

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5151 HTRA HB 156 - HB 173 (FILE 1)

23

3/13/87

COWPER ADMINISTRATION - DOT&PF
FY'88 OPERATING BUDGET PROPOSAL

- A. Contingent upon passage of the increased motor fuel tax proposal and implementation of the user fee proposal for the Dalton Highway, an increment of \$20 million and another \$3.5 to \$4 million in general fund transfer will be made available for the general FY'88 operating budget for the Department of Transportation and Public Facilities. These funds will be allocated as follows: (1) \$18.5 to \$19 million for highways and aviation maintenance and operations (M&O) and (2) \$5 million for the Alaska Marine Highway System (AMHS).
- B. Of this total, a fiscal note for \$20 million will be proposed to accompany the motor fuel tax increase of 8 cents. This amount is equivalent to the estimated revenue that will be generated from the fuel tax increase for highway use. The use of a fiscal note is proposed instead of a budget amendment to clarify the relationship between the increased spending authorization and the increased revenue generated by the tax.
- C. Another \$3.5 to \$4 million in general funds will be made available as a result of proceeding with funding FY'88 Dalton Highway maintenance through user fees. Approximately three months of the FY'88 costs will still be covered with general funds dollars to allow sufficient time to seek funding agreements with affected oil companies, or if unsuccessful, to implement direct user fees through regulations. Budget amendments will be submitted which allocate the "released" general funds to the M&O consistent with the numbers outlined in "A" above.
- D. The additional \$18.5 to \$19 million in funds for the highways and aviation M&O components will allow the continued maintenance of Category II and III roads during FY'88, and allow an improvement in services for all of these activities in FY'88 as compared to the current year. The increased funding will bring the total general funds for the highways and aviation M&O components to an amount nearer the FY'87 Authorized levels.

- E. The Administration still wishes to pursue a program for phased transfer of road responsibilities, and will continue working to prepare a proposal during the interim. As part of this effort, we anticipate receiving input and assistance on program development from the Senate and House Transportation Committees and an Advisory Group or Task Force of affected local officials. We will probably recommend a small amount of funding be used from the \$20 million in fuel tax increase to cover costs to develop this program. An additional element will be ensuring the department has authority to pursue transfer agreements during FY'88 if local communities so desire.
- F. The \$5 million in funding for the AMHS will restore 50% of the FY'88 operations decrement, and could provide for the normal operation of the MV Bartlett and Aurora, as well as fund approximately three additional months (for a total of 7) for the MV Taku. Alternative operating plans are still being analyzed to determine the optimum plan for maximizing service to Alaskans. Other savings to restore even more service may still be possible through revenue generation and/or cost reductions. Additional user fee authority may be requested to cover this possibility.

CITY OF PALMER



231 W EVERGREEN AVE
PALMER, ALASKA 99645



Phone (907) 745-3271

A HOME RULE CITY

March 23, 1987

MAR 28 1987

The Honorable Jalmar Kerttula
Senator
State of Alaska
Box V
Juneau, Alaska 99811

RE: HB 156, An Act Increasing the Motor Fuel Tax

Dear Senator Kerttula,

I have reviewed the proposed legislation in HB 156, An Act Increasing the Motor Fuel Tax.

The City of Palmer is unalterably opposed to this piece of legislation since all the funds generated by the increased motor fuel tax will be earmarked for the State of Alaska's General Fund as outlined in 43.40.010 of the Alaska State Statutes.

With the present Department of Transportation and Public Facilities proposal to have all municipalities and boroughs maintain state highways within their jurisdiction, there is no indication of any of the newly generated funds being allocated to the municipalities.

In the past, local political entities received Local Service Roads and Trails funds to assist in street and trails improvements. Since 1985, these funds have been curtailed.

There has been no justification as to why the motor fuel tax has to be increased. The need for upgrading as well as maintenance of the road system is needed, we will agree. However, the allocation of the funds to a single department for overall spending on a variety of functions rather than the intended use of highway construction and maintenance leaves a lot to be desired. The Department of Transportation and Public Facilities functions are not limited to only highways, but also various public works projects, such as buildings, which also causes concern for the expenditure of motor fuel tax funds.

We ask that this hastily drafted bill be tabled until further accountability of the Department of Transportation and Public Facilities is available with regard to the expenditures of funds, namely the Motor Fuel Tax monies.

The Honorable Jalmar Kerttula
March 23, 1987
Page 2

Further, we feel that a permanent equitable entitlement be made to the political subdivisions who have road powers and exercise them, if this legislation is to be enacted.

Should you have any questions, please contact me.

Yours truly,

David L. Soulak
City Manager
City of Palmer

DLS/cac

cc: Scott Burgess, AML.
Mayor Carte'

House Transportation Committee: Bette Cato, Chair
Heinrich Springer, Vice Chair
H.A. "Red" Boucher
Mike Miller
Bill Hudson
Ben Grussendorf
Drue Pearce
House Finance Committee: Albert Adams, Chair
Pat Pourchot, Vice Chair
Ron Larson
Mike Davis
Peter Goll
Kay Wallis
C.E. Swackhammer
Kay Brown
Mark Boyer
Steve Frank
Steven Rieger

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/2/87

FURTHER REFERRALS:

Finance

DATE: March 20, 1987

The Transportation Committee has considered HB 156
"An Act increasing the motor fuel tax."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Bill Anderson
Bette Cato

SIGNING OTHER RECOMMENDATIONS:

Use Finance - no rec
Heinrich foreign No rec

Bette Cato
 Chairman's signature

ALASKA DEPARTMENT OF REVENUE

AUDIT DIVISION

ALASKA STATUTES AND REGULATIONS
GOVERNING

MOTOR FUEL TAX



November 1984

(b) Bulk sales of fuel to a person who uses a common storage tank servicing both taxable and nontaxable uses, except bulk sales of jet fuel to a person who flies directly from the state to a foreign country, are subject to the motor fuel tax under AS 43.40.010 - 43.40.100, but the portion actually used for nontaxable purposes is eligible for a tax refund upon application to the department. A dealer who makes bulk sales of motor fuel shall collect and remit the tax in accordance with this chapter, except that if the sales is a sale of jet fuel to a person who flies directly from the state to a foreign country, the tax may not be collected. However, if a portion of that jet fuel is used on a foreign flight which includes a stop or stops in this state or in another state, the user shall file a return as required by 15 AAC 40.010 and remit the amount of tax due for the jet fuel actually consumed over Alaska.

ARTICLE 8.

(Reserved)

ARTICLE 9

GENERAL PROVISIONS

Section
900. Definition

15 AAC 40.900. Definitions. In this chapter

(1) "charitable institution" means an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;

(2) "dealer" means a person who sells or otherwise transfers in this state motor fuel upon which the taxes imposed by AS 43.40 have not been paid;

(3) "department" means the Department of Revenue;

(4) "fuel reseller" means a person who sells or otherwise transfers in this state fuel upon which the taxes imposed by AS 43.40 have been paid;

(5) "shrinkage" means loss of volume as a result of temperature changes;

(6) "user" means a person consuming or using motor fuel who purchases the fuel out of state or ships it into the state for personal use in the state, who manufactures the fuel in the state, or who purchases or receives in the state fuel that is not taxed at the time of purchase or receipt or is taxed at a rate that is less than the rate prescribed by AS 43.40.010;

(7) "timely filed" means received by the department or postmarked on or before the last day of the month following the month motor fuel is sold, transferred, or used;

(8) "watercraft" means a ship, boat, vessel, or other structure that is capable of being moved in or on water either under its own propulsion or propelled by another, craft, including a floating fish-processor, a transportation barge, a drilling ship, and a semi-submersible drilling rig;

(9) "commercial buildings and facilities" means all buildings and facilities other than single and multiple unit private dwellings and mobile homes but does not include watercraft;

(10) "person" means an individual, firm, partnership, joint venture, government or military agency, association, corporation, estate trust, business trust, receiver, or any group or combination acting as a unit. (Eff. 4/8/82, Reg. 82; am 8/1/82, Reg. 83; am 7/19/82, Reg. 83; am 11/14/82, Reg. 84; am 8/12/84, Reg. 91)

AS 43.05.080 AS 43.40.060
AS 43.40.010 AS 43.40.080
AS 43.40.030 AS 43.40.085
AS 43.40.035 AS 43.40.100
AS 43.40.050 AS 43.40.240

Chapter 40. Motor Fuel Tax.

Section
10. Tax on transfers or consumption of motor fuel and expenditure of proceeds
30. Refund for nonhighway use
35. Other refunds and credits
50. Refund claim by affidavit
60. Separate invoices

Section
70. Refund warrants
80. Examination of books and records
85. Preservation of books and records
100. Definitions

Collateral references. — Am. Jur. 2d, State and Local Taxation, §§ 616 — 634; 53 Am. Jur. 2d, Licenses, §§ 30, 46 — 58.

State tax on or in respect of goods shipped in interstate commerce to consignee for sale on consignor's account without previous sale or order for purchase, 4 ALR2d 244.

Loading or unloading interstate freight in performance of obligation resting upon one other than interstate carrier as interstate com-

merce as regards local taxation, 10 ALR2d 651.

State taxation of motor carriers as affected by commerce clause, 17 ALR2d 421.

Power of legislature to remit, release, or compromise tax claim, 28 ALR2d 1425.

Financial hardship or inability to pay taxes as rendering inapplicable statutes denying remedy by injunction against assessment or collection of tax, 65, ALR2d 550.

Sec. 43.40.010. Tax on transfers or consumption of motor fuel and expenditure of proceeds. (a) There is levied a tax of eight cents a gallon on all motor fuel sold or otherwise transferred within the state except that

(1) the tax on aviation gasoline is four cents a gallon

(2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon, and

(3) the tax on all aviation fuel other than gasoline is two and one-half cents a gallon.

(b) There is levied a tax of eight cents a gallon on all motor fuel consumed by a user, except that

(1) the tax on aviation gasoline consumed is four cents a gallon,

(2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon, and

(3) the tax on all aviation fuel other than gasoline is two and one-half cents a gallon.

(c) Every dealer who sells or otherwise transfers motor fuel in the state shall collect the tax at the time of sale, and remit the total tax collected during each calendar month of each year to the department by the last day of each succeeding month. Every user shall likewise remit the tax accrued on motor fuel actually used by the user during each month. If the monthly tax return is timely filed, one percent of the total monthly tax due, limited to a maximum of \$100, may be deducted and retained to cover the expense of accounting and filing the monthly tax return. At the time the remittance is made, each dealer or user shall submit a statement to the department showing all fuel which the dealer or user has distributed or used during the month.

(d) [Repealed, § 3 ch 166 SLA 1975.]

(e) Sixty per cent of the proceeds of the revenue from

the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be paid into a special aviation fuel tax account in the state general fund. The legislature may appropriate funds from this account for aviation facilities.

(f) The proceeds from the revenue from the tax on motor fuel used in boats and watercraft of all descriptions shall be deposited in a special watercraft fuel tax account in the general fund. The legislature may appropriate from this account for water and harbor facilities.

(g) The proceeds of the revenue from the tax on all motor fuels, except as provided in (e), (f) and (j) of this section, shall be deposited in a special highway fuel tax account in the state general fund. The legislature may appropriate funds from it for expenditure by the Department of Transportation and Public Facilities directly or as matched with available federal-aid highway money for maintenance of highways, construction of highway projects and ferries included in the program provided for in AS 19.10.150, including approaches, appurtenances and related facilities and acquisition of rights-of-way or easements, and other highway costs including surveys, administration, and related matters. All departments of the state government authorized to spend funds collected from taxes imposed by this chapter shall perform when feasible, all construction or reconstruction projects by contract after the projects have been advertised for competitive bids, except that, when feasible, arrangements shall be made with political subdivisions to carry out the construction or reconstruction projects. If it is not feasible for the work to be performed by state engineering forces, the commissioner of transportation and public facilities may contract on a professional basis with private engineering firms for road design, bridge design, and services in connection with surveys. If more than one private engineering firm is available for the work the contracts shall be entered into on a negotiated basis.

(h) All motor fuel tax receipts shall be paid into the general fund and distributed to the proper accounts in the general fund. Valid motor fuel tax refund claims shall be paid from the highway fuel tax account in the general fund.

(i) Within 30 days after the legislature convenes the Department of Transportation and Public Facilities shall submit an annual budget covering anticipated revenues and their expenditure, for the consideration and approval by the legislature. The budget shall cover all money collected or anticipated to be collected under this chapter for the year following the adjournment of each regular session of the legislature.

(j) The proceeds from the tax on motor fuel used in snow vehicles and, unless a tax refund is applied for under AS 43.40.040, other internal combustion engines not used in or in conjunction with a motor vehicle licensed to

15 AAC 40.220. Recovery of Erroneous Refunds. The department will, in its discretion, recover any refund or portion of any refund which is erroneously made and any credit or portion of any credit which is erroneously allowed. (Eff. 7/19/82, Reg. 83).

Authority: AS 43.05.080
AS 43.10.032
AS 43.40.080

15 AAC 40.230. Records. (a) A person filing a claim for a motor fuel tax refund must keep a complete record in gallons showing

(1) all motor fuel inventories on hand at the beginning and closing of the claim period;

(2) all motor fuel purchased or received, showing the name of the seller and the date of each purchase,

(3) all motor fuel transferred into the fuel supply tanks of an internal combustion engine that is used in or in conjunction with a motor vehicle licensed to be operated on public ways;

(4) all motor fuel transferred into the fuel supply tanks of an internal combustion engine that is not used in or in conjunction with a motor vehicle licensed to be operated on public ways, showing the purpose for which it is used; and

(5) all motor fuel used for exempt purposes under 15 AAC 40.020(b) with documentation of the specific purpose for which the fuel is used.

(b) A person claiming a motor fuel tax refund must preserve for three years from the date of filing a claim, books and records pertaining to all acquisitions and uses of motor fuel.

(c) Failure to maintain records required by (a) and (b) of this section for a period necessary to substantiate any claim filed for that period may be cause for denial of a refund or for recovery of a refund paid on a claim. (Eff. 7/19/82, Reg. 83; am 11/14/82, Reg. 84)

Authority: AS 43.05.080
AS 43.40.050
AS 43.40.080
AS 43.40.085

ARTICLE 4.
(Reserved)

ARTICLE 5.
(Reserved)

ARTICLE 6.
(Reserved)

ARTICLE 7.
(Reserved)

43.40.010 for the manner in which the motor fuel is used, that person is entitled to a refund equal to the amount of tax paid, less the amount of tax prescribed by AS 43.40.010.

(d) If a person purchases motor fuel upon which marine fuel tax or aviation fuel tax has been paid and uses the fuel in a land-based internal combustion engine that is not used in or in conjunction with a licensed vehicle, that person is entitled to a refund equal to the amount of tax paid, less the amount of two cents per gallon. (Eff. 7/19/82, Reg. 83; am 11/14/82, Reg. 84)

Authority: AS 43.05.080 AS 43.40.050
AS 43.40.010 AS 43.40.100
AS 43.40.030

15 AAC 40.210. Requirements for Filing Claims for Refund of Motor Fuel Tax. (a) A claim for refund of motor fuel tax under 15 AAC 40.200 must include the following information for the period covered by the claim:

(1) a schedule indicating by type of fuel (e.g. gasoline, diesel, etc.), the following:

(A) total gallons of motor fuel purchased during the period;

(B) total gallons of motor fuel used during the period;

(C) total gallons of fuel used for tax exempt purposes, as described in 15 AAC 40.020(b); and

(D) total gallons of motor fuel used that are eligible for refund, as described in 15 AAC 40.200;

(2) if fuel was used for tax-exempt purposes, a clear complete explanation of that use, including the category of exempt use under 15 AAC 40.020(b); and

(3) a schedule indicating by type of equipment, the gallons used that are eligible for refund.

(b) The first claim filed during each calendar year must include a list of the final user's equipment, including license and serial numbers.

(c) The original invoices issued to the final user at the time the motor fuel was purchased must be submitted to substantiate any claim for refund. Corrected invoices will be accepted only if the original incorrect invoice is also submitted. The department will, in its discretion, accept copies of original invoices if the refund applicant

(1) explains in writing why original invoices are not being submitted;

(2) obtains a statement from the vendor indicating that the copies are true copies showing invoice numbers, dates and amounts; and

(3) signs an affidavit on a form prescribed by the department certifying that no other refund has or will be claimed on the same motor fuel. (Eff. 7/19/82, Reg. 83; am 8/12/84, Reg. 91)

Authority: AS 43.05.080
AS 43.40.030
AS 43.40.050
As 43.40.060

be operated on public ways shall be deposited in a special nonpublic highway use account in the general fund. The legislature may appropriate from this account to the Department of Transportation and Public Facilities for trail staking and shelter construction and maintenance.

(k) The tax on the transfer or consumption of motor fuel provided for in this section does not apply to liquefied petroleum gas.

(l) If a dealer has a reasonable belief at the time of sale or transfer that fuel that is sold or transferred is not to be used as motor fuel, the dealer need not collect the motor fuel tax. If the tax is not collected, the dealer shall obtain a certificate of use from the buyer or transferee stating that the fuel that has been or will be purchased or received is not intended for use as motor fuel. The department may not collect the motor fuel tax from a dealer for fuel for which a certificate of use has been properly obtained under this subsection. A certificate of use is not required for fuel for any domestic purpose in a single or multiple unit private dwelling, including motor homes, or for fuel which is at least 10 percent alcohol by volume. An annual certificate of use is required for all other exemptions listed under AS 43.40.100(2), except certificate of use needs under AS 43.40.100(2)(K) will be determined by the department. The dealer shall retain a copy of each certificate of use obtained under this subsection for examination or audit on request by the department. The form of a certificate of use may be prescribed by regulation adopted by the department. (§ 48-5-2 ACLA 1949; am § 1 ch 80 SLA 1951; am § ch 47 SLA 1955; am §§ 1, 2 ch 27 SLA 1957; am § 1 ch 134 SLA 1957; am § 1 art VI title II ch 152 SLA 1957; am § 2 art V title III ch 152 SLA 1957; am § 2 ch 124 SLA 1959; am §§ 1, 2 ch 20 SLA 1960; am § 1 ch 150 SLA 1960; am § 1 ch 110 SLA 1961; am § 1 ch 136 SLA 1961; am §§ 1 — 3 ch 131 SLA 1962; am § 1 ch 130 SLA 1968; am § 10 ch 143 SLA 1968; am §§ 1, 2 ch 216 SLA 1968; am §§ 1 — 3 ch 158 SLA 1970; am § 3 ch 58 SLA 1971; am §§ 1, 2 ch 124 SLA 1971; am §§ 2, 3, ch 125 SLA 1971; am §§ 1 — 3 ch 153 SLA 1972; am § 3 ch 166 SLA 1976; am §§ 1, 2 ch 116 SLA 1977; am § 4 ch 82 SLA 1982; am §§ 1, 2 ch 87 SLA 1983)

Cross references. — For civil penalty imposed for failure to file a return or report, or pay the full amount of a tax, or a portion or a deficiency of the tax, see AS 43.05.220.

Effect of amendments. — The 1982 amendment added subsection (l).

The 1983 amendment, in subsection (c), added the present third sentence and deleted "motor" preceding "fuel" in the last sentence, and in subsection (l), added the present fourth and fifth sentences.

OPINIONS OF ATTORNEY GENERAL

The purpose of the dedication of the taxes on motor fuels contained in subsection (g) of this section is public highways. 1959 Op. Att'y Gen., No. 9.

A proposed alteration going to the geographical area of expenditure rather than to the special purpose of a dedication, does not contravene the constitution. 1959 Op. Att'y Gen., No. 9.

The Civil Air Patrol is exempt from taxation under the Alaska Motor Fuel Oil Tax Act because it is an instrumentality of the federal government, but volunteer members of Civil Air Patrol are not exempt. 1961 Op. Att'y Gen., No. 26.

Sec. 43.40.020. Penalty for violation. [Repealed, § 46 ch 113 SLA 1980. For criminal penalties, see AS 43.05.290.]

Sec. 43.40.030. Refund for nonhighway use. (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to operate an internal combustion engine is entitled to a refund of six cents a gallon if

- (1) the tax on the motor fuel has been paid;
- (2) the motor fuel is not aviation fuel, or motor fuel used in or on watercraft; and
- (3) the internal combustion engine is not used in or in conjunction with a motor vehicle licensed to be operated on public ways.

(b) The entire tax levied by this chapter shall be refunded to the purchaser on that part of the motor fuel used in a foreign country on which the tax has been paid when the fuel is sold and delivered in the state for non-highway use in a foreign country.

(c) The department shall establish the necessary regulations and prescribe the appropriate forms to prove that the motor fuel is taken to and used in foreign countries.

(d) If a person obtains motor fuel on which the tax levied by this chapter has been paid and the motor fuel is exempt from the tax, the person is entitled to a refund of the tax paid. (§ 2 ch 47 SLA 1955; am § 3 ch 27 SLA 1957; am § 2 ch 136 SLA 1961; am § 4 ch 158 SLA 1970; am § 3 ch 124 SLA 1971; am § 4 ch 125 SLA 1971; am § 4 ch 116 SLA 1977; am §§ 35, 36 ch 113 SLA 1980; am § 5 ch 82 SLA 1982)

Effect of amendments. — The 1980 amendment substituted a reference to this chapter in subsection (b), and added subsection (d).

The 1982 amendment substituted "the tax has been" for "duty is" in subsection (b).

Sec. 43.40.035. Other refunds and credits. (a) A person who resells fuel on which the tax under AS 43.40.010(a) or (b) was previously paid is entitled to a credit or refund of the tax if (1) the resold fuel is not motor fuel and the requirements of AS 43.40.010(l) have been fulfilled; or (2) the amount of tax previously paid exceeds the tax due on the resale. The amount of the credit or refund under this section is equal to the amount of tax previously paid on the resold fuel less the amount of tax prescribed by AS 43.40.010(a) or (b).

(b) A reseller may elect, with the express written consent of the supplier of the reseller, to receive the credit or refund under this section directly from the supplier rather than by filing a claim for the credit or refund with

signed in quadruplicate by the fuel reseller and by the supplier. The fuel reseller and the supplier must each file one copy of the election, with original signatures, with the department. The fuel reseller and the supplier must each retain a copy of the election, with original signatures, for audit review by the department. If an election is made under this section, it may not be revoked without the express written consent of the supplier.

(d) A claim for refund or credit must be filed within one year after the date of the sale as shown on the invoice issued by the claimant. Failure to file within the one-year period waives the right to a refund or credit. The claim must include the name, address, and occupation of the applicant, the nature of the business of the applicant, and a description sufficient to identify the basis for the refund or credit. A claim for refund must be supported by copies of the original invoices issued to the claimant and copies of certificates of use obtained under 15 AAC 40.030. A claimant qualifying as a charitable institution under 15 AAC 40.900(1) must submit with its initial claim for refund a copy of its Internal Revenue Service Determination Letter. A claimant that has had its tax-exempt status denied by the Internal Revenue Service is not eligible for a motor fuel tax refund as a charitable institution. (Eff. 4/8/82, Reg. 82; am 8/1/82, Reg. 83; am 7/19/82, Reg. 83; am 11/14/82, Reg. 84; am 8/12/84, Reg. 91)

AS 43.05.080 AS 43.40.035
AS 43.40.010 AS 43.40.050
AS 43.40.030 AS 43.40.060

15 AAC 40.110. Additional Tax Due for Sales of Diesel Fuel Not Used for Heating Purposes. Repealed 11/14/82.

ARTICLE 3. TAX REFUNDS AND CREDITS FOR FINAL USER

Section	Section
200. Refunds on certain uses of motor fuel	220. Recovery of erroneous refunds
210. Requirements for filing claims for refund of motor fuel tax	230. Records

15 AAC 40.200. Refunds on Certain Uses of Motor Fuel. (a) If a person uses motor fuel in an internal combustion engine and the motor fuel tax of eight cents a gallon has been paid but that fuel is not used in, or in conjunction with, a licensed motor vehicle, as aviation fuel, or in or on watercraft, that person is entitled to a refund of six cents a gallon.

(b) If a person purchases fuel upon which the motor fuel tax has been paid and uses the fuel for tax-exempt purposes as described in 15 AAC 40.020(c), that person is entitled to a refund of the full amount of tax paid if that person has not signed a certificate of use stating that the fuel that was purchased was not intended for use as motor fuel.

(c) If a person purchases motor fuel upon which the amount of tax paid exceeds the tax imposed by S

(4) all motor fuel sold, transferred or used during each month, the date of sale, transfer, or use, and the names of all purchasers and transferees;

(5) all nontaxable fuel sales or transfers made during each month; and

(6) all motor fuel inventories on hand at the end of each month.

(b) Each dealer, fuel reseller and user must keep a complete record showing all amounts received from a supplier or the department for exempt sales or transfers and for credits or refunds for taxes paid.

(c) Each dealer, fuel reseller and user must preserve for three years from the due date, or the date the return was filed, whichever is later, all books and records required under this section. (Eff. 7/19/82, Reg. 83; am 11/14/82, Reg. 84)

Authority: AS 43.05.080 AS 43.40.050
AS 43.40.010 AS 43.40.085
AS 43.40.030 AS 43.40.100

ARTICLE 2. TAX REFUNDS AND CREDITS FOR FUEL RESELLERS

Section

100. Refunds and credits on certain sales or transfers of motor fuel

110. (Repealed)

15 AAC 40.100. Refunds and Credits on Certain Sales or Transfers of Motor Fuel. (a) If a fuel reseller makes a sale or transfer of motor fuel that is exempt under 15 AAC 40.020(b) and upon which motor fuel tax has been previously paid, the fuel reseller is entitled to a refund equal to the amount of tax previously paid on the resold fuel from the department. To receive a refund the fuel reseller must have on file a certificate of use from the buyer if a certificate of use is required by 15 AAC 40.030.

(b) If a fuel reseller makes a sale or transfer of motor fuel upon which the motor fuel tax has been previously paid and the tax paid exceeds the tax due on resale, the fuel reseller is entitled to a refund equal to the amount of tax previously paid less the amount of tax prescribed by AS 43.40.010.

(c) Instead of claiming a refund directly from the department, a fuel reseller who sells or transfers fuel that is exempt or is subject to a lesser tax on resale than that previously paid may elect with the express written consent of the supplier, to receive the refund or credit directly from the supplier. A claim for refund or credit must be supported by copies of the original invoices issued by the reseller and copies of certificates of use obtained under 15 AAC 40.030. When an election is made under this section, the supplier may claim the credit or refund from the department by adjusting the motor fuel tax return accordingly. To be effective, an election under this section must be submitted on a form prescribed by the department and

the department. When an election is properly made under this subsection, the supplier may claim the credit or refund from the department. To be effective an election under this subsection must be signed in quadruplicate by the reseller and by the supplier. The reseller and the supplier shall each file one copy of the election, with original signatures, with the department. The reseller and supplier shall each retain a copy of the election with original signatures for audit review by the department. If an election is made under this subsection, it may not be revoked without the express written consent of the supplier. (§ 6 ch 82 SLA 1982; am § 3 ch 87 SLA 1983)

Effect of amendments. — The 1983 amendment substituted "the requirements of AS 43.40.010(l) have been fulfilled" for "a certi

ficate of use is acquired under AS 43.40.010(l)" in the first sentence of subsection (a).

Sec. 43.40.040. Applications and permits for refund. [Repealed, § 45 ch 113 SLA 1980. For current law, see AS 43.40.050(a).]

Sec. 43.40.050. Refund claim by affidavit. (a) A person who claims a refund under AS 43.40.030 shall present the claim for the refund to the commissioner of revenue by affidavit upon a form provided by the commissioner. The claim shall include the name, address and occupation of the applicant, the nature of the business of the applicant, and a description sufficient to identify the machinery or equipment in which the motor fuel for which the refund is claimed was used. The claim shall be accompanied by each invoice issued to the claimant at the time the motor fuel was purchased. The commissioner may require any additional information which the commissioner considers necessary for the administration of this subsection.

(b) A claim for refund under AS 43.40.030 or 43.40.035 shall be filed within one year from the date of the purchase of the motor fuel as indicated on the invoice, and failure to file within the one-year period is a waiver of the right to the refund. A claim is considered to be filed when the claim is mailed or personally presented to an office of the department.

(c) A reseller who claims a refund or credit under AS 43.40.035 shall present the refund claim to the department or to the supplier of that reseller by affidavit on a form provided by the department. The claim shall include the name, address, and occupation of the applicant, the nature of the business of the applicant, and a description sufficient to identify the reason for the refund or credit. The claim shall be supported by documentation required by the department. (§ 4 ch 47 SLA 1955; am § 1 ch 139 SLA 1960; am § 37 ch 113 SLA 1980; am §§ 7 — 9 ch 82 SLA 1982)

Effect of amendments. — The 1980 amendment in subsection (a), changed a reference to this chapter at the beginning and at the end of the subsection, substituted the pre-

sent second sentence for the former material, which read: "with the information the commissioner requires"; and substituted "was" for "is" preceding "purchase" at the

end of the present third sentence.

The 1982 amendment substituted "under AS 43.40.030" for "as provided in AS 43.40.010 — 43.40.100" and "the claim for the refund" for "his claim" in the first sentence of subsection (a), substituted "the commissioner" for "he"

and "this subsection" for "AS 43.40.010 — 43.40.100" in the last sentence of subsection (a), inserted "under AS 43.40.030 or 43.40.035" in the first sentence of subsection (b), and added subsection (c).

Collateral references. — 53 C.J.S., Licenses, § 62.

Sec. 43.40.060. Separate invoices. The department may require the issuance of separate invoices for fuel sold, distributed, or transferred when the invoices will be the basis for a refund claim. (§ 6 ch 47 SLA 1955)

Sec. 43.40.070. Refund warrants. Upon approval of a refund claim by the department, a warrant shall be drawn on the highway fuel tax account in the general fund in favor of the applicant in the amount of the claim. (§ 7 ch 47 SLA 1955; am § 5 ch 131 SLA 1962)

Sec. 43.40.080. Examination of books and records. (a) To determine the validity of a claim for refund, the department may examine the books and records of the claimant and the books and records of a distributor of motor fuel. The department may cancel the refund permit of the claimant relying upon a fraudulent invoice for a period of not more than one year.

(b) [Repealed, § 46 ch 113 SLA 1980.] (§ 5 ch 47 SLA 1955; am § 46 ch 113 SLA 1980)

Effect of amendments. — The 1980 amendment repealed subsection (b).

Sec. 43.40.085. Preservation of books and records. Dealers and users shall preserve for three years all books and records pertaining to sales, transfers, and uses of motor fuel which are taxed under this chapter. (§ 5 ch 158 SLA 1970)

Sec. 43.40.090. Criminal violation. [Repealed, § 46 ch 113 SLA 1980.]

Sec. 43.40.100. Definitions. In this chapter

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

(2) "motor fuel" means fuel used in an engine for the propulsion of a motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary engine, machine or mechanical contrivance which is run by an internal combustion motor; "motor fuel" does not include

(A) fuel consigned to foreign countries;

(B) fuel sold for use in jet propulsion aircraft operating in flights to foreign countries;

(C) fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public;

(D) fuel used by nonprofit power associations or corporations for generating electric energy for resale;

15 AAC 40.050. Bonding Requirement for Qualified Dealer License. (a) An applicant for a qualified dealer license must file with the department a bond made payable to the department in an amount equal to twice the average monthly motor fuel tax remittance or in the amount of \$5,000, whichever is greater. The department will, in its discretion, accept a cash deposit or a bank letter of credit in the appropriate amount in lieu of a bond.

(b) In lieu of the requirements of (a) of this section, an applicant for a qualified dealer license may file a sworn statement in affidavit form stating that the applicant owns real property in the state equal in value to at least twice the average monthly motor fuel tax remittance, on which the motor fuel tax may become a first lien, and describing the property and the fair market value of the applicant's interest in the property. (Eff. 7/19/82, Reg. 83)

Authority: AS 43.05.080
AS 43.40.100

15 AAC 40.060. Revocation of Qualified Dealer License. (a) The department will, in its discretion, revoke a license issued under 15 AAC 40.040 if a licensee fails to comply with the requirements of AS 43.40.010 — 43.40.100 or this chapter.

(b) If the department determines a license should be revoked for failure to comply with the requirements of AS 43.40.010 — 43.40.100 or this chapter it will give the licensee 30 days' notice of a proposed revocation. If the basis for revocation still exists on the 30th day, the department will, upon notice of revocation to the licensee, revoke the license, unless an appeal under (d) of this section has been timely filed by the licensee.

(c) When a license is revoked under this section, the licensee may not apply for a new license until 60 days after the date of revocation. The date of revocation is the date on which the notice of revocation is issued.

(d) A person may appeal a notice of proposed revocation to the department. The appeal must be submitted to the department in person or by mail within 10 days of the date of issuance of the notice of proposed revocation. The department will hold a formal hearing on the appeal as prescribed by 15 AAC 05.030. The hearing officer will issue a written decision, and, if appropriate, a notice of revocation will be issued by the department. (Eff. 7/19/82, Reg. 83; am 11/14/82, Reg. 84)

Authority: AS 43.05.080
AS 43.40.100
AS 43.40.240

15 AAC 40.070. Records. (a) Each dealer, fuel reseller and user must keep a complete record by gallons showing

(1) all motor fuel inventories on hand at the first of each month;

(2) all motor fuel refined during each month;

(3) all motor fuel purchased, received or produced during each month, showing the name of the seller and the date of each purchase or receipt;

15 AAC 40.030. Certificate Requirements for Certain Sales. (a) Except as provided by (b) of this section, a dealer or fuel reseller who sells or transfers fuel that is exempt under 15 AAC 40.020(b) shall obtain an annual certificate of use from the buyer or transferee at the time of the first sale in each calendar year stating that the fuel that is purchased or received is not intended for use as motor fuel subject to tax under AS 43.40.010. A dealer or fuel reseller may use a certificate-of-use form prescribed or approved by the department.

(b) A certificate of use under (a) of this section is not required in support of an exemption under 15 AAC 40.020(b)(4), (6), (13) (15), and (16).

(c) In support of an exemption under 15 AAC 40.020(b)(5), the annual certificate of use must itemize and show the location of each tank or other facility which stores fuel used exclusively for heating commercial buildings and facilities.

(d) If a purchaser certifies in writing on a certificate of use that the use of the fuel purchased is for an exempt use and the purchaser subsequently uses the fuel for taxable purposes, that purchaser is liable for payment of the motor fuel tax.

(e) A certificate of use under this section must be signed by the purchaser or his or her representative. The certificate remains in effect unless revoked by the department or in writing by the purchaser, dealer, or fuel reseller. The dealer, fuel reseller, or user must retain a copy of each certificate of use required under this section for three years. (Eff. 7/19/82, Reg. 83; am 11/14/82, Reg. 84; am 8/12/84, Reg. 91)

Authority: AS 43.05.080 AS 43.40.050
AS 43.40.010 AS 43.40.085
AS 43.40.035

15 AAC 40.040. Qualified Dealer License. (a) In order to purchase or sell tax-exempt fuel as a qualified dealer under 15 AAC 40.020(b)(15), a person must apply for and obtain a qualified dealer license from the department.

(b) A person is eligible for a qualified dealer license if that person

(1) refines, imports, manufactures, produces, or blends motor fuel; or

(2) sells fuel at least 20 percent of which is for resale or for residential heating purposes or for a combination of these purposes.

(c) A license issued under (a) of this section is in addition to any other license required by law.

(d) The department will not issue a license to a person described in (a) of this section if there is reasonable cause to believe that the applicant has willfully withheld information necessary to determine eligibility for a license or if there is reasonable cause to believe that information submitted in the application is false or misleading. (Eff. 7/19/82, Reg. 83; am 11/14/82, Reg. 84; am 8/12/84, Reg. 91)

Authority: AS 43.05.080 AS 43.40.100

- (E) fuel used by charitable institutions;
- (F) fuel which is at least 10 percent alcohol by volume;
- (G) fuel sold or transferred between qualified dealers;
- (H) fuel sold to federal, state, and local government agencies for official use;
- (I) fuel used in stationary power plants that generate electrical energy for private residential consumption;
- (J) fuel used to heat private or commercial buildings or facilities;
- (K) fuel used for other nontaxable purposes as prescribed by regulations adopted by the department; or
- (L) fuel used in stationary power plants of 100 kw or less that generate electrical power for commercial enterprises not for resale;

(3) "qualified dealer" means a person who (A) refines, (B) imports, (C) manufactures, (D) produces, (E) compounds, or (F) wholesales motor fuel, who satisfies criteria for qualified dealers established by the department by regulation and who obtains a qualified dealer's license from the department;

(4) "user" means a person consuming or using motor fuel, who either

(A) purchases the fuel out of the state and ships it into the state for personal use in the state;

(B) manufactures the fuel in the state; or

(C) purchases or receives fuel in the state that is not taxed at the time of purchase or receipt or is taxed at a rate that is less than the rate prescribed by AS 43.40.010. (§ 48-5-1 ACIA 1949; am § 1 ch 56 SLA 1949; am § 9 ch 47 SLA 1955; am § 26 ch 70 SLA 1964; am §§ 6, 7 ch 158 SLA 1970; am § 1 ch 74 SLA 1972; am § 5 ch 116 SLA 1977; am § 10 ch 83 SLA 1980; am §§ 10 — 12 ch 82 SLA 1982; am § 4 ch 87 SLA 1983)

Revisor's notes. — Paragraphs (3) and (4) were renumbered in 1983 to achieve alphabetical order.

Effect of amendments. — The 1980 amendment added subparagraph (F) in paragraph (2).

The 1982 amendment, in paragraph (2), added subparagraphs (G)-(K); in paragraph (3) added the subparagraphs (A) and (B) designations, substituted "personal use" for "his own use" and deleted "or" from the end, in subparagraph (A), added "or" to the end of subparagraph (B), and added subparagraph (C); and added paragraph (4).

The 1983 amendment added paragraph (2)(L).

Secs. 43.40.110 — 43.40.120. Additional tax levy on transfers or consumption of motor fuel. [Repealed, § 8 ch 158 SLA 1970.]

Chapter 40. Motor Fuel Tax.

Article

1. Application of Tax
(15 AAC 40.010 — 15 AAC 40.070)
2. Tax Refunds and Credits for Fuel Resellers
(15 AAC 40.100)
3. Tax Refunds and Credits for Final User
(15 AAC 40.200 — 15 AAC 40.230)
4. (Reserved)
5. (Reserved)

- 6. (Reserved)
- 7. (Reserved)
- 8. (Reserved)
- 9. General Provisions (15 AAC 40.900)

ARTICLE 1. APPLICATION OF TAX

Section	Section
10. Tax return filing requirements	40. Qualified dealer license
20. Fuel subject to tax and exemptions	50. Bonding requirement for qualified dealer license
30. Certificate requirements for certain sales	60. Revocation of qualified dealer license
	70. Records

15 AAC 40.010. Tax Return Filing Requirements. Each dealer and each user must submit monthly to the department a return showing all motor fuel sold or transferred by the dealer or consumed by the user in the state, including all tax-exempt sales, transfers and uses. The return must be signed by the dealer or user under penalty of perjury and must show to whom fuel was sold or transferred and the reasons for any tax exemption. The return, supporting documentation, and the tax collected or accrued must be remitted by the last day of the month following the month the motor fuel was sold, transferred or used. One percent of the total monthly tax due and remitted, up to \$100, may be deducted and retained if the return is timely filed. (Eff. 7/19/82, Reg. 83; am 8/12/84, Reg. 91)

Authority: AS 43.05.080
AS 40.40.010

15 AAC 40.020. Fuel Subject to Tax and Exemptions.

(a) All motor fuel sold or transferred in the state or consumed by a user in the state is subject to the motor fuel tax under AS 43.40.010 — 43.40.100, unless exempted under (b) of this section. For purposes of AS 43.40.010 — 43.40.100 and this chapter, "motor fuel" is fuel used in an engine for the propulsion of a motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary engine, machine or mechanical contrivance which is run by an internal combustion motor, including bulk or other transfers of fuel between producing, refining, importing or exporting companies and gasoline separated from a mixture of gasoline and alcohol that was not taxed in its combined state. All bulk sales of fuel to a person who uses a common storage tank servicing both taxable and nontaxable uses, except bulk sales of jet fuel to a person who exclusively flies directly from the state to a foreign country, are subject to the motor fuel tax under AS 43.40.010 — 43.40.100, but the portion actually used for nontaxable purposes is eligible for a tax refund upon application to the department.

(c) ~~(a)~~ Fuel meeting the following requirements is exempt from the motor fuel tax under AS 43.40.010 — 43.40.100:

(1) fuel sold to, transferred to, or used by United States, Alaska, or local government agencies for official use, except motor fuel sold to a contractor who purchases motor fuel either for its own account or as the agent of a government agency for use in the performance of a contract with that agency;

(2) fuel sold to, transferred to, or used by auxiliary military units for official use, not including fuel purchased by a volunteer member of an auxiliary unit for use in a private vehicle;

(3) fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public;

(4) fuel used exclusively for a domestic purpose in single or multiple unit private dwellings including mobile homes, but not including watercraft;

(5) fuel sold exclusively for use for heating commercial buildings or facilities;

(6) fuel used in stationary power plants that generate electrical energy exclusively for private residential consumption;

(7) fuel used in stationary commercial power plants of 100 kw or less;

(8) fuel used by nonprofit power associations or corporations for generating electrical energy for resale;

(9) fuel used by charitable institutions;

(10) refined fuel transported as cargo out of the state into international waters if the fuel is sold or otherwise transferred to watercraft which operate exclusively in international waters and which do not enter state territorial waters, ports, or facilities;

(11) refined fuel transported as cargo out of the state on a vessel from a port in this state to a port outside this state, unless the fuel is purchased for use within state territorial waters;

(12) fuel consigned to foreign countries;

(13) fuel sold to, transferred to, or used on jet propulsion aircraft operating flights from the state to a foreign country, except flights to a foreign country, with intermediate stops within the United States;

(14) fuel which is at least 10 percent alcohol by volume;

(15) fuel sold to or transferred between licensed qualified dealers;

(16) actual losses of volume which occur during handling, transporting or storing motor fuel, including shrinkage and losses from fire and other accidents;

(17) additives that are used for improving existing characteristics of fuel, not including blended fuels; and

(18) fuel used for any other purpose which the department determines is not motor fuel as defined by AS 43.40.100(2) if the purpose is fully disclosed on the monthly motor fuel tax return.

(c) For purposes of (b)(1) and (2) of this section, "official use" does not include sales of fuel. (Eff. 7/19/82, Reg. 83; am 11/14/84, Reg. 84; am 8/12/84, Reg. 91)

Authority: AS 43.05.080
AS 43.40.010
AS 43.40.100

SEE BACK OF BOOKLET

HB

173

STATE OF ALASKA
THE LEGISLATURE

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Transportation:

3-30-87

4-15-87

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating to International
Airports in Anchorage & Fairbanks
Sponsor: Pearce and Hanley
Requestor: _____

Agency Affected: Administratio
BRU: FINANCE

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	29.5	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	29.5	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	29.5	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	29.5	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	1	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

This legislation removes International Airport payroll and accounting applications off the State Systems. In order to accomplish this transition the Division of Finance will need the services of an Accountant IV level employee over a six month period. The six month cost of this level

Prepared by: Keith Busch Phone: 465-2260
Division: Finance Date: 1/22/88

Approved by Commissioner: John M. Andrews Date: 1/25/88
Agency: Department of Administration

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SSHB 173

employee is \$29,500. This level of assistance is needed due to the sensitivity of the records that need to be transferred between jurisdictions. There will be no measurable impact in future years once the transition has been completed.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
Title: An act relating to the BRU: Personnel
International Airports in Anchorage and *
Sponsor: _____ Components: Centralized Administrative Services
Requestor: _____

* establishing the Alaska International Airport Authority.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

	0.0	0.0	0.0	0.0	0.0	0.0
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

No additional appropriation for the Division of Personnel would be required.

Prepared BY Diana DeSimone Phone: 465-4430
Division: Personnel Date: January 21, 1988

Approved by Commissioner: John M. Andrews Date: 1/25/88
Agency: Department of Administration

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An act relating to the BRU: Division of Risk Management
international airports in Anchorage
 Sponsor: Pearce and Hanley Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	(583.1)	(583.1)	(583.1)	(583.1)	(583.1)
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(583.1)	(583.1)	(583.1)	(583.1)	(583.1)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	(583.1)	(583.1)	(583.1)	(583.1)	(583.1)
TOTAL	0	(583.1)	(583.1)	(583.1)	(583.1)	(583.1)

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The fiscal note is difficult to predict because Anchorage International Airport is really the rating or premium base for the State's entire aviation insurance program. The attached details the estimated fiscal note.

Note page 3 for total estimated costs to the State.

Prepared By: Don Hitchcock, Director Phone: 465-2180
 Division: Risk Management Date: January 18, 1988

Approved by Commissioner: John M. Andrews Date: 1/25/88
 Agency: Department of Administration

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

CONTINUATION of FISCAL NOTE ANALYSIS

For House Bill No. 173

Sponsor Substitute

FY 88 State airport premiums amount to approximately \$1,200.0. If the premium base, i.e., Anchorage and Fairbanks international airports are deleted from the State blanket policy the insurance companies will then charge an average premium per airport for all small fields, this is estimated at \$4,000 per air field. The State has 265 smaller airports so after removal of the two internationals the premium remains at \$1,060.0 for airports--or a negative fiscal note of (\$140.0).

Workers' compensation and general liability charged these two airports amount to \$289.0 and property premiums total \$154.1.

The total negative fiscal note for risk management, therefore, would be approximately (\$583.1).

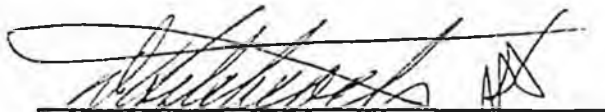
POSITION PAPER
House Bill #173

Sponsor Substitute

1. The bill creates the Alaska International Airport Authority for Anchorage and Fairbanks and creates an autonomous operation much like the Alaska Railroad.
2. From a risk management standpoint, both the State and the Airport Authority suffer. Anchorage International (and to a lesser extent Fairbanks) represent the rate base for our entire State aviation program. Anchorage and Fairbanks presently pay \$960.0 of our total airport premium of \$1,200.0. If they are removed from the schedule the remaining 265 airports' insurance charges are estimated at \$1,060.0. In other words, separation will almost double the combined airport premiums paid prior to separation.

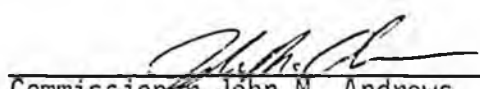
Also outstanding active (or pending) workers' compensation and liability cases would have to be transferred to the airports since the State would no longer have their payroll premium assessments to meet obligations.

3. From a risk management standpoint we see increased insurance charges to the airports and no relief to the balance of the State's program. We cannot support the Bill.



Don Hitchcock, Director
Division of Risk Management

1/19/88
Date


Commissioner John M. Andrews
Department of Administration

1/25/88
Date



Dept. of Transportation & Public Facilities

POSITION PAPER

BILL NO: HOUSE BILL 173

TITLE: ESTABLISHING INTERNATIONAL AIRPORT
AUTHORITY

APPROVED: Mark S. Hickey
Commissioner

DATE: MARCH 30, 1987

MSA

Please see the attached position paper.

March 30, 1987

ALASKA INTERNATIONAL AIRPORT AUTHORITY

The Department of Transportation and Public Facilities (DOT&PF) is not yet prepared to take a formal policy position regarding the concept of placing the Alaska International Airport System (AIAS), comprised of the Anchorage and Fairbanks International Airports, within an independent public corporation.

Ultimately, this type of structure may make the most sense for the long-term efficient management of these airports. However, it is not entirely clear to DOT/PF that these goals cannot be achieved working within the current organizational structure. In fact, several recent changes have been instituted to accomplish these purposes.

House Bill 173 appears to be well organized and comprehensive. There are, however, a few issues that appear to remain unresolved. We understand a new sponsor substitute has been prepared which may address several of these concerns. General comments and explanations follow:

1. Section 1 PURPOSE -- It would be helpful to more fully establish the policy and justification for an Alaska International Airport Authority. For example, an expanded statement of findings would clearly establish the general legislative intent, which is then defined specifically in the subsequent sections of the legislation. The enabling legislation for the Alaska Industrial Development Authority (A.S. 44.88) has a similar initial section. A few examples of what DOT&PF assumes to be important motivating factors behind this bill are:
 - ° to facilitate consolidated, cohesive management of the airports;
 - ° to effect greater responsiveness and interaction between the airports and their respective communities;
 - ° to clearly segregate the IARF enterprise fund management from general government operations;
 - ° to enhance the businesslike approach to this enterprise activity;
 - ° to establish a basis for the administration of the international airport consistent with industry standards necessary to compete in the international marketplace.
2. Section 02.40.020 BOARD OF DIRECTORS -- Since Anchorage and Fairbanks International Airports are gateways to the entire State, it may be advisable to leave two appointments unrestricted as to place of residency. In this way, the

March 30, 1987

The controller should be responsible for the issuance of bonds and the management of debt; not "monitor" the issuance. Further discussion of this point is contained in point #7 to follow.

Recommend sub-paragraph (d) be revised to read "The Board may empower the Executive Director to contract for and engage the services of consultants and professional, technical, and financial advisers the Authority considers necessary for the purpose of developing information, conducting hearings, studies, investigations or other proceedings, or otherwise exercising its powers." Typically, from a procedural standpoint, it will be the Executive Director who actually signs the contracts and approves selection of firms to provide the professional assistance.

7. Section 020.40.100 POWERS OF THE AUTHORITY -- The Authority should be empowered to sell international airport revenue bonds. The international airport revenue bonds are not backed by the full faith and credit of the state and are very different from the G.O. bonds usually issued for state purposes. Both the Alaska Industrial Development Authority (AIDA - A.S. 44.88.080) and the Alaska Housing Finance Corporation (AHFC - A.S. 18.56) are empowered to sell their own bonds. Bonding authority is also standard for other major airports across the country such as Sea-Tac, Portland, and Indianapolis.

As an independent corporation, the Authority should be able to hire all necessary financial advisors, bond counsel, and feasibility consultants, and should be empowered to direct the bond sales and subsequent debt payments through the controller. This ability to control debt issuance and management will be critical to the Authority's ability to issue debt that is consistent with airport industry standard.

In addition, the Authority should be empowered to hire, or retain its own legal counsel for the Alaska International Airport Authority.

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Governor would be free to have rural or other Alaska representation on the Board if he so chose.

Another alternative could be to expand the Board to seven members, with the Anchorage and Fairbanks communities each having two seats and still leaving room outside those communities for rural or other Alaska representation. While this could be an option, it should be clearly stated that the accompanying fiscal note assumes a five-member Board.

Instead of requesting one member to be nominated by the local governments, the legislation could provide for a list of three names to be submitted by each of the Anchorage and Fairbanks communities, and from which the Governor would try to choose the communities' appointee. This process would reduce the potential conflict between the Governor and the communities.

One question related to subparagraph (f) of the bill is whether or not there is a constitutional problem with requiring legislative confirmation of Board appointees. There may also be a constitutional question with the proposed "nominated appointment" process. These questions should be addressed by the Attorney General's staff.

3. Section 02.40.040 REMOVAL OF MEMBERS -- There may also be a constitutional problem here unless the members simply serve at the pleasure of the Governor.
4. Section 02.40.050 MEETINGS -- The Board should be required to meet at least quarterly.
5. Section 02.040.060 OFFICERS AND QUORUM -- Is it necessary for the Board to elect a treasurer when the IARF controller works for the Board? Further, it may be advisable to provide for election of a vice-chairman as well as a chairman. This would be consistent with the approach taken by both the Railroad Corporation and the Alaska Industrial Development Authority.
6. Section 02.40.070(b) STAFF -- Language in the bill needs to make it clear that the Executive Director, and not the Board, selects and hires the administrative and operations staff. The last sentence of sub-paragraph (a) could be interpreted to mean that all staff would be required to be directly screened by the Board. We assume the intent was for the Board to approve the positions, but not the specific personnel selected for each position.

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8. Section 02.40.220 SALE AND DELIVERY OF IN-BOND MERCHANDISE -- DOT&PF feels sub-paragraph (d) needs to be revised to allow the Airport Authority the flexibility to award the in-bond merchandise concession contract based on either competitive proposal, competitive bid, or through a management contract. The competitive proposal approach allows airport management to award the concession based on performance standards as well as financial considerations. The management contract approach is still based on a bid and essentially allows the Authority to hire a company to run the concession. If market conditions change materially, the airports may need the flexibility of competitive proposal or management contract, in addition to the straight competitive bid, to assure continued quality service to the travelling public. Further justification for requested management contract or competitive proposal flexibility can be provided if necessary.
9. Section 02.40.240 COURTESY CARS -- Language in this section should be revised to allow the Authority to establish an access fee for these vehicles.

This subject appears to be covered twice in the bill; it is also listed on page 16, Section 02.15.095. Does it need to be in both places?

10. Section 02.40.300 BUDGET REQUEST -- In order for the Alaska International Airport Authority to be in a position to maximize its enterprise opportunities, budget approval authority should be vested with the Board of Directors. This will avoid compromise of the Authority's ability to administer the enterprise as a business by providing it with the power of controlling its budget and amending it throughout the year as needs and conditions change. The budgeting process is unclear in the existing language of the bill. The DOT&PF recommends that the process include legislative appropriation of a line item budget amount for the Authority, but the Board must have the flexibility to reallocate funds within the lump sum budget amount as each fiscal year progresses.

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11. Section 02.40.320 PERFORMANCE REPORTING -- DOT&PF suggests leaving the introductory paragraph without the specific items listed in sub-paragraphs (1) through (8). Several of the requirements listed may be extremely time consuming and expensive. As examples:
 - (3) A statement of the performance and accomplishments and costs incurred by the Authority for the last four years could involve several weeks of staff time and Board of Directors' review prior to release to the Governor.
 - (4) Identifying the number and types of persons affected by the Authority will be extremely time-consuming. This information would appear to have no direct benefit.
 - (5) The summary statement for the last three fiscal years for personnel employed and under contract is additional information requiring significant staff time to produce, again with no apparent usefulness.
 - (6) Assessment of the authority on the economy of the state, is a major effort requiring probably \$100,000 of consultant time and achieves no result relevant to administering the international airports.

It is recommended that the Authority provide the Governor with the annual audit of the IARF and that all other listed requirements be omitted.

12. Section 02.40.350 ANNUAL AUDIT -- This section should specify that the annual IARF audit be done by an external certified public accounting firm.
13. Section 02.40.900(b) AUTHORITY EMPLOYEES -- DOT&PF recognizes the sensitive issues involved in the transition and status of the current state employees. The provision for employee transfer needs to be addressed, as well as the workers' rights as public employees. It is our opinion that input on the issues should be obtained from other agencies, employee associations, and other interest groups.

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14. It is advisable to include language in the bill to recognize that the Airport Security Officers (ASO) working on airport property have all the rights and powers included under the Alaska Police Standards (A.S. 18.65.130 through 18.65.190). To comply with state and federal requirements, the Anchorage and Fairbanks Airports must employ certified officers. The Alaska Court System recognizes the enforcement powers of ASO's, however, the Attorney General's staff have expressed concern over whether the ASO's have enforcement powers. These powers of enforcement are necessary and should be clearly articulated in this legislation. DOT&PF recommends seeking specific advice from the Attorney General's staff.
15. Section 02.15.090 OPERATION AND USE PRIVILEGES -- Both the department and the Authority require the ability to enter into contracts, leases, etc. It appears the addition of "and subject to the jurisdiction of the department" may not address this problem. Subsequent references in the bill indicate there are separate jurisdictions of the department and the Authority. Recommend that the new language "and subject to the jurisdiction of the department" be deleted and line 24 be modified to read "...the department or the Authority may enter into contracts, leases, and other..."
16. This legislation should include a section protecting the DOT&PF's existing facility interest on Anchorage International Airport land. The Central Region DOT&PF building is on five acres of land adjacent to Lake Hood.
17. Section 37.15.480 AMOUNTS REQUIRED FOR PAYMENTS -- DOT&PF recommends that the IARF debt be managed by the controller and management for the IARF be under the sole control of the Authority and its controller. See Comment #7.
18. We understand work is continuing to add a section addressing bonding requirements. Provisions should be included to ensure transfer of all existing debt obligations to the new entity.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

DRAFT

REQUEST: _____

Bill Version: HB 173
Publish Date: 3/27/87

Revision Date: _____
Title: Alaska International Airport Authority Act
Sponsor: Pearce and Hanley
Requestor: _____

Agency Affected: DOT&PF
BRU: International Airports
Components: _____

Alternative I
EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		945.4	940.4	940.4	940.4	940.4
TRAVEL		60.1	55.0	55.0	55.0	55.0
CONTRACTUAL		779.7	679.7	679.7	679.7	679.7
SUPPLIES		32.5	32.5	32.5	32.5	32.5
EQUIPMENT		115.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		(529.3)	(529.3)	(529.3)	(529.3)	(529.3)
TOTAL OPERATING		1403.4	1178.3	1178.3	1178.3	1178.3

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER IARF 1027		1403.4	1178.3	1178.3	1178.3	1178.3
TOTAL		1403.4	1178.3	1178.3	1178.3	1178.3

POSITIONS:

FULL-TIME		22	22	22	22	22
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Lawrence W. Michou
Division: Anchorage International Airport

Phone: 266-1400
Date: _____

Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

DRAFT

FIRST YEAR

<u>Function</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Supplies</u>	<u>Equipment</u>	<u>TOTAL</u>
Board of Directors	25.0	25.1	403.5	2.5	40.0	456.1
Legal	233.1	15.0	82.2 ¹	17.5	40.0	387.8
Purchasing/Supply	336.5	10.0	78.0	7.5	25.0	457.0
Labor Relations/Pers.	350.8	10.0	191.0	5.0	50.0	606.8
Investment Manager	_____	_____	<u>25.0</u>	_____	_____	_____
TOTAL:	954.4	60.0	797.7	32.5	115.0	1,932.7 ²

YEARS THEREAFTER

<u>Function</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Supplies</u>	<u>Equipment</u>	<u>TOTAL</u>
Board of Directors	20.0	20.0	303.5	2.5	-0-	346.0
Legal	233.1	15.0	82.2 ¹	17.5	-0-	347.8
Purchasing/Supply	336.5	10.0	78.0	7.5	-0-	432.0
Labor Relations/Pers.	350.8	10.0	191.0	5.0	-0-	556.8
Investment Manager	_____	_____	<u>25.0</u>	_____	_____	_____
TOTAL:	940.4	55.0	679.7	32.5	-0-	1,707.6 ²

1 Actual cost of legal office is 487.6 which is reduced by the approximately 100.0 RSA from the Airports to Department of Law. Therefore, contractual estimate of 182.2 is reduced 100.0 to reflect the RSA amount.

2 In the miscellaneous column, 529.3 is deducted to represent the reduction in IARF funding to DOT&PF that will be credited back to the fund.

Position Title		Attorney V		No. of Positions	1	Range/Step	25A	Barg. Unit	PX	
Time Status	F	Staff Months	12	Location	AIA		Election District			
Type of Expenditure				Amount		Justification				
				1	2	3				
Salary				60.3		A legal services function of five positions is needed to provide legal services to the proposed International Airport Authority supporting the Board, Executive Director, and the two airports. Travel: Travel by legal staff to attend annual meetings of Airport Operators Council International (AOCI) and to attend Board meetings in either Fairbanks or Anchorage. Travel by legal staff between Anchorage, Fairbanks, and Juneau to attend meetings and to testify on legislation.				
Benefits				17.7						
Premium Pay										
Other										
Total Personal Services				78.0						
Travel				15.0		\$ 15,000				
Contractual				182.0						
Commodities				17.5						
Equipment				40.0						
Other										
Total Cost				332.5						
Funding Source for Total Cost										
Federal Receipts				1002						
G. F. Match				1003						
General Fund				1004						
I-A Receipts				1006						
CIP Receipts				1061						
Other IARF				1027	332.5					

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Contractual Services:

Communications: Telephone, Long Distance, Postage	\$ 15,000	
Advertising: Legal Notices, Forms, Subscription	25,000	
Rental of Buildings: 2000 sq.ft. x \$1.75 sq.ft. x 12 =	42,000	
Other Expenses: Contract Legal Services, Deposition Services, etc. (Estimate outside legal support: 150 x 500 hrs. = 75,000)	<u>\$100,000</u>	

Total Contractual Services \$182,000

Supplies & Materials:

Office & Library	\$ 15,000	
Data Processing Supplies	<u>2,500</u>	
		<u>17,500</u>

Equipment

A one time cost to establish the legal office including office furniture, word processing equipment, etc., for an office of eight people.

Total Equipment \$ 40,000



ADDITIONAL
EXPLANATION
FORM

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Position Title Attorney III			No. of Positions 1	Range/Step 22C	Barg. Unit PX
Time Status F	Staff Months 12		Location AIA	Election District	
Justification					
See Attorney V					
Type of Expenditure			Amount		
1	2	3			
Salary	49.1				
Benefits	15.6				
Premium Pay					
Other					
Total Personal Services		64.7			
Travel					
Contractual					
Commodities					
Equipment					
Other			64.7		
Total Cost					
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1061				
Other IARF	1027	64.7			

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Position Title Legal Secretary II			No. of Positions 1	Range/Step 11A	Barg. Unit PX
Time Status F	Staff Months 12		Location AIA		Election District
Type of Expenditure			Justification		
			See Attorney V		
1	2	3			
Salary	23.6				
Benefits	9.2				
Premium Pay					
Other					
Total Personal Services		32.8			
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost		32.8			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1061				
Other	IARF 1027	32.8			

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02415079 P.09

***** PANAFAX UF-100 *****

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Position Title		Legal Secretary I		No. of Positions	1	Range/Step	10A	Barg. Unit	PX
Time Status		Staff Months		Location		Election District			
F		12		AIA					
Justification									
See Attorney V									
Type of Expenditure			Amount						
1			2			3			
Salary			22.1						
Benefits			8.9						
Premium Pay									
Other									
Total Personal Services						31.0			
Travel									
Contractual									
Commodities									
Equipment									
Other									
Total Cost						31.0			
Funding Source for Total Cost									
Federal Receipts			1002						
G. F. Match			1003						
General Fund			1004						
I-A Receipts			1006						
CIP Receipts			1061						
Other IARF			1027			31.0			

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03-27-1987 15:12 ***** PANAFAX LF-400 ***** 02412079 P.09

Position Title Clerk Typist II		No. of Positions 1	Range/Step 7A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Justification		
		See Attorney V		
1	2	3		
Salary	18.6			
Benefits	8.0			
Premium Pay				
Other				
Total Personal Services		26.6		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		26.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	26.6		

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***** PANAFAX UF-400 *****

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Position Title Purchasing Agent III		No. of Positions 1	Range/Step 20A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification				
A purchasing and supply function (eight positions) will be needed to support the proposed International Airport Authority and replace the services currently being provided by DOT&PF and the Department of Administration.				
continued				
Type of Expenditure		Amount		
1	2	3		
Salary	43 0			
Benefits	14 4			
Premium Pay				
Other				
Total Personal Services		57.4		
Travel		10.0		
Contractual		78.0		
Commodities		7.5		
Equipment		25.0		
Other				
Total Cost:		177.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	177.9		

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Travel:

Airfares and per diem for travel to and from Fairbanks. Outside travel to attend equipment presentations and factory inspections:	\$ 10,000
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Contractual Services:

Communication: Telephone, Long Distance, Postage	12,000
Advertising: Legal Notices, forms, subscriptions	5,000
Rental of Buildings: 2000 sq.ft. x \$1.50 sq.ft. x 12 =	25,000
Other Expenses:	
Repair contracts, copier & postage machine rental, etc.	<u>25,000</u>

Total:	\$ 78,000
--------	-----------

Commodities:

General Office Supplies, duplicating supplies, standard state forms and computer supplies	7,500
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Equipment and Machinery:

Necessary function and computer equipment including word processing equipment to establish new offices. A one-time expense	25,000
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□	ADDITIONAL EXPLANATION FORM
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***** PANAFAX UF-100 *****

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Position Title Purchasing Agent II		No. of Positions 1	Range/Step 16A	Barg. Unit PY
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	32.6			
Benefits	11.5			
Premium Pay				
Other				
Total Personal Services		44.1		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	44.1		
Justification See Purchasing Agent III				

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P.15
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 15:15
 03/27/1987

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Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit PY
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	20.0			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		28.2		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		28.2		
Funding Source for Total Cost				
Federal Receipts	1002			
C. F. Match	1003			
General Fund	1004			
I-A Receipts	1005			
CIP Receipts	1061			
Other IARF	1027	28.2		

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Position Title Supply Officer IV		No. of Positions 1	Range/Step 10A	Barg. Unit PY
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	40.2			
Benefits	13.5			
Premium Pay				
Other				
Total Personal Services		53.7		
Travel				
Contractual				
Commodities				
Equipment		53.7		
Other				
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	53.7		

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Position Title Supply Officer II		No. of Positions 1	Range/Step 16A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	32.6			
Benefits	11.4			
Premium Pay				
Other				
Total Personal Services		44.0		
Travel				
Contractual				
Commodities				
equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1051			
Other IARF	1027	44.1		

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Position Title Supply Technician II		No. of Positions 1	Range/Step 12A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	25.0			
Benefits	9.6			
Premium Pay				
Other				
Total Personal Services		34.6		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		34.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	34.6		

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Position Title Storekeeper WG II		No. of Positions 1	Range/Step 54B	Barg. Unit PX	
Time Status F	Staff Months 12	Location FIA		Election District	
Type of Expenditure		Justification			
		See Purchasing Agent III			
Amount					
1	2				3
Salary	34.8				
Benefits	12.2				
Premium Pay					
Other					
Total Personal Services					47.0
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost		47.0			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1061				
Other IARF	1027	47.0			

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***** PANAFAX UF-400 *****

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Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	20.0			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		28.2		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		28.2		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1005			
CIP Receipts	1061			
Other	IARF 1027	28.2		
Justification See Purchasing Agent III				

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***** PANAFAX UF-100 *****

03/27/1987 15:19

Position Title Clerk Typist III		No. of Positions 1	Range/Step BA	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	19.3			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		27.5		
Travel				
Contractual				
Commodities				
equipment				
Other				
Total Cost		27.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	27.6		

**Request For
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Agency Department of Transportation and Public Facilities
 BRU Fairbanks International Airport
 Component Administration

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Position Title Personnel Officer III		No. of Positions 1	Range/Step 20A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	43.0			
Benefits	14.1			
Premium Pay				
Other				
Total Personal Services		57.1		
Travel		10.0		
Contractual		191.0		
Commodities		5.0		
equipment		50.0		
Other				
Total Cost		313.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	313.1		

Justification

The legislation creating the International Airport Authority would appear to require the establishment of a personnel function that would include a personnel office to handle day to day operations necessary to classify positions, process applications for employment, conduct testing, and the preparation of hiring documents; a labor relations function to negotiate employee contracts, represent the authority in arbitrations and grievances, and to resolve contract conflicts.

continued

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

FY 88

02412079 P.21

U.S. DEPARTMENT OF TRANSPORTATION

Travel

Transportation and Per Diem \$ 10,000

Contractual

Communications, Telephone, Long Distance, Postage	10,000
Advertising Legal Notices, Forms, Subscriptions	5,000
Rental of Buildings: 2000 sq.ft. x \$1.50 sq.ft. x 12 =	36,000
Other expenses, copier and postage machine rental, etc.	15,000
Consulting Services for Contract Preparation	<u>125,000</u>

Total: \$191,000

Commodities \$ 5,000

Equipment: One-time expense to establish office \$ 50,000



ADDITIONAL
EXPLANATION
FORM

AGENCY Department of Transportation and Public Facilities

BRU Anchorage International Airport

COMPONENT Administration

FY 88

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Revised Date _____

Position Title Personnel Officer I		No. of Positions 1	Range/Step 16A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Amount		
1		2		3
Salary		32.3		
Benefits		11.8		
Premium Pay				
Other				
Total Personal Services		44.1		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts 1002				
G. F. Match 1003				
General Fund 1004				
I-A Receipts 1005				
CIP Receipts 1061				
Other IARF 1027		44.1		
Justification See Personnel Officer III				

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

FY 88

Position Title Personnel Technician II		No. of Positions 1	Range/Step 14A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	28.4			
Benefits	10.4			
Premium Pay				
Other				
Total Personal Services		38.8		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		38.8		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1051			
Other IARF	1027	38.8		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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FY 88

02412079 P.24

02412079

***** FANFAX UF-400 *****

15:23

05/27/1987

Position Title Personnel Technician I		No. of Positions 1	Range/Step 12A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Type of Expenditure		Amount		
I	2	3		
Salary	25.0			
Benefits	9.6			
Premium Pay				
Other				
Total Personal Services		34.6		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		34.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARE	1027	34.6		

Justification
See Personnel Officer III

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Fairbanks International Airport
 Component Administration

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Revised Date

FY 88

03/27/1987 15:23 ***** PANAFAX LF-400 ***** P. 25 02412079

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit PY
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	19.7			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		27.9		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		27.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	27.9		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Fairbanks International Airport
 Component Administration

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 Revised Date

FY 88

02412079 P.26

***** PANAFAX UF-400 *****

03/27/1987 15:24

Position Title Clerk Typist III		No. of Positions 2	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	39.3			
Benefits	16.4			
Premium Pay				
Other				
Total Personal Services		55.7		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		55.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	55.7		

Request For
New Position

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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FY 88

P.01

02-12079

***** PRR/HFHX UJF-400 *****

15:36

03:27:1987

Position Title Senior Negotiator		No. of Positions 7	Range/Step 22A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	49.1			
Benefits	15.6			
Premium Pay				
Other				
Total Personal Services		64.7		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		64.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	64.7		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

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05/27/1987 15:26 ***** PANAFAX UF-400 ***** 02412079 P.02

Position Title Clerk Typist III			No. of Positions 1	Range/Step RA	Barg. Unit PY
Time Status F	Staff Months 12		Location AIA		Election District
Type of Expenditure			Amount		
1			2		3
Salary			19.0		
Benefits			8.9		
Premium Pay					
Other					
Total Personal Services			27.9		Justification See Personnel Officer III
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost			27.9		
Funding Source for Total Cost					
Federal Receipts 1002					
G. F. Match 1003					
General Fund 1004					
I-A Receipts 1006					
CIP Receipts 1061					
Other IARF 1027			27.9		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

Page 27 of 47
 Revised Date

FY 88

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: HB 173Publish Date: 3/9/87

Revision Date: _____

Agency Affected: DOT&PFTitle: Alaska International Airport
Authority ActBRU: International AirportsSponsor: Pearce and Hanley

Components: _____

Requestor: _____

Alternative II

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		505.5	505.5	505.5	505.5	505.5
TRAVEL		40.1	35.00	35.0	35.0	35.0
CONTRACTUAL		549.5	549.5	549.5	549.5	549.5
SUPPLIES		13.3	13.3	13.3	13.3	13.3
EQUIPMENT		67.5				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		(229.4)	(229.4)	(229.4)	(229.4)	(229.4)
TOTAL OPERATING		1041.5	873.90	873.90	873.90	873.90

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER IARF 1027		1041.5	873.90	873.90	873.90	873.90
TOTAL						

POSITIONS:

FULL-TIME		12	12	12	12	12
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Lawrence W. MichouPhone: 266-1400Division: Anchorage International AirportDate: 3/27/87

Approved by Commissioner: _____

Date: _____

Agency: _____

Distribution (by preparer):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Senate Secretary

ALTERNATIVE II

FIRST YEAR

<u>Function</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Supplies</u>	<u>Equipment</u>	<u>TOTAL</u>
Board of Directors	25.0	25.1	403.5	2.5	-0-	456.1
Purchasing	336.5	10.0	78.0	7.5	25.0	457.0
Labor Relations/Pers.	350.8	10.0	191.0	5.0	50.0	606.8
Investment Management	_____	_____	25.0	_____	_____	25.0
TOTAL:	505.5	40.1	649.5	13.3	62.5	1,270.9

YEARS THEREAFTER

<u>Function</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Supplies</u>	<u>Equipment</u>	<u>TOTAL</u>
Board of Directors	20.0	20.0	303.5	2.5	-0-	346.0
Purchasing	129.7	5.0	30.0	5.8	-0-	170.5
Labor Relations/Pers.	350.8	10.0	191.0	5.0	-0-	556.8
Investment Manager	_____	_____	25.0	_____	_____	25.0
TOTAL:	500.5	35.0	549.5	13.3	-0-	1,098.3

In the miscellaneous column 229.4 is deducted to represent the reduction in IARF funding to DOT&PF that will be credited back to the fund.

Position Title Purchasing Agent III		No. of Positions 1	Range/Step 20A	Barg. Unit PY
Time Status F	Staff Months 12	Location ATA		Election District
Justification				
Type of Expenditure			Amount	
1	2	3		
Salary	43.0			
Benefits	14.4			
Premium Pay				
Other				
Total Personal Services		57.4		
Travel		5.0		
Contractual		30.0		
Commodities		5.8		
Equipment		12.5		
Other				
Total Cost		110.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	110.7		

A purchasing section (three positions) will be needed to support the proposed International Airport Authority and replace the services currently being provided by DOT&PF and the Department of Administration.

continued

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

Page 30 of 47
 Revised Date

FY 88

Travel:

Airfares and per diem for travel to and from Fairbanks. Outside travel to attend equipment presentations and factory inspections:	\$ 5,000
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Contractual Services:

Communication: Telephone, Long Distance, Postage	5,000
Advertising: Legal Notices, forms, subscriptions	5,000
Rental of Buildings: 2000 sq.ft. x \$1.50 sq.ft. x 12 =	13,500
Other Expenses:	
Repair contracts, copier & postage machine rental, etc.	<u>6,500</u>

Total:	\$ 30,000
--------	-----------

Commodities:

General Office Supplies, duplicating supplies, standard state forms and computer supplies	5,800
--	-------

Equipment and Machinery:

Necessary function and computer equipment including word processing equipment to establish new offices. A one-time expense	12,500
--	--------



ADDITIONAL
EXPLANATION
FORM

AGENCY Department of Transportation and Public Facilities

BRU Anchorage International Airport

COMPONENT Administration

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Revised Date _____

FY 87

P.07

02412075

***** PANAFAX UF-100 *****

15:29

03/27/1987

Position Title Purchasing Agent II		No of Positions 1	Range/Step 16A	Barg. Unit DY
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Justification		
		See Purchasing Agent III		
		Amount		
1	2	3		
Salary	32.6			
Benefits	11.5			
Premium Pay				
Other				
Total Personal Services		44.1		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	44.1		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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 Revised Date

FY 88

03/27/1987 15:30 ***** PANAFAX LF-400 ***** 02412079 P.08

Position Title Clerk Typist III		No. of Positions 1	Range/Step BA	Org. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Purchasing Agent III				
Type of Expenditure		Amount		
1	2	3		
Salary	20.0			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		28.2		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		28.2		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1005			
CIP Receipts	1061			
Other	IARF 1027	28.2		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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FY 88

02412079 P.01

***** PANAFAX UF-400 *****

03/27/1987 15:32

Position Title Personnel Officer III		No. of Positions 1	Range/Step 20A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification				
The legislation creating the International Airport Authority would appear to require the establishment of a personnel function that would include a personnel office to handle day to day operations necessary to classify positions, process applications for employment, conduct testing, and the preparation of hiring documents; a labor relations function to negotiate employee contracts, represent the authority in arbitrations and grievances, and to resolve contract conflicts.				
continued				
Type of Expenditure		Amount		
1	2	3		
Salary	43.0			
Benefits	14.1			
Premium Pay				
Other				
Total Personal Services		57.1		
Travel		10.0		
Contractual		191.0		
Commodities		5.0		
Equipment		50.0		
Other				
Total Cost		313.1		
Funding Source for Total Cost				
Federal Receipts 1002				
G. F. Match 1003				
General Fund 1004				
I-A Receipts 1006				
CIP Receipts 1061				
Other IARF 1027		313.1		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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FY 88

03/27/1987 15:32 *** PANFAX UF-400 *** 02412079 P.02

Travel

Transportation and Per Diem \$ 10,000

Contractual

Communications, Telephone, Long Distance, Postage	10,000
Advertising Legal Notices, Forms, Subscriptions	5,000
Rental of Buildings: 2000 sq.ft. x \$1.50 sq.ft. x 12 =	36,000
Other expenses, copier and postage machine rental, etc.	15,000
Consulting Services for Contract Preparation	<u>125,000</u>

Total: \$191,000

Commodities

\$ 5,000

Equipment: One-time expense to establish office

\$ 50,000



ADDITIONAL
EXPLANATION
FORM

AGENCY Department of Transportation and Public Facilities

BRU Anchorage International Airport

COMPONENT Administration

FY 88

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Revised Date _____

03/27/1987 15:33 ***** PANAFAX UF-100 ***** 02412079 P.03

Position Title Personnel Officer I		No. of Positions 1	Range/Step 16A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	32.3			
Benefits	11.8			
Premium Pay				
Other				
Total Personal Services		44.1		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		44.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	44.1		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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FY 88

02412079 P.04

***** PANAFAX UF-100 *****

15:34

03/27/1987

Position Title Personnel Technician II			No. of Positions 1	Range/Step 14A	Barg. Unit PX
Time Status F	Staff Months 12		Location AIA		Election District
Type of Expenditure			Amount		
1	2	3			
Salary	28.4				
Benefits	10.4				
Premium Pay					
Other					
Total Personal Services		38.8			
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost		38.8			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1051				
Other IARF	1027	38.8			
Justification See Personnel Officer III					

Request For
New Position

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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Position Title Personnel Technician I		No. of Positions 1	Range/Step 12A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	25.0			
Benefits	1.6			
Premium Pay				
Other				
Total Personal Services		34.6		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		34.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1051			
Other FARE	1027	34.6		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Fairbanks International Airport
 Component Administration

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FY 88

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location FIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	19.7			
Benefits	8.2			
Premium Pay				
Other				
Total Personal Services		27.9		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		27.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	27.9		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Fairbanks International Airport
 Component Administration

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FY 88

03/27/1987 15:36 ***** PRINAFAX UF-400 ***** 02412079 P.07

Position Title Clerk Typist III		No. of Positions 2	Range/Step 8A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Justification See Personnel Officer III				
Type of Expenditure		Amount		
1	2	3		
Salary	29.3			
Benefits	16.4			
Premium Pay				
Other				
Total Personal Services		55.7		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		55.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other	IARF 1027	55.7		

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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FY 88

03/27/1987 15:37 ***** PANAFAX UF-400 ***** 02412079 P.08

Position Title Senior Negotiator			No. of Positions 1	Range/Step 22A	Barg. Unit PX
Time Status F	Staff Months 12		Location AIA		Election District
Type of Expenditure			Amount		
1			2		
Salary			49.1		
Benefits			15.6		
Premium Pay					
Other					
Total Personal Services			64.7		
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost			64.7		
Funding Source for Total Cost					
Federal Receipts 1002					
G. F. Match 1003					
General Fund 1004					
I-A Receipts 1006					
CIP Receipts 1061					
Other IARF 1027			64.7		
Justification See Personnel Officer III					

**Request For
New Position**

Agency Department of Transportation and Public Facilities
 DRU Anchorage International Airport
 Component Administration

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FY 88

Position Title Clerk Typist III		No. of Positions 1	Range/Step 9A	Barg. Unit PX
Time Status F	Staff Months 12	Location AIA		Election District
Type of Expenditure		Justification		
		See Personnel Officer III		
Amount				
1	2	3		
Salary	19.0			
Benefits	8.9			
Premium Pay				
Other				
Total Personal Services		27.9		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost:		27.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
I-A Receipts	1006			
CIP Receipts	1061			
Other IARF	1027	27.9		

Request For
New Position

Agency Department of Transportation and Public Facilities
 BRU Anchorage International Airport
 Component Administration

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FY 88

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

DRAFT

REQUEST: _____
 Revision Date: _____
 Title: Alaska International Airport
Authority Act
 Sponsor: Pearce and Hanley
 Requestor: _____

Bill Version: HB 173
 Publish Date: 3/9/87

Agency Affected: DOT&PF
 BRU: International Airports

Components: _____

Alternative III

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		25.0	20.0	20.0	20.0	20.0
TRAVEL		25.1	20.0	20.0	20.0	20.0
CONTRACTUAL		403.5	303.5	303.5	303.5	303.5
SUPPLIES		2.5	2.5	2.5	2.5	2.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		456.1	346.0	346.0	346.0	346.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER IARF 1027		456.1	346.0	346.0	346.0	346.0
TOTAL						

POSITIONS:

FULL-TIME		0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

In Alternative III, the Department will continue all of the services that it is currently providing to the Anchorage and Fairbanks International Airports.

Prepared by: Lawrence W. Michou
 Division: Anchorage International Airports

Phone: 266-1400
 Date: 3/27/87

Approved by Commissioner: _____
 Agency: _____

Date: _____

Distribution (by preparer):

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FISCAL NOTE ANALYSIS
HOUSE BILL 173

OVERVIEW:

The Department of Transportation and Public Facilities (DOT&PF) has reviewed House Bill 173 and has concluded that an Alaska International Airport Authority could be constituted in three possible forms.

Alternative I is envisioned as a fully stand-alone Authority with an Independent Board of Directors. The Authority would not utilize any services currently available in other state agencies except for the State main frame computer for general ledger, the State payroll systems and other available software, and the current risk management program.

Alternative II establishes an Authority that would perform some functions as an independent agency, but would continue to use services from State agencies and DOT&PF.

Alternative III establishes an Authority that would be a policy board for the Internationals, while all other relationships between Anchorage and Fairbanks International Airports, DOT&PF, and other state agencies would remain as they currently exist.

ANALYSIS:

1. Analysis of Fiscal Impact on Existing Programs

DOT&PF has assumed only International Airport Revenue Fund (IARF) funding for the Authority. Currently, appropriations are made from the IARF to fund the operating and capital improvement budgets for both the Anchorage and Fairbanks International Airports and to partially fund other Budget Request Units in DOT&PF for services provided to the International Airports. The FY88 budget includes 891.7 in IARF funding for the DOT&PF divisions listed below, exclusive of the airports, based on the following distribution:

<u>Division/Unit</u>	<u>FY88</u>
Commissioner's Office	20.3
Deputy Commissioner's Office	29.4
Internal Review	50.0
Management and Finance	183.2
Information Systems	48.3
Central Administrative Service	110.2
Central D & C Engineering Management	193.5
Central M & O Administration	30.0
Interior District Admin. Services	156.2
Northern D & C Engineering Management	<u>70.6</u>
TOTAL:	891.7

Three of these functions would be continued whether as support from DOT&PF or transfer of the employees to the Authority. The functions are clearly identifiable and will be a required part of the Authority. The three are:

Internal Review	50.0
Information Systems	48.3
Design & Construction	<u>264.1</u>
TOTAL:	362.4

In Alternative I and II, the cost estimate for the Authority is reduced by 529.3, based on 891.7 - 362.4.

The other services are administrative in nature and do not solely support the Airports. The funding portion from IARF in the non-airport DOT&PF divisions is based on an estimate of the cost of services provided to the Airports. In Alternative I and II, these services will be replaced by newly created functional units in the Authority or continued to be supported by DOT&PF and other State agencies. In Alternative III, the funding will continue as is.

It should be noted that in the areas of Legal Services, Personnel/Labor Relations, and Supply/Purchasing the airports are receiving maximum return on the current IARF investment. This is due to the fact that the Airports are receiving the benefits of supply contract awards, negotiated personnel contracts, application processing applicant testing, and the accounting supervision of DOT&PF and the Department of Administration. An Independent Authority would have to fund these functions completely.

The impact of reducing the IARF funding to the Divisions in DOT&PF will have to be analyzed. While it is recognized that once service to the Airports is eliminated, making some reductions possible, replacement funding may be required since many of these functions serve other units as well.

DOT&PF recommends the Authority continue as part of the State's Insurance program currently administered by the Division of Risk Management, Department of Administration. The underwriters consider the majority of aviation risk to be at the Anchorage and Fairbanks International Airports. The remainder of the State airports are simply included under the policy covering AIA and FIA. The impact of purchasing separate aviation policies would be that the Internationals would continue paying about the same premium while the other 265 state owned airports would have to be covered under a separate policy. The Division of Risk Management estimates that the cost of separate coverage would be about \$1.5 million.

Further impact would be that the Authority would be required to purchase separate fire, liability, and workman's compensation coverage. The cost of acquiring and administering separate policies in these areas could exceed \$2.5 million, which would be an increased cost to the IARF. The impact on of the Airports acquiring separate fire, liability, and workman's compensation insurance would be minimal on the premiums paid by other state agencies. Therefore, separate insurance would increase costs, both in general fund and IARF dollars, with no additional positive result.

2. Analysis of Fiscal Impact on New Programs

The creation of a fully independent/stand-alone Authority (Alternative I) will have the greater fiscal impact since many new functions will require additional funding. The creation of a partially independent Authority (Alternative II) will have a more moderate fiscal impact based on the Authority performing purchasing, labor relations, personnel, and investment management functions, while continuing to fund other support services from DOT&PF. The establishment of the Authority with all other conditions remaining the same (Alternative III) will have the least fiscal impact.

3. Analysis of Expenditures

Alternative I - Fully Independent Authority

The establishment of an Independent Board that would function as a stand-alone Authority that would not utilize any services currently available in other state agencies except for the State main frame computer for general ledger through the use of AKSAS, the State payroll systems and other software available on the Statewide network.

The Authority functions represented in Alternative I are:

<u>Function</u>	<u>First Year</u>	<u>Years Thereafter</u>
Board of Directors	456.1	346.0
Legal	387.8	347.8
Purchasing/Supply	457.0	432.0
Labor Relations/Personnel	606.8	556.8
Investment Management	<u>25.0</u>	<u>25.0</u>
TOTAL:	1,932.7	1,707.6
Less DOT&PF Charges	<u>< 529.3 ></u>	<u>< 529.3 ></u>
	1,403.4	1,178.3

The detail calculations supporting the cost of the functions is provided on the Request for New Positions forms.

Alternative II:

The establishment of an Authority that would perform some functions as an independent agency, but would continue to use services from State agencies and DOT&PF. The only savings in the amounts currently appropriated to DOT&PF from the IARF are:

Deputy Commissioners	< 29.4>
Management and Finance	<100.0>
Central Administration Services	< 50.0>
Interior District Admin. Services	< 50.0>
	<229.4>

The remainder, 299.9 (529.3 - 229.4), would continue as a funding source for DOT&PF.

<u>Function</u>	<u>First Year</u>	<u>Years Thereafter</u>
Board of Directors	456.1	346.0
Purchasing	183.0	170.5
Labor Relations/Personnel	606.8	556.8
Investment Management	<u>25.0</u>	<u>25.0</u>
TOTAL:	1,270.9	1,098.3
Less DOT&PF Funding	< 229.4>	< 229.4>
	1,041.5	868.9

Alternative III:

The establishment of the Authority as a policy board with all other relationships between the Airports, DOT&PF, and other state agencies remaining as they currently exist.

<u>Function</u>	<u>First Year</u>	<u>Years Thereafter</u>
Board of Directors	456.1	346.0
TOTAL New Funding	456.1	346.0