

S B

268

## STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

**REQUEST:** \_\_\_\_\_ **BUI Version:** SB 268  
**Revision Date:** \_\_\_\_\_ **Publish Date:** \_\_\_\_\_  
**Title:** Act relating to air carriers **Agency Affected:** DCED  
**Sponsor:** Senate Transportation **BRU:** Consumer Protection  
**Requestor:** \_\_\_\_\_ **Components:** Measurement Standards

**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>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	19,000	8,800	-8,800	8,800	8,800

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) We have 107 air carriers and 436 aircraft registered in the current fiscal year. Research of last fiscal year's records indicates that approximately 14 air carriers and 122 additional aircraft will apply for certificates of compliance prior to the end of FY-87.

Revenue projections were based upon these figures and the assumption that the level of voluntary compliance will remain relatively constant.

Prepared by: Joe Swanson, Director Phone: 345-7750  
 Division: Measurement Standards Date: 4/28/87

Approved by Commissioner: J. Anthony Smith Date: 4/28/87  
 Agency: Department of Commerce and Economic Development

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

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of April 30, 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)  
4/22/87

DATE TURNED INTO OFFICE May 5, 1987

Mr. President:

TRANSPORTATION Committee considered SB 268

enforcement of compliance with financial responsibility and certificate of compliance requirements for air carriers, penalties, issuance and display of certificates of compliance, and the definition of aircraft; efd.

and recommended:

- replace with CS \_\_\_\_\_  same title
- attached amendment(s) and  new title
- 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

*[Handwritten signatures]*

Tim Kelly - Do Not Pass  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ray Jones (Do Pass)  
Chairman signature and recommendation

Committee Backup Attached

# ALASKA STATE LEGISLATURE

Sen. Lloyd Jones, Chairman  
Sen. John B. "Jack" Coghill, Vice Chairman  
Sen. Mitch Abood  
Sen. Bettye Fahrenkemp  
Sen. Tim Kelly



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## Senate Transportation Committee

### MEMORANDUM

TO: Senate Transportation Committee

FROM: Senator Lloyd Jones, Chairman *LJ*

DATE: April 28, 1987

SUBJECT: Senate Bill 268 - Regulation of Air Carriers

This legislation would:

1. Provide for "stop use orders" to prohibit aircraft from operating commercially without the minimum liability insurance.
2. Increase maximum penalties from \$1,000 to \$10,000 per violation.
3. Allow for a fleet certificate for two or more aircraft, instead of separate certificates for each aircraft. A fleet certificate would be \$100, regardless of the number of aircraft.
4. Allow certificates of insurance to be posted in locations other than on board the aircraft.

SECTIONAL ANALYSIS - SENATE BILL 268

Section 1: This section clarifies existing law by specifically authorizing the department (Commerce) to prevent a commercial carrier from flying passengers for hire on a plane which has not been insured for liability at the State minimum level.

Section 2: This section increases the existing penalties for flying passengers for hire without first obtaining the minimum required level of liability insurance.

Section 3: This allows the department (Commerce) to issue a single certificate of insurance for a fleet of aircraft instead of for each individual aircraft. Many air carriers obtain a fleet insurance policy rather than individual plane policies. This would simplify the existing administrative procedure.

Section 4: Maintains the existing fee for a single certificate of insurance and establishes the fee for a fleet certificate. It also allows carriers to display certificates of insurance at the counter, gate, or other location rather than on the aircraft itself.

Section 5: Allows Department of Commerce to set fees by regulation beginning January 1, 1989 (See Section 11 for effective date).

Section 6: This specifically authorizes the department (Commerce) to issue a stop use order for plane carrying passengers for hire when the carrier has not obtained a certificate of insurance from the State.

Section 7: This section establishes a penalty for the violation described in Section 6. It is a lesser penalty than for violations under Section 2, as flying without a State certificate of insurance is not as serious a violation as flying without liability insurance at the established minimum level.

Section 8: Adds helicopters to the aircraft covered under this bill. This was an oversight in 1985 when this statute was passed.

Section 9: Assures Certificates of Compliance already in effect for a one year period, remain in effect until they expire.

Section 10: Repeals existing 42.30.225(c) which is superseded by Sections 2 and 7 in this bill.

Repeals existing 42.30.225(d) which was a transitional provision of the 1985 statute, and is no longer meaningful.

sd/11.33