

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 346
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB346-DOT-SA-02-13-2026
Title: AIRPORTS: MUNICIPAL ZONING, BUFFERS
Sponsor: HOLLAND
Requester: House Transportation

Department: Department of Transportation and Public Facilities
Appropriation: Administration and Support
Allocation: Statewide Aviation
OMB Component Number: 1811

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2027 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES	FY 2027	FY 2027						
Personal Services	495.0		495.0	495.0	495.0	495.0	495.0	495.0
Travel	75.0		75.0	75.0	75.0	75.0	75.0	75.0
Services	45.0		45.0	45.0	45.0	45.0	45.0	45.0
Commodities	30.0		30.0	30.0	30.0	30.0	30.0	30.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	645.0	0.0	645.0	645.0	645.0	645.0	645.0	645.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	645.0		645.0	645.0	645.0	645.0	645.0	645.0
Total	645.0	0.0	645.0	645.0	645.0	645.0	645.0	645.0

Positions

Full-time	3.0		3.0	3.0	3.0	3.0	3.0	3.0
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0							

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 6,800.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/27

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Commissioner's Office	Date:	03/07/2026 02:00 PM
Approved By:	Dom Pannone, Director	Date:	03/07/26
Agency:	Department of Transportation and Public Facilities		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 346

Analysis

HB 346 would require the Department of Transportation & Public Facilities (DOT&PF) to comply with local planning and zoning ordinances that require vegetative or constructed buffers between airports and adjacent nonindustrial properties unless the Department determines that compliance would create a hazard to aircraft operations. The legislation would also establish new procedural requirements before the Department could remove or reduce vegetation buffers within designated buffer zones, including public notice, opportunity for public comment, and the implementation of mitigation measures where practicable.

DOT&PF manages 237 airports across Alaska through the Statewide Aviation Division. These airports operate under federal aviation safety standards and Federal Aviation Administration (FAA) grant assurances that require airport sponsors to maintain airports in a safe and operational condition. Federal guidance also requires airports to actively manage vegetation and physical obstructions near operational areas to maintain clear areas around runways and taxiways and to reduce wildlife hazards.

The rural airport system does not currently identify or maintain “buffer zones” on airport plans. Airport property within airport boundaries is managed for aviation use and development consistent with FAA safety requirements. The bill introduces new terms including “buffer,” “designated buffer zone,” and “adjacent nonindustrial property,” which are not currently defined in statute or regulation. Implementing the legislation may therefore require the development of definitions and procedures through regulatory action to ensure consistent interpretation and application statewide.

Under the proposed legislation, DOT&PF would be required to evaluate local zoning ordinances related to buffers and determine whether compliance would create a safety hazard to aircraft. This represents a shift from the current regulatory framework, where aviation safety standards and federal guidance are the primary governing requirements for airport land management. The Department may be required to justify safety-based decisions in circumstances where aviation standards already require vegetation management, obstruction removal, or wildlife hazard mitigation.

HB 346 would also require the Department to determine that removal or reduction of a buffer is necessary to address a “direct and immediate safety hazard,” provide public notice and an opportunity for comment, and implement mitigation measures where practicable. These additional procedures may limit the Department’s ability to proactively manage airport environments. Many aviation safety actions are preventative in nature, such as removing vegetation before it grows into protected airspace surfaces or clearing areas that attract wildlife. Establishing a requirement that a hazard be “direct and immediate” could delay these preventative safety actions.

The bill would introduce additional administrative responsibilities related to tracking local ordinances, coordinating with municipalities and boroughs, conducting site evaluations, managing public notice requirements, and documenting aviation safety determinations. Because Alaska’s airports are distributed statewide and managed through regional offices, the Department anticipates the need for additional staff resources to coordinate compliance with local ordinances and manage the new procedural requirements.

Operating costs associated with implementation primarily include personnel costs for additional planning staff, travel to conduct site visits and coordinate with local jurisdictions, and administrative costs associated with public notice and compliance documentation. These operating costs are estimated at approximately \$565,000 to \$725,000 annually, reflecting three Transportation Planner positions, travel for airport inspections and municipal coordination, and administrative and compliance support.

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Analysis

In addition to operating impacts, HB 346 may affect airport improvement projects by introducing additional procedural requirements and mitigation obligations when vegetation must be removed or modified. Airport infrastructure projects frequently require vegetation clearing near airport boundaries for runway safety area improvements, apron expansions, runway lighting installation, fencing projects, or wildlife hazard mitigation. Additional notice requirements, comment periods, and mitigation measures could extend project timelines and increase design and construction costs.

These impacts are particularly significant in rural Alaska where construction seasons are limited and projects are tightly coordinated with federal FAA Airport Improvement Program (AIP) funding cycles. Delays associated with additional procedural requirements could increase project costs and create scheduling risks for federally funded airport safety improvements.

Capital project impacts associated with HB 346 are estimated to range from \$2.6 million to \$11.0 million annually due to potential project delays, additional design and engineering requirements, and mitigation measures associated with vegetation buffer removal or modification. The average of this range is \$6.8 million.

The bill may also create operational inconsistency across the statewide airport system. Alaska airports exist in organized boroughs and municipalities with varying zoning requirements as well as unorganized areas with limited land-use regulation. Tying airport buffer requirements to local planning and zoning ordinances may result in different operational standards depending on the jurisdiction in which an airport is located. This variability may be difficult to reconcile with uniform federal aviation safety requirements that apply to all airports receiving federal funding.

Many Alaska airports receive federal funding through the FAA Airport Improvement Program and are subject to federal grant assurances requiring the airport sponsor to maintain safe operational conditions. If local buffer requirements conflict with FAA safety standards related to obstruction removal or wildlife hazard mitigation, the Department may face challenges reconciling state statutory requirements with federal aviation safety obligations.

Because airports are located across Alaska and managed through regional DOT&PF offices, successful administration and implementation of this program statewide would require three Transportation Planner 1 positions (one in each region) to coordinate compliance with local ordinances, evaluate aviation safety impacts, conduct site reviews, and manage public notice and coordination requirements. These staff would also assist rural aviation team with rewriting 17 AAC 45 to reflect the updated public notice and buffer requirements, including definitions to ensure consistency in implementation.

Transportation Planner 1 (GGU) Range 21, Step D/E (x3)

Personal Services: \$165.0 annually (benefits included)

Services: \$15.0 annually

Travel: estimated at \$25.0 annually

Commodities: \$10.0 annually