

SB

256

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

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December 13, 1993

Senator Bert M. Sharp
119 N. Cushman Street, Suite 201
Fairbanks, AK 99701-2879

Representative Richard Foster
P.O. Box 1630
Nome, AK 99762-1630

Dear Senator Sharp and Representative Foster:

Enclosed are three proposed pieces of legislation which I would appreciate session.

AS 43.40.010

The increase in aviation fuel tax in the amount of \$.007/gallon is the result of the Legislative request to not assess landing fees on rural airports.

See the Legislative intent language contained in the DOT&PF-FY'94 operating budget.

operating budget.

AS 38.05.030

This amendment simply makes airport property disposal consistent with highway property disposal. This is a housekeeping measure which should have been handled when DOT&PF was created -- it wasn't.

All property and right-of-ways are handled in one DOT&PF section and this housekeeping measure makes the operations consistent.

AS 19.05.040

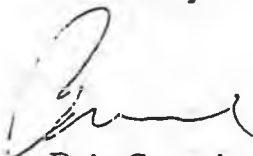
This minor addition to the statutes allows DOT&PF to enter property to determine if hazardous substances exist. This change is needed because DOT&PF has purchased property for right-of-way purposes only to find out that it is contaminated and the cost of cleanup exceeded the cost of moving the facility to avoid the contaminated area had that fact been known.

DOT&PF with this change would be able to know, in advance of purchase, if property is contaminated.

There are two or three more items that are in the mill that will be transmitted later.

Please let me know if you have any questions or I can provide more data.

Sincerely,

A handwritten signature in cursive script, appearing to read 'B.A. Campbell', written in dark ink.

B.A. Campbell
Commissioner

Enclosures



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 256

APPROVED: 

TITLE: Increase Aviation Fuel Tax

DATE: January 24, 1994

The Department of Transportation and Public Facilities supports the increase in the aviation fuel tax by \$0.007 (0.7 cents) per gallon.

This level of increase will offset the loss in state revenue resulting from not reinstating aircraft landing fees at rural airports operated by the state.

Last session, air carriers were contacted and asked if they would prefer reinstatement of the landing fees or collection of an equivalent amount of revenue through another means. While no firm commitment was made, the general feeling expressed was that an increase in the aviation fuel tax to collect an equivalent amount of revenue would be preferable.

The increased tax will be collected by the Department of Revenue in conjunction with the current tax level.

For Further Information Contact:  nson at 465-3904.

FISCAL NOTE

No. 1
 Bill Version: SB 256
 (S) Publish Date: 1-28-94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

BILL N

Revision Date: _____ Dept. Affected: Revenue
 Title: Increase aviation fuel tax BRU: Revenue Operations/Shared Taxes
 Component: Income and Excise Audit/Aviation Fuel
 Sponsor: Senate Transportation
 Requestor: Senate Transportation COMPONENT SERIAL NO. 113/104

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	20.4	20.4	20.4	20.4	20.4	20.4
MISCELLANEOUS						
TOTAL OPERATING	20.4	20.4	20.4	20.4	20.4	20.4
CAPITAL						
REVENUE FUND SOURCE: General	1,725.7	1,725.7	1,725.7	1,725.7	1,725.7	1,725.7

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	20.4	20.4	20.4	20.4	20.4	20.4
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	20.4	20.4	20.4	20.4	20.4	20.4

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)

(See Attached)

Changes in CS SB 256 (TRA)
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.
1/27/94 R.A.S.
/s/ David Comtois (initial)

Prepared by: Larry E. Meyers Phone: 465-2320
 Division: Income and Excise Audit Date: January 20, 1994
 Approved by Commissioner: Darrel J. Rexwinkel Date: January 20, 1994
 Agency: Department of Revenue

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This bill increases motor fuel tax rates on aviation fuel by .7¢ per gallon as follows.

	<i>Current Tax Rate</i>	<i>Draft Bill Tax Rate</i>	<i>% Increase</i>
Aviation Gasoline	4¢ per gallon	4.7¢ per gallon	17.5%
Aviation (Jet) Fuel	2.5¢ per gallon	3.2¢ per gallon	28.0%

In determining the amount of additional revenues generated from this bill, the Department of Revenue used aviation fuel consumption data available from FY 93. The amounts below do not reflect impacts on consumption, if any, due to increased tax rates and other factors.

Under AS 43.40.010(e), 60% of aviation gasoline tax revenues derived from fuel sales at municipally owned airports are shared with those municipalities. The Department shared \$116,800 of aviation gasoline tax revenues to municipalities in FY 93. Under this bill, that amount will increase by 17.5% (% increase identified above) or \$20,400.

The additional revenue generated from this bill is estimated to be \$1,705,300 calculated as follows.

	<i>FY93 Consumption</i>	<i>FY 93 Revenue</i>	<i>Draft Bill Revenue</i>	<i>Additional Revenue</i>
Aviation Gasoline	18,076,200 gallons	\$ 723,000	\$ 849,600	\$ 126,600
Aviation (Jet) Fuel	228,436,300 gallons	5,710,900	7,310,000	1,599,100
Total	246,512,500 gallons	6,433,900	8,159,600	1,725,700
Amount Shared		(116,800)	(137,200)	(20,400)
Total		\$6,317,100	\$8,022,400	\$1,705,300

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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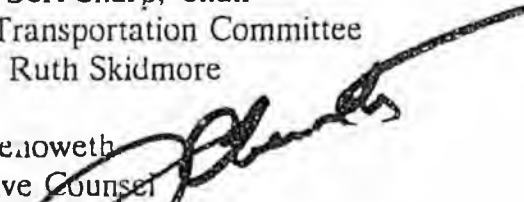
MEMORANDUM

January 26, 1994

SUBJECT: Draft CSSB 256 () (Work Order No. 8-LS1509\E)

TO: Senator Bert Sharp, Chair
Senate Transportation Committee
ATTN: Ruth Skidmore

FROM: Jack Chewoweth
Legislative Counsel



In the enclosed draft committee substitute:

Bill section 1, uncodified, sets out a capsule summary of the reason for this Act;

Bill section 2 increases the aviation gasoline tax imposed by AS 43.40.010(a)(1) and (a)(3)--gasoline sales--by seven-tenths cent per gallon.

Bill section 3 reduces that increase to current rates.

Bill section 4 increases the aviation gasoline tax imposed by AS 43.40.010(b)(1) and (b)(3)--gasoline consumed--by seven-tenths cent per gallon.

Bill section 5 reduces that increase to current rates.

Bill section 6 makes the reductions of the respective tax levies made by bill sections 3 and 5 effective only if the commissioner of transportation and facilities increases rural airport landing fees over the amount that they were on January 1, 1994. Because I don't know when that increase may occur--it may not occur until long after you and I are gone from the legislative arena--I thought to set a termination date on when that contingency could occur, and selected December 31, 1999. If, before the end of 1999, the legislature would want to continue this rate reduction contingency for another period of time, it would have to amend this provision to do so. Otherwise, on or after January 1, 2000, the commissioner will be

Senator Bert Sharp. Chair
January 26, 1994
Page 2

free to increase rural airport landing fees and the tax rate would not automatically revert to the lower rate.

Without this termination date on the contingency, the possibility of an "automatic" rate reduction would carry on indefinitely. No one here concerned with maintaining the Alaska Statutes thought that was a good idea.

Section 7 provides an effective date for secs. 3 and 5 if the condition in sec. 6 occurs. I gave the rate change a 30 day delay so that the commissioner of transportation and public facilities could raise the landing fee rate, tell the commissioner of revenue, and the commissioner of revenue (who collects the tax) could advise persons liable for payment of the tax of the pending rate reduction and the date of that reduction. Without the delay, purchasers and consumers of aviation gas would pay at the higher rate when they ought to be paying at the reduced rate because the sellers of that gas had not received notification of the rate reduction.

JBC:pl:gc
94-074.plm

Enclosure

COMPONENT DETAIL - OPERATING BUDGET

nt: Interior District - Highways and Aviation
 Interior District Maintenance and Operations

Agency: Department of Transportation/Public Facilities

ctions - Line Items	Type	Total	Pers Svc	Travel	Contract	Supplies	Equip	Land/Bld	Grant	Misc	PFI	PPI	Imp
		***** Changes from FY94 Gov Amd to Conference Committee *****											
airport electric contract	Dec	-20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0	0	0

ive Intent: It is the intent of the legislature that Department of Transportation and Public Facilities should continue to provide adequate winter
 ince of the Denali Highway between Cantwell and the Valdez Creek Mine access road, with at least 50 percent of the expected service to be paid by industry or
 contributions.

Legislative Intent: It is the intent of the legislature that the Department of Transportation and Public Facilities not reinstate the landing fees at the rural
 airports and that the department submit for legislative consideration a supplemental appropriation next session to fund the resulting shortfall in program receipts.

ication to the Department of Transportation and Public Facilities for Highways and Aviation shall lapse into the general fund on August 31, 1994.

		***** Changes from FY94 Gov Amd to Senate *****											
ited reduction	Dec	-39.1	-39.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
airport electric contract	Dec	-20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0	0	0
trims PFI to PPI	Dec	-31.3	-31.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	1	0

ctions - Funding Sources Type Total 1002 1004 1005 1007 1061

		***** Changes from FY94 Gov Amd to Conference Committee *****											
airport electric contract	Dec	-20.0		-20.0									

		***** Changes from FY94 Gov Amd to Senate *****											
ited reduction	Dec	-39.1		-39.1									
airport electric contract	Dec	-20.0		-20.0									
trims PFI to PPI	Dec	-31.3		-31.3									

LEGISLATIVE INTENT LANGUAGE
 DOT&PF FY 94 OPERATING BUDGET