

ALASKA LEGISLATURE COMMITTEE FILES 1909 1900

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HTRA

SB

114

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SB

115

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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

*James O. Smith*  
Signature of Camera Operator

*10/31/89*  
Date

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A Brief Bill History on SB 114

"An Act relating to the registration of heavy vehicles;  
and providing for an effective date."

=====

SB 114 was introduced by Rules by request of the Governor. It allows the state to refuse to register heavy vehicles if the owner cannot furnish proof of having paid the federal heavy vehicle use tax.

In the Governor's transmittal letter of January 30, 1985, it explains the necessity of this legislation to protect Alaska's full apportionment of federal highway funds.

In Senate State Affairs Committee, March 5, 1985--passed out with unanimous consent.

In Senate Transportation, March 18, 1985--passed out with the following amendment:

Delete: ", [AND] Alaska Motor Freight Carrier [AND BUS TRANSPORTATION] fees required under AS 42." (This language referred to the defunct Alaska Transportation Commission.)

According to the Senate Finance staff, CSSB 114(TRSP) passed out of Senate Finance with no changes to the bill or the fiscal note.

CSSB 114(TRSP) passed the Senate floor 17-1 on April 24, 1985.

Your back-up material provides you with the following:

- Cover memo from the Senate Transportation staff to members.
- CSSB 114(TRSP)
- The proposed amendment to SB 114 (from the Attorney General's office)
- SB 114
- Outline information of SB 114
- Governor's transmittal letter date January 30, 1985
- DOT/PF Position Paper
- Public Safety Position Paper
- Public Safety fiscal note for CSSB 114(TRSP)
- Federal Statute (STAA)

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: CSSB 114(Trans)  
 Title: An Act relating to the registration of heavy vehicles.  
 Sponsor: Governor  
 Requestor: Senate Finance  
 Date of Request: 3/25/85

FISCAL DETAIL

Agency Affected: Public Safety  
 Program Category Affected: Life and Property Protection  
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONAL SERVICES  |       | 8.8   | 9.3   | 9.9   | 10.5  | 11.1  |
| 200 TRAVEL             |       |       |       |       |       |       |
| 300 CONTRACTUAL        |       | 7.4   | 5.5   | 5.8   | 6.1   | 6.5   |
| 400 SUPPLIES           |       |       |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> |       | 16.2  | 14.8  | 15.7  | 16.6  | 17.6  |

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>CAPITAL</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>REVENUE</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |  |      |      |      |      |      |
|---------------|--|------|------|------|------|------|
| GENERAL FUND  |  | 16.2 | 14.8 | 15.7 | 16.6 | 17.6 |
| FEDERAL FUNDS |  |      |      |      |      |      |
| OTHER         |  |      |      |      |      |      |
| <b>TOTAL</b>  |  |      |      |      |      |      |

POSITIONS:

|           |  |   |   |   |   |   |
|-----------|--|---|---|---|---|---|
| FULL-TIME |  |   |   |   |   |   |
| SEASONAL  |  | 1 | 1 | 1 | 1 | 1 |
| TEMPORARY |  |   |   |   |   |   |

ANALYSIS: Attach a separate page if necessary

Will require proof of payment of the Federal Heavy Vehicle Use Tax prior to registration for all motor vehicles with a gross vehicle weight (GVW) of 55,000 pounds or over. Alaska vehicle classifications are based on unladen weight rather than GVW, so it is not possible to determine exactly how many vehicles are affected, but an estimate based on unladen weight would be 2,500 to 3,500 vehicles.

Cont.

Prepared By: Charles R. Hosack  
 Division: Motor Vehicles

Phone: 269-5561  
 Date: 3-20-85

Approved by Commissioner: [Signature]  
 Agency: Public Safety

Date: 3/27/85

Distribution (by Agency preparing fiscal note):

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

7/1/84

HEAVY VEHICLE USE TAX

ANALYSIS CONTINUED

Notification to vehicle owners and collection of the proper forms would require a special mailing and individual handling. Most of these vehicles are commercial vehicles registered during December, so one position working four months, October through January, would be able to accomplish most of the work and the rest would be absorbed by existing positions.

Cost detail for the program is as follow:

|     |  |            |            |
|-----|--|------------|------------|
| 100 | Motor Vehicle Representative 1,<br>Range 8, 4 Months |            | 8.8        |
| 300 | Mailing Cost   | 1.4        |            |
|     | Forms  | 1.0        |            |
|     | Data Processing Programming                          | 2.0        |            |
|     | Data Processing Maintenance                          | 3.0        |            |
|     |  | <u>7.4</u> |            |
|     |  |            | <u>7.4</u> |
|     |  |            | 16.2       |

An inflation factor of 6 percent has been applied to costs beyond FY86.

| <b>TITLE OF INCREMENT/DECREMENT:</b><br>FN - Heavy Vehicle Registration   | <b>AGENCY CONTACT/PHONE NUMBER:</b><br>John H. Lucking/269-5551 | <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>CODE</th> <th>EXPENDITURE BY OBJECT</th> <th>AGENCY REQ.</th> <th>GOV'S REQ.</th> </tr> </thead> <tbody> <tr><td>100</td><td>Personal Services</td><td>8.8</td><td></td></tr> <tr><td>200</td><td>Travel</td><td></td><td></td></tr> <tr><td>300</td><td>Contractual Services</td><td>7.4</td><td></td></tr> <tr><td>400</td><td>Supplies</td><td></td><td></td></tr> <tr><td>500</td><td>Equipment</td><td></td><td></td></tr> <tr><td>600</td><td>Lands, Buildings, Etc.</td><td></td><td></td></tr> <tr><td>700</td><td>Grants, Claims, Etc.</td><td></td><td></td></tr> <tr><td>800</td><td>Miscellaneous</td><td></td><td></td></tr> <tr><td colspan="2" style="text-align: right;">TOTAL</td><td>16.2</td><td></td></tr> <tr><td colspan="4" style="text-align: center;">I-A Transfer (NON-ADD)</td></tr> <tr><td>1002</td><td>Federal Receipts</td><td></td><td></td></tr> <tr><td>1003</td><td>General Fund Match</td><td></td><td></td></tr> <tr><td>1004</td><td>General Fund</td><td>16.2</td><td></td></tr> <tr><td>1005</td><td>I-A Receipts</td><td></td><td></td></tr> <tr><td>1028</td><td>Program Receipts</td><td></td><td></td></tr> <tr><td></td><td>Other</td><td></td><td></td></tr> <tr> <td rowspan="4" style="vertical-align: middle;">POSITION INFORMATION</td> <td>PFT</td> <td></td> <td></td> </tr> <tr> <td>PRR Seasonal</td> <td>1.0</td> <td></td> </tr> <tr> <td>Non Permanent</td> <td></td> <td></td> </tr> <tr> <td>Staff Months</td> <td>4.0</td> <td></td> </tr> </tbody> </table> | CODE  | EXPENDITURE BY OBJECT | AGENCY REQ. | GOV'S REQ. | 100          | Personal Services | 8.8 |  | 200   | Travel |  |  | 300                         | Contractual Services | 7.4 |  | 400                         | Supplies |  |  | 500      | Equipment |  |  | 600         | Lands, Buildings, Etc. |  |  | 700  | Grants, Claims, Etc.                     |   |  | 800                                     | Miscellaneous |  |  | TOTAL |  | 16.2 |  | I-A Transfer (NON-ADD) |  |  |  | 1002 | Federal Receipts |  |  | 1003 | General Fund Match |  |  | 1004 | General Fund | 16.2 |  | 1005 | I-A Receipts |  |  | 1028 | Program Receipts |  |  |  | Other |  |  | POSITION INFORMATION | PFT |  |  | PRR Seasonal | 1.0 |  | Non Permanent |  |  | Staff Months | 4.0 |  |
|---|---|---|---|-----------------------|-------------|------------|--------------|-------------------|-----|--|-------|--------|--|--|-----------------------------|----------------------|-----|--|-----------------------------|----------|--|--|----------|-----------|--|--|-------------|------------------------|--|--|--|--|---|--|---|---------------|--|--|-------|--|------|--|------------------------|--|--|--|------|------------------|--|--|------|--------------------|--|--|------|--------------|------|--|------|--------------|--|--|------|------------------|--|--|--|-------|--|--|----------------------|-----|--|--|--------------|-----|--|---------------|--|--|--------------|-----|--|
| CODE  | EXPENDITURE BY OBJECT   | AGENCY REQ.   | GOV'S REQ.  |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 100   | Personal Services   | 8.8   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 200   | Travel  |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 300   | Contractual Services  | 7.4   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 400   | Supplies  |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 500   | Equipment   |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 600   | Lands, Buildings, Etc.  |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 700   | Grants, Claims, Etc.  |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 800   | Miscellaneous   |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| TOTAL   |   | 16.2  |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| I-A Transfer (NON-ADD)  |   |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 1002  | Federal Receipts  |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 1003  | General Fund Match  |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 1004  | General Fund  | 16.2  |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 1005  | I-A Receipts  |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 1028  | Program Receipts  |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | Other   |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| POSITION INFORMATION  | PFT   |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | PRR Seasonal  | 1.0   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | Non Permanent   |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | Staff Months  | 4.0   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| <b>DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:</b><br><br>Proposed legislation would amend AS 28.10.021 dealing with vehicle registration to ensure that the vehicle owner has complied with federal regulations requiring that a heavy vehicle use tax be paid if applicable prior to State registration.<br><br>Notification to vehicle owners and collection of the proper forms would require a special mailing and individual handling. Most of the affected vehicles are commercial vehicles registered during December, so one seasonal position working four months (October-January) would be able to accomplish most of the additional workload involved in administering the change in Statute.<br><br>Costs are projected as follows:<br><table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%;">100</td> <td style="width:75%;">One seasonal Motor Vehicle Rep I, Range 8, 4 months</td> <td style="width:10%; text-align: right;">8.8</td> <td style="width:10%;"></td> </tr> <tr> <td>300</td> <td>Mailing Cost</td> <td style="text-align: right;">1.4</td> <td></td> </tr> <tr> <td></td> <td>Forms</td> <td style="text-align: right;">1.0</td> <td></td> </tr> <tr> <td></td> <td>Data Processing Programming</td> <td style="text-align: right;">2.0</td> <td></td> </tr> <tr> <td></td> <td>Data Processing Maintenance</td> <td style="text-align: right;">3.0</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Subtotal</td> <td style="text-align: right; border-top: 1px solid black;">7.4</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">TOTAL COSTS</td> <td style="text-align: right; border-top: 1px solid black;">16.2</td> <td></td> </tr> </table> |   | 100   | One seasonal Motor Vehicle Rep I, Range 8, 4 months | 8.8                   |             | 300        | Mailing Cost | 1.4               |     |  | Forms | 1.0    |  |  | Data Processing Programming | 2.0                  |     |  | Data Processing Maintenance | 3.0      |  |  | Subtotal | 7.4       |  |  | TOTAL COSTS | 16.2                   |  | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%; padding: 5px;"> <input type="checkbox"/> Enhance Existing Service Compared to FY 85<br/> <input checked="" type="checkbox"/> New Service Compared to FY 85<br/> <input type="checkbox"/> Continuation of FY 85 Service Level       </td> <td style="width:40%; padding: 5px; vertical-align: top;"> <input type="checkbox"/> Formula Program       </td> </tr> <tr> <td colspan="2" style="padding: 5px;">         IMPACT FROM CAPITAL PROJECT (NAME)<br/> <hr/> </td> </tr> <tr> <td colspan="2" style="padding: 5px;">         Chapter _____ SLA _____ Page/Line _____       </td> </tr> </table> | <input type="checkbox"/> Enhance Existing Service Compared to FY 85<br><input checked="" type="checkbox"/> New Service Compared to FY 85<br><input type="checkbox"/> Continuation of FY 85 Service Level | <input type="checkbox"/> Formula Program | IMPACT FROM CAPITAL PROJECT (NAME)<br><hr/> |  | Chapter _____ SLA _____ Page/Line _____ |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 100   | One seasonal Motor Vehicle Rep I, Range 8, 4 months             | 8.8   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| 300   | Mailing Cost  | 1.4   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | Forms   | 1.0   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | Data Processing Programming                                     | 2.0   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | Data Processing Maintenance                                     | 3.0   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | Subtotal  | 7.4   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
|   | TOTAL COSTS   | 16.2  |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| <input type="checkbox"/> Enhance Existing Service Compared to FY 85<br><input checked="" type="checkbox"/> New Service Compared to FY 85<br><input type="checkbox"/> Continuation of FY 85 Service Level  | <input type="checkbox"/> Formula Program                        |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| IMPACT FROM CAPITAL PROJECT (NAME)<br><hr/>   |   |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |
| Chapter _____ SLA _____ Page/Line _____   |   |   |   |                       |             |            |              |                   |     |  |       |        |  |  |                             |                      |     |  |                             |          |  |  |          |           |  |  |             |                        |  |  |  |  |   |  |   |               |  |  |       |  |      |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |     |  |  |              |     |  |               |  |  |              |     |  |

|  |                                    |
|--|------------------------------------|
| C5                                     | <b>INCREMENT/DECREMENT REQUEST</b> |
| Agency Priority <u>34</u> of <u>35</u> |                                    |

AGENCY Department of Public Safety  
 PROGRAM Life & Property Protection  
 BRU Division of Motor Vehicles  
 COMPONENT Vehicle Services  
 PROJECT \_\_\_\_\_

FY 86

|                    |          |
|--------------------|----------|
| PAGE _____         | OF _____ |
| REVISED DATE _____ |          |

# Alaska State Legislature

SENATOR  
JOHN B. "JACK" COGHILL  
Chairman

Senator Jan Faiks—Vice Chairman  
Senator Mitch Abood  
Senator Paul Fischer  
Senator Joe Josephson



POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4921

## Senate Committee on Transportation

### MEMORANDUM

To: Committee members

From: Committee staff *RC*

Date: March 18, 1985

Re: SB 114

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SB 114 is scheduled to be heard by the committee this afternoon. This bill proposes to amend AS 28.10.021 (motor vehicle registration) by requiring the Department of Public Safety to verify that federal heavy vehicle use taxes have been paid, for those vehicles required to do so, before the department can issue a registration for the vehicle. As the Governor's transmittal letter points out, if this change to the State's law is not made, the federal government may withhold 25% of federal funds for highway construction.

In your folder you have a copy of the bill, a copy of the federal statute making the bill necessary, a DPS fiscal note and analysis, and position papers from DPS and DOT/PF. Also included is a proposed amendment suggested by Jim Fischer of the Attorney General's office, which would delete references to requirements of the now defunct Alaska Transportation Commission.

From A.G.'s Office

Proposed Amendment to SB 114 - ". . . relating to the registration of heavy vehicles. . ."

On line 14, page 1 after the word "chapter" delete the  
","; delete all language on line 15, page 1; and on line 16, page  
1 delete the language "required under AS 42,"

Outline about SB 114

1. This legislation is required by passage of Federal legislation in 1982. That enactment was the Surface Transportation Assistance Act of 1982.

2. When Congress passed the 1982 statute it included a provision which could penalize a state for up to 25% of its federal highway aid money. To avoid such a penalty the state must check to see if the federal heavy vehicle use taxes have been paid. If the federal taxes have not been paid, then the state must refuse to register those heavy vehicles on which no use taxes have been paid.

3. Alaska statutes presently lack any provision which permits the Division of Motor Vehicles to refuse registration for failure to show evidence of payment of federal heavy use taxes. To grant such authority to the Division of Motor Vehicles is the reason SB 114 is now before the legislature. This authority should be in place not later than October 1, 1985 the deadline set by the federal government.

Other questions:

(a) Doesn't the proposed enactment place Alaska in the position of collecting federal taxes?

Answer: No. IRS must continue to collect but if a truck owner, for example, doesn't show a receipt (Form 2290), demonstrating the tax has been paid to it, then the truck cannot be registered in Alaska. The state does not have to handle any money for the federal government.

(b) Doesn't this measure require Alaska to be an indirect tax collector?

Answer: It can be argued that that is what occurs. However, it is mandatory under the federal law.

(c) Will the proposed measure place additional demands on the staff of the Division of Motor Vehicles (DMV)?

Answer: Yes, it is an extra step for registration of a heavy vehicle truck (GVW 55,000 pounds). DMV employees will probably have to answer questions which should logically be directed to the IRS. However, if an Alaskan doesn't understand the heavy vehicle tax law when applying to DMV, then state officials should be ready to respond to inquiries which should really be answered by federal employees.

BILL SHEFFIELD  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

SB 114

January 30, 1985

The Honorable Don Bennett  
President of the Senate  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the division of motor vehicles (DMV), Department of Public Safety, to refuse to register heavy trucks and trailers if the owner of the heavy vehicle does not furnish proof that applicable federal heavy use taxes have been paid. This authorization is necessary to protect Alaska's full apportionment of federal highway funds.

In 1982 the U.S. Congress adopted the Surface Transportation Assistance Act of 1982. The Act increases, as of July 1, 1984, the heavy vehicle use tax which heavy trucks and trailers must pay under sec. 4481 of the Internal Revenue Code of 1954. Section 143 of the Act (23 U.S.C. sec. 141(d)) authorizes the federal government to withhold up to 25 percent of a state's apportionment of federal highway funds during any year in which heavy vehicles subject to such taxation may be registered in the state without presenting proof of payment of these taxes. The present federal law requires that this proof-of-payment requirement must be effective no later than January 1, 1985.

In order to prevent the loss of these federal highway funds, this bill authorizes DMV to refuse to register a heavy vehicle unless the owner provides proof that the required federal tax has been paid. If an applicant fails to provide the required proof of payment, the applicant's vehicle will not be registered. The State of Alaska is not required to enforce or collect the federal tax.

At line 15, the bill also makes an incidental amendment (deletion of "and bus transportation") to recognize the 1980 repeal of AS 42.15, the chapter on bus transportation to which this provision refers.

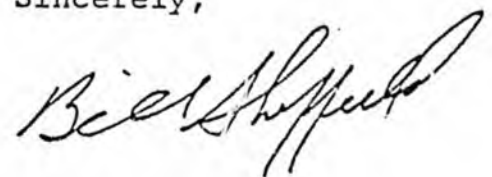
GOVERNOR'S LETTER OF TRANSMITTAL

SB 114

I anticipate that Department of Public Safety personnel will be working with legislative committees on possible amendments to the bill, which may be necessitated by pending federal procedural instructions.

In order to avoid the loss of federal funding needed for Alaska's highway system, I urge your passage of this bill.

Sincerely,



Bill Sheffield  
Governor



Dept. of Transportation & Public Facilities

# Position Paper

**BILL NO:** Senate Bill 114

**APPROVED:**

*R. J. Knapp*  
R. J. Knapp  
Commissioner

**TITLE:** An act relating to the registration of heavy vehicles; and providing for an effective date.

**DATE:**

March 1, 1985

The Alaska Department of Transportation and Public Facilities urges speedy passage of Senate Bill (SB) 114. SB 114 enables the Division of Motor Vehicles in the Department of Public Safety to require proof-of-payment of the federal heavy vehicle use tax before registering heavy vehicles in the State of Alaska. The heavy vehicle use tax is one of a number of user fees that fund highway improvements through the federal Highway Trust Fund. The State of Alaska receives a very favorable distribution from the Highway Trust Fund; this distribution is over nine times the amount collected through federal taxes on highway use in Alaska.

If SB 144 is not enacted, Alaska will be subject to a reduction in our Interstate apportionments from the highway trust fund. This reduction in funds will hurt the Department's efforts to improve Alaska's Interstate System, consisting of the Parks, Alaska, Glenn and Tok Cut-off highways and portions of the Richardson, Seward, and Sterling highways. The Department estimates that withholding, when applied, will cost the state over \$10 million a year in Interstate apportionments. In a time of declining oil revenues and pressing road improvement needs, the state can ill afford any loss of federal-aid highway funds.

For further information call Susan Fleischhauer at 465-3900.

DOT/PF POSITION PAPER

DEPARTMENT OF PUBLIC SAFETY  
POSITION PAPER - CSSB 114 (Trans)

SUPPORT

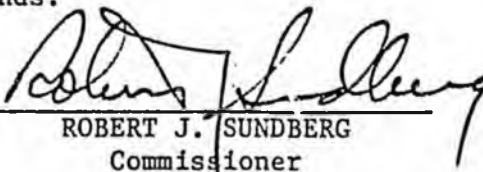
March 20, 1985

CSSB 114 (Transportation), An Act relating to the registration of heavy vehicles and providing for an effective date.

The United States Congress has amended the United States Code to reflect the Secretary of Transportation shall reduce the state's apportionment for federal-aid highway funds in any fiscal year beginning after October 1, 1985, if a vehicle subject to the use tax may be lawfully registered in the state without having presented proof of payment of the use tax.

Enforcement of a federal law by state registration processes is not a desirable use of state resources. However, the alternative, a loss of 25 percent of federal highway funds, leaves the state little choice. The state is not required to enforce or collect the federal tax but only to verify it has been paid before the vehicle is registered.

Therefore, it is felt this bill should be passed this session to bring Alaska in compliance with the federal requirement and avoid loss of the federal-aid highway funds.

  
ROBERT J. SUNDBERG  
Commissioner

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - SB 114

SUPPORT

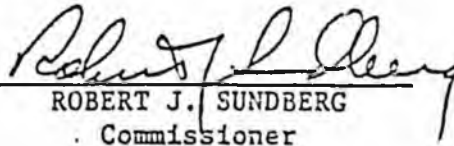
February 6, 1985

SB 114, An Act relating to the registration of heavy vehicles and providing for an effective date.

The United State Congress has amended the United States Code to reflect the Secretary of Transportation shall reduce the state's apportionment for federal-aid highway funds in any fiscal year beginning after October 1, 1985, if a vehicle subject to the use tax may be lawfully registered in the state without having presented proof of payment of the use tax.

Enforcement of a federal law by state registration processes is not a desirable use of state resources. However, the alternative, a loss of 25 percent of federal highway funds, leaves the state little choice. The state is not required to enforce or collect the federal tax but only to verify it has been paid before the vehicle is registered.

Therefore, it is felt this bill should be passed this session to bring Alaska in compliance with the federal requirement and avoid loss of the federal-aid highway funds.

  
ROBERT J. SUNDBERG  
Commissioner

DPS POSITION PAPER

Southern Illinois Builders Ass'n v. Ugalvie, C.A. Ill.1972, 471 F.2d 680.

2. Power of states

State officials were authorized to prescribe number of minority trainees to be employed by

contractor in connection with highway construction projects. Schlaflly v. Volpe, C.A.Ill.1974, 495 F.2d 273.

§ 141. Enforcement of requirements

(a) Each State shall certify to the Secretary before January 1 of each year that it is enforcing all speed limits on public highways in accordance with section 154 of this title. The Secretary shall not approve any project under section 106 of this title in any State which has failed to certify in accordance with this subsection.

(b) Each State shall certify to the Secretary before January 1 of each year that it is enforcing all State laws respecting maximum vehicle size and weights permitted on the Federal-aid primary system, the Federal-aid urban system, and the Federal-aid secondary system, including the Interstate System in accordance with section 127 of this title.

(c) (1) Each State shall submit to the Secretary such information as the Secretary shall, by regulation, require as necessary, in his opinion, to verify the certification of such State under subsection (b) of this section.

(2) If a State fails to certify as required by subsection (b) of this section or if the Secretary determines that a State is not adequately enforcing all State laws respecting such maximum vehicle size and weights, notwithstanding such a certification, then Federal-aid highway funds apportioned to such State for such fiscal year shall be reduced by amounts equal to 10 per centum of the amount which would otherwise be apportioned to such State under section 104 of this title.

(3) If within one year from the date that the apportionment for any State is reduced in accordance with paragraph (2) of this subsection the Secretary determines that such State is enforcing all State laws respecting maximum size and weights, the apportionment of such State shall be increased by an amount equal to such reduction. If the Secretary does not make such a determination within such one-year period, the amounts so withheld shall be reapportioned to all other eligible States.

(d) The Secretary shall reduce the State's apportionment of Federal-aid highway funds under section 104(b) (5) of this title in an amount up to 25 per centum of the amount to be apportioned in any fiscal year beginning after September 30, 1984, during which heavy vehicles, subject to the use tax imposed by section 4481 of the Internal Revenue Code of 1954, may be lawfully registered in the State without having presented proof of payment, in such form as may be prescribed by the Secretary of the Treasury, of the use tax imposed by section 4481 of such Code. Amounts withheld from apportionment to a State under this subsection shall be apportioned to the other States pursuant to the formulas of section 104(b) (5) of this title and shall be available in the same manner and to the same extent as other Interstate funds apportioned at the same time to other States.

(Add: Pub.L. 93-643, § 107(a), Jan. 4, 1975, 88 Stat. 2284, and amended Pub.L. 95-599, Title I, § 123(d), Nov. 6, 1978, 92 Stat. 2702; Pub.L. 97-424, Title I, § 143, Jan. 6, 1983, 96 Stat. 2129.)

References in Text. Section 4481 of the Internal Revenue Code of 1954, referred to in subsec. (d), is section 4481 of Title 26, Internal Revenue Code.

Prior Provisions. A prior section 141, Pub.L. 90-495, § 35(a), Aug. 23, 1968, 82 Stat. 836, providing for real property acquisition policies, was repealed by Pub.L. 91-646, Title III, § 306, Jan. 2, 1971, 84 Stat. 1907, and is now covered by sections 4651(1), (3), and (5) and 4655(1) of Title 42, The Public Health and Welfare.

1983 Amendment. Subsec. (b). Pub.L. 97-424, § 143, added subsec. (d).

1978 Amendment. Pub.L. 95-599 redesignated existing provisions as subsecs. (a) and (b) and added subsec. (c).

Effective Date of 1978 Amendment. Section 123(e) of Pub.L. 95-599, formerly set out as a note under this section, providing that subsec. (c) (2) and (3) of this section be applicable to certifications required by this section to be filed on or after Jan. 1, 1980, was repealed by Pub.L. 96-106, § 12, Nov. 9, 1979, 93 Stat. 798.

Enforcement of Vehicle Weight Limitations. Section 123(a) to (c) of Pub.L. 95-599 provided that:

"(a) Not later than the one-hundred-eightieth day after the date of enactment of this section [Nov. 6, 1978], the Secretary of Transportation, hereunder referred to as the 'Secretary', in consultation with each State shall inventory the existing system of penalties for violations of vehicle weight

Laws, rules, and regulations on any portion of any Federal-aid system in such State. Each State shall annually thereafter report to the Secretary its current inventory.

"(b) (1) Not later than the one-hundred-eightieth day after the date of enactment of this section [Nov. 6, 1978], the Secretary, in consultation with each State, shall inventory the existing system in such State for the issuance of special permits. Each State shall annually thereafter report to the Secretary its current inventory.

"(2) For purposes of this subsection, the term "special permit" means a license or permit issued pursuant to State law, rule, or regulation which authorizes a vehicle to exceed the weight limitation for such vehicle established under State law, rule, or regulation.

"(c) Not later than January 1 of the second calendar year which begins after the date of enactment of this section [Nov. 6, 1978] and each

calendar year thereafter the Secretary shall submit to Congress an annual report together with such recommendations as the Secretary deems necessary on (1) the latest annual inventory of State systems of penalties required by subsection (a) of this section; (2) the latest annual inventory of State systems for the issuance of special permits required by subsection (b) of this section; (3) the annual certification submitted by each State required by section 141(b) of title 23, United States Code [subsec. (b) of this section]."

*Legislative History.* For legislative history and purpose of Pub.L. 93-643, see 1974 U.S. Code Cong. and Adm. News, p. 8011. See also, Pub.L. 95-599, 1978 U.S. Code Cong. and Adm. News, p. 6575; Pub.L. 97-424, 1982 U.S. Code Cong. and Adm. News, p. 3639.

#### Code of Federal Regulations

Size and weight, see 23 CFR 657.1.

Speed limits, see 23 CFR 659.1.

## § 112. Public transportation

(a) (1) To encourage the development, improvement, and use of public mass transportation systems operating motor vehicles (other than on rail) on Federal-aid highways for the transportation of passengers (hereafter in this section referred to as "buses"), so as to increase the traffic capacity of the Federal-aid systems for the movement of persons, the Secretary may approve as a project on any Federal-aid system the construction of exclusive or preferential high occupancy vehicle lanes, highway traffic control devices, bus passenger loading areas and facilities (including shelters), and fringe and transportation corridor parking facilities to serve high occupancy vehicle and public mass transportation passengers, and sums apportioned under section 104(b) of this title shall be available to finance the cost of projects under this paragraph. If fees are charged for the use of any parking facility constructed under this section, the rate thereof shall not be in excess of that required for maintenance and operation of the facility and the cost of providing shuttle service to and from the facility (including compensation to any person for operating the facility and for providing such shuttle service).

(2) In addition to the projects under paragraph (1), the Secretary may, beginning with the fiscal year ending June 30, 1975, approve as a project on the Federal-aid urban system, for payment from sums apportioned under section 104(b)(6) of this title, the purchase of buses, and, beginning with the fiscal year ending June 30, 1976, approve as a project on the Federal-aid urban system, for payment from sums apportioned under section 104(b)(6) of this title, the construction, reconstruction, and improvement of fixed rail facilities, including the purchase of rolling stock for fixed rail, except that not more than \$200,000,000 of all sums apportioned for the fiscal year ending June 30, 1975, under section 104(b)(6) shall be available for the payment of the Federal share of projects for the purchase of buses.

(b) Sums apportioned in accordance with paragraph (5) of subsection (b) of section 104 of this title shall be available to finance the Federal share of projects for exclusive or preferential high occupancy vehicle, truck, and emergency vehicle routes or lanes. Routes constructed under this subsection shall not be subject to the third sentence of section 109(b) of this title.

(c) Whenever responsible local officials of an urbanized area notify the State highway department that, in lieu of a highway project the Federal share of which is to be paid from funds apportioned under section 104(b)(6) of this title for the fiscal years ending June 30, 1974, and June 30, 1975, their needs require a nonhighway public mass transit project involving the construction of fixed rail facilities, or the purchase of passenger equipment, including rolling stock for any mode of mass transit, or both, and the State highway department determines that such public mass transit project is in accordance with the planning process under section 134 of this title and is entitled to priority under such planning process, such public mass transit project shall be submitted for approval to the Secretary. Approval of the plans, specifications, and estimates for such project by the Secretary shall be deemed a

COMMITTEE REPORT

5/1

HOUSE

(7)

FURTHER: FINANCE

4/25/85

Date: \_\_\_\_\_

The Committee on TRANSPORTATION has had CSSR 114(Trsp)

"An Act relating to the registration of heavy vehicles; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Betty Pate

W. L. ...

W. ...

Mike Davis

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

A. ... Do Not Pass

This is Fiscal ...

...

\_\_\_\_\_

\_\_\_\_\_

Betty Pate

CHAIRMAN

TRANSPORTATION COMMITTEE DAILY AGENDA

=====

- 1) CALL MEETING TO ORDER
- 2) NOTE MONTH/DAY/YEAR      Wednesday, May 1, 1985
- 3) NOTE TIME:                      (7:00 a.m.)
- 4) NOTE MEMBERS PRESENT AND EXCUSED

--Note: For the record, also note any late arrivals to the meeting.

- 5) RECOGNIZE VIP's
- 6) REMIND PARTICIPANTS TO SIGN THE WITNESS REGISTER
- 7) BRING BEFORE THE COMMITTEE:

CSSB 114(Trsp)

"An Act relating to the registration of heavy vehicles; and providing for an effective date." Original sponsor: the Rules Committee by Request of the Governor.

HB 100

"An Act relating to detention of vessels as security for oil-pollution damages; clarifying a definition relating to discharge of hazardous substances; and providing for an effective date." Original sponsor: Rules Committee by Request of the Governor.

- 8) INSIDE THE MEMBERS' FOLDERS:

For CSSB 114(TRSP)

- ° A brief bill history on SB 114
- ° Cover memo from the Senate Transportation staff to members.
- ° CSSB 114(TRSP)
- ° The proposed amendment to SB 114 (from the Attorney General's office)
- ° SB 114
- ° Outline information of SB 114

- Governor's transmittal letter date January 30, 1985
- DOT/PF Position Paper
- Public Safety Position Paper
- Public Safety fiscal note for CSSB 114(TRSP)
- Federal Statute (STAA)

For HB 100:

- A copy of the bill
- A copy of the fiscal note
- The Governor's letter of transmittal
- A copy of the April 26, 1985 letter from Commissioner Bill Ross to Chairman Cato
- Copy of memos from the Office of the Attorney General
- A copy of the affected statutes
- "Hearing on Plaintiff's Motion for T.R.O. [Temporary Restraining Order] February 1, 1984 State v. Transportes Del Este Navegacion"

9) INTRODUCE WITNESSES

10) ANNOUNCE TIME OF ADJOURNMENT

SECTIONAL ANALYSIS FOR SENATE BILL 114

An Act relating to the registration of heavy vehicles

Section 1

Requires that before a heavy truck or trailer is registered by the Division of Motor Vehicles, the owner must furnish proof that federal heavy vehicle use taxes required by the federal government have been paid.

Section 2

Provides the Division of Motor Vehicles with the authority to refuse to register heavy trucks and trailers if the federal heavy vehicle use tax has not been paid.

Section 3

Immediate effective date.

This change in law is necessary because Congress mandated that failure to comply with this proof-of-payment provision would result in loss of 25% of the state's highway funds. That provision became effective January 1 of this year.

There is an FY 86 fiscal note from the Department of Public Safety for \$16,200. It would fund a temporary 4-month position, mailing notification forms to vehicle owners and related data processing costs.

*Sent Fw  
for 4/22/85-8:30A*

CSCB 114 TRSP

AN ACT RELATING TO THE REGISTRATION OF HEAVY VEHICLES; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: RULES COMMITTEE

BY REQ OF THE GOVERNOR

CO-SPONSORS:

CURRENT STATUS: (H) TRSP

| DATE         | PAGE | ACTION                                 |
|--------------|------|--|
| 01/30/85 (S) | 176  | READ THE FIRST TIME                    |
| 01/30/85 (S) | 176  | GOVERNOR'S TRANSMITTAL LETTER          |
| 01/30/85 (S) | 176  | FISCAL NOTE 88#10                      |
| 03/05/85 (S) | 468  | SA RPT 4DP                             |
| 03/19/85 (S) | 577  | TRSP RPT CS 4DP                        |
| 04/22/85 (S) | 870  | FIN. RPT 7 DP TRSP CS                  |
| 04/24/85 (S) | 907  | RLS RPT CALENDAR TODAY                 |
| 04/24/85 (S) | 908  | READ THE SECOND TIME                   |
| 04/24/85 (S) | 908  | TRSP CS ADOPTED UNAN CONSENT           |
| 04/24/85 (S) | 908  | ADVANCED TO THIRD READING UNAN CONSENT |

SB 114

MEASURE HISTORY

PAGE 02 OF 02

| DATE         | PAGE | ACTION                         |
|--------------|------|--------------------------------|
| 04/24/85 (S) | 909  | READ THE THIRD TIME            |
| 04/24/85 (S) | 909  | PASSED Y17 N= X1 A2            |
| 04/24/85 (S) | 909  | EFFECTIVE DATE SAME AS PASSAGE |
| 04/24/85 (S) | 913  | TRANSMITTED TO (H)             |
| 04/25/85 (H) |      | READ THE FIRST TIME            |
|              |      | TRANSPORTATION                 |
|              |      | FINANCE                        |
|              |      | RULES                          |

*Status as of 4/25  
for ready reference*



## Dept. of Transportation & Public Facilities

# Position Paper

**BILL NO:** Senate Bill 114

**APPROVED:**

*R. J. Knapp*  
R. J. Knapp  
Commissioner

**TITLE:** An act relating to the registration of heavy vehicles; and providing for an effective date.

**DATE:**

March 1, 1985

The Alaska Department of Transportation and Public Facilities urges speedy passage of Senate Bill (SB) 114. SB 114 enables the Division of Motor Vehicles in the Department of Public Safety to require proof-of-payment of the federal heavy vehicle use tax before registering heavy vehicles in the State of Alaska. The heavy vehicle use tax is one of a number of user fees that fund highway improvements through the federal Highway Trust Fund. The State of Alaska receives a very favorable distribution from the Highway Trust Fund; this distribution is over nine times the amount collected through federal taxes on highway use in Alaska.

If SB 144 is not enacted, Alaska will be subject to a reduction in our Interstate apportionments from the highway trust fund. This reduction in funds will hurt the Department's efforts to improve Alaska's Interstate System, consisting of the Parks, Alaska, Glenn and Tok Cut-off highways and portions of the Richardson, Seward, and Sterling highways. The Department estimates that withholding, when applied, will cost the state over \$10 million a year in Interstate apportionments. In a time of declining oil revenues and pressing road improvement needs, the state can ill afford any loss of federal-aid highway funds.

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - SB 114

SUPPORT

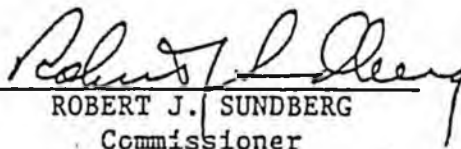
February 6, 1985

SB 114, An Act relating to the registration of heavy vehicles and providing for an effective date.

The United State Congress has amended the United States Code to reflect the Secretary of Transportation shall reduce the state's apportionment for federal-aid highway funds in any fiscal year beginning after October 1, 1985, if a vehicle subject to the use tax may be lawfully registered in the state without having presented proof of payment of the use tax.

Enforcement of a federal law by state registration processes is not a desirable use of state resources. However, the alternative, a loss of 25 percent of federal highway funds, leaves the state little choice. The state is not required to enforce or collect the federal tax but only to verify it has been paid before the vehicle is registered.

Therefore, it is felt this bill should be passed this session to bring Alaska in compliance with the federal requirement and avoid loss of the federal-aid highway funds.

  
ROBERT J. SUNDBERG  
Commissioner

Southern Illinois Builders Ass'n v. Ogilvie, C.A. Ill. 1972, 471 F.2d 680.

## 2. Power of states

State officials were authorized to prescribe number of minority trainees to be employed by

contractor in connection with highway construction projects. Schiaffly v. Volpe, C.A.Ill. 1974, 493 F.2d 273.

## § 141. Enforcement of requirements

(a) Each State shall certify to the Secretary before January 1 of each year that it is enforcing all speed limits on public highways in accordance with section 154 of this title. The Secretary shall not approve any project under section 106 of this title in any State which has failed to certify in accordance with this subsection.

(b) Each State shall certify to the Secretary before January 1 of each year that it is enforcing all State laws respecting maximum vehicle size and weights permitted on the Federal-aid primary system, the Federal-aid urban system, and the Federal-aid secondary system, including the Interstate System in accordance with section 127 of this title.

(c) (1) Each State shall submit to the Secretary such information as the Secretary shall, by regulation, require as necessary, in his opinion, to verify the certification of such State under subsection (b) of this section.

(2) If a State fails to certify as required by subsection (b) of this section or if the Secretary determines that a State is not adequately enforcing all State laws respecting such maximum vehicle size and weights, notwithstanding such a certification, then Federal-aid highway funds apportioned to such State for such fiscal year shall be reduced by amounts equal to 10 per centum of the amount which would otherwise be apportioned to such State under section 104 of this title.

(3) If within one year from the date that the apportionment for any State is reduced in accordance with paragraph (2) of this subsection the Secretary determines that such State is enforcing all State laws respecting maximum size and weights, the apportionment of such State shall be increased by an amount equal to such reduction. If the Secretary does not make such a determination within such one-year period, the amounts so withheld shall be reapportioned to all other eligible States.

(d) The Secretary shall reduce the State's apportionment of Federal-aid highway funds under section 104(b) (5) of this title in an amount up to 25 per centum of the amount to be apportioned in any fiscal year beginning after September 30, 1984, during which heavy vehicles, subject to the use tax imposed by section 4481 of the Internal Revenue Code of 1954, may be lawfully registered in the State without having presented proof of payment, in such form as may be prescribed by the Secretary of the Treasury, of the use tax imposed by section 4481 of such Code. Amounts withheld from apportionment to a State under this subsection shall be apportioned to the other States pursuant to the formulas of section 104(b) (5) of this title and shall be available in the same manner and to the same extent as other Interstate funds apportioned at the same time to other States.

(Added Pub.L. 93-643, § 107(a), Jun. 4, 1975, 88 Stat. 2284, and amended Pub.L. 95-599, Title I, § 123(d), Nov. 6, 1978, 92 Stat. 2702; Pub.L. 97-424, Title I, § 143, Jan. 6, 1983, 96 Stat. 2129.)

References in Text. Section 4481 of the Internal Revenue Code of 1954, referred to in subsec. (d), is section 4481 of Title 26, Internal Revenue Code.

Prior Provisions. A prior section 141, Pub.L. 90-495, § 35(u), Aug. 23, 1968, 82 Stat. 836, providing for real property acquisition policies, was repealed by Pub.L. 91-646, Title III, § 306, Jan. 2, 1971, 84 Stat. 1907, and is now covered by sections 4651(1), (3), and (5) and 4655(1) of Title 42, The Public Health and Welfare.

1983 Amendment. Subsec. (b), Pub.L. 97-424, § 143, added subsec. (d).

1978 Amendment. Pub.L. 95-599 redesignated existing provisions as subsecs. (a) and (b) and added subsec. (c).

Effective Date of 1978 Amendment. Section 123(c) of Pub.L. 95-599, formerly set out as a note under this section, providing that subsec. (c) (2) and (3) of this section be applicable to certifications required by this section to be filed on or after Jan. 1, 1980, was repealed by Pub.L. 96-106, § 12, Nov. 9, 1979, 93 Stat. 798.

Enforcement of Vehicle Weight Limitations. Section 123(a) to (c) of Pub.L. 95-599 provided that:

"(a) Not later than the one-hundred-eightieth day after the date of enactment of this section [Nov. 6, 1978], the Secretary of Transportation, hereunder referred to as the 'Secretary', in consultation with each State shall inventory the existing system of penalties for violations of vehicle weight

laws, rules, and regulations on any portion of any Federal-aid system in such State. Each State shall annually thereafter report to the Secretary its current inventory.

"(b) (1) Not later than the one-hundred-eightieth day after the date of enactment of this section [Nov. 6, 1978], the Secretary, in consultation with each State, shall inventory the existing system in such State for the issuance of special permits. Each State shall annually thereafter report to the Secretary its current inventory.

"(2) For purposes of this subsection, the term 'special permit' means a license or permit issued pursuant to State law, rule, or regulation which authorizes a vehicle to exceed the weight limitation for such vehicle established under State law, rule, or regulation.

"(c) Not later than January 1 of the second calendar year which begins after the date of enactment of this section [Nov. 6, 1978] and each

## § 142. Public transportation

(a) (1) To encourage the development, improvement, and use of public mass transportation systems operating motor vehicles (other than on rail) on Federal-aid highways for the transportation of passengers (hereafter in this section referred to as "buses"), so as to increase the traffic capacity of the Federal-aid systems for the movement of persons, the Secretary may approve as a project on any Federal-aid system the construction of exclusive or preferential high occupancy vehicle lanes, highway traffic control devices, bus passenger loading areas and facilities (including shelters), and fringe and transportation corridor parking facilities to serve high occupancy vehicle and public mass transportation passengers, and sums apportioned under section 104(b) of this title shall be available to finance the cost of projects under this paragraph. If fees are charged for the use of any parking facility constructed under this section, the rate thereof shall not be in excess of that required for maintenance and operation of the facility and the cost of providing shuttle service to and from the facility (including compensation to any person for operating the facility and for providing such shuttle service).

(2) In addition to the projects under paragraph (1), the Secretary may, beginning with the fiscal year ending June 30, 1975, approve as a project on the Federal-aid urban system, for payment from sums apportioned under section 104(b) (6) of this title, the purchase of buses, and, beginning with the fiscal year ending June 30, 1976, approve as a project on the Federal-aid urban system, for payment from sums apportioned under section 104(b) (6) of this title, the construction, reconstruction, and improvement of fixed rail facilities, including the purchase of rolling stock for fixed rail, except that not more than \$200,000,000 of all sums apportioned for the fiscal year ending June 30, 1975, under section 104(b) (6) shall be available for the payment of the Federal share of projects for the purchase of buses.

(b) Sums apportioned in accordance with paragraph (5) of subsection (b) of section 104 of this title shall be available to finance the Federal share of projects for exclusive or preferential high occupancy vehicle, truck, and emergency vehicle routes or lanes. Routes constructed under this subsection shall not be subject to the third sentence of section 109(b) of this title.

(c) Whenever responsible local officials of an urbanized area notify the State highway department that, in lieu of a highway project the Federal share of which is to be paid from funds apportioned under section 104(b) (6) of this title for the fiscal years ending June 30, 1974, and June 30, 1975, their needs require a nonhighway public mass transit project involving the construction of fixed rail facilities, or the purchase of passenger equipment, including rolling stock for any mode of mass transit, or both, and the State highway department determines that such public mass transit project is in accordance with the planning process under section 134 of this title and is entitled to priority under such planning process, such public mass transit project shall be submitted for approval to the Secretary. Approval of the plans, specifications, and estimates for such project by the Secretary shall be deemed a

calendar year thereafter the Secretary shall submit to Congress an annual report together with such recommendations as the Secretary deems necessary on (1) the latest annual inventory of State systems of penalties required by subsection (a) of this section; (2) the latest annual inventory of State systems for the issuance of special permits required by subsection (b) of this section; (3) the annual certification submitted by each State required by section 141(b) of title 23, United States Code [subsec. (b) of this section]."

Legislative History. For legislative history and purpose of Pub.L. 93-643, see 1974 U.S. Code Cong. and Adm. News, p. 8011. See, also, Pub.L. 95-599, 1978 U.S. Code Cong. and Adm. News, p. 6575; Pub.L. 97-424, 1982 U.S. Code Cong. and Adm. News, p. 3639.

Code of Federal Regulations

Size and weight, see 23 CFR 657.1.

Speed limits, see 23 CFR 659.1.

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

3/5/85

Date MARCH 10, 1985

Mr. President

The Committee on TRANSPORTATION considered SB 114  
relating to registration of heavy vehicles; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 114 (TRANSPORTATION)
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
[Signature]  
Paul Fricker  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chairman  
DO PASS  
Chairman recommendation

INTRODUCTION OF BILLS (Senate)(cont'd)

SB 113 (cont'd)

The bill also removes a provision that has resulted in double payments -- one from the state and one from senior citizens -- to some municipalities for vehicles owned by senior citizens in those municipalities.

A section-by-section description of the bill follows:

Section 1 extends the senior citizen exemption from the state motor vehicle registration fee (AS 28.10.411 and 28.10.421) to the municipal registration tax (AS 28.10.431). This section limits the exemption to vehicles used for personal, rather than commercial, uses. In making this change, this section also removes an inaccurate and confusing use of the word "tax."

Section 2 limits reimbursements to municipalities to the amount of revenue lost as a result of the senior citizen exemption from the municipal registration tax. This section allows the department to prorate reimbursement if appropriations are less than the amount needed for full reimbursement.

Section 3 adds senior citizen-owned motor vehicles to the list of property that is exempt from municipal property taxes. (See sec. 6 of this bill.)

Section 4 limits the amount of exemption from property taxation of a home owned by a senior citizen to the first \$200,000 of the assessed value of the property. This section provides for additional exemption beyond that amount in case of hardship. It also allows the surviving spouse of a person who received the exemption to continue the exemption if the surviving spouse is at least 55 years of age.

Section 5 requires a separate application for each exemption claimed under AS 29.53.020. And it removes some inappropriate language regarding approval by the assessor.

Section 6 exempts one motor vehicle owned by a resident 65 years of age or older from municipal property taxation (see sec. 3 of this bill). This section also requires the state to reimburse municipalities for revenue lost as a result of this exemption, but only to the extent that the vehicle is not already exempt under AS 29.53.025(b)(4) (regarding optional tax exemptions). And it provides for proration of reimbursement.

Section 7 limits the department's authority to waive the untimeliness of an application for senior citizen property tax equivalency payment to the year following the year for which the payment is claimed.

Section 8 provides for proration of senior citizen property tax equivalency payments.

Section 9 provides for proration of senior citizen rent sales tax reimbursement.

Section 10 provides for a January 1, 1986 effective date.

Heavy  
Vehicles  
(registration)

SENATE BILL NO. 114, by the Rules Committee by request of the Governor. Allows the state to refuse to register heavy vehicles if the owner cannot furnish proof of having paid the federal heavy vehicle use tax. Effective immediately.

Introduced January 30 and referred to State Affairs, Transportation and Finance.

In his message transmitting the bill to the Senate for consideration, Governor Sheffield stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the division of motor vehicles (DMV), Department of Public Safety, to refuse to register heavy trucks and trailers if the owner of the heavy vehicle does not furnish proof that applicable

INTRODUCTION OF BILLS (Senate)(cont'd)

SB 114 (cont'd)

federal heavy use taxes have been paid. This authorization is necessary to protect Alaska's full apportionment of federal highway funds.

In 1982 the U.S. Congress adopted the Surface Transportation Assistance Act of 1982. The Act increases, as of July 1, 1984, the heavy vehicle use tax which heavy trucks and trailers must pay under sec. 4481 of the Internal Revenue Code of 1954. Section 143 of the Act (23 U.S.C. sec. 141(d)) authorizes the federal government to withhold up to 25 percent of a state's apportionment of federal highway funds during any year in which heavy vehicles subject to such taxation may be registered in the state without presenting proof of payment of these taxes. The present federal law requires that this proof-of-payment requirement must be effective no later than January 1, 1985.

In order to prevent the loss of these federal highway funds, this bill authorizes DMV to refuse to register a heavy vehicle unless the owner provides proof that the required federal tax has been paid. If an applicant fails to provide the required proof of payment, the applicant's vehicle will not be registered. The State of Alaska is not required to enforce or collect the federal tax.

At line 15, the bill also makes an incidental amendment (deletion of "and bus transportation") to recognize the 1980 repeal of AS 42.15, the chapter on bus transportation to which this provision refers.

I anticipate that Department of Public Safety personnel will be working with legislative committees on possible amendments to the bill, which may be necessitated by pending federal procedural instructions.

In order to avoid the loss of federal funding needed for Alaska's highway system, I urge your passage of this bill.

Oil & Gas  
Activities  
(haul road  
rights-of way)

SENATE BILL NO. 115, by the Resources Committee. Identical to HB 143, page 190, this report. Does not provide for an effective date (becomes law 90 days after signed by the Governor).

Introduced January 31 and referred to Resources and Transportation.

Bank  
Investments

SENATE BILL NO. 116, by Senators Rodey, Sturgulewski and Josephson. Would allow state banks and insurers to invest in obligations of the African Development Bank. A state bank could not underwrite or invest over 15% of its combined capital, surplus and undivided profits in the African Development Bank.

Amends AS 06.05.270 (Banking Code; Investments) and AS 21.21 (Insurance; Investments). Effective immediately.

Introduced February 1 and referred to Labor & Commerce and Finance.

Alzheimer's  
Disease

SENATE BILL NO. 117, by Senators V. Fischer and Josephson. Would allow the Older Alaskan's Commission to "(10) make grants to nonprofit organizations for the operation of adult day-care centers that provide supervision, custodial care, and psychological and physical activities for persons afflicted with Alzheimer's disease and related disorders." (Amends AS 44.21.230, powers & duties of the Commission).

Amends duties of Dept. of Health & Social Services under AS 47.05.010 to require the department to "(14) operate or contract

COMMITTEE REPORTS (Senate)(cont'd)

SB 94 (cont'd)

cigarettes (defined as those weighing less than 1 pound per thousand cigarettes) comprise over 99 percent of all cigarettes manufactured, this analysis uses the 9.5 mill rate for assessing the revenue impact. After 9/30/85 the federal tax rate for small cigarettes will be \$4 per 1000 cigarettes. Thus the general fund portion of the cigarette tax will be levied at a rate of 5-1/2 mills per cigarette, an increase of 4 mills over the present state rate."

Palmer Hay  
Flats State  
Game Refuge  
(enlarging)

SENATE BILL NO. 105, (see page 164). Reported back to the Senate from Resources March 4 with a majority recommending it be replaced with a Resources substitute and that it do pass. Concurring: Sturgulewski (Chairman), Eliason, Fahrenkamp, Halford, Coghill and Zharoff. To Finance.

The Resources CS includes the following changes:

--Adds approximately 1,200 acres to the southeast corner of the refuge, all state land recommended for inclusion by DNR and Fish & Game.

--Adds: "This Act does not prohibit expansion or improvement to the Glenn Highway or the Parks Highway, the potential Wasilla Bypass, or the construction of the interchange at the Parks and Glenn Highways."

--Includes the uplands in Section 36, Township 17 North, Range 1 West, Seward Meridian. Under original only included tide and submerged land.

The CS also reorganizes sections relating to the transfer of land owned by the Mat-Su Borough and purchase of land from private landowners. Does not make significant changes to the process.

Heavy  
Vehicles  
(registration)

SENATE BILL NO. 114, (see page 168). Reported back to the Senate from State Affairs with a majority of the committee recommending that it do pass. Concurring: Abood (Chairman), DeVries, Kelly and Ray. To Transportation.

Senior Citizen  
Housing  
(establishing)

SENATE BILL NO. 137, (see page 220). Reported back to the Senate from Community and Regional Affairs with a majority recommending it do pass with the following amendment: Page 1, line 26: Delete "shall" and insert "may." Concurring: DeVries (Chairman), Sturgulewski, Coghill and Ferguson. To Finance.

The amendment turns duties of the new Office of Senior Housing into powers: "The office may ..." rather than "The office shall ..."

Rights-of-Way  
in Federal  
Conservation  
Units

SENATE JOINT RESOLUTION NO. 10, (see pages 175; 360). Reported back to the Senate from Resources March 4 with a majority recommending it be replaced with a Resources substitute and that it do pass. Concurring: Sturgulewski (Chairman), Halford, Fahrenkamp, Eliason, Coghill and Zharoff. To Transportation.

The Resources CS adds language to the original bill:

COMMITTEE REPORTS (Senate)(cont'd)

SB 99 (cont'd)

Note: the bill was on the March 22 calendar, but was held in second reading with a motion pending to advance it to third, until Monday, March 25.

Heavy  
Vehicles  
(registration)

SENATE BILL NO. 114, (see pages 168;396). Reported back to the Senate on March 19 by Transportation with the committee recommending it be replaced with a Transportation CS and that it do pass. Concurring: Coghill (Chairman), Faiks, Josephson and Paul Fischer. To Finance.

Changes wording of AS 28.10.021 to read: "Before issuance of a certificate of registration by the department, the owner shall pay all registration fees and taxes required under this chapter and federal heavy vehicle use taxes required under 26 U.S.C. 4481 (Internal Revenue Code of 1954) and shall comply with any other applicable statutes and regulations."

Original bill amended section to read: "Before issuance of a certificate of registration by the department, the owner shall pay all registration fees and taxes required under this chapter, Alaska motor freight carrier fees required under AS 42, and federal heavy vehicle use taxes required under sec. 4481 of the Internal Revenue Code of 1985 (26 U.S.C.), and shall comply ..."

Also makes minor clean-up amendment to new subsection added by Sec. 2: "... if the application fails to furnish proof [OF PAYMENT], in the form prescribed by the U.S. Secretary of the Treasury, that the tax has been paid." (Bracketed words deleted by CS.)

Alzheimer's  
Disease

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 117, (see pages 169; 333). Reported back to the Senate on March 20 by Health, Education & Social Services with the committee recommending it be replaced with a HESS substitute and that it do pass. Concurring: Fahrenkamp (Chairman), Josephson, Sturgulewski, DeVries and Paul Fischer. To Finance.

The HESS CS deletes Sec. 2 from the bill (directing the Dept. of Health and Social Services to operate or contract for the operation of a statewide Alzheimer's disease service in Anchorage). Remainder identical to SSSB 117.

Agriculture  
Laws  
(misc. amend-  
ments)

SENATE BILL NO. 120, (see page 171). Reported back to the Senate on March 20 by Resources with the committee recommending it be replaced with a Resources substitute and as follows: Sturgulewski (Chairman), Coghill and Fahrenkamp signed "do pass"; Halford signed "do not pass"; Zharoff, Eliason and Vic Fischer signed "no recommendation." To Finance.

The Resources version makes the following changes:

--Further amends the duties of the Commissioner of Natural Resources in AS 03.05.010 to direct Commissioner to "establish and administer a grain warehouse and merchandising program." To this end, the powers of the Commissioner are expanded in AS 03.05.010(b)

DEPARTMENT OF PUBLIC SAFETY  
POSITION PAPER - CSSB 114 (Trans)

SUPPORT

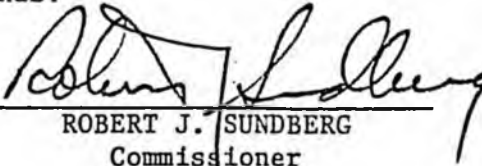
March 20, 1985

CSSB 114 (Transportation), An Act relating to the registration of heavy vehicles and providing for an effective date.

The United States Congress has amended the United States Code to reflect the Secretary of Transportation shall reduce the state's apportionment for federal-aid highway funds in any fiscal year beginning after October 1, 1985, if a vehicle subject to the use tax may be lawfully registered in the state without having presented proof of payment of the use tax.

Enforcement of a federal law by state registration processes is not a desirable use of state resources. However, the alternative, a loss of 25 percent of federal highway funds, leaves the state little choice. The state is not required to enforce or collect the federal tax but only to verify it has been paid before the vehicle is registered.

Therefore, it is felt this bill should be passed this session to bring Alaska in compliance with the federal requirement and avoid loss of the federal-aid highway funds.

  
ROBERT J. SUNDBERG  
Commissioner

A message dated April 24, 1985, was read stating the Senate has passed the following and they are transmitted for consideration:

FIRST READING AND REFERENCE OF SENATE BILLS

CSSB 114(Trsp)

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 114 (Transportation) by the Transportation Committee, entitled:

"An Act relating to the registration of heavy vehicles; and providing for an effective date."

was read the first time and referred to the Transportation and Finance Committees.

SSSB 262

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 262 by P. Fischer, entitled:

"An Act relating to Amateur Radio Week."

was read the first time and referred to the State Affairs Committee.

CSSB 266(SA)

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 266 (State Affairs) by the State Affairs Committee, entitled:

"An Act placing certificated teachers employed by the Department of Education, in schools operated by the department, in the exempt service; and providing for an effective date."

was read the first time and referred to the State Affairs Committee.

REPORTS OF STANDING COMMITTEES

CSSB 190(Fin)am

The Community & Regional Affairs Committee has considered COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 190 (Finance) amended (relating to the residential property tax exemption

CSSB 190(Fin)am

and tax equivalency and reimbursement payments; effective date) and reports it back as follows: Goll (Chairman), Phillips, Gruenberg and Marrou recommend do pass; Wallis has no recommendation.

CSSB 190(Fin)am was referred to the Finance Committee.

HB 15

The State Affairs Committee has considered HOUSE BILL NO. 15 (requiring an advisory election before an annexation may be proposed to the legislature), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 15 (Community & Regional Affairs) (page 881) and reports it back as follows: Hurley (Chairman), M.M. Miller, Cato and Boucher recommend do pass; Navarre, Collins and Jenkins have no recommendation.

NB 15 was referred to the Finance Committee.

HB 60

The Finance Committee has considered HOUSE BILL NO. 60 (making appropriations for the operating and capital expenses of state government; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 60 (Finance):

"An Act making appropriations for the operating and loan program expenses of state government; and providing for an effective date."

and reports it back as follows: Adams (Chairman), Ringstad, Szymanski, Duncan, Larson, Pourchot, Frank, Binkley and Cotten recommend do pass; Uehling and Rieger have no recommendation.

HB 60 was referred to the Rules Committee for placement on the calendar.

HB 114

The Judiciary Committee has considered HOUSE BILL NO. 114 (relating to correctional facilities, and the imprisonment and rehabilitation of offenders), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 114 (Judiciary) (same title) and reports it back as follows: M.M. Miller (Chairman), Sund, Gruenberg, Taylor and Phillips recommend do pass; Clocksin and Pettyjohn have no recommendation.

HB 114 was referred to the Finance Committee.

There were no stated objections to confirmation by committee members. This does not necessarily indicate an intention to vote for or against Commissioner Nordale at the time of the joint session on confirmation."

The report was signed by Senators Faiks and Sackett, Co-Chairmen and concurred in by Senators Eliason, Ferguson, Paul Fischer, Halford and Kerttula.

#### SCR 19

The Finance Committee considered SENATE CONCURRENT RESOLUTION NO. 19 (Joint Special Committee on Legislative Salaries) and recommended it be replaced with

CS FOR SENATE CONCURRENT RESOLUTION NO. 19 (FIN),

Establishing a Joint Special Committee on  
Legislative Salaries

Senator Faik's, Co-Chairman and Senators Eliason and Sackett signed "do pass". Senators Kerttula, Halford, Paul Fischer and Ferguson signed "no recommendation".

Fiscal note is zero.

SENATE CONCURRENT RESOLUTION NO. 19 was referred to the Rules Committee.

#### SB 114

The Finance Committee considered SENATE BILL NO. 114 (registration of heavy vehicles; efd) and recommended the Transportation Committee Substitute be adopted and do pass. The report was signed by Senator Faiks, Co-Chairman and concurred in by Senators Kerttula, Halford, Paul Fischer, Ferguson, Eliason and Sackett.

SENATE BILL NO. 114 was referred to the Rules Committee.

#### SB 201

The Resources Committee considered SENATE BILL NO. 201 (public access fund) and recommended it be replaced with

CS FOR SENATE BILL NO. 201 (RES)

with a majority do pass. The report was signed by Senator Sturgulewski, Chairman and concurred in by Senators Vic Fischer, Eliason and Coghill. Senators Zharoff and Halford signed "no recommendation".

April 22, 1985

869

HB 294

HOUSE BILL NO. 294 by Representatives Boucher, Davis, Hurley, Sund, Koponen, Goll, Cato, Clocksin, Cotten, Duncan, Frank, Gruenberg, Grussendorf, Hanley, Jenkins, Larson, M.M. Miller, Navarre, Pearce, Pignalberi, Pourchot, Shultz, Szymanski, Taylor, Thompson, Uehling, Martin, Binkley, Collins, Marrou, Adams, Pettyjohn, M.W. Miller, Phillips, Riege and Fuller, entitled:

"An Act relating to preferential hire of Alaskans; and providing for an effective date."

was read the first time and referred to the Labor and Commerce Committee and the Finance Committee.

HB 316

CS FOR HOUSE BILL NO. 316 (FIN) am by the Finance Committee, entitled:

"An Act relating to the navigable or public waters of the state; and providing for an effective date."

was read the first time and referred to the Resources Committee and the State Affairs Committee.

## COMMUNICATIONS

Received and posted April 22:

Notice of proposed changes in the regulations of the Department of Health and Social Services, dealing with implementation of the Special Supplemental Food Program for Women, Infants and Children

## STANDING COMMITTEE REPORTS

"April 18, 1985

To: Senator Don Bennett  
President of the Senate

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate Finance Committee has considered the Governor's appointment of Mary Nordale as Commissioner of Revenue.

March 19, 1985

577

SJR 10 cont'd

SENATE JOINT RESOLUTION NO. 10 was referred to the Finance Committee.

SB 56

The Finance Committee considered SENATE BILL NO. 56 (amending the longevity bonus program and the permanent fund dividend program, establishing an annuity program; efd) and recommended it be replaced with

CS FOR SENATE BILL NO. 56 (FIN), entitled:

"An Act relating to a longevity bonus; and providing for an effective date."

with a majority do pass. The report was signed by Senator Faiks, Co-Chairman and concurred in by Senators Halford, Kerttula, Paul Fischer, Ferguson and Eliason. Senator Sackett signed "no recommendation".

Seven zero fiscal notes prepared by the Finance Committee on Department of Administration, Division of Labor Services and Division of Centralized Administrative Services; Health and Social Services, Division of Medical Assistance and Division of Adult Public Assistance, Old Age Assistance; Department of Revenue, Treasury Division and Division of Public Services; and Department of Revenue, Permanent Fund, Administrative Services, Enforcement and Public Services were attached. Fiscal note from Department of Administration, Social and Economic Assistance for the Aged, appears in Supplement No. 22.

SENATE BILL NO. 56 was referred to the Rules Committee.

SB 114

The Transportation Committee considered SENATE BILL NO. 114 (registration of heavy vehicles; efd) and recommended it be replaced with

CS FOR SENATE BILL NO. 114 (TRSP)

with a majority do pass. The report was signed by Senator Coghill, Chairman and concurred in by Senators Faiks, Josephson and Paul Fischer.

SENATE BILL NO. 114 was referred to the Finance Committee.

SB 94 cont'd

Thus the general fund portion of the cigarette tax will be levied at a rate of 5-1/2 mills per cigarette, an increase of 4 mills over the present state rate."

SENATE BILL NO. 94 was referred to the Rules Committee.

SB 114

The State Affairs Committee considered SENATE BILL NO. 114 (registration of heavy vehicles; efd) and a majority of the committee recommended do pass. The report was signed by Senator Abood, Chairman and concurred in by Senators DeVries, Kelly and Ray.

SENATE BILL NO. 114 was referred to the Transportation Committee.

## INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONS

SCR 12

SENATE CONCURRENT RESOLUTION NO. 12 by Senator Kerttula,

Relating to the construction and lease of senior citizens' housing and centers, and the Kenai Pioneers' Home,

was read the first time and referred to the State Affairs Committee and the Finance Committee.

## INTRODUCTION AND REFERENCE OF SENATE BILLS

SB 131

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 111 by Senator Vic Fischer, entitled:

"An Act relating to prohibited campaign solicitations."

was read the first time and referred to the State Affairs Committee, the Judiciary Committee and the Finance Committee.

SB 49

The Transportation Committee considered SENATE BILL NO. 49 (special appropriation to the Department of Transportation and Public Facilities to determine the feasibility of building Kantishna Road; efd). Senator Coghill, Chairman, signed "do pass". Senators Paul Fischer and Faiks signed "no recommendation". Senator Josephson signed "do not pass".

SENATE BILL NO. 49 was referred to the Finance Committee.

SB 94

The Finance Committee considered SENATE BILL NO. 94 (increasing the excise tax on cigarettes; efd) and recommended the Health, Education and Social Services Committee Substitute be adopted with the following amendment:

Page 1, lines 21-28: Delete all material and insert:

Sec. 2. AS 43.50.190(a). If a federal excise tax on cigarettes under 26 U.S.C. 5701(b) is equal to or greater than 8 mills per small cigarette or 16.8 mills per large cigarette, then there is levied an additional state excise tax on each cigarette imported or acquired in the state of 1.5 mills. If the federal excise tax is less than 8 mills per small cigarette or 16.8 mills per large cigarette, then there is levied an excise tax in an amount sufficient to make the total of the federal tax and the additional state tax levied by this section on each cigarette imported or acquired in this state equal to

- (1) 9.5 mills on each small cigarette; and
- (2) 18.3 mills on each large cigarette."

with a majority do pass. Senator Faiks, Chairman, signed "do pass as amended". Senators Kerttula, Paul Fischer and Sackett signed "do pass". Senator Eliason signed "no recommendation".

Department of Revenue fiscal note is zero with analysis: "Under present state law the total state tax on cigarettes is 4 mills (\$.004) per cigarette. This four mill levy is divided between two funds with 2-1/2 mills going to the school fund and 1-1/2 mills going to the general fund. CSSB 94 is only concerned with the general fund portion of the tax.

CSSB 94 specifies that the total of federal and state tax on each cigarette will be (1) 9.5 mills for each small cigarette and (2) 18.3 mills for each large cigarette. Because 'small' cigarettes (defined as those weighing less than 3 pounds per thousand cigarettes) comprise over 99 percent of all cigarettes manufactured, this analysis uses the 9.5 mill rate for assessing the revenue impact. After 9/30/85 the federal tax rate for small cigarettes will be \$4 per 1000 cigarettes.

SB 114  
CSRB 114 TRSP

MEASURE HISTORY

PAGE 01 OF 02

AN ACT RELATING TO THE REGISTRATION OF HEAVY VEHICLES; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: RULES COMMITTEE  
CO-SPONSORS:

BY REQ OF THE GOVERNOR

\$16,200 GENERAL(FNOTE)

\$000 OTHER(FNOTE)

CURRENT STATUS: (H) TRSP

| DATE     |     | PAGE | ACTION                                 |
|----------|-----|------|--|
| 01/30/85 | (S) | 176  | READ THE FIRST TIME                    |
| 01/30/85 | (S) | 176  | GOVERNOR'S TRANSMITTAL LETTER          |
| 01/30/85 | (S) | 176  | FISCAL NOTE SS#10                      |
| 03/05/85 | (S) | 468  | SA RPT 4DP                             |
| 03/19/85 | (S) | 577  | TRSP RPT CS 4DP                        |
| 04/22/85 | (S) | 870  | FIN RPT 7 DP TRSP CS                   |
| 04/24/85 | (S) | 907  | PLS RPT CALENDAR TODAY                 |
| 04/24/85 | (S) | 908  | READ THE SECOND TIME                   |
| 04/24/85 | (S) | 908  | TRSP CS ADOPTED UNAN CONSENT           |
| 04/24/85 | (S) | 908  | ADVANCED TO THIRD READING UNAN CONSENT |

SB 114

MEASURE HISTORY

PAGE 02 OF 02

| DATE     |     | PAGE | ACTION  |
|----------|-----|------|---|
| 04/24/85 | (S) | 909  | READ THE THIRD TIME                                       |
| 04/24/85 | (S) | 909  | PASSED Y17 N- X1 A2                                       |
| 04/24/85 | (S) | 909  | EFFECTIVE DATE SAME AS PASSAGE                            |
| 04/24/85 | (S) | 913  | TRANSMITTED TO (H)  |
| 04/25/85 | (H) | 1075 | READ THE FIRST TIME<br>TRANSPORTATION<br>FINANCE<br>RULES |

## MINUTES FOR SB 114

- J - State Affairs
- J - Transportation
- J - FIN NOT AVAILABLE  
IN STAIRS YET

SEARCH - QUERY  
00005 SB ADJ 114

SSA 0305850 DOCUMENT# 1 OF 2

COMM = SSA  
DATE = 030585  
TIME = 0830  
YEAR = 85  
DOC ID SSA 0305850830  
HEADING

MINUTES FOR SB 114

SENATE STATE AFFAIRS  
STANDING COMMITTEE  
MARCH 5, 1985  
8:30 A.M.

MEMBERS PRESENT: SENATOR MITCH ABOOD, CHAIR  
SENATOR EDNA DEVRIES, VICE  
SENATOR TIM KELLY  
SENATOR BILL RAY  
SENATOR VIC FISCHER

MEMBERS ABSENT: AMENDED TITLE: AN ACT RELATING TO THE  
REGISTRATION OF HEAVY VEHICLES, AND PROVIDING  
FOR AN EFFECTIVE DATE.

CALENDAR SB 114

SB 122 AMENDED TITLE: AN ACT PLACING DIVISION OF  
GEOLOGICAL AND GEOPHYSICAL SURVEYS PETROLEUM  
ENGINEERS AND PETROLEUM GEOLOGISTS IN THE EXEMPT  
SERVICE AND INCLUDING THE PROFESSIONAL STAFF OF  
THE OIL AND GAS CONVEYATION COMMISSION IN THE  
LISTING OF MEMBERS OF THE EXEMPT SERVICE; AND  
PROVIDING FOR AN EFFECTIVE DATE.

SB 130 AMENDED TITLE: AN ACT RELATING TO A NEW  
DEFINITION FOR 'MOTOR-DRIVEN CYCLE'.

WITNESS REGISTER

WITNESS:  
BILL BROWN  
DIVISION OF MOTOR VEHICLES  
DEPARTMENT OF PUBLIC SAFETY  
MS 2400, JUNEAU, ALASKA 99811  
POSITION STATEMENT: HE WAS IN SUPPORT OF SB 114 AND SB 130.

WITNESS:  
NED FARQUHAR  
DEPARTMENT OF NATURAL RESOURCES  
POUCH Z JUNEAU, ALASKA 99811  
POSITION STATEMENT: HE WAS IN SUPPORT OF SB 122 AND URGED ITS  
PASSAGE.

WITNESS:  
BURKE RILEY  
2000 GLACIER AVENUE JUNEAU, ALASKA 99801  
POSITION STATEMENT: HE WAS TO BE CONFIRMED TO THE APOC AND ANSWERED  
QUESTIONS FROM THE COMMITTEE MEMBERS.

WITNESS:  
MIKE MCMULLEN  
DIVISION OF PERSONNEL  
POUCH C. JUNEAU, ALASKA 99811  
POSITION STATEMENT: OBSERVER

WITNESS:  
CAROL DERFENER

BOARDS & COMMISSION  
OFFICE OF THE GOVERNOR  
POUCH A. JUNEAU, ALASKA 99811  
POSITION STATEMENT: OBSERVER

PREVIOUS ACTION

SB 114 NO PREVIOUS ACTION TO RECORD IN STATE AFFAIRS.  
SB 122 NO PREVIOUS ACTION TO RECORD IN STATE AFFAIRS.  
SB 130 NO PREVIOUS ACTION TO RECORD IN STATE AFFAIRS.

ACTION NARRATIVE

TAPE#1 FOR 03/05/85 SIDE A.  
RECORDING  
NUMBER 0008 MEETING WAS CALLED TO ORDER AT 8:40 A.M.  
CHAIRMAN ABOOD INDICATED THE MEMBERS PRESENT AND  
SAID THAT THERE HAD BEEN A GREAT DEAL OF  
CONTROVERSY OVER WHAT HAD BEEN DONE WITH BOARD  
AND COMMISSION APPOINTEES AND WHAT HAS NOT BEEN  
DONE. HE REQUESTED THAT CAROL DERFENER GIVE THE  
COMMITTEE SOME CLARIFICATION.

NUMBER 0109 CHAIRMAN ABOOD SAID, "THE GOVERNOR IS SUPPOSED  
TO CHOOSE NEW APOC COMMISSIONERS FROM A LIST OF  
FOUR NAMES SUBMITTED TO HIM BY THE CENTRAL  
COMMITTEES OF THE RESPECTIVE POLITICAL PARTIES  
REQUIRED BY AS 15.13.020(B)". THERE HAS BEEN  
SOME CONCERN RECENTLY THAT THERE HAVE BEEN  
APPOINTMENTS THAT WEREN'T TAKEN FROM THE LIST  
APPOINTEES". CAROL DERFENER RESPONDED THAT  
APPOINTEES COME FROM DIFFERENT LISTS. SOMETIMES  
THE CENTRAL COMMITTEES AND SOMETIMES FROM  
WRITTEN LETTERS. THERE APPEARS TO BE MORE THAN  
ONE FORM OF OUTREACH TO OBTAIN CANDIDATES. IN  
GOVERNOR HAMMOND'S ADMINISTRATION TELEGRAMS AND  
EVEN HAND WRITTEN LETTERS WERE SUBMITTED.  
BURKE RILEY TAKES THE STAND AS A CONFIRMEE TO  
THE APOC. HE ANSWERED QUESTIONS FROM THE  
COMMITTEE. AFTER STATEMENTS, SENATOR RAY SAID  
THAT MR. RILEY NEVER REFUSES A CHALLENGE AND IS  
WILLING TO OFFER HIS EXPERTISE.

NUMBER 0213 THE COMMITTEE CONFIRMED DORIS VOLZKE AND SANDRA  
HENNICKS TO THE COMMISSION ON HUMAN RIGHTS; AND  
BURKE RILEY TO THE APOC. SENATOR KELLY MOVED  
THAT THEIR NAMES BE SENT BACK TO THE SENATE  
PRESIDENT.

NUMBER 0485 BILL BROWN WITH DMV ADDRESSED SB LL4. HE SAID  
THAT THE UNITED STATES CONGRESS HAS AMENDED THE  
US CODE TO REFLECT THE SEC. OF TRANSPORTATION  
SHALL REDUCE THE STATE'S APPORTIONMENT FOR  
FEDERAL AID HIGHWAY FUNDS IN ANY FISCAL YEAR  
BEGINNING AFTER OCTOBER 1, 1985, IF A VEHICLE  
SUBJECT TO THE USE TAX MAY BE LAWFULLY  
REGISTERED IN THE STATE WITHOUT HAVING PRESENTED  
PROOF OF PAYMENT OF THE USE OF TAX. HE URGED  
SUPPORT FOR SB LL4.

NUMBER 0548 SENATOR RAY MOVED PASSAGE OF SB LL4 AND ASKED  
FOR INDIVIDUAL RECOMMENDATIONS. THE BILL PASSED  
WITH UNANIMOUS CONSENT.

NUMBER 0600 NED FARQUHAR SAID THAT DEPT. OF NATURAL  
RESOURCES WAS IN SUPPORT OF SB 122. HE SAID  
THAT THEY HOPED IT WOULD PASS IN PREPARATION FOR  
THE OIL AND GAS LEASE SALES COMING UP. THEIR  
DEPARTMENT HAS SOME PEOPLE IN CLASSIFIED SERVICE  
AND SOME IN EXEMPT SERVICE. THE STATUTE STATES  
THEY SHALL BE IN EXEMPT SERVICE, INCLUDING THE  
STAFF. HE SAID THAT THEY NEED TO BE ABLE TO GET  
THE BEST PEOPLE AVAILABLE AND WORKING WITH  
REGISTERS PREVENTS THAT, WHEN YOU HAVE EXPERTS  
LIVING IN SAUDI ARABIA.

NUMBER 0659 CHAIRMAN ABOOD OFFERED SOME AMENDMENTS PROPOSED  
BY CHAT CHATTERTON. ONE LINES 13-4 INSERT "THE  
PROFESSIONAL STAFF OF" AFTER AND AND DELETES "BY"  
AND "EXCEPT FOR THOSE EMPLOYED IN THE DIV. OF  
GEOLOGICAL AND GEOPHYSICAL SURVEYS IN THE DEPT.  
OF NATURAL RESOURCES". IT WAS POINTED OUT THAT  
THIS WOULD REQUIRE A NEW TITLE TO ADD  
PROFESSIONAL STAFF.

NUMBER 0781 SENATOR KELLY MOVED THE LANGUAGE BE ADOPTED INTO  
A CS AND ASKED THAT THE SB 122 BE MOVED WITH  
INDIVIDUAL RECOMMENDATIONS. THE BILL PASSED WITH  
UNANIMOUS CONSENT.

NUMBER 0800 BILL BROWN TAKES THE STAND ON SB 130. HE SAID  
THAT A CYCLE THAT HAS LESS THAN 150 CC'S AND A  
BRAKE HORSEPOWER OF 5 OR LESS IS CLASSIFIED BY  
THE DMV AS A MOTOR-DRIVEN CYCLE. THE PRESENT  
WORDING STATES "OR WITH NOT TO EXCEED FIVE  
BRAKE HORSEPOWER". THERE ARE ON MARKET TODAY,  
MANY CYCLES THAT HAVE BEEN LESS THAN 150 CC'S  
BUT ARE DEFINITELY MORE THAN 5 BRAKE HORSEPOWER.  
HE URGED PASSAGE OF SB 130. DISCUSSION  
COMMENCED.

NUMBER 0842 SENATOR KELLY MOVED TO DELETE "LESS THAN 150" ON  
LINE 12 AND INSERT "50" AND AT THE END OF LINE  
12 ADD "OR LESS" AND MAKE A CS. HE THEN MOVED  
TO ADOPT CSSB 130 AND ASKED FOR INDIVIDUAL  
RECOMMENDATIONS. SB 130 PASSED WITH SENATOR'S  
ABOOD, DEVRIES AND KELLY INDICATING "DO PASS"  
AND SENATOR RAY SAID NO RECOMMENDATION.

NUMBER 0855 FOR THE RECORD, SENATOR RAY WANTED TO NOTE THAT  
HE WAS NOT IN FAVOR OF HIRING THE ATTORNEYS FOR  
APOC THAT TOOK PLACE ON 02/28/85.  
THERE BEING NO FURTHER BUSINESS, MEETING  
ADJOURNED AT 9:40 A.M.

END OF DOCUMENT

SEARCH - QUERY  
00005 SB ADJ 114

ST 0318051 DOCUMENT# 2 OF 2

MINUTES SB 114

COMM = ST  
DATE = 031985  
TIME = 1534  
YEAR = 85  
DOC ID ST 0318051534  
HEADING

SENATE TRANSPORTATION  
STANDING COMMITTEE  
MARCH 18, 1985  
3:34 P.M.

MEMBERS PRESENT: SENATOR JACK COGHILL, CHAIR  
SENATOR JAN FAIKS  
SENATOR JOE JOSEPHSON  
SENATOR MITCH ABOOD  
SENATOR PAUL FISCHER

CALENDAR SB 114 AMENDED TITLE: AN ACT RELATING TO THE  
REGISTRATION OF HEAVY VEHICLES; AND PROVIDING  
FOR AN EFFECTIVE DATE.  
HJR 16 AMENDED TITLE: RELATING TO ESSENTIAL AIR  
SERVICE.  
SJR 10 AMENDED TITLE: REQUESTING THAT THE DEPARTMENT  
OF NATURAL RESOURCES AND THE DEPARTMENT OF  
TRANSPORTATION AND PUBLIC FACILITIES TO EXPEDITE  
THE IDENTIFICATION AND ESTABLISHMENT OF  
RIGHTS-OF-WAY FOR ROADS AND TRAILS ON FEDERAL  
BUREAU OF LAND MANAGEMENT PLATS WHICH QUALIFY  
UNDER RS 2477.

WITNESS REGISTER

WITNESS:  
JAMES E. FISHER  
DEPARTMENT OF LAW  
POUCH KE  
JUNEAU, AK 99811  
465-3472  
POSITION STATEMENT: SPOKE IN FAVOR OF SB 114 AND OFFERED AN  
AMENDMENT TO THE BILL.

WITNESS:  
BOB JACOBSON  
ALASKA AIR CARRIERS ASSOCIATION  
NO ADDRESS GIVEN  
799-0790  
POSITION STATEMENT: SPOKE IN FAVOR OF THE COMMITTEE SUBSTITUTE FOR  
HJR 16.

WITNESS:  
REPRESENTATIVE DAVE THOMPSON  
ALASKA STATE LEGISLATURE  
POUCH V  
JUNEAU, AK 99811  
465-2498  
POSITION STATEMENT: SPOKE AS PRIME SPONSOR OF HJR 16 IN FAVOR OF THE  
RESOLUTION AND THE PROPOSED COMMITTEE SUBSTITUTE  
BY SENATE TRANSPORTATION.

WITNESS:  
BILL BROWN  
DIVISION OF MOTOR VEHICLES  
DEPARTMENT OF PUBLIC SAFETY  
450 WHITTIER STREET  
JUNEAU, AK 99811  
465-4322  
POSITION STATEMENT: SPOKE IN FAVOR OF SB 114.

PREVIOUS ACTION

SB 114 PLEASE REFER TO SENATE STATE AFFAIRS COMMITTEE  
MINUTES DATED 03/05/85.  
HJR 16 NO SENATE PREVIOUS ACTION TO RECORD ON HJR 16.  
PLEASE REFER TO HOUSE RULES COMMITTEE ACTION  
DATED BEFORE 02/25/85 AND HOUSE TRANSPORTATION  
COMMITTEE ACTION DATED BEFORE 02/20/85.  
SJR 10 PLEASE REFER TO SENATE RESOURCES COMMITTEE  
MINUTES DATED 03/04/85 AND 02/22/85.

ACTION NARRATIVE

TAPE#1 FOR 3/18/85, SIDE A.  
RECORDING  
NUMBER 000 THE MEETING OF THE SENATE TRANSPORTATION  
COMMITTEE WAS CALLED TO ORDER AT 3:34 P.M. WITH  
ALL MEMBER SENATORS PRESENT.  
NUMBER 001 MEETING CALLED TO ORDER BY CHAIRMAN COGHILL THE  
SENATORS PRESENT WERE NOTED FOR THE RECORD.  
NUMBER 050 SJR 10, REQUESTING THAT THE DEPARTMENT OF  
NATURAL RESOURCES AND THE DEPARTMENT OF  
TRANSPORTATION AND PUBLIC FACILITIES TO EXPEDITE  
THE IDENTIFICATION AND ESTABLISHMENT OF  
RIGHTS-OF-WAY FOR ROADS AND TRAILS ON FEDERAL  
BUREAU OF LAND MANAGEMENT PLATS WHICH QUALIFY  
UNDER RS 2477, WAS BROUGHT BEFORE THE COMMITTEE  
FOR CONSIDERATION.  
CHAIR COGHILL CALLED FOR PUBLIC TESTIMONY, NO  
ONE CAME FORWARD. THE RESOLUTION WAS EXPLAINED  
BY CHAIR COGHILL, THE PRIME SPONSOR.  
NUMBER 060 SENATOR ABOOD MOVED AND ASKED UNANIMOUS CONSENT  
THAT SJR 10 BE MOVED FROM COMMITTEE WITH  
INDIVIDUAL RECOMMENDATIONS. WITH NO OBJECTION,  
IT WAS SO ORDERED BY THE CHAIRMAN. SENATORS  
ABOOD, FAIKS, PAUL FISCHER, AND COGHILL SIGNED  
"DO PASS"; SENATOR JOSEPHSON SIGNED "NO  
RECOMMENDATION."  
NUMBER 084 COMMITTEE SUBSTITUTE FOR HJR 16, RELATING TO  
ESSENTIAL AIR SERVICE, WAS BROUGHT BEFORE THE  
COMMITTEE.  
NUMBER 103 REPRESENTATIVE DAVE THOMPSON CAME FORWARD TO  
GIVE HIS SUPPORT TO THE RESOLUTION AS ITS PRIME  
SPONSOR. HE SAID THAT HE HAD NO PROBLEM WITH  
THE PROPOSED SENATE TRANSPORTATION COMMITTEE  
SUBSTITUTE.  
NUMBER 145 SENATOR FAIKS POINTED TO THE FACT THAT THE  
ESSENTIAL AIR SERVICE SUBSIDY TOTALS 35 MILLION  
DOLLARS A YEAR AND THAT ALASKA GETS ONLY 4.5  
MILLION OF THAT TOTAL. SENATOR FAIKS ASKED THE  
COMMITTEE IF THEY FELT OBLIGATED TO HELP THE

PRESIDENT OF THE UNITED STATES REDUCE THE  
FEDERAL BUDGET DEFICIT.  
DISCUSSION FOLLOWED AS TO THE DISPOSITION OF THE  
ESSENTIAL AIR SERVICE SUBSIDIES.  
NUMBER 320 BOB JACOBSON OF THE ALASKA AIR CARRIERS  
ASSOCIATION CAME FORWARD AND EXPLAINED THE  
HISTORY OF THE ESSENTIAL AIR SERVICE SUBSIDY.  
NUMBER 445 SENATOR P. FISCHER MOVED AND ASKED UNANIMOUS  
CONSENT THAT THE COMMITTEE SUBSTITUTE TO  
COMMITTEE SUBSTITUTE HJR 16 BE ADOPTED BY THE  
COMMITTEE. WITH NO OBJECTION IT WAS SO ORDERED  
BY THE CHAIRMAN.  
NUMBER 450 SENATOR ABOOD MOVED AND ASKED UNANIMOUS CONSENT  
THAT THE CS TO CS HJR 16 BE MOVED FROM THE  
COMMITTEE WITH INDIVIDUAL RECOMMENDATIONS. WITH  
NO OBJECTION IT WAS SO ORDERED BY THE CHAIRMAN.  
SENATORS JOSEPHSON, ABOOD, PAUL FISCHER, COGHILL  
SIGNED "DO PASS", SENATOR FAIKS SIGNED "NO  
RECOMMENDATION".

NUMBER 560 SB 114 WAS BROUGHT IN FRONT OF THE COMMITTEE BY  
THE CHAIRMAN.  
NUMBER 566 JAMES E. FISHER CAME FORWARD AND TESTIFIED  
REGARDING THE BILL THAT HE HAD DRAFTED I.E. SB  
114.  
DISCUSSION FOLLOWED REGARDING THE HISTORY OF THE  
FEDERAL GOVERNMENT'S MOVES REGARDING HEAVY  
VEHICLE REGISTRATION.  
NUMBER 740 BILL BROWN OF THE DEPARTMENT OF MOTOR VEHICLES  
CAME FORWARD AND TOLD OF THE MECHANISM THAT  
WOULD BE USED BY THE DMV TO REGISTER HEAVY  
VEHICLES.  
NUMBER 760 SENATOR FAIKS MOVED THE AMENDMENT THAT HAD BEEN  
SUGGESTED BY MR. FISHER TO DELETE THE LANGUAGE  
REFERRING TO THE NOW DEFUNCT ALASKA  
TRANSPORTATION COMMISSION.  
NUMBER 770 WITH NO OBJECTION IT WAS SO ORDERED BY THE  
CHAIRMAN.  
NUMBER 781 SENATOR FAIKS MOVED THAT THE COMMITTEE  
SUBSTITUTE FOR SB 114 BE ADOPTED AND MOVED FROM  
THE COMMITTEE WITH INDIVIDUAL RECOMMENDATIONS.  
WITH NO OBJECTION IT WAS SO ORDERED BY THE  
CHAIRMAN. SENATORS FAIKS, JOSEPHSON, PAUL  
FISCHER, AND COGHILL SIGNED "DO PASS."  
NUMBER 788 MEETING ADJOURNED BY CHAIRMAN COGHILL 4:15 P.M.

R0601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB 110  
 Title: An Act relating to the registration of heavy vehicles  
 Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Public Safety  
 Program Category Affected: Life and Property Protection  
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86       | FY 87       | FY 88       | FY 89       | FY 90       |
|------------------------|-------|-------------|-------------|-------------|-------------|-------------|
| <b>OPERATING</b>       |       |             |             |             |             |             |
| 100 PERSONAL SERVICES  |       | 8.8         | 9.3         | 9.9         | 10.5        | 11.1        |
| 200 TRAVEL             |       |             |             |             |             |             |
| 300 CONTRACTUAL        |       | 7.4         | 5.5         | 5.8         | 6.1         | 6.5         |
| 400 SUPPLIES           |       |             |             |             |             |             |
| 500 EQUIPMENT          |       |             |             |             |             |             |
| 600 LAND & STRUCTURES  |       |             |             |             |             |             |
| 700 GRANTS, CLAIMS     |       |             |             |             |             |             |
| 800 MISCELLANEOUS      |       |             |             |             |             |             |
| <b>TOTAL OPERATING</b> |       | <b>16.2</b> | <b>14.8</b> | <b>15.7</b> | <b>16.6</b> | <b>17.6</b> |
| <b>CAPITAL</b>         |       |             |             |             |             |             |
| <b>REVENUE</b>         |       |             |             |             |             |             |

FUNDING: (Thousands of Dollars)

|               |  |      |      |      |      |      |
|---------------|--|------|------|------|------|------|
| GENERAL FUND  |  | 16.2 | 14.8 | 15.7 | 16.6 | 17.6 |
| FEDERAL FUNDS |  |      |      |      |      |      |
| OTHER         |  |      |      |      |      |      |
| <b>TOTAL</b>  |  |      |      |      |      |      |

POSITIONS:

|                    |  |   |   |   |   |   |
|--------------------|--|---|---|---|---|---|
| FULL-TIME          |  |   |   |   |   |   |
| PART-TIME Seasonal |  | 1 | 1 | 1 | 1 | 1 |
| TEMPORARY          |  |   |   |   |   |   |

ANALYSIS: Attach a separate page if necessary \*

Will require proof of IRS filing or payment of the Federal Heavy Truck Use Tax prior to registration for all motor vehicles with a gross vehicle weight (GVW) of 33,000 lbs or over. Alaska vehicle classifications are based on unladen weight rather than GVW, so it is not possible to determine exactly how many vehicles are affected, but an estimate based on unladen weight would be 2,500 to 3,500 vehicles.

Prepared By: Charles R. Hosack Phone: 269-5561  
 Division: Motor Vehicles Date: 10-15-84

Approved by Commissioner: [Signature] Date: 12/16/84  
 Agency: Public Safety

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

7/1/84

HEAVY VEHICLE USE TAX

ANALYSIS (Continued)

Notification to vehicle owners and collection of the proper forms would require a special mailing, and individual handling. Most of these vehicles are commercial vehicles registered during December, so one position working four months, October through January, would be able to accomplish most of the work and the rest would be absorbed by existing positions.

Cost detail for the program is as follows:

|     |  |            |            |
|-----|--|------------|------------|
| 100 | Motor Vehicle Representative I,<br>Range 8, 4 months |            | 8.8        |
| 300 | Mailing Cost   |            |            |
|     | Forms  | 1.4        |            |
|     | Data Processing Programming                          | 1.0        |            |
|     | Data Processing Maintenance                          | 2.0        |            |
|     |  | 3.0        |            |
|     |  | <u>7.4</u> |            |
|     |  |            | <u>7.4</u> |
|     |  |            | 16.2       |

An inflation factor of 6% has been applied to costs beyond FY86.

| <b>TITLE OF INCREMENT/DECREMENT:</b><br>FH - Heavy Vehicle Registration   | <b>AGENCY CONTACT/PHONE NUMBER:</b><br>John H. Lucking/269-5551 | <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:10%;">CODE</th> <th style="width:60%;">EXPENDITURE BY OBJECT</th> <th style="width:15%;">AGENCY REQ.</th> <th style="width:15%;">GOV'S REQ.</th> </tr> </thead> <tbody> <tr><td>100</td><td>Personal Services</td><td>8.8</td><td></td></tr> <tr><td>200</td><td>Travel</td><td></td><td></td></tr> <tr><td>300</td><td>Contractual Services</td><td>7.4</td><td></td></tr> <tr><td>400</td><td>Supplies</td><td></td><td></td></tr> <tr><td>500</td><td>Equipment</td><td></td><td></td></tr> <tr><td>600</td><td>Lands, Buildings, Etc.</td><td></td><td></td></tr> <tr><td>700</td><td>Grants, Claims, Etc.</td><td></td><td></td></tr> <tr><td>800</td><td>Miscellaneous</td><td></td><td></td></tr> <tr><td colspan="2" style="text-align: center;">TOTAL</td><td>16.2</td><td></td></tr> <tr><td colspan="4" style="text-align: center;">I-A Transfer (NON-ADD)</td></tr> <tr><td>1002</td><td>Federal Receipts</td><td></td><td></td></tr> <tr><td>1003</td><td>General Fund Match</td><td></td><td></td></tr> <tr><td>1004</td><td>General Fund</td><td>16.2</td><td></td></tr> <tr><td>1005</td><td>I-A Receipts</td><td></td><td></td></tr> <tr><td>1028</td><td>Program Receipts</td><td></td><td></td></tr> <tr><td></td><td>Other</td><td></td><td></td></tr> <tr><td colspan="2" rowspan="3" style="text-align: center;">POSITION INFORMATION</td><td>PFT</td><td></td></tr> <tr><td>*** Seasonal</td><td>1.0</td></tr> <tr><td>Non Permanent</td><td></td></tr> <tr><td colspan="2"></td><td>Staff Months</td><td>4.0</td></tr> </tbody> </table> | CODE  | EXPENDITURE BY OBJECT | AGENCY REQ. | GOV'S REQ. | 100 | Personal Services | 8.8 |            | 200          | Travel |  |  | 300   | Contractual Services | 7.4 |  | 400                         | Supplies |  |  | 500                         | Equipment |  |  | 600      | Lands, Buildings, Etc. |     |  | 700 | Grants, Claims, Etc. |  |  | 800         | Miscellaneous |      |   | TOTAL  |  | 16.2   |  | I-A Transfer (NON-ADD) |  |  |  | 1002 | Federal Receipts |  |  | 1003 | General Fund Match |  |  | 1004 | General Fund | 16.2 |  | 1005 | I-A Receipts |  |  | 1028 | Program Receipts |  |  |  | Other |  |  | POSITION INFORMATION |  | PFT |  | *** Seasonal | 1.0 | Non Permanent |  |  |  | Staff Months | 4.0 |
|---|---|--|---|-----------------------|-------------|------------|-----|-------------------|-----|------------|--------------|--------|--|--|-------|----------------------|-----|--|-----------------------------|----------|--|--|-----------------------------|-----------|--|--|----------|------------------------|-----|--|-----|----------------------|--|--|-------------|---------------|------|---|--|--|--|--|------------------------|--|--|--|------|------------------|--|--|------|--------------------|--|--|------|--------------|------|--|------|--------------|--|--|------|------------------|--|--|--|-------|--|--|----------------------|--|-----|--|--------------|-----|---------------|--|--|--|--------------|-----|
| CODE  | EXPENDITURE BY OBJECT   | AGENCY REQ.  | GOV'S REQ.  |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 100   | Personal Services   | 8.8  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 200   | Travel  |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 300   | Contractual Services  | 7.4  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 400   | Supplies  |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 500   | Equipment   |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 600   | Lands, Buildings, Etc.  |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 700   | Grants, Claims, Etc.  |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 800   | Miscellaneous   |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| TOTAL   |   | 16.2   |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| I-A Transfer (NON-ADD)  |   |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 1002  | Federal Receipts  |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 1003  | General Fund Match  |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 1004  | General Fund  | 16.2   |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 1005  | I-A Receipts  |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| 1028  | Program Receipts  |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   | Other   |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| POSITION INFORMATION  |   | PFT  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   |   | *** Seasonal   | 1.0   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   |   | Non Permanent  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   |   | Staff Months   | 4.0   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| <b>DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:</b><br><br>Proposed legislation would amend AS 28.10.021 dealing with vehicle registration to ensure that the vehicle owner has complied with federal regulations requiring that a heavy vehicle use tax be paid if applicable prior to State registration.<br><br>Notification to vehicle owners and collection of the proper forms would require a special mailing and individual handling. Most of the affected vehicles are commercial vehicles registered during December, so one seasonal position working four months (October-January) would be able to accomplish most of the additional workload involved in administering the change in Statute.<br><br>Costs are projected as follows:<br><table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%;"><u>100</u></td> <td style="width:65%;">One seasonal Motor Vehicle Rep I, Range 8, 4 months</td> <td style="width:10%;"></td> <td style="width:20%; text-align: right;">8.8</td> </tr> <tr><td colspan="4"> </td></tr> <tr> <td><u>300</u></td> <td>Mailing Cost</td> <td style="text-align: right;">1.4</td> <td></td> </tr> <tr> <td></td> <td>Forms</td> <td style="text-align: right;">1.0</td> <td></td> </tr> <tr> <td></td> <td>Data Processing Programming</td> <td style="text-align: right;">2.0</td> <td></td> </tr> <tr> <td></td> <td>Data Processing Maintenance</td> <td style="text-align: right;">3.0</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Subtotal</td> <td></td> <td style="text-align: right;">7.4</td> </tr> <tr><td colspan="4"> </td></tr> <tr> <td></td> <td style="text-align: right;">TOTAL COSTS</td> <td></td> <td style="text-align: right;">16.2</td> </tr> </table> |   | <u>100</u>   | One seasonal Motor Vehicle Rep I, Range 8, 4 months |                       | 8.8         |            |     |                   |     | <u>300</u> | Mailing Cost | 1.4    |  |  | Forms | 1.0                  |     |  | Data Processing Programming | 2.0      |  |  | Data Processing Maintenance | 3.0       |  |  | Subtotal |                        | 7.4 |  |     |                      |  |  | TOTAL COSTS |               | 16.2 | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%; padding: 5px;"> <input type="checkbox"/> Enhance Existing Service Compared to FY 85<br/> <input checked="" type="checkbox"/> New Service Compared to FY 85<br/> <input type="checkbox"/> Continuation of FY 85 Service Level         </td> <td style="width:40%; padding: 5px; vertical-align: top;"> <input type="checkbox"/> Formula Program         </td> </tr> <tr> <td colspan="2" style="padding: 5px;">           IMPACT FROM CAPITAL PROJECT (NAME)<br/>           _____<br/>           Chapter _____ SLA _____ Page/Line _____         </td> </tr> </table> | <input type="checkbox"/> Enhance Existing Service Compared to FY 85<br><input checked="" type="checkbox"/> New Service Compared to FY 85<br><input type="checkbox"/> Continuation of FY 85 Service Level | <input type="checkbox"/> Formula Program | IMPACT FROM CAPITAL PROJECT (NAME)<br>_____<br>Chapter _____ SLA _____ Page/Line _____ |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| <u>100</u>  | One seasonal Motor Vehicle Rep I, Range 8, 4 months             |  | 8.8   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   |   |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| <u>300</u>  | Mailing Cost  | 1.4  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   | Forms   | 1.0  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   | Data Processing Programming                                     | 2.0  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   | Data Processing Maintenance                                     | 3.0  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   | Subtotal  |  | 7.4   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   |   |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
|   | TOTAL COSTS   |  | 16.2  |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| <input type="checkbox"/> Enhance Existing Service Compared to FY 85<br><input checked="" type="checkbox"/> New Service Compared to FY 85<br><input type="checkbox"/> Continuation of FY 85 Service Level  | <input type="checkbox"/> Formula Program                        |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |
| IMPACT FROM CAPITAL PROJECT (NAME)<br>_____<br>Chapter _____ SLA _____ Page/Line _____  |   |  |   |                       |             |            |     |                   |     |            |              |        |  |  |       |                      |     |  |                             |          |  |  |                             |           |  |  |          |                        |     |  |     |                      |  |  |             |               |      |   |  |  |  |  |                        |  |  |  |      |                  |  |  |      |                    |  |  |      |              |      |  |      |              |  |  |      |                  |  |  |  |       |  |  |                      |  |     |  |              |     |               |  |  |  |              |     |

|    |  |
|----|--|
| C5 | <b>INCREMENT/DECREMENT REQUEST</b><br><br>Agency Priority <u>34</u> of <u>35</u> |
|----|--|

AGENCY Department of Public Safety  
 PROGRAM Life & Property Protection  
 BRU Division of Motor Vehicles  
 COMPONENT Vehicle Services

|       |
|-------|
| FY 86 |
|-------|

|                    |          |
|--------------------|----------|
| PAGE _____         | OF _____ |
| REVISED DATE _____ |          |



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

*James O. Smith*  
Signature of Camera Operator

*10/31/89*  
Date

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## YUKON PACIFIC CORPORATION

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March 28, 1985

Mr. Harold Simon  
Chief, Stevens Village  
Stevens Village, Alaska 99774

Dear Mr. Simon,

I enjoyed meeting you and other residents of Stevens Village when you were in Anchorage for the AFN convention.

As you know, Yukon Pacific Corporation is an Alaskan company formed to try to convince the oil companies, the federal and state government, and potential gas buyers in Japan, Korea, and Taiwan that a pipeline should be built to bring the gas out of Prudhoe Bay.

Currently, Alaska law does not allow disposition of state land within five miles of the Dalton Highway for any purpose, including transportation of oil and gas, communications systems, or mining of gravel to build or maintain pipelines, access roads or the pad. That means it is illegal to build another pipeline across Alaska on the same corridor as the oil pipeline. It just doesn't make sense.

For that reason, we have sought passage of SB115 and HB143 which would allow the state to lease land in the pipeline corridor for oil and gas exploration, development, and transportation only, and for no other purpose.

At the same time we are aware that the State of Alaska has asked the federal government to modify two land withdrawal orders which now prevent the state from selecting land along the Dalton Highway between the Yukon River and the North Slope Borough boundary. We are also aware that the state has undertaken an informal study of how that land might be disposed or developed if selection did take place. We are also aware that Stevens Village has opposed a decision by either the federal or state government on selecting those lands until the citizens of Stevens Village are involved in planning for the use of those lands.

Mr. Harold Simon  
March 28, 1985  
page two

In our own work with the federal government and the state government we have questioned the need for the state to select lands along the pipeline corridor at this time. We also have encouraged the state to look at this issue more closely and to bring the residents of Stevens Village into the planning process. It is our belief, based on discussions with officials at the Department of Interior, that a quick decision on modifying the land withdrawal orders in the area is not likely.

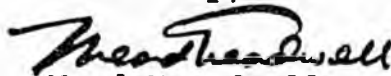
Accordingly, we support the efforts of Stevens Village to have a meeting with state officials to discuss how land selection in the area would affect Stevens Village. Further, we expect that once work on an environmental impact statement on a gas pipeline begins we ourselves will be back to talk with Stevens Village. I also expect, from our conversation, there may be a number of ways for us to help each other in the meantime.

Alaska needs to get its ducks in a row if we are going to bring about another pipeline. Our competition, in Australia, the Soviet Union, Malaysia, Indonesia, and other countries has shown they can be ready when we have not been. Passage of a bill this session to allow a pipeline, without making a decision to allow other kinds of disposal, could help us both --and the state-- prepare for this opportunity.

I hope we can work together.

With best wishes,

Sincerely,



Mead Treadwell  
Corporate Secretary



# YUKON PACIFIC CORPORATION

APR 11 1985

April 9, 1985

Representative Bette Cato  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Bette,

Thank you for your time last week.

Our work has continued to clarify state law so that a gas pipeline right-of-way can be granted. Since seeing you, we've kept up our discussions with residents of Stevens Village, a community near the proposed gas pipeline route. The state is working more closely on land selection issues in the area. And we're using our best persuasive power with existing businesses operating along the route to help strengthen the economies of some of the villages.

I understand that SB115 or HB143 comes up in House Transportation Thursday morning April 11. We appreciate your help in moving this legislation forward.

With best wishes,

Sincerely,

Mead Treadwell



# YUKON PACIFIC CORPORATION

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March 7, 1985

MAR 14 1985  
MAR 14 1985

Representative Bette Cato  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Bette,

Thank you for your time and help the other day.

I will be traveling out of state until the first week of April. Sometime soon afterwards, we hope to be in Juneau to brief you on our efforts.

Mead Treadwell will be giving a presentation in Valdez on April 6th for the members of the City Council who are headed to Asia. Your paths may cross there.

With best regards,

Sincerely,

Walter J. Hickel

**Petroleum:**

**North Aleutian OCS**

Review of the new federal OCS leasing schedule just released by Congress has again provided the state opportunity to focus criticism on the forthcoming North Aleutian Shelf OCS sale. The North Aleutian sale is federal sale No. 92 and is set for December of this year. Alaska Gov. Bill Sheffield has, and will use this opportunity to focus his request for delay of the sale on congressmen. However, the Alaska Support Industry Alliance is also present in Washington and is very active in lobbying in support of Sale 92, which Alaskan critics prefer to refer as 'Bristol Bay.'

HB 143/SB 115

**Kuparuk Uplands Sale Delayed**

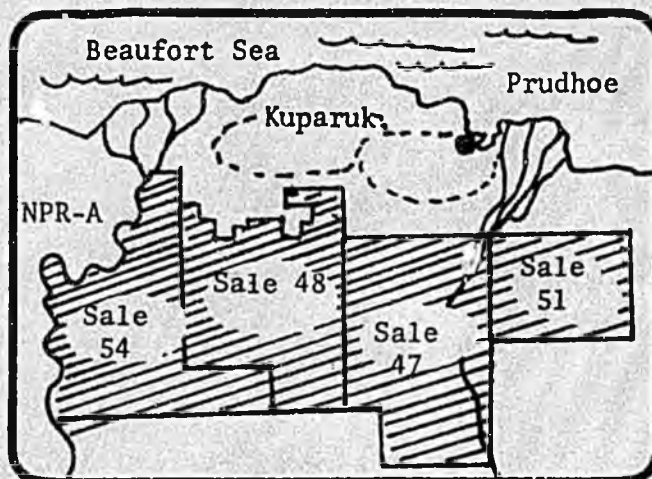
The State Department of Natural Resources has postponed until September the Kuparuk Uplands state Sale No. 47. The sale was previously scheduled for May, but will now be combined with offerings of other lands called 'Sale 45A.'

The sale area is directly south of Prudhoe Bay, and is one of four state oil sale areas that line-up east-west across the uplands of the North Slope. Sale 48 is just to the west of the Sale 47 area, and is to be offered in 1986, while a large block to the east of Sale 47 (Sale 51) is to be offered in 1987. Finally Sale 54 further to the west adjacent to the National Petroleum reserve will be offered in 1988.

**New "OCS" Schedule**

|                                 |       |
|---------------------------------|-------|
| Navarin Basin.....              | 9/86  |
| Beaufort Sea.....               | 12/86 |
| Chukchi Sea.....                | 5/87  |
| Shumagin.....                   | 12/87 |
| Gulf of Alaska.....             | 3/88  |
| St. George Basin.....           | 7/88  |
| N. Aleutian Basin.....          | 12/88 |
| Norton Basin.....               | 3/89  |
| Navarin Basin.....              | 9/89  |
| Beaufort Sea.....               | 12/89 |
| Chukchi Sea.....                | 2/90  |
| Cook Inlet.....                 | 6/90  |
| Shumagin.....                   | 9/90  |
| Kodiak.....                     | 1/91  |
| St. George Basin.....           | 4/91  |
| Hope Basin (Kotzebue Area)..... | 6/91  |

It should be noted that many of the above sales are 'releasing' of lands in previous sale areas.



**"OIL TAX BULLETIN"**

**Separate Accounting Tax Bill**

A new oil income tax bill is set to be introduced in the State House at press time. The bill would take the state back to a 'separate accounting' income tax similar to what the state had prior to 1981. The bill will reportedly be tied to the state 'winning' the current law suit between Prudhoe Bay producers and the state over the 1978-1981 law. Sponsors say the industry would obviously 'pick up' its \$2 billion in winnings if they prevail, so the state should be set to pick up its share too. There is reported-another tax measure also in the making.

# The Alaska Economic Report

**From Japanese View:**

April 3, 1985  
No. 6/85

## A Far East Gas Market ???

OFFICE COPY

Japan will have a need for additional imports of liquified natural gas (LNG) in the 1990s, but the size of that market "opening" will likely be too small to absorb output of a tidewater Alaska LNG processing plant for North Slope natural gas.

This was the assessment of Dr. Tsutomu Toichi, a Japanese energy analyst with the Institute of Energy Economics in Tokyo. Dr. Toichi is doing research at the Massachusetts Institute of Technology and gave his assessment of Japan's energy outlook in a Harvard University program on U.S./Japan Relations recently. Japanese government agencies and electric utilities are now looking at four potential sources of additional LNG supply: Alaska North Slope gas via a tidewater pipeline/LNG system, a Japan/Soviet joint venture in the Sakhalin Islands, an LNG project in Thailand, and another LNG project in Qatar.

### Alaska "Too Large"

Although the U.S. Government has encouraged Japan to consider the Alaska Option, Dr. Toichi said that electrical Utilities were wary of the Alaska project because of its huge size and high capital investment. LNG output would have to be shared with Korea and Taiwan to make the Alaska project feasible, since Japan demand would not be large enough.

(Continued on page 6)

### Oil Bright Spot ???

A faint 'bright spot' in oil prices has been registered with a 50¢/barrel price hike for Texas intermediate by Texaco. Citgo also increased price.

**Oil Tax Alert . . . Page 2**

## More State Oil Revenue "Slippage"

The state March oil revenue forecasts have not only confirmed the earlier gloomy forecasts, but have provided additional 'bad news' for Alaska lawmakers in the midst of constructing the FY-1986 budget. Juneau lawmakers have been working under assumptions that they would have to pare \$300 million from the proposed budget, but the new revenue forecasts appear to add another \$163 million to those cuts. Legislators were just beginning to work out the \$300 million in cuts while retaining a few items on 'wish lists,' The new revenue news came like the sound of a 'flushing toilet,' with legislator's remaining 'wishes' perhaps going down the drain.

The new cuts will likely gut much of what lawmakers were seeking to retain in some kind of capital budget, could hit proposed state pay raises, and spell doom for pumping more money into Susitna Dam. The new cuts could impact pending permanent fund policy decisions.

**Petroleum:**

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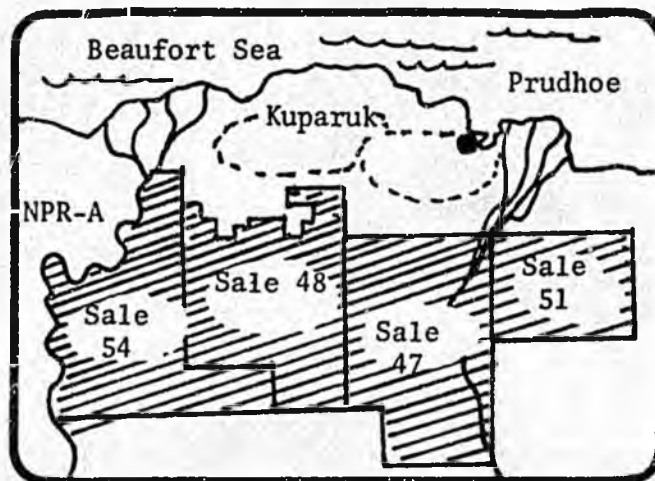
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BILL SHEFFIELD, GOVERNOR

**DEPARTMENT OF NATURAL RESOURCES**

**DIVISION OF LAND AND WATER MANAGEMENT**

555 CORDOVA STREET  
POUCH 7-005  
ANCHORAGE, ALASKA 99510-7005  
PHONE: (907) 278-2653

March 28, 1985

Mr. Harold W. Simon, Chief  
Stevens Village Council  
Stevens Village, Alaska 99774

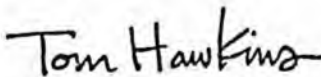
Dear Chief Simon:

Thanks for your continued interest in state land selections within the TAPS corridor.

As you know, the state has asked the BLM to modify the existing federal withdrawal in order to allow the state the opportunity to examine the area and consider various selection opportunities. Accordingly, the department has assembled a planning team to study the issue and provide recommendations to the commissioner. The planning team is assisted by an advisory committee of interested parties (including Dave Lacey of Dinyea Corp). As I am informed the Native Village of Stevens is not yet officially a member of the advisory committee, please accept my personal invite to join the committee's membership, effective immediately. The planning team will conduct informational meetings during late April and May in Stevens Village, Allakaket, Evansville and Coldfoot. Other communities and locations are also being considered. I expect that final selection recommendations will occur sometime thereafter.

I encourage your participation in this process and assure you that local interests will receive our full attention and consideration. For more information on the planning process and associated meetings, please contact Ron Hurlburt, Northern Region Office, in Fairbanks at 479-2243. Please let me know if I may be of further assistance.

Sincerely,

  
Tom Hawkins  
Director

cc: Representative Kay Wallis  
Commissioner Wunnicke  
Kay Brown, DO&G  
Mead Treadwell, Yukon-Pacific  
Rick Thompson, NRO  
Jerry Brossia, NRD  
Dave Lacey, Dinyea Corp.

COMMITTEE REPORTS (Senate)(cont'd)

SB 87 (cont'd)

--Repeals spending limit enacted in 1974 (AS 15.13.070(e) - (g)) and AS 15.13.120(d) (transferred to AS 15.13.045).

--Adds an immediate effective date.

Oil & Gas  
Activities  
(haul road  
rights-of-  
way)

SENATE BILL NO. 115, (see page 169). Reported back to the Senate February 11 from Resources with the committee recommending it be replaced with a Resources CS and that it do pass. Concurring: Sturgulewski (Chairman), Coghill, Fahrenkamp, Zharoff, Eliason, Vic Fischer and Halford. To Transportation.

The committee submitted a letter of intent, which states: "It is the intent of the Senate Resources Committee that leases necessary for communication equipment or facilities related to oil or gas activity is included as allowable under Section 1(b)(2) of CS SB 115 (Resources)."

The Resources CS changes amendment to AS 19.40.200 (Prohibition on Disposal of Land Within Five Miles of the Highway). Adds new subsection (b) which states that the prohibition does not apply to "(1) disposal necessary for an oil and gas lease under AS 38.05.180; (2) a state lease or materials sale necessary for exploration, development, production, or transportation of oil and gas or reconstruction or maintenance of the highway."

Also adds new (c): "Before the sale of materials under (b)(2) of this section to a private entity or person or to a state agency the state shall give due consideration to the availability of materials from private sources in the area where the materials are needed."

Makes bill retroactive to October 5, 1980 and effective immediately.

Small Business  
Development

SENATE CONCURRENT RESOLUTION NO. 2, (see page 31). Reported back to the Senate on February 12 by Labor & Commerce with the majority recommending it do pass. Concurring: Zharoff (Chairman), Bennett and Eliason. To Finance.

BILLS PASSED IN THE SENATE

Workers'  
Compensation  
Board

SENATE CS FOR HOUSE BILL NO. 66 (L&C), (see pages 58;176; 213;224;287). Before the Senate on February 11, the bill passed, 17-0-2. Excused: Ray and Ziegler. Absent: Ferguson. The effective date clause was adopted.

Judicial  
Vacancy

SENATE BILL NO. 124, (see page 215; 226). Before the Senate on February 11. The bill passed the Senate the same day: 17-0-2. Excused: Ray and Ziegler. Absent: Ferguson. The effective date clause was adopted.

COMMITTEE REPORTS (Senate)(cont'd)

SB 152 (cont'd)

On February 21 the bill was given a referral to Finance at the request of Senator Faiks. To Finance.

BILLS PASSED IN THE SENATE

Foreign Trade Committee (establishing) HOUSE CONCURRENT RESOLUTION NO. 7, (see pages 267; 283; 287). On February 21 the bill passed the Senate, 17-2-1. Nays: Ferguson and Halford. Absent: Sackett. (See page for list of members appointed by President Bennett.)

Student Loan Program (eligibility) SENATE BILL NO. 17, (see pages 7;224;320). Reported back to the Senate on February 20 by Finance with the committee recommending it do pass. Concurring: Faiks (Co-Chmn.), Kerttula, Paul Fischer, Eliason and Sackett. To Rules.

Passed the Senate February 21, 20-0. The effective date was adopted.

William A. Egan Day SENATE BILL NO. 18, (see pages 8;126;176;268;320). On the February 18 calendar. Held over one day. February 19 the Senate passed the bill, 18-0-2. Absent: Rodey and Sackett.

On February 18 Sen. Ziegler added his name as co-sponsor. On February 19 Sen. Ray added his name as a co-sponsor.

Criminal Trespass SENATE BILL NO. 112, (see page 166). Reported back to the Senate on February 18 from Judiciary recommending that it do pass. Concurring: Rodey (Chairman), Faiks, Kelly, Ziegler and Halford. To Rules.

On February 22 the Senate passed the bill, 18-0-1-1. Excused: Coghill. Absent: Sackett. Senator Ray gave notice of reconsideration of his vote.

Oil & Gas Activities (haul road rights-of-way) CS FOR SENATE BILL NO. 115 (RESOURCES), (see pages 169; 272; 320). Reported back to the Senate on February 19 by Transportation with the committee recommending the Resources CS do pass. Concurring: Coghill (Chmn.), Faiks, Abood and Paul Fischer. To Rules.

Before the Senate on February 21. The Resources CS was adopted and the bill passed, 20-0. The effective date was adopted. The Resources letter of intent was adopted.

OTHER ACTION IN THE SENATE

Capital Punishment SENATE BILL NO. 119, (see page 170; 273). On February 18 a Finance referral was added. To HESS, Judiciary and then Finance.

SENATE BILLS RECEIVED (House)

Student Loan Program (eligibility)      SENATE BILL NO. 17, (see pages 7;224; 306). Received in the House February 22 and referred to House Loans, Health, Education & Social Services.

William A. Egan Dav      SENATE BILL NO. 18, (see pages 8;126;176;268;306). Received in the House February 20 and referred to State Affairs, Finance.

Oil & Gas Activities (haul road rights-of-way)      CS FOR SENATE BILL NO. 115 (RES), (see pages 169;306). Received in the House and referred to House Oil & Gas, Resources, Transportation.

COMMITTEE REPORTS (House)

Civil Air Patrol (transfer of responsib.)      EXECUTIVE ORDER NO. 59, (see pages 88;127;160). Reported back to the House February 18 by Finance recommending it be approved. Concurring: Adams (Chair), Ringstad, Larson, Uehling, Rieger, Frank and Binkley. To Rules.

AK Bar Assn. Bd. of Govs. (continuing)      CS FOR SENATE BILL NO. 2 (JUD), (see pages 1;126;180;211; 245). Reported back to the House February 22 by Finance recommending it do pass. Concurring: Adams (Chair), Duncan, Szymanski, Larson, Pourchot, Ringstad, Uehling, Frank, Binkley and Cotten. To Rules.

Asbestos Health Hazards (abatement program)      SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 5, (see pages 36;245). Reported back to the House February 20 by Labor & Commerce recommending it be replaced with a substitute and as follows: Koponen, Boucher and Davis recommend it do pass. Navarre (Chair), had no recommendation. Hanley signed "do not pass without amendments". Pearce signed "do not pass substitute." To Finance.

On February 20 Rep. Navarre removed his name as co-sponsor.

The Labor & Commerce substitute establishes an abatement program in the public schools and the University of Alaska. Removes "Findings and Purpose" section. Would allow shorter school terms in state public schools with the approval of the Commissioner of Education if the shorter term is necessary for abating asbestos health hazards in the school and the school board has submitted an acceptable plan under which the students will receive the approximate educational equivalent of a 180-day term.

Would require the Dept. of Labor to inspect school buildings in districts or REAA's that have not complied with federal EPA regulations, for the presence of asbestos, take samples as needed, answer questions, ensure quality control of samples, and enter into contracts for these purposes. The guidelines established by Dept. of Labor would have to be in conformity with EPA regulations. New section added requiring the Dept. of Labor to establish classifications of hazards according to the severity of the hazard and determine, based on the classifications, the order in which to proceed. Adds language requiring the Dept. of Labor to assist the University in its efforts to get rid of asbestos.

BILLS PASSED IN THE HOUSE

CSHB 102 (FIN), (cont'd)

While the authority granted in CS HB 102 (Finance), allows credit terms of sale for ARC assets to extend beyond 1989, it is the intent of the legislature that this authority be used only when there is a compelling economic reason to allow terms of sale other than cash payment, and then only to the extent that any credit granted is collateralized. No terms of sale should require state management effort beyond that needed for any other high-quality note receivable.

The Finance substitute would amortize payments over a period of 25 years or less (was "over a period of years"). It also states the debt created by the conversion "may include amortization of payments over a period of 25 years or less."

On February 27 the Finance substitute was adopted, and the bill passed, 31-7-1-1. Nays: Collins, Furnace, Jenkins, Martin, Pettyjohn, Phillips, Pignalberi. Excused: Herrmann. Absent: Wallis. The effective date clause was adopted. The letter of intent was adopted. Rep. Goll gave notice of reconsideration.

Reconsideration taken up March 1. Attempts to amend the bill failed and it passed on reconsideration, 29-7-4. Nays: Furnace, Goll, Jenkins, Martin, Pettyjohn, Phillips, Pignalberi. Excused: Cato, Frank, Herrmann, M. W. Miller. The effective date and letter of intent were again adopted.

Air Service  
(essential)

CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) (AM), (see pages 244;326). On February 25 amendment 1 by Martin was adopted. It adds Majority Leader of the U. S. Senate, Robert Dole, to the list of those to whom the resolution will be sent. The resolution then passed the House, 32-3-2-3. Nays: Furnace, Marrou, Martin. Excused: Hurley, Pearce. Absent: Goll, Koponen, Shultz.

International  
Youth Year

HOUSE CONCURRENT RESOLUTION NO. 10, (see page 375). Passed the House February 27, 36-1-1-2. Nay: Pettyjohn. Excused: Herrmann. Absent: Hurley, Wallis.

OTHER ACTION IN THE HOUSE

Oil & Gas  
Activities  
(haul road  
rights-of-way)

CS SENATE BILL NO. 115 (RES), (see pages 169;272;306;320). On March 1 the Speaker waived the Oil & Gas referral. To Resources, then Transportation.

Reapportion-  
ment of the  
Legislature

HOUSE JOINT RESOLUTION NO. 4, (see page 80). On February 25 Rep. Taylor added his name as co-sponsor.

Ak Statutes  
(corrective  
amendments)

CS FOR HOUSE BILL NO. 157 (JUD) (AM), (see pages 200; 327). On February 25 the bill was not taken up for reconsideration and was transmitted to the Senate.

OTHER ACTION IN THE HOUSE

Oil & Gas Activities (haul road rights-of-way) CS FOR SENATE BILL NO. 115 (RES), (see pages 169; 272; 306; 320; 383). On March 4 the speaker waived the Resources referral. To Transportation.

Setting of Venue HOUSE BILL NO. 115, (see pages 144; 249). On March 6 the Speaker waived the Judiciary referral. To Rules.

Housing Loans (for perm. disabled) HOUSE BILL 146, (see page 191). On March 6 Rep. Davis added his name as co-sponsor.

State Employment (state leave) CS FOR HOUSE BILL NO. 153 (SA)(title am), (see pages 198; 286;379). On March 8 the State Affairs substitute was adopted (see page 286). Amendment 1 by Phillips was adopted, changing the title of the bill. The bill then failed to pass the House, 20-15-5. Nays: Binkley, Collins, Frank, Furnace, Hanley, Jenkins, Marrou, Martin, Pearce, Pettyjohn, Phillips, Rieger, Ringstad, Uehling, Wallis. Excused: Cotten, Davis, Koponen, Pignalberi, Shultz. Rep. Clocksin gave notice of reconsideration and the bill may be taken up again.

Motor-driven Cycle HOUSE BILL NO. 199, (see pages 279; 381). On March 6 the Speaker waived the Judiciary referral. To Rules.

Excise Tax on Cigarettes (increasing) HOUSE BILL NO. 249, (see page 370). On March 4 Rep. Gruenberg added his name as co-sponsor.

Native Children (care & custody of) HOUSE BILL NO. 255, (see page 374). On March 4 Rep. Herrmann added her name as co-sponsor.

GOVERNOR'S ACTION

Sewer System Failure (Haines) CS FOR HOUSE BILL NO. 134 (FINANCE), (see pages 183; 249; 267; 287; 358). Signed by the Governor on March 5 - Chapter 3, SLA 1985 (authorizing the expenditure of no more than \$1,600,000 from the disaster relief fund for a sewer system failure in Haines; and providing for an effective date).

\*\*\*\*\*  
This report is a simple compilation of information and it is not, nor is it intended to present, a legal interpretation.  
\*\*\*\*\*

\*\*\*\*\*  
This report includes all bills and resolutions introduced and all action taken in the Alaska House and Senate from March 4 through March 10, 1985.  
\*\*\*\*\*

# STATE OF ALASKA



POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4941

## HOUSE SPECIAL COMMITTEE ON OIL AND GAS

CSSB 115/CSHB 143

### Sectional Analysis

CSSB 115 and CSHB 143 are identical bills, except for differences in their titles. Although the intent of both bills is exclusively to allow oil and gas activities to take place within the Dalton Highway right-of-way, the title of CSHB 143 is more specific to this purpose.

The Dalton Highway was constructed for the purpose of oil and gas exploration, development, and transportation, and it is the feeling of this committee that prohibitions within the highway corridor were never intended to apply to these activities. Passage of these bills would allow for the sale of oil and gas leases within the Dalton Highway right-of-way, as well as allowing for related oil and gas activities and the associated use of off-road vehicles. Timely passage of this legislation would also allow the Department of Natural Resources' May 1985 Kuparuk Uplands Sale #47 to take place on schedule.

#### Section 1.

(b)(1) This subsection addresses AS 38.05.180, which specifically applies to land disposals related to oil and gas leases. Disposals other than those related to oil and gas leasing cannot take place under this section.

(b)(2) This subsection refers to all other leases and materials sales necessary for oil and gas activities. These disposals include oil and gas pipeline right-of-way leases (AS 38.35) and materials sales (AS 38.05.110-120 and .810). Materials sales refer specifically to the sale of sand and gravel.

(c) Due consideration shall be given by the state to purchasing sand and gravel needed for reconstruction or maintenance of the highway from private sources in the area. This subsection is not intended to imply that preference should be given to purchasing materials from these sources, but only that due consideration be given to them.

Section 2.

This section allows off-road vehicles to be used within the Dalton Highway right-of-way when necessary for oil and gas activities. No changes are made to the existing exemption which allows miners to use off-road vehicles within the right-of-way to reach their claims.

Section 3.

This act is retroactive to October 5, 1980; the date at which this statute was first enacted. The reason for the retroactive date is that several leases and material sales have taken place within the right-of-way since 1980.

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

January 31, 1985

The Honorable Mike Davis, Chairman  
House Special Committee on Oil and Gas  
Pouch V  
Juneau, AK 99811

Dear Representative Davis:

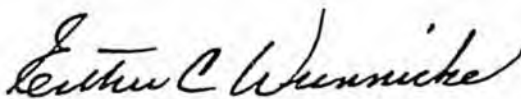
The Department of Natural Resources is requesting amendment of AS 19.40.200 and AS 19.40.210 to allow oil and gas exploration and development within five miles of the right-of-way of the Dalton Highway (North Slope Haul Road).

The statute presently prohibits the disposal of state land under AS 38 and use of off-road vehicles within five miles of the highway. "State land" under AS 38 includes oil and gas leases for exploration and production rights.

Although the department does not believe it was the intent of the 1980 Legislature to prohibit oil and gas activities along the highway, the statute as presently written may be interpreted to have that effect. Oil and Gas Lease Sale 47 (Kuparuk Uplands) is tentatively scheduled for May 21, 1985 and contains approximately 611,840 acres. Of that total, some 230,000 acres (52 of the 113 tracts) are within the five-mile corridor and will have to be deleted from the sale without clarification of the statutes cited above. Final notice of Sale 47 is scheduled to be given March 22, 1985.

I appreciate the willingness of your Committee to introduce HB 143, which would rectify the apparent oversight. Thank you in advance for your consideration and timely action on the bills.

Sincerely,



Esther C. Wunnicke  
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HB 143  
 Title: Exploration and Development  
in Highway Rights-of-Way  
 Sponsor: \_\_\_\_\_  
 Requestor: Rep. Davis  
 Date of Request: 1/31/85

FISCAL DETAIL

Agency Affected: Natural Resources  
 Program Category Affected: NRMEC  
 BRU, Program or Subprogram(s) Affected:  
Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONAL SERVICES  |       |       |       |       |       |       |
| 200 TRAVEL             |       |       |       |       |       |       |
| 300 CONTRACTUAL        |       |       |       |       |       |       |
| 400 SUPPLIES           |       |       |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> |       | -0-   | -0-   | -0-   | -0-   | -0-   |

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>CAPITAL</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>REVENUE</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |  |     |     |     |     |     |
|---------------|--|-----|-----|-----|-----|-----|
| GENERAL FUND  |  |     |     |     |     |     |
| FEDERAL FUNDS |  |     |     |     |     |     |
| OTHER         |  |     |     |     |     |     |
| <b>TOTAL</b>  |  | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar  
 Division: Commissioner's Office

Phone: 465-2400  
 Date: January 31, 1985

Approved by Commissioner: Wm D. Amundson  
 Agency: Natural Resources

Date: January 31, 1985

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB 115  
 Title: Exploration and Development  
in Highway Rights-of-Way  
 Sponsor: \_\_\_\_\_  
 Requestor: Sen. Stursulewski  
 Date of Request: 1/31/85

FISCAL DETAIL

Agency Affected: Natural Resources  
 Program Category Affected: NRMEC  
 BRU, Program or Subprogram(s) Affected:  
Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONAL SERVICES  |       |       |       |       |       |       |
| 200 TRAVEL             |       |       |       |       |       |       |
| 300 CONTRACTUAL        |       |       |       |       |       |       |
| 400 SUPPLIES           |       |       |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> |       | -0-   | -0-   | -0-   | -0-   | -0-   |

|                |  |  |  |  |  |  |
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| <b>CAPITAL</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>REVENUE</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |  |     |     |     |     |     |
|---------------|--|-----|-----|-----|-----|-----|
| GENERAL FUND  |  |     |     |     |     |     |
| FEDERAL FUNDS |  |     |     |     |     |     |
| OTHER         |  |     |     |     |     |     |
| <b>TOTAL</b>  |  | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar  
 Division: Commissioner's Office

Phone: 465-2400  
 Date: January 31, 1985

Approved by Commissioner: Wm D Amory  
 Agency: Natural Resources

Date: January 31, 1985

Distribution (by Agency preparing fiscal note):

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

BACKGROUND ON SB 115  
DEPARTMENT OF NATURAL RESOURCES  
February 8, 1985  
Senate Resources Committee

DISPOSALS UNDER AS 38 NECESSARY FOR OIL AND GAS DEVELOPMENT:

- Oil and gas leases under AS 38.05.180 convey exploratory drilling rights and production rights for any oil and gas discovered.
- Material (sand and gravel) sales are made to private entities under AS 38.05.110-120 for roads, drill pads, offshore artificial drilling islands, causeways, and other facilities. "Sales" are also made to the Department of Transportation and Public Facilities for highway reconstruction and maintenance under AS 38.05.810 (public and charitable use).
- Oil and gas pipeline right-of-way leases under AS 38.35 are the required authorization to construct an oil or gas pipeline on or across state land.
- Leases under AS 38.05.070 are held by private service companies and contractors in the Prudhoe Bay Industrial Tract Subdivision. These companies and contractors sell, rent, and repair equipment and provide services to oil and gas lessees. Alyeska Pipeline Service Co. also holds leases (for example, construction camp site).

ACTIVITIES IMMEDIATELY AFFECTED BY THE PROPOSED LEGISLATION

- Oil and Gas Lease Sale 47 (Kuparuk Uplands) is tentatively scheduled for May 21, 1985, and contains approximately 611,840 acres. Of that total, about 230,000 acres (52 of the 113 tracts) are within five miles of the highway and would have to be deleted from the sale without the proposed clarification of existing statute. Final notice of Sale 47 is scheduled to be given March 22, 1985.
- Seismic exploration using off-road vehicles is currently prohibited within the 10-mile corridor.
- Several existing material sales to the Department of Transportation and Public Facilities, and current pending applications for continued materials requirements of Alyeska will be in jeopardy.

BILL SHEFFIELD, GOVERNOR

REPLY TO:

**DEPARTMENT OF LAW**

OFFICE OF THE ATTORNEY GENERAL

February 12, 1985

1031 W 4th AVENUE  
SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-3550

1st NATIONAL CENTER  
100 CUSHMAN ST.  
SUITE 400  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3600

The Honorable Arliss Sturgulewski, Chairman  
Senate Resources Committee  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Re: CSSB 115 (Res)

Dear Senator Sturgulewski:

Kay Brown, director of the division of oil and gas, has asked us to respond to your inquiry whether there would be any negative legal implications from the retroactive application of the proposed amendments to AS 19.40.200 - 19.40.210 contained in the referenced bill. 1/ We believe that there would not.

Although retrospective laws are generally not favored, curative legislation is encouraged. Here, the legislation is in part being proposed to validate certain existing AS 38.05 disposals and off-road vehicle activities which might otherwise be void for failure to conform with the existing proscriptions of

---

1/ You will recall that the inquiry was made at your meeting of February 8, at which time Ms. Brown proposed that the provisions of CSSB 115 (Res) be made retroactive. We had earlier advised Ms. Brown that any question regarding the validity of existing uses of state land along the Dalton Highway could be resolved in the context of an attorney general's opinion. However, on February 4, it was brought to our attention that at least one existing oil and gas lease would be void unless made valid by retroactive application of the proposed amendments contained in the bill.

AS 19.40.200 - 19.40.210. These disposals and activities were authorized by state officials under the mistaken belief that the provisions of AS 19.40.200 - 19.40.210 were limited in scope to certain circumstances of primary concern to the legislature when the original Act was passed, namely, the prohibition of cabin site and other land surface disposals under AS 38.05 and of hunting with ORVs along the Haul Road corridor. The plain language of the statute, however, exceeds this narrow application, even though a broad interpretation reportedly was not the legislature's original intent.

Nevertheless, even curative legislation must comply with certain legal requirements. Among these is the requirement of AS 01.10.090 for an express statement of retroactivity. The legislative drafting manual suggests that language providing for retroactive application of a bill be set out in a separate section immediately preceding the effective date section, and that the retroactive section and the sections of the bill that are to be retroactive have immediate effective dates. Thus, CSSB 115 (Res) should contain an additional section to read:

\* Sec. 3. Sections 1 - 2 of this Act are retroactive to October 5, 1980. 2/

From a constitutional standpoint, a curative Act may not impair the obligation of contracts, take property without due process of law, or interfere with purely judicial matters. We are not aware of any potential problems arising in these three areas of concern if the presently proposed amendments to AS 19.40.200 - 19.40.210 are made retroactive to the effective date of the original Act. To the contrary, retroactive application will avoid the possibility of finding invalid existing uses of state land previously authorized by state officials.

In sum, we are of the opinion that CSSB 115 (Res), which grants new rights rather than takes away existing rights,

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2/ The present Section 3, providing for an immediate effective date, would be renumbered Section 4.

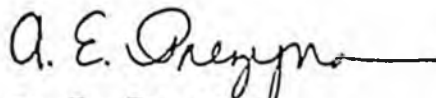
The Honorable Arliss Sturgulewski, Chairman  
Senate Resources Committee

February 12, 1985  
Page 3

will present no negative legal implications if its provisions are applied retroactively. To the contrary, because of the uncertain validity of some existing uses of state land, we strongly encourage inclusion in the bill of a retrospective clause such as the one we have suggested.

Very truly yours,

NORMAN GORSUCH  
ATTORNEY GENERAL



By: Ann E. Prezyna  
Assistant Attorney General

AEP/ma

cc: Kay Brown, Director  
Division of Oil and Gas  
Department of Natural Resources

Arthur H. Peterson  
Assistant Attorney General  
Department of Law - Juneau



# Alaska State Legislature

## House

Official Business

February 21, 1985

Pouch V  
State Capitol  
Juneau, Alaska 99811

Representative Bette Cato  
Chairman  
House Transportation Committee  
Pouch V  
Juneau, AK 99811

Dear Representative Cato:

Please hold HB 143 in your committee, at least until Representative Herrmann returns from her district. In the next day or so, I will forward to you an amendment that I think will be worthy of your review.

I would appreciate it if your committee would consider the amendment before moving HB 143. Thank you.

Sincerely yours,

A handwritten signature in cursive script that reads "F. Kay Wallis".

F. Kay Wallis  
Representative

Offered: 2/11/85  
Referred: Transportation

Original sponsor: Resources Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 115 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to land use and disposal near a  
7 highway right-of-way; and providing for an effective  
8 date."

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

10 \* Section 1. AS 19.40.200 is amended by adding new subsections to read:

11 (b) The prohibition on disposal of state land under (a) of this  
12 section does not apply to a

13 (1) disposal necessary for an oil and gas lease under  
14 AS 38.05.180;

15 (2) a state lease or materials sale necessary for explora-  
16 tion, development, production, or transportation of oil and gas <sup>north of 68 degrees north</sup> or <sub>latitude</sub>  
17 reconstruction or maintenance of the highway.

18 (c) Before the sale of materials under (b)(2) of this section to  
19 a private entity or person or to a state agency the state shall give  
20 due consideration to the availability of materials from private  
21 sources in the area where the materials are needed.

22 \* Sec. 2. AS 19.40.210 is amended to read:

23 Sec. 19.40.210. PROHIBITION OF OFF-ROAD VEHICLES. Off-road  
24 vehicles are prohibited on land within five miles of the right-of-way  
25 of the highway. However, this prohibition does not apply to off-road  
26 vehicles necessary for oil and gas exploration, development, produc-  
27 tion, or transportation or to a person who holds a mining claim in the  
28 vicinity of the highway and who must use land within five miles of the  
29 right-of-way of the highway to gain access to the [HIS] mining claim.

MAR 12 1985

BILL SHEFFIELD, GOVERNOR

**DEPARTMENT OF NATURAL RESOURCES**

**DIVISION OF LAND AND WATER MANAGEMENT**

March 5, 1985

555 CORDOVA STREET  
POUCH 7-005  
ANCHORAGE, ALASKA 99510-7005  
PHONE: (907) 276-2653

The Honorable F. Kay Wallis, Representative  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Wallis:

I appreciate the concerns expressed in your recent letter opposing state land selections in the Yukon Crossing area of the Trans-Alaska Pipeline System (TAPS) corridor. I have recently received similar sentiments from the Dinyea Corporation, Tanana Chiefs' Conference and Alaska Native Land Managers Association.

The state's effort to have the Bureau of Land Management (BLM) modify the TAPS corridor withdrawal from the Yukon River to the North Slope Borough boundary to allow possible state land selection is an extension of our attempt to receive the best available land as part of Alaska's remaining statehood entitlement. As you know, this area includes an important interior transportation route and land potentially valuable for multiple resources and uses. As such, it meets the legislature's intent through AS 38.05.290(a) that the commissioner give preference of selection to land which will provide maximum benefits to all the people of the state. The state has until 1994 to select the approximately 24 million acres remaining in our statehood entitlement. Given that the TAPS corridor is reasonably accessible and adjacent to some areas already selected or owned by the state, it is a favorable selection candidate. The alternative federal land available for state selection is generally very remote and not as attractive from a resource value or overall public benefit perspective. We look to the legislature for comment and direction as we complete the selection of Alaska's land base.

The department has recently initiated a planning process to establish which portions of the TAPS corridor should be selected. Department staff have consulted with representatives from the Dinyea Corporation on several occasions in order to gain a better understanding of local concerns and desires and to become more knowledgeable of local concerns associated with state ownership within the TAPS corridor. A representative from Stevens Village is also on the advisory committee to the planning team whose responsibility it is to recommend new selections, if any, in the TAPS corridor. We are studying this issue now and have requested BLM to revoke the existing withdrawal. However, citing numerous instances of an overriding "federal interest", BLM has been unresponsive to our interests.

March 5, 1985

Future land ownership and management in the TAPS corridor near the Yukon Crossing is also very important to the State of Alaska. Already there has occurred some service-related development at the Yukon Crossing. The existence of additional private land (several Native allotments and Cook Inlet Region, Inc. selections) at the Yukon Crossing suggests that further development will take place. Therefore, it is essential that management of the remaining public land (whether federal or state) be held accountable to a comprehensive land use planning process which involves local participation. The department will take into account local residents' traditional way of life as it has in other planning efforts, such as the Bristol Bay Area Plan.

Finally, I'd also like to emphasize that the Yukon Crossing land, although traditionally used, was never actually available for selection by Steven's Village under terms of the Alaska Native Claim Settlement Act (ANCSA). ANCSA set up a village selection withdrawal for Stevens Village which did not encompass this area. Therefore, I believe it is difficult to expect the state to recognize land claims not accepted by the BLM. However, through the planning process, we intend to address local needs and desires to the maximum extent practical.

Please let me know if I can provide further information or clarification. I will keep you informed of any further departmental activities in this area. Thanks for your interest and valuable comment.

Sincerely,

*Tom Hawkins*

Tom Hawkins  
Director

cc: Commissioner Wunnicke  
Governor Sheffield  
Senator Ferguson  
Senator Sackett  
Dinyea Corporation  
Steven's Village  
Senator Sturgulewski  
Representative Hermann  
Representative Schultz  
Representative Sund  
Representative Thompson  
Representative Miller (North Pole)  
Representative Cato  
Representative Pearce  
Representative Jenkins  
Jerry Brossia, Northern Region Director, DNR

**Sec. 19.40.100. Use of the highway by industrial or commercial traffic.** (a) The department shall maintain the highway and keep it open to industrial or commercial traffic throughout the year.

(b) "Industrial or commercial travel" means

(1) travel necessary and related to resource exploration and development or to support of those activities, if the individual engaged in those activities has all necessary permits; or

(2) travel necessary and related to access by local residents to their property; or

(3) motor carriers engaged in commerce which are common carriers or contract carriers regulated by the Alaska Transportation Commission under AS 42.10. (§ 3 ch 177 SLA 1980)

**Sec. 19.40.110. Public use of a portion of the highway.** The department shall maintain the section of the highway between the Yukon River and Dietrich Camp and shall keep that section of the highway open to use by the public between June 1 and September 1 each year. (§ 4 ch 177 SLA 1980; AS 19.40.120)

**Revisor's notes.** — This section was renumbered by the revisor of statutes pursuant to AS 01.05.031.

**Sec. 19.40.120. Closure of the highway to traffic.** The provisions of AS 19.10.100 apply to the closure of the highway by the department. (§ 3 ch 177, SLA 1980; AS 19.40.110)

**Revisor's notes.** — This section was renumbered by the revisor of statutes pursuant to AS 01.05.031.

**Sec. 19.40.200. Prohibition on disposal of land within five miles of the highway.** The state may not dispose of state land under AS 38 which is within five miles of the right-of-way of the highway. (§ 5 ch 177 SLA 1980)

**Legislative history reports.** — For 1781. For attorney general's opinion advising the governor that the house and senate did not pass the same bill, see Op. Attv. Gen. July 1, 1980.

**Sec. 19.40.210. Prohibition of off-road vehicles.** Off-road vehicles are prohibited on land within five miles of the right-of-way of the highway. However, this prohibition does not apply to a person who holds a mining claim in the vicinity of the highway and who must use land within five miles of the right-of-way of the highway to gain access to his claim. (§ 5 ch 177 SLA 1980; AS 19.40.200(b))

**Revisor's notes.** — This section was renumbered by the revisor of statutes pursuant to AS 01.05.031.

Cl

Section

01. Definitions

02. Penalties

15. Highway co

**Sec. 19.45**

(1) "comm public facilit

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(5) "departr lic Facilities;

(6) "excess l required for a

so acquired is l to its owner, or

or other dama

(7) "federal-tem" include a provided in th

amending or s

(8) "highway secondary syst structure and

right-of-way th operated solely

and any such r

(9) "mainten roadside struct condition as cor

ation of highwa highways;

(10) "municipi vision which ha

royalty payment of a rental of 25 50 cents an acre 1 calendar year, after during the shall be credited

rental right in upon terms and III ch 169 SLA

adopted by the ting permit for : applicant the ng to the state, ed in a permit act form. Upon uable deposits ithin the area able for these art of the land per cent of the nt of shipment vn to contain mits or leases ethods pre- ay not exceed

by the lessee nce of a rental all be credited II ch 169 SLA

adopted by the ng permit to a xclusive right ; silicates, or a period not y not exceed owing to the of potassium hin the area ble for these rt of the land ess than two

per cent of the quantity or gross value of the output of potassium compounds and other related products, except sodium, at the point of shipment to market. The commissioner may lease land known to contain valuable deposits of potassium compounds that is not covered by permits or leases through advertisement, competitive bidding, or other methods prescribed by regulation. The area covered by the lease may not exceed 2,560 acres.

(b) Each lease shall be conditioned upon payment by the lessee of a royalty of not less than two per cent of the quantity or gross value of the output of potassium compounds and other related products, except sodium, at the point of shipment to market, and the payment in advance of a rental of 25 cents an acre for the first calendar year or fraction of it, 50 cents an acre for the second calendar year, third calendar year, fourth calendar year, and fifth calendar year, and \$1 an acre a year thereafter during the continuance of the lease. The rental for any one year shall be credited against royalties accruing for that year.

(c) Each lease shall be for a term of 20 years and so long thereafter as the lessee complies with the terms and conditions of the lease. (§ 3(6) art VIII ch 169 SLA 1959)

Sec. 38.05.180. Oil and gas leasing. (a) The legislature finds that

(1) the people of Alaska have an interest in the development of the state's oil and gas resources to

(A) maximize the economic and physical recovery of the resources;

(B) maximize competition among parties seeking to explore and develop the resources;

(C) maximize use of Alaska's human resources in the development of the resources;

(2) it is in the best interests of the state to encourage an assessment of its oil and gas resources and to allow the maximum flexibility in the methods of issuing leases to

(A) recognize the many varied geographical regions of the state and the different costs of exploring for oil and gas in these regions;

(B) minimize the adverse impact of exploration, development, production, and transportation activity.

(b) The commissioner shall annually prepare and submit to the legislature, between the first and the fifteenth day of each regular legislative session, a five-year proposed oil and gas leasing program consisting of a schedule of proposed lease sales and specifying as precisely as practicable the location of tracts proposed to be offered for oil and gas leasing during the calendar year in which the proposed program is submitted to the legislature and the following four calendar years.

(c) Except as provided in (d) and (w) of this section, an oil and gas lease sale may not be held unless it was included in the proposed leasing programs submitted to the legislature during the two calendar

lease sale shall be scheduled in the manner provided by the commissioner of the calendar year which is not held in the oil and gas lease authorized by the provisions provided in (b) of this section if it is scheduled

in an area that is in accordance with the provisions of this section

valid state or territory

under state, written finding, or a substantial interest in the land to be leased

controlled by the activities of oil or gas hearing, that land contains oil or gas in the land of

in the federal lands, 43 U.S.C. sec. 1621, after hearing, by the government

are required to be approved by the legislature

including calendar year analysis of the production

to be used for the purposes of succeeding lease sales

selected. State land to be sold by competitive bidding may be used for the purposes of

the commissioner determines is in the best interests of the state. Whenever, under any of the leasing methods listed in this subsection, a royalty share is reserved to the state, it shall be delivered in pipeline quality and free of all lease or unit expenses, including but not limited to separation, cleaning, dehydration, gathering, salt water disposal, and preparation for transportation off the lease or unit area. Following a pre-sale analysis, the commissioner may choose at least one of the following leasing methods:

(1) a cash bonus bid with a fixed royalty share reserved to the state of not less than 12½ per cent in amount or value of the production removed or sold from the lease;

(2) a cash bonus bid with a fixed royalty share reserved to the state of not less than 12½ per cent in amount or value of the production removed or sold from the lease and a fixed share of the net profit derived from the lease of not less than 30 per cent reserved to the state;

(3) a fixed cash bonus with a royalty share reserved to the state as the bid variable but no less than 12½ per cent in amount or value of the production removed or sold from the lease;

(4) a fixed cash bonus with the share of the net profit derived from the lease reserved to the state as the bid variable;

(5) a fixed cash bonus with a fixed royalty share reserved to the state of not less than 12½ per cent in amount or value of the production removed or sold from the lease with the share of the net profit derived from the lease reserved to the state as the bid variable;

(6) a cash bonus bid with a fixed royalty share reserved to the state based on a sliding scale according to the volume of production or other factor but in no event less than 12½ per cent in amount or value of the production removed or sold from the lease;

(7) a fixed cash bonus with a royalty share reserved to the state based on a sliding scale according to the volume of production or other factor as the bid variable but not less than 12½ per cent in amount or value of the production removed or sold from the lease.

(g) The share of the net profit derived from a lease reserved to the state under (f) of this section is royalty sale proceeds for the purposes of the Alaska permanent fund under AS 37.13.010.

(h) The commissioner may include terms in any oil and gas lease imposing a minimum work commitment on the lessee. These terms shall be made public before the sale, and may include appropriate penalty provisions to take effect in the event the lessee does not fulfill the minimum work commitment. Should it be demonstrated that a lease has been proven unproductive by actions of adjacent lease holders, the commissioner may set aside a work commitment.

(i) The commissioner may provide for the establishment of an exploration incentive credit system under which a lessee of state land drilling an exploratory well on that land may earn credits based upon the footage drilled and the region in which the well is situated. The

years preceding the year in which the sale is held. A lease sale shall be held during the calendar quarter for which it is scheduled in the proposed oil and gas leasing program but may be delayed by the commissioner for not more than 90 days after the last day of the calendar quarter for which it was scheduled if the commissioner determines that a delay is in the best interest of the state. A lease sale which is not held during the calendar quarter for which it was scheduled in the oil and gas leasing program, or in the following 90-day period authorized by this subsection, may be held only if rescheduled as provided in (b) of this section. A lease sale may not be held before the date it is scheduled in the proposed oil and gas leasing program.

(d) The commissioner may issue oil and gas leases in an area that has not been included in a leasing program submitted, in accordance with (b) of this section, to the legislature if

(1) the land to be leased was previously subject to a valid state or federal oil and gas lease; or

(2) the land to be leased is contiguous to land already under state, federal or private lease and the commissioner makes a written finding, after hearing, that leasing of the land would result in a substantial probability of early evaluation and development of the land to be leased; or

(3) the land to be leased is adjacent to land owned or controlled by another party on which a discovery of commercial quantities of oil or gas has been made, and the commissioner finds, after hearing, that there is a reasonable probability that the land to be leased contains oil or gas in communication with the oil or gas discovered on the land of the other party; or

(4) the land to be leased is adjacent to land included in the federal five-year Outer Continental Shelf leasing program under 43 U.S.C. sec. 1344, and the commissioner makes a written finding, after hearing, that concurrent or simultaneous leasing with the federal government is in the public interest.

Simultaneously with submission of the leasing program required under (b) of this section, the commissioner shall submit to the legislature a report containing the following:

(1) the schedule of all lease sales held during the preceding calendar year, the bidding method or methods utilized, and an analysis of the results of the bidding;

(2) if determined, a description of the bidding methods to be used for all lease sales to be held during the current and next two succeeding calendar years;

(3) the reasons a particular bidding method has been selected.

(f) The commissioner may issue oil and gas leases on state land to the highest responsible qualified bidder determined by competitive bidding under regulations adopted by the commissioner. Bidding may be by sealed bid or according to any other bidding procedure the com-

commissioner may also provide for credits to be earned by persons performing geophysical work on state land, if that work is performed during the two seasons immediately preceding an announced lease sale and on land included within the sale area and the geophysical information is made public following the sale. Credits may not exceed 50 percent of the cost of the drilling or geophysical work. Credits may be used during a limited period established by the commissioner and may be assigned during that period. Credits may be applied against (1) oil and gas royalty and rental payments payable to the state or (2) taxes payable under AS 43.55. A credit may not exceed 50 percent of the payment toward which it is being applied. Amounts due the Alaska permanent fund (AS 37.13.010) shall be calculated before the application of credits under this subsection.

(j) To prolong the economic life of an oil and gas field, the commissioner shall adopt regulations for all bidding methods to allow reduction of royalty on leases within the field to compensate for increasing costs in the later stages of production decline. The commissioner may not grant a reduction of royalty until two years' initial production from the field has occurred and each lessee requesting the reduction has made a clear showing that the revenue from all hydrocarbons produced from the field is insufficient to produce a reasonable rate of return with respect to that lessee's total investment in the field.

(k) The commissioner shall define all terms and adopt all regulations necessary for a reasonable understanding and evaluation of a particular bidding method before the public announcement of the terms of proposed sale employing that method.

(l) Subject to the provisions of AS 31.05, the commissioner has discretion to enter into an agreement whereby, with the consent of the lessee, the state's royalty share of oil and gas production may be stored or retained in storage by the lessee, or the commissioner may enter into an agreement with one or more of the affected field lease holders to trade current royalty production from a field for a like amount, kind, and quality of future production, on the condition that the state receives back its stored or traded royalty share during the first half of the estimated field life or no later than 15 years after start of production, whichever is sooner.

(m) An oil and gas lease must cover a reasonably compact area not exceeding 5,760 acres, and may be for a maximum period of 10 years, except that the commissioner may issue a lease for a period not less than five years upon a finding that it is in the best interests of the state. An oil and gas lease shall be automatically extended if and for so long thereafter as oil or gas is produced in paying quantities from the lease or if the lease is committed to a unit approved by the commissioner. A lease issued under this section covering land on which there is a well capable of producing oil or gas in paying quantities does not expire because the lessee fails to produce oil or gas unless the lessee is allowed

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reasonable time to place the well on a producing status. Upon extension, the commissioner may increase lease rentals so long as the increased rental rate does not exceed 150 per cent of the rate for the preceding year. If drilling has commenced on the expiration date of the primary term of the lease and is continued with reasonable diligence, including such operations as re-drilling, sidetracking, or other means necessary to reach the originally proposed bottom hole location, the lease continues in effect until 90 days after drilling has ceased and for so long thereafter as oil or gas is produced in paying quantities. An oil and gas lease issued under this section which is subject to termination by reason of cessation of production does not terminate if, within 60 days after production ceases, reworking or drilling operations are commenced on the land under lease and are thereafter conducted with reasonable diligence during the period of nonproduction.

(n) The commissioner may establish by regulation that after a well has been plugged and abandoned, the rental rate which was in effect during the year of abandonment is maintained for the remainder of the term. Rental is payable in advance and continues until income to the state from royalty or net profit share exceeds rental income to the state for that year. Oil and gas leases shall provide for payment to the state of rental on the following basis:

- (1) for the first year, \$1.00 per acre;
- (2) for the second year, \$1.50 per acre;
- (3) for the third year, \$2.00 per acre;
- (4) for the fourth year, \$2.50 per acre;
- (5) for the fifth and following years, \$3.00 per acre.

(o) Upon timely application as provided by regulation, the state may issue to the holder of a federal or private lease, a state shoreland lease covering land within the exterior boundaries of the federal or private lease which has been excluded on the basis of navigability or which is later administratively or judicially determined to be shoreland. The term of such a state shoreland lease shall be the same as the term of the federal or private lease.

(p) To conserve the natural resources of all or a part of an oil or gas pool, field, or like area, the lessees and their representatives may unite with each other, or jointly or separately with others, in collectively adopting or operating under a cooperative or a unit plan of development or operation of the pool, field, or like area, or a part of it, when determined and certified by the commissioner to be necessary or advisable in the public interest. The commissioner may, with the consent of the holders of leases involved, establish, change, or revoke drilling, producing, and royalty requirements of the leases and adopt regulations with reference to the leases, with like consent on the part of the lessees, in connection with the institution and operation of a cooperative or unit plan as the commissioner determines necessary or proper to secure the proper protection of the public interest. The com-