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# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. SB 314

Revision Date _____	Dept. Affected <u>DOT&amp;PF</u>
Title <u>Municipal Feeder Vessel Authorities</u>	BRU <u>Statewide Programs</u>
Sponsor <u>Torgerson, Pearce</u>	Component <u>Office of the Commissioner</u>
Requester <u>S TRA</u>	Component Serial No. <u>530</u>

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

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	2.0	0.0	0.0	0.0	0.0	0.0
Contractual	18.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>20.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	20.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type)	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>20.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY98) cost: 0.0

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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

Prepared by Dennis Poshard, Special Assistant  
 Division Commissioners Office  
 Approved by *Joseph L. ...* Commissioner  
 Agency Department of Transportation and Public Facilities

Phone 465-3900  
 Date 3/10/98  
 Date 3/10/98

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## Fiscal Note Analysis

### SB 314

March 9, 1998

"An Act relating to the Alaska marine highway system and to municipal feeder vessel authorities."

#### Analysis:

There are two sections in this bill that would cause increased expenditures for the Department.

Section 3 permits feeder vessel authorities to use state ferry terminal facilities. The Department would generate regulations regarding the use of such facilities. The cost for developing these regulations is estimated to be \$20,000. This is made up of public notice advertising expenses (\$12,000), Department of Law expenses (\$3,000), travel costs to hold public hearings (\$2,000), and miscellaneous expenses such as teleconferencing and printing (\$3,000). It is anticipated existing staff will carry out the regulation process, so no personal services costs are included.

Section 4 creates the feeder vessel authority grant fund. The Department would need to establish a system of prioritization and monitoring of these grants. Until there are a sufficient number of authorities established to compete for this grant funding, the costs to the Department for providing this service would be minimal. If the number of authorities substantially increases in future years, the cost of administering these grants could become significant.

# Alaska State Legislature

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Senate Resources  
Senate Rules  
Legislative Budget & Audit



*Senator John Torgerson*

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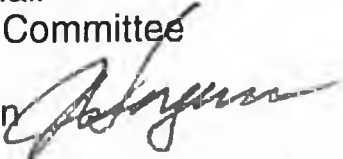
## Session Address:

State Capitol: Room 514  
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## MEMORANDUM

DATE: March 4, 1998

TO: Senator Jerry Ward, Chair  
Senate Transportation Committee

FROM: Senator John Torgerson 

RE: SB 314 - Municipal Feeder Vessel Authorities

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I would appreciate your scheduling a hearing on this bill before the Senate Transportation Committee as soon as is possible.

Attached is a sponsor statement and a sectional analysis for the bill.

Thank you for your time and attention to this matter.

SB 314: S(TRA): Hrg Rqst: 3/4/98: mj

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*Senator John Torgerson*

## SB 314 - Municipal Feeder Vessel Authority Sponsor Statement

This legislation authorizes and creates a feeder vessel authority grant fund in the Department of Transportation, to help the municipal governments acquire, construct, or maintain ferry facilities or ferries that are owned by the municipality. It also authorizes the department to grant funds for feasibility studies to determine if the routes selected will be beneficial to that municipality.

For years, the Department of Transportation has conducted southeast transportation plans to try and determine what plan would best serve the residents of southeast Alaska. Their plans always include increasing ferry service to all the communities, more reliable service and always call for the operation of day boats or feeder vessels. They have determined that feeder vessels would meet those goals, plus would cost less to operate.

Because of the department's lack of fortitude to adopt its own reports, it chooses to operate a ferry system that is on the brink of collapse. The system has been mismanaged for so long, and the legislature has funded these inefficiencies, that there has been no reason for the department to change.

Recently, many communities have voted to create what is called the Inter-island Ferry authority, so that they could own and operate their own feeder vessels, with the goal of providing better service to their communities. These communities are: Craig, Hollis, Thorne Bay, Wrangell, and Petersburg.

This legislation not only recognizes that some communities want to fix the system, but authorizes the Department of Transportation to help put these feeder vessel authorities together.

The long range plans should provide for increased feeder ferry service by municipal operated ferries and the State of Alaska should operate the main system running north and south.

SS SB 314: S(TRA): 3/2/98: mj

*Representing the Kenai Peninsula*

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## **SB 314 Municipal Feeder Vessel Authorities Sectional Analysis**

Section 1. Amends existing statute to include a new section regarding municipal feeder vessel authorities.

Section 2. Amends existing statute to include a new section to authorize contracts between the department and the feeder vessel authorities.

Section 3. Amends existing statute to require the department to allow new authorities to use the department's ferry terminal facilities.

Section 4. Amends AS 29.35 by adding a new article on these municipal feeder vessel authorities. The new language:

- a. provides a mechanism for establishing an authority
- b. provides a mechanism for dissolution of an authority
- c. describes the powers of an authority
- d. describes the liability of an authority
- e. provides for the administration of an authority
- f. establishes a feeder vessel authority grant fund

SA SB 314 S(TRA): 3/6/98: mj