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Referred: Local
Government and
Finance

1 IN THE SENATE

BY RLODGETT

2 SENATE BILL NO. 193

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing organized boroughs to impose a
7 tax on watercraft fuel in lieu of state taxation of
8 watercraft fuel; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 07.15 is amended by adding a new section to read:

11 Sec. 07.15.012. TAX ON MOTOR FUEL USED TO PROPEL WATERCRAFT. An
12 organized borough may by ordinance levy and collect a tax not exceeding
13 four cents per gallon on all motor fuel which is used to propel boats
14 and watercraft of any description and is sold and delivered, or trans-
15 ferred, within the state or is purchased by a person outside the state
16 and shipped into the state for his own use within the state.

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

18 (a) There is levied a tax of five cents a gallon on all motor
19 fuel sold and delivered, or otherwise transferred, within the state;
20 except that (1) the tax on aviation gasoline is four cents a gallon,
21 (2) no tax shall be levied on motor fuel used in engines for the pro-
22 pulsion of boats and watercraft of any description [THE TAX ON MOTOR
23 FUEL USED IN ENGINES FOR THE PROPULSION OF BOATS AND WATERCRAFT OF ALL
24 DESCRIPTIONS IS TWO CENTS A GALLON], and (3) the tax on all aviation
25 fuel other than gasoline is two and one-half cents a gallon.

26 * Sec. 3. AS 43.40.010(b) is amended to read:

27 (b) There is levied a tax of five cents a gallon on all motor
28 fuel consumed by a user, except that (1) the tax on aviation gasoline
29 consumed is four cents a gallon, (2) no tax shall be levied on motor

1 fuel used in engines for the propulsion of boats and watercraft of any
2 description [THE TAX ON MOTOR FUEL USED IN ENGINES FOR THE PROPULSION
3 OF BOATS AND WATERCRAFT OF ALL DESCRIPTIONS IS TWO CENTS A GALLON],
4 and (3) the tax on all aviation fuel other than gasoline is two and
5 one-half cents a gallon.

6 * Sec. 4. AS 43.40.010(g) is amended to read:

7 (g) The proceeds of the revenue from the tax on all motor fuels,
8 except as provided in (e) [AND (F)] of this section, shall be deposited
9 in a special highway fuel tax account in the state general fund. The
10 legislature may appropriate funds from it for expenditure by the Depart-
11 ment of Public Works directly or as matched with available federal-aid
12 highway money for maintenance of highways, construction of highway
13 projects and ferries included in the program provided for in AS 19.10.-
14 150, including approaches, appurtenances and related facilities and
15 acquisition of rights-of-way or easements, and other highway costs
16 including surveys, administration, and related matters. All departments
17 of the state government authorized to spend funds collected from taxes
18 imposed by secs. 10 - 100 of this chapter shall perform, when feasible,
19 all construction or reconstruction projects by contract after the
20 projects have been advertised for competitive bids, except that, when
21 feasible, arrangements shall be made with political subdivisions to
22 carry out the construction or reconstruction projects. If it is not
23 feasible for the work to be performed by state engineering forces,
24 the commissioner of public works may contract on a professional basis
25 with private engineering firms for road design, bridge design, and
26 services in connection with surveys. If more than one private engineer-
27 ing firm is available for the work the contracts shall be entered into
28 on a negotiated basis.

29 * Sec. 5. AS 43.40.100(2) is amended to read:

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(2) "motor fuel" means fuel used in an engine for the propulsion of a motor vehicle, aircraft, [BOAT OR WATERCRAFT,] or in a stationary engine, machine or mechanical contrivance which is propelled by an internal combustion motor; except on consignments of motor fuel oil to foreign countries and except fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public or by nonprofit power associations or corporations for generating electric energy for resale or by charitable institutions.

* Sec. 6. The following laws are repealed: AS 43.40.010(f), AS 43.40.030(2) and AS 43.40.120.

* Sec. 7. This Act takes effect July 1, 1969.