

SB 25

SENATE COMMITTEE REPORT

FURTHER:

2/4/87

DATE TURNED INTO OFFICE

2/24/87

Mr. President:

FINANCE

Committee considered

SB 25

providing a special assessment for private airports open for public use; efd.

and recommended:

replace with CS FOR \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS FOR \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous  DOT/PF  
 zero  fiscal impact 1/30/87

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Handwritten signatures]*

*Rich Uebly (No Rec)*

*[Handwritten signature]* DO PASS  
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version : SB 25

Publish Date : \_\_\_\_\_

Revision Date: Original

Agency Affected : DOT&PF

Title: Special Assessment for private airports open for public use...

BRU: \_\_\_\_\_

Sponsor: Bennett

Components : \_\_\_\_\_

Requestor: Senator Jones

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
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<b>REVENUE</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

This Bill will not impact DOT&PF. All duties, authorities and responsibilities rest with the municipality and the owner of the airport.

Prepared by: Ron B. Lind

Phone: 465-2171

Division: Plans, Programs and Budget

Date: \_\_\_\_\_

Approved by Commissioner: [Signature]

Date: 1/30/87

Agency: Department of Transportation and Public Facilities

**Distribution (by preparer):**

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

1 IN THE SENATE

BY BENNETT

2

SENATE BILL NO. 25

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act providing a special assessment for private  
7 airports open for public use; and providing for an  
8 effective date."

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

10 \* Section 1. AS 29.45 is amended by adding a new section to read:

11 Sec. 29.45.065. ASSESSMENT OF PRIVATE AIRPORTS OPEN FOR PUBLIC  
12 USE. (a) A municipality may provide by ordinance that airports  
13 located on private land and open and available for public use may be  
14 assessed at full and true value for airport use and not as if sub-  
15 divided or used for some other nonairport use. The assessor shall  
16 maintain records valuing the land at both full and true value and  
17 airport use value. If the land is sold, leased, or otherwise disposed  
18 of for uses incompatible with airport use by the public or if the  
19 owner converts the land to a use incompatible with airport use by the  
20 public, the owner is liable to pay an amount equal to the additional  
21 tax at the current mill levy together with eight percent interest from  
22 the time of the incompatibility, as if the land had not been assessed  
23 for airport use. Payment of the additional tax and interest shall be  
24 made to the municipality.

25 (b) To secure the assessment under this section, the owner of  
26 the airport shall show that the airport is on private land, is open  
27 and available for public use, and is of benefit to the public or  
28 municipality. The owner shall apply to the assessor before May 15 of  
29 each year that the assessment is desired on forms to be prescribed by

1 the municipality for use of the local assessor and shall include  
2 information reasonably required to determine the entitlement of the  
3 applicant. If the land is leased for airport purposes, the applicant  
4 shall furnish the assessor with a copy of the lease bearing the signa-  
5 ture of both the lessee and lessor for the period that the exemption  
6 is requested.

7 (c) In this section, "airport" means an area of land or water  
8 that is used or intended for use for the landing, takeoff, movement,  
9 or parking of aircraft, and the appurtenant areas that are used or  
10 intended for use for airport buildings or other airport facilities or  
11 right-of-way, together with airport buildings and facilities at the  
12 location.

13 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

# SENATE AMENDMENT

BY: Transportation Committee

TO: \_\_\_\_\_ SENATE BILL NO. 25

TO: \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

On Page 2, Line 8,

Delete "or intended for use"

On page 2, Lines 9 and 10,

delete "or intended for use"

(TURN IN ORIGINAL AMENDMENT TO SENATE SECRETARY'S OFFICE.  
THE AMENDMENT WILL BE NUMBERED, COPIED AND DISTRIBUTED.)

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of Jan 29 1987 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

\*\*FISCAL NOTE(S) ATTACHED  \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/19/87

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

TRANSPORTATION Committee considered SB 25

providing a special assessment for private airports open for public use; efd,

and recommended:

replace with CS \_\_\_\_\_  same title  
 new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Robert...*  
*Tim Kelly*  
*...*  
*...*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Bob Jones - Do Pass*  
Chairman signature and recommendation

Committee Backup Attached



210 25

## GHEMM COMPANY, Inc.

General Contractors

Phone 452-5191 • Telex 35455

P.O. Box 507

FAIRBANKS, ALASKA 99707

February 6, 1987

Senator Don Bennett  
Pouch V  
Juneau, Alaska. 99811

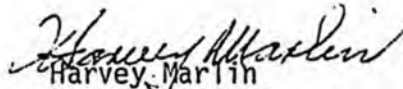
Attention: Chris Christianson

Dear Senator Bennett:

We did just receive a letter from Chuck Gray of the News Miner advising us that you have introduced a bill to give tax relief to private airport land owners.

We at Metro Field most enthusiastically support such a bill. A private airport, in our experience, is anything but a profitable venture. It does provide a convenience to any user, and does no doubt encourage various other expenditures such as airplanes, fuel, maintenance, insurance and land purchase plus improvements- all of which add to a taxable base.

We definitely endorse such a bill.

  
Harvey Marlin  
Vice President



# Bradley's Sky Ranch

Gravel Sales — Aircraft Sales — Service — Tiedowns — Fuel — Repair

Equipment Rental  
Snow Removal

2571 Old Richardson Highway  
North Pole, Alaska 99705  
Phone (907) 488-6234 or 488-7020

February 10, 1987

Senator Don Bennett  
Attn: Chris Chistianson  
Pouch V  
Juneau AK 99811

Re: Senate Bill No. 25

Dear Senator Bennett,

We, the owners and operators of Bradley Sky Ranch, do strongly support Senace Bill No. 25.

This airport has existed since 1953. We now have over 100 aircraft based here. The airport has been used by every commuter and air taxi operator in the Interior as well as by government organizations such as: BLM, Federal and State Fish & Game, C.A.P., and the US Army. We have two air taxi services and three aircraft maintenance facilities based here. I would estimate our general aviation movements would outnumber those of Fairbanks International.

One problem which Senate Bill No. 25 would address is that we have over eighty acres in airport and taxiing surface, parking and float pond. Due to recent increases in property assessments (taxes), we have explored several options: reduction in airport size, subdivision and sale, or public dedication.

We do not and have not received any public aid, and therefore, believe that Senate Bill No. 25 would help us to stay in the airport business and continue to serve the public interest.

Sincerely,

  
Leslie J. Bradley

"We Fly The Arctic"

*Editorial Opinion and Comment of*



**Daily News - Miner**

*"Independent in All Things . . . Neutral in None"*

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.



**Airfield options**

Private airports face an uncertain future in urbanizing areas such as Fairbanks.

Because these airports require lots of land in comparison to the income they can earn, property taxes can threaten their very existence.

A bill being introduced in the legislature by Sen. Don Bennett (R-Fairbanks) would allow local governments to give a property tax break to private airports that are open to the public. Rather than a break, it would be more of a just tax considering their value to the communities they serve. At present, state law prohibits municipalities like the Fairbanks North Star Borough from offering such tax breaks except to farmland.

Private airports make an important contribution to Alaska aviation. Among other things, they help draw light planes away from major government-run airports that serve airliners and other heavy aircraft. Anything that separates small planes from their bigger brothers increases the safety and convenience of all air travelers.

In addition, they reduce the need to expand government-run airports, reducing the demands on the public purse.

Bennett's bill would not *require* tax relief for private airports; it would only allow such relief. The choice would be up to the local government, just as it should be. And the tax break could be extended only to private airports open to the public.

This bill would cost the state nothing while providing an important and useful option to local government in Alaska. We hope it passes.

SHERMAN LAND DEVELOPMENT  
Clyde G. Sherman  
210 Northward Building  
Fairbanks, AK 99701

February 12, 1987

Senator Don Bennett  
ATTN: Chris Christianson  
Pouch V  
Juneau, AK 99811

Dear Senator Bennett:

Ref: Senate Bill No. 25

Yes, I favor your bill for special assessments of private air fields (rural).

I have a good air field which is needed for community use. I have considered destroying it and putting it into building lots due to the cost of taxes. I realize that once destroyed it can never be replaced, so I have held on.

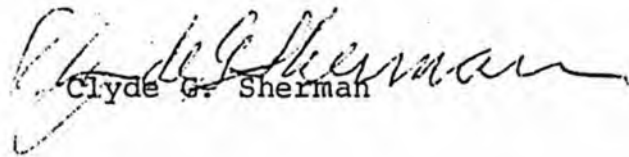
Little do we know how badly we may need these small air fields in the next 20-50 years.

Thank you for your efforts.

One other thing: the Fairbanks North Star Borough prohibits an owner of land adjoining an air strip putting up a hangar. This must be changed. It's worse than preventing a man building a garage for his car.

Don, if anyone needs to be written to or phoned on this, please let me know.

Respectfully yours,

  
Clyde G. Sherman

CGS:lr  
cc: Charles L. Gray  
President & General Manager  
Daily News Miner