

# Alaska State Legislature

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Senator [Bettye Davis@legis.state.ak.us](mailto:Bettye_Davis@legis.state.ak.us)  
<http://www.akdemocrats.org>

## Office of Senator Bettye Davis

February 12, 2009  
Senator Joe Paskvan, Chair  
Senate Labor & Commerce Committee

**RE: Request for Hearing for SB 14, 26-LS0077A**

**"An Act expanding the motor fuel tax suspension period."**

Dear Senator Paskvan:

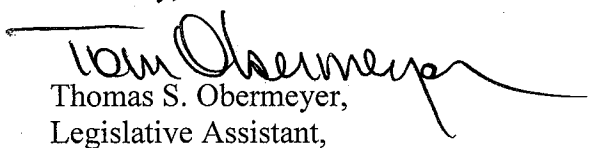
**Senator Davis respectfully requests a hearing concerning SB 14 before the Senate Labor & Commerce Committee.**

This bill extends the termination date for the period in which the motor fuel tax imposed under AS 43.40.010 is suspended from August 31, 2009 to August 31, 2011.

Attached in order are the following:

1. Sponsor Statement
2. The most recent version of the bill, SB 14, 26-LS0077A
3. Sectional analysis
4. Additional Documentation

Sincerely,

  
Thomas S. Obermeyer,  
Legislative Assistant,  
465-3762

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<http://www.akdemocrats.org>

## Senator Bettye Davis

### SB 14 "An Act suspending the motor fuel tax suspension period."

#### Sponsor Statement

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SB 14 extends for an additional two years to August, 31, 2011, the termination date of the 1-year suspension of the motor fuel tax imposed by the governor in 2008 under SB 4004. This bill extends motor fuel tax relief of approximately \$0.08 per gallon to Alaska consumers and businesses which continue to pay some of the highest prices for motor fuel in the nation. Initiated at a time when oil prices were spiking to all-time highs, the motor fuel tax relief afforded to Alaskans in 2008 is still important in sustaining and stimulating the Alaska economy in the national economic recession which is expected to last several years.

Fuel costs affect almost every aspect of Alaska life in work, recreation, vacations, private, and business use. High fuel prices affect the cost of all goods and materials transported by sea, air and road. Most goods have to be shipped very long distances to Alaska. Every year hundreds of thousands of shipping containers carrying goods Alaskans use every day must be shipped by sea and road over 2,000 miles to Anchorage, the largest population center and distribution point to other parts of the state. From there over 80% of goods distributed to many Alaska communities can be reached only by air transportation. The reverse is true of Alaska's exports and seafood shipped south or overseas.

Air and cruise travel which is critical to the Alaska tourism industry is declining in the current recession. Bookings are down and airlines and cruise lines are cutting back due to decreased demand as they continue to struggle with high costs of fuel. Extending the suspension of the motor fuel tax under SB 14 will have major impact on the enormous quantities of fuel consumed in the transport of goods and people in Alaska. It will encourage cargo carriers to maintain flights and cargo hubs in Alaska and it will encourage air and cruise lines to reduce fares to stimulate demand.

**SENATE BILL NO. 14**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY SENATOR DAVIS

**Introduced: 1/9/09**

**Referred: Prefiled**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act expanding the motor fuel tax suspension period."**

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

3 \* **Section 1.** The uncodified law of the State of Alaska enacted in sec. 6(a), ch. 2, 4SSLA  
4 2008, is amended to read:

5 (a) Notwithstanding any other provision of law, the motor fuel tax imposed  
6 under AS 43.40.010 is suspended and may not be collected for a period beginning  
7 September 1, 2008, and ending August 31, 2011 [2009].

8 \* **Sec. 2.** Section 8, ch. 2, 4SSLA 2008, is amended to read:

9 Sec. 8. Section 6(a), ch. 2, 4SSLA 2008, [OF THIS ACT] is repealed  
10 August 31, 2011 [2009].

11 \* **Sec. 3.** Section 9, ch. 2, 4SSLA 2008, is amended to read:

12 Sec. 9. Sections 6(b) and (c), ch. 2, 4SSLA 2008, [OF THIS ACT] are  
13 repealed October 1, 2011 [2009].

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

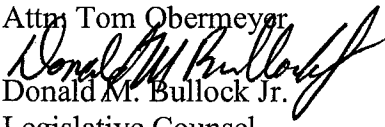
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 6, 2009

**SUBJECT:** Sectional Summary for SB 14 (Work Order No. 26-LS0077\A)

**TO:** Senator Bettye Davis  
Attn: Tom Obermeyer

**FROM:**   
Donald M. Bullock Jr.  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Extends the termination date for the period in which the motor fuel tax imposed under AS 43.40.010 is suspended from August 31, 2009 to August 31, 2011.

**Section 2.** Amends sec. 8, ch. 2, 4SSLA 2008, by changing the repeal date for sec. 6(a), ch.2, 4SSLA 2008 from August 31, 2009 to August 31, 2011.

**Section 3.** Amends sec. 9, ch. 2, 4SSLA 2008 by changing the repeal date for secs. 6(b) and (c), ch.2, 4SSLA 2008, from October 1, 2009 to October 1, 2011.

DMB:plm  
09-078.plm



**Alaska**

**February 6, 2009**

**The Honorable Bettye Davis  
Alaska State Senate  
State Capitol Building  
Juneau, Alaska 99801-1182**

**RE: Senate Bill 14**

**Dear Senator Davis,**

**On behalf of the National Federation of Independent Business/Alaska, I wish to express our support for Senate Bill 14. The National Federation of Independent Business is the largest small-business advocacy group in the Alaska.**

**The cost of fuel is a significant cost for many small businesses. The continuation of the fuel tax suspension will help many of those business in these very difficult economic times.**

**Sincerely yours,**

A handwritten signature in black ink, appearing to read "Dennis L. DeWitt", is written over a horizontal line.

**Dennis L. DeWitt  
Alaska Legislative Advocate**