIGHWAY REVENUE(1)

	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
FEDERAL HIGHWAY (2) (3) (4)	152	129	135	135	135
FUEL TAX (5)	18	19	19	19	19
VEHICLE FEES (6)	19	19	19	19	19
<b>TOTAL</b>	<b>189</b>	<b>167</b>	<b>173</b>	<b>173</b>	<b>173</b>

### ALASKA HIGHWAY EXPENSES(1)

	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
MAINTENANCE AND OPERATIONS	44	51	55	60	60
REHABILITATION /IMPROVEMENTS(7)	200	210	220	230	230
<b>TOTAL</b>	<b>244</b>	<b>261</b>	<b>275</b>	<b>290</b>	<b>290</b>

### REVENUE SHORTFALL(1)

	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
<b>TOTAL</b>	<b>55</b>	<b>94</b>	<b>102</b>	<b>117</b>	<b>117</b>

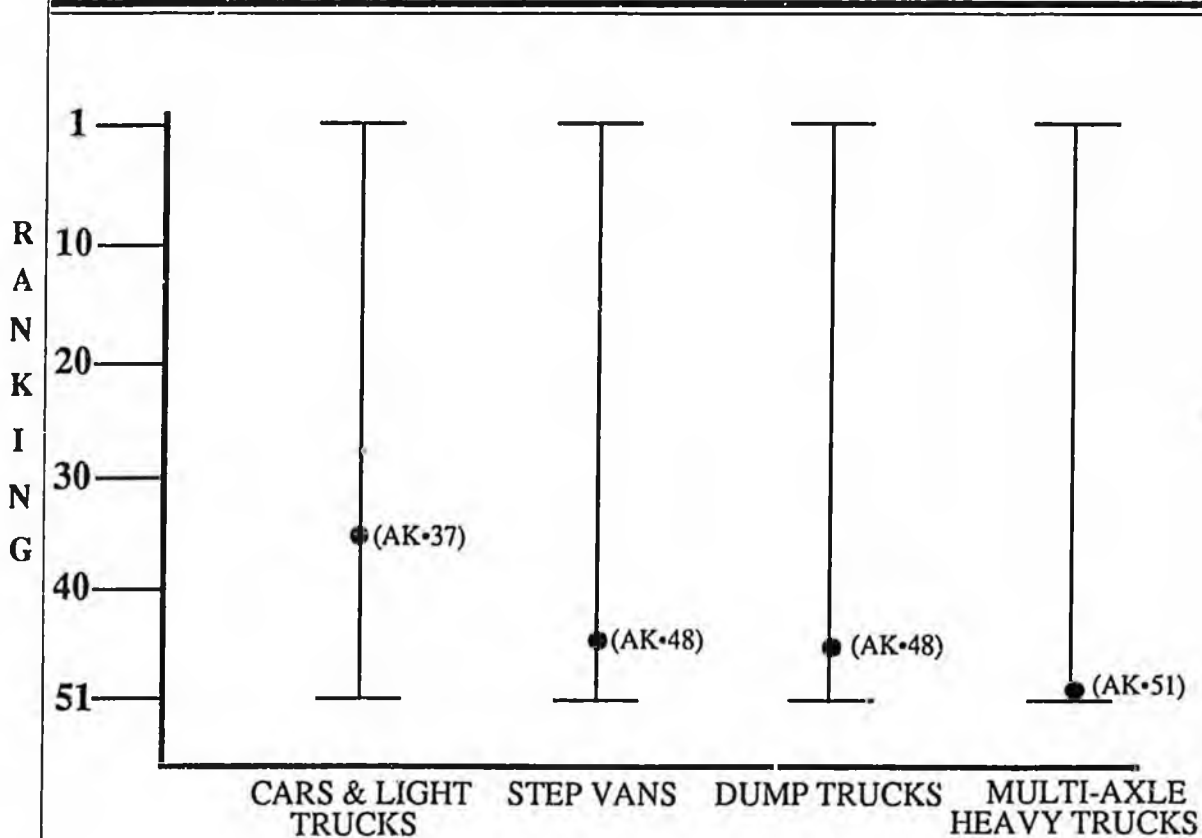
(1) Dollars in millions. (2) The statute that authorizes federal highway dollars expires in 1991 and it is recognized that the program as it exists today may be terminated. (3) Actual spending level set annually by Congress and has been shrinking in part due to Gramm-Rudman. (4) Spending limit or amount obligated (1987) - not appropriation. (5) Highway account only - not including the off-highway tax. (6) Collection costs not deducted. (7) Represents an optimal level of expenditures to protect current investments and expand the system, not actual expenditures.

### Paving For Alaska's Transportation Delivery System

The task force finds that the state has no revenue policy for transportation services. Consequently, there is no clear view concerning who should pay for services at what level or what revenue sources should be tapped. Moreover, this results in major differences between the support that government subsidized transportation services provide to some users and the impact that these users have on the system.

It is the opinion of the task force that users will willingly accept additional user fees if they have confidence that the fees will be used to support the infrastructure needs and that the revenue will be strictly accounted for. The task force feels this would be especially true if an organized effort was made to educate the public about the value of transportation facilities toward improving the quality of life.

**RELATIVE RANK OF USER TAXES & FEES BY VEHICLE CLASS\***  
(ALASKA COMPARED TO OTHER STATES & DISTRICT OF COLUMBIA)



YEAR - 1987

\*Includes registration fee, property tax, fuel tax, & other vehicle taxes & fees  
Source: Road User & Property Tax on Selected Vehicles, FHWA, 1987

#### TASK FORCE RECOMMENDATIONS:

1. The task force recommends that the Governor and the Legislature seek a Constitutional amendment to dedicate all fees collected and retained by the state for transportation related activities to pay for direct costs associated with the improvement, maintenance and operation of the existing transportation system from which the revenue was generated.
2. The task force recommends that decisions for new construction should be determined, in part, on the basis of the economic benefit to the state and that a finding should be made that would determine who should be responsible for the maintenance of the facility. These determinations should be an element of the state planning process.
3. The task force recommends that state policy-makers be diligent in monitoring, and vocal in advocating, new federal transportation programs that include consideration for federal involvement in the maintenance of existing transportation facilities and for the development of transportation infrastructure necessary for the movement of raw materials and the support of national interests.
4. The task force recommends that a six year revenue plan be developed including user fees, vehicle fees, motor fuel taxes, weight/distance fees and other revenue generating devices with a view toward establishing an equitable system of raising the monies needed to plan, operate and maintain Alaska's transportation systems. For the purposes of this plan, the national average for revenue collected from each vehicle type should be used as the basis for equitable taxes and fees.
5. The task force recommends that the current motor fuel tax exemption for off-highway usage be continued.

## II. RESPONSIBILITY FOR ALASKA'S TRANSPORTATION DELIVERY SYSTEM

### Responsibility of the Department of Transportation and Public Facilities

In addition to highway responsibilities which includes roughly 800 bridges and nearly 5,500 miles of roads, DOT/PF administers two international airports, over 200 smaller airports, a nine vessel ferry system, the state equipment fleet and most state-owned buildings. The task force finds that included in the transportation facilities that the department currently cares for are facilities that serve primarily a local interest including, by the department's estimate, over 2,000 miles of local roads.

Because of the sheer magnitude of the DOT/PF's overall responsibilities and the additional responsibilities associated with attending to facilities with mostly a local interest, the task force is concerned that DOT/PF may have difficulty in making choices based on the best interest of the state. The task force feels this would be especially true where a decision involves allocating resources to a project which is of long-term statewide interest with no immediate constituency or allocating those same resources to a project with an immediate local constituency.



## Responsibility of Other Entities

The task force finds that inconsistency exists between accepted responsibility among municipalities, organized boroughs, the unorganized borough and among private ventures.

For the local government entities, the task force finds that the range of powers granted under the Municipal Code (AS 29.35) for duties related to transportation issues vary significantly from one local government type to another. The task force believes that equity issues cannot be dealt with until this basic issue is addressed.

The task force finds that it should be a goal of state policy makers to deliver transportation services as uniformly as practical.



## Local Control Issues

Ideally control goes hand in hand with responsibility. The task force finds that because of the amount of local interest facilities for which the state has responsibility, there is a lack of local control over local transportation services in Alaska. The task force recognizes that as a result there has developed a system of state control over the delivery of transportation services including local issues.

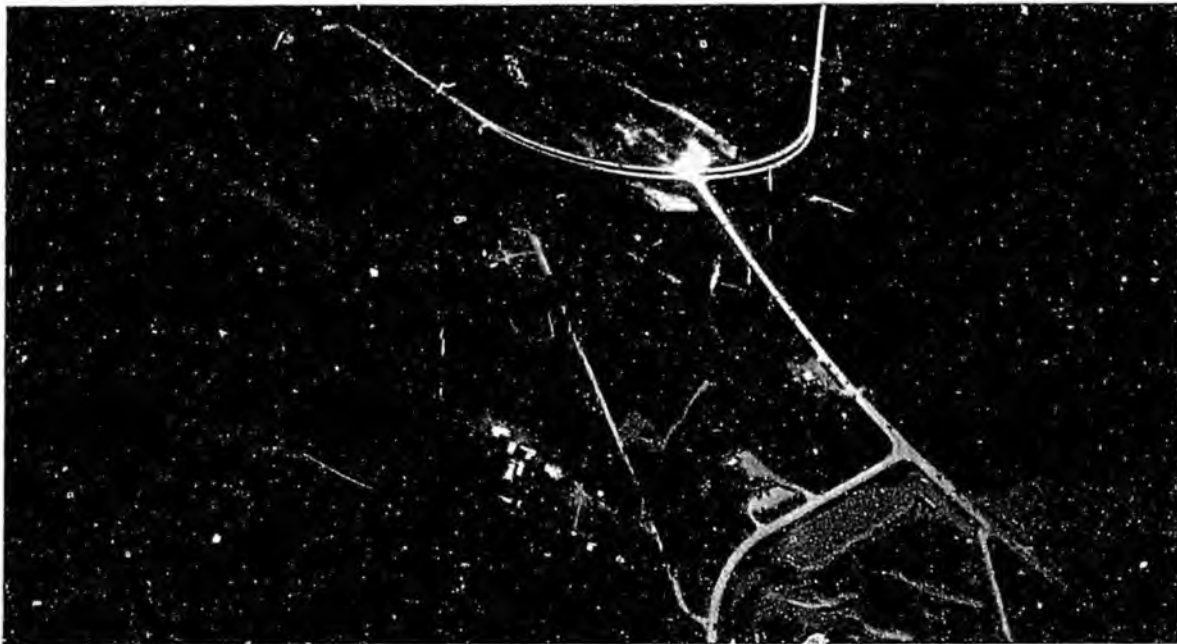
The task force further recognizes that state control forces more local transportation funding considerations through the Legislature. As a result, local interest must compete at the statewide level against other state programs. The task force finds that the cumulative effect is that often decisions about these kinds of transportation services may be more difficult to make based on a rational policy.

In addition, there are practical problems associated with this centralization such as the difficulty for local residents to get a prompt response to complaints and local interest issues consuming statewide resources.

## Strategic Statewide Planning

For intelligent statewide transportation development, Alaska needs to better define the scope of options available, outline what the specific needs for all options are and then identify what resources can be marshalled and by whom. To create this basic information, the task force believes the key is to develop a broad consensus that there is some statewide transportation development needed. In Alaska, energizing this united effort of a variety of people is the statutory duty of DOT/PF through strategic statewide transportation planning.

The task force finds that as a direct result of the department's multiple levels of responsibility, few state resources are available for strategic statewide transportation planning.



### Efficiency of the Transportation Delivery System

The task force finds that little logical thought went into determining who should be responsible for the maintenance and operation of a particular facility. Consequently, the task force recognizes that there are situations where transportation facilities are being maintained by an entity for historical reasons when it may be more efficient for another entity to provide the maintenance.

In some communities, DOT/PF has a full compliment of equipment, personnel and facilities to provide transportation services while the community also maintains a similar array of transportation support resources. The task force finds that there are some communities that would be served as well with one entity providing services while eliminating duplicate support resources and providing for the more efficient delivery of transportation services.

## TASK FORCE RECOMMENDATIONS:

1. The task force recommends an organized approach to transferring responsibility for some transportation facilities from the state to local governments.
2. The task force recommends that the Governor and the transportation committees of the Legislature, after examining and analyzing the merits of creating a transportation commission to direct the delivery of all transportation services in the State of Alaska, report its findings to the people of Alaska by the beginning of the 16th legislative session (see Formal Recommendation # 3).
3. The task force recommends that statutes related to local powers for providing transportation services be reviewed and revised so that more uniformity can be achieved.
4. The task force recommends that the state pursue a policy of shared responsibility for transportation facilities related to economic development.
5. The task force recommends realignment of responsibility, clarification of areas of responsibility and transfer of some transportation facilities from the state to local governments to enable DOT/PF to more clearly focus on strategic statewide planning (see minimum elements in Key Elements of a Model Transfer Program).
6. The task force recommends, as part of the transfer program, that negotiation occur between DOT/PF and local communities to pursue adjustments that provide for the most efficient delivery of transportation service by reducing the duplication of services, effort, personnel and equipment.

### III. TRANSFER OF RESPONSIBILITY

#### Key Elements of a Model Transfer Program

The task force unanimously recommends a transfer program because it finds that the assumption of local responsibility by the state distracts state attention from issues that should be attended to by the state. In addition, the task force recognizes that many issues could be better handled by local officials while at the same time providing for more control over local priorities. Moreover, the task force finds that it is poor public policy to have local projects competing directly with statewide projects for state resources and that, in the long run, transfer of responsibility for some facilities to local communities would distribute the costs for

providing transportation services more equitably. The task force also finds that equity in the delivery of transportation services is a worthwhile goal and recommends that during transfer discussions attention should be given to the various levels of service provided by the state to different communities.

While recommending that a transfer program be adopted, the task force recognizes that certain elements must be present for the program to be successful (see the recommended Model Transfer Program in the Supplemental Documents ).

#### MINIMUM ELEMENTS OF A TRANSFER PROGRAM

- A revenue stream must be dedicated to the program.
- The program must be voluntary.
- Prior to transfer, all facilities must be rehabilitated.
- A facility transferred eligible for federal funds must remain eligible for federal funds after transfer.
- Additional capital costs must be the responsibility of the municipality including any match for federal funds.
- Negotiated yearly maintenance costs must be guaranteed.
- Liability must transfer with the facility.
- Any transfer of personnel must provide for equitable treatment of employees.
- Primary responsibility for bridges should remain with the state.

## IV. APPENDIX

### Administrative Order No. 105

It is in the best interest of the people of Alaska, and necessary for the efficient administration of government, that a review be conducted, as requested by the Legislature, of the distribution of responsibility for transportation facilities, and that the Governor and the Legislature be advised of changes which can be made to increase the efficiency and equity of Alaska's transportation delivery system.

THEREFORE, I, Steve Cowper, pursuant to the authority vested in me by article III of the Alaska Constitution and by AS 44.17.060 and AS 44.19.145 (c), order the following:

#### Section 1. Creation and Composition.

The Governor's Task Force To Evaluate Responsibility For Transportation Facilities (hereafter Governor's Task Force on Transportation Facilities) is hereby created within the Department of Transportation and Public Facilities. The task force shall be chaired by the Commissioner of the Department of Transportation and Public Facilities and shall consist of six members representing local government, one member representing the unorganized borough, one legislator from each house nominated by the presiding officer of the house, and one representative of a transportation user group. All members of the task force will be appointed by me.

#### Section 2. Administration.

Members of the Governor's Task Force on Transportation Facilities will receive no compensation for their services but will be entitled to per diem and travel allowance authorized by law for members of other boards and commissions under AS 39.30.180. The Department of Transportation and Public Facilities shall provide whatever administrative services to the task force that the commissioner determines are necessary to enable it to perform its responsibilities under this order.

#### Section 3. Responsibilities.

The Governor's Task Force on Transportation Facilities shall evaluate the feasibility of transferring the responsibility of direct maintenance on certain transportation facilities from the state to local government, and examine reasonable and equitable funding sources for maintenance activities, including a review of the motor fuel tax and of the existing road service account in the state's revenue sharing program. The task force shall also study the issues of road ownership, liability, and the transfer of equipment and employees.

#### Section 4. Report.

The Governor's Task Force on Transportation Facilities shall submit a report to me and the Legislature by June 30, 1988. The report shall represent a majority view of the Task Force with the opportunity for each dissenting member to include a dissenting view. In the report, the task force shall adopt recommendations for any course of action, including maintenance of the status quo, that it believes will provide the best level of service given limited resources, or based on an assumption of expanded resources so long as a specific proposal is also made regarding provision of these resources. In all instances, the task force shall give its reasons for adopting the recommendations and specifically state how those recommendations address state and local financial considerations, statewide transportation planning, and the equity of distributed responsibilities.

#### Section 5. Duration.

The Governor's Task Force on Transportation Facilities shall cease to exist on July 1, 1988, unless it is extended by subsequent administrative order or legislation.

This order takes effect immediately.

## Formal Recommendations

### **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 and other equitable sources of revenue for the expenses related to transportation facilities in Alaska.

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

**Whereas:** This task force has determined that user fees are the most reasonable source of funding for expenses related to 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 fees directly related to the use of transportation facilities should be dedicated for direct costs related to the transportation system from which the revenue was generated.

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

**Whereas:** This task force has recommended with Task Force Recommendation # 1, that revenue collected and retained by the State of Alaska for fees directly related to use of transportation facilities 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 directly related fees 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.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

## 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 task force, for purposes of this recommendation, interprets expenses related to transportation facilities to mean expenses for the Alaska transportation systems excluding indirect costs.

**Whereas:** This task force has recommended with Task Force Recommendation # 1, that revenue collected and retained by the State of Alaska for fees directly related to use of transportation facilities 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 directly related fees 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.

### TASK FORCE RECOMMENDATION # 3

**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 adopt recommendations for any course of action which will provide the best level of transportation services for the state.

**Whereas:** The charge by the Governor and the Legislature to this task force specifically requested that the Governor and the Legislature be advised of any changes which could be made which would increase the efficiency of Alaska's transportation delivery system.

**Whereas:** This task force finds that frequent changes in the top administrative position of the Department of Transportation and Public Facilities (seven commissioners in ten years) and the abolition of the Alaska Transportation Commission without a clear plan for the continuance of certain vital transportation services, has had serious negative effects on the delivery of transportation services by creating uncertainty and instability within the transportation field.

**Whereas:** It is the determination of this task force that the uncertainty and instability of the agency that delivers transportation services, has an additional detrimental effect on state government, local government, industry, unions and employees.

**Whereas:** This task force finds that many other states have successfully created stability in their transportation delivery system by instituting a transportation board or commission which develops transportation policy and long term planning strategy which the state transportation agency implements.

**And Whereas:** It is the position of this task force that the regional and modal differences of the transportation field in Alaska could best be accommodated by a board of commissioners with similar diversity.

**NOW THEREFORE BE IT RESOLVED,** that it is the recommendation of this task force that the Governor and the transportation committees of the legislature should report to the people of Alaska by the beginning of the 16th legislative session their findings after examining and analyzing the merits of creating a board of transportation commissioners to direct the delivery of all transportation services in the State of Alaska.

#### TASK FORCE RECOMMENDATION # 4

**Whereas:** It is the duty of this task force to examine and consider transportation issues which will affect the delivery of transportation services in the State of Alaska.

**Whereas:** It is a specific duty of this task force to consider and express opinions on issues affecting the funding of transportation services in the State of Alaska,

**Whereas:** It is a specific duty of this task force to consider and express opinions on issues affecting the planning for transportation services in the State of Alaska.

**Whereas:** The Federal-aid Highway Act of 1987 authorized the completion of the Interstate Highway network system thus signaling the end of a national transportation objective and raising questions concerning the future direction of federal participation in transportation funding.

**Whereas:** A new direction for a national transportation initiative will have long term and serious effects on the planning and delivery of transportation services in the State of Alaska.

**Whereas:** The Alaska transportation needs are unique because of adverse conditions, inordinate dependence on non-traditional modes of transportation, remote and vast terrain, large federal land holdings, a minimally developed transportation infrastructure and a small population to deal with these immense transportation problems.

**Whereas:** Alaska will play an important role in the continued growth of the nation through the provision of essential natural resources to the nations industry but will require a continued national commitment for the development of a transportation infrastructure in Alaska.

**And Whereas:** The use of the existing Alaska transportation systems for the service of national facilities such as nation interest lands and military installations will also require a continuing commitment by the federal authorities to the maintenance of the systems.

**NOW THEREFORE BE IT RESOLVED:** Because of considerable national benefits, it is the position of this task force that any new national transportation objective should include consideration for federal involvement in the maintenance of existing transportation facilities and for the development of transportation infrastructure necessary for the movement of raw materials and the support of national interests.

## List of Supplemental Documents

1. 1987 Road User Taxes in Selected States Compared to Alaska
2. Recommended Model Transfer Program
3. Identification of Municipal Road Maintenance Flow of Funds
4. Community Comparison of Responsibility for Local Road Maintenance
5. Review of Statutes Related to Powers and Duties of DOT/PF
6. Report on Dedicated Funds in Alaska
7. Understanding the Governmental Planning Function
8. Task Force Meeting Minutes:

December 11, 1987

January 26, 1988

February 9, 1988

March 8, 1988

April 6, 1988

May 25 & 26, 1988

June 25, 1988

**S J R**

**20**

**FILE 2**

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 SENATE JOINT RESOLUTION NO. 20

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating dedicat-  
7 ed funds from fuel taxes on aircraft,  
8 watercraft, and motor vehicles, and from  
9 related sources, and creating a dedicat-  
10 ed fund from revenue earned by the  
11 Alaska marine highway system for use by  
12 that system.

*Aircraft  
Motor*

*shaped  
fuel taxes*

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

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

16 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
17 State tax or license shall not be dedicated to any special purpose.  
18 This provision shall not prohibit the continuance of any dedication  
19 for special purposes existing on April 24, 1956. and shall not pro-  
20 hibit the dedication of revenue under Sections 15, 17, or 18 of this  
21 article or when required by the federal government for State par-  
22 ticipation in federal programs.

23 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
24 by adding new sections to read:

25 SECTION 17. SPECIAL FUNDS FOR TRANSPORTATION. The proceeds of  
26 State taxes, licenses, and fees on aircraft and of State taxes on the  
27 transfer or consumption of fuel for aircraft that are received by the  
28 State shall be placed in an airport fund. The proceeds of State  
29 taxes, licenses, and fees on watercraft and of State taxes on the

1 transfer or consumption of fuel for watercraft that are received by  
2 the State shall be placed in a ports and harbors fund. The proceeds  
3 of State taxes, licenses, and fees on motor vehicles and of State  
4 taxes on the transfer or consumption of fuel for motor vehicles that  
5 are received by the State shall be placed in a highway fund. The  
6 legislature may appropriate from a fund established by this section  
7 only to pay the cost of administering the law imposing the tax, li-  
8 cense, or fee from which the revenue is derived, to pay costs of  
9 construction, reconstruction, repair, maintenance, and operation of a  
10 capital improvement, including debt service, applicable to the means  
11 of transportation to which that fund relates, and to pay expenses of  
12 State enforcement of laws applicable to the means of transportation to  
13 which that fund relates. The legislature may appropriate from the  
14 highway fund to construct, reconstruct, repair, maintain, and operate  
15 vessels and facilities of the Alaska marine highway system, and to pay  
16 debt service for construction or reconstruction of a vessel or ferry  
17 terminal of the Alaska marine highway system.

18 SECTION 18. ALASKA MARINE HIGHWAY SYSTEM FUND. The revenue that  
19 is received by the State for operation of the Alaska marine highway  
20 system shall be placed in an Alaska marine highway system fund. The  
21 legislature may appropriate from the Alaska marine highway system fund  
22 established by this section only to pay costs of administration of the  
23 Alaska marine highway system, to pay costs of construction, recon-  
24 struction, repairs, maintenance, and operation of a vessel or  
25 facility of the Alaska marine highway system, and to pay debt service  
26 for construction or reconstruction of a vessel or ferry terminal of  
27 the Alaska marine highway system.

28 \* Sec. 3. The amendments proposed by this resolution shall be placed  
29 before the voters of the state at the next general election in conformity

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
2 tion laws of the state.

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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE Feb 2, 1989  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

JUD  
FIN

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE March 23, 1989

2/1/89

Mr. President:

TRANSPORTATION

Committee considered

SJR 20

Proposing amendments to the Constitution of the State of Alaska creating dedicated funds from fuel taxes on aircraft, watercraft, and motor vehicles, and from related sources, and creating a dedicated fund from revenue earned by the Alaska Marine Highway system for use by that and recommended: system

replace with CS for SJR 20 (Trsp)  same title

attached amendment(s) and

new title

letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

FISCAL NOTE(S) attached  zero  
 appropriation no FN attached

fiscal impact  
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

*[Handwritten signatures]*  
\_\_\_\_\_  
\_\_\_\_\_  
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OTHER RECOMMENDATIONS

*[Handwritten notes]*  
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\_\_\_\_\_  
\_\_\_\_\_

*[Handwritten signature]*  
\_\_\_\_\_  
Chairman signature and recommendation

Committee backup attached

Original sponsor: Transportation Committee

IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

CS FOR SENATE JOINT RESOLUTION NO. 20 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

Proposing amendments to the Constitution of the State of Alaska creating a dedicated fund for projects, facilities, and services related to transportation.

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

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

SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any State tax or license shall not be dedicated to any special purpose. This provision shall not prohibit the continuance of any dedication for special purposes existing on April 24, 1956, and shall not prohibit the dedication of revenue under Sections 15 and 17 of this article or when required by the federal government for State participation in federal programs.

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

SECTION 17. TRANSPORTATION FUND. Effective July 1, 1991, money derived from State taxes, licenses, and fees related to registration, operation, or use of vehicles, aircraft, watercraft, the Alaska marine highway system, and the use of other State transportation facilities, and from taxes on fuel used for the propulsion of vehicles, aircraft, and watercraft, less refunds and credits as provided by law, shall be placed in a transportation fund, the principal and income of which shall be appropriated by the legislature for facilities and operations related to transportation and for enforcing laws applicable to

1 transportation facilities and services. The provisions of this sec-  
2 tion do not apply to a tax, license, or fee levied and collected by  
3 the State on behalf of a local government, or to revenue derived from  
4 the use or operation of a facility constructed with bond proceeds to  
5 the extent that it is necessary to satisfy the debt obligation or to  
6 maintain the facility so that the facility continues to generate  
7 revenues for that purpose. The legislature shall implement this  
8 section.

9 \* Sec. 3. The amendments proposed by this resolution shall be placed  
10 before the voters of the state at the next general election in conformity  
11 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
12 tion laws of the state.  
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**STATE OF ALASKA  
1989 LEGISLATIVE SESSION**

**BILL VERSION: CS SJR 20  
PUBLISH DATE: 3/23/89**

**FISCAL NOTE**

Revision Date: None

Agency Affected: DOT&PF

Title: Proposed amendments to the Constitution of the State of Alaska creating dedicated funds for revenue related to aircraft, watercraft, vehicles, and the Alaska marine highway system and from related sources, and relating to accounting and expenditure of that revenue.

BRU:

Sponsor: Senate Transportation Committee  
Requestor: Senate Transportation Committee

Components: Highway, Harbors, Aviation

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

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

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING: (THOUSANDS OF DOLLARS)**

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

**POSITIONS:**

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: M. Clyde Stoltzfus, Special Assistant to the Commissioner  
Division: Commissioner Office

Phone: 465-3900  
Date: 3/29/89

Approved by Commissioner: Mark S. Hickey  
Agency: Department of Transportation and Public Facilities

Date: 3/29/89

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

FISCAL NOTE

Revision Date: None

Agency Affected: DOT&PF  
BRU:

Title: Proposed amendments to the Constitution of the State of Alaska creating dedicated funds for revenue related to aircraft, watercraft, vehicles, and the Alaska marine highway system and from related sources, and relating to accounting and expenditure of that revenue.

Sponsor: Senate Transportation Committee  
Requestor: Senate Transportation Committee

Components: Highway, Harbors, Aviation

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

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

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: M. Clyde Stoltzfus, Special Assistant to the Commissioner  
Division: Commissioner Office

Phone: 465-3900  
Date: 2/17/89

Approved by Commissioner: Mark S. Hickey *MSH*  
Agency: Department of Transportation and Public Facilities

Date: 2/17/89

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

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Amendments to the constitution/  
dedication of funds from fuel tax  
Sponsor: Senate Transportation  
Requestor: Senate Transportation

Agency Affected: Public Safety  
BRU: Division of Motor Vehicles  
Component: \_\_\_\_\_

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

This resolution proposes an amendment to the State Constitution. If approved by the voters in the next general election, this amendment would create a dedicated fund from the State taxes, licenses, and fees on motor vehicles. Since the next general election will be held in November 1990, the first year that would be affected is the FY 92 budget year.

Passage of the amendment would not change the revenue collected or the expenditures of the Division. The revenue collected for vehicle fees licenses, and taxes would be deposited in a dedicated fund rather than general fund. This fund may be used to pay for administration of the laws

Prepared by: Charles R. Hosack  
Division: Motor Vehicles

Phone: 269-5551  
Date: 2/8/89

Approved by Commissioner: Arthur English  
Agency: Department of Public Safety

Date: 2-10-89

Department of Public Safety  
Fiscal Note Analysis, continued  
SJR 20/Amendment of constitution/dedication of funds from fuel tax  
Page 2 of 2

from which the revenue is derived and to pay expenses of enforcement of laws applicable to vehicle transportation. All of the activities of the Division of Motor Vehicles (DMV) appear to qualify under the bill. The amendment would allow the legislature the authority to appropriate from this new funding source for DMV purposes but does not require a change from current funding sources.

In FY 88 the Division collected approximately \$16,500.0 in vehicle revenues, which would be deposited in the dedicated fund. The remainder of the revenues collected by the Division are driver license fees or municipal registration taxes, which would not be deposited in the dedicated fund.

FISCAL NOTE

REQUEST:

Revision Date: 04/03/89  
Title: Amendments to the constitution/  
creating dedicated fund  
Sponsor: Senate Transportation  
Requestor: Senate Transportation

Agency Affected: Public Safety  
BRU: Division of Motor Vehicles  
Component: \_\_\_\_\_

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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-
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This resolution proposes an amendment to the State Constitution. If approved by the voters in the next general election, this amendment would create a dedicated fund from the State taxes, licenses, and fees related to registration, operation or use of motor vehicles. Since the next general election will be held in November 1990, the first year that would be affected is the FY 92 budget year.

Passage of the amendment would not change the revenue collected or the expenditures of the Division. The revenue collected for vehicle and

Prepared by: Chuck R. Hosack  
Division: Motor Vehicles

Phone: 269-5551  
Date: 02/08/89

Approved by Commissioner: Arthur English  
Agency: Department of Public Safety

Date: \_\_\_\_\_

Department of Public Safety  
FISCAL NOTE Analysis, continued  
CSSJR 20 (Trans) Amendment of constitution/creating dedicated fund.  
Page 2 of 2

operator fees, licenses, and taxes would be deposited in a dedicated fund rather than general fund. This fund may be used to pay for operations related to transportation and for enforcing laws applicable to transportation services. All of the activities of the Division of Motor Vehicles (DMV) appear to qualify under the bill. The amendment would allow the legislature the authority to appropriate from this new funding source for DMV purposes but does not require a change from current funding sources.

In FY 88 the Division collected approximately \$19,300.0 in vehicle and operator revenues, which would be deposited in the dedicated fund. The remainder of the revenues collected by the Division are municipal registration taxes, which would not be deposited in the dedicated fund.

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CS SJR 20  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: 3/22/89 draft  
Title: Constitutional amendment -  
dedicating transportation taxes  
Sponsor: Transportation  
Requestor: Transportation

Agency Affected: Revenue  
BRU: Income & Excise Audit  
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

ANALYSIS: See attached analysis.

Prepared By: Steven E. Kettel *Steven E. Kettel* Phone: (907) 465-2320  
Division: Income and Excise Audit Date: April 4, 1989

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: April 4, 1989  
Agency: Department of Revenue

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

Prepare by:  
Department of Revenue  
Research Section  
April 4, 1989

ANALYSIS OF SJR 20

	<u>FY 90</u>	<u>ESTIMATES FY 91</u>	<u>FY 92</u>
Proposed Dedicated Revenues to Airport Fund	9,100.0	9,100.0	9,100.0
Proposed Dedicated Revenues to Ports and Harbor Fund	5,400.0	5,400.0	5,400.0
Proposed Dedicated Revenues to Highway Fund	38,300.0	39,300.0	39,300.0
Proposed Dedicated Revenues to Alaska Marine Highway System Fund	36,400.0	38,100.0	38,100.0
Impact on General Fund Unrestricted Revenues	(89,200.0)	(91,900.0)	(91,900.0)

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Dedicated Fund for Transportation  
Projects, Facilities, and Services  
Sponsor: Senate Transportation  
Requestor: Senate Transportation

Agency Affected: Department of Revenue  
BRU: Treasury  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

ANALYSIS: attach a separate page for analysis.

Prepared By: Milt Barker MB  
Division: Treasury

Phone: 465-2350

Date: \_\_\_\_\_

Approved by Commissioner: Hugh Malone  
Agency: Department of Revenue

Date: 3/24/89

Distribution (by preparer):

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

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Dedicated Funds From Fuel Taxes

Agency Affected: Revenue  
BRU: Income & Excise Audit

Sponsor: Transportation Committee  
Requestor: \_\_\_\_\_

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel Phone: (907) 465-2320  
Division: Income and Excise Audit Date: February 7, 1989

Approved by Commissioner: Hugh Malone Date: February 7, 1989  
Agency: Department of Revenue

Distribution (by preparer):

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

ANALYSIS OF SJR 20

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	FY 90	ESTIMATES FY 91	FY 92
PROPOSED DEDICATED REVENUES TO AIRPORT FUND	9,100.0	9,100.0	9,100.0
PROPOSED DEDICATED REVENUES TO PORTS AND HARBOR FUND	5,400.0	5,400.0	5,400.0
PROPOSED DEDICATED REVENUES TO HIGHWAY FUND	38,300.0	39,300.0	39,300.0
PROPOSED DEDICATED REVENUES TO ALASKA MARINE HIGHWAY SYSTEM FUND	36,400.0	38,100.0	38,100.0
IMPACT ON GENERAL FUND UNRESTRICTED REVENUES	(89,200.0)	(91,900.0)	(91,900.0)

## FISCAL NOTE

**REQUEST:**

Revision Date: 4/3/89  
Title: Creating dedicated funds  
from fuel taxes  
Sponsor: Transportation Committee  
Requestor: Transportation Committee

Agency Affected: Office of the Governor  
BRU: Division of Elections

Components: II-Elections  
Primary & General Elections

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	-0-	2.2*	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>2.2*</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

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

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

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	2.2*	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>2.2*</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

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

Prepared by: Linda Edgeworth Phone: 465-4611  
Division: Elections Date: \_\_\_\_\_

Approved by Commissioner: Linda Edgeworth for Sandra Street Date: 4/3/89  
Agency: Division of Elections

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSJR 20

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

**FISCAL NOTE**

**REQUEST:**

Revision Date: 4/3/89  
Title: Creating dedicated funds  
from fuel taxes  
Sponsor: Transportation Committee  
Requestor: Transportation Committee

Agency Affected: Office of the Governor  
BRU: Division of Elections

Components: II-Elections  
Primary & General Elections

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	-0-	2.2*	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>2.2*</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

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

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

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	2.2*	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>2.2*</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

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

Prepared by: Linda Edgeworth Phone: 465-4611  
Division: Elections Date: \_\_\_\_\_

Approved by Commissioner: Linda Edgeworth Date: 4/3/89  
Agency: Division of Elections

**Distribution (by preparer):**

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SJR 20

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

6-0948A  
Chenoweth  
3/6/89

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IN THE SENATE BY THE TRANSPORTATION COMMITTEE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act establishing the special transportation fund and amending and repealing related accounts; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\* Section 1. AS 28.10.421(d)(14) is amended to read:

(14) special request Winter Olympics commemorative plates

.....\$ 70

plus the fee required for that vehicle under (b)(1) or (2) of this section; the fee required by this paragraph shall be collected only on the first issuance and on the replacement of special request plates; the commissioner of administration shall separately account for the fees received under this paragraph that the department deposits in the general fund [; THE ANNUAL ESTIMATED BALANCE IN THE ACCOUNT MAY BE APPROPRIATED BY THE LEGISLATURE TO THE ALASKA SPORTS FUND ESTABLISHED UNDER AS 05.35.150].

\* Sec. 2. AS 28.10.421(f) is amended to read:

(f) In addition to the fees imposed under (b) and (d) of this section, the following special annual registration fee is imposed upon renewal of registration for a passenger vehicle, motor home, pick-up truck, or a van with special request Winter Olympics commemorative plates .....\$ 30;

the commissioner of administration shall separately account for the fees received under this subsection that the department deposits in the general fund [; THE ANNUAL ESTIMATED BALANCE IN THE ACCOUNT MAY BE

1 APPROPRIATED BY THE LEGISLATURE TO THE ALASKA SPORTS FUND ESTABLISHED  
2 UNDER AS 05.35.150].

3 \* Sec. 3. AS 37.05 is amended by adding a new section to read:

4 Sec. 37.05.550. SPECIAL TRANSPORTATION FUND. (a) There is  
5 established as a separate fund in the state treasury the special  
6 transportation fund. The fund consists of money derived from

7 (1) state taxes, licenses, and fees related to registra-  
8 tion, operation, and use of vehicles, including money from

9 (A) motor vehicle registration fees levied and col-  
10 lected under AS 28.10.411 - 28.10.430;

11 (B) other fees and charges levied and collected on  
12 motor vehicles under AS 28.10.441;

13 (2) state taxes, licenses, and fees related to registra-  
14 tion, operation, and use of aircraft;

15 (3) state taxes, licenses, and fees related to registra-  
16 tion, operation, and use of watercraft;

17 (4) fees collected for transportation aboard the vessels of  
18 the Alaska marine highway system; and

19 (5) state motor fuel taxes imposed and collected under  
20 AS 43.40, except

21 (A) refunds and credits allowed by law; and

22 (B) the proceeds of the tax that are authorized for  
23 refund to municipalities under AS 43.40.010(e).

24 (b) The Department of Revenue shall manage and invest assets of  
25 the special transportation fund in the manner set out for the manage-  
26 ment and investment of the assets of the general fund under AS 37.10.-  
27 070.

28 (c) Income from investment of the fund earned during a fiscal  
29 year that is not appropriated by the legislature becomes part of the

1 principal of the fund on June 30 of that fiscal year.

2 (d) The legislature may appropriate funds from the special  
3 transportation fund only for expenditure by the Department of Trans-  
4 portation and Public Facilities

5 (1) directly or as matched with available federal-aid  
6 highway money for

7 (A) maintenance of highways;

8 (B) construction of highway projects and marine high-  
9 way projects included in the program described in AS 19.10.150,  
10 including approaches, appurtenances and related facilities, and  
11 acquisition of rights-of-way or easements; and

12 (C) other highway costs including surveys, administra-  
13 tion, and related matters;

14 (2) directly or as matched with available federal-aid money  
15 for

16 (A) maintenance of airports;

17 (B) construction of airport projects and facilities  
18 under AS 02.15; and

19 (C) other airport and aviation-related costs, adminis-  
20 tration, and related matters;

21 (3) directly or as matched with available federal-aid money  
22 for

23 (A) maintenance of ports and harbors;

24 (B) construction of port and harbor projects and  
25 facilities; and

26 (C) other port and harbor-related costs, administra-  
27 tion, and related matters;

28 (4) directly or as matched with available federal-aid money  
29 for

1 (A) maintenance and operation of the Alaska marine  
2 highway system under AS 19.65; and

3 (B) construction, reconstruction, repair, and mainte-  
4 nance of ferry terminal facilities under AS 19.60.

5 \* Sec. 4. AS 37.15.430(a) is amended to read:

6 (a) There is established an enterprise fund known as the "Inter-  
7 national Airports Revenue Fund," into which shall be paid all revenue  
8 obtained from the [ , ] fees, charges, and rentals derived by the state  
9 from the ownership, lease, use, and operation of the airports, and all  
10 of the facilities and improvements of them and facilities and improve-  
11 ments used in connection with them. The revenue [ , CHARGES, FEES, AND  
12 RENTALS] may not include the proceeds of any state tax or license.  
13 The money in the revenue fund may only be used for the purpose of

14 (1) paying or securing the payment of the principal of and  
15 interest on the bonds and of and on any other revenue bonds issued by  
16 authorization of the legislature to provide money to acquire, equip,  
17 construct, and install additions and improvements to, and extensions  
18 of and facilities for, the airports, and to be payable out of the  
19 revenue fund;

20 (2) paying the normal and necessary costs of maintaining  
21 and operating the airports and all of the improvements and facilities  
22 of them;

23 (3) paying the costs of renewals, replacements, and extra-  
24 ordinary repairs to the airports and all of the improvements and  
25 facilities of them;

26 (4) redeeming before their fixed maturities any and all  
27 revenue bonds issued for the purposes of the airports;

28 (5) providing money to acquire, construct and install  
29 necessary additions and improvements to and extensions of and

1 facilities for the airports and all of their facilities; and

2 (6) providing money to pay any and all other costs relating  
3 to the ownership, use, and operation of the airports.

4 \* Sec. 5. AS 43.40.010(e) is amended to read:

5 (e) Sixty percent of the proceeds of the revenue from the taxes  
6 on aviation fuel, excluding the amount determined to have been spent  
7 by the state in its collection, shall be refunded to a municipality  
8 owning and operating or leasing and operating an airport in the pro-  
9 portion that the revenue was collected at the municipal airport. All  
10 other proceeds of the taxes on aviation fuel shall be paid into the  
11 [A] special transportation [AVIATION FUEL TAX ACCOUNT IN THE STATE  
12 GENERAL] fund (AS 37.05.550). [THE LEGISLATURE MAY APPROPRIATE FUNDS  
13 FROM THIS ACCOUNT FOR AVIATION FACILITIES.]

14 \* Sec. 6. AS 43.40.030(a) is amended to read:

15 (a) A [EXCEPT AS SPECIFIED IN AS 43.40.010(j), A] person who  
16 uses motor fuel to operate an internal combustion engine is entitled  
17 to a refund of six cents a gallon if

18 (1) the tax on the motor fuel has been paid;

19 (2) the motor fuel is not aviation fuel, or motor fuel used  
20 in or on watercraft; and

21 (3) the internal combustion engine is not used in or in  
22 conjunction with a motor vehicle licensed to be operated on public  
23 ways.

24 \* Sec. 7. AS 43.40.010(f), 43.40.010(g), 43.40.010(h), 43.40.010(j) are  
25 repealed.

26 \* Sec. 8. This Act takes effect on the effective date of an amendment  
27 to the Constitution of the State of Alaska establishing the special trans-  
28 portation fund as an exception to the prohibition against dedicated funds.  
29

6-0948A  
Chenoweth  
3/22/89

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the special transportation fund  
7 and amending and repealing related accounts; and  
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 28.10.421(d)(14) is amended to read:

11 (14) special request Winter Olympics commemorative plates  
12 .....\$ 70

13 plus the fee required for that vehicle under (b)(1) or (2) of this  
14 section; the fee required by this paragraph shall be collected only on  
15 the first issuance and on the replacement of special request plates;  
16 the commissioner of administration shall separately account for the  
17 fees received under this paragraph that the department deposits in the  
18 general fund [; THE ANNUAL ESTIMATED BALANCE IN THE ACCOUNT MAY BE  
19 APPROPRIATED BY THE LEGISLATURE TO THE ALASKA SPORTS FUND ESTABLISHED  
20 UNDER AS 05.35.150].

21 \* Sec. 2. AS 28.10.421(f) is amended to read:

22 (f) In addition to the fees imposed under (b) and (d) of this  
23 section, the following special annual registration fee is imposed upon  
24 renewal of registration for a passenger vehicle, motor home, pick-up  
25 truck, or a van with special request Winter Olympics commemorative  
26 plates .....\$ 30;

27 the commissioner of administration shall separately account for the  
28 fees received under this subsection that the department deposits in  
29 the general fund [; THE ANNUAL ESTIMATED BALANCE IN THE ACCOUNT MAY BE

1 APPROPRIATED BY THE LEGISLATURE TO THE ALASKA SPORTS FUND ESTABLISHED  
2 UNDER AS 05.35.150].

3 \* Sec. 3. AS 37.05 is amended by adding a new section to read:

4 Sec. 37.05.550. TRANSPORTATION FUND. (a) There is established  
5 as a separate fund in the state treasury the transportation fund. The  
6 fund consists of money derived from

7 (1) state taxes, licenses, and fees related to registra-  
8 tion, operation, and use of vehicles, including money from

9 (A) motor vehicle registration fees levied and col-  
10 lected under AS 28.10.411 - 28.10.430;

11 (B) other fees and charges levied and collected on  
12 motor vehicles under AS 28.10.441;

13 (2) state taxes, licenses, and fees related to registra-  
14 tion, operation, and use of aircraft;

15 (3) state taxes, licenses, and fees related to registra-  
16 tion, operation, and use of watercraft;

17 (4) revenues collected for transportation aboard the  
18 vessels of the Alaska marine highway system;

19 (5) fees received by the state from the operation of con-  
20 cessions in state transportation facilities;

21 (6) fees for the use of state transportation facilities;  
22 and

23 (7) state motor fuel taxes imposed and collected under  
24 AS 43.40, except

25 (A) refunds and credits allowed by law; and

26 (B) the proceeds of the tax that are authorized for  
27 refund to municipalities under AS 43.40.010(e).

28 (b) The Department of Revenue shall manage and invest assets of  
29 the transportation fund in the manner set out for the management and

1 investment of the assets of the general fund under AS 37.10.070.

2 (c) Income from investment of the fund earned during a fiscal  
3 year that is not appropriated by the legislature becomes part of the  
4 principal of the fund on June 30 of that fiscal year.

5 (d) The legislature may appropriate funds from the transporta-  
6 tion fund only for expenditure by the Department of Transportation and  
7 Public Facilities

8 (1) directly or as matched with available federal-aid  
9 highway money for

10 (A) maintenance of highways;

11 (B) construction of highway projects and marine high-  
12 way projects included in the program described in AS 19.10.150,  
13 including approaches, appurtenances and related facilities, and  
14 acquisition of rights-of-way or easements; and

15 (C) other highway costs including surveys, administra-  
16 tion, and related matters;

17 (2) directly or as matched with available federal-aid money  
18 for

19 (A) maintenance of airports;

20 (B) construction of airport projects and facilities  
21 under AS 02.15; and

22 (C) other airport and aviation-related costs, adminis-  
23 tration, and related matters;

24 (3) directly or as matched with available federal-aid money  
25 for

26 (A) maintenance of ports and harbors;

27 (B) construction of port and harbor projects and  
28 facilities; and

29 (C) other port and harbor-related costs,

1 administration, and related matters;

2 (4) directly or as matched with available federal-aid money  
3 for

4 (A) maintenance and operation of the Alaska marine  
5 highway system under AS 19.65; and

6 (B) construction, reconstruction, repair, and mainte-  
7 nance of ferry terminal facilities under AS 19.60.

8 \* Sec. 4. AS 37.15.430(a) is amended to read:

9 (a) There is established an enterprise fund known as the "Inter-  
10 national Airports Revenue Fund," into which shall be paid all revenue  
11 obtained from the [,] fees, charges, and rentals derived by the state  
12 from the ownership, lease, use, and operation of the airports, and all  
13 of the facilities and improvements of them and facilities and improve-  
14 ments used in connection with them. The revenue [, CHARGES, FEES, AND  
15 RENTALS] may not include the proceeds of any state tax or license.  
16 The money in the revenue fund may only be used for the purpose of

17 (1) paying or securing the payment of the principal of and  
18 interest on the bonds and of and on any other revenue bonds issued by  
19 authorization of the legislature to provide money to acquire, equip,  
20 construct, and install additions and improvements to, and extensions  
21 of and facilities for, the airports, and to be payable out of the  
22 revenue fund;

23 (2) paying the normal and necessary costs of maintaining  
24 and operating the airports and all of the improvements and facilities  
25 of them;

26 (3) paying the costs of renewals, replacements, and extra-  
27 ordinary repairs to the airports and all of the improvements and  
28 facilities of them;

29 (4) redeeming before their fixed maturities any and all

1 revenue bonds issued for the purposes of the airports;

2 (5) providing money to acquire, construct and install  
3 necessary additions and improvements to and extensions of and facili-  
4 ties for the airports and all of their facilities; and

5 (6) providing money to pay any and all other costs relating  
6 to the ownership, use, and operation of the airports.

7 \* Sec. 5. AS 43.40.010(e) is amended to read:

8 (e) Sixty percent of the proceeds of the revenue from the taxes  
9 on aviation fuel, excluding the amount determined to have been spent  
10 by the state in its collection, shall be refunded to a municipality  
11 owning and operating or leasing and operating an airport in the pro-  
12 portion that the revenue was collected at the municipal airport. All  
13 other proceeds of the taxes on aviation fuel shall be paid into the  
14 transportation [A SPECIAL AVIATION FUEL TAX ACCOUNT IN THE STATE  
15 GENERAL] fund (AS 37.05.550). [THE LEGISLATURE MAY APPROPRIATE FUNDS  
16 FROM THIS ACCOUNT FOR AVIATION FACILITIES.]

17 \* Sec. 6. AS 43.40.030(a) is amended to read:

18 (a) A [EXCEPT AS SPECIFIED IN AS 43.40.010(j), A] person who  
19 uses motor fuel to operate an internal combustion engine is entitled  
20 to a refund of six cents a gallon if

21 (1) the tax on the motor fuel has been paid;

22 (2) the motor fuel is not aviation fuel, or motor fuel used  
23 in or on watercraft; and

24 (3) the internal combustion engine is not used in or in  
25 conjunction with a motor vehicle licensed to be operated on public  
26 ways.

27 \* Sec. 7. AS 43.40.010(f), 43.40.010(g), 43.40.010(h), and 43.40.010(j)  
28 are repealed.

29 \* Sec. 8. This Act takes effect on the effective date of an amendment

1 to the Constitution of the State of Alaska establishing the transportation  
2 fund as an exception to the prohibition against dedicated funds.  
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6-0463A  
Chenoweth  
~~1/9/89~~

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Constitu-  
6 tion of the State of Alaska creating  
7 dedicated funds from fuel taxes on  
8 aircraft, watercraft, and motor vehi-  
9 cles, and from related sources.

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

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

13 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
14 State tax or license shall not be dedicated to any special purpose.  
15 This provision shall not prohibit the continuance of any dedication  
16 for special purposes existing on April 24, 1956, and shall not pro-  
17 hibit the dedication of revenue under section 15 or section 17 of this  
18 article or when required by the federal government for State par-  
19 ticipation in federal programs.

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

22 SECTION 17. SPECIAL FUNDS FOR TRANSPORTATION. The proceeds of  
23 State taxes and licenses on aircraft and of State taxes on the trans-  
24 fer or consumption of fuel for aircraft that are received by the State  
25 shall be placed in an airport fund. The proceeds of State taxes and  
26 licenses on watercraft and of State taxes on the transfer or consump-  
27 tion of fuel for watercraft that are received by the State shall be  
28 placed in a ports and harbors fund. The proceeds of State taxes and  
29 licenses on motor vehicles and of State taxes on the transfer or

1 consumption of fuel for motor vehicles that are received by the State  
2 shall be placed in a highway fund. The legislature may appropriate  
3 from a fund established by this section only to pay the cost of admin-  
4 istering the tax or license law from which the revenue is derived, to  
5 pay costs of construction, reconstruction, maintenance, and repair of  
6 a public facility, including debt service, applicable to the means of  
7 transportation to which that fund relates, and to pay expenses of  
8 State enforcement of laws applicable to the means of transportation to  
9 which that fund relates. The legislature may appropriate from the  
10 highway fund to construct, repair, maintain, and operate vessels and  
11 facilities of the Alaska Marine Highway System.

12 \* Sec. 3. The amendments proposed by this resolution shall be placed  
13 before the voters of the state at the next general election in conformity  
14 with art. XIII, sec. 1, Constitution of the State of Alaska, and the  
15 election laws of the state.  
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6-0463A  
Chenoweth  
~~1/10/89~~

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating dedicat-  
7 ed funds from fuel taxes on aircraft,  
8 watercraft, and motor vehicles, and from  
9 related sources, and creating a dedicat-  
10 ed fund from revenue earned by the  
11 Alaska marine highway system for use by  
12 that system.

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

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

16 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
17 State tax or license shall not be dedicated to any special purpose.  
18 This provision shall not prohibit the continuance of any dedication  
19 for special purposes existing on April 24, 1956, and shall not pro-  
20 hibit the dedication of revenue under Sections 15, 17, or 18 of this  
21 article or when required by the federal government for State par-  
22 ticipation in federal programs.

23 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
24 by adding new sections to read:

25 SECTION 17. SPECIAL FUNDS FOR TRANSPORTATION. The proceeds of  
26 State taxes, <sup>fees</sup> and licenses on aircraft and of State taxes on the trans-  
27 fer or consumption of fuel for aircraft that are received by the State  
28 shall be placed in an airport fund. The proceeds of State taxes, <sup>fees</sup> and  
29 licenses on watercraft and of State taxes on the transfer or

1 consumption of fuel for watercraft that are received by the State  
2 shall be placed in a ports and harbors fund. The proceeds of State  
3 taxes, <sup>fees</sup> and licenses on motor vehicles and of State taxes on the trans-  
4 fer or consumption of fuel for motor vehicles that are received by the  
5 State shall be placed in a highway fund. The legislature may appro-  
6 priate from a fund established by this section only to pay the cost of  
7 administering the tax or license law from which the revenue is de-  
8 rived, to pay costs of construction, reconstruction, repair, mainte-  
9 nance, and operation of a public facility, including debt service,  
10 applicable to the means of transportation to which that fund relates,  
11 and to pay expenses of State enforcement of laws applicable to the  
12 means of transportation to which that fund relates. The legislature  
13 may appropriate from the highway fund to construct, reconstruct,  
14 repair, maintain, and operate vessels and facilities of the Alaska  
15 marine highway system, and to pay debt service for construction or  
16 reconstruction of a vessel or ferry terminal of the Alaska marine  
17 highway system.

18 SECTION 18. ALASKA MARINE HIGHWAY SYSTEM FUND. The revenue that  
19 is received by the State for operation of the Alaska marine highway  
20 system shall be placed in an Alaska marine highway system fund. The  
21 legislature may appropriate from the Alaska marine highway system fund  
22 established by this section only to pay costs of administration of the  
23 Alaska marine highway system, to pay costs of construction, recon-  
24 struction, repairs, maintenance, and operation of a vessel or ferry  
25 terminal of the Alaska marine highway system, and to pay debt service  
26 for construction or reconstruction of a vessel or ferry terminal of  
27 the Alaska marine highway system.

28 \* Sec. 3. The amendments proposed by this resolution shall be placed  
29 before the voters of the state at the next general election in conformity

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
2 tion laws of the state.

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6-0463A ✓  
Chenoweth  
~~1/17/89~~

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating dedicat-  
7 ed funds from fuel taxes on aircraft,  
8 watercraft, and motor vehicles, and from  
9 related sources, and creating a dedicat-  
10 ed fund from revenue earned by the  
11 Alaska marine highway system for use by  
12 that system.

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

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

16 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
17 State tax or license shall not be dedicated to any special purpose.  
18 This provision shall not prohibit the continuance of any dedication  
19 for special purposes existing on April 24, 1956, and shall not pro-  
20 hibit the dedication of revenue under Sections 15, 17, or 18 of this  
21 article or when required by the federal government for State par-  
22 ticipation in federal programs.

23 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
24 by adding new sections to read:

25 SECTION 17. SPECIAL FUNDS FOR TRANSPORTATION. The proceeds of  
26 State taxes, licenses, and fees on aircraft and of State taxes on the  
27 transfer or consumption of fuel for aircraft that are received by the  
28 State shall be placed in an airport fund. The proceeds of State  
29 taxes, licenses, and fees on watercraft and of State taxes on the

1 transfer or consumption of fuel for watercraft that are received by  
2 the State shall be placed in a ports and harbors fund. The proceeds  
3 of State taxes, licenses, and fees on motor vehicles and of State  
4 taxes on the transfer or consumption of fuel for motor vehicles that  
5 are received by the State shall be placed in a highway fund. The  
6 legislature may appropriate from a fund established by this section  
7 only to pay the cost of administering the law imposing the tax, li-  
8 cense, or fee from which the revenue is derived, to pay costs of  
9 construction, reconstruction, repair, maintenance, and operation of a  
10 public facility, including debt service, applicable to the means of  
11 transportation to which that fund relates, and to pay expenses of  
12 State enforcement of laws applicable to the means of transportation to  
13 which that fund relates. The legislature may appropriate from the  
14 highway fund to construct, reconstruct, repair, maintain, and operate  
15 vessels and facilities of the Alaska marine highway system, and to pay  
16 debt service for construction or reconstruction of a vessel or ferry  
17 terminal of the Alaska marine highway system.

18 SECTION 18. ALASKA MARINE HIGHWAY SYSTEM FUND. The revenue that  
19 is received by the State for operation of the Alaska marine highway  
20 system shall be placed in an Alaska marine highway system fund. The  
21 legislature may appropriate from the Alaska marine highway system fund  
22 established by this section only to pay costs of administration of the  
23 Alaska marine highway system, to pay costs of construction, recon-  
24 struction, repairs, maintenance, and operation of a vessel or ferry  
25 terminal of the Alaska marine highway system, and to pay debt service  
26 for construction or reconstruction of a vessel or ferry terminal of  
27 the Alaska marine highway system.

28 \* Sec. 3. The amendments proposed by this resolution shall be placed  
29 before the voters of the state at the next general election in conformity

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
2 tion laws of the state.  
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6-0463A ✓  
Chenoweth  
1/26/89

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating dedicat-  
7 ed funds from fuel taxes on aircraft,  
8 watercraft, and motor vehicles, and from  
9 related sources, and creating a dedicat-  
10 ed fund from revenue earned by the  
11 Alaska marine highway system for use by  
12 that system.

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

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

16 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
17 State tax or license shall not be dedicated to any special purpose.  
18 This provision shall not prohibit the continuance of any dedication  
19 for special purposes existing on April 24, 1956, and shall not pro-  
20 hibit the dedication of revenue under Sections 15, 17, or 18 of this  
21 article or when required by the federal government for State par-  
22 ticipation in federal programs.

23 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
24 by adding new sections to read:

25 SECTION 17. SPECIAL FUNDS FOR TRANSPORTATION. The proceeds of  
26 State taxes, licenses, and fees on aircraft and of State taxes on the  
27 transfer or consumption of fuel for aircraft that are received by the  
28 State shall be placed in an airport fund. The proceeds of State  
29 taxes, licenses, and fees on watercraft and of State taxes on the

1 transfer or consumption of fuel for watercraft that are received by  
2 the State shall be placed in a ports and harbors fund. The proceeds  
3 of State taxes, licenses, and fees on motor vehicles and of State  
4 taxes on the transfer or consumption of fuel for motor vehicles that  
5 are received by the State shall be placed in a highway fund. The  
6 legislature may appropriate from a fund established by this section  
7 only to pay the cost of administering the law imposing the tax, li-  
8 cense, or fee from which the revenue is derived, to pay costs of  
9 construction, reconstruction, repair, maintenance, and operation of a  
10 capital improvement, including debt service, applicable to the means  
11 of transportation to which that fund relates, and to pay expenses of  
12 State enforcement of laws applicable to the means of transportation to  
13 which that fund relates. The legislature may appropriate from the  
14 highway fund to construct, reconstruct, repair, maintain, and operate  
15 vessels and facilities of the Alaska marine highway system, and to pay  
16 debt service for construction or reconstruction of a vessel or ferrv  
17 terminal of the Alaska marine highway system.

18 SECTION 18. ALASKA MARINE HIGHWAY SYSTEM FUND. The revenue that  
19 is received by the State for operation of the Alaska marine highway  
20 system shall be placed in an Alaska marine highway system fund. The  
21 legislature may appropriate from the Alaska marine highway system fund  
22 established by this section only to pay costs of administration of the  
23 Alaska marine highway system, to pay costs of construction, recon-  
24 struction, repairs, maintenance, and operation of a vessel or  
25 facility of the Alaska marine highway system, and to pay debt service  
26 for construction or reconstruction of a vessel or ferry terminal of  
27 the Alaska marine highway system.

28 \* Sec. 3. The amendments proposed by this resolution shall be placed  
29 before the voters of the state at the next general election in conformity

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
2 tion laws of the state.

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6-0463E ✓  
Chenoweth  
2/28/89

Original sponsor: Transportation Committee

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 20 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating dedicat-  
7 ed funds for revenue related to air-  
8 craft, watercraft, vehicles, and the  
9 Alaska marine highway system and from  
10 related sources, and relating to ac-  
11 counting and expenditure of that reve-  
12 nue.

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

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

16 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
17 State tax or license shall not be dedicated to any special purpose.  
18 This provision shall not prohibit the continuance of any dedication  
19 for special purposes existing on April 24, 1956, and shall not pro-  
20 hibit the dedication of revenue under Sections 15 and 17 of this  
21 article or when required by the federal government for State par-  
22 ticipation in federal programs.

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

25 SECTION 17. SPECIAL FUNDS FOR TRANSPORTATION. Money derived  
26 from State taxes, licenses, and fees related to registration, opera-  
27 tion, or use of vehicles, aircraft, watercraft, and the Alaska marine  
28 highway system, and from taxes on fuel used for the propulsion of  
29 vehicles, aircraft, and watercraft, may not be expended for other than

1 the cost of administering the law under which the money is derived and  
2 enforcing laws applicable to the means of transportation to which the  
3 fund relates, making refunds and adjustments authorized by law, paying  
4 debt obligations for facilities for vehicles, aircraft, and water-  
5 craft, and paying costs of construction, reconstruction, maintenance,  
6 and repair of transportation facilities and making appropriations to  
7 local governments to pay those costs. The legislature shall by law  
8 require separate accounting of money derived from the taxes, licenses,  
9 and fees for highways, ports and harbors, airports, and the Alaska  
10 marine highway system. The expenditure of money shall be restricted  
11 to activities authorized by this section for the means of transporta-  
12 tion to which the separate account relates, except that the legisla-  
13 ture may appropriate from money derived from vehicles for the Alaska  
14 marine highway system. The provisions of this section do not apply to  
15 a tax, license, or fee levied and collected by the State on behalf of  
16 a local government. The legislature shall implement this section.

17 \* Sec. 3. The amendments proposed by this resolution shall be placed  
18 before the voters of the state at the next general election in conformity  
19 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
20 tion laws of the state.

6-0463E ✓  
Chenoweth  
3/21/89

Original sponsor: Transportation Committee

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 20 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating dedicat-  
7 ed funds for revenue related to air-  
8 craft, watercraft, vehicles, and the  
9 Alaska marine highway system and from  
10 related sources, and relating to ac-  
11 counting and expenditure of that reve-  
12 nue.

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

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

16 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
17 State tax or license shall not be dedicated to any special purpose.  
18 This provision shall not prohibit the continuance of any dedication  
19 for special purposes existing on April 24, 1956, and shall not pro-  
20 hibit the dedication of revenue under Sections 15 and 17 of this  
21 article or when required by the federal government for State par-  
22 ticipation in federal programs.

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

25 SECTION 17. SPECIAL FUNDS FOR TRANSPORTATION. Effective July 1,  
26 1991, money derived from State taxes, licenses, and fees related to  
27 registration, operation, or use of vehicles, aircraft, watercraft, and  
28 the Alaska marine highway system, and from taxes on fuel used for the  
29 propulsion of vehicles, aircraft, and watercraft, may not be expended

1 for other than the cost of administering the law under which the money  
2 is derived and enforcing laws applicable to the means of transporta-  
3 tion to which the fund relates, making refunds and adjustments author-  
4 ized by law, paying debt obligations for facilities for vehicles,  
5 aircraft, and watercraft, and paying costs of construction, recon-  
6 struction, maintenance, and repair of transportation facilities and  
7 making appropriations to local governments to pay those costs. The  
8 legislature shall by law require separate accounting of money derived  
9 from the taxes, licenses, and fees for highways, ports and harbors,  
10 airports, and the Alaska marine highway system. The expenditure of  
11 money shall be restricted to activities authorized by this section for  
12 the means of transportation to which the separate account relates,  
13 except that the legislature may appropriate from money derived from  
14 vehicles for the Alaska marine highway system. The provisions of this  
15 section do not apply to a tax, license, or fee levied and collected by  
16 the State on behalf of a local government, or to revenue derived from  
17 the operation of a facility constructed with bond proceeds to the  
18 extent that it is necessary to satisfy the debt obligation or maintain  
19 the facility so that the facility continues to generate revenues for  
20 that purpose. The legislature shall implement this section.

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

6-0463H  
Chenoweth  
3/6/89

Original sponsor: Transportation Committee

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 20 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating a dedi-  
7 cated fund for projects related to  
8 transportation. *and passing for an*  
*effective date.*

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

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

12 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
13 State tax or license shall not be dedicated to any special purpose.  
14 This provision shall not prohibit the continuance of any dedication  
15 for special purposes existing on April 24, 1956, and shall not pro-  
16 hibit the dedication of revenue under Sections 15 and 17 of this  
17 article or when required by the federal government for State par-  
18 ticipation in federal programs.

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

21 SECTION 17. SPECIAL FUND FOR TRANSPORTATION. Effective July 1,  
22 1991, money derived from State taxes, licenses, and fees related to  
23 registration, operation, or use of vehicles, aircraft, watercraft, and  
24 the Alaska marine highway system, and from taxes on fuel used for the  
25 propulsion of vehicles, aircraft, and watercraft, less refunds and  
26 credits as provided by law, shall be placed in a transportation fund,  
27 the principal and income of which shall be appropriated by the legis-  
28 lature for facilities and operations related to transportation. The  
29 legislature shall implement this section.

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

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