

**HOUSE BILL NO. 330**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVE GRUENBERG**

**Introduced: 2/5/10**

**Referred: Transportation, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing the Alaska transportation fund and the Alaska community**  
2 **transportation account; relating to local public transportation; and providing for an**  
3 **effective date."**

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

5 **\* Section 1.** AS 37.14 is amended by adding new sections to read:

6 **Article 10. Alaska Transportation Fund.**

7 **Sec. 37.14.850. Alaska transportation fund.** (a) The Alaska transportation  
8 fund is established as a separate endowment trust fund of the state. The fund consists  
9 of

- 10 (1) appropriations to the fund;  
11 (2) donations or gifts to the fund;  
12 (3) income earned on investments of fund assets; and  
13 (4) realized and unrealized capital gains.

14 (b) The commissioner of revenue shall manage the fund as an endowment,

1 with the goal that the purchasing power of the fund will not diminish over time  
 2 without regard to additional contributions that may be made to the fund. The  
 3 commissioner shall invest the assets of the fund in a manner likely to yield at least a  
 4 five percent real rate of return over time.

5 (c) Money from an appropriation made to the fund remaining in the fund at the  
 6 end of a fiscal year does not lapse and remains available for investment and  
 7 appropriation in successive fiscal years.

8 (d) The Alaska community transportation account is created as an account in  
 9 the fund. Money in the account may be used for the purposes described in  
 10 AS 44.42.085. The commissioner shall place 10 percent of all money deposited into  
 11 the fund established in (a) of this section in the account created in this subsection.

12 (e) Nothing in this section creates a dedicated fund.

13 **Sec. 37.14.860. Use of the fund.** (a) On or before October 1 of each year, the  
 14 commissioner of revenue shall prepare a report for the legislature that identifies that  
 15 amount defined as five percent of the average of the market values of the assets of the  
 16 fund, separately identifying the assets of the account established in AS 37.14.850(d)  
 17 from other fund assets, on June 30 for the five fiscal years immediately preceding the  
 18 fiscal year in which the report is prepared.

19 (b) The amount identified in (a) of this section attributable to the assets of the  
 20 account established in AS 37.14.850(d) is available for appropriation and may be  
 21 appropriated for purposes described in AS 44.42.085. The amount identified in (a) of  
 22 this section attributable to the assets of the fund that are exclusive of the account  
 23 established in AS 37.14.850(d) is available for appropriation and may be appropriated  
 24 to the capital projects fund for transportation and related facilities identified in  
 25 AS 44.42.080(2).

26 **Sec. 37.14.870. Market value of the fund.** The Department of Revenue shall  
 27 determine the market value of the fund, separately identifying the assets of the account  
 28 established in AS 37.14.850(d) from other fund assets, on the close of business on  
 29 June 30 of each year in accordance with generally accepted accounting principles for  
 30 the determination of fair value.

31 **Sec. 37.14.880. Powers and duties of the commissioner of revenue.** In

1 carrying out the investment duties under AS 37.14.850 - 37.14.899, the commissioner  
2 of revenue has the powers and duties set out in AS 37.10.071. Not later than the 10th  
3 day following the convening of each regular session of the legislature, the  
4 commissioner of revenue shall make available a report to the legislature on the  
5 condition and investment performance of the fund and of the Alaska community  
6 transportation account within the fund.

7 **Sec. 37.14.899. Definition.** In AS 37.14.850 - 37.14.899, "fund" means the  
8 Alaska transportation fund established in AS 37.14.850.

9 \* **Sec. 2.** AS 44.42.020(a) is amended to read:

10 (a) The department shall

11 (1) plan, design, construct, and maintain all state modes of  
12 transportation and transportation facilities and all docks, floats, breakwaters, buildings,  
13 and similar facilities;

14 (2) study existing transportation modes and facilities in the state to  
15 determine how they might be improved or whether they should continue to be  
16 maintained;

17 (3) study alternative means of improving transportation in the state  
18 with regard to the economic costs of each alternative and its environmental and social  
19 effects;

20 (4) develop a comprehensive, long-range, intermodal transportation  
21 plan for the state;

22 (5) study alternatives to existing modes of transportation in urban areas  
23 and develop plans to improve urban transportation;

24 (6) cooperate and coordinate with and enter into agreements with  
25 federal, state, and local government agencies and private organizations and persons in  
26 exercising its powers and duties;

27 (7) manage, operate, and maintain state transportation facilities and all  
28 docks, floats, breakwaters, and buildings, including all state highways, vessels,  
29 railroads, pipelines, airports, and aviation facilities;

30 (8) study alternative means of transportation in the state, considering  
31 the economic, social, and environmental effects of each alternative;

1 (9) coordinate and develop state and regional transportation systems,  
2 considering deletions, additions, and the absence of alterations;

3 (10) develop facility program plans for transportation and state  
4 buildings, docks, and breakwaters required to implement the duties set out in this  
5 section, including but not limited to functional performance criteria and schedules for  
6 completion;

7 (11) supervise and maintain all state automotive and mechanical  
8 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of  
9 Fish and Game or the Department of Public Safety; for state vehicles maintained by  
10 the department, the department shall every five years evaluate the cost, efficiency, and  
11 commercial availability of alternative fuels for automotive purposes, and the purpose  
12 for which the vehicles are intended to be used, and convert or purchase vehicles to use  
13 alternative fuels whenever practicable; the department may participate in joint  
14 ventures with public or private partners that will foster the availability of alternative  
15 fuels for all automotive fuel consumers;

16 (12) supervise aeronautics inside the state, under AS 02.10;

17 (13) implement the safety and financial responsibility requirements for  
18 air carriers under AS 02.40;

19 (14) inspect weights and measures;

20 (15) at least every four years, study alternatives available to finance  
21 transportation systems in order to provide an adequate level of funding to sustain and  
22 improve the state's transportation system;

23 **(16) promote and support methods or modes of local public**  
24 **transportation serving persons in various regions of the state; to implement this**  
25 **paragraph, the department may**

26 **(A) accept, receive, and transmit to the Department of**  
27 **Revenue for deposit to the Alaska community transportation account**  
28 **established under AS 37.14.850(d) appropriations and contributions,**  
29 **donations, or gifts made from any source for deposit to that account; and**

30 **(B) accept, receive, and directly administer grants or other**  
31 **money, gifts from the public, gifts from private agencies, and federal**

1                    **funds for that purpose.**

2       \* **Sec. 3.** AS 44.42.050 is amended by adding a new subsection to read:

3                    (f) In addition to the plan required by (a) of this section, the commissioner  
4 shall develop a comprehensive, intermodal, long-range local public transportation plan  
5 for the state. The plan must

6                    (1) articulate the state vision of an interest in local public  
7 transportation and provide quantifiable objectives;

8                    (2) identify

9                    (A) the goals for local public transportation; and

10                    (B) the roles of federal, state, municipal, and nonprofit  
11 organizations in achieving those goals; and

12                    (3) recommend

13                    (A) mechanisms for coordinating

14                    (i) state and municipal planning for local public  
15 transportation; and

16                    (ii) local public transportation with other transportation  
17 services and modes.

18                    (B) criteria, consistent with the goals identified in (2) of this  
19 subsection, to govern the expenditure of existing federal authorizations  
20 administered by the department to municipalities, nonprofit organizations, and  
21 private organizations operating a mode of local transportation.

22       \* **Sec. 4.** AS 44.42 is amended by adding a new section to article 1 to read:

23                    **Sec. 44.42.085. Local public transportation projects.** (a) Subject to  
24 appropriation, the department may use money made available in the Alaska  
25 community transportation account established in AS 37.14.850(d) to finance the cost  
26 of operations and capital projects for local public transportation provided in the state  
27 by municipalities, nonprofit organizations, and private organizations that are eligible  
28 to receive federal transit funding for intercity bus services under 49 U.S.C. 5311(f).  
29 Local public transportation operated by the state or a public corporation of the state is  
30 not eligible to receive money from the account.

31                    (b) Not later than the 10th day of each regular legislative session, the

1 commissioner shall provide to the governor and the legislature an annual report  
 2 detailing the activities of the account and the effect of activities funded by the account  
 3 on access to local public transportation in the state.

4 (c) In this section,

5 (1) "account" means the Alaska community transportation account  
 6 established in AS 37.14.850(d);

7 (2) "local public transportation"

8 (A) means a method of conveyance of persons or travel by  
 9 persons, including buses, vans, and other land-based vehicles, ferries, local  
 10 rail, and other means of locally transporting the public, including specialized  
 11 local transportation services for the elderly and persons with disabilities, and  
 12 the promotion of ride-sharing initiatives;

13 (B) does not include a mode of transportation that has the  
 14 primary purpose of transporting a person to or from a tourist destination or  
 15 tourism activity;

16 (3) "nonprofit organization" means an organization that qualifies for  
 17 exemption from taxation under 26 U.S.C. 501(c)(3) or (4) (Internal Revenue Code) or  
 18 a transportation provider that receives federal funding available to Indian tribes,  
 19 including money provided under 23 U.S.C. 204(j) and 49 U.S.C. 5311(c).

20 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
 21 read:

22 **TRANSITION.** (a) Notwithstanding AS 37.14.850 - 37.14.899, as enacted by sec. 1 of  
 23 this Act, the commissioner of revenue shall calculate average fund values in the years 2011  
 24 through 2015 as follows:

25 (1) the commissioner of revenue shall prepare a report to the legislature on or  
 26 before October 1, 2010, identifying that amount defined as five percent of the market value of  
 27 the fund on July 1, 2010; the amount is available for appropriation during the First Regular  
 28 Session of the Twenty-Seventh Alaska State Legislature under AS 37.14.860(b), enacted by  
 29 sec. 1 of this Act;

30 (2) for average fund value calculations for 2011 through 2014, on or before  
 31 October 1, 2011, and on or before October 1 in subsequent years through October 2014, the

1 commissioner of revenue shall prepare a report to the legislature that identifies that amount  
2 defined as five percent of the average of the market values of the assets of the fund on July 1,  
3 2010, and on June 30 of each subsequent year, as identified in the reports required by this  
4 paragraph; the amounts are available for appropriation during the respective regular sessions  
5 of the Alaska State Legislature under AS 37.14.860(b), enacted by sec. 1 of this Act.

6 (b) In this section, "fund" means the Alaska transportation fund established in  
7 AS 37.14.850, enacted by sec. 1 of this Act.

8 \* **Sec. 6.** This Act takes effect July 1, 2010.