

Fiscal Note

State of Alaska
2026 Legislative Session

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

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

Department: Department of Transportation and Public Facilities
Appropriation: International Airports
Allocation: International Airport Systems Office
OMB Component Number: 1649

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	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services	165.0		165.0	165.0	165.0	165.0	165.0	165.0
Travel	15.0		15.0	15.0	15.0	15.0	15.0	15.0
Services	15.0		15.0	15.0	15.0	15.0	15.0	15.0
Commodities	10.0		10.0	10.0	10.0	10.0	10.0	10.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	205.0	0.0	205.0	205.0	205.0	205.0	205.0	205.0

Fund Source (Operating Only)

1027 IntAirport (Other)	205.0		205.0	205.0	205.0	205.0	205.0	205.0
Total	205.0	0.0	205.0	205.0	205.0	205.0	205.0	205.0

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0	1.0
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimated CAPITAL (FY2027) cost: 20,850.0 *(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If yes, by what date are the regulations to be adopted, amended or repealed?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.

Prepared By: <u>Andy Mills, Legislative Liaison</u>	Phone: <u>(907)465-3900</u>
Division: <u>Commissioner's Office</u>	Date: <u>03/07/2026 02:00 PM</u>
Approved By: <u>Dom Pannone, Director</u>	Date: <u>03/07/26</u>
Agency: <u>Department of Transportation and Public Facilities</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 346

Analysis

House Bill 346 (HB 346) would require the Department of Transportation and Public Facilities (DOT&PF), when exercising its authority under AS 02.25.020, to comply with local planning and zoning ordinances that require vegetative or constructed buffers between airports and adjacent nonindustrial property unless compliance would create a hazard to aircraft operations. The bill would also limit the Department's ability to reduce or remove existing buffers by requiring public notice, opportunity for public comment, and consideration of mitigation measures prior to modifying those buffers.

The legislation would affect the Alaska International Airport System (AIAS), which operates the state's two largest Part 139 certificated airports: Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport (FAI). These airports operate under extensive federal aviation regulations and Federal Aviation Administration (FAA) grant assurances that require airport sponsors to maintain safe operating conditions, preserve runway safety areas and object free areas, and prevent hazards to aircraft operations. These requirements obligate airport sponsors to maintain operational control of airport property, prevent hazards to aircraft, and ensure compatible land use surrounding airports.

HB 346 would require DOT&PF to comply with local zoning ordinances establishing vegetative or constructed buffers unless the Department determines that compliance would create a direct and immediate aviation hazard. This framework may create circumstances where the Department must reconcile local land use requirements with federal aviation safety standards and guidance.

Ted Stevens Anchorage International Airport and Fairbanks International Airport both receive substantial federal funding through the FAA Airport Improvement Program. Annual infrastructure funding at these airports frequently exceeds \$20 million to \$60 million. Airport sponsors receiving federal funding are required to maintain compliance with FAA grant assurances and safety standards, including the removal of obstructions and mitigation of wildlife hazards near operational areas. If local buffer requirements conflict with these federal obligations, the Department may be required to evaluate potential impacts to project schedules and federal coordination.

Airports must actively manage vegetation and physical obstructions near operational areas to maintain clear airspace surfaces and reduce wildlife hazards. Vegetative buffers, berms, or other constructed barriers may introduce aviation safety considerations including wildlife attraction, potential interference with FAA Part 77 airspace protection surfaces, conflicts with Runway Protection Zones and object free areas, and constraints on future runway, taxiway, or navigational aid improvements. HB 346 may require undue justification for retention or establishment of buffers in areas where aviation safety standards would otherwise require vegetation management or obstruction removal.

The bill would also require the Department to determine that removal or reduction of an existing buffer is necessary to address a "direct and immediate safety hazard" prior to taking action. Aviation safety management frequently involves preventative actions taken before hazards fully develop, such as vegetation removal to prevent obstruction growth or habitat management to reduce wildlife attraction. Establishing a threshold requiring a direct and immediate hazard may limit the Department's ability to address these issues proactively.

HB 346 would introduce additional procedural requirements before buffers could be reduced or removed, including public notice and comment, administrative coordination, and evaluation of potential mitigation measures. Airports must frequently respond to FAA inspections, safety findings, and federally funded construction schedules. Additional procedural steps may increase administrative workload and introduce uncertainty in project delivery timelines.

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 346

Analysis

Implementation of HB 346 may require planning and regulatory review, establishment or restoration of vegetative buffers, construction of physical buffer structures, wildlife hazard mitigation, and operational safety adjustments at Ted Stevens Anchorage International Airport and Fairbanks International Airport. Estimated one-time implementation costs associated with these activities include planning, land use compatibility analysis, and regulatory review estimated between \$425,000 and \$850,000; public notice, hearings, and administrative coordination estimated between \$100,000 and \$275,000; vegetative buffer establishment or restoration estimated between \$2,000,000 and \$8,000,000; constructed buffers such as berms, walls, or fencing estimated between \$1,000,000 and \$20,000,000; wildlife hazard mitigation and habitat management estimated between \$1,450,000 and \$4,050,000; and operational safety mitigation and navigational adjustments estimated between \$1,700,000 and \$6,000,000.

Based on preliminary analysis, total one-time implementation costs are estimated to range from approximately \$6.7 million up to \$35 million (average of \$20.8 million), with significant costs expected to occur at Ted Stevens Anchorage International Airport and Fairbanks International Airport depending on the location and design of buffers and mitigation measures required. As there is a question about federal participation that is not yet determined as of this analysis, unless the buffer work can be tied directly to an eligible safety, environmental mitigation or noise compatibility, compliance will likely be accomplished through non-participating state funded expense.

Potential ongoing and additional annual costs associated with the legislation include buffer maintenance and vegetation management estimated between \$150,000 and \$400,000, wildlife hazard monitoring and mitigation estimated between \$150,000 and \$400,000, and administrative and compliance activities estimated between \$50,000 and \$150,000. Estimated ongoing annual costs range from approximately \$350,000 to \$950,000 depending on the scope of buffers and mitigation activities required.

The Alaska International Airport System currently manages airport property consistent with federal aviation law and established FAA safety standards. HB 346 would introduce new procedural requirements affecting how the Department evaluates vegetation management, land use compatibility, and buffer modifications near airport boundaries. The Department anticipates that implementation of these requirements would increase administrative workload, introduce potential project delivery risks, and require additional capital investment to address buffer establishment, mitigation measures, and wildlife management activities.

To carry out these functions and assure compliance, as well as rewrite 17 AAC 42 to reflect the updated public engagement and buffer compliance, a single Transportation Planner 1 position in the Alaska International Airport System office would be necessary to fulfill the obligations of this legislation.

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

Personal Services: \$165.0 annually (benefits included)

Services: \$15.0 annually

Travel: estimated at \$15.0 annually

Commodities: \$10.0 annually