

**HVB**

**143**

**HFIN**

**FILE**



# FISCAL NOTE

No. \_\_\_\_\_

Bill Version: CSSSHB 143 (CRA)

(H) Publish Date: 3/10/93

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Marine Fuel Tax Revenue Sharing BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Representative Mackie  
 Requestor: Representative Mackie COMPONENT SERIAL NO. 113

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	40.1	40.1	40.1	40.1	40.1	40.1
TRAVEL	20.0	3.0	3.0	3.0	3.0	3.0
CONTRACTUAL	43.0	3.0	3.0	3.0	3.0	3.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	8.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>112.1</b>	<b>47.1</b>	<b>47.1</b>	<b>47.1</b>	<b>47.1</b>	<b>47.1</b>
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE: General Fund</b>	<b>(750.0)</b>	<b>(750.0)</b>	<b>(750.0)</b>	<b>(750.0)</b>	<b>(750.0)</b>	<b>(750.0)</b>

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	112.1	47.1	47.1	47.1	47.1	47.1
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>112.1</b>	<b>47.1</b>	<b>47.1</b>	<b>47.1</b>	<b>47.1</b>	<b>47.1</b>

**POSITIONS:**

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0

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

(See Attached)

Prepared by: Larry E. Meyers, Director Phone: 465-2320  
 Division: Income and Excise Audit Division Date: February 23, 1993  
 Approved by Commissioner: Darrel J. Rexwinkel Date: February 23, 1993  
 Agency: Department of Revenue

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Fiscal Note Analysis  
CS SHB 143 - Marine Fuel Tax Revenue Sharing  
February 23, 1993  
Page 2 of 3

## Analysis

This bill provides for sharing marine fuel taxes to municipalities based on the linear footage of wharfage owned by the municipality. Effective July 1, 1993 taxes would be shared by multiplying marine fuel tax proceeds collected within the municipality by the following fraction of wharfage within the municipality:

$$\frac{\text{Total linear footage of wharfage owned by municipality}}{\text{Total linear footage of all wharfage that is publicly operated}}$$

Amounts shared would be subject to legislative appropriation.

Total actual linear footage of wharfage in the state is not available because wharfage has not been cumulatively inventoried as to federal, state, local and private ownership. According to the Alaska Department of Transportation and Public Facilities (DOTPF), municipalities currently own a small percentage of total wharfage in the state. DOTPF estimates that between 5% to 10% of wharfage in Alaska is municipally owned.

The revenue decrements in this fiscal note are based on 7.5% municipal ownership of wharfage and marine fuel tax collections of approximately \$10 million.

This bill will require additional reporting by dealers, distributors and users to report fuel sales in municipalities. Currently, only wholesale transactions are required to be reported by qualified dealers who sell or transfer motor fuel in the state. These transactions are reported on a state level and not by locality. Qualified dealers are not required to track and report transfers and sales of fuel between distributors and vendors. Under this bill, dealers, distributors and users will need to report subsequent sales or transfers of fuel in order for the department to determine the final location of the marine fuel tax proceeds.

## Operating Costs

An additional position will be required to monitor and process the additional reports received by the department. This position will also need to data capture wharfage and motor fuel tax information and determine the proper amount of taxes to be shared to respective communities. Corresponding costs are outlined on the following page.

- The department will procure a contract to survey wharfage in municipalities in the initial year that the sharing program takes effect (FY 94). The department will incur travel costs to conduct audits and educational seminars on the new reporting requirements.

Fiscal Note Analysis  
C S S H B 143 - Marine Fuel Tax Revenue Sharing  
February 23, 1993  
Page 3 of 3

Operating Costs (Continued)

Personal Services

Tax Examiner II (Range 12A) \$40.1

Travel

Compliance and Review (FY 94) 20.0

Audits (FY 95 - FY 99) 3.0

Contractual

Survey Contract (FY 94) 40.0

Other (FY 94 - FY 99) 3.0

Supplies

1.0

Equipment

Computer and Office Equipment (FY 94) 6.0

*Adopted*

8-LS0586R  
Dierdorff  
3/26/93

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 143(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES MACKIE, Grussendorf

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the distribution of the revenue obtained from imposition of  
2 the state tax on motor fuel used in watercraft of all descriptions; and providing  
3 for an effective date."

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

5 \* Section 1. AS 43.40.010(f) is amended to read:

6 (f) The proceeds from the revenue from the tax on motor fuel used in [BOATS  
7 AND] watercraft of all descriptions shall be deposited in a special watercraft fuel tax  
8 account in the general fund. The legislature may appropriate from this account, under  
9 (m) of this section, for water and harbor facilities.

10 \* Sec. 2. AS 43.40.010 is amended by adding a new subsection to read:

11 (m) A portion of the proceeds of the revenue from the tax on motor fuel  
12 deposited into the special watercraft fuel account in the general fund shall be paid to  
13 each municipality operating a moorage facility within the boundary of the municipality.  
14 The amount received by the municipality may be used by the municipality only for the

1 operation and maintenance of municipal water and harbor facilities. The payment due  
2 the municipality under this subsection is determined by multiplying the proceeds of the  
3 watercraft motor fuel tax collected by the department within the municipality, as  
4 certified by the municipality, by a fraction, the numerator of which is the total linear  
5 footage of the moorage facilities within the municipality that are owned by the  
6 municipality and the denominator of which is the total linear footage of all moorage  
7 facilities within the municipality that are owned by the state or the municipality. The  
8 commissioner of transportation and public facilities shall determine the total linear  
9 footage. The amount distributable under this subsection is subject to legislative  
10 appropriation. In this subsection, "moorage facility" means

11 (1) a facility, including approaches, constructed for the purpose of  
12 public moorage of watercraft; and

13 (2) a grid.

14 \* Sec. 3. This Act takes effect July 1, 1993.

# Alaska State Legislature

ALASKA STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-4925

REPRESENTATIVE  
JERRY MACKIE

P.O. BOX 795  
CRAIG, ALASKA 99921  
(907) 926-3008 OFFICE  
(907) 826-2930 HOME

## House of Representatives

### SPONSOR STATEMENT

ON

HB 143

I introduced HB 143 in response to interest expressed by several communities in my district. Their interest is to better maintain local harbor and dock facilities. I believe this interest is shared by all coastal communities where dock and harbor facilities are the main support features of the communities' economic life.

The bill would provide to a municipality a portion of state watercraft fuel taxes collected within the municipality. The portion is determined by the ratio of city owned docks and harbors to all publically owned docks and harbors in the particular area. In effect, the bill is a revenue sharing of tax receipts derived from facility users.

Most harbor facilities located throughout the state are currently owned by the Department of Transportation and Public Facilities. These facilities are usually operated by the local municipalities. In recent years, the department has sought to interest the municipalities in taking ownership of the facilities and the associated maintenance responsibilities. Their view, in part, is that the on site operator is better suited for effective and efficient upkeep of a facility than distant DOTPF personnel.

With one exception, there has been a reluctance among communities in my district to accept ownership, particularly when a facility is currently in need of repairs. The reluctance stems primarily from the cost implications that ownership would convey. HB 143 would provide some ability to compensate for these future maintenance and repair costs. Since increased municipal ownership of the harbor facilities entitle a larger share of the tax receipts, the bill provides an incentive, or at least an enticement, for accepting ownership.

The municipal sharing of state motor fuel tax receipts has precedence in statute. AS 43.40.010(e), enacted in 1961, allows sharing of 60% of aviation fuel taxes collected at municipal operated airports.

Moreover, the use of watercraft fuel tax receipts to directly improve and upgrade Alaska's ports and harbors has precedence historically. Prior to statehood, the tax on watercraft fuel was dedicated to expenditures on water and harbor facilities. This dedication of special use funds continued through statehood by means of a grandfather clause in the constitution (Article IX, Section 7). In 1962, the legislature took expenditure authorization control of the "Water and Harbor Facility Fund" from the jurisdiction of the Department of Public Works. Subsequent changes to the watercraft fuel tax have acted to nullify its status as a dedication to ports and harbors improvement.

In summary, I believe HB 143 provides an important mechanism for the maintenance and upgrade of local harbor facilities. This is at a time when such facilities are experiencing increased service by expanding commercial fisheries, recreational boating growth, and a rapidly developing tourist, charter industry. Furthermore, it is the tax payments of the facility users themselves that is working directly for their benefit.

# Alaska State Legislature

REPRESENTATIVE  
JERRY MACKIE

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## House of Representatives

### SECTIONAL ANALYSIS OF CS HB 143 (CRA)

by

Rep. Mackie

Section 1 amends AS 43.40.010(f) to allow the distribution of watercraft fuel tax revenue described in section 2.

Section 2 adds a new subsection (m) to AS 43.40.010. A municipality may receive a portion of the watercraft fuel taxes collected by the state from within the boundaries of the municipality. The funds received must be used by the municipality for the operation and maintenance of its marine facilities.

The portion of watercraft fuel taxes is determined by the ratio of municipality owned docks and harbors to total state and municipal marine facilities located within the boundaries, whereby the measure is in lineal feet of moorage.

A definition of "moorage facility" is provided.

Section 3. The effective date of the act coincides with the beginning of fiscal year 1994.

**DIVISION OF LEGAL SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

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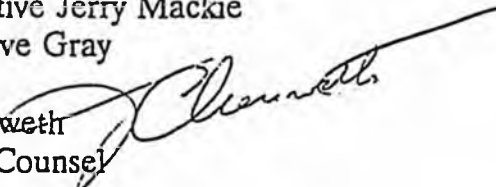
130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

MEMORANDUM

March 30, 1993

**SUBJECT:** Amendment to draft CSHB 143 (Finance) (Work Order No. 8LS-0586(R.1))

**TO:** Representative Jerry Mackie  
ATTN: Dave Gray

**FROM:** Jack Chenoweth   
Legislative Counsel

The enclosed amendment follows your specifications. I opted to split the provisions. If a municipality operates a moorage facility, it takes its share under subsection (m). If it doesn't, it may claim under subsection (n). Neat and clean--no double dipping.

But -- I want to observe that in its application new subsection (n) is not necessarily confined to small communities of the unorganized borough. As I have prepared this, if a municipality the size of Anchorage or Fairbanks or one of the other urban cities or boroughs doesn't operate a moorage facility and claim a share under proposed subsection (m), it is entitled to claim a payment under new subsection (n). That could be expensive. (It also occurred to me that a municipality entitled to a very small payment under (m) might try to argue that, no, it really doesn't deserve anything under that subsection, but it will take its share of a sizable amount collected under the more generous provisions of subsection (n)). The problem, of course, is that I don't have a good sense of who is likely to be able to claim a payment under (n).

I have made subsection (n) read "municipalities"--first and second class cities, especially of the unorganized borough, are the target. Using that term, then, unincorporated places don't share. I did so because you said that it had to be pegged to the amount collected, as certified by a municipal official, and in unincorporated places there aren't any municipal officials. That distinction may raise a question.

I have set the sharing rate under subsection (n) at 50 percent of the amount collected. In the unorganized borough, amounts collected in the municipalities are likely to be very small, so one-half didn't seem to be unreasonable. But it was a guess on my part, and we can change the rate as you may direct.

JBC:pl  
93-258.plm

Enclosure

A M E N D M E N T

OFFERED IN THE HOUSE

TO: Draft CSSSHB 143(FIN)

Page 1, lines 8 - 9:

Delete ", under (m) of this section, for water and harbor facilities."

Insert ":

(1) under (m) of this section, for water and harbor facilities; and  
(2) under (n) of this section, for a purpose authorized by that  
subsection."

Page 1, line 10:

Delete "a new subsection"

Insert "new subsections"

Page 1, line 14, after "by the municipality":

Insert "under this subsection"

Page 2, following line 13:

Insert a new subsection to read:

"(n) Subject to legislative appropriation, a portion of the proceeds of the revenue from the tax on motor fuel deposited into the special watercraft fuel account in the general fund shall be paid to each municipality that does not qualify for a payment under (m) of this section. The payment due the municipality under this subsection is equal to one-half the proceeds of the watercraft motor fuel tax collected by the department within the municipality, as certified by the municipality. The amount received by the municipality under this subsection may be used by the municipality only for

(1) the construction or maintenance of public boat landing areas that

are used by the residents of the municipality; or

(2) local efforts initiated to prevent or repair the effects of erosion along shorelines used as public boat landing areas."

Back-up



*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: HB 143

APPROVED:

*W. R. Bould*

TITLE: Marine Fuel Tax Revenue  
Sharing

DATE: March 1, 1993

HB 143 proposes to make, through the appropriation process, marine fuel tax revenue available to communities. Until a dedicated fund is established for these fuel tax receipts, the fuel taxes will still be part of the general fund and could be appropriated for any other purpose.

This bill will forward the process of convincing communities with major fuel sales to accept ownership and responsibilities for their harbor facilities. We are in favor of this goal.

We believe the method, return of 100% of the tax revenue on marine fuel sales in a community back to the community, would cause other communities to not accept ownership. These other communities may be places which do not have fuel sales, or have a very low volume of sales compared to their harbor space. If the communities with the vast majority of the fuel sales take over harbor ownership and the legislature appropriated the revenues as suggested, there would not be any revenue in the watercraft account for costs related to facilities outside of those communities.

Consideration should be given to a regional redistribution of tax revenue based on the relative proportions of the public moorage and fuel sales in a particular region. This would allow sharing of the results of the activities of the vessels in a region with communities that did not have fuel sales. It would also provide tax revenue for work on facilities outside of communities.

Return of less than 100% of the tax revenues should also be considered because there will continue to be refuge floats and other facilities outside of organized communities that will need repair and reconstruction. Consideration of new facilities in new locations will also require a source of funding.

We also suggest that the distribution be based on lineal footage of "moorage facilities and grids" instead of wharfage. We would suggest that moorage facilities be defined as "facilities, including approaches, constructed for the purpose of public moorage of watercraft."

*For Further Information contact Katy McHugh at 465-3900.*



Date: March 1, 1993

To: Representative Harley Olberg, Chair  
and Members, House Community and Regional Affairs Committee

From: Kent E. Swisher, Executive Director

Subject: HB 143, Marine Fuel Tax Revenue Sharing

The Alaska Municipal League supports the concept of HB 143, in that it would provide an additional revenue source for those jurisdictions that own local docks.

The League's Policy Statement, adopted by its member jurisdictions meeting in conference in November, 1993 provides:

"The League supports amendment of the statute on marine fuel taxes (AS 43.40) so that marine fuel collected in any municipality which the state has required to take over responsibility for harbor and dock expenses, or where the municipality holds existing responsibilities for these expenses, must be refunded to that municipality."

HB 143 would return marine fuel tax revenues to municipalities to the extent that they have ownership of dock facilities. To the extent that ownership equates to responsibility for operation and maintenance the measure is consistent with the League's goals, and we would support it. We are concerned however, that there may be circumstances in which a municipality has, by its own free choice or under pressure or mandate from the state, assumed responsibility for docks it does not own but which are vital to community well being. There should be compensation in these circumstances as well, in that the municipality has taken on a burden, in service to the local public, of maintaining a facility that it does not own.

AML appreciates the Committee's consideration of these matters.



February 29, 1993

Representative Olberg, Chair  
House Community & Regional Affairs Committee  
Alaska State Capitol  
Juneau, Alaska 99801-1182

Subject: HB 143, Municipal Sharing of Watercraft Fuel Tax

Dear Rep. Olberg and members of House CRA committee:

The City of Craig enthusiastically endorses the passage of HB 143, a bill that allows the distribution of a proportional share of the state tax on watercraft fuels to municipalities assuming ownership of State owned docks and harbors. The tax originally imposed prior to statehood in 1949 was intended by the constitutional convention to continue to be a fund dedicated to water and harbor facilities by means of a grandfather clause in the constitution (Article IX, Section 7). In 1962 control of the fund was assumed by the legislature and the fund was absorbed within the general fund.

The State has adopted a policy (stated in at least two DOTPF policy documents) of shifting the entire cost burden of harbors to municipalities where the harbors are located. This process has begun and has happened already to the City of Craig and the City and Borough of Sitka. Municipalities which must bear the entire cost burden for maintenance and repair of public docks and harbors transferred to the municipality by the State should receive a proportional share of the proceeds from the watercraft fuels tax collected within that municipality under AS 43.40. This is presently not the case under the current statute.

Refunding of watercraft fuel tax to the municipalities as proposed in HB 143 has legislative precedence in that 60% of aviation fuel collected is currently shared with those municipalities that own and operate or lease and operate an airport where the aviation fuel tax is collected. The benefit of fuel taxes should flow to those municipalities which have the financial responsibility for maintaining the facility.

Thank you for the opportunity to comment on this most important bill.

Sincerely,

  
Tom Briggs  
City Administrator, City of Craig



March 9, 1993

Representative Mackie  
State Capital Building  
Juneau, Alaska 99801-1182

Subject: Operating Revenues & Expenditures for City of Craig Harbors

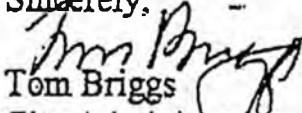
Dear Jerry:

The City of Craig in fiscal year 1993 ending 6/30/93, expects to generate about \$61,000 in dock and harbor related revenues. These revenues come from several sources such as moorage, both permanent and transient, transient moorage electricity payments, fees from use of the crane installed by the City on the City dock and a small amount of wharfage fees paid to the City by the dock contractor.

Expenditures for the same fiscal year 1993 are expected to be \$82,000. As you can see, in the past and presently the City's general fund has subsidized the management of the harbors by a little over \$20,000 per year. Expenditures to date have not required a reserve for depreciation for the moorage facilities as the City hasn't owned any until this next year. Beginning next fiscal year, the City is going to have to place an additional \$37,000 per year into a reserve for depreciation for the North Cove Harbor facility with an estimated life expectancy of 25+ years. Beginning this next fiscal year the general fund subsidy of the Harbor operating budget will increase to \$57,000 per year.

If HB143 passes, distribution of watercraft fuel tax proportional to moorage ownership, the sharing of the watercraft fuel tax will help immensely. The City's share of the fuel tax is estimated to be about \$20,000 per year at the current ownership ratio, reducing the City's general fund subsidy to about \$37,000. Obviously, assuming ownership and commensurate sharing of the watercraft fuels tax is not a get-rich scheme. We do believe that harbor maintenance and repair will improve dramatically as the result of municipal ownership. Any financial assistance for this effort is much needed. Municipalities will make whatever adjustments are necessary within reason to cover expenses. Better the municipalities than the State.

Sincerely,

  
Tom Briggs  
City Administrator



# City and Borough of Sitka

304 LAKE STREET . SITKA, ALASKA . 99835

March 4th, 1993

Representative Jerry Mackie  
Alaska House of Representatives  
State Capitol Room 602  
Juneau, Alaska 99801-1182

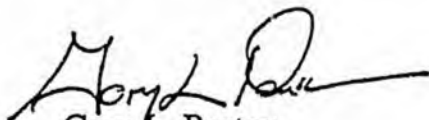
Dear Representative Mackie:

The City and Borough of Sitka strongly supports the passage of House Bill No. 143 (Sponsor Substitute) which is currently before the Alaska Legislature.

A resolution requesting that the proceeds of motor fuel tax on fuel used in watercraft was approved by the City and Borough Assembly in February of 1992. The monies generated by the five cents a gallon tax would be specifically targeted for harbor maintenance. At a minimum, we feel that communities should receive a percentage of the locally generated tax revenues that is equal to the percentage of the linear harbor footage operated by the municipality. This formula is described in Section 2 of House Bill 143.

The City and Borough appreciates the opportunity to comment on this legislation. We urge the passage of the bill.

Sincerely,

  
Gary L. Paxton  
Administrator

Attachment: City and Borough of Sitka Resolution No. 92-492

RESOLUTION NO. 92-492

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA  
REQUESTING THAT THE ALASKA STATE LEGISLATURE AMEND AS 43.40.010 (F) TO  
REFUND THE PROCEEDS OF THE REVENUE FROM TAXES ON MOTOR FUEL USED IN BOATS  
AND WATER CRAFT TO MUNICIPALITIES

WHEREAS, Alaska is one of the major fishing and pleasure boating  
areas in the United States; and

WHEREAS, Sitka is a major fishing port in Alaska and the United  
States; and

WHEREAS, Sitka also attracts the pleasure boaters, both locally  
and from the southern forty-eight (48) states; and


WHEREAS, Sitka has a waiting list of 487 to obtain moorage in the  
Sitka harbors; and

WHEREAS, Sitka owns or manages four small boat harbors; and

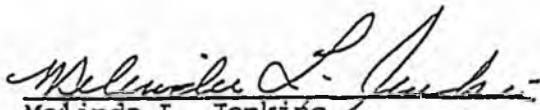
WHEREAS, all of the harbors and port facilities in Alaska are in  
dire need of additional funding.

NOW THEREFORE BE IT RESOLVED by the Assembly of the City and  
Borough of Sitka, Alaska, that the Alaska State Legislature is requested to  
amend AS 43.40.010 (F) to provide that the proceeds from the revenue on the  
tax on motor fuel used in boats and water craft of all descriptions be  
refunded to the municipalities from which such revenue is generated.

PASSED, APPROVED AND ADOPTED, by the Assembly of the City and  
Borough of Sitka, Alaska on this 25th day of February, 1992.

  
\_\_\_\_\_  
Dan Keck, Mayor

ATTEST:

  
\_\_\_\_\_  
Melinda L. Jenkins  
Municipal Clerk

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
HARBOR SPECIAL REPORT

DATE  
2/10/93

<u>NAME OF HARBOR</u>	<u>HARBOR CAPACITY</u>	<u>OWNER</u>	<u>SQ. FT. FLOAT</u>	<u>PILES</u>	<u>GRID</u>	<u>LAUNCH RAMP</u>	<u>BREAKWATERS</u>
ALEKNAGIK DOCK		DOT			No	1 lane	1 - 80' wing BW & 1 - 100' dock BW diaphragm
ANCHORAGE SHIP CREEK HARBOR & L.R.		DOT			No	1 lane 16'x118'	No
ANGOON DOCK		DOT			No	No	No
ANGOON HARBOR	78	DOT	11,097	40	1 - 16'x72'	No	No
AUKA DOCK (PROPOSED)							
BARANOF FLOAT	19	DOT	3,250	11	15'x42' grid, 5 tons per grid bent, 8'-6" on center	No	No
BETHEL SMALL BOAT HARBOR	60	DOT			No	No	
BIG DELTA LAUNCH RAMP		DPOR				1 lane 12'x40'	
CHATANIKA LAUNCH RAMP		DOT				1 lane 16'x30'	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
HARBOR SPECIAL REPORT

DATE  
2/10/93

<u>NAME OF HARBOR</u>	<u>HARBOR CAPACITY</u>	<u>OWNER</u>	<u>SQ. FT. FLOAT</u>	<u>PILES</u>	<u>GRID</u>	<u>LAUNCH RAMP</u>	<u>BREAKWATERS</u>
CHENEGA BAY BOAT HARBOR	21	DOT	7,980	42	No	No	
COFFMAN COVE HARBOR	28	DOT	5,532		No	Yes	
COLD BAY DOCK		DOT			No	No	
CORDOVA BOAT HARBOR	864	DOT	112,860		Yes, 1 90 ton & 1 250 ton	1 lane with float. The City also has a 1-lane concrete L.R. located .33 miles N. of Harbor.	1 1,902' rubblemound & 1 650' silt barrier BW
CRAIG DOCK	12	DOT	2,100	9	18'x103', 20 ton, bent spacing 8'6" on center	No	No
CRAIG NORTH COVE HARBOR	36	CITY	7,233	34	No	1 lane 16'x120'	Floating BW owned by City
CRAIG SOUTH COVE HARBOR	107	DOT	11,192	50	Yes, 40 ton	No	1 160' & 1 300' rubblemound
DILLINGHAM BOAT HARBOR	40	DOT	5,400		No	1 lane and float	
EDNA BAY REFUGE FLOAT	15	DOT	3,420	13	24'x47'	No	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
HARBOR SPECIAL REPORT

DATE  
2/10/93

<u>NAME OF HARBOR</u>	<u>HARBOR CAPACITY</u>	<u>OWNER</u>	<u>SQ. FT. FLOAT</u>	<u>PILES</u>	<u>GRID</u>	<u>LAUNCH RAMP</u>	<u>BREAKWATERS</u>
ELFIN COVE INNER HARBOR	47	DOT	6,820	27	20'x103, 3.5 tons per bent, bent spacing 8'-0' on center	No	
ELFIN COVE OUTER HARBOR	18	DOT	2,125	9	No	No	
ENTRANCE ISLAND REFUGE FLOAT	6	DOT	1,500	6	No	No	
FUNTER BAY HARBOR	8	DOT	1,375	6	No	No	
FUNTER BAY REFUGE FLOAT	8	DOT	1,500	6	No	No	
GUSTAVUS DOCK & FLOAT	7	DOT	2,174		No	No	
HAINES CHILKOOT LAKE L. R.		DPOR				Yes	
HAINES HARBOR	200	DOT	21,430		16'x92', 4 ton per bent, 8'-0" on center	16'x200	905' rubblemound
HAINES LETNIKOF COVE FLOAT	35	DOT	4,554	6	No	20'x500'	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
HARBOR SPECIAL REPORT

DATE  
2/10/93

<u>NAME OF HARBOR</u>	<u>HARBOR CAPACITY</u>	<u>OWNER</u>	<u>SQ. FT. FLOAT</u>	<u>PILES</u>	<u>GRID</u>	<u>LAUNCH RAMP</u>	<u>BREAKWATERS</u>
HALIBUT COVE FLOATS	27	DOT	5,120	11	No	No	
HELM BAY REFUGE FLOAT	5	DOT	1,000	4	No	No	
HOLLIS FLOAT	11	DOT	2,000	7	Yes	16'x168'	
HOMER BOAT HARBOR	728	DOT/CITY	122,500		Yes	5-lane 2-float LR	Yes
HOONAH CITY FLOAT	59	DOT	6,190	23	20'x72', 3 ton per bent, 10'-0" on center	No	
HOONAH HARBOR	220	DOT	30,140		6'x96' grid with 5'x70 appr.	16'x178' LR with 6'x220 float	140', 800', & 1,507' rubblemound BW
HYDABURG HARBOR	160	DOT	22,611	79	18'x88', 20 tons per bent, 8'-0" on center	No	12'x337' floating BW
HYDER HARBOR	29	DOT	3,680	16	No	Yes	Log BW
JAKOLOF BAY FLOAT	13	DOT	3,190	10	No	No	

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JUNEAU AUKE BAY L.R. & GRID							
JUNEAU AURORA HARBOR	457	DOT	67,228		No	No	1,500' rubblemound BW & 670' jelly
JUNEAU DON STATTER HARBOR	200	DOT	70,714		no	no	23'x525' floating BW
JUNEAU DOUGLAS CITY DOCK		DOT/CITY			No	No	
JUNEAU DOUGLAS HARBOR	135	DOT	15,227	31	14'x52', 4 tons per bent, 8'-6" on center	12'x250'	105' rock jetty
JUNEAU HARRIS HARBOR	275	DOT	31,779		16'x451', 5 tons per bent, 8'-0" on center	16'x450'	1-1,540' & 1-430' rubblemound
JUNEAU TAKU HARBOR	18	DOT	4,560	17	No	No	
JUNEAU-NORTH DOUGLAS L. R.		DOT			No	16'x164'	
KAKE DOCK AND FLOAT	7	DOT/CITY	1,625	8	16'x72', 6 tons per bent, 8'-0" on center	No	

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KAKE PORTAGE COVE HARBOR	119	DOT	22,690	82	20'x80', 20 tons per bent, 8'-0" on center	16'x200'	12'x506' floating BW
KASAAN FLOAT	10	DOT	5,526	23	No	No	Log
KASILOF LAUNCH RAMP		PRIVATE				Yes	
KENAI LAUNCH RAMP		CITY				Yes	
KETCHIKAN BAR HARBOR NORTH	303	DOT	43,992		no	12'x180' with 4'x160' float	963' & 120' floating BW's
KETCHIKAN BAR HARBOR SOUTH	520	DOT	66,299		20'x98', 4 tons per bent, 8'-0" on center	No	1,100, & 700 rubblemound BW
KETCHIKAN CITY FLOAT	45	DOT	12,054	11	No	No	
KETCHIKAN HOLE-IN-THE-WALL HBR.	27	DOT	3,402	14	No	No	soldier pile BW & log BW
KETCHIKAN KNUDSEN COVE HARBOR	54		7,255	21	No	2-lane 12'x200' & 16'x200 w/ 6'x180' float	no

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KETCHIKAN MT. POINT LAUNCH RAMP		F&G/BOR	1,596		No	2-lane 16'x192' & 12'x188' w/ 6'x266' float	COE has one planned for 1992
KETCHIKAN RYUS FLOAT		DOT	1,632		No	No	
KETCHIKAN THOMAS BASIN	240	DOT	34,468	139	2-26'x48' grids & 1-50'x86' 2- 20 ton per bent and 1 - 3 ton per bent	No	1-940' rubblemound & 1-log BW
KING COVE BOAT HARBOR	97	CITY	20,248		18'x80'	No	1,500' training dike & 200' rock groin
KIVALINA							
KLAWOCK DOCK		CITY			18'x68', 4 tons per bent, 8'-6" on center	No	
KLAWOCK HARBOR	45	DOT	10,080	24	No	No	no
KODIAK CITY FLOAT	22	DOT	5,328	16	No	No	
KODIAK ST. HERMAN'S BOAT HARBOR	260	DOT	80,179		No	Yes with float	23'x900' floating BW

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KODIAK ST. PAUL BOAT HARBOR	210	DOT	47,091		1-22'x120' & 1-24'x224' grid	16'x104' w/ float	1-1,250' & 1-760' rock BW
LARSON BAY PROPOSED HARBOR							
LORING FLOAT	10	DOT	2,925	13	No	No	
MANLEY LAUNCH RAMP		DOT				Yes	
MANZANITA REFUGE FLOAT (DESTROYED)		DOT			No	No	
MEKORYUK HARBOR		CITY					
METLAKATLA CITY FLOAT	48	DOT	6,576	12	No	12'x200'	900' rock BW
METLAKATLA HARBOR	155	DOT	22,488		No	No	1-1,255 & 1-1,150' rubblemound BW's
MEYERS CHUCK HARBOR	20	DOT	4,139	22	16'x56', 6 tons per bent, 8'-0" on center	No	

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NINILCHIK BOAT HARBOR	32	DOT	4,200		No	No	2-400' rock jelly's
NOME HARBOR		CITY					
NUIQSUT HARBOR PROPOSED							
OLD HARBOR DOCK		DOT			No	No	
OLD HARBOR FLOAT	40	DOT	6,292	28			250' groin & 1,200' earth filled dike
OUZINKIE PROPOSED HARBOR							
PELICAN HARBOR	92	DOT	16,100		2-18'x54', 2-16'x78' & 1-18'x80'	no	
PETERSBURG KUPREANOF FLOAT	8	DOT	1,420	6	No	No	
PETERSBURG MIDDLE HARBOR	136	DOT	14,760	16	No	No	

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PETERSBURG MITKOF L. R.		DOT			No	16'x138'	
PETERSBURG NORTH HARBOR	128	DOT	24,844	101	20'x210', 3 tons per bent, 8'-0" on center	16'x400'	
PETERSBURG PAPKE'S LANDING	9	DOT	1,625	6	No	No	
PETERSBURG SOUTH HARBOR	126	DOT	44,946		20'x200', 30 tons per bent, 8'-0" on center	16'x200' w/ 6'x260' float	no
POINT BAKER FLOAT	27	DOT	4,660	14	16'x49', 3 tons per bent	No	
PORT ALEXANDER INNER HARBOR	15	DOT	2,500	7	18'x48', 5 tons per bent, 8'-0" on center	No	
PORT ALEXANDER OUTER HARBOR	24	DOT	2,625	11	yes, community owned	No	
PORT LIONS SMALL BOAT HARBOR	119	DOT	19,606	87	16'x80' w/ 12'x40' appr.	No	725' main & 150' stub BW
PORT PROTECTION REFUGE & SKIFF FLOATS	15	DOT	2,500	17	32'x48', 7.5 tons per bent, 8'-0" on center	No	

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QUARTZ LAKE LAUNCH RAMP		DOT				Yes	
SALCHA RIVER LAUNCH RAMP		DOT				Yes	
SAND POINT BOAT HARBOR	230	DOT	45,250		Yes	No	2 breakwaters
SELDOVIA BOAT HARBOR	142	DOT	20,542		1-20'x102' & 1-20'x106'	1-lane	1-600' & 1-400' rock BW
SEWARD BOAT HARBOR	540	DOT	58,464		1-grid	4-lane w/ float	1-1,750' & 1-1,060
SITKA CITY (ANB) FLOAT	107	CITY	19,699	78	Yes	No	13'x352' floating BW
SITKA CITY GRID		DOT			1-18'x64', 1-18'x72' & 2-22'x100, 35 ton limit	No	
SITKA CRESCENT HARBOR	413	DOT	55,296		No	12'x136'	1-1,430 rock BW & 1-335' rock jetty
SITKA - PROPOSED CHANNEL ROCK BOAT							

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SITKA SEALING COVE HARBOR	398	DOT	35,996		No	16'x150' LH w/ 6'x220 float	
SITKA THOMSEN HARBOR	266	DOT	26,356		No	No	20'x1,500' & 20'x550' floating BW's & 500' rock BW
SKAGWAY HARBOR	165	DOT	28,695		1-18'x80' & 1-16'x42'	2-lane w/ 6'x220' float	400' rock BW
ST. GEORGE HARBOR		CITY					
ST. PAUL HARBOR		CITY			NO	No	
SWANSON HARBOR REFUGE FLOAT	9	DOT	2,000	6	No	No	
TATITLEK DOCK		DOT			No	No	
TENAKEE SPRINGS HARBOR	56	DOT	12,613	38	16'x51', 5 ton per bent, 8'-6" on center	No	1-40'x320' & 1-20'x380 floating BW
THORNE LAY CITY HBR.		CITY			No	No	

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UNALASKA SMALL BOAT HARBOR	30	DOT	12,649		No	No	
VALDEZ HARBOR	500	DOT/CITY	58,750		Yes	Yes	1-625' & 1-685'
WHITTIER BOAT HARBOR	338	DOT	40,008		2 grids, 1-18x64	2- 2 lane LR w/ sectional floats	1-1,650' rubblemound and 1-130' floating BW
WRANGELL FISH AND GAME FLOAT	36	DOT/CITY	7,832				
WRANGELL INNER HARBOR	142	DOT	15,320				
WRANGELL RELIANCE HARBOR	86	DOT	13,520				
WRANGELL SHOEMAKER BAY HARBOR	259	DOT	29,048		No	16'x208' LR w/ 6'x226' float	1-1,500' & 1-550' rubblemound BW
WRANGELL STANDARD OIL FLOAT	36	DOT	4,640				
YAKUTAT HARBOR	106	DOT	15,536		18'x48' , 6 ton per bent, 8'-6" on center	16'x100' LR w/ 6'x140' float	

# Alaska State Legislature

Legislative Research Agency



130 Seward Street, Suite 218  
Juneau, Alaska 99801-2196

Phone: (907) 465-3991  
Fax: (907) 463-3351

April 8, 1992

## MEMORANDUM

TO: Representative Mike Navarre

FROM: Dale O. Brandt<sup>DB</sup>  
Legislative Analyst

RE: History of Motor Fuel Tax Rate  
Research Request 92.225

You asked us to provide a history of the Alaska motor fuel tax rate from its inception to the most recent changes. Attached is a table showing the year changes took place, applicable session laws, tax rates, fuel types and fuel uses. Note that the current 8 cents/gallon gasoline tax for highway use was set in 1970, not in 1961 as is stated in House Research Agency Memorandum 89.254. Also attached is an outline of fuel tax rates and administrative changes provided by the Alaska Department of Revenue.

We hope this information is useful. Please contact this agency if you have questions or need additional information.

Attachments

Laws of Alaska 1982

Sec. 1, 2 & 3 do not relate.

Sec. 4 AS 43.40.010 was amended to make provision for the Certificate of Use to be used by a dealer when the fuel purchased is not intended for use as motor fuel. It exempts the dealer from liability for the tax if he obtains a properly executed Certificate of Use.

Sec. 5 AS 43.40.030 (b) provides the entire tax be refunded to the purchaser on that part of motor fuel used in a foreign country on which the tax has been paid when the fuel is sold and delivered in the state for non-highway use in a foreign country.

Sec. 6 AS 43.40.035 establishes the means by which a reseller may claim a refund on tax for fuel on which the tax was paid, but which is sold for tax exempt purposes.

Sec. 7 AS 43.40.050 (a) makes changes to above statute to do with way to claim a refund.

Sec. 8 same as above.

Sec. 9 same as above.

Sec. 10 AS 43.40.100 (2) add 5 additional exemptions from motor fuel.

Sec. 11 AS 43.40.100 (3) changes definition of User to:

- (3) "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;
  - (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.

Sec. 12 AS 43.40.100 adds a paragraph to define "qualified dealer".

Sec. 13 deals with delinquency in payment of tax and interest charged.

Sec. 14 deals with commercial fisheries - not motor fuel.

Sec. 15 says the Department may not collect motor fuel tax from dealer on sale or transfer of motor fuel that occurs before effective date of this Act if dealer did not collect tax from purchaser because of a reasonable belief that fuel was not to be used as motor fuel.

Laws of Alaska 1972

An Act relating to an exemption from the tax on transfers or consumption of motor fuel.

Sec. 1 AS 43.40.010 (a) (2) is amended to read:

(2) the tax on motor fuel used in engines for the propulsion of boats and watercraft of all descriptions is four cents a gallon; if a person claims an exemption for nonpropulsion use under this paragraph, he shall sign a statement at the time of the sale or transfer attesting to the fact that the amount of fuel for which he claims the exemption will be used only for nonpropulsion use aboard a boat or watercraft, and

Sec. 2 makes the same exemption for users. These two sections have the effect of exempting from tax all fuel used for cooking and heating (non-propulsion) use aboard watercraft.

Sec. 3 adds a new subsection (g) to AS 43.40.010 relating to the non-taxation of liquified petroleum gas.

Sec. 4 amends penalty for violation section to include a person who claims nonpropulsion use of fuel as exempt, and uses it for propulsion.

Laws of Alaska 1970

An Act.

Sec. 1 AS 43.40.010 (a) amended to reflect change in tax rates.

(a) (1) Tax on motor fuel is 8¢ per gallon on all motor fuel sold or otherwise transferred within the State - except that

(2) tax on aviation gas is 4¢ per gallon.

(3) tax on all aviation fuel other than gasoline is 2 1/2¢ per gallon.

Sec. 2, same tax is imposed on consumers or users.

Sec. 3 is to do with filing returns.

Sec. 4 changes amount of refund for non-highway use.

Sec. 5 states books and records shall be kept for 3 years.

Sec. 6, 43.40.100 (1.) defines "dealer" to read:

(1) "dealer" means a person who sells or otherwise transfers in this state motor fuel upon which the taxes imposed by this chapter have not been paid;

Sec. 7, 43.40.100 (3) defines "user" to read:

(3) "user" means a person consuming or using motor fuel, who either purchases the fuel out of the state and ships it into the state for his own use within the state or manufactures the fuel in the state.

Sec. 8 repeals 43.40.110 & 120 repeals additional tax levies on transfers or consumption of motor fuel (1¢ additional tax on watercraft fuel).

Laws of Alaska 1962

Chapter 131

Sec. 1, Sec. 48-5-2 (c) ACLA 1949 as amended by CH 47, SLA 1955 is amended to:

Change filing time from quarterly to monthly.

Sec. 2, Sec. 48-5-2 (f), ACLA 1949, as added by Ch 47, SLA 1955, and amended by Ch 152, SLA 2957 is amended to read:

"(f) The monies herein collected from the taxes on motor fuel used in boats and watercraft of all descriptions shall be covered into a special "watercraft fuel tax" account in the general fund. The legislature may appropriate from this account for water and harbor facilities."

This changed the name of "Water and Harbor Facilities Fund" and changed expenditures to be made from that account from the jurisdiction of the Department of Public Works to the Legislature. It was still to be used for water and harbor facilities.

Sec. 3, Sec. 48-5-2 (h) as last amended by Ch. 27, SLA 1957 is repealed and reenacted. This section stated that motor fuel refund claims shall be paid from the "highway fuel tax" account.

Sec. 4, Sec. 3, Ch. 47, SLA 1955 is amended to change way to obtain motor fuel refund permit.

Sec. 5, Sec. 7, Ch. 47, SLA 1955 states that a warrant shall be drawn on the "highway fuel tax" account for payment of refund claims.

Sec. 6, Sec. 3, Ch. 63, SLA 1960 is changed to read:

"Sec. 3. The tax levied by this Act shall be administered and collected in the same manner as the tax levied in Sec. 48-5-2, ACLA 1949, as amended, and the receipts from said tax shall be paid into the "watercraft fuel tax" account in the general fund of the state."

Change is underlined. This changes the fund for which the special 1¢ tax on all fuel used in boats, etc. is to be deposited, from the General Fund to the "watercraft fuel tax account."

Laws of Alaska 1960

Chapter 20

Sec. 1, Sec. 48-5-2 ACLA 1949 (e)

Changes wording on "Aviation fuel tax account."

Sec. 2, Sec. 48-5-2 (g)

Changes authority for disbursement of funds from special "Highway fuel tax fund" from Dept. of Public Works to the Legislature.

Chapter 150

Sec. 1, Sec. 48-5-2 (g) is further amended to change the way highway construction projects are bid and managed.

Laws of Alaska 1960

Chapter 63

Sec. 1. Levies an additional 1¢ per gallon on all motor fuel sold and delivered, or otherwise transferred, within the State, and which is used to propel boats and watercraft of all descriptions.

In other words, the commercial fisherman will be paying 3¢ per gallon tax on marine fuel, as will everyone else.

Sec. 2. States that the tax levied in Sec. 1 is in addition to the tax already in effect.

Sec. 3. Provides that this additional 1¢ tax will be put into the general fund.

Laws of Alaska 1957

Chapter ~~135~~ 134

Sec. 1 adds a tax of 1 1/2¢ per gallon on all aviation fuel other than gasoline (jet fuel) for both "Dealer" and "Users".

Chapter 152

Article V Sec. 2 Water and Harbor Facilities: Amends § (f) of Sec. 48-5-2 ACLA 1949 to read:

"Sec.2. Water and Harbor Facilities Fund. Subsection (f) of Sec. 48-5-2, ACLA 1949, as amended by CH. 47, SLA 1955, is hereby amended to read as follows:

(f) The monies herein collected from the taxes on motor fuel used in boats and watercraft of all descriptions shall be covered into a special fund in the Territorial Treasury to be known as the "Water and Harbor Facilities Fund", and shall be expended by the Alaska Highways and Public Works Board as nearly as practicable in the Division where collected, and be expended for water and harbor facilities.

The only change was as underlined, from "Highway Engineer" to "Alaska Highways and Public Works Board."

Laws of Alaska 1957 Chapter 27

Relating to tax on motor fuel used in commercial fishing craft by commercial fisherman;

Sec. 1 amends tax levy on motor fuel. This section leaves the tax at 5¢ per gallon on all motor fuel except aviation, which remains at 3¢ per gallon, and states that the tax on motor fuel used in commercial fishing crafts for purposes of commercial fishing is 2¢ per gallon.

This tax is levied on both "dealer" and "user".

Sec. 2 deals with method which Tax Commissioner allocates monies between different accounts - aviation, boats or motor fuel.

Sec. 3 provides for refund of 3¢ per gallon on motor fuel used in vehicles not licensed to be operated on highways, except aviation fuel or motor fuel used in commercial fishing crafts for purposes of commercial fishing.

Sec. 9 amends Sec. 48-5-1 ACLA 1949 Definition of Motor Fuel  
Changed to read:

Sec. 58-5-1. (a) "Motor Fuel" means any and all fuel used in engines for the propulsion of motor vehicles, aircraft, boats and watercraft of all descriptions, and in all stationary engines, machines or mechanical contrivances which are propelled by internal combustion motors; except on consignments of motor fuel oil to foreign countries and except fuel used in stationery power plants operating as public utility plants and generating electrical energy for sale to the general public or by non-profit power associations or corporations for generating electric energy for resale or by charitable institutions.

Underlined part has been changed slightly.

Sec. 10; repeals subsection 4 of Sec. 14 A of Chap. 123 SLA 1949.  
This is the section setting up the Aeronautical Revolving Fund.

Sec. 1 (a) was amended to read:

(a) "Motor Fuel" means any and all fuel used in engines for the propulsion of motor vehicles, aircraft, boats and watercraft of all descriptions, and in all stationary engines, machines, or mechanical contrivances which are propelled by internal combustion motors; except on consignments of motor fuel oil to foreign countries and except fuel used in stationary power plants operated by municipally owned public utilities or by non-profit power associations or corporations for generating electric energy for resale or by charitable institutions. The underlined part is new.

Definition of "Dealer" and "User" remained the same.. Tax rate remained the same (2¢).

Laws of Alaska 1946

Chapter 47

Sec. 1 Definition

(a) was amended to add  
except on consignments of motor fuel oil to foreign countries.

(b) was changed from 2 parts into 1 part, "Dealer" was defined the same as 1945. Definition of user was dropped.

(c) was added to define "User" 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"

Sec. 2

Tax remained at 1¢ per gallon "on all motor fuel consumed by any user as above set forth."

The rest of the Act dealt with returns and penalties.

# Alaska State Legislature

ALASKA STATE CAPITOL  
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REPRESENTATIVE  
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## House of Representatives

March 18, 1993

### MEMORANDUM

To: Representative Larson, Co-Chair  
Representative MacLean, Co-Chair  
House Finance Committee

From: Representative Mackie 

Re: Scheduling of HB 143, municipal revenue sharing of watercraft fuel tax.

I respectfully request that HB 143 be scheduled for a hearing at your earliest convenience. The following is attached for the information of committee members:

1. Sponsor statement.
2. Sectional analysis.
3. Dept. of Revenue Fiscal note & DOTPF position paper.
4. A partial listing of public dock and harbor facilities located throughout the state.
5. Memorandum on the history of motor fuel tax enactments by the state and territorial legislatures.
6. Letters of support.

In both the CRA and Trans committee, committee members as well as myself had serious concerns about the size and appropriateness of the fiscal note. Some reduction ideas were discussed which I wish to share with you. In each committee, however, the fiscal note issue was reserved for resolution by the finance committee.

Thank you for your consideration of this request.