

HB

280

Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

May 8, 1987

COMMITTEE CALENDAR:

- HB 213: "An Act relating to allocation of federal-aid highway funds; and providing for an effective date."
- HB 280: "An Act relating to taxation of watercraft motor fuel."
- CSSB 17: "An Act relating to unlawful possession and vandalism of official traffic control devices, disregard of a highway obstruction, and damages to highway."

FOR THIS MEETING YOU HAVE:

A folder on HB 213 that includes:

- * a copy of the committee substitute for HB 213
- * a sectional analysis
- * a letter of intent
- * a fiscal note on CSHB 213 from DOT/PF
- * a copy of HB 213
- * a fiscal note & position paper on HB 213 from DOT/PF
- * information from the six-year capital plan
- * a classification of road miles within Alaska
- * a letter from the Ass't. Division Administrator of the Federal Highway Administration
- * a report on HB 213 from Rep. Hoffman
- * minutes from the 4/13, 4/15 & 5/4 public hearings of HB 213

A folder on HB 280 that includes:

- * a copy of HB 280
- * a fiscal note from the Dept. of Revenue
- * a position paper on the Senate companion bill
- * a discussion on the watercraft motor fuel tax
- * a resolution from the Anchorage Chamber of Commerce
- * written testimony from two witnesses

A folder on CSSB 17 that includes:

- * a copy of CSSB 17
- * a fiscal note and position paper from the Dept. of Public Safety
- * a memorandum and sectional analysis from Sen. Faiks
- * a copy of the statutes impacted by CSSB 17

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 280

REQUEST _____

Publish Date: _____

Revision Date: 2/12/87

Agency Affected: Revenue

Title: An act relating to taxation of watercraft motor fuel

BRU: Audit

Sponsor: Cato

Components: _____

Requestor: Transportation & Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: See attached.

Prepared By: Steven E. Kettel *St. E. Kettel* Phone: 465-2320
Division: Audit Date: 5/5/87

Approved by Commissioner: Hugh Malone *H. Malone* Date: 5/5/87
Agency: Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

House Bill 280
Fiscal Note Analysis
May 5, 1987

HB 280 amends definitions in AS 43.40.100 by correcting language usage and adding a section under the definition of motor fuel which excludes from the definition that fuel originating outside the jurisdiction of the State and brought into the State in fuel storage tanks on watercraft for the purpose of operating said watercraft, engines on the watercraft or auxiliary watercraft carried by the watercraft.

Until recently it was Department policy that watercraft of all types, whether engaged in intrastate or interstate commerce must pay the five-cent watercraft motor fuel tax on fuel consumed or used in Alaska. This policy had been conveyed to the water transportation, crude oil tanker, cruise ship and fish processing industries. This position was challenged by the industry and a formal hearing decision issued by the Department. The decision held that the Department, in asserting its policy against the interstate water transportation industry in 1985 had, in effect, changed its policy without regulatory authority. In response, the Department has requested an opinion from the Attorney General whether it is statutorily permissible to tax fuel consumed in the State, and if so, whether an amendment to the regulations is necessary.

We believe it is sound public policy to assert the tax against the interstate shipping industry. First, the levy is borne by Alaska resident shipping companies and puts them at a competitive disadvantage with foreign companies which are not taxed on their fuel purchased in other jurisdictions. Second, there is substantial revenues at stake, conservatively estimated at \$3 million per year.

Suggested Amendments:

Sub-paragraph (M) exempts fuel consumed by "auxiliary watercraft carried by the watercraft." It is our understanding that the sponsors do not intend to exempt from tax fuel consumed by fish processing facilities in the State, especially fishing vessels or other smaller watercraft which enable the processing vessel to take fish in Alaskan waters. The amending language may provide a loophole for fish processors, and we suggest amending language be drafted which disallows the exemption to vessels while they are fishing in Alaskan waters.

The amendment also may permit fish processors to be exempt from tax on fuel used by on-board generators and other engines not associated with propulsion of the vessel. This may also be outside the scope of the sponsor's intention.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 100
Publish Date: _____

REQUEST _____

Revision Date: 2/12/87
Title: An act relating to taxation of watercraft motor fuel
Sponsor: Jones
Requestor: Transportation & Finance

Agency Affected: Revenue
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: See attached.

Prepared By: Steven E. Kettel *Steve Kettel*
Division: Audit

Phone: 465-2320
Date: 2/12/87

Approved by Commissioner: *H. Malone*
Agency: REVENUE / SEE ADDITIONAL

Date: _____

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

*FISCAL NOTE
ON REVENUE
IMPACT*

Senate Bill 100
Fiscal Note Analysis
February 12, 1987

SB 100 amends definitions in AS 43.40.100 by correcting language usage and adding a section under the definition of motor fuel which excludes from the definition that fuel originating outside the jurisdiction of the State and brought into the State in fuel storage tanks on watercraft for the purpose of operating said watercraft, engines on the watercraft or auxiliary watercraft carried by the watercraft.

It is current Department policy that watercraft of all types, whether engaged in intrastate or interstate commerce must pay the five-cent watercraft motor fuel tax on fuel consumed or used in Alaska. This policy has been conveyed to the water transportation, crude oil tanker, cruise ship and fish processing industries. This position has been challenged by the industry and is currently in the formal hearing process.

We believe it is sound public policy to assert the tax against the interstate shipping industry. First, the levy is borne by Alaska resident shipping companies and puts them at a competitive disadvantage with foreign companies which are not taxed or their fuel purchased in other jurisdictions. Second, there is substantial revenues at stake, conservatively estimated at \$3 million per year.

Suggested Amendments:

Sub-paragraph (M) exempts fuel consumed by "auxiliary watercraft carried by the watercraft." It is our understanding that the sponsors do not intend to exempt from tax fuel consumed by fish processing facilities in the State, especially fishing vessels or other smaller watercraft which enable the processing vessel to take fish in Alaskan waters. The amending language may provide a loophole for fish processors, and we suggest amending language be drafted which disallows the exemption to vessels while they are fishing in Alaskan waters.

The amendment also may permit fish processors to be exempt from tax on fuel used by on-board generators and other engines not associated with propulsion of the vessel. This is also outside the scope of the sponsor's intention.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 100
Publish Date: 2/3/87

REQUEST _____
Revision Date: _____
Title: An Act relating to the taxation
of watercraft motor fuel
Sponsor: Jones by Request
Requestor: _____

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	(3000.0)	(3000.0)	(3000.0)	(3000.0)	(3000.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Analysis assumes an effective date of July 1, 1987. See attached.

Prepared By: ^{DT} David Tonkovich Phone: 465-2173
Division: Research/Revenue Date: 2/12/87

Approved by Commissioner: [Signature] Date: 2/16/87
Agency: REVENUE SEE ADDITIONAL

Distribution (by Agency preparing fiscal note): FISCAL NOTE ON
ADMINISTRATIVE COST
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

Continuation for Fiscal Note Analysis

SB 100

Analysis:

This legislation exempts from the \$.05/gallon marine fuel tax that fuel which is purchased outside the State's jurisdiction but is brought into the state for use by a watercraft.

It is the State's contention that fuel used within the three mile limit is subject to the fuel tax. This contention is currently the subject of an administrative hearing process. Because of uncertainty over the outcome of that process current revenue estimates do not include these potential revenues.

There are three pieces of information required to estimate the - revenue impact of this bill: 1) The volume of vessel traffic into and out of Alaska; 2) The amount of fuel used within the State's jurisdiction by these vessels; and 3) The portion of the fuel purchased outside the State. Unfortunately there is only fragmentary data on any of these items.

An earlier fiscal note on this topic (SB 387, 1986 Legislative Session) tried to provide a rough estimate of the impact of excluding this fuel usage from the tax. The procedure to develop that estimate is summarized below. Because there have been no further returns filed on this element of the marine fuel tax (pending the outcome of the administrative hearing process) the figures developed for that legislation remain our best estimate of the impact.

The estimate contained in the note for SB 387 was prepared by dividing potential collections into two parts:

1. Revenues from users whose tax liability could be estimated from data on the number of trips, average fuel consumption and time in Alaska waters. Also, for several of these users a full year return was available. This part of the estimate covered these major users:

Tankers into and out of Valdez
Cruiseships in Southeast Alaska
Several large common carriers serving Southcentral Alaska
Several carriers distributing petroleum products for local use.

Our estimate for these users is \$2 million annually.

2. Revenues for remaining users. This tax liability is more difficult to estimate because of the diversity of users and the fact that available returns cover only part of the year. This estimate would cover many of the common and contract carriers, freighters hauling raw materials and semi-finished products such as LNG, fish processors and a variety of other users.

Our estimate for these users is \$1 million. Because of the numbers and variety of users involved this estimate is probably conservative.

POSITION PAPER - SB 100

SB 100 is identical to CS SB 387 (Fin.) which passed the Senate but died in House Rules Committee upon adjournment in 1986.

This legislation is necessary to correct a new (1985) and onerous reinterpretation of the motor fuel tax by the Department of Revenue (D.O.R.). It concerns fuel brought into the state in a marine vessel's fuel storage tanks and consumed to operate the vessel while in Alaska waters. SB 100 would clarify that, consistent with the application of the motor fuel tax laws between 1946 and 1985, fuel brought into the state in fuel storage tanks for the purpose of operating the vessel is not subject to the motor fuel tax.

Background Information

The motor fuel tax was enacted in 1946. Marine fuel purchased or transferred within Alaska is taxable in full at \$.05 per gallon.

Since its enactment in 1946 until 1985, motor fuel purchased outside Alaska and consumed in Alaska without first being stored or otherwise coming to rest in the state was not taxed under the motor fuel tax provisions.

In 1985, without benefit of any new legislative authorization, D.O.R. initiated a series of letters to certain marine cargo carriers, among others, attempting to levy a fuel tax on fuel consumed in Alaska but which was brought into the state in fuel storage tanks and used to propel and operate the vessel.

This "new interpretation" of the law has not been authorized by the Legislature or existing law and extends the tax beyond the original scope of the marine fuel tax statute.

D.O.R. contends that a 1982 amendment to its administrative regulations authorizes its "new interpretation." However, D.O.R. admits that nothing in the public notice of intent to adopt the regulations stated that D.O.R. intended to tax mere consumption of marine fuel or that it intended to change the application of the law it had used the previous 39 years.

The amendment in question consists of deletion of the word "and" used in the statute and substitution of the word "or" to define "user." The result is that the statute defines "user" as follows:

(4) "user : eans a person consuming or using motor fuel, who either

(A) purchases the fuel out of the state and ships it into the state for personal use in the state;

(B) manufactures the fuel in the state;

or

(C) purchases or receives fuel in the state that is not taxed at the time of purchase or receipt or is taxed at a rate that is less than the rate prescribed by AS 43.40.010. (emphasis added)

However, after the D.O.R. amendment, the regulations defines "user" as follows:

(6) "user" means a person consuming or using motor fuel who purchases the fuel out of state or ships it into the state for personal use in the state, who manufactures the

fuel in the state, or who purchases or receives in the state fuel that is not taxed at the time of purchase or receipt or is taxed at a rate that is less than the rate prescribed by AS 43.40.010; (emphasis added)

The regulations are obviously inconsistent with statute and appear to be an attempt to extend the scope of the fuel tax beyond that originally intended by the Legislature. This unilateral action by an executive branch agency which attempts to make substantive changes in the law without legislative authorization is highly questionable and unfair.

SB 100 would amend the statute to prevent this "new interpretation" and clarify legislative intent to ensure that D.O.R. will tailor its administrative activity consistent with the 39-year history of the motor fuel tax.

It is worthy of note that D.O.R. has said that if successful in the marine fuel area, it will extend its "new interpretation" to vehicular motor transportation and aviation (which raises questions similar to those in the marine transportation area.

POLICY CONSIDERATIONS IN SUPPORT OF SB 100

1. D.O.R.'s "new interpretation" would certainly increase the costs of consumer goods, construction materials and equipment, and other products shipped to Alaska and thereby increasing the cost of living to all Alaskans;
2. The "new interpretation" would result in higher tourist travel costs to Alaska as cruise ships would be subject to the new fuel tax;
3. The "new interpretation" would impose the tax on the amount of marine fuel consumed while inside the three-mile limit of Alaska waters thereby placing certain ports at a competitive disadvantage due to their location farther inside bays, harbors and inlets;
4. The "new interpretation" would also apply to tanker traffic to and from Valdez, however, this merely increases transportation costs which are "netted back" reducing the well-head value to the state of Alaska;
5. The "new interpretation" would apply to the large fishing fleet and pleasure craft which ply Alaska waters raising questions of the administrative, enforcement, and personnel costs required to adequately monitor the expansion of the tax to fuel "consumed" in transit.
6. When the "new interpretation" is applied to motor vehicle transportation, it is readily apparent that revenue agents would be necessary at the Canadian border to measure fuel in tanks of automobiles, recreation vehicles and trucks

coming into Alaska to levy and collect this tax. (Ferry travel from Seattle would require similar treatment.)

7. No other west coast state, neither Texas nor Hawaii impose a "consumption tax" such as is being proposed under D.O.R.'s "new interpretation."
8. When applied to the aviation travel, both commercial and private, similar questions of increased travel costs and administrative costs are evident.
9. Aside from the obvious administrative costs and enforcement problems, as a matter of public policy, it does not make good sense to permit this extension of the motor fuel tax which will result in more expensive consumer goods, construction equipment and materials and which would possibly discourage tourist travel to Alaska. This is an especially sensitive question at this time of economic stagnation in the state.
10. There is no revenue loss to the state of Alaska because the tax has not been levied or collected between 1946-1985.

ALASKA MOTOR FUEL TAX CHRONOLOGY

The following is a chronology of key events in the interpretation and application of the Alaska Motor Fuel Tax.

- 1946 Alaska Territorial Legislature imposes motor fuel tax on (1) all fuel sold and delivered or otherwise transferred within the Territory; and (2) all fuel consumed by a "user," defined as "any person, firm or corporation consuming or using any motor fuel, who shall have purchased such fuel out of the Territory and shipped it into the Territory for his or its own use within the Territory." Laws of Alaska 1946, Ch. 18 (emphasis added).
- 1946 - Present Alaska Legislature amends and reenacts motor fuel tax numerous times, without substantive change to provisions relevant here.
- 1946 - 1985 Division of Audit (DOA) of Department of Revenue applies motor fuel tax in accord with constitutional and statutory limits:
- A. Motor fuel purchased or transferred within Alaska was taxable in full without regard to the jurisdiction in which the fuel was actually consumed.
 - B. Motor fuel purchased outside Alaska and consumed in Alaska during propulsion without first being stored or otherwise coming to rest in the state was not taxed under the Motor Fuel Tax provisions.
- June 3, 1982 Governor approves House Bill 101, which amends the motor fuel tax statute without substantive change to the definition of "user" or other provisions relevant here.
- July 19, 1982 Department adopts first comprehensive motor fuel tax regulations, without prior notice. Finding of Emergency states that the regulations are necessary to implement House Bill 101. However, the regulations also purport to restate the definition of "user" as follows:

A. The statute defines "user" as a person consuming or using motor fuel who . . . purchases the fuel out of the state and ships it into the state for personal use in the state . . . AS 43.40.100(4) (emphasis added).

B. The regulations define "user" as "a person consuming or using motor fuel who purchases the fuel out of state or ships it into the state for personal use in the state . . ." 15 AAC 40.900(5) [now(6)] (emphasis added)."

July 20, 1982

Department issues Notice of Adoption of Emergency Regulation. Nothing in the notice states that the Department adopted a different definition of "user," or that the Department intended to tax fuel merely consumed in state waters, or that DOA intended to change the way it had applied the motor fuel tax since 1946. No notice is sent to marine fuel consumers as such, or to the Taxpayers here. Extensive comments are submitted on numerous topics, but none of them mention the definition of "user" or taxation of fuel merely consumed in state waters. Nothing in the Department's file on the regulations even discusses the definition of "user" or taxation of fuel merely consumed in state waters.

Nov. 14, 1982

The July 1982 regulations are adopted and made permanent by the Department.

1985

DOA begins to apply the motor fuel tax differently. DOA now interprets the statute and regulations as follows:

A. Motor fuel purchased or transferred within Alaska remained taxable in full at the time of purchase, but in-state purchasers could seek a refund of tax on any fuel consumed outside Alaska. Under this interpretation, fuel both purchased and consumed in the state would be subject to only one tax.

B. Motor fuel purchased outside Alaska and consumed while in transit through Alaska would be subject to Motor Fuel Tax on the fuel actually consumed within the state, even

though not stored or otherwise coming to rest in the state . . . without regard to whether such fuel was subject to actual or potential taxation in the state or foreign country where purchased, and without any express statutory or regulatory credit for taxes paid outside the state.

May 1985

DOA issues Questions and Answer Booklet reflecting its new interpretation as to motor fuel purchased in Alaska. DOA does not seek to comply with Alaska Administrative Procedure Act requirements in the issuance of the Booklet.

June 1985

DOA issues 200 letters applying its new interpretation of the statute to motor fuel purchased outside Alaska and merely consumed in state waters. The letters instruct the recipients, including the Taxpayers here, to file returns for the periods they had allegedly been using fuel in Alaska waters and to respond within 30 days, or else taxes, penalties, and interest would be assessed accordingly. DOA does not seek to comply with Alaska Administrative Procedure requirements in the issuance of the letters. The letters are the first written notice directed to Taxpayers or to marine fuel consumers in general regarding application of the tax to fuel merely consumed in state waters.

July - Nov. 1985

DOA requests that Taxpayers file returns as of January 12, 1985, and represents that it will not seek returns for any prior period,

Oct. Dec. 1985

DOA and Taxpayers agree on appeal procedures, under which Taxpayers file a return for one month, pay the tax for that month, and simultaneously file a refund claim. DOA agrees to stay all other reporting, collection, penalty and assessment procedures pending final administrative and judicial resolution of the matter.

Currently

The matter is now on appeal before the Department of Revenue.

Anchorage chamber issues 3 resolutions

The Anchorage Chamber of Commerce has adopted three resolutions relating to state policy and Anchorage development.

The first asks Gov. Steve Cowper for release of road funds impounded during the Fiscal Year '87 budget adjustment. These funds will continue replacement and upgrade of critical traffic thoroughfares.

The second addresses a state Department of Revenue administrative decision to collect a five percent tax on marine fuel used for ship operation within the three-mile limit, including cruise ships. Payment of the tax will impact most seriously in Alaska on goods transported into the Cook Inlet, said the chamber. The Chamber has asked the Governor and Legislature to reverse this administrative decision as not equitable.

The final action provides for supporting the proposed 3,680-acre land exchange between the Eklutna Inc. village corporation and the state of Alaska.

The Eklutna land is adjacent to Chugach State Park. The state land lies between Fifth and Sixth avenues and Cordova and A streets in Anchorage.

Each parcel of land is valued at about \$9 million. The land exchange would further enhance the municipality's efforts to protect the Eagle River Greenbelt. The Chamber also asks the state to support and assist Eklutna Inc. in the development of a major resort area north of Anchorage.

The three items were recorded as resolutions and forwarded to Governor Cowper for action by the Administration. The chamber said it considers these items important to the quality of growth in Anchorage.

This Resolution has been adopted by The
Anchorage Chamber of Commerce.

RESOLUTION

WHEREAS, The Alaska Motor Fuel Tax laws have since 1946, levied a 5 cent per gallon tax on marine fuel purchased or transferred within Alaska; and

WHEREAS, for 39 years marine fuel purchased outside Alaska waters and brought into the state in fuel storage tanks on watercraft for the purpose of operating the vessel has not been taxed under the Motor Fuel Tax provisions of Alaska law; and

WHEREAS, in 1985, the Alaska Department of Revenue initiated a new and different interpretation of the law as applied to marine fuel brought into the state in fuel storage tanks on watercraft for the purposes of operating the vessel and began a tax collection effort; and

WHEREAS, this effort was undertaken without new authorizing legislation or amendment; and

WHEREAS, the new interpretation of the marine fuel tax will have serious implications for the business and individual consumers in Alaska by increasing the costs of goods brought into the state by water transportation; and

WHEREAS, the new interpretation will apply to cruise ships which visit Alaska waters thereby increasing costs of such tourist travel to our state; and

WHEREAS, because the new interpretation would impose the tax on the amount of marine fuel consumed while the watercraft is inside the 3 mile limits of Alaska waters, certain Alaska ports will be unfairly placed at a competitive disadvantage due to longer travel time inside bays, harbors and inlets; and

WHEREAS, in 1986 the Alaska Senate passed CS S.B. 387 (Finance) which would have specifically prevented application of the new interpretation; and

WHEREAS, the Alaska House of Representatives adjourned before S.B. 387 could reach the floor for a vote on the issue; and

WHEREAS, legislation similar to S.B. 387 would not result in a revenue loss to the State of Alaska because such a tax was not levied or collected between 1946 and 1985;

THEREFORE BE IT RESOLVED, that the Anchorage Chamber of Commerce urges that Governor Cowper and the Alaska Legislature take action to clarify the law so that marine fuel brought into the state in fuel storage tanks on watercraft for the purposes of operating the vessel not be taxed and avoid increasing costs of business and consumer goods to Alaska consumers, increasing the costs of tourist activities in the state and avoid the competitive discrimination against certain ports which could result;

BE IT FURTHER RESOLVED, that copies of this resolution together with a letter urging Governor Cowper and the legislative delegation to support a measure similar to S.B. 387 be sent to the appropriate state officials.

(8) "watercraft" means a ship, boat, vessel, or other structure that is capable of being moved in or on water either under its own propulsion or propelled by another craft, including a floating fish processor, a transportation barge, a drilling ship, and a semi-submersible drilling rig;

* * *

(Eff. 4/8/82, Reg. 82; am. 8/1/82, Reg. 83; am. 7/19/82, Reg. 83; am. 11/14/82, Reg. 84; am. 8/12/84, Reg. 91)

Discussion

The Taxpayers received letters from the Division in June, 1985 requiring them to file motor fuel tax returns and pay the tax based on fuel acquired outside of Alaska and consumed within the state. After quoting AS 43.40.010, the Revenue Auditor wrote:

This tax is a user tax. The fuel purchased out of state and used or consumed within Alaska waters is subject to the Alaska Motor Fuel tax. Every user is required to remit the tax accrued on motor fuel imported into the State and used during each month. Based on our information, we believe you are required to file a monthly tax return with the Department of Revenue.

I have enclosed Alaska Statutes and regulations governing motor fuel taxes. Also enclosed are motor fuel tax returns (04-541) with instructions on how to prepare these returns. We request that you file these returns for the periods that you have been using motor fuel within Alaska waters. If you need additional returns or information please contact this office.

Exs. 1 - 5, Letters to Taxpayers. The Taxpayers filed motor fuel tax returns for October, 1985, paid the taxes based on consumption and filed claims for refund. The claims were denied. F.F. 15. The Taxpayers filed appeals, F.F. 16, and an informal conference decision was issued, which upheld the taxation of the motor fuel, F.F. 17.

The Taxpayers have raised several issues concerning the application of the motor fuel tax to fuel purchased outside of Alaska and consumed in Alaska waters from a vessel's fuel tanks (bunkers). The Taxpayers protest the proposed taxation method based on statutory interpretation, the Administrative Procedure Act and constitutional grounds. Because we conclude that the action by the Division violates the Administrative Procedure Act, we do not reach the statutory interpretation and constitutional issues.

I. The Taxation Of Watercraft Fuel Purchased Outside of Alaska And Consumed In Alaska Proposed By The Audit Division In June, 1985 Was Inconsistent With The Prior Course Of Conduct Of The Division Concerning The Taxation Of Such Motor Fuel.

The Division and the Taxpayers have stipulated that a single course of conduct concerning the taxation of watercraft motor fuel was followed from the enactment of the law in 1946 until 1985. Motor fuel purchased or transferred within Alaska was taxable in full without regard to the jurisdiction in which the fuel was actually consumed and motor fuel purchased outside of Alaska and consumed in Alaska without first being stored or otherwise coming to rest in the state was not taxed. F.F. 1. In other words, a vessel taking on fuel in its bunkers outside of Alaska and consuming that fuel in Alaska did not pay motor fuel tax to Alaska. This historical approach was based primarily on statutory interpretation because the first regulations concerning the motor fuel tax were not adopted until 1982. See 15 AAC 40.010 -- 15 AAC 40.900, Eff. 7/19/82, Reg. 83.

Under AS 43.40.010 there were two classifications of taxpayers, dealers and users. A dealer was a person who sold or otherwise transferred in Alaska motor fuel upon which the tax had not been paid. AS 43.40.100(1). A user paid the motor fuel tax at the same rates as a dealer and was a person who consumed or used motor fuel who either purchased the fuel outside of Alaska and shipped it into the state for personal use in the state, or who manufactured the fuel in the state or who purchased or received fuel in the state which was not taxed at the time of purchase or receipt or was taxed at less than the proper rate. AS 43.40.100(4). The tax was levied when a dealer sold or otherwise transferred motor fuel, AS 43.40.010(a) or when a user consumed motor fuel, AS 43.40.010(b).

Prior to the Division's action in 1985, the Taxpayers in this case did not pay nor did the Division require that they pay motor fuel tax. They were not "dealers" because they were not selling or otherwise transferring the fuel in this case. The Taxpayers did not manufacture the fuel and did not otherwise receive fuel in the State; therefore they could not have received it tax-free or at a reduced tax rate. See F.F. 1. Had the Taxpayers been taxable at all, it would have been because, they purchased the fuel out of the state and shipped it into the state for personal use in the state. AS 43.40.100(4)(A). Though not conclusive as to the taxability of their use of motor fuel, neither the Taxpayers nor any other motor fuel consumer on watercraft filed a return and paid a tax on the consumption basis proposed in the June, 1985 letters to the Taxpayers. F.F. 19. The record contains no reference to any earlier attempt by the Division to impose or require this method of taxation on watercraft fuel use.

While the letters to the Taxpayers failed to cite authority for the Division's action in 15 AAC 40, the Division claims that its action and

change of method of taxation were authorized by properly adopted regulations. The key regulation is 15 AAC 40.900(6) which defines "user" differently than in the statute, AS 43.40.100(4). The statute defines "user" as follows:

"user" means a person consuming or using motor fuel, who either
(A) purchases the fuel out of the state and ships it into the state for personal use in the state;

AS 43.40.100(4)(emphasis added).

This definition was first enacted in 1946, § 1(c), ch. 18, Session Laws of Alaska 1946 in substantially the same form:

"User" means any person, firm or corporation consuming or using any motor fuel, who shall have purchased such fuel out of the Territory and shipped it into the Territory for his or its own use within the Territory.

(Emphasis added). The regulation expands the definition by replacing the emphasized "and" in the statutory definition with an "or" in the regulation:

"user" means a person consuming or using motor fuel who purchases the fuel out of state or ships it into the state for personal use in the state,

15 AAC 40.900(6). AS 43.40.100(4) requires the taxpaying user to purchase outside of the state and ship into the state for personal use. Under the regulation anyone purchasing motor fuel outside of the state and bringing it by any means into the state for use is taxable. This is so because the import is no longer restricted to bringing it in by "shipping." If we presume, for the sake of argument, that the regulation was properly adopted, is consistent with AS 43.40.100(4), and is constitutional, there would be authority under the regulation to tax motor fuel on watercraft which was used in Alaska waters and brought into Alaska waters as the vessel's fuel supply. However, we conclude that the regulation does not provide the Division with the authority to change the method of taxation on fuel purchased outside of Alaska and used on watercraft. The new interpretation imposed in the June, 1985 letters was not covered by this regulation, but rather amounted to a "regulation" in and of itself. As such, it was not properly adopted.

A. The Department's Notice Of Proposed Adoption Of Emergency Regulations Is Presumed To Have Been Adequate To Notify The Public Of The Subject Of The Proposed Regulations.

The Division adopted 15 AAC 40.900(6), the new definition of "user" as part of a group of regulations first adopted as emergency regulations,

effective 7/19/82, Reg. 83, and then as permanent regulations, effective 11/14/82, Reg. 84. The emergency regulations were adopted in response to the passage of Conference Committee Substitute for House Bill 101 which became Chapter 82 of the 1982 Session Laws of Alaska. The newly enacted legislation, however, did not amend the definition of "user" nor did it expand the taxation of fuel consumed on watercraft. Those changes were introduced in the new regulations.

The Department's Notice of Adoption Of Emergency Regulations contained the following summary of the proposed regulations and their subject matter:

Section 010 relates to return filing requirements;

Section 020 indicates which fuel is subject to motor fuel tax and provides for exemptions from the tax;

Section 030 requires a certificate for certain tax exempt sales;

Section 040 contains licensing requirements;

Section 050 requires a bond for every qualified dealer;

Section 060 authorizes the revocation of a qualified dealers license;

Section 070 lists which records shall be kept;

Section 100 allows a refund or credit on certain sales or transfers of motor fuel;

Section 110 requires tax payments for sales of diesel fuel not used for heating purposes;

Section 200 allows a refund of tax for certain uses of motor fuel;

Section 210 requires a claim be filed in order to receive a tax refund;

Section 220 relates to recovery by the State of erroneously issued refunds;

Section 230 indicates what records must be kept in order to claim a tax refund;

Section 900 contains definitions.

Notice of Adoption of Emergency Regulations, Dept. of Revenue (Jul. 20, 1982). This notice was published three times each in the Juneau Empire, Aff. of Publication, Juneau Empire (Aug. 10, 1982), the Anchorage Daily News, Aff. of Publication, Anchorage Daily News (Aug. 6, 1982), and the Fairbanks Daily News-Miner, Aff. of Publication, Fairbanks Daily News-Miner (Aug. 31, 1982).

A notice of proposed adoption, amendment or repeal must contain an informative summary of the proposed subject of agency action. AS 44.62.200(a)(3). The standard which the notice must meet is whether the notice gave members of the public sufficient information to decide whether their interests could be affected by the agency action and thus to make their views known to the agency. State v. First Nat. Bank of Anchorage, 660 P.2d 406, 425 (Alaska 1982). The filing of a regulation by the lieutenant governor establishes the rebuttable presumption that all the requirements of adopting a regulation have been complied with, including providing adequate notice to the public. AS 44.62.100(a)(3). Thus, the notice set out above presumably was adequate to inform the public of the subject of the regulations which the Department was proposing to adopt.

In addition to the presumption that all requirements were met is the liberal construction to be given the informative summary. First Nat. Bank at 660 P.2d at 425 n. 32. Where a failure to comply with the requirements has been alleged, the failure must have been substantial before a regulation is set aside. Chevron U.S.A., Inc. v. LeResche, 663 P.2d 923, 929 (Alaska 1983).

The notice set out above gave the public notice that regulations were being proposed which would affect motor fuel tax "filing requirements," the determination of which "fuel is subject to motor fuel tax," the allowance of "a refund for certain uses of motor fuel" and the procedure for filing a refund claim. Notice of Proposed Adoption, supra. We believe the notice was adequate to notify the public of the proposed changes.

While the notice was adequate for the purposes stated, the regulation file is devoid of any intent of the Division to change the taxation method for watercraft motor fuel users. Thus, the June 1985 letters contained the first written notice of the change in the taxation of motor fuel consumed by the Taxpayers. In our opinion, no notice of the change was provided by the regulations adopted in 1982.

B. The June, 1985 Letters To The Taxpayers Imposed A New Basis For The Taxation Of The Taxpayers' Motor Fuel Which Should Have Been Adopted By Regulation.

The June, 1985 letters notified the taxpayers of the new interpretation of the motor fuel tax:

This tax is a user tax. The fuel purchased out of state and used or consumed within Alaska waters on watercraft is subject to the Alaska Motor Fuel tax. Every user is required to remit the tax accrued on motor fuel imported into the State and used each month. Based on our information, we believe you are required to file a monthly tax return with the Department of Revenue.

Letter from John Hansen, Revenue Auditor to Taxpayers at 2 (June 7 and 10, 1985) (requesting Taxpayer to file returns and pay motor fuel tax) (emphasis added).

In writing the letter to the Taxpayers, the auditor changed the statutory requirement that a user ship motor fuel into the state for personal use, AS 43.40.100(4)(A), to import fuel into the state, Letters to Taxpayers, supra. "To ship" primarily means to "place or receive on board of a ship for transportation by water . . . [or] to cause to be transported", Webster's Third New International Dictionary, at 2096 (1976). Under this definition, we do not consider a vessel "shipping" the fuel in its fuel tanks to Alaska any more than the family car can be considered to be "shipping" fuel around the city.

On the other hand, "import" has a broader meaning, "to bring from a foreign or external source; introduce from without." Id. at 1135. "Import" goes beyond "ships into" by including all fuel brought into the state by any means from any outside source and thus includes a vessel's own fuel. The Letters introduced a new interpretation of "user" and effectively was a "regulation" as defined in the Administrative Procedure Act, AS 44.62.640(a)(3), but was imposed on the Taxpayers without going through the process for adopting regulations under AS 44.62. Although arguably consistent with the new definition of "user" adopted in the 1982 regulations, 15 AAC 40.900(6), there was no change in the enforcement of the law until the June letters, almost three years after the adoption of the regulations. The June letters constituted a new interpretation of the law, and thus were not properly adopted as regulations under the Administrative Procedure Act.

Should the Division wish to pursue the method of taxation proposed in the June, 1985 letters, it should do so only after properly adopting a regulation providing notice of the change from the prior method of taxation. In the course of adopting such a regulation, the Division should consider the arguments presented in this appeal concerning the consistency of such an approach within the existing statutes and conformity with the provisions of the United States and Alaska Constitutions cited by the Taxpayers.

This Resolution has been adopted by The Anchorage Chamber of Commerce.

RESOLUTION

WHEREAS, The Alaska Motor Fuel Tax laws have since 1946, levied a 5 cent per gallon tax on marine fuel purchased or transferred within Alaska; and

WHEREAS, for 39 years marine fuel purchased outside Alaska waters and brought into the state in fuel storage tanks on watercraft for the purpose of operating the vessel has not been taxed under the Motor Fuel Tax provisions of Alaska law; and

WHEREAS, in 1985, the Alaska Department of Revenue initiated a new and different interpretation of the law as applied to marine fuel brought into the state in fuel storage tanks on watercraft for the purposes of operating the vessel and began a tax collection effort; and

WHEREAS, this effort was undertaken without new authorizing legislation or amendment; and

WHEREAS, the new interpretation of the marine fuel tax will have serious implications for the business and individual consumers in Alaska by increasing the costs of goods brought into the state by water transportation; and

WHEREAS, the new interpretation will apply to cruise ships which visit Alaska waters thereby increasing costs of such tourist travel to our state; and

WHEREAS, because the new interpretation would impose the tax on the amount of marine fuel consumed while the watercraft is inside the 3 mile limits of Alaska waters, certain Alaska ports will be unfairly placed at a competitive disadvantage due to longer travel time inside bays, harbors and inlets; and

WHEREAS, in 1986 the Alaska Senate passed CS S.B. 387 (Finance) which would have specifically prevented application of the new interpretation; and

WHEREAS, the Alaska House of Representatives adjourned before S.B. 387 could reach the floor for a vote on the issue; and

WHEREAS, legislation similar to S.B. 387 would not result in a revenue loss to the State of Alaska because such a tax was not levied or collected between 1946 and 1985;

THEREFORE BE IT RESOLVED, that the Anchorage Chamber of Commerce urges that Governor Cowper and the Alaska Legislature take action to clarify the law so that marine fuel brought into the state in fuel storage tanks on watercraft for the purposes of operating the vessel not be taxed and avoid increasing costs of business and consumer goods to Alaska consumers, increasing the costs of tourist activities in the state and avoid the competitive discrimination against certain ports which could result;

BE IT FURTHER RESOLVED, that copies of this resolution together with a letter urging Governor Cowper and the legislative delegation to support a measure similar to S.B. 387 be sent to the appropriate state officials.

TESTIMONY
OF
M.R. LADNER, PUBLIC AFFAIRS
FOR
SEALAND SERVICE, FAIRBANKS, ALASKA
TO
ALASKA HOUSE TRANSPORTATION COMMITTEE
JUNEAU, ALASKA

MADAM CHAIR, MEMBERS OF THE COMMITTEE, MY NAME IS MIKE LADNER AND I AM THE PUBLIC AFFAIRS SPOKESMAN FOR SEALAND SERVICES IN ALASKA, BASED OUT OF FAIRBANKS. SEALAND SERVICES OPERATES THREE SHIPS BETWEEN SEATTLE AND THE RAILBELT AND ALEUTIAN CHAIN MARKETS OF ALASKA.

I AM TESTIFYING FOR SEALAND IN SUPPORT OF HB 280, WHICH WE STRONGLY FEEL CLARIFIES THE EXISTING LAW PASSED BY THE TERRITORIAL LEGISLATURE IN 1946. THE TERRITORIAL LEGISLATURE'S INTENT, WE BELIEVE, WAS TO STOP VESSEL OPERATORS FROM BRINGING IN BULK FUEL, FOR RESALE, THUS AVOIDING IN-STATE PURCHASED AND ALASKA TAXES.

THE ALASKA DEPARTMENT OF REVENUE IN JUNE OF 1985 CAME TO THE VESSEL OPERATORS AND STATED THEY WERE NOW GOING TO COLLECT A TAX ON FUEL BURNED, BUT NOT PURCHASED IN ALASKA'S THREE-MILE LIMIT. FOR THIRTY-NINE YEARS THIS TAX WAS NEVER COLLECTED, NOR WAS THE LAW INTERPRETED IN SUCH A WAY FOR IT TO BE ASSESSED. THE DEPARTMENT OF REVENUE ARBITRARILY, FOR REASONS OF ITS OWN, ISSUED WITHOUT CLEAR LEGISLATIVE INTENT, A NEW TAX.

THIS USER TAX WOULD COST OUR COMPANY APPROXIMATELY \$150,000 PER YEAR BASED PRIMARILY ON OUR CRUISING TIME WITHIN COOK INLET, KODIAK ISLAND, CORDOVA, AND DUTCH HARBOR, AS WELL AS INTERMEDIATE POINTS. A USER TAX

IS USUALLY BASED ON SERVICES RECEIVED, BUT ON THIS "CONSUMPTION" TAX, ALL AIDES TO NAVIGATION, INSPECTIONS, SAFETY AT SEA AND PORT CHARGES ARE EITHER PROVIDED BY THE FEDERAL OR LOCAL GOVERNMENTS.

SEALAND EMPLOYS 203 PEOPLE DIRECTLY AND INDIRECTLY IN ALASKA AND WE PAY TAXES ON PAYROLL, WORKERS' COMPENSATION, PERSONAL PROPERTY, EXCISE, AND LICENSE TAX. OUR COMPANY PAYS ITS FAIR SHARE OF TAXES IN ALASKA AND FEELS WE ARE GOOD CORPORATE CITIZENS.

SINCE THE DEPARTMENT OF REVENUE HAS NEVER COLLECTED THIS TAX, THERE WOULD BE NO LOSS OF REVENUE IN PASSING THIS LEGISLATION. THE DEPARTMENT OF REVENUE HAS INITIALLY SINGLED OUT THE MARITIME INDUSTRY ON THIS TAX, BUT CHECKS FOR TRUCKS AT THE BORDER, CARS AND RECREATIONAL VEHICLES AT THE BORDER AND ON THE FERRIES AND ALL AIRLINES WHEN THEY HIT ALASKA AIRSPACE WOULD ALSO FALL UNDER REVENUES' INTERPRETATION OF THIS TAX. AS ONE MIGHT IMAGINE, THE EQUITABLE ENFORCEMENT AND STAFFING TO ENFORCE THIS TAX WOULD BE A DIFFICULT AND COSTLY UNDERTAKING, PLUS THE ACCOUNTING BURDEN FOR THE TRANSPORTATION COMPANIES WOULD BE INCREASED.

IF THIS TAX WERE APPLIED TO THE COMMON CARRIERS OF ALASKA, IT WOULD BE ADDED TO THE RATES PAID BY THE ALASKAN CONSUMER, EITHER BY ADDING TO THE RATE OR BY ADDING AN ALASKA FUEL TAX SURCHARGE TO THE BILL OF LADING.

SEALAND THEREFORE URGES PASSAGE OF HB 280. I WISH TO THANK THE CHAIR AND THIS COMMITTEE FOR ALLOWING US TIME TO EXPRESS OUR OPINION ON THIS ISSUE.

THANK YOU.

TESTIMONY OF TOTEM OCEAN TRAILER EXPRESS, INC. (TOTE)
BY LEIGHTON H. THETFORD, ALASKA GENERAL MANAGER BEFORE
THE ALASKA HOUSE TRANSPORTATION COMMITTEE IN SUPPORT
OF HOUSE BILL NO. 280
MAY 6, 1987

Mr. Chairman, members of the Committee, TOTE is testifying today on our own behalf and on behalf of other ocean carriers shipping between the states of Alaska and Washington. We wish to express our support of Senate Bill 100, which was introduced to clarify the original intent of the legislature for the Alaska Motor Fuel Tax Act, and to eliminate any ambiguity in that act in relation to fuel brought into the state in the fuel storage tanks of watercraft.

The Motor Fuel Tax Act was passed as law by the Territorial Legislature in 1946. We believe that the legislature intended to tax fuel sold in Alaska and bulk fuel shipped as cargo into Alaska for personal use in the state. The legislature intended to prevent the shipping of untaxed bulk fuel into Alaska and therefore prevent a loss of sales tax revenue. The legislature did not intend to tax fuel brought into the state in fuel storage tanks on a watercraft for the purpose of operating the watercraft.

Alaska followed this legislative intent until June, 1985. No tax was asserted or collected on fuel brought into the state in fuel storage tanks on a watercraft for the purpose of operating the watercraft. In June, 1985 the Department of Revenue arbitrarily determined to redefine the legislative intent and to collect a tax on this bunker fuel. We strongly disagree with this new interpretation and believe that, in attempting to reinterpret the law and impose a new tax, the department violated the intent of the legislature as expressed in both the Motor Fuel Tax Act and the Alaska Administrative Procedure Act.

The department has asserted this tax is a user tax. The fuel tax has not previously been based on fuel used, but on fuel purchased in state or shipped into the state. The concept of a user tax is to pay for a service. The State of Alaska itself provides virtually no service for our industry. Aids to navigation, dredging, safety at sea, inspections and vessel safety are covered by the federal government. TOTE's port and dockside facilities are paid for by dockage fees and rental payments to the Port of Anchorage which were approximately \$1.9 million in 1986. In addition, TOTE is an Alaska corporation and pays substantial taxes to the State of Alaska, including income, property and payroll taxes.

A tax on bunker fuel consumed in Alaskan waters encourages carriers to avoid travel within the three-mile limit. Ports such as Anchorage, which lie further within Alaskan waters, would be discriminated against, as would carriers serving those ports. TOTE serves the Port of Anchorage only in our service to Alaska. Our ships cruise six hours in each direction through Cook Inlet. If a tax is imposed on bunker fuel, most of TOTE's tax would result from sailing through Cook Inlet to Anchorage.

Any increase in taxes would worsen the condition of the water transportation industry and increase costs to the Alaska consumer. In addition, our industry is a major source of commerce and employment in Alaska and any additional burden on the industry would be detrimental to the Alaskan economy. The past three years have been unprofitable for many carriers in our industry and several operators have been forced from the business as a result. The next three years are expected to be more difficult.

Our industry has filed an appeal with the Department of Revenue contesting this new tax. Although we expect to ultimately prevail in this matter, this arduous and expensive process can be avoided by clarifying the act through House Bill No. 280.

In summary, House Bill No. 280 was introduced to clarify the original intent of the legislature for the Alaska Motor Fuel Tax Act, and to eliminate any ambiguity in that act in relation to fuel brought into the state in the fuel storage tanks of watercraft. This bill will relieve the industry and the Department of Revenue from an expensive appeal and litigation process resulting from the department's radical new interpretation of the act. Finally, this bill will prevent a burden from being imposed on water carriers and consumers in Alaska.

I thank you for this opportunity to express the views of TOTE and of our industry. We encourage your support of House Bill No. 280 and will answer any questions you have at this time.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. TRANS.

5-8-87

1:30p.m.



Official Business

COMMITTEE:

House Transportation Committee

DATE: May 8, 1987

SIGN-IN

Subject of meeting:

HB 213: Allocation of Federal Highway Funds

*HB 280: Taxation of Watercraft Motor Fuel

CSSB 17: Vandalism of Traffic Control Devices

NAME Please include title **ADDRESS** Please use full address. Please include zip. **PHONE** **REPRESENTING** **DO YOU WANT TO TESTIFY?**

NAME Please include title	ADDRESS Please use full address. Please include zip.	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Carl H. Meyer Chief of Audit Appeals	Dept. of Revenue P.O. Box 5A	465-2343	DOR	AVAILABLE for HB 280 Questions
Alexis Gabay STAFF Attorney Gen. Faiks	— CSSB 17	465-4523	Senator Faiks	Yes
Jon Scriver	DOT & PF Pouch Z JNU	465-3900	DOT & PF	if questions, 217 yes

*indicates first public hearing