

CS FOR HOUSE BILL NO. 249(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered: 2/29/16

Referred: Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the motor fuel tax; relating to the duties of the commissioner of
2 revenue; relating to the disposition of revenue from the motor fuel tax; and providing
3 for an effective date."

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

5 * **Section 1.** AS 29.60.800(a) is amended to read:

6 (a) There is established the harbor facility grant fund consisting of money
7 appropriated to the fund. Each fiscal year, the legislature may appropriate money to
8 the fund from the watercraft fuel tax **fund** [ACCOUNT] (AS 43.40.010(f)) and from
9 the fisheries business tax collected under AS 43.75.015 after payments to
10 municipalities are made under AS 43.75.130. The legislature may make other
11 appropriations to the fund. The legislature may appropriate to the fund income earned
12 on money in the fund.

13 * **Sec. 2.** AS 43.40.010(a) is amended to read:

14 (a) In addition to the surcharge levied under AS 43.40.005,

1 **(1) if the average price per barrel for Alaska North Slope crude oil**
 2 **for sale on the United States West Coast during the previous calendar year is**
 3 **more than \$85,** there is levied a tax of eight cents a gallon on all motor fuel sold or
 4 otherwise transferred within the state, except that **the tax on**

5 **(A)** [(1) THE TAX ON] aviation gasoline is four and seven-
 6 tenths cents a gallon;

7 **(B)** [(2) THE TAX ON] motor fuel used in and on watercraft of
 8 all descriptions is five cents a gallon;

9 **(C)** [(3) THE TAX ON] all aviation fuel other than gasoline is
 10 three and two-tenths cents a gallon; and

11 **(D)** [(4) THE TAX RATE ON] motor fuel that is blended with
 12 alcohol is the same tax rate a gallon as other motor fuel; however, in an area
 13 and during the months in which fuel containing alcohol is required to be sold,
 14 transferred, or used in an effort to attain air quality standards for carbon
 15 monoxide as required by federal or state law or regulation, the tax rate on
 16 motor fuel that is blended with alcohol is six cents a gallon less than the tax on
 17 other motor fuel not described in **(A) - (C)** [(1) - (3)] of this **paragraph; or**

18 **(2) if the average price per barrel for Alaska North Slope crude oil**
 19 **for sale on the United States West Coast during the previous calendar year is less**
 20 **than or equal to \$85, there is levied a tax of 16 cents a gallon on all motor fuel**
 21 **sold or otherwise transferred within the state, except that the tax on**

22 **(A) aviation gasoline is 10 cents a gallon;**

23 **(B) motor fuel used in and on watercraft operating for**

24 **(i) the purpose of commercial fishing is five cents a**
 25 **gallon; in this sub-subparagraph, "commercial fishing" has the**
 26 **meaning given in AS 16.05.940;**

27 **(ii) a purpose other than the purpose described in (i)**
 28 **of this subparagraph is 10 cents a gallon;**

29 **(C) all aviation fuel other than gasoline is 10 cents a gallon;**

30 **and**

31 **(D) motor fuel that is blended with alcohol is the same tax**

1 rate a gallon as other motor fuel; however, in an area and during the
 2 months in which fuel containing alcohol is required to be sold,
 3 transferred, or used in an effort to attain air quality standards for carbon
 4 monoxide as required by federal or state law or regulation, the tax rate on
 5 motor fuel that is blended with alcohol is six cents a gallon less than the
 6 tax on other motor fuel not described in (A) - (C) of this paragraph
 7 [SUBSECTION].

8 * **Sec. 3.** AS 43.40.010(a), as amended by sec. 2 of this Act, is amended to read:

9 (a) In addition to the surcharge levied under AS 43.40.005, [(1) IF THE
 10 AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL
 11 FOR SALE ON THE UNITED STATES WEST COAST DURING THE PREVIOUS
 12 CALENDAR YEAR IS MORE THAN \$85,] there is levied a tax of eight cents a
 13 gallon on all motor fuel sold or otherwise transferred within the state, except that the
 14 tax on

15 (1) [(A)] aviation gasoline is four and seven-tenths cents a gallon;

16 (2) [(B)] motor fuel used in and on watercraft of all descriptions is five
 17 cents a gallon;

18 (3) [(C)] all aviation fuel other than gasoline is three and two-tenths
 19 cents a gallon; and

20 (4) [(D)] motor fuel that is blended with alcohol is the same tax rate a
 21 gallon as other motor fuel; however, in an area and during the months in which fuel
 22 containing alcohol is required to be sold, transferred, or used in an effort to attain air
 23 quality standards for carbon monoxide as required by federal or state law or
 24 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon
 25 less than the tax on other motor fuel not described in (1) - (3) [(A) - (C)] of this
 26 subsection [PARAGRAPH; OR

27 (2) IF THE AVERAGE PRICE PER BARREL FOR ALASKA
 28 NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST
 29 COAST DURING THE PREVIOUS CALENDAR YEAR IS LESS THAN OR
 30 EQUAL TO \$85, THERE IS LEVIED A TAX OF 16 CENTS A GALLON ON ALL
 31 MOTOR FUEL SOLD OR OTHERWISE TRANSFERRED WITHIN THE STATE,

1 EXCEPT THAT THE TAX ON

2 (A) AVIATION GASOLINE IS 10 CENTS A GALLON;

3 (B) MOTOR FUEL USED IN AND ON WATERCRAFT
4 OPERATING FOR

5 (i) THE PURPOSE OF COMMERCIAL FISHING IS
6 FIVE CENTS A GALLON; IN THIS SUB-SUBPARAGRAPH,
7 "COMMERCIAL FISHING" HAS THE MEANING GIVEN IN
8 AS 16.05.940;

9 (ii) A PURPOSE OTHER THAN THE PURPOSE
10 DESCRIBED IN (i) OF THIS SUBPARAGRAPH IS 10 CENTS A
11 GALLON;

12 (C) ALL AVIATION FUEL OTHER THAN GASOLINE IS
13 10 CENTS A GALLON; AND

14 (D) MOTOR FUEL THAT IS BLENDED WITH ALCOHOL
15 IS THE SAME TAX RATE A GALLON AS OTHER MOTOR FUEL;
16 HOWEVER, IN AN AREA AND DURING THE MONTHS IN WHICH
17 FUEL CONTAINING ALCOHOL IS REQUIRED TO BE SOLD,
18 TRANSFERRED, OR USED IN AN EFFORT TO ATTAIN AIR QUALITY
19 STANDARDS FOR CARBON MONOXIDE AS REQUIRED BY FEDERAL
20 OR STATE LAW OR REGULATION, THE TAX RATE ON MOTOR FUEL
21 THAT IS BLENDED WITH ALCOHOL IS SIX CENTS A GALLON LESS
22 THAN THE TAX ON OTHER MOTOR FUEL NOT DESCRIBED IN (A) -
23 (C) OF THIS PARAGRAPH].

24 * **Sec. 4.** AS 43.40.010(b) is amended to read:

25 (b) In addition to the surcharge levied under AS 43.40.005,

26 **(1) if the average price per barrel for Alaska North Slope crude oil**
27 **for sale on the United States West Coast during the previous calendar year is**
28 **more than \$85,** there is levied a tax of eight cents a gallon on all motor fuel consumed
29 by a user, except that **the tax on**

30 **(A)** [(1) THE TAX ON] aviation gasoline consumed is four and
31 seven-tenths cents a gallon;

1 **(B)** [(2) THE TAX ON] motor fuel used in and on watercraft of
2 all descriptions is five cents a gallon;

3 **(C)** [(3) THE TAX ON] all aviation fuel other than gasoline is
4 three and two-tenths cents a gallon; and

5 **(D)** [(4) THE TAX RATE ON] motor fuel that is blended with
6 alcohol is the same tax rate a gallon as other motor fuel; however, in an area
7 and during the months in which fuel containing alcohol is required to be sold,
8 transferred, or used in an effort to attain air quality standards for carbon
9 monoxide as required by federal or state law or regulation, the tax rate on
10 motor fuel that is blended with alcohol is six cents a gallon less than the tax on
11 other motor fuel not described in **(A) - (C)** [(1) - (3)] of this **paragraph; or**

12 **(2) if the average price per barrel for Alaska North Slope crude oil**
13 **for sale on the United States West Coast during the previous calendar year is less**
14 **than or equal to \$85, there is levied a tax of 16 cents a gallon on all motor fuel**
15 **sold or otherwise transferred within the state, except that the tax on**

16 **(A) aviation gasoline consumed is 10 cents a gallon;**

17 **(B) motor fuel used in and on watercraft operating for**

18 **(i) the purpose of commercial fishing is five cents a**
19 **gallon; in this sub-subparagraph, "commercial fishing" has the**
20 **meaning given in AS 16.05.940;**

21 **(ii) a purpose other than the purpose described in (i)**
22 **of this subparagraph is 10 cents a gallon;**

23 **(C) all aviation fuel other than gasoline is 10 cents a gallon;**

24 **and**

25 **(D) motor fuel that is blended with alcohol is the same tax**
26 **rate a gallon as other motor fuel; however, in an area and during the**
27 **months in which fuel containing alcohol is required to be sold,**
28 **transferred, or used in an effort to attain air quality standards for carbon**
29 **monoxide as required by federal or state law or regulation, the tax rate on**
30 **motor fuel that is blended with alcohol is six cents a gallon less than the**
31 **tax on other motor fuel not described in (A) - (C) of this paragraph**

1 [SUBSECTION].

2 * **Sec. 5.** AS 43.40.010(b), as amended by sec. 4 of this Act, is amended to read:

3 (b) In addition to the surcharge levied under AS 43.40.005, [(1) IF THE
4 AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL
5 FOR SALE ON THE UNITED STATES WEST COAST DURING THE PREVIOUS
6 CALENDAR YEAR IS MORE THAN \$85,] there is levied a tax of eight cents a
7 gallon on all motor fuel consumed by a user, except that the tax on

8 (1) [(A)] aviation gasoline consumed is four and seven-tenths cents a
9 gallon;

10 (2) [(B)] motor fuel used in and on watercraft of all descriptions is five
11 cents a gallon;

12 (3) [(C)] all aviation fuel other than gasoline is three and two-tenths
13 cents a gallon; and

14 (4) [(D)] motor fuel that is blended with alcohol is the same tax rate a
15 gallon as other motor fuel; however, in an area and during the months in which fuel
16 containing alcohol is required to be sold, transferred, or used in an effort to attain air
17 quality standards for carbon monoxide as required by federal or state law or
18 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon
19 less than the tax on other motor fuel not described in (1) - (3) [(A) - (C)] of this
20 subsection [PARAGRAPH; OR

21 (2) IF THE AVERAGE PRICE PER BARREL FOR ALASKA
22 NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST
23 COAST DURING THE PREVIOUS CALENDAR YEAR IS LESS THAN OR
24 EQUAL TO \$85, THERE IS LEVIED A TAX OF 16 CENTS A GALLON ON ALL
25 MOTOR FUEL SOLD OR OTHERWISE TRANSFERRED WITHIN THE STATE,
26 EXCEPT THAT THE TAX ON

27 (A) AVIATION GASOLINE CONSUMED IS 10 CENTS A
28 GALLON;

29 (B) MOTOR FUEL USED IN AND ON WATERCRAFT
30 OPERATING FOR

31 (i) THE PURPOSE OF COMMERCIAL FISHING IS

1 FIVE CENTS A GALLON; IN THIS SUB-SUBPARAGRAPH,
 2 "COMMERCIAL FISHING" HAS THE MEANING GIVEN IN
 3 AS 16.05.940;

4 (ii) A PURPOSE OTHER THAN THE PURPOSE
 5 DESCRIBED IN (i) OF THIS SUBPARAGRAPH IS 10 CENTS A
 6 GALLON;

7 (C) ALL AVIATION FUEL OTHER THAN GASOLINE IS
 8 10 CENTS A GALLON; AND

9 (D) MOTOR FUEL THAT IS BLENDED WITH ALCOHOL
 10 IS THE SAME TAX RATE A GALLON AS OTHER MOTOR FUEL;
 11 HOWEVER, IN AN AREA AND DURING THE MONTHS IN WHICH
 12 FUEL CONTAINING ALCOHOL IS REQUIRED TO BE SOLD,
 13 TRANSFERRED, OR USED IN AN EFFORT TO ATTAIN AIR QUALITY
 14 STANDARDS FOR CARBON MONOXIDE AS REQUIRED BY FEDERAL
 15 OR STATE LAW OR REGULATION, THE TAX RATE ON MOTOR FUEL
 16 THAT IS BLENDED WITH ALCOHOL IS SIX CENTS A GALLON LESS
 17 THAN THE TAX ON OTHER MOTOR FUEL NOT DESCRIBED IN (1)(A)
 18 - (C) OF THIS SUBSECTION].

19 * **Sec. 6.** AS 43.40.010(e) is amended to read:

20 (e) Sixty percent of the proceeds of the revenue from the motor fuel taxes on
 21 aviation fuel, excluding the amount determined to have been spent by the state in its
 22 collection, shall be refunded to a municipality owning and operating or leasing and
 23 operating an airport in the proportion that the revenue was collected at the municipal
 24 airport. All other proceeds of the motor fuel taxes on aviation fuel shall be paid into a
 25 special aviation fuel tax **fund** [ACCOUNT] in the state general fund. The legislature
 26 may appropriate funds from this **fund** [ACCOUNT] for **direct** capital, [OR] operating,
 27 **or maintenance** costs of **airport infrastructure** [AIRPORTS].

28 * **Sec. 7.** AS 43.40.010(f) is amended to read:

29 (f) The proceeds from the revenue from the tax on motor fuel used in boats
 30 and watercraft of all descriptions shall be deposited in a special watercraft fuel tax
 31 **fund** [ACCOUNT] in the general fund. The legislature may appropriate from this

1 **fund** [ACCOUNT] for **direct capital, operating, or maintenance costs of** water and
 2 harbor **infrastructure** [FACILITIES].

3 * **Sec. 8.** AS 43.40.010(g) is amended to read:

4 (g) The proceeds of the revenue from the tax on all motor fuels, except as
 5 provided in (e), (f), and (j) of this section, shall be deposited in a special highway fuel
 6 tax **fund** [ACCOUNT] in the state general fund. The legislature may appropriate funds
 7 from **the fund** [IT] for expenditure by the Department of Transportation and Public
 8 Facilities directly or as matched with available federal-aid highway money for **direct**
 9 **capital, operating, or** maintenance **costs** of highways **and highway infrastructure,**
 10 construction of highway projects and ferries included in the program provided for in
 11 AS 19.10.150, including approaches, appurtenances and related facilities and
 12 acquisition of rights-of-way or easements, **or surveys** [AND OTHER HIGHWAY
 13 COSTS INCLUDING SURVEYS, ADMINISTRATION, AND RELATED
 14 MATTERS]. All departments of the state government authorized to spend funds
 15 collected from taxes imposed by this chapter shall perform, when feasible, all
 16 construction or reconstruction projects by contract after the projects have been
 17 advertised for competitive bids, except that, when feasible, arrangements shall be
 18 made with political subdivisions to carry out the construction or reconstruction
 19 projects. If it is not feasible for the work to be performed by state engineering forces,
 20 the commissioner of transportation and public facilities may contract on a professional
 21 basis with private engineering firms for road design, bridge design, and services in
 22 connection with surveys. If more than one private engineering firm is available for the
 23 work the contracts shall be entered into on a negotiated basis.

24 * **Sec. 9.** AS 43.40.010(h) is amended to read:

25 (h) All motor fuel tax receipts shall be paid into the general fund and
 26 distributed to the proper **funds** [ACCOUNTS] in the general fund. Valid motor fuel
 27 tax refund claims shall be paid from the highway fuel tax **fund** [ACCOUNT] in the
 28 general fund.

29 * **Sec. 10.** AS 43.40.010(j) is amended to read:

30 (j) The proceeds from the tax on motor fuel used in snow vehicles and, unless
 31 a tax refund is applied for under AS 43.40.050(a), other internal combustion engines

1 not used in or in conjunction with a motor vehicle licensed to be operated on public
 2 ways shall be deposited in a special nonpublic highway use **fund** [ACCOUNT] in the
 3 general fund. The legislature may appropriate from this **fund** [ACCOUNT] to the
 4 Department of Transportation and Public Facilities for trail staking and shelter **direct**
 5 **capital, operating, or** [CONSTRUCTION AND] maintenance **costs**.

6 * **Sec. 11.** AS 43.40.010 is amended by adding new subsections to read:

7 (m) The following motor fuel is exempt from taxation under this section:

8 (1) fuel consigned to foreign countries;

9 (2) fuel sold for use in jet propulsion aircraft operating in flights

10 (A) to foreign countries; or

11 (B) that continue from foreign countries, unless exemption of

12 the motor fuel from taxation is disallowed because of the refiner's failure to
 13 comply with the provisions of a voluntary agreement under AS 43.40.092 in
 14 conjunction with expansion of refinery capacity;

15 (3) fuel used in stationary power plants operating as public utility
 16 plants and generating electrical energy for sale to the general public;

17 (4) fuel used by nonprofit power associations or corporations for
 18 generating electric energy for resale;

19 (5) fuel used by charitable institutions;

20 (6) fuel sold or transferred between qualified dealers;

21 (7) fuel sold to federal, state, and local government agencies for
 22 official use;

23 (8) fuel used in stationary power plants that generate electrical energy
 24 for private residential consumption;

25 (9) fuel used to heat private or commercial buildings or facilities;

26 (10) fuel used for other nontaxable purposes as prescribed by
 27 regulations adopted by the department;

28 (11) fuel used in stationary power plants of 100 kilowatts or less that
 29 generate electrical power for commercial enterprises not for resale;

30 (12) residual fuel oil used in and on watercraft if the residual fuel oil is
 31 sold or transferred in the state or consumed by a user; in this paragraph, "residual fuel

1 oil" means the heavy refined hydrocarbon known as number 6 fuel oil that is the
 2 residue from crude oil after refined petroleum products have been extracted by the
 3 refining process and that may be consumed or used only when sufficient heat is
 4 provided to the oil to reduce its viscosity rated by kinetic unit and to give it fluid
 5 properties sufficient for pumping and combustion;

6 (13) fuel used in an aircraft, watercraft, or ground transportation
 7 vehicle operated by an entity that provides an emergency or ambulance service; or

8 (14) fuel used for student transportation services for which a school
 9 district receives funding under AS 14.09.010.

10 (n) If revenue from the motor fuel tax is expended or appropriated for a
 11 purpose other than a purpose described in (e) - (g) or (j) of this section, the
 12 commissioner shall give public notice within 10 days after the expenditure or
 13 appropriation.

14 * **Sec. 12.** AS 43.40.015(c) is amended to read:

15 (c) A certificate of use obtained under this section must be renewed annually
 16 for exemptions listed under AS 43.40.010(m) [AS 43.40.100(2)].

17 * **Sec. 13.** AS 43.40.015(d) is amended to read:

18 (d) A certificate of use is not required under this section

19 (1) for fuel exempted under AS 43.40.010(m)(3) or (10)
 20 [AS 43.40.100(2)(C) OR (J)]; and

21 (2) for fuel exempted under AS 43.40.010(m)(9) [AS 43.40.100(2)(I)]
 22 other than fuel sold or transferred under this exemption to a person who is engaged in
 23 construction or mining activity.

24 * **Sec. 14.** AS 43.40.030(a) is amended to read:

25 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to
 26 operate an internal combustion engine is entitled to a motor fuel tax refund of six cents
 27 a gallon if the tax was paid under AS 43.40.010(a)(1) or (b)(1) or 12 cents a gallon
 28 if the tax was paid under AS 43.40.010(a)(2) or (b)(2), and if

29 (1) the tax on the motor fuel has been paid;

30 (2) the motor fuel is not aviation fuel, or motor fuel used in or on
 31 watercraft; and

1 (3) the internal combustion engine is not used in or in conjunction with
2 a motor vehicle licensed to be operated on public ways.

3 * **Sec. 15.** AS 43.40.030(a), as amended by sec. 14 of this Act, is amended to read:

4 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to
5 operate an internal combustion engine is entitled to a motor fuel tax refund of six cents
6 a gallon [IF THE TAX WAS PAID UNDER AS 43.40.010(a)(1) OR (b)(1) OR 12
7 CENTS A GALLON IF THE TAX WAS PAID UNDER AS 43.40.010(a)(2) OR
8 (b)(2), AND] if

9 (1) the tax on the motor fuel has been paid;

10 (2) the motor fuel is not aviation fuel, or motor fuel used in or on
11 watercraft; and

12 (3) the internal combustion engine is not used in or in conjunction with
13 a motor vehicle licensed to be operated on public ways.

14 * **Sec. 16.** AS 43.40.070(a) is amended to read:

15 (a) Upon approval of a refund claim of the motor fuel tax by the department, a
16 disbursement shall be made from the highway fuel tax **fund** [ACCOUNT] in the
17 general fund in favor of the applicant in the amount of the claim.

18 * **Sec. 17.** AS 43.40.100(2) is amended to read:

19 (2) "motor fuel" means fuel used in an engine for the propulsion of a
20 motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a
21 stationary engine, machine, or mechanical contrivance that is run by an internal
22 combustion motor; ["MOTOR FUEL" DOES NOT INCLUDE

23 (A) FUEL CONSIGNED TO FOREIGN COUNTRIES;

24 (B) FUEL SOLD FOR USE IN JET PROPULSION
25 AIRCRAFT OPERATING IN FLIGHTS

26 (i) TO FOREIGN COUNTRIES; OR

27 (ii) THAT CONTINUE FROM FOREIGN
28 COUNTRIES, UNLESS EXEMPTION OF THE MOTOR FUEL
29 FROM TAXATION IS DISALLOWED BECAUSE OF THE
30 REFINER'S FAILURE TO COMPLY WITH THE PROVISIONS OF
31 A VOLUNTARY AGREEMENT UNDER AS 43.40.092 IN

1 CONJUNCTION WITH EXPANSION OF REFINERY CAPACITY;

2 (C) FUEL USED IN STATIONARY POWER PLANTS
3 OPERATING AS PUBLIC UTILITY PLANTS AND GENERATING
4 ELECTRICAL ENERGY FOR SALE TO THE GENERAL PUBLIC;

5 (D) FUEL USED BY NONPROFIT POWER
6 ASSOCIATIONS OR CORPORATIONS FOR GENERATING ELECTRIC
7 ENERGY FOR RESALE;

8 (E) FUEL USED BY CHARITABLE INSTITUTIONS;

9 (F) FUEL SOLD OR TRANSFERRED BETWEEN
10 QUALIFIED DEALERS;

11 (G) FUEL SOLD TO FEDERAL, STATE, AND LOCAL
12 GOVERNMENT AGENCIES FOR OFFICIAL USE;

13 (H) FUEL USED IN STATIONARY POWER PLANTS
14 THAT GENERATE ELECTRICAL ENERGY FOR PRIVATE
15 RESIDENTIAL CONSUMPTION;

16 (I) FUEL USED TO HEAT PRIVATE OR COMMERCIAL
17 BUILDINGS OR FACILITIES;

18 (J) FUEL USED FOR OTHER NONTAXABLE PURPOSES
19 AS PRESCRIBED BY REGULATIONS ADOPTED BY THE
20 DEPARTMENT;

21 (K) FUEL USED IN STATIONARY POWER PLANTS OF
22 100 KILOWATTS OR LESS THAT GENERATE ELECTRICAL POWER
23 FOR COMMERCIAL ENTERPRISES NOT FOR RESALE; OR

24 (L) RESIDUAL FUEL OIL USED IN AND ON
25 WATERCRAFT IF THE RESIDUAL FUEL OIL IS SOLD OR
26 TRANSFERRED IN THE STATE OR CONSUMED BY A USER; FOR
27 PURPOSES OF THIS SUBPARAGRAPH, "RESIDUAL FUEL OIL"
28 MEANS THE HEAVY REFINED HYDROCARBON KNOWN AS
29 NUMBER 6 FUEL OIL THAT IS THE RESIDUE FROM CRUDE OIL
30 AFTER REFINED PETROLEUM PRODUCTS HAVE BEEN EXTRACTED
31 BY THE REFINING PROCESS AND THAT MAY BE CONSUMED OR

1 USED ONLY WHEN SUFFICIENT HEAT IS PROVIDED TO THE OIL TO
2 REDUCE ITS VISCOSITY RATED BY KINETIC UNIT AND TO GIVE IT
3 FLUID PROPERTIES SUFFICIENT FOR PUMPING AND
4 COMBUSTION;]

5 * **Sec. 18.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 APPLICABILITY. AS 43.40.030(a), as amended by sec. 15 of this Act, applies to a
8 motor fuel tax refund on motor fuel used, transferred, or sold on or after the effective date of
9 sec. 15 of this Act.

10 * **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 TRANSITIONAL PROVISION: REGULATIONS. The Department of Revenue may
13 adopt regulations necessary to implement the changes made by this Act. The regulations take
14 effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the
15 law implemented by the regulation.

16 * **Sec. 20.** Section 19 of this Act takes effect immediately under AS 01.10.070(c).

17 * **Sec. 21.** Sections 3, 5, and 15 of this Act take effect July 1, 2018.

18 * **Sec. 22.** Except as provided in secs. 20 and 21 of this Act, this Act takes effect July 1,
19 2016.