

**HB**

**443**

9-LS1268M  
Chenoweth  
3/7/96

CS FOR HOUSE BILL NO. 443(STA)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE LONG RANGE FINANCIAL  
PLANNING COMMISSION

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the tax on transfers or consumption of motor fuel, and  
2 repealing the exemption from that tax for motor fuel which is at least 10 percent  
3 alcohol by volume; and providing for an effective date."

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

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

6 (a) There is levied a tax of 22 [EIGHT] cents a gallon on all motor fuel sold or  
7 otherwise transferred within the state, except that

8 (1) the tax on aviation gasoline is four and seven-tenths cents a gallon;

9 (2) the tax on motor fuel used in and on watercraft of all descriptions is  
10 eight [FIVE] cents a gallon; and

11 (3) the tax on all aviation fuel other than gasoline is three and two-tenths  
12 cents a gallon.

13 \* Sec. 2. AS 43.40.010(b) is amended to read:

14 (b) There is levied a tax of 22 [EIGHT] cents a gallon on all motor fuel

1 consumed by a user, except that

2 (1) the tax on aviation gasoline consumed is four and seven-tenths cents  
3 a gallon;

4 (2) the tax on motor fuel used in and on watercraft of all descriptions is  
5 eight [FIVE] cents a gallon; and

6 (3) the tax on all aviation fuel other than gasoline is three and two-tenths  
7 cents a gallon.

8 \* Sec. 3. AS 43.40.015(d) is amended to read:

9 (d) A certificate of use is not required

10 (1) for fuel exempted under AS 43.40.100(2)(C) [, (F),] or (K); and

11 (2) for fuel exempted under AS 43.40.100(2)(J) other than fuel sold or  
12 transferred under this exemption to a person who is engaged in construction or mining  
13 activity.

14 \* Sec. 4. AS 43.40.030(a) is amended to read:

15 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to  
16 operate an internal combustion engine is entitled to a refund of 16 [SIX] cents a gallon  
17 if

18 (1) the tax on the motor fuel has been paid;

19 (2) the motor fuel is not aviation fuel, or motor fuel used in or on  
20 watercraft; and

21 (3) the internal combustion engine is not used in or in conjunction with  
22 a motor vehicle licensed to be operated on public ways.

23 \* Sec. 5. AS 43.40 is amended by adding a new section to read:

24 Sec. 43.40.045. TAX AND REFUND ADJUSTMENT. (a) The amounts in  
25 AS 43.40.010(a) and (b) and 43.40.030(a) change, as provided in this section, according  
26 to and to the extent of changes in the Consumer Price Index for all urban consumers for  
27 the Anchorage Metropolitan Area compiled by the Bureau of Labor Statistics, United  
28 States Department of Labor. The index for January of 1997 is the reference base index.

29 (b) The amounts change on July 1 of each even-numbered year in an amount  
30 equal to the percentage of change, calculated to the nearest whole percentage point,  
31 between the index for January of that year and the most recent index used to change the  
32 amounts in AS 43.40.010(a) and (b) and 43.40.030(a). However, the amounts do not

1 change if the amounts required by this section are those currently in effect as a result of  
2 earlier application of this section. .

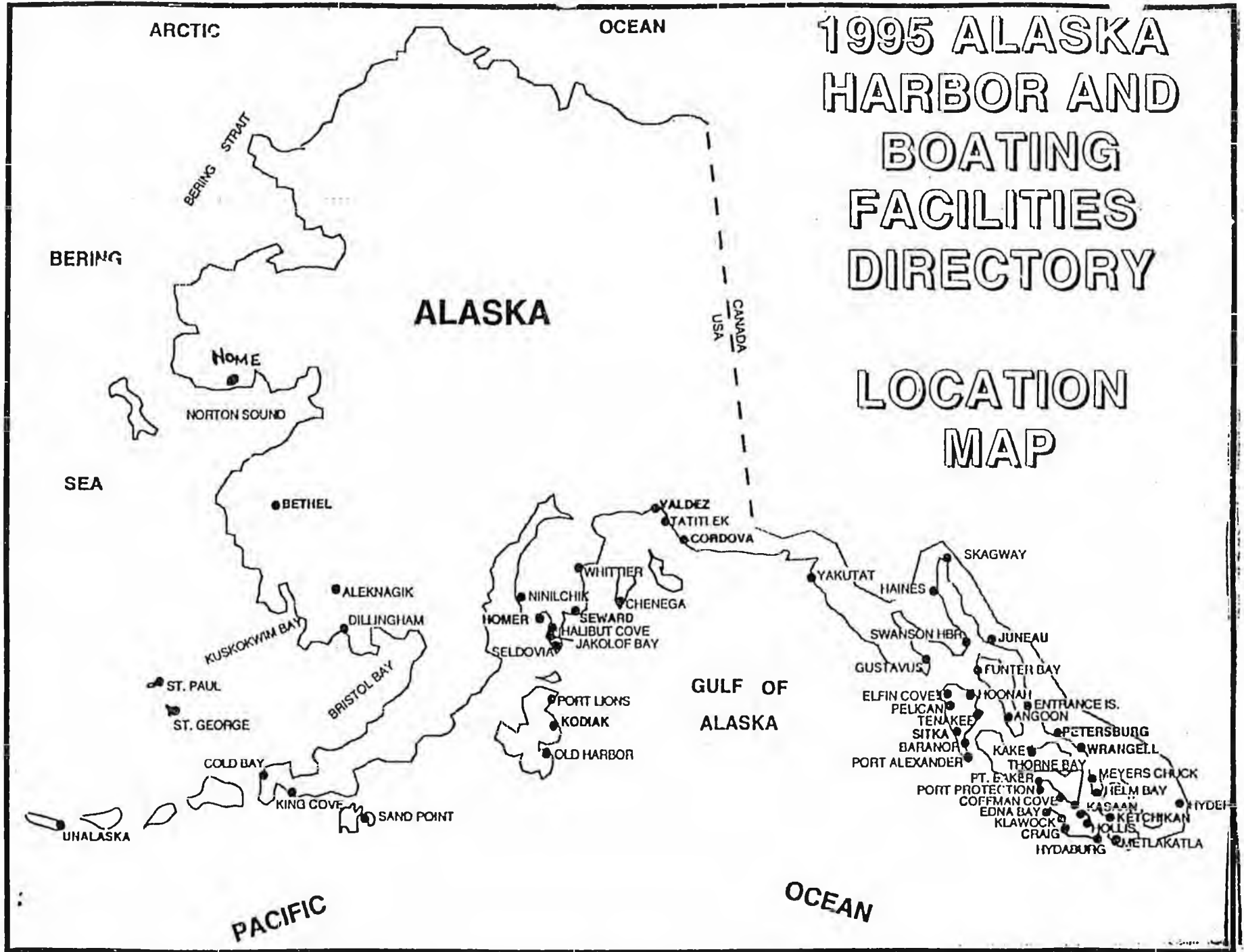
3 (c) If the index is revised, the percentage of change is calculated on the basis of  
4 the revised index. If a revision of the index changes the reference base index, a revised  
5 reference base index is determined by multiplying the reference base index applicable  
6 by the rebasing factor furnished by the United States Bureau of Labor Statistics. If the  
7 index is superseded, the index referred to in this section is the one represented by the  
8 Bureau of Labor Statistics as reflecting most accurately changes in the purchasing power  
9 of the dollar for Alaskan consumers.

10 (d) At the time of a change in the amount of tax required by (b) of this section,  
11 the department shall promptly give public notice of the change. The department shall  
12 also provide notification of a change in amounts required under (b) of this section to all  
13 dealers that collect the tax levied by AS 43.40.010.

14 \* Sec. 6. AS 43.40.100(2)(F) is repealed.

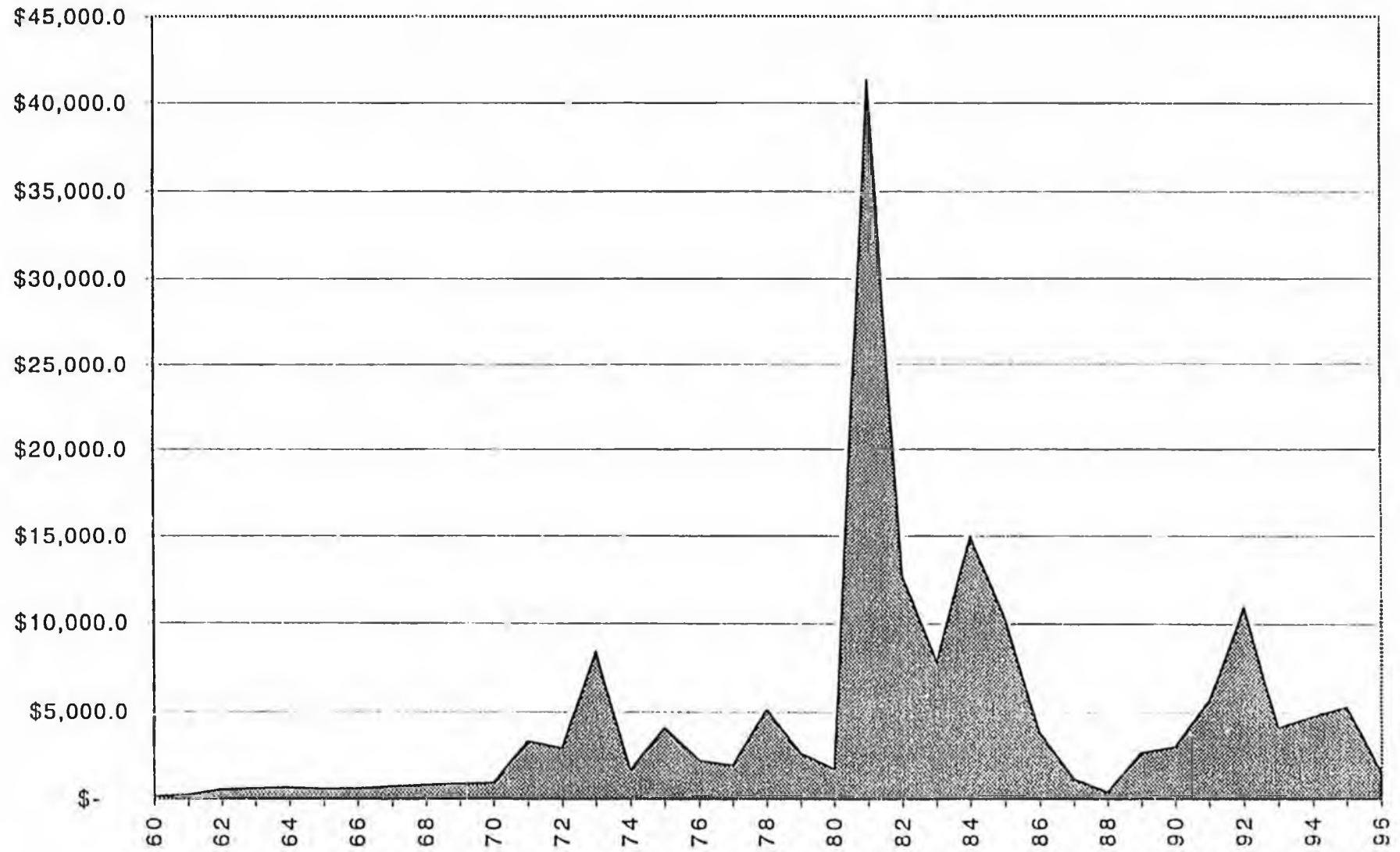
15 \* Sec. 7. This Act takes effect only if, at the November 1996 general election, the voters  
16 approve a constitutional amendment that establishes a special fund for the revenue derived from  
17 state taxes on fuel used for the propulsion of highway or road use vehicles and limits the use  
18 of money in that fund and the income earned from the fund's investment to paying the costs of  
19 road and highway maintenance.

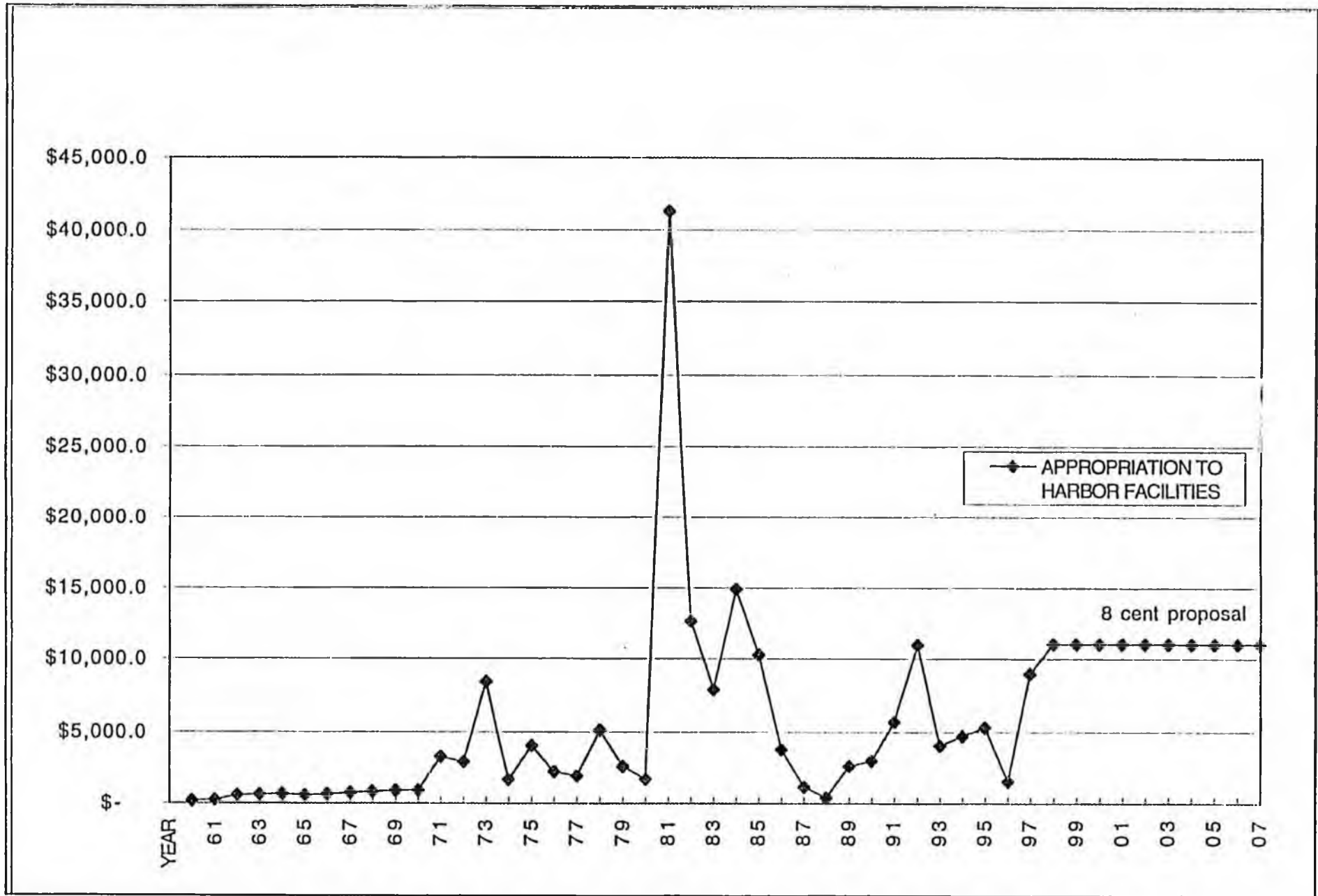
20 \* Sec. 8. If this Act takes effect, it takes effect July 1, 1997.

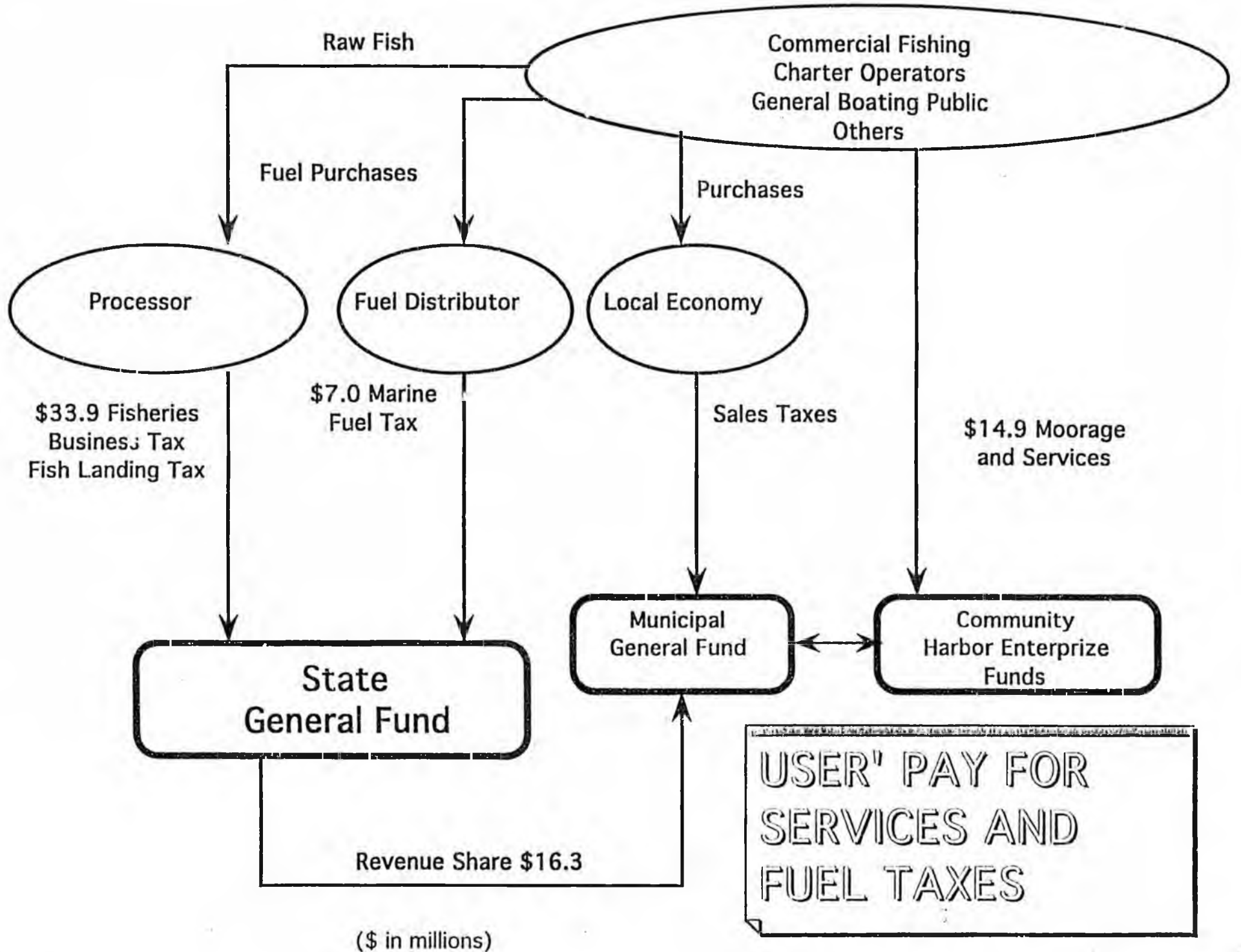



Sheet Chart 4

APPROPRIATION TO HARBOR FACILITIES











## Some Facts about Public Harbor's in Alaska

- ◆ 11,000 slips and 16 million square feet of float system.
- ◆ Inventoried replacement value is \$175 million for assets including gangways, approaches and grids and small docks in 60 coastal communities or remote locations.
- ◆ Given current condition of harbors, the annualized repair and replacement cost is approximately \$4.8 million per year.
- ◆ Users are paying to local harbor departments \$13 million per year for harbor services.
- ◆ That means:
  - ▼ the average user is paying approximately \$1,200 per year for harbor services.
  - ▼ Fee increases to an annual average of at least \$1640 is needed to cover all costs, including major repair and replacement.
- ◆ Users are also paying \$7 million in marine fuel taxes annually.
  - ▼ That is an average of \$636 per slip in fuel taxes.

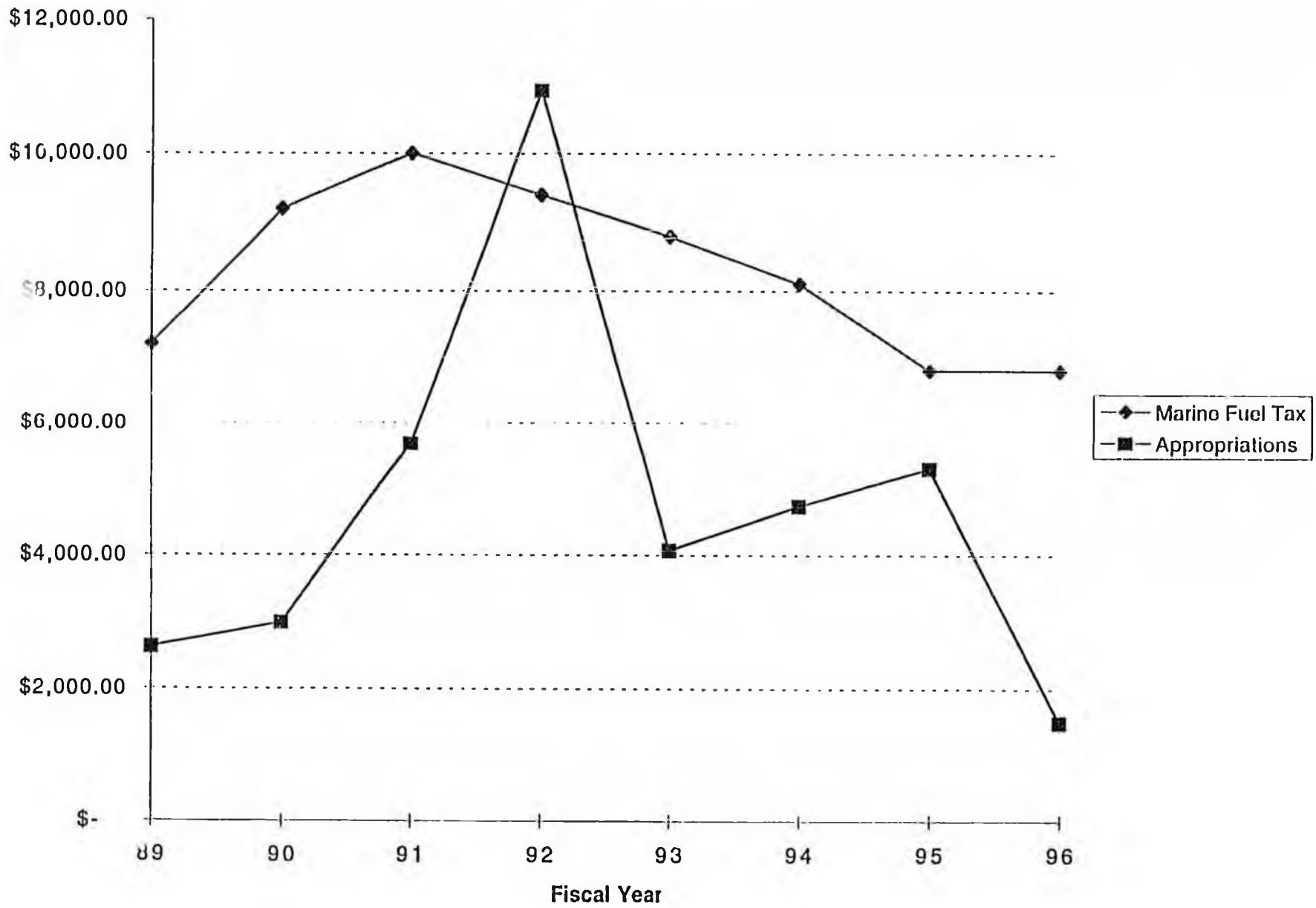




## Some Facts about Public Harbor's in Alaska (Continued)

- ◆ Fuel tax increase to 8 cents would generate approximately \$10.9 million
  - ◆ Legislature appropriated \$1.5 million in FY 96 for harbor facilities.
  - ◆ In 8 years, \$66.3 million has been collected, 57% (\$37.8 million) has been appropriated to harbor facilities.
  - ◆ This tax was probably paid by as few as 15,000 vessel owner/operators.
  - ◆ 105,000 residents live in coastal communities with public harbor facilities.
  - ◆ 95 harbor facilities have been constructed with State assistance.
  - ◆ 80 facilities are owned by the State, 54 are operated under agreement.
  - ◆ \$ 8 million in failed or poor condition (5%).
  - ◆ \$ 56 million in failed, poor or fair condition.(32.4%).
  - ◆ \$117 million in good or new condition (67.6%).
  - ◆ The backlog of work needed is \$26 million in deferred maintenance, \$122 million in expansion projects. The approximately 3500 names on waiting lists.
- 

WCF, REVENUE HISTORY



Transfer Priority Worksheet

Rank	Estimated Cost To Good or Better	Target Estimate To Transfer	Cumm. Cost	Community	Facility # Count	Cumm. Count
1	\$1,894.9	\$947.5	\$947.5	HOMER	1	1
2	\$270.6	\$135.3	\$1,082.8	CRAIG	1	2
3	\$4,401.3	\$2,200.6	\$3,283.4	SITKA	3	5
4	\$750.7	\$375.3	\$3,658.7	PETERSBURG	4	9
5	\$1,681.2	\$840.6	\$4,499.4	SEWARD	1	10
6	\$3,719.2	\$1,859.6	\$6,359.0	JUNEAU	5	15
7	\$1,175.6	\$587.8	\$6,946.8	VALDEZ	1	16
8	\$603.7	\$301.8	\$7,248.6	WRANGELL	5	21
9	\$2,985.0	\$1,492.5	\$8,741.1	KETCHIKAN	7	28
10	\$6,203.8	\$3,101.9	\$11,843.0	KODIAK	3	31
11	\$21.3	\$10.7	\$11,853.7	ANGOON	2	33
12	\$40.4	\$20.2	\$11,873.9	TENAKEE	1	34
13	\$32.8	\$16.4	\$11,890.3	YAKUTAT	1	35
14	\$111.5	\$55.8	\$11,946.0	SELDOVIA	1	36
15	\$149.6	\$74.8	\$12,020.8	METLAKATLA	2	38
16	\$560.7	\$280.4	\$12,301.2	HOONAH	2	40
17	\$193.6	\$96.8	\$12,398.0	BETHEL	1	41
18	\$278.4	\$139.2	\$12,537.2	PELICAN	1	42
19	\$288.1	\$144.1	\$12,681.3	SKAGWAY	1	43
20	\$234.0	\$117.0	\$12,798.3	KLAWOCK	1	44
20	\$218.8	\$109.4	\$12,907.7	HYDABURB	1	45
21	\$0.0	\$0.0	\$12,907.7	ALEKNAGIK	1	46
23	\$22.4	\$11.2	\$12,918.9	KASAAN	1	47
24	\$2,386.3	\$1,193.1	\$14,112.0	CORDOVA	1	48
25	\$650.2	\$325.1	\$14,437.1	KAKE	2	50
26	\$6,427.9	\$3,214.0	\$17,651.0	WHITTIER	1	51
27	\$3,196.1	\$1,598.0	\$19,249.1	PORT LIONS	1	52
28	\$465.3	\$232.7	\$19,481.8	HAINES	2	54
29	\$306.4	\$153.2	\$19,634.9	PORT ALEXANDER	2	56
30	\$7.7	\$3.9	\$19,638.8	COFFMAN COVE	1	57
31	\$7.0	\$3.5	\$19,642.3	KUPRANOF	1	58
	\$39,284.6	\$19,642.3			59	

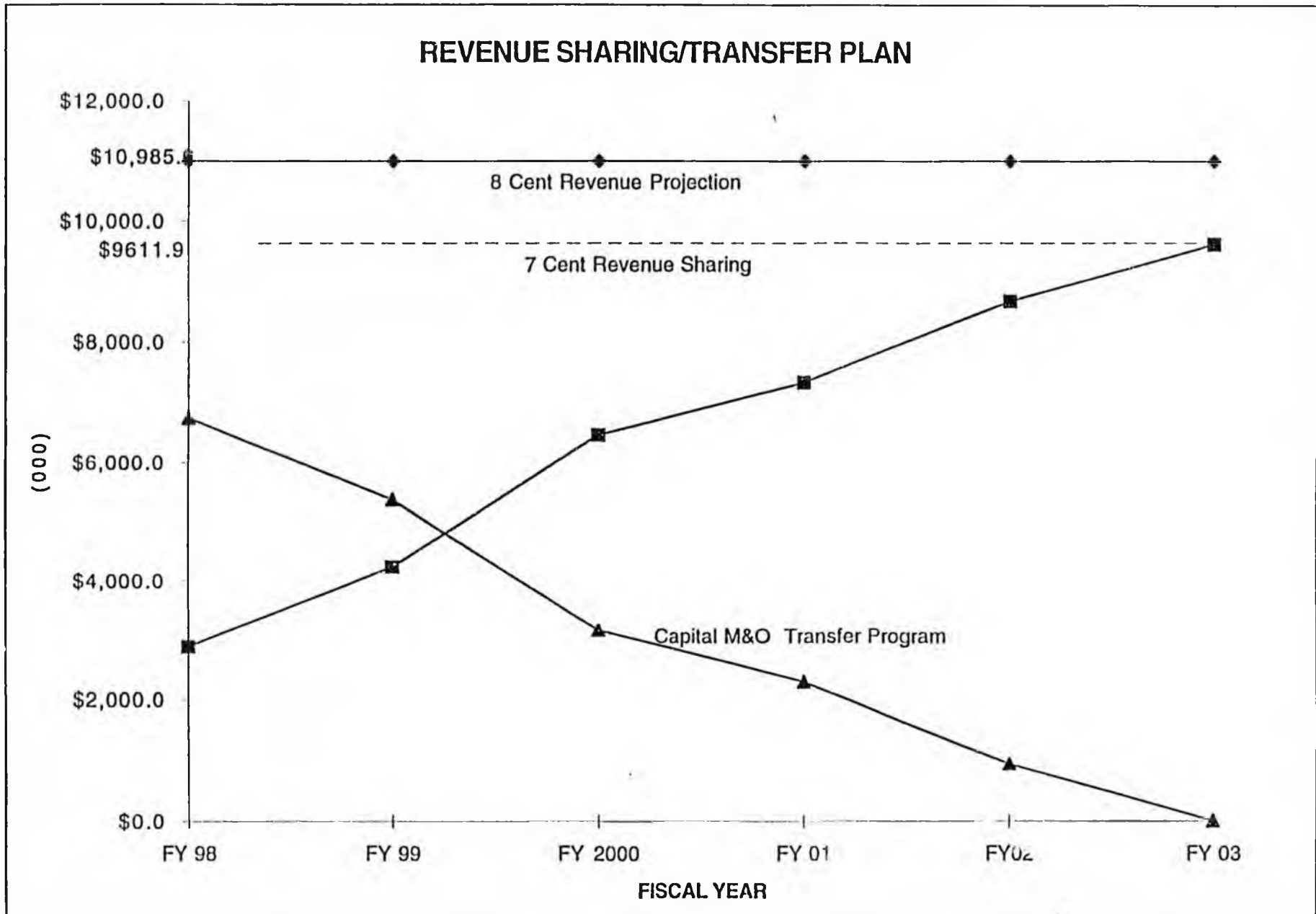
Figure 1

DRAFT

Rn.	Population	Status	Borough	Location	Count	Cumm.
S	REFUGE FLOAT	Unorganized		BARANOF	1	1
S	REFUGE FLOAT	Unorganized	(In Juneau Bor.)	TAKU HARBOR	1	2
S	REFUGE FLOAT	Unorganized		LORING	1	3
S	REFUGE FLOAT	Unorganized		FUNTER BAY	2	5
S	REFUGE FLOAT	Unorganized		SWANSON HARBOR	1	6
S	REFUGE FLOAT	Unorganized		ENTRANCE ISLAND	1	7
S	REFUGE FLOAT	Unorganized		HELM BAY	1	8
C	485	Unorganized	(In Kenai Bor.)	NINILCHIK	1	9
S	280	Unorganized		GUSTAVIS	1	10
S	151	Unorganized		HOLLIS	1	11
C	119	Unorganized		TATITLEK	1	12
C	94	Unorganized		CHENEGA	1	13
S	91	Unorganized		HYDER	1	14
S	91	Unorganized		EDNA BAY	1	15
C	68	Unorganized		HALIBUT COVE	1	16
S	57	Unorganized		ELFIN COVE	2	18
S	51	Unorganized		POINT BAKER	1	19
S	51	Unorganized		PORT PROTECTION	1	20
S	39	Unorganized		MEYERS CHUCK	1	21
C	29	Unorganized		JAKOLOF	1	22
					22	

Figure 2

DRAFT



Program C rview 98-03

HARBOR CONSTRUCTION FUND	FY 98	FY 99	FY 2000	FY 01	FY02	FY 03	6 YEAR TOTALS
<b>8 cent Revenue Projection</b>	\$10,985.0	\$10,985.0	\$10,985.0	\$10,985.0	\$10,985.0	\$10,985.0	\$65,910.0
Revenue Sharing	\$2,865.4	\$4,240.8	\$6,462.0	\$7,333.5	\$8,664.6	\$9,611.9	\$39,178.2
Capital M&O/Deferred Maintenance Transfer Program	\$6,746.5	\$5,371.1	\$3,149.9	\$2,278.4	\$947.3	\$0.0	\$18,493.2
<b>7 cent Revenue Share/Transfer     Program</b>	\$9,611.9	\$9,611.9	\$9,611.9	\$9,611.9	\$9,611.9	\$9,611.9	\$57,671.4
<b>1 cent State Program</b>	\$1,373.1	\$1,373.1	\$1,373.1	\$1,373.1	\$1,373.1	\$1,373.1	\$8,238.6

Figure 4

DRAFT

Proposed Tier Plan Detail

Community/Location	Harbor Facility Name	Inventoried Replacement Value (IRV)	WVR	Annual Rebate Proportionate to Share at 0.5% of Tax	Allocation for Local Ownership Year 1	Allocation for Local Ownership Year 2	Allocation for Local Ownership Year 3	Allocation for Local Ownership Year 4	Allocation for Local Ownership Year 5	Allocation for Local Ownership Year 6	Annualized Repair and Replacement (AR&R) Estimate	Alloc. Less AR&R
ALEKIAGIK	ALEKIAGIK DOCK	\$390	0.23%	\$22.3					\$22.3	\$22.3	\$8.5	\$13.7
<b>ALEKIAGIK Total</b>		\$390		\$22.3								\$13.7
ANGOOH	ANGOOH DOCK	\$261	0.15%	\$14.9				\$14.9	\$14.9	\$14.9	\$4.9	\$8.0
ANGOOH	ANGOOH HARBOR	\$1,137	0.68%	\$64.9				\$64.9	\$64.9	\$64.9	\$14.4	\$30.5
<b>ANGOOH Total</b>		\$1,398		\$79.8								\$30.5
BETHEL	BETHEL BOAT HARBOR	\$411	0.24%	\$23.5					\$23.5	\$23.5	\$12.3	\$11.2
<b>BETHEL Total</b>		\$411		\$23.5								\$11.2
COFFMAN COVE	COFFMAN COVE FLOAT	\$236	0.14%	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$7.0	\$6.5
<b>COFFMAN COVE Total</b>		\$236		\$13.5								\$6.5
COLD BAY	COLD BAY DOCK	\$2,155	1.28%	\$123.0	\$123.0	\$123.0	\$123.0	\$123.0	\$123.0	\$123.0	\$58.4	\$64.6
<b>COLD BAY Total</b>		\$2,155		\$123.0								\$64.6
CORINIVA	CORINIVA BOAT HARBOR	\$10,159	6.01%	\$579.8				\$579.8	\$579.8	\$579.8	\$121.4	\$256.4
<b>CORINIVA Total</b>		\$10,159		\$579.8								\$256.4
CRAIG	CRAIG CITY FLOAT	\$578	0.34%	\$33.0		\$33.0	\$33.0	\$33.0	\$33.0	\$33.0	\$17.7	\$15.3
CRAIG	CRAIG NORTH HARBOR	\$1,326	0.79%	\$75.7	\$75.7	\$75.7	\$75.7	\$75.7	\$75.7	\$75.7	\$35.4	\$36.2
CRAIG	CRAIG SOUTH HARBOR	\$2,433	1.44%	\$138.9	\$138.9	\$138.9	\$138.9	\$138.9	\$138.9	\$138.9	\$25.3	\$113.6
<b>CRAIG Total</b>		\$4,337		\$247.5								\$165.1
DILLINGHAM	DILLINGHAM HARBOR	\$250	0.15%	\$14.3	\$14.3	\$14.3	\$14.3	\$14.3	\$14.3	\$14.3	\$13.1	\$1.2
<b>DILLINGHAM Total</b>		\$250		\$14.3								\$1.2
HAINES	HAINES HARBOR	\$1,373	0.82%	\$78.4						\$78.4	\$44.7	\$33.6
HAINES	HAINES LETNIKOF COVE	\$216	0.13%	\$12.3						\$12.3	\$8.1	\$4.2
<b>HAINES Total</b>		\$1,589		\$90.7								\$37.8
HOMER	HOMER BOAT HARBOR	\$10,248	6.05%	\$584.9	\$497.1	\$584.9	\$584.9	\$584.9	\$584.9	\$584.9	\$220.4	\$364.5
<b>HOMER Total</b>		\$10,248		\$584.9								\$364.5
HOONAH	HOONAH CITY FLOAT	\$475	0.28%	\$27.1					\$27.1	\$27.1	\$18.9	\$8.2
HOONAH	HOONAH HARBOR	\$2,167	1.29%	\$123.7					\$123.7	\$123.7	\$66.6	\$57.1
<b>HOONAH Total</b>		\$2,642		\$150.8								\$65.3
HYDABURG	HYDABURG HARBOR	\$1,077	0.64%	\$61.5					\$61.5	\$61.5	\$40.3	\$21.2
<b>HYDABURG Total</b>		\$1,077		\$61.5								\$21.2
JUNEAU	AUKE BAY HARBOR	\$3,969	2.36%	\$226.5			\$226.5	\$226.5	\$226.5	\$226.5	\$106.9	\$119.7
JUNEAU	AURORA HARBOR	\$9,027	5.36%	\$515.2			\$515.2	\$515.2	\$515.2	\$515.2	\$154.1	\$361.1
JUNEAU	DOUGLAS DOCK	\$607	0.36%	\$34.6			\$34.6	\$34.6	\$34.6	\$34.6	\$20.7	\$13.9
JUNEAU	DOUGLAS HARBOR	\$846	0.50%	\$48.3			\$48.3	\$48.3	\$48.3	\$48.3	\$35.6	\$12.7
JUNEAU	HARRIS HARBOR	\$2,292	1.36%	\$130.8			\$130.8	\$130.8	\$130.8	\$130.8	\$299.7	(\$168.9)
<b>JUNEAU Total</b>		\$16,741		\$955.4								\$338.5
KAKE	KAKE DOCK AND FLOAT	\$562	0.33%	\$32.1					\$32.1	\$32.1	\$19.8	\$12.2
KAKE	KAKE FOXTAGE COVE HARBOR	\$2,032	1.21%	\$116.0					\$116.0	\$116.0	\$69.2	\$46.8
<b>KAKE Total</b>		\$2,594		\$148.0								\$59.0
KASAAN	KASAAN HARBOR	\$328	0.19%	\$18.7					\$18.7	\$18.7	\$10.7	\$8.0
<b>KASAAN Total</b>		\$328		\$18.7								\$8.0
KETCHIKAN	BAR HARBOR NORTH	\$2,244	1.33%	\$128.1			\$128.1	\$128.1	\$128.1	\$128.1	\$68.5	\$59.5
KETCHIKAN	BAR HARBOR SOUTH	\$2,607	1.55%	\$148.8			\$148.8	\$148.8	\$148.8	\$148.8	\$99.8	\$49.0
KETCHIKAN	CITY FLOAT	\$459	0.27%	\$26.2			\$26.2	\$26.2	\$26.2	\$26.2	\$15.1	\$11.1
KETCHIKAN	HOLE IN THE WALL	\$581	0.34%	\$33.2			\$33.2	\$33.2	\$33.2	\$33.2	\$76.9	(\$43.7)
KETCHIKAN	MURKIN COVE FLOAT	\$530	0.31%	\$30.2			\$30.2	\$30.2	\$30.2	\$30.2	\$19.4	\$10.8
KETCHIKAN	RYUS FLOAT	\$95	0.06%	\$5.4			\$5.4	\$5.4	\$5.4	\$5.4	\$2.6	\$2.8
KETCHIKAN	THOMAS BASIN	\$1,762	1.05%	\$100.6			\$100.6	\$100.6	\$100.6	\$100.6	\$79.4	\$21.2
<b>KETCHIKAN Total</b>		\$8,278		\$472.4								\$110.7
KING COVE	KING COVE SHALL BOAT HARBOR	\$2,651	1.57%	\$151.3	\$151.3	\$151.3	\$151.3	\$151.3	\$151.3	\$151.3	\$82.4	\$68.9
<b>KING COVE Total</b>		\$2,651		\$151.3								\$68.9
KLAWOCK	KLAWOCK DOCK	\$709	0.42%	\$40.5	\$40.5	\$40.5	\$40.5	\$40.5	\$40.5	\$40.5	\$16.5	\$24.0
KLAWOCK	KLAWOCK HARBOR	\$545	0.32%	\$31.1					\$31.1	\$31.1	\$20.3	\$10.8
<b>KLAWOCK Total</b>		\$1,254		\$71.6								\$34.8

Figure 5

DRAFT

Proposed Tier Plan Detail

Community/Location	Harbor Facility Name	Inventory Replacement Value (IRV)	AVR	Annual Rebate Proportionate Share at 85% of Tax	Allocation for Local Ownership Year 1	Allocation for Local Ownership Year 2	Allocation for Local Ownership Year 3	Allocation for Local Ownership Year 4	Allocation for Local Ownership Year 5	Allocation for Local Ownership Year 6	Annualized Repair and Replacement (ARR) Estimate	Alloc. less AVR
KODIAK	CITY FLOAT	\$927	0.55%	\$52.9				\$52.9	\$52.9	\$52.9	\$28.2	\$24.7
KODIAK	SAINT HERMAN HARBOR	\$4,685	2.78%	\$267.4				\$267.4	\$267.4	\$267.4	\$216.8	\$50.6
KODIAK	SAINT PAUL BOAT HARBOR	\$4,204	2.50%	\$239.9				\$239.9	\$239.9	\$239.9	\$174.2	\$65.8
<b>KODIAK Total</b>		\$9,816		\$560.2								\$141.1
LORING	LORING FLOAT	\$84	0.05%	\$4.8						\$4.8	\$4.8	\$0.0
<b>LORING Total</b>		\$84		\$4.8								\$0.0
HETLAKATLA	HETLAKATLA CITY FLOAT	\$408	0.24%	\$23.3					\$23.3	\$23.3	\$11.2	\$12.1
HETLAKATLA	HETLAKATLA HARBOR	\$1,316	0.78%	\$75.1					\$75.1	\$75.1	\$43.5	\$31.7
<b>HETLAKATLA Total</b>		\$1,724		\$98.4								\$41.8
MOHE	MOHE /DOCK	\$5,407	3.21%	\$308.6	\$308.6	\$308.6	\$308.6	\$308.6	\$308.6	\$308.6	\$227.6	\$81.0
<b>MOHE Total</b>		\$5,407		\$308.6								\$81.0
OLD HARBOR	OLD HARBOR DOCK	\$499	0.30%	\$28.5	\$28.5	\$28.5	\$28.5	\$28.5	\$28.5	\$28.5	\$13.4	\$15.1
OLD HARBOR	OLD HARBOR FLOAT	\$426	0.25%	\$24.3	\$24.3	\$24.3	\$24.3	\$24.3	\$24.3	\$24.3	\$17.2	\$7.1
<b>OLD HARBOR Total</b>		\$925		\$52.8								\$22.2
VELICAN	VELICAN HARBOR	\$1,731	1.03%	\$98.8					\$98.8	\$98.8	\$60.6	\$38.2
<b>VELICAN Total</b>		\$1,731		\$98.8								\$38.2
PETERSBURG	MIDDLE HARBOR	\$825	0.49%	\$47.1		\$47.1	\$47.1	\$47.1	\$47.1	\$47.1	\$29.4	\$17.6
PETERSBURG	NORTH HARBOR	\$1,973	1.17%	\$112.6		\$112.6	\$112.6	\$112.6	\$112.6	\$112.6	\$37.7	\$74.9
PETERSBURG	PAPKES LANDING FLOAT	\$181	0.11%	\$10.3		\$10.3	\$10.3	\$10.3	\$10.3	\$10.3	\$5.3	\$5.1
PETERSBURG	SOUTH HARBOR	\$2,953	1.75%	\$168.5		\$168.5	\$168.5	\$168.5	\$168.5	\$168.5	\$95.7	\$72.9
<b>PETERSBURG Total</b>		\$5,932		\$338.5								\$170.5
PORT ALEXANDER	PORT ALEXANDER INNER HARBOR	\$172	0.10%	\$9.8						\$9.8	\$7.3	\$2.5
PORT ALEXANDER	PORT ALEXANDER OUTER HARBOR	\$291	0.17%	\$16.6						\$16.6	\$13.0	\$3.6
<b>PORT ALEXANDER Total</b>		\$463		\$26.4								\$6.1
PORT LIONS	PORT LIONS SMALL BOAT HARBOR	\$4,350	2.58%	\$248.3						\$248.3	\$67.8	\$180.4
<b>PORT LIONS Total</b>		\$4,350		\$248.3								\$180.4
SAND POINT	SAND POINT SMALL BOAT HARBOR	\$2,899	1.72%	\$165.5	\$165.5	\$165.5	\$165.5	\$165.5	\$165.5	\$165.5	\$90.9	\$74.5
<b>SAND POINT Total</b>		\$2,899		\$165.5								\$74.5
SELDOVIA	SELDOVIA SMALL BOAT HARBOR	\$1,872	1.11%	\$106.8				\$106.8	\$106.8	\$106.8	\$65.9	\$40.9
<b>SELDOVIA Total</b>		\$1,872		\$106.8								\$40.9
SEWARD	SEWARD BOAT HARBOR	\$7,821	4.64%	\$446.4		\$446.4	\$446.4	\$446.4	\$446.4	\$446.4	\$264.7	\$181.7
<b>SEWARD Total</b>		\$7,821		\$446.4								\$181.7
SITKA	CITY (AND) HARBOR	\$1,015	0.60%	\$57.9	\$57.9	\$57.9	\$57.9	\$57.9	\$57.9	\$57.9	\$38.9	\$19.0
SITKA	CRESCENT HARBOR	\$3,187	1.89%	\$181.9		\$181.9	\$181.9	\$181.9	\$181.9	\$181.9	\$119.4	\$62.5
SITKA	SEALING COVE	\$1,868	1.11%	\$106.6		\$106.6	\$106.6	\$106.6	\$106.6	\$106.6	\$38.8	\$67.8
SITKA	THOMSEN HARBOR	\$3,176	1.89%	\$181.3		\$181.3	\$181.3	\$181.3	\$181.3	\$181.3	\$117.5	\$63.8
<b>SITKA Total</b>		\$9,246		\$527.7								\$211.1
SKAGWAY	SKAGWAY SMALL BOAT HARBOR	\$1,723	1.02%	\$98.3					\$98.3	\$98.3	\$59.0	\$39.4
<b>SKAGWAY Total</b>		\$1,723		\$98.3								\$39.4
ST. GEORGE	SAINT GEORGE HARBOR	\$11,670	6.93%	\$666.0	\$666.0	\$666.0	\$666.0	\$666.0	\$666.0	\$666.0	\$7.8	\$658.2
<b>ST. GEORGE Total</b>		\$11,670		\$666.0								\$658.2
ST. PAUL	ST. PAUL HARBOR	\$7,782	4.62%	\$444.1	\$444.1	\$444.1	\$444.1	\$444.1	\$444.1	\$444.1	\$14.9	\$429.3
<b>ST. PAUL Total</b>		\$7,782		\$444.1								\$429.3
THORNE BAY	DAVIDSON LANDING AND DOCK	\$73	0.04%	\$4.2	\$4.2	\$4.2	\$4.2	\$4.2	\$4.2	\$4.2	\$2.5	\$1.7
THORNE BAY	THORNE BAY CITY HARBOR	\$1,265	0.75%	\$72.2	\$72.2	\$72.2	\$72.2	\$72.2	\$72.2	\$72.2	\$13.2	\$59.0
<b>THORNE BAY Total</b>		\$1,338		\$76.4								\$60.6
UNALASKA	UNALASKA BOAT HARBOR	\$700	0.42%	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$22.5	\$17.4
UNALASKA	UNALASKA MARINE CENTER	\$0	0.00%	\$0.0	tbd	tbd	tbd	tbd	tbd	\$0.0	tbd	tbd
<b>UNALASKA Total</b>		\$700		\$40.0								\$17.4
VALDEZ	SMALL BOAT HARBOR	\$5,114	3.04%	\$291.9			\$291.9	\$291.9	\$291.9	\$291.9	\$181.2	\$110.6
<b>VALDEZ Total</b>		\$5,114		\$291.9								\$110.6
WHITTIER	WHITTIER BOAT HARBOR	\$10,112	6.00%	\$577.1						\$577.1	\$162.4	\$414.7
<b>WHITTIER Total</b>		\$10,112		\$577.1								\$414.7

Figure 6

DRAFT

Proposed Transfer Plan Detail

Community/Location	Harbor Facility Name	Inventoried Replacement Value (IRV)	%IRV	Annual Rebate Proportions to Share at 85% of Tax	Allocation for Local Ownership Year 1	Allocation for Local Ownership Year 2	Allocation for Local Ownership Year 3	Allocation for Local Ownership Year 4	Allocation for Local Ownership Year 5	Allocation for Local Ownership Year 6	Annualized Repair and Replacement (ARRR) Estimate	Alloc. Issu ARAR
WRANGELL	FISH AND GAME FLOAT	\$1,825	1.08%	\$104.2			\$104.2	\$104.2	\$104.2	\$104.2	\$20.8	\$81.4
WRANGELL	INNER HARBOR	\$564	0.33%	\$32.2			\$32.2	\$32.2	\$32.2	\$32.2	\$19.8	\$12.4
WRANGELL	RELIANCE HARBOR	\$1,676	1.00%	\$95.7			\$95.7	\$95.7	\$95.7	\$95.7	\$54.0	\$41.7
WRANGELL	SHOEMAKER BAY HARBOR	\$4,477	2.66%	\$255.5			\$255.5	\$255.5	\$255.5	\$255.5	\$50.2	\$205.3
WRANGELL	STANDARD OIL FLOAT	\$245	0.15%	\$14.0			\$14.0	\$14.0	\$14.0	\$14.0	\$8.8	\$5.2
<b>WRANGELL Total</b>		<b>\$8,787</b>		<b>\$501.5</b>								<b>\$348.1</b>
YAKUTAT	YAKUTAT HARBOR	\$868	0.52%	\$49.5				\$49.5	\$49.5	\$49.5	\$26.1	\$23.3
<b>YAKUTAT Total</b>		<b>\$868</b>		<b>\$49.5</b>								<b>\$23.3</b>
TEHAKEE	TEHAKEE HARBOR	\$1,316	0.78%	\$75.1				\$75.1	\$75.1	\$75.1	\$37.3	\$37.8
<b>TEHAKEE Total</b>		<b>\$1,316</b>		<b>\$75.1</b>								<b>\$37.8</b>
<b>Grand Total</b>		<b>\$168,418</b>		<b>\$9,611.9</b>								<b>\$4,998.8</b>
		<b>\$168,418</b>	<b>100.00%</b>	<b>\$9,611.9</b>	<b>\$2,865.4</b>	<b>\$4,240.8</b>	<b>\$6,462.0</b>	<b>\$7,333.5</b>	<b>\$8,664.6</b>	<b>\$9,611.9</b>	<b>\$4,613.1</b>	<b>\$4,998.8</b>
CHIZEGA	CHIZEGA HARBOR	\$493	0.28%	\$0.0							\$18.5	(\$18.5)
BARANOF	BARANOF FLOAT	\$241	0.14%	\$0.0							\$18.6	(\$18.6)
EVIA BAY	EDNA BAY FLOAT AND GRID	\$181	0.10%	\$0.0							\$5.6	(\$5.6)
ELFIN COVE	ELFIN COVE INNER HARBOR	\$360	0.21%	\$0.0							\$12.1	(\$12.1)
ENTRANCE ISLAND	ENTRANCE ISLAND FLOAT	\$43	0.02%	\$0.0							\$2.3	(\$2.3)
FURTER BAY	FURTER BAY FLOAT	\$52	0.03%	\$0.0							\$2.5	(\$2.5)
GUSTAVIS	GUSTAVIS DOCK AND FLOAT	\$1,055	0.61%	\$0.0							\$37.6	(\$37.6)
HALIBUT COVE	HALIBUT COVE FLOAT	\$244	0.14%	\$0.0							\$0.0	\$0.0
HELM BAY	HELM BAY REFUGE FLOAT	\$34	0.02%	\$0.0							\$1.0	(\$1.0)
HOLLIS	HOLLIS HARBOR	\$243	0.14%	\$0.0							\$7.1	(\$7.1)
HYDER	HYDER HARBOR	\$991	0.57%	\$0.0							\$28.9	(\$28.9)
JAKOLOF	JAKOLOF BAY FLOAT	\$102	0.06%	\$0.0							\$0.0	\$0.0
KUPREANOF	KUPREANOF FLOAT	\$224	0.13%	\$0.0							\$6.2	(\$6.2)
MEYERS CRUCK	MEYER CRUCK HARBOR	\$245	0.14%	\$0.0							\$8.2	(\$8.2)
NINILCHIK	NINILCHIK HARBOR	\$81	0.05%	\$0.0							\$4.5	(\$4.6)
POINT BAKER	POINT BAKER FLOAT	\$201	0.12%	\$0.0							\$6.8	(\$6.8)
FORT PROTECTION	FORT PROTECTION FLOAT	\$116	0.07%	\$0.0							\$0.6	(\$0.6)
SWANSON HARBOR	SWANSON HARBOR FLOAT	\$51	0.03%	\$0.0							\$6.3	(\$6.3)
TAKU HARBOR	TAKU HARBOR	\$160	0.09%	\$0.0							\$12.8	(\$12.8)
TATITLAK	TATITLAK DOCK	\$337	0.19%	\$0.0							\$9.0	(\$9.0)
ELFIN COVE	ELFIN COVE OUTER HARBOR	\$231	0.13%	\$0.0							\$7.2	(\$7.2)

DRAFT

Figure 7

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Increase Motor Fuel Tax BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: (H) RLS/LRFPC  
 Requestor: (H) STA COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	58.3	58.3	58.3	58.3	58.3	58.3
TRAVEL	10.0	10.0	10.0	10.0	10.0	10.0
CONTRACTUAL	3.0	3.0	8.0	3.0	8.0	3.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	8.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>80.3</b>	<b>72.3</b>	<b>77.3</b>	<b>72.3</b>	<b>77.3</b>	<b>72.3</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( GF )	41,291.5	59,578.5	65,174.2	66,247.8	75,333.2	76,534.6
---------------------------	----------	----------	----------	----------	----------	----------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	80.3	72.3	77.3	72.3	77.3	72.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>80.3</b>	<b>72.3</b>	<b>77.3</b>	<b>72.3</b>	<b>77.3</b>	<b>72.3</b>

Estimate of any current year (FY96) cost \$ 0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Paul E. Dick  
 Division: Income and Excise Audit Division  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Department of Revenue

Phone: 465-2320  
 Date: 3/11/96  
 Date: 3/11/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information call the Governor's Legislative Office

**Alaska Department of Revenue  
Income and Excise Audit Division**

HB 443  
Increase Motor Fuel Tax  
9-LS1268\K  
Page 2 of 4

**Bill Analysis**

Sections 1 and 2 increase motor fuel tax rates as follows:

<b>Fuel Type</b>	<b>Current Tax Rate (¢ per gallon)</b>	<b>Proposed Tax Rate (¢ per gallon)</b>
Highway	8.0	22.0
Marine	5.0	8.0

Section 3 deletes reference to gasohol in AS 43.40.015(d), which defines when a certificate of exemption is not required, to conform with the repeal of the tax exemption for gasohol under section 6 of this bill.

Section 4 raises the off-highway refund rate from the current 6¢ to 16¢ per gallon. Accordingly, off-highway users would pay a net 6¢ per gallon.

Section 5 provides for adjustments of tax and off-highway refund rates. Rates would be adjusted on July 1 of each even-numbered year according to changes in the Consumer Price Index (CPI) for the Anchorage Metropolitan Area with the January 1997 index as the reference base index. This section also requires that the Department give public notice of the change.

Section 6 repeals the current tax exemption for gasohol.

Section 7 provides for an effective date of October 1, 1996 for the tax rate increases.

**Operating Costs**

The Department is requesting funding for a Revenue Auditor III who would be located in Anchorage. The Department believes that the increased rate would increase tax avoidance, and also, the increased differential between highway and other fuel types would result in taxpayers reporting sales as other fuel to avoid the higher highway fuel tax rate. This position would be responsible for insuring that taxpayers are in compliance with reporting requirements and that the proper amount of tax is paid. Total revenue collections will be in excess of \$100 million a year. Efforts to increase compliance is prudent and warranted.

The Department is requesting additional contractual funding of \$5.0 every odd-numbered fiscal year beginning in FY 99 to cover costs of public notice, forms revisions and postage resulting from tax rate changes.

**Revenue**

The attached spreadsheet summarizes revenue projections from tax and off-highway refund rate increases and the repeal of the exemption for gasohol as provided in this bill.

**Department of Revenue  
Income and Excise Audit Division**

**Fiscal Note Analysis**

HB 443  
Increase Motor Fuel Tax  
9-LS1268K  
Page 3 of 4

(Amounts in 'Revenue' columns are the product of FY 96 projected gallons and respective rates.)

<b>Highway</b>	<b>FY 96 Projected Gallons</b>	<b>FY 97 Rate</b>	<b>Revenue</b>	<b>FY 98 Rate</b>	<b>Revenue</b>	<b>FY 99 Rate</b>	<b>Revenue</b>	<b>FY 00 Rate</b>	<b>Revenue</b>	<b>FY 01 Rate</b>	<b>Revenue</b>	<b>FY 02 Rate</b>	<b>Revenue</b>
<b>Taxable Gallons</b>													
July - September	125,035,633	0.08	\$ 10,002,851	0.22	\$ 27,507,839	0.23	\$ 28,758,106	0.23	\$ 28,758,196	0.25	\$ 31,258,908	0.25	\$ 31,258,908
October - June	<u>250,071,267</u>	0.22	<u>55,015,679</u>	0.22	<u>55,015,679</u>	0.23	<u>57,516,391</u>	0.23	<u>57,516,391</u>	0.25	<u>62,517,817</u>	0.25	<u>62,517,817</u>
<b>Total</b>	<b>375,106,900</b>		<b>65,018,529</b>		<b>82,523,518</b>		<b>86,274,587</b>		<b>86,274,587</b>		<b>93,776,725</b>		<b>93,776,725</b>
<b>Gasohol</b>													
July - September	14,547,800	0.08	1,163,824	0.22	3,200,516	0.23	3,345,994	0.23	3,345,994	0.25	3,636,950	0.25	3,636,950
October - June	<u>60,452,200</u>	0.22	<u>13,299,484</u>	0.22	<u>13,299,484</u>	0.23	<u>13,904,006</u>	0.23	<u>13,904,006</u>	0.25	<u>15,113,050</u>	0.25	<u>15,113,050</u>
<b>Total</b>	<b>75,000,000</b>		<b>14,463,308</b>		<b>16,500,000</b>		<b>17,250,000</b>		<b>17,250,000</b>		<b>18,750,000</b>		<b>18,750,000</b>
<b>Off-Highway Gallons</b>													
July - September	40,116,875	-0.06	(2,407,013)	-0.16	(6,418,700)	-0.17	(6,819,869)	-0.17	(6,819,869)	-0.18	(7,221,038)	-0.18	(7,221,038)
October - June	<u>120,350,625</u>	-0.16	<u>(19,256,100)</u>	-0.16	<u>(19,256,100)</u>	-0.17	<u>(20,459,606)</u>	-0.17	<u>(20,459,606)</u>	-0.18	<u>(21,663,113)</u>	-0.18	<u>(21,663,113)</u>
<b>Total</b>	<b>160,467,500</b>		<b>(21,663,113)</b>		<b>(25,674,800)</b>		<b>(27,279,475)</b>		<b>(27,279,475)</b>		<b>(28,884,150)</b>		<b>(28,884,150)</b>
<b>Total Taxable and Gasohol Less Off-Highway</b>			<b>57,818,725</b>		<b>73,340,718</b>		<b>76,245,112</b>		<b>76,245,112</b>		<b>83,642,575</b>		<b>83,642,575</b>
<b>Projected FY 96 Revenue</b>			<b>20,356,800</b>		<b>20,356,800</b>		<b>20,356,800</b>		<b>20,356,800</b>		<b>20,356,800</b>		<b>20,356,800</b>
<b>Increase</b>			<b>37,461,925</b>		<b>52,991,918</b>		<b>55,888,312</b>		<b>55,888,312</b>		<b>63,285,775</b>		<b>63,285,775</b>
<b>Population Growth Adjustment</b>			1.016		1.032		1.049		1.066		1.083		1.100
<b>Adjusted Increase</b>			<b>\$ 38,061,316</b>		<b>\$ 54,701,225</b>		<b>\$ 58,599,566</b>		<b>\$ 59,564,069</b>		<b>\$ 68,542,038</b>		<b>\$ 69,635,110</b>

**Marine**

<b>Taxable Gallons</b>													
July - September	51,518,500	0.05	\$ 2,575,925	0.08	\$ 4,121,480	0.09	\$ 4,636,665	0.09	\$ 4,636,665	0.09	\$ 4,636,665	0.09	\$ 4,636,665
October - June	<u>103,037,000</u>	0.08	<u>8,242,960</u>	0.08	<u>8,242,960</u>	0.09	<u>9,273,330</u>	0.09	<u>9,273,330</u>	0.09	<u>9,273,330</u>	0.09	<u>9,273,330</u>
<b>Total</b>	<b>154,555,500</b>		<b>10,818,885</b>		<b>12,364,440</b>		<b>13,909,995</b>		<b>13,909,995</b>		<b>13,909,985</b>		<b>13,909,995</b>
<b>FY 96 Projected Revenue</b>			<b>7,639,600</b>		<b>7,639,600</b>		<b>7,639,600</b>		<b>7,639,600</b>		<b>7,639,600</b>		<b>7,639,600</b>
<b>Increase</b>			<b>3,179,285</b>		<b>4,724,840</b>		<b>6,270,395</b>		<b>6,270,395</b>		<b>6,270,395</b>		<b>6,270,395</b>
<b>Population Growth Adjustment</b>			1.016		1.032		1.049		1.066		1.083		1.100
<b>Adjusted Increase</b>			<b>\$ 3,230,154</b>		<b>\$ 4,877,244</b>		<b>\$ 6,574,584</b>		<b>\$ 6,682,887</b>		<b>\$ 6,791,189</b>		<b>\$ 6,899,491</b>

<b>Total Adjusted Increase - Highway and Marine</b>	<b>\$ 41,291,469</b>	<b>\$ 59,578,470</b>	<b>\$ 65,174,150</b>	<b>\$ 66,247,755</b>	<b>\$ 75,333,227</b>	<b>\$ 76,534,601</b>
---	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

**Department of Revenue  
Income and Excise Audit Division**

**Fiscal Note Analysis**

HB 443  
Increase Motor Fuel Tax  
9-LS1268\K  
Page 4 of 4

*Following are calculations of increases in motor fuel tax rates based on changes in Anchorage CPI.*

Fiscal Year	CPI Change*	Cumulative Change	Tax Rate		
			Highway	Off-Highway	Marine
97	2.99%	2.99%			
Proposed Base Rate			0.22	0.16	0.08
New Rate Calculation			0.226578	0.164784	0.08239
7/1/97 New Rate (Rounded)			0.23	0.16	0.08
97	2.99%				
98	2.99%	5.98%			
Proposed Base Rate			0.22	0.16	0.08
New Rate Calculation			0.233156	0.169568	0.08478
7/1/98 New Rate (Rounded)			0.23	0.17	0.08
97	2.99%				
98	2.99%				
99	3.18%	9.16%			
Proposed Base Rate			0.22	0.16	0.08
New Rate Calculation			0.240152	0.174656	0.08733
7/1/99 New Rate (Rounded)			0.24	0.17	0.09
97	2.99%				
98	2.99%				
99	3.18%				
00	3.18%	12.34%			
Proposed Base Rate			0.22	0.16	0.08
New Rate Calculation			0.247148	0.179744	0.08987
7/1/00 New Rate (Rounded)			0.25	0.18	0.09
97	2.99%				
98	2.99%				
99	3.18%				
00	3.18%				
01	3.18%	15.52%			
Proposed Base Rate			0.22	0.16	0.08
New Rate Calculation			0.254144	0.184832	0.09242
7/1/01 New Rate (Rounded)			0.25	0.18	0.09

\*Source: Office of Management and Budget

**DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES**

Testimony for House State Affairs Committee on HB 443  
3/12/96

The Department of Transportation and Public Facilities supports HB 443, more specifically, the department supports an increase in highway and marine motor fuel taxes if the taxes will be dedicated to the mode from which the taxes were collected.

HB 443 was introduced at the request of the Long Range Financial Planning Commission as a component of an overall long-range fiscal plan. The bill proposes an increase in the highway motor fuel tax from the current eight cents per gallon to twenty two cents per gallon and an increase in the marine motor fuel tax from the current five cents per gallon to eight cents per gallon. The bill also repeals the exemption currently in place for the use of Gasohol. The Department of Revenue estimates that even without the increase in motor fuel tax, the lost revenue from use of Gasohol will be in excess of six million dollars for FY 1997.

The highway fuel tax increase will provide the department with revenue which will enable the department to increase maintenance on state owned roads and highways. An increase in maintenance will extend the life of our roads and highways. This will make Federal construction funds available for other important highway projects in the state.

There are other factors which make increasing the motor fuel tax an important issue for this legislature to address. In January, the US General Accounting Office released a report entitled "HIGHWAY FUNDING, Alternatives for Distributing Federal Funds". The report did not make specific recommendations, however, the GAO did layout seven alternatives for distribution of the nation's Federal Highway funds. In four of the alternatives, Alaska's overall share goes from \$231 million FY 1995 dollars to approximately \$40 million FY 1995 dollars. In only one alternative, Alaska's best case in this report, the state share goes from \$231 million to \$89 million.

If Congress decided to adopt even the best GAO alternative, Alaska could stand to lose \$191 million dollars. For this reason, the department believes it is prudent to indicate to other states, and to Congress that we are doing all we can to maintain the transportation system we have, and to show a commitment to maintain our transportation system in the future. Fortunately, the state has a strong advocate in Senator Stevens who sits on the Senate Appropriations committee. But the potential for losing valuable Federal Highway funds is still there, and even if we do manage to maintain the current level of funding through the next Federal Highway spending authorization, we can eventually expect a decline in Federal Highway funds for Alaska.

The marine fuel tax increase coupled with the dedicated fund, will provide the department with funding for a harbor transfer program. The program would involve funding capital projects for state owned harbors to upgrade the facilities to a condition where the department could turn the facilities over to the local municipality. The department estimates that all but twenty-two of the facilities currently owned by the state could reasonably be transferred in five years. The proposed program would basically get the state out of the harbor business.

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. HB 443

Revision Date: 3/13/96 Dept. Affected: DOT&PF  
Title: Increase Motor Fuel Tax BRU: Office of the Commissioner  
Component: various

Sponsor: Rules by request of Long Range Fiscal Plan Comm  
Requester: House State Affairs COMPONENT SERIAL NO. N/A-530

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

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES		2,575.0	4,075.0	4,375.0	5,575.0	5,775.0
TRAVEL						
CONTRACTUAL		3,500.0	5,525.0	5,925.0	12,000.0	12,775.0
SUPPLIES		725.0	1,300.0	1,400.0	3,025.0	3,150.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>6,800.0</b>	<b>10,900.0</b>	<b>11,700.0</b>	<b>20,600.0</b>	<b>21,700.0</b>

<b>CAPITAL EXPENDITURES</b>		<b>4,900.0</b>	<b>6,600.0</b>	<b>6,700.0</b>	<b>6,800.0</b>	<b>6,900.0</b>
-----------------------------	--	----------------	----------------	----------------	----------------	----------------

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(47,900.0)	(47,900.0)	(47,900.0)	(47,900.0)	(47,900.0)
1005 GF/Program Receipts						
Transportation Fund - Highways		54,700.0	58,600.0	59,600.0	68,500.0	69,600.0
Transportation Fund - Harbors		4,900.0	6,600.0	6,700.0	6,800.0	6,900.0
<b>TOTAL</b>	<b>0.0</b>	<b>11,700.0</b>	<b>17,300.0</b>	<b>18,400.0</b>	<b>27,400.0</b>	<b>28,600.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME	0	26	40	40	50	50
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

This fiscal note assumes amendments to make the bill dependent on passage of a constitutional amendment to create a dedicated transportation fund and an amended effective date of July 1, 1997. It is assumed expenditures from the dedicated fund will begin on the first day of FY98 (July 1, 1997), which is the same day that the dedicated fund comes into existence. Revenue deposited to the dedicated fund will lag behind the start of the fiscal year. Funding is included to establish an Accountant position to design and implement dedicated fund accounting mechanisms. Increased funding based on increased revenues is assumed to be made available for increased operating (Highways M&O) or increased capital (Harbors) expenditures. New positions for FY98-2002 are assumed to be equipment operators and maintenance leaders (or similar maintenance job class) and the accountant position for performing the separate fund accounting. Additional personal services funding would decrease the existing vacancy factor for maintenance units, increase the months budgeted for existing seasonal maintenance positions and increase budgeted overtime for maintenance positions. Existing DOT&PF Administrative functions including Planning and Design and Construction functions as well as fiscal, personnel, supply, management and other services provided to the maintenance program will be partially funded by the Transportation (Highway) fund. Costs will be distributed on the basis of a cost allocation plan between the different modes of transportation, public facilities, and capital project oversight.

Prepared by: Sam Klo III Phone: 465-3900  
Special Assistant

Division: Office of the Commissioner Date: \_\_\_\_\_

Approved by: *Jack L. Williams* Date: 3/13/96  
Commissioner

Agency: Department of Transportation and Public Facilities

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information, call the Governor's Legislative Office

Fiscal Note HB 443  
Increased Motor Fuel Tax  
Dept of Transportation & Public Facilities

<b>Increased Revenue from Fuel Taxes</b>						
	FY97	FY98	FY99	FY00	FY01	FY02
<b>Motor Fuel Tax Increase - Highways</b>						
Total Motor Fuel Tax Collections minus Off-Highway Rebate *		73,300.0	76,200.0	76,200.0	83,600.0	83,600.0
Minus FY96 Revenue (This amount of highway maintenance funding switched to dedicated fund in fiscal note for HJR49)		(20,400.0)	(20,400.0)	(20,400.0)	(20,400.0)	(20,400.0)
Increased Revenue from HB 443 - Highways		52,900.0	55,800.0	55,800.0	63,200.0	63,200.0
Increase with Population Growth Adjustment - Highways *		54,700.0	58,600.0	59,600.0	68,500.0	69,600.0
<b>Marine Fuel Tax Increase - Harbors</b>						
Total Marine Fuel Tax Collections *		12,400.0	13,900.0	13,900.0	13,900.0	13,900.0
Minus FY96 Revenue (This amount of harbor capital improvements shown as funded by the dedicated fund in fiscal note for HJR49)		(7,600.0)	(7,600.0)	(7,600.0)	(7,600.0)	(7,600.0)
Increased Revenue from HB 443 - Harbors		4,800.0	6,300.0	6,300.0	6,300.0	6,300.0
Increase with Population Growth Adjustment - Harbors *		4,900.0	6,600.0	6,700.0	6,800.0	6,900.0
<b>Total Increased Revenue</b>		<b>59,600.0</b>	<b>65,200.0</b>	<b>66,300.0</b>	<b>75,300.0</b>	<b>76,500.0</b>
* Revenues Based on Department of Revenue Calculations (dated 3/11/96)						

Fiscal Note HB 443  
 Increased Motor Fuel Tax  
 Dept of Transportation & Public Facilities

	FY97	FY98	FY99	FY00	FY01	FY02
<b>Highway Increased Revenue *</b>		54,700.0	58,600.0	59,600.0	68,500.0	69,600.0
<b>Items in Current Budget to be Switched from General Funds to Dedicated Fund - Highways</b>						
Remaining M&O Highways Operating Budget		36,200.0	36,200.0	36,200.0	36,200.0	36,200.0
M&O Facilities - Highways Maintenance Station Bldgs		3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Administrative Functions related to Highways Function		7,700.0	7,700.0	7,700.0	7,700.0	7,700.0
Capital Budget - Non Routine Maintenance		1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
<b>New Cost Separate Accounting for Highway Fund</b>		75.0	75.0	75.0	75.0	75.0
<b>Increased Funding Available for Highways Maintenance &amp; Operations</b>		6,725.0	10,625.0	11,625.0	20,525.0	21,625.0
<b>Marine Increased Revenue *</b>		4,900.0	6,600.0	6,700.0	6,800.0	6,900.0
<b>New Cost Separate Accounting for Harbor Fund</b>		30.0	30.0	30.0	30.0	30.0
<b>Increased funding available for Capital Harbors Program</b>		4,870.0	6,570.0	6,670.0	6,770.0	6,870.0
<b>Total Department Increased Funding Available (after accounting costs)</b>		11,595.0	17,195.0	18,295.0	27,295.0	28,495.0
<b>* Revenues Based on Department of Revenue Calculations (dated 3/11/96)</b>						

Fiscal Note HB 443  
 Increased Motor Fuel Tax  
 Dept of Transportation & Public Facilities

<b>FY98 Expenditure Authorization by Funding Sources</b>			
	<b>General</b>	<b>Dedicated</b>	
	<b>Funds</b>	<b>Transport Fund</b>	<b>Total</b>
<b>Highways</b>			
M&O - Highways	(36,200.0)	42,925.0	6,725.0
M&O Facilities - Highways Bldgs	(3,000.0)	3,000.0	0.0
Administrative Functions	(7,700.0)	7,700.0	0.0
New Cost Separate Accounting		75.0	75.0
Capital Deferred/Emergency Repairs	(1,000.0)	1,000.0	0.0
Total Highways	(47,900.0)	54,700.0	6,800.0
<b>Harbors</b>			
Capital Maintenance, Emergency Repair and New Harbor Capitalization Program		4,870.0	4,870.0
New Cost Separate Accounting		30.0	30.0
Total Harbors	0.0	4,900.0	4,900.0
<b>TOTAL DEPARTMENT</b>	<b>(47,900.0)</b>	<b>59,600.0</b>	<b>11,700.0</b>
<b>All other years equal to FY98 plus additional revenue from population growth adjustment to fuel tax rates.</b>			
<b>Additional funding from this increased revenue assumed to be made available for highway maintenance program and for capital harbor program.</b>			