

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 426(EDT)
 (H) Publish Date: 3/18/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Tourism & Recreation Assessment RDU Alaska Railroad Corporation
 Component _____
 Sponsor Representative Kott, McGuire, et al.
 Requester House Econ Dev. Int'l. Trade & Tourism Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Alaska Railroad Corporation (ARRC) is a public corporation supported by revenues generated through its freight, passenger and real estate services. ARRC does not receive state subsidies for operations or capital improvements from the State. The following analysis provides ARRC's estimate regarding its fiscal impact from HB 426.

HB 426 seeks to impose a 2% assessment on the sale of ARRC passenger tickets and tour company pull charges. This effectively places the assessment on all ARRC passenger revenue. ARRC understands the funds would be collected and remitted, less an administration fee of 1% of total collection, to the Department of Revenue on a monthly basis. Based upon current ARRC passenger revenue forecasts, the amount of assessment remitted would total approximately \$300.0 annually.

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 Division: Alaska Railroad Corporation Date/Time 2/12/04 10:02 AM
 Approved by: Edgar Blatchford, Commissioner Date 2/12/2004
 Agency: Department of Community & Economic Development

FISCAL NOTE #2

**STATE OF ALASKA
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BILL NO. CSHB 426(EDT)

ANALYSIS CONTINUATION

<u>Tourism Assessment Calculation</u>	(Thousands)				
	2004	2005	2006	2007	2008
Projected ARRC Passenger Revenue	14,660.0	14,790.0	15,070.0	15,200.0	15,330.0
2% Assessment	293.2	295.8	301.4	304.0	306.6
Less 1% assessment retainage (admin fee)	2.9	3.0	3.0	3.0	3.1
Net assessment transferred to GF	<u>290.3</u>	<u>292.8</u>	<u>298.4</u>	<u>301.0</u>	<u>303.5</u>

ARRC would collect and remit approximately \$300,000 annually to the State Department of Revenue under this proposed legislation.

Note: ARRC fiscal year runs from January 1 - December 31; revenues per year are presented on this basis.