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HOUSE COMMITTEE REPORT file

(11)

Date Referred: March 15, 1990
(Waived from Transportation 3/15)

FURTHER REFERRALS:

Date of Committee Action: 4/29/90

The FINANCE Committee considered:

CSSB 428 (Trsp)

CS SENATE BILL NO. 428 (Trsp)

MARINE HIGHWAY ACCOUNTING & FUNDING

"An Act relating to the Alaska marine highway system, its funding and its budget; establishing the Alaska marine highway system fund; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with HCS CSSB 428 (FIN) [] the same title [] a new title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact HFC
- [] zero fiscal note
- [] zero with analysis

- [] fiscal note(s)
- [] zero fiscal note(s) DOA
- [] zero fn/analysis

SIGNING DO PASS:

SIGNING:
(Check approp. column)

Ronald J. Larson Larson
Clarence Swackhammer Swackhammer
Robert Brown BROWN
Harold Koponen Koponen
J. Ulmer ULMER

	Do Not Pass	No Rec	Amend
<u>Lynne Hoffman</u> Hoffman	X		
<u>Dick Shultz</u> Shultz	X		
<u>John Riegan</u> Riegan	✓		
<u>General Bannus</u> Bannus	X		
<u>Keywallis Wallis</u> Wallis	X		

Lynne Hoffman Hoffman
 Co-Chairman's Signature
Ronald J. Larson Larson

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: AK Marine Highway System
Sponsor: Rules Committee/Governor
Requestor: House Finance Committee

Agency Affected: Administration
BRU: Central Administration
Components: Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	37,110.7	38,756.4	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

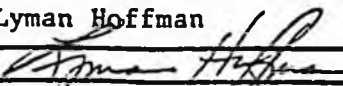
GENERAL FUND	<37,110.7>	<38,756.4>	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
- OTHER GF prg recp	37,110.7	38,756.4				
TOTAL			-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : Beginning July 1, 1990 the gross revenue of the Alaska Marine Highway System will be deposited in a special account in the General Fund, the Alaska Marine Highway Fund, instead of the unrestricted General Fund revenue account. The funds will be collected and held for use during FY 92. This impact does not occur in any subsequent year and is needed as a one time action to establish a workable fund balance.

Prepared by: House Finance Committee Phone: 465-3727
Division: Co-Chairman Ron Larson Date: 4/19/90

Approved by Commissioner: Co-Chairman Lyman Hoffman Date: 4/19/90
Agency: 

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
Title: An Act relating to AMHS, its funding BRU: Finance
and its budget, establishing the AMHS fund.
Sponsor: Duncan Components: Finance
Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No additional appropriation for the Division of Finance is anticipated to be required. The only involvement of the Division of Finance is to establish the Alaska Marine Highway System Fund as an account in the General Fund. Required reporting and administration of the fund will be under the control of the Alaska Marine Highway System.

Prepared by: Keith Busch, Director *Keith Busch* Phone: 465-2240
Division: Finance Date: 2/16/90
Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 2/16/90
Agency: Department of Administration

Distribution (by preparer):

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

Changes in CS SB 428 (Trsp.)
have no fiscal impact.
This fiscal note is CM
appropriate.

Original sponsor(s): SEN. DUNCAN, Jones, Eliason, Halford, Kelly;
REP. C.Davis

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 428 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska marine highway system,
7 its funding and its budget; establishing the Alaska
8 marine highway system fund; and providing for an
9 effective date."

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

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

12 ARTICLE 2. ALASKA MARINE HIGHWAY SYSTEM FUND AND BUDGET.

13 Sec. 19.65.050. LEGISLATIVE FINDINGS, PURPOSE, AND INTENT. (a)

14 The legislature finds that

15 (1) the Alaska marine highway system is an essential part
16 of the state transportation system, and that it warrants continued and
17 predictable state support;

18 (2) many communities' economies are dependent on a steady
19 and stable marine highway system service level;

20 (3) the state's tourism industry is greatly enhanced by a
21 dependable marine highway transportation network; and

22 (4) efficient and prudent management of the system will
23 benefit the state's economy and foster economic development.

24 (b) It is the purpose of AS 19.65.050 - 19.65.100 to

25 (1) enable the Alaska marine highway system to manage and
26 operate in a manner that will enhance performance and accountability
27 by allowing the system to account for and spend its generated revenue;

28 (2) provide the management tools necessary to efficiently
29 operate the Alaska marine highway system;

1 (3) within constitutional constraints, provide for a pre-
2 dictable funding base for system operations; and

3 (4) provide for predictability and stability in the service
4 level furnished to communities served by the system.

5 (c) It is the intent of AS 19.65.050 - 19.65.100 to

6 (1) encourage prudent administration through cost manage-
7 ment and accurate budgeting by managers of the Alaska marine highway
8 system;

9 (2) increase revenue from the operation of the system
10 consistent with the public interest, increase service consistent with
11 sound fiscal policy, and assist the prudent management and operation
12 of the system; and

13 (3) achieve stability in the level of service communities
14 can anticipate through accurate planning and scheduling.

15 Sec. 19.65.060. ALASKA MARINE HIGHWAY SYSTEM FUND. (a) There
16 is created, as a special account in the general fund, the Alaska
17 marine highway system fund, into which shall be deposited

18 (1) the gross revenue of the Alaska marine highway system;

19 (2) money that is appropriated to the Alaska marine highway
20 system fund by the legislature in an amount that is consistent from
21 year to year and is the amount necessary, after consideration of gross
22 revenue, to provide stable services to the public consistent with the
23 provisions of AS 19.65.050(b)(4), which appropriations are not one-
24 year appropriations and the balances of which do not lapse under
25 AS 37.25.010; and

26 (3) any other money that is appropriated to the Alaska
27 marine highway system fund by the legislature, which appropriations
28 are not one-year appropriations and the balances of which do not lapse
29 under AS 37.25.010.

1 (b) Nothing in this chapter exempts money deposited into the
2 Alaska marine highway system fund from the requirements of AS 37.07
3 (Executive Budget Act) or dedicates that money for a specific purpose.

4 Sec. 19.65.070. REVENUE ACCOUNTING. (a) The Alaska marine
5 highway system shall account for and remit to the Department of Reve-
6 nue in accordance with AS 37.10.050 all gross revenue generated from
7 the operation of the Alaska marine highway system during each annual
8 operating cycle. The money shall then be deposited in the Alaska
9 marine highway system fund.

10 (b) The Alaska marine highway system shall submit a written
11 report to the legislature, no later than the 10th day of each regular
12 legislative session, regarding the previous annual operating cycle.
13 The report must identify

14 (1) gross revenue generated during the previous annual
15 operating cycle;

16 (2) gross revenue generated during the current annual
17 operating cycle and an estimate of gross revenue for the remainder of
18 the current annual operating cycle;

19 (3) projections of the gross revenue to be generated during
20 the next annual operating cycle; and

21 (4) the difference between previous gross revenue estimates
22 prepared under this section and the revenues actually generated.

23 Sec. 19.65.080. ANNUAL APPROPRIATION. (a) Commencing with
24 appropriations for the fiscal year that begins July 1, 1991, on an
25 annual basis and under AS 37.07 (Executive Budget Act), the legis-
26 lature may appropriate amounts from the Alaska marine highway system
27 fund to the Alaska marine highway system.

28 (b) The Department of Transportation and Public Facilities may
29 request the legislature to appropriate money from the Alaska marine

1 highway system fund to the marine highway system for capital improve-
2 ments, if

3 (1) the appropriation under (a) of this section has been
4 made;

5 (2) the amount in the fund, without regard to the appro-
6 priation under (a) of this section, exceeds the total of gross revenue
7 deposited in the fund and the general fund appropriations under
8 AS 19.65.060(a)(2) by 10 percent; and

9 (3) the amount requested for appropriation under this
10 subsection does not exceed 50 percent of the balance remaining after
11 the appropriation for annual management and operations is made under
12 (a) of this section.

13 (c) The unexpended and unobligated balance of money appropriated
14 from the Alaska marine highway system fund lapses into the Alaska
15 marine highway system fund at the end of the fiscal year for which it
16 was appropriated.

17 Sec. 19.65.100. DEFINITIONS. In AS 19.65.050 - 19.65.100,

18 (1) "annual operating cycle" means the annual state fiscal
19 year beginning on July 1 and ending at midnight on the following June
20 30;

21 (2) "gross revenue" means all money, except money refunded
22 to ticket holders and others for unused services, that is generated
23 from the operation of the Alaska marine highway system, including that
24 derived from vessel operations and uses of Alaska marine highway
25 system facilities.

26 * Sec. 2. This Act takes effect July 1, 1990.

FEB 20 1990

(Trsp)

Bill Version CS SB 428 (c)

Publish Date: 2/28/90

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to the Alaska Marine Highway System
Sponsor: Duncan
Requestor: Senate Transportation

Agency Affected: Marine Highway System Fund
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	37110.7	38756.4	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	(37110.7)	(38756.4)	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	(37110.7)	(38756.4)	0	0	0	0

POSITIONS:

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

ANALYSIS: FY 90 fiscal effect is zero. The figures reflect projected total ferry system revenues which would be deposited in the Alaska Marine Highway System Fund, and subsequently available for appropriation, as estimated by DOTPF/Marine Highway System.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: February 15, 1990

Approved by Commissioner: [Signature]
Agency: Department of Revenue

Date: 2/15/90

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

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CS SB 428 (Trsp) (b)
PUBLISH DATE: 2/26/90

REQUEST: FISCAL NOTE

Revision Date:
Title: An Act relating to the Alaska Marine Highway System
Sponsor: Duncan
Requestor: Duncan

Agency Affected: DOT&PF
BRU: Alaska Marine Highway System
Components:

FEB 15 1990

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS:

Prepared by: W. Keith Gerken
Division: Deputy Commissioner, Operations

Phone: 465-3900
Date: Feb. 14, 1990

Approved by Commissioner: Mark S. Hickey *Mak S. Hickey*
Agency: Department of Transportation and Public Facilities

Date: 2/14/90

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

Changes in CS SB 428 (trsp)
have no fiscal impact.
This fiscal note is *cm*
appropriate.

BILL ANALYSIS

- * 1 The total operating and capital needs of the Alaska Marine Highway System will not be changed by this bill. The actual amounts appropriated may change because of the more direct connection between the earnings and funding.
- * 2 Beginning July 1, 1990 the gross revenue of the Alaska Marine Highway System will be deposited in a special account in the General Fund, the Alaska Marine Highway Fund, instead of the unrestricted General Fund revenue account. We have not depicted this as an expenditure or a revenue reduction since the same level of funds are being collected and they are just being held for use during FY 92. This impact does not occur in any subsequent year and is needed as a one time action to establish a workable fund balance.
- * 3 The sources of funding used for the appropriations to the Alaska Marine Highway System will change for FY 92. The source will become the Alaska Marine Highway System Fund instead of the General Fund.