

SB

370

SENATE COMMITTEE REPORT

FURTHER

4/26/88

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE Committee considered SB 370

rates and fees of the Alaska marine highway system and providing for preferential vehicle rates for the transportation of agricultural products grown in Alaska and recommended

[] replace with _____ CS _____) [] same title
[] or adopt _____ CS _____) [] 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
[] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

[] Committee Backup attached

SENATE COMMITTEE REPORT

FURTHER

FINANCE

4/21/88

DATE TURNED INTO OFFICE _____

Mr. President:

Resources _____ Committee considered _____ SB 370

rates and fees of the Alaska marine highway system and providing for preferential vehicle rates for the transportation of agricultural products grown in Alaska

and recommended

+ reports it back as follows

[] replace with _____ CS _____) [] same title
[] or adopt _____ CS _____) [] 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
[] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 *Paul H. ...*
4 *Paul ...*

2 *McKinnon no rec*
2 *Charles ... no rec*
2 *Stewart ... no rec*

[Signature]
Chairman signature and recommendation

SENATE COMMITTEE REPORT

5-1500B

FIRST COMMITTEE OF REFERRAL

Date of 4/14/88 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

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

FURTHER: Resources
FINANCE

1/26/88 DATE TURNED INTO OFFICE 4/21/88
Mr. President:

Transportation Committee considered SB 370

relating to rates and fees of the Alaska marine highway system
and providing for preferential vehicle rates for the transportation
of agricultural products grown in Alaska

mapu
and recommended:

- replace with CS SB 370 (TR.SP) (b) same title
 new title
- attached amendment(s) and *do pass*
- do pass
- do not pass
- no recommendation
- individual recommendations *For*
- further referral to _____
- letter of intent adopted and attached

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

MEMBERS SIGNING DO PASS
Tim Kelly
[Signature]
[Signature]

OTHER RECOMMENDATIONS
Do not Pass

[Signature] (Do Pass)
Chairman signature and recommendation

Committee Backup Attached

Offered: 4/21/88
Referred: Resources and Finance

5-1500B

Original sponsors: Kerttula, Szymanski,
Zharoff and Fischer

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 CS FOR SENATE BILL NO. 370 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to rates and fees of the Alaska
7 marine highway system and providing for preferential
8 vehicle rates for the transportation of agricultural
9 products grown in Alaska."

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

11 * Section 1. AS 19.65 is amended by adding a new section to read:

12 Sec. 19.65.030. RATES AND FEES FOR ALASKA MARINE HIGHWAY SYSTEM.

13 (a) The Department of Transportation and Public Facilities shall set
14 rates and fees for the transportation of passengers and vehicles and
15 for other services provided by the Alaska marine highway system.

16 (b) The department shall set a preferential vehicle rate for
17 vehicles transporting agricultural products grown, raised, harvested,
18 or produced in the state that is approximately 50 percent of the
19 established vehicle rate for vehicles of the same type. A vehicle is
20 eligible for the preferential vehicle rate if space is available on a
21 vessel of the Alaska marine highway system for intrastate travel to
22 accommodate the vehicle after all vehicles paying the established
23 vehicle rate have been accommodated and if the vehicle's primary
24 purpose for travel is to transport agricultural products grown,
25 raised, harvested, or produced in the state. In this subsection
26 "agricultural products" means dairy, vegetable, or grain products and
27 farm animal products other than live horses.

1 IN THE SENATE

BY KERTTULA, SZYMANSKI,
ZHAROFF AND FISCHER

2 SENATE BILL NO. 370

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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17 vehicles transporting agricultural products grown, raised, harvested,
18 or produced in the state that is equal to 50 percent of the estab-
19 lished vehicle rate for vehicles of the same type. A vehicle trans-
20 porting agricultural products grown, raised, harvested, or produced in
21 the state is eligible for the preferential vehicle rate if space is
22 available on a vessel of the Alaska marine highway system to accommo-
23 date the vehicle after all vehicles paying the established vehicle
24 rate have been accommodated. The department shall adopt regulations
25 to implement this subsection. In this subsection "agricultural
26 products" means animal, dairy, vegetable, or grain products.

STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSSB 370 (TRSP)
Publish Date: SENATE 4/21/88

REQUEST

Revision Date: _____
Title: "Relating to rates and fees for
Alaska Marine Highway System..."
Sponsor: Kerttula et al
Requestor: Jones

Agency Affected: DOT&PF
BRU: Alaska Marine Highway System
Components: Southeast and Southwest
Vessel Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL		2.0				
CONTRACTUAL		3.0				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	5.0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Assuming changes were made to this bill as outlined in the attached position paper, no cost increase would be experienced. The revenue impact would be minimal.
See additional analysis attached.

Prepared by: George W. Davidson (Signed) Phone: 465-3950
Division: Alaska Marine Highway System Date: 3-3-88
Approved by Commissioner: Mark S. Hickey Date: 3-3-88
Agency: DOT&PF

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

FISCAL NOTE ANALYSIS

1. Analysis of Expenditures:

The proposed legislation specifies that regulations shall be adopted to implement the preferential vehicle rate for those vehicles transporting Alaskan agricultural products.

\$5.0 funding will be required in FY89 only to cover legal fees and other costs to draft and implement the necessary regulations.

2. Revenue Impacts:

Assuming that the changes in this bill recommended in the Position Paper were adopted, it is estimated that there would be a minimal loss of revenue from those currently transporting Alaskan agricultural products and paying full fare. Because we do not have manifests of goods transported, it is not possible to accurately estimate the resulting revenue decrease.

**STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: SB 370
Publish Date: _____

REQUEST _____

Revision Date: _____
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Alaska Marine Highway System..."
Sponsor: Kerttula et al
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TRAVEL		2.0				
CONTRACTUAL		3.0				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	5.0	0	0	0	0
CAPITAL						
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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ALASKA STATE LEGISLATURE

.15th .Legislature 2nd...Session

SENATE....BILL..... NO. 370..

By .KERTTULA; .SZYMANSKI;. ZHAROFF,
FISCHER

"An Act relating to rates and fees of the Alaska marine highway system and providing for preferential vehicle rates for the transportation of agricultural products grown in Alaska."

Introduced in the Senate 1/26, 19 88

HISTORY IN THE SENATE

19 88
3 14 Read first time and referred to Committee on Finance Referral added
1 26 **TRANSPORTATION, RESOURCES**

Reported back with recommendation that
4 21 *Prop: replace w/CS, 4 do pass, 1 do not pass, 0 FN to Res*
4 26 *Res: 3 do pass 2 no, 1 FN to Finance*

Read second time and

Read third time and

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Chapter No.

Filed with Lt. Governor



Dept. of Transportation & Public Facilities

POSITION PAPER

BILL NO: SB 370

TITLE: HALF FARE ON ALASKA MARINE HIGHWAY
SYSTEM FOR ALASKA AGRICULTURE

APPROVED: 
Mark S. Hickey
Commissioner

DATE:

The scope of this bill is extremely broad but includes a provision for administration regulations in implementation which allow for certain restrictions. These restrictions would be required to prevent those who might see the special tariff as an opportunity to save money by simply transporting a qualifying product or animal.

The following changes to the proposed legislation are suggested:

- (1) Insert the word "approximately" before 50 percent, in paragraph (b). This would allow the Alaska Marine Highway System (AMHS) to round the tariff to the nearest dollar.
- (2) In paragraph (b), change the sentence that reads beginning (line 19): "A vehicle transporting agricultural products grown, raised, harvested or produced in the State is eligible for the preferential vehicle rate if space is available on a vessel of the Alaska Marine Highway System to accommodate the vehicle after all vehicles paying the established vehicle rate have been accommodated."

Change the sentence to read: A vehicle whose primary purpose for travel is to transport agricultural products grown, raised . . . "

- (3) The definition of "agricultural products" as written includes live animals. The transport of horses, which is quite common, would be included and it is felt that horses should be specifically eliminated from eligibility for the special tariffs.

Assuming the scope were narrowed to include only those vehicles whose primary reason for travel was for the transportation of agricultural products (not forest products or fish) and assuming horses were not included, the impact on the AMHS would be minimal.

The position of the Department on such legislation would be neutral.

The net result and intent of the bill is to provide financial support for Alaska farm products. The cleaner way to do so, from AMHS's view, is to provide that assistance directly to the farmer in the form of a rebate on approved shipping bills.

One final concern is that if such a tariff provision is approved for the agricultural industry, this would set a precedent for other industries, such as mining or fishing or timber, further reducing revenues and increasing the net cost of AMHS operations.

Sec. 19.60.030. Regulations. The department may adopt rules and regulations governing the use of ferry terminal facilities by the public which it considers necessary and proper in the public interest. (§ 3 ch 189 SLA 1959)

Sec. 19.60.040. Private enterprise not affected. Any person may construct a ferry terminal facility upon obtaining the approval of the department as to its location. A ferry terminal facility constructed by a person other than the department is subject to reasonable rules and regulations governing its use which the department considers necessary and proper in the public interest. (§ 3 ch 189 SLA 1959)

Sec. 19.60.050. Approval of department required for construction. A ferry terminal facility shall not be constructed without the approval of the department. (§ 3 ch 189 SLA 1959)

Sec. 19.60.060. Existing facilities not affected. A ferry terminal facility in existence and serving the public on January 1, 1959, is not affected by this chapter. (§ 3 ch 189 SLA 1959)

Sec. 19.60.070. Definitions. As used this chapter 19.60.070

(1) "department" means the Department of Transportation and Public Facilities;

(2) "ferry" means a vessel used in the common carriage of passengers and self-propelled vehicles in intrastate commerce. (§ 2 ch 189 SLA 1959; am Executive Order No. 39, § 11 (1977))

Revisor's notes. — The definition of "highway" found in AS 19.45.001 includes a "ferry system, whether operated solely inside the state or to connect with a Canadian highway, and any such related facility."

Effect of amendments. — The 1977 amendment substituted a reference to the Department of Transportation and Public Facilities for a reference to the Department of Public Works in paragraph (1).

Constitution section is not clearly in favor of ferry Alaska, and valid independent ination, this under the clause (U.S. No. 1 v. W Wash. 1981

Where the disadvantage substantial; retaining e: given for cha which ferry

Collateral 2d Ferries, § 36A C.J.S.

Sec. 19. ity of the . the Depart — 19.65 m.

(b) A me (c) A ves shall bear state. (§ 2

Chapter 65. Alaska Marine Highway System.

Section

10. Duty station or port change for employees of the Alaska marine highway system

20. Naming of vessel or facility

Sec. 19.65.010. Duty station or port change for employees of the Alaska marine highway system. No employee of the Alaska marine highway system may be relieved at a duty station or port which is outside the state. Appropriate state duty stations or ports for relief changes shall be designated by the Department of Public Works. (§ 1 ch 3 SLA 1977)

STATUTES

§ 19.65.010

department may adopt rules and
terminal facilities by the public
in the public interest. (§ 3 ch

not affected. Any person may
obtaining the approval of the
terminal facility constructed by
subject to reasonable rules and
the department considers neces-
sary. (§ 3 ch 189 SLA 1959)

department required for con-
struction shall not be constructed without
approval. (§ 3 ch 189 SLA 1959)

not affected. A ferry terminal
constructed on January 1, 1959, is not
affected. (LA 1959)

added to this chapter 19.60.070
Department of Transportation and Pub-

common carriage of passengers
in interstate commerce. (§ 2 ch 189 SLA
1977)

effect of amendments. The 1977
amendment substituted a reference to the
Department of Transportation and Public
Facilities for a reference to the Depart-
ment of Public Works in paragraph

Highway System.

change for employees of
No employee of the Alaska
at a duty station or port at any
duty stations or ports for the
Department of Public Works

§ 19.65.020

HIGHWAYS AND FERRIES

§ 19.65.020

NOTES TO DECISIONS

Constitutionality. — Although this
section is nondiscriminatory on its face, it
clearly has the effect of discriminating in
favor of ferry employees who reside in
Alaska, and given the absence of some
valid independent reason for the discrim-
ination, this section is unconstitutional
under the privileges and immunities
clause (U.S. Const., art. 4, § 2). District
No. 1 v. Ward, 505 F. Supp. 93 (W.D.
Wash. 1981).

Where the enforcement of this section so
disadvantaged Washington residents as to
substantially burden their accepting or
retaining employment, no reason was
given for changing the previous custom by
which ferry employees were permitted to

change shifts in Seattle, and no important
state interest to be served by the statute
was advanced, this section was found to
impose an unreasonable burden on inter-
state commerce and must fall under the
commerce clause (U.S. Const., art. 1, § 8).
District No. 1 v. Ward, 505 F. Supp. 93
(W.D. Wash. 1981).

Enforcement of section enjoined. —
Federal district court permanently
enjoined state officials from enforcing this
section to the extent that such
enforcement would bar employees of the
Alaska marine highway from changing
duty stations at regular ferry ports in the
State of Washington. District No. 1 v.
Ward, 505 F. Supp. 98 (W.D. Wash. 1981).

Collateral references. — 35 Am. Jur.
2d Ferries, §§ 10-16, 51-53.
36A C.J.S. Ferries, §§ 102, 23-25.

Sec. 19.65.020. Naming of vessel or facility. (a) A vessel or facil-
ity of the Alaska marine highway system constructed or acquired by
the Department of Transportation and Public Facilities under AS 19.60
— 19.65 may be given a name only by law.

(b) A maritime vessel shall bear the name of an Alaska glacier.

(c) A vessel used principally on the inland waterways of the state
shall bear the name of a historical vessel which used the rivers of the
state. (§ 2 ch 4 SLA 1981)

STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE

3/1/88
5 (Trans)
RS
Lock of
File
revised
A/B

Bill Version: SB 370
Publish Date: _____

REQUEST

Revision Date: _____
Title: "Relating to rates and fees for
Alaska Marine Highway System..."
Sponsor: Kerttula et al
Requestor: Jones

Agency Affected: DOT&PF
BRU: Alaska Marine Highway System
Components: Southeast and Southwest
Vessel Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

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TRAVEL		2.0				
CONTRACTUAL		3.0				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	5.0	0	0	0	0
CAPITAL						
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Assuming changes were made to this bill as outlined in the attached position paper, no cost increase would be experienced. The revenue impact would be minimal. See additional analysis attached.

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Division: Alaska Marine Highway System Date: 3-3-88
Approved by Commissioner: Mark S. Hickey Date: 3-3-88
Agency: DOT&PF

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

RECEIVED
MAR 11 1988

LEGISLATIVE FINANCE

58 370

FISCAL NOTE ANALYSIS

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