

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: SB 3
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB003-DOT-MVO-1-22-17
Title: SMALL VESSEL WASTEWATER EXEMPTION;
1% ART
Sponsor: STEDMAN
Requester: (S) RES

Department: Department of Transportation and Public Facilities
Appropriation: Marine Highway System
Allocation: Marine Vessel Operations
OMB Component Number: 2604

Expenditures/Revenues

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(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? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable; initial version.

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Approved By: <u>Amanda Holland</u>	Date: <u>01/22/17</u>
Agency: <u>DOT&PF</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. SB 3

Analysis

This proposed legislation contains two distinct sections that could each have significant financial impacts if the legislation is not passed. Please note the information below.

First, if this proposed legislation does not become law and the wastewater discharge Best Management Practices alternative compliance method is NOT reinstated for small vessels, the AMHS will incur millions in costs to install Advanced Wastewater Treatment Systems on its large, overnight ferries.

Based upon a Design Study Report conducted by Harbor Marine Group (a Division of Foss Maritime Company) on the M/V Taku in 2008, an Advanced Wastewater Treatment Systems install was estimated at \$1.25M. This system would be necessary for the similar vintage, similar sized vessels Malaspina; Matanuska; Kennicott; and Columbia. In 2008 dollars, retrofitting these four ferries (the Taku is no longer in service) equates to an estimated \$5M. There is also a timing factor to quantify in that these are long lead-time procurements and require detailed and time-consuming installations, which will need to be completed when vessels are not in revenue service.

Second, if this proposed legislation does not become law, the AMHS would be required under AS 35.27.020 to expend 1% for artwork, which is \$1.02M for the two new Alaska Class Ferry (ACF) vessels and approximately \$2.37M for the future Tustumena replacement vessel. The Department of Transportation and Public Facilities would prefer to expend the capital funding for the ACF's on necessary navigational and lifesaving equipment, as current construction funding is insufficient to properly equip each vessel. While sufficient funding for the Tustumena replacement vessel can be secured through legislative authority via federal-aid/state matching funds, this proposed legislation exempts the future build of the Tustumena's replacement from the 1% for art requirement.