

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5582 STRA SB 17 - SB 108

14

Senate Bill 17 strengthens the current provisions found in AS 19.25.30-40 by incorporating language of the Model Statute on Vandalism as developed by the American Traffic Safety Services Association. The criminal sanctions specified by this bill conform with those currently provided under the Alaska Statutes.

The particular effects of the Senate State Affairs Committee Substitute for this bill are as follows:

Section 1. AS 11.61 is amended by adding new sections (11.61.155 - 11.61.195) which provide criminal sanctions for interference with or damage to highway obstructions or construction, or the unlawful possession of official traffic control devices by an unauthorized person. The sections proposed by this bill distinguish between both public and private traffic control devices which are utilized to warn of dangers to or protect real or private property, and define those persons whose use of such devices would be exempt from sanctions.

Section 2. AS 19.25.040 presently requires the commissioner of administration to separately account for money deposited in the general fund that is derived from damages to property related to state-owned highways and roads that are recovered from vehicle owners, drivers, or insurance companies. Such related property includes bridges, overpasses, signal poles, street lights and poles, traffic signals, guardrails, or fences.

This bill expands AS 19.25.040 to include "other person" in the class of persons from whom damages to property may be recovered. Additionally, it replaces the phrase "traffic signals" with the broader term "traffic control devices". The purpose of these amendments is to increase the amount of money deposited in the general fund for damages to state highways and roads.

Section 3. AS 19.25.030 is repealed, as its content (damages to obstructions, signs, and construction) is covered by proposed section 11.61.155 of this bill.

Alaska State Legislature



PRESIDENT
907-465-3755

JAN FAIKS
POST OFFICE BOX V
JUNEAU, ALASKA 99811

Senate

March 10, 1987

MEMORANDUM

TO: Senator Lloyd Jones, Chairman
Senate Transportation Committee

FROM: Senator Jan Faiks *Jan Faiks*
President of the Senate

SUBJECT: Background to CS prepared by sponsor for
Senate Bill 17
An Act relating to vandalism of official
traffic control devices and damages to highways
and roads.

Senate Bill 17 has been referred to your committee for consideration. It was previously heard and passed by the Senate State Affairs Committee. This bill expands the current statutes relating to vandalism of official traffic control devices and damages to highways and roads.

Safety on our highways and roads has long been of prime concern to all Alaskans. In recent years, the increase in the number of vehicles on our roads, along with an increase in major highway construction projects has lead to an alarming rate of accidents.

Vandalism to traffic signs, barricades, warning lights, and other safety devices contributes greatly to the deaths, personal injuries, and property damages suffered each year on our highways, roads, waterways, and other public and private property. The intent of this legislation is to provide criminal sanctions for vandalism to and theft of traffic control devices which have been utilized to protect or warn of dangers to real or personal property.

OUT OF SESSION

6000 YUKON DRIVE ANCHORAGE, ALASKA 99516 . 907-274-6611

This bill received a CS from its first committee of referral, the Senate State Affairs Committee, and a different CS is now presented to this committee for consideration. Since filing, and upon further review of this bill, various concerns have been raised, which this new CS seeks to answer.

The particular effects of this new sponsor-requested committee substitute for Senate Bill 17 are as follows:

Section 1. AS 11.46 is amended by adding new sections (11.46.460 - 11.46.462) which provide criminal sanctions for the disregard of a highway obstruction or the unlawful possession of official traffic control devices by any person who neither has the right to do so nor a reasonable ground to believe that he does. Disregard of a highway obstruction is a class A misdemeanor. Unlawful possession of official traffic control is punishable by not less than \$100 for the first offense, and not less than \$300 for subsequent offenses.

Section 2. AS 11.46.484(a) is amended by adding a new section (7) which creates the crime of criminal mischief in the third degree for a person who knowingly removes, destroys, or otherwise tampers with an official traffic control device or damages work upon a highway under construction. Section (1) of this statute as presently enacted would cover those situations in which damage is done to the traffic control devices utilized private persons to protect their property or warn others of possible dangers. Therefore, no distinction need be made between "official" and "private" traffic control devices, as provided by the committee substitute prepared by the Senate State Affairs Committee.

Section 3. Amends AS 11.46 by adding a new section 11.46.489, which provides for the forfeiture of motor vehicles, firearms, and other personal property used to aid the commission of these acts to the state upon conviction.

Section 4. Adds new definitions to AS 11.46.490.

Section 5. AS 19.25.040 presently requires the commissioner of administration to separately account for money deposited in the general fund that is derived from damages to property related to state-owned highways and roads that are recovered from vehicle owners, drivers, or insurance companies. Such related property includes bridges, overpasses, signal poles, street lights and poles, traffic signals, guardrails, or fences.

This bill expands AS 19.25.040 to include "other person" in the class of persons from whom damages to property may be recovered. Additionally, it replaces the phrase "traffic signals" with the broader term "traffic control devices". The purpose of these amendments is to increase the amount of money deposited in the general fund for damages to state highways and roads.

Section 6. Amends the current forfeiture statute, AS 28.35.036(c) to include property subject to forfeiture under the acts proposed by this bill.

Section 7. Amends AS 28.35.036 which would enable the state to move the court to order the forfeiture of a motor vehicle involved in the commission of one of the acts proposed by this bill.

Section 8. Repeals AS 19.25.030, which is provided for in Section 1 and Section 2 of this bill.

SENATE COMMITTEE REPORT

FURTHER:

Rule

2/5/87

DATE TURNED INTO OFFICE April 2, 1987

Mr. President:

TRANSPORTATION Committee considered SB 17

relating to vandalism of official traffic control devices and damages to highways and roads.

and recommended:

replace with CS FOR SB 17 (Trsp)) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

2 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures: Michael, Fahrenting, Tim Kelly]

[Handwritten signature: Lloyd Jones D. Pass]
Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 2, 1987

SUBJECT: Draft CSSB 17(SA), relating to vandalism of
traffic control devices and damages to highways

TO: Senator Mitch Abood, Chair
Senate State Affairs Committee

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum accompanies draft CSSB 17(State Affairs).

SB 17 relates to vandalism of traffic control devices and damages to highways and roads. Section 1 of SB 17 amends AS 19.25.030, which creates a class A misdemeanor for damages to obstructions and highway construction. Section 3 of SB 17 creates three new misdemeanor offenses in AS 19.25.

The draft CS, in addition to the specific changes to the definition of "private traffic control device" requested by staff, moves those provisions of the bill relating to crimes to AS 11, the Alaska Criminal Code. Since the content of those provisions relate more to crimes against property than to the maintenance and operation of roads and highways, it is more appropriate that the provisions be included in the Criminal Code.

In moving the provisions from AS 19.25 to AS 11.46 certain style changes were made to the provisions in order to conform with the drafting style for the Criminal Code. The substance of the provisions was not changed.

GU:mkr
m8/076

Enclosure



SKILL
RESPONSIBILITY
INTEGRITY

THE ALASKA CHAPTER
**ASSOCIATED GENERAL CONTRACTORS
OF AMERICA, INC.**

BOX 92500 * ANCHORAGE, ALASKA 99509
TELEPHONE (907) 561-5354



3201 SPENARD ROAD
ANCHORAGE
WILLIAM E. SCHNEIDER
EXECUTIVE DIRECTOR

February 9, 1987

Lloyd Jones
Senate State Transportation Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: CSSB 17 (State Affairs)

Dear Chairman Jones:

This letter is to serve as written comment by the Alaska Chapter, Associated General Contractors on SB 17, "An Act Relating To Vandalism Of Official And Private Traffic Control Devices And Damages To Highway And Roads."

There are four major users of barricades and traffic control devices in the State of Alaska which I assume the legislature is trying to benefit by this legislation. First, state and local governments, whose maintenance crews traditionally perform work on the highways, use and erect various barricades. Second, contractors of all kinds throughout the state of Alaska utilize barricades when their work involves highway construction, underground construction under or near a road or highway, or building construction near a highway or road. Third, utility companies often are engaged in the construction or repair of their utilities which are adjacent to the roads and traffic control devices are utilized in that work. And fourth, companies involved in renting appropriate signs, barricades and other traffic control devices to any of the any preceding three entities.

As presently written, the construction industry and certainly some of the other users of barricades will be criminals under this proposed legislation.

Lloyd Jones
February 9, 1987
Page 2

Below, I have provided comment to the provisions contained in SB17.

COMMENTS

Page 1 - Line 11. Section 11.46.460(a)

This subsection makes the driver, or owner, of a vehicle driving around a "Road Closed" sign a class A misdemeanor. The deficiencies of this subsection are quite obvious. First, there are no exceptions. This means that most employees of DOT/PF working on a particular highway project commit a crime every time they drive by a "Road Closed" sign to get to the project they are assigned. Similarly, the contractor's agents and employees working on the project commit the same offense.

Secondly, the owner of the vehicle is also misdemeanor. Thus, the State of Alaska is guilty of a misdemeanor every time one of its DOT/PF employees drives past a "Road Closed" sign on the way to work. Similarly, so is the construction company under contract to the State.

I am sure this is not the Legislature's intent; however, it seems to be the clear and unequivocal reading of SB17.

Page 1 - Line 16. Section 11.46.460(b).

This subsection makes it a crime for a person to open a "Road Closed" sign without written permission from the "engineer in charge of the highway." First, I am not sure there is an "engineer in charge of the highway." There may be project engineers for a particular DOT/PF project; however, I am not sure they normally give written permission to the contractor allowing that contractor to take down "Road Closed" signs which were placed by that contractor.

Page 1 - Line 26. Section 11.46.462(a).

This section makes it unlawful to possess an official traffic control device unless the person is "an employee of or a contractor for a state or municipal agency acting in an official capacity." This provision leaves out mention of utility companies and their agents, employees and contractors; barricading companies which may rent barricades to utility companies, state and municipal agencies, or contractors; and it does not mention employees of or agents of a contractor. In short, many of the persons who are engaged in the placing (and the obvious possession) of barricades will be made criminals by this section.

Page 2 - Line 7. Section 11.46.464(a).

This section makes it a crime for a person to remove, relocate, deface, shoot at, etc. an official traffic control device unless that person is

Lloyd Jones
February 9, 1987
Page 3

"an employee of or a contractor for a state or municipal agencies acting in an official capacity." We have the same comments with respect to this section as with Section 11.46.462. Namely, there are many more entities involved in the removing of traffic control devices which should be included within the exception.

Page 3 - Lines 8-21.

This section of the bill defines "official traffic control devices", "private traffic control devices" and "traffic control devices." Quite frankly it becomes very difficult to differentiate between an official traffic control device and a private traffic control device particularly when that "traffic control device" could include a barricade, flare, reflector or some such similar device. How does the prosecution establish that a barricade in the possession of a suspect is an "official" barricade?

RECOMMENDATIONS

Section 11.46.460(a)

1. Eliminate reference to AS 19.10.100 which refers only to "Road Closed" signs;
2. Expand the application of this subsection to roads and not limit it to highways.
3. Exclude from the operation of this section those drivers or owners of vehicles engaged in the particular construction work or authorized to be present.

Section 11.46.460(b)

1. Eliminate reference to AS 19.10.100 which again refers only to "Road Closed" signs placed under the authority of DOT/PF.
2. Eliminate the written permission from the engineer in charge of the highway.
3. Eliminate from the statute the same category of persons excluded in our comments to Section 11.46.460(a).

Section 11.46.462 and 11.46.464.

Expand the group of persons excluded from the operation of these statutes as follows:

"A person, except an authorized employee or agent of: 1) a state or municipal agency; 2) a utility company; 3) a contractor registered under AS 8.18 or 4) a person engaged in the business of manufacturing, selling or renting traffic control devices, commits the crime of..."

Lloyd Jones
February 9, 1987
Page 4

In summary we appreciate the concern of the Legislature in addressing this issue; however, please be aware of the effects of this legislation on those which you are obviously trying to help. A thorough review of how other states have handled this problem may be appropriate before further action is taken on this matter.

Sincerely,

ALASKA CHAPTER
ASSOCIATED GENERAL CONTRACTORS



William F. Reeves
General Counsel

WFR/dlc

cc: Senator Jan Faiks
Senator Arliss Sturgulewski
Sue Fleischhauer, DOT/PF Legislative Liaison
Jim Voights, NUCCA
Ike Waldrop, NECA
Dale Teel, President, Enstar Natural Gas
Tom Stahr, General Manager, Municipal Light & Power
John Harshman, General Manager, Anchorage Telephone Utility
Rick Newland, General Manager, Chugach Electric Association
Marie Wilson, Warning Lights of Alaska

S B

25

SENATE TRANSPORTATION COMMITTEE

Bill Checklist

Bill Number and Title SB 25, Tax assesment of private airports

Date Received in Committee 1/19/87

Report of Prior Committee none

Back-up from Sponsor(s): Requested Chris 1/22/87 Received _____

Sectional Analysis: Requested _____ Received _____

Position Paper: Requested _____ Received _____

Fiscal Note(s):

Agency DOT Requested 1/21/87 Received 1/30/87

Agency _____ Requested _____ Received _____

Agency _____ Requested _____ Received _____

Committee Substitute: Requested _____ Received _____

Scheduled 2/3/87

Heard _____

Reported out _____ CS _____ ()

Items for Committee Packets

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

Comments:

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 1 20 87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

1/19/87

DATE TURNED INTO OFFICE 2/04/87

Mr. President:

TRANSPORTATION Committee considered SB 25

providing a special assessment for private airports open for public use; efd.

and recommended:

[] replace with CS _____ [] same title
[] new title
 attached amendment(s) and

do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Fabrent...
Tim Kelly
...
...

Howard Jones - Do Pass
Chairman signature and recommendation

[] Committee Backup Attached

SENATE AMENDMENT

BY: Transportation Committee

TO: _____ SENATE BILL NO. 25

TO: _____ HOUSE BILL NO. _____

On Page 2, Line 8,

Delete "or intended for use"

On page 2, Lines 9 and 10,

delete "or intended for use"

(TURN IN ORIGINAL AMENDMENT TO SENATE SECRETARY'S OFFICE.
THE AMENDMENT WILL BE NUMBERED, COPIED AND DISTRIBUTED.)

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

REQUEST: _____

Bill Versi... SB 25
Publish Date: _____

Revision Date: Original
Title: Special Assessment for private airports open for public use...
Sponsor: Bennett
Requestor: Senator Jones

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This Bill will not impact DOT&PF. All duties, authorities and responsibilities rest with the municipality and the owner of the airport.

Prepared by: Ron B. Lind Phone: 465-2171
Division: Plans, Programs and Budget Date: _____

Approved by Commissioner: [Signature] Date: 1/30/87
Agency: Department of Transportation and Public Facilities

Distribution (by preparer):

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

Editorial Opinion and Comment of

FAIRBANKS

Daily News - Miner

"Independent In All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

Airfield options

Private airports face an uncertain future in urbanizing areas such as Fairbanks.

Because these airports require lots of land in comparison to the income they can earn, property taxes can threaten their very existence.

A bill being introduced in the legislature by Sen. Don Bennett (R-Fairbanks) would allow local governments to give a property tax break to private airports that are open to the public. Rather than a break, it would be more of a just tax considering their value to the communities they serve. At present, state law prohibits municipalities like the Fairbanks North Star Borough from offering such tax breaks except to farmland.

Private airports make an important contribution to Alaska aviation. Among other things, they help draw light planes away from major government-run airports that serve airliners and other heavy aircraft. Anything that separates small planes from their bigger brothers increases the safety and convenience of all air travelers.

In addition, they reduce the need to expand government-run airports, reducing the demands on the public purse.

Bennett's bill would not *require* tax relief for private airports; it would only allow such relief. The choice would be up to the local government, just as it should be. And the tax break could be extended only to private airports open to the public.

This bill would cost the state nothing while providing an important and useful option to local government in Alaska. We hope it passes.

Backup

S B

31

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

April 7, 1988

The Honorable Lloyd Jones
Chair, Senate Transportation
Committee
P.O. Box V
Juneau, Alaska 99811

Dear Senator Jones:

Subject: Senate Resolution 31, relating to the official designation of state scenic highways by the Department of Transportation and Public Facilities.

Position: While the Department of Natural Resources supports the continued development of tourism in Alaska, we also support the use and development of the state's natural resources. We are concerned that scenic highway designations could unnecessarily restrict or prohibit the use and development of natural resources adjacent to or in the view-shed of designated roads and urge caution in implementing this program.

Background: The department has been involved in several efforts to establish scenic highways in Alaska. As you may know, Section 1311 of ANILCA required that a study of the 335 mile long road corridor between Denali and Wrangell - St. Elias National Parks be conducted to determine whether the highway should be designated as scenic. The completed study led to the conclusion that it was not necessary to designate the corridor as scenic to ensure its protection because both the state and the federal government possessed sufficient authority to protect Alaska's scenic resources.

The department currently addresses scenic resource protection during the development of area or other land use plans. In addition, scenic values are protected through lease, contract or permit stipulations and requirements.

It should be noted that gravel and material deposits necessary for road and other construction activities are often

April 7, 1988

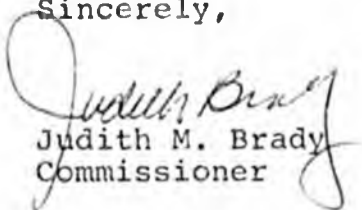
located within or adjacent to highway rights-of-way. Timber harvesting, mining, and oil and gas development may also occur within highway view-sheds and could be severely impacted by scenic highway designations.

Recommendation: We recommend that scenic highway programs in other states be examined and that answers to the following questions be developed before an Alaska Scenic Highway program is established.

- o What restrictions would be imposed on areas adjacent to or in the view-shed of a scenic highway?
- o What additional costs would highway businesses incur because of scenic highway restrictions?
- o Would marine highways be included in the program?
- o Could scenic highway designations be considered during the state's area planning process?

We would be happy to work with the committee and the Department of Transportation and Public Facilities concerning this matter. Please let me know if you would like additional information.

Sincerely,


Judith M. Brady
Commissioner

cc: Committee Members
Bill Sponsor
Bob Evans
Rod Swope
Commissioner Hickey

FISCAL NOTE

REQUEST:

Revision Date: 4/8/88
Title: Scenic Highways
Sponsor: Sen. Kerttula, Szymanski
Requestor: Senate Transportation Com.

Agency Affected: Natural Resources
BRU: Land and Water Management
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

As currently written, this resolution would not result in the additional expenditure of funds by the Department. However, if extensive planning work for scenic highways is necessary within a particular period of time, additional operating funds may be needed.

Prepared by: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 4/8/88

Approved by Commissioner: Lennie Gorsuch Date: 4/11/88
Agency: Natural Resources

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

STATE OF ALASKA



SENATE JUDICIARY COMMITTEE

SEN. JAY KERTTULA
SEN. ARLISS STURGULEWSKI
SEN. JAN FAIKS
SEN. JOE JOSEPHSON
SEN. PAT RODEY

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3717
(907) 465-3771

DATE: April 20, 1988
TO: *Lloyd*
Senator Lloyd Jones, Chairman
Senate Transportation Committee
FROM: Senator Jay Kerttula
RE: SR 31, Scenic Highways

I would appreciate your scheduling SR 31, Scenic Highways, for a hearing in Senate Transportation at your earliest possible convenience. This resolution addresses the designation, design, construction and maintenance of state highways as scenic highways.

Attached is a position paper from the Department of Transportation and Public Facilities. DOT/PF is in support of SR 31.

Also included is additional information for your use. Thank you for your consideration of SR 31.

REQUEST: FISCAL NOTE

Revision Date:
Title: Relating to scenic highways.

Agency Affected: DOT&PF
BRU: Engineering & Operations
Standards

Sponsor: Kertula and Szymanski
Requestor: J.C. RAY

Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	20	0	0	0	0
TRAVEL	0	2	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0.5	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	22.5	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	22.5	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	22.5	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0.5	0	0	0	0

ANALYSIS: The department proposes to address the broad range of policy and financial aspects of a scenic highway program with a short, 6 month study based principally on an evaluation of programs in other states and provinces. This effort envisions use of an Alaskan graduate student pursuing an education in a field with expertise in scenic resources. A report would be available at the beginning of the 16th Legislature addressing policy options concerning scenic highways, including budget implications. Fiscal impacts beyond FY 1989 would be presented in this position paper. The department's position paper describes this further.

Prepared by: Jeffery C. Ottesen, Director
Division: Engineering and Operations Standards

Phone: 465-2951
Date: March 11, 1988

Approved by Commissioner: 
Agency: Department of Transportation and Public Facilities

Date: 3/11/88

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



Dept. of Transportation & Public Facilities

POSITION PAPER

BILL NO: Senate Resolution No. 31
TITLE: An act relating to Scenic Highways

APPROVED: Mark S. Hickey
Commissioner
DATE: 3-11-88

This resolution addresses a potentially significant program concerning the designation, design and construction, and maintenance of state highway facilities as scenic highways. This concept is used in a number of states and it is conceptually appropriate for Alaska given the grandeur of our scenic resources and the ever growing tourism industry.

Implementation of such a program would require the establishment of criteria and procedures, as well as differing design and maintenance standards suited to scenic highway status. This initial work is not readily accomplished through existing staff and resources as it represents both a significant endeavor and one requiring expertise not currently available within the department.

Subsequent cost differences, if any, concerning maintenance and design standards are not identifiable at this time.

While the resolution, as now written, requests implementation of a scenic highway program including standards development, staffing and public awareness campaigns, the department would suggest an evaluation of options by examining the programs now in place in other localities. This initial examination could be accomplished prior to the next session, and recommendations for the manner and format contained therein.

We propose this approach, not as an attempt to "study the concept to death," but to define both the most meritorious approach and the one with the least pitfalls. For example, some programs have caused significant delays in highway reconstruction because the scenic designation required more elaborate environmental reviews than is normally undertaken. Other states have found that even routine maintenance activities, such as brush cutting, require a multiplicity of approvals after a scenic designation is invoked.

Our recommendation would be for the department to examine the value and merits of a scenic highway program, including evaluations of programs in other jurisdictions to determine what works well, and what hasn't. This examination should also define potential costs to both operating and capital budgets relative to various options.

The department requests funding for a 1/2 FTE to temporarily hire an Alaskan graduate student pursuing an education in scenic resources, landscape architecture, the tourism industry or a related discipline.

With the recommendations contained herein, the department endorses this resolution as both timely and important to the relationship of state supported transportation to the visitor industry.

For further information call Susan Fleischhauer at 465-3900

MAR 14 1988

March 9, 1988

Dear Senator Jones,

MAR 14 1988

I am the chairman of the "Sheep Mountain Coalition." In 1982 we visited Senator Kertula in Juneau and initiated the introduction of legislation which would establish a scenic highway system for Alaska. We also introduced a bill to appropriate funds to do a comprehensive study of the scenic resources along the Glenn Highway, so that portions of it could be determined appropriate for "scenic" status. Unfortunately, it was late in the session in 1982, and for personal reasons I was unable to campaign for a scenic highway system again until now.

I would like to express a few ideas in support of Senate Resolution No. 31, in hopes that you will find it worthy of Committee consideration as soon as possible.

- 1) Driving for pleasure is the most popular outdoor recreational activity in the United States.
- 2) Tourism is the leading industry in Alaska.
- 3) Alaska's world-class pristine mountain scenery is perhaps its main attraction to visitors.

4) Most visitors and most residents experience Alaska from the road system most of the time.

5) The idea of a scenic highway system is very popular with Alaskans who have all types of political, economic, and personal perspectives. We easily and quickly collected over 200 signatures in 1982, with very little opposition.

6) Initial scenic highway legislation can be administered on state and federal lands. Since a Scenic Highway System will promote economic growth as well as preservation of scenic beauty, it is in the public interest to initiate some legislation before more pristine vistas are lost to careless placing of powerlines, gravel pits, and other disruptive land uses. Other land uses can occur on state lands where scenic resource quality is lower and less fragile than on those segments of highways designated as "scenic."

The Senate Resolution No. 31 is just a first step;.. Scenic Highway legislation is a chance for Alaskans to manage its number one resource wisely.

Colour May
o'toad Thank You,
Linden Colour O'Toole

SXC. box 8488-C
Palmer, Alaska 99645
746-1009

Scenic Highways
billfile

~~Beth
Jupiter~~

MAR 14 1988

March 9, 1988

Sheep Mountain, Alaska

Dear Senator Kertula,

I am writing to express my support and enthusiasm for Senate Resolution No. 31 relating to scenic highways. I would really like to see legislation passed and appropriations made to fund scenic resource evaluation studies ... hopefully next year the political climate will be more ready for a stronger action.

There are a few points I would like to make in support of the establishment of an Alaska Scenic Highway System:

1. Driving for Pleasure is the most popular outdoor recreational activity in the United States.
- 2) Tourism is perhaps the leading revenue-producing industry in Alaska.
- 3) Alaska has some of the most spectacular road-side landscapes in the world. Most people who visit Alaska are attracted in large part to view pristine scenery.

- 4.) The great majority of All people (tourists and residents alike) spend most of their time on the road system. Many, Many times more hours of recreational viewing are experienced along Alaska's highways than in designated recreational areas.
- 5.) The idea of carefully managing Alaska's remaining unblemished vistas is very popular with Alaskans in all walks of life. Four years ago when the concept was first introduced by the Sheep Mountain Coalition, we quickly and easily obtained two hundred signatures stating support of designating the Glenn Highway as 'scenic'
- 6.) Scenic resources are currently considered in some State land use planning, but are generally secondary in importance to more tangibly profitable land uses such as settlement, timber production, and mineral extraction. Because of the difficulty in assessing the direct monetary return from landscape management, it has been considered to be less important than the developments which damage its integrity. If there was a complete analysis of how State road-side lands should be utilized in Alaska, it would probably

become very apparent that maintaining the pristine quality of highly scenic areas is probably a sound economic idea. Tourists come to see beautiful, wild country; not a maze of gravel pits, power lines, clear cuts, and subdivisions.

7) Because much of the land adjacent to Alaska's road system is still under state and federal ownership, we have a unique opportunity to manage a scenic resource of world-wide importance. Once a scenic highway system is established, funds should be appropriated to evaluate each highway under consideration for designation. A comprehensive report on each highway should identify those portions of the road which should be managed as "scenic highway," and also those areas where other uses such as settlement or disruptive land uses would be of least impact. In this manner, all land uses may co-exist, and the most appropriate area for each type of use will be identified. On lands designated as scenically superior and fragile, visual impacts such as road upgrades, powerline construction, and other projects which will cause potential loss of scenic values should be

placed in a manner which is most sensitive and least disruptive to the scenic experience of roadside viewers.

8) Each year Alaska loses many pristine vistas. A scenic highway system is something which needs to happen as quickly as possible, before we carelessly forfeit the grand gift which nature has blessed us with, in trade for the small savings on power and development projects which we consider to be more important in our short-sighted vision.

Thank you for your support of a Scenic Highway System for Alaska. It may be one of the most significant pieces of legislation of your career in the State Senate. You are helping to preserve the experience of wild and beautiful landscapes for millions of people to enjoy.

Sincerely,

Linden Coloum O' Toole
SRC box 8488-C
Palmer, Alaska 99645
746-1009

Scenic Highway Designation
for the Glenn Highway

1. The exact shape and implications of this designation for the Glenn Highway are not known at this time because Alaska currently has no such category for its highway system. In other states such as Oregon, there are several scenic highways in the coast range and the most outstanding portions of public lands have been accorded scenic highway status. The principal aim there has been to protect the view from highway. The effect is that trees are much closer to the highway than current federal standards permit, graceful curves are retained unless they are a proven hazard, and roadside vegetation is permitted near the travel surface to permit viewing of flowers, ferns and shrubs. Turnouts for scenic viewing are numerous as are roadside picnic, trail and camping facilities. In short, it is a highway for the traveler and recreationist and has helped establish Oregon's reputation as one of the most beautiful states to visit.

Along the Glenn Highway, the immediate foreground is very important because it gives the traveler his closest impression of the country and provides the base or frame of reference for viewing distant scenery. However, the mid-ground along the Glenn is crucial because of the open nature of terrain and trees. This is where unsightly powerlines, subdivisions, etc., may be sited to avoid obvious foreground locations. The background mountains are generally safe from all but the most drastic landscape modifications such as mining operations, roads or metal buildings. Scenic consideration of the Glenn Highway should include appropriate protective measures for each of the three distances.

2. A scenic assessment or study along the Glenn Highway between Palmer and Glennallen would identify the finest landscapes and recommend a scenic designation where the highway passes through public lands of this caliber. The portion between Chickaloon River and Tazlina Lake would receive close scrutiny. These are extraordinary landscapes even for Alaska.
3. Scenic protection measures would not be recommended for private lands. However, a cooperative attitude would be sought from private land owners to protect the integrity of the scenic concept, particularly where native lands constitute large blocks along the highway. Efforts would be made to show that scenic protection is in everyone's best interests.
4. Where the study recommends scenic highway designation, scenic protection measures would be the primary use or concern, but not the exclusive one. Other uses would be allowed but modified to protect visual or scenic values. For example, power lines would be consciously located out of sight, often times at no greater cost. Land disposals, gravel extractions, and timber sales would likewise be located to take advantage of terrain interruptions or vegetative screening. The viewshed from the highway would be maintained as it now is, with compatible uses allowed wherever possible or appropriate.
5. Highway reconstruction would require careful design review or oversight by landscape architects or others trained in visual assessment techniques.

6. Scenic highway protection along the Glenn would call for more scenic turnouts, observation points, trailheads, picnic and camping facilities and a somewhat higher level of use and enjoyment than occurs in the area at the present time. Turnouts would also reduce conflicts between sight-seeing motorists and destination-oriented motorists by accommodating travel speed differences. There would be more greenbelts on public lands along the highway and maintenance procedures would have to protect attractive roadside vegetation and keep important views open by careful thinning.

This is the essence of what a Scenic Highway designation would do for the Glenn Highway, after the study is completed and recommendations implemented. It would protect one of the world's most beautiful highways for this and succeeding generations for the enjoyment of residents, visitors and travelers. If the highway is not protected soon, the consequences of unsightly development will be irreversible.

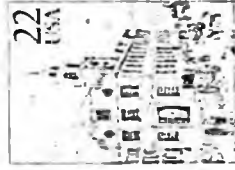
* * *

For further information contact Colour May at Sheep Mountain Lodge.

Calour O' Toole

NY 8488-C

1, Alaska 99645-



Feb 6, 1988

Massachusetts



Feb 6, 1988

Massachusetts

Sen. Jay Kertula

Box V

Juneau, Alaska

99811

SR 31

- would use portions of existing roads.

- what restrictions on other resource use in the area?

Beth

} To utilize existing highway's but not interpreted that way by DOT.

We can tighten up the language more specific => keep the highways = edw



S B

8 4

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 84

Publish Date: _____

REQUEST 1-30-87

Revision Date: 1-30-87

Agency Affected: DOT&PF

Title: \$65.0 million in G.O. Bonds for
Widening Glenn Hwy: Eklutna to Parks

BRU: Design and Construction

Sponsor: Kerttula

Components: _____

Requestor: Jones

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						55.0
TRAVEL						
CONTRACTUAL						125.0
SUPPLIES						70.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	\$250.0
CAPITAL	\$305.0*	\$200.0*	\$8,000.0*	\$35,100.0	\$17,000.0	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	15.2	10.0	421.6	1,849.8	895.9	250.0
FEDERAL FUNDS	289.8*	190.0*	7,578.4*	33,250.2	16,104.1	
OTHER						
TOTAL	305.0*	200.0*	\$8,000.0*	\$35,100.0	\$17,000.0	\$250.0

POSITIONS:

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

ANALYSIS:

-- See attached page --

* Federal Authorization for these amounts has already been received. The Department will request authorization to receive and expend the additional federal funds in subsequent capital budget requests.

Prepared by: William R. Snell (signed)

Phone: 266-1440

Division: Deputy Commissioner, Central Region

Date: 1/30/87

Approved by Commissioner: *Robert L. ...*

Date: 2/2/87

Agency: _____

Distribution (by preparer):

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

Fiscal Note Analysis
SB 84

1. Analysis of the fiscal impact on existing programs.

The sale of General Obligation (G.O.) bonds would change the funding source for a portion of this project from federal funds to State funds; however, the project would continue to be developed to federal standards in order to be able to use federal funding for future improvements. There would be no impact on the DOT&PF's current schedule in development of this project to widen the Glenn Highway to four lanes from Eklutna to the Parks Highway.

The total cost of the project is estimated to be \$142,000,000. The first phase, the widening of a the Glenn Highway to four lanes from Eklutna to the Parks Highway, is estimated to cost \$60,000,000. The Department already has approximately \$8,000,000 of this authorization which will enable work to continue through FY'89. The additional estimated \$52,000,000 authorization, which will be needed to complete the first phase of the project, will be included in future budget requests.

The ultimate project, which would contain interchanges at the Parks and Old Glenn Highways, is estimated to cost \$142,000,000. The \$100,000 authorization for the Preliminary Engineering of the Glenn Highway/Parks Highway Interchange is anticipated to be requested in FY'90. The balance of the needed funding is beyond the horizon of the 6-year Capital Improvement Program.

2. Analysis of the fiscal impact on new programs.

Substituting G.O. bond funds for federal funds would free up this federal funding for other projects throughout the State.

3. Analysis of how the figures in the fiscal note were developed.

The FY'90 \$35,100,000 and the FY'91 \$17,000,000 capital amounts are the Department's current best estimate of authorization needed to complete the first phase. \$100,000 of the \$35,100,000 amount will allow the start of preliminary engineering for the Parks/Glenn Interchange.

G.O. bond fundings would not change the overall fiscal requirements of the project. Beginning in FY'92 there would be at least \$250,000 yearly in additional maintenance costs. This is computed by multiplying 30 new lane miles of road: 10 miles x 3 (2 additional lanes + wide shoulders) by the estimated \$7,500 cost per lane mile and providing for \$25,000 annual repairs to the new bridges. If at that time new equipment is required, the costs could be substantially higher.

4. Other information.

The DOT&PF agrees that widening the Glenn Highway from Eklutna to Parks Highway to four lanes is a much needed project, and in fact, has included it as a high priority in the Six Year Capital Improvement Program. Through the Mat-Su Borough planning process, this project has been identified as the top priority project for the area.

Specifically, the ultimate project would widen the Glenn Highway to four lanes from Eklutna to the Parks Highway with interchanges at the Parks and Old Glenn Highways. The first phase of the project (widening to four lanes) is estimated to cost \$60,000,000. The total cost with interchanges is estimated to be \$142,000,000.

The Department spent approximately \$460,000 in FY'83-'85, \$270,000 in FY'86, and we estimate \$305,000 will be spent in FY'87 and \$200,000 in FY'88 on this project. This money was spent to meet project develop requirements of the Federal Highway Administration (FHWA) such as the location report, Draft Impact Statement, etc. As mentioned above, additional authorization will be requested in future budgets when needed.

A community meeting was held in Wasilla on October 29, 1985 to introduce the project and explain the development process of a federal aid project. One of the major hurdles, the Draft Environmental Impact Statement (DEIS), was submitted to the FHWA on December 18, 1986. Following approval of the DEIS by the FHWA, the project will proceed to design. We anticipate that right-of-way acquisition could begin as early as 1989 and construction could be completed in 1992. At this time there is no reason to believe this project cannot be developed in a timely manner.

Wetlands and wildlife habitat impacts are part of the social and environmental issues being addressed in the DEIS. We do not anticipate any problems with the wetlands as the Alaska Legislature exempted the right-of-way for the project from legislation establishing the Palmer Hay Flats Game Refuge (AS 16.20.032), and the U.S. Fish and Wildlife Service and the Corps of Engineers have cooperated with our development efforts. There will be some required wetland mitigation, but the extent will not be known until the DEIS has been accepted by the FHWA.

S B

100

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 100

Publish Date: 2/3/87

REQUEST _____

Revision Date: _____

Title: An Act relating to the taxation of watercraft motor fuel

Agency Affected: _____

BRU: _____

Sponsor: Jones by Request

Components: _____

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	(3000.0)	(3000.0)	(3000.0)	(3000.0)	(3000.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Analysis assumes an effective date of July 1, 1987. See attached.

Prepared By: ^{DT} David Tonkovich

Phone: 465-2173

Division: Research/Revenue

Date: 2/12/87

Approved by Commissioner: [Signature]

Date: 2/16/87

Agency: REVENUE

SEE ADDITIONAL

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Senate Secretary

FISCAL NOTE ON ADMINISTRATIVE COST

Continuation for Fiscal Note Analysis

SB 100

Analysis:

This legislation exempts from the \$.05/gallon marine fuel tax that fuel which is purchased outside the State's jurisdiction but is brought into the state for use by a watercraft.

It is the State's contention that fuel used within the three mile limit is subject to the fuel tax. This contention is currently the subject of an administrative hearing process. Because of uncertainty over the outcome of that process current revenue estimates do not include these potential revenues.

There are three pieces of information required to estimate the revenue impact of this bill: 1) The volume of vessel traffic into and out of Alaska; 2) The amount of fuel used within the State's jurisdiction by these vessels; and 3) The portion of the fuel purchased outside the State. Unfortunately there is only fragmentary data on any of these items.

An earlier fiscal note on this topic (SB 387, 1986 Legislative Session) tried to provide a rough estimate of the impact of excluding this fuel usage from the tax. The procedure to develop that estimate is summarized below. Because there have been no further returns filed on this element of the marine fuel tax (pending the outcome of the administrative hearing process) the figures developed for that legislation remain our best estimate of the impact.

The estimate contained in the note for SB 387 was prepared by dividing potential collections into two parts:

1. Revenues from users whose tax liability could be estimated from data on the number of trips, average fuel consumption and time in Alaska waters. Also, for several of these users a full year return was available. This part of the estimate covered these major users:

Tankers into and out of Valdez
Cruiseships in Southeast Alaska
Several large common carriers serving Southcentral Alaska
Several carriers distributing petroleum products for local use.

Our estimate for these users is \$2 million annually.

2. Revenues for remaining users. This tax liability is more difficult to estimate because of the diversity of users and the fact that available returns cover only part of the year. This estimate would cover many of the common and contract carriers, freighters hauling raw materials and semi-finished products such as LNG, fish processors and a variety of other users.

Our estimate for these users is \$1 million. Because of the numbers and variety of users involved this estimate is probably conservative.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 100

REQUEST _____

Publish Date: _____

Revision Date: 2/12/87

Agency Affected: Revenue

Title: An act relating to taxation of watercraft motor fuel

BRU: _____

Sponsor: Jones

Components: _____

Requestor: Transportation & Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

POSITIONS:

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

ANALYSIS: See attached.

Prepared By: Steven E. Kettel *Steven E. Kettel*
Division: Audit

Phone: 465-2320
Date: 2/12/87

Approved by Commissioner: HT Malone
Agency: REVENUE / SEE ADDITIONAL

Date: _____
FISCAL NOTE
ON REVENUE
IMPACT

Distribution (by Agency preparing fiscal note):

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

Senate Bill 100
Fiscal Note Analysis
February 12, 1987

SB 100 amends definitions in AS 43.40.100 by correcting language usage and adding a section under the definition of motor fuel which excludes from the definition that fuel originating outside the jurisdiction of the State and brought into the State in fuel storage tanks on watercraft for the purpose of operating said watercraft, engines on the watercraft or auxiliary watercraft carried by the watercraft.

It is current Department policy that watercraft of all types, whether engaged in intrastate or interstate commerce must pay the five-cent watercraft motor fuel tax on fuel consumed or used in Alaska. This policy has been conveyed to the water transportation, crude oil tanker, cruise ship and fish processing industries. This position has been challenged by the industry and is currently in the formal hearing process.

We believe it is sound public policy to assert the tax against the interstate shipping industry. First, the levy is borne by Alaska resident shipping companies and puts them at a competitive disadvantage with foreign companies which are not taxed or their fuel purchased in other jurisdictions. Second, there is substantial revenues at stake, conservatively estimated at \$3 million per year.

Suggested Amendments:

Sub-paragraph (M) exempts fuel consumed by "auxiliary watercraft carried by the watercraft." It is our understanding that the sponsors do not intend to exempt from tax fuel consumed by fish processing facilities in the State, especially fishing vessels or other smaller watercraft which enable the processing vessel to take fish in Alaskan waters. The amending language may provide a loophole for fish processors, and we suggest amending language be drafted which disallows the exemption to vessels while they are fishing in Alaskan waters.

The amendment also may permit fish processors to be exempt from tax on fuel used by on-board generators and other engines not associated with propulsion of the vessel. This is also outside the scope of the sponsor's intention.

February 9, 1988

Mr. Bob Evans
Legislative Liaison
Office of the Governor
P. O. Box A
Juneau, Alaska 99811

Dear Bob:

This is to follow up our recent conversation regarding watercraft fuel taxation issues now under consideration by the Legislature.

There are two separate matters of concern which have shifted back and forth from the Administration to the Legislature due to 1987 AG opinions:

- (1) Does the State have the authority to tax fuel purchased out-of-state, but consumed in Alaska? As a matter of policy, should the State seek statutory authority if it does not now possess it?
- (2) Does the State have the authority to issue rebates of the State fuel tax for fuel purchased in Alaska but consumed out-of-Alaska? If not, is this a good policy?

With respect to fuel purchased out-of-State, the State has historically taken the position that no tax should be levied on fuel purchased out-of-State but consumed in-State. By "historically", I mean from territorial days until 1985, when the Department of Revenue used creativity to interpret its statutory authority to permit the collection of such a tax. Various marine carriers filed suit against the Department in 1985 regarding its authority to levy the tax by regulation, and won a procedural

Mr. Bob Evans
Office of the Governor
February 9, 1988
Page -2-

victory last year. The AG's office then opined that the Department should not attempt to reimpose the tax without specific legislative authorization. (Before the Ag's opinion, two bills had been introduced (SB 100/HB 280) to clarify the statutes to make it clear that the State did not have the authority to levy the tax.)

This issue has been resting peacefully until recent legislation (SB 366/HB 401) was introduced dealing with rebates for fuel purchased in-State, but consumed out-of-State. Historically, the State has been granting these rebates, but discontinued them last year when the AG's office told Revenue it lacked the statutory authority to do so. In the first hearing on SB 366, the Department of Revenue suggested to the Senate Resources Committee that it would support recontinuation of the rebates if the Legislature would give it the specific authority to tax out-of-State fuel. In a subsequent hearing on HB 401, the Department indicated it was drafting a bill to accomplish this.

Before the Governor's office makes a decision on whether to introduce the Department of Revenue's proposed legislation, I urge you to consider the following arguments in opposition to the concept:

- (1) The tax would add a "surcharge" to virtually all food and basic goods transported by water to Alaska. All the marine transportation companies would be forced to pass this new charge along to the "customer", which is all of us.
- (2) The tax could not be fairly applied, since it would catch major carriers, but miss charter operations, private vessels, etc. The State has no way of monitoring such trips to Alaska, so it would not be likely to collect the tax.
- (3) The same tax has also been considered by Revenue for aviation fuel purchased for aircraft flying into Alaska, as the same logic would apply to the State's tax jurisdiction over activities in air space as in the water. Such a tax would run counter to DOT and CED efforts to attract more air traffic into Alaska's major airports, particularly Anchorage.
- (4) There is no clear relationship between the proposed tax and public services rendered to those being taxed. The marine carriers operate to and from private facilities, and receive no State services that I can think of.

Mr. Bob Evans
Office of the Governor
February 9, 1988
Page -3-

On the other hand, providing a rebate for fuel purchased in-State but consumed out-of-State does make sense, because it encourages more business for shore based facilities which would otherwise go to offshore supply ships. This incentive for attracting business is widely used in other coastal states. Those states (i.e., Washington) which offer rebates, do not generally collect taxes on fuel purchased in neighboring states but consumed en route to their home ports. This would clearly serve as a dis-incentive to interstate commerce and diminish the impact of their port marketing programs.

For these reasons, I believe that the Administration should not link the two issues (i.e., the revenue from one pays the cost of the other) because they are separate and distinct issues. Further, I urge you to maintain the State's historic position on fuel taxation for sound public policy reasons.

Sincerely,

/s/
Reed R. Stoops

RRS:sd/rs.81



SOUTHEAST STEVEDORING CORPORATION

CONTRACTING STEVEDORES

P.O. BOX 8080

KETCHIKAN, ALASKA 99901

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"Sousteve"

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225-6157

Telex:
099-55-295

February 24, 1987

The Honorable Lloyd Jones
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Re: Senate Bill No. 100

Dear Senator Jones:

On behalf of the foreign flag operators conducting business within the State of Alaska, I would like to thank you for introducing Senate Bill No. 100. I am sure Wes Coyner and Ray Gillespie have given you a brief history regarding our plight against the Department of Revenue and their new interpretation of the Alaska motor fuel tax as it pertains to taxation of motor fuel used as ships stores. Doing business with the Department of Revenue is an educational experience in itself.

I wish that Cliff and myself would have had time to visit with you while in Juneau this past week. However, I do realize you also have a very busy schedule leaving yourself with little free time. I have heard many good things in regard to the work you are doing in Juneau as a freshman Senator. Of course there is no doubt in our mind you will do a good job representing the interests of the Ketchikan area residents as well as the State of Alaska.

Thank you again for your support of this bill. I hope to have the opportunity to stop by and visit with you on my next trip to Juneau.

Sincere regards,

SOUTHEAST STEVEDORING CORPORATION


Bill Sharp
Operations Manager

BS/ng

STATE OF ALASKA

DEPARTMENT OF REVENUE

STEVE COWPER, GOVERNOR

STATE OFFICE BUILDING
P.O. BOX 5A
JUNEAU, ALASKA 99811-0400

February 20, 1987

FEB 22 1987

OFFICE OF THE GOVERNOR

The Honorable Tim Kelly
P.O. Box V
Juneau, AK 99811

Re: Senate Bill No. 100

Dear Senator Kelly:

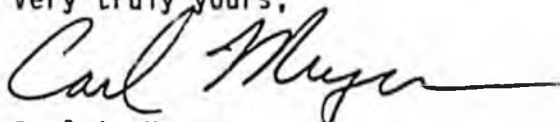
I am providing through this letter the information you requested during the hearing on the above referenced bill. The information concerns the amount of tax the Department has received with voluntary filings of motor fuel tax returns for fuel purchased outside the state but consumed in transit through the territorial waters of the state.

The department has received returns with tax payments of \$1,409,931.81 from marine fuel users falling within that category. Under Senate Bill No. 100, these taxpayers would have a right to seek refunds of those tax payments.

Marine fuel users are not currently filing returns with the department for fuel purchased outside the state but consumed within the state. The department and a number of the marine fuel users entered into an agreement in late 1985 that provides for additional returns to be filed, if necessary, with payment of tax and interest after the resolution of the dispute on the interpretation and reach of the motor fuel statute. Although other marine fuel users are not parties to this agreement and therefore face potential penalties, it appears that these taxpayers are also waiting to see how the dispute will be resolved before filing further returns. Therefore, the department does not anticipate receiving significant revenue in addition to that already received until after the conclusion of the appeal process.

Thank you for the opportunity to testify and to provide information on this subject.

Very truly yours,



Carl A. Meyer
Chief of Audit Appeals
(907) 465-2343

cc: Senator Lloyd Jones
Chairman, Senate Transportation Committee

87-21

ALASKA STATE LEGISLATURE


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3813 Denali Street
Ketchikan, AK 99901
907-225-9082

While in Juneau
P.O. Box V
Juneau, AK 99811
907-465-3743

Senator Lloyd Jones

MEMORANDUM

TO: Senate Transportation Committee Members

FROM: Senator Lloyd Jones 

DATE: February 19, 1987

SUBJECT: Senate Bill 100

I have introduced this legislation, by request, to clarify existing law with regard to the transportation of watercraft motor fuel into the state. This legislation is identical to legislation that died in the House Rules Committee last year.

From 1946 until 1985 the state has not taxed watercraft motor fuel which is purchased outside Alaska waters and brought into the state in fuel storage tanks on watercraft for the purposes of operating the vessel. This legislation would maintain that long-standing policy.

The state will not realize a revenue loss, because it was not included as revenue source in the FY88 budget.

Issue can be taken with DOR's zero fiscal note for administration of a watercraft motor fuel tax. The cost of checking inbound vessels of all sizes would be, I think a big factor.

I urge the committee to support this legislation.

ALASKA STATE LEGISLATURE


Sen. Lloyd Jones, Chairman
Sen. John B. "Jack" Coghill, Vice Chairman
Sen. Mitch Abood
Sen. Bettve Fahrenkamp
Sen. Tim Kelly

P.O. Box V
Juneau, AK 99811
907-465-4921

Senate Transportation Committee

MEMORANDUM

TO: Senate Finance Committee

FROM: Senator Lloyd Jones, Chairman 
Senate Transportation Committee

DATE: March 11, 1987

SUBJECT: Senate Bill 100, Taxation of watercraft motor fuel.

The Senate Transportation was unable to come to a consensus regarding the proper fiscal notes for this bill. It was determined that the Senate Finance Committee could better deal with this particular issue.

A few of the questions were:

Should the revenue loss shown by the passage of this bill be reflected on the fiscal note? Particularly, when the it is not reflected in the FY 88 budget.

How much revenue has actually been collected? Revenue, during the committee hearing on the bill, could not provide the committee with an estimate.

The committee would appreciate your consideration of these issues.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 100
Publish Date: 2/3/87

REQUEST _____

Revision Date: _____
Title: An Act relating to the taxation of watercraft motor fuel
Sponsor: Jones by Request
Requestor: _____

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	(3000.0)	(3000.0)	(3000.0)	(3000.0)	(3000.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Analysis assumes an effective date of July 1, 1987. See attached.

Prepared By: David Tonkovich ^{DT} Phone: 465-2173
Division: Research/Revenue Date: 2/12/87

Approved by Commissioner: [Signature] Date: 2/16/87
Agency: REVENUE

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

SEE ADDITIONAL
FISCAL NOTE ON
ADMINISTRATIVE COST

Continuation for Fiscal Note Analysis

SB 100

Analysis:

This legislation exempts from the \$.05/gallon marine fuel tax that fuel which is purchased outside the State's jurisdiction but is brought into the state for use by a watercraft.

It is the State's contention that fuel used within the three mile limit is subject to the fuel tax. This contention is currently the subject of an administrative hearing process. Because of uncertainty over the outcome of that process current revenue estimates do not include these potential revenues.

There are three pieces of information required to estimate the revenue impact of this bill: 1) The volume of vessel traffic into and out of Alaska; 2) The amount of fuel used within the State's jurisdiction by these vessels; and 3) The portion of the fuel purchased outside the State. Unfortunately there is only fragmentary data on any of these items.

An earlier fiscal note on this topic (SB 387, 1986 Legislative Session) tried to provide a rough estimate of the impact of excluding this fuel usage from the tax. The procedure to develop that estimate is summarized below. Because there have been no further returns filed on this element of the marine fuel tax (pending the outcome of the administrative hearing process) the figures developed for that legislation remain our best estimate of the impact.

The estimate contained in the note for SB 387 was prepared by dividing potential collections into two parts:

1. Revenues from users whose tax liability could be estimated from data on the number of trips, average fuel consumption and time in Alaska waters. Also, for several of these users a full year return was available. This part of the estimate covered these major users:

Tankers into and out of Valdez
Cruise ships in Southeast Alaska
Several large common carriers serving Southcentral Alaska
Several carriers distributing petroleum products for local use.

Our estimate for these users is \$2 million annually.

2. Revenues for remaining users. This tax liability is more difficult to estimate because of the diversity of users and the fact that available returns cover only part of the year. This estimate would cover many of the common and contract carriers, freighters hauling raw materials and semi-finished products such as LNG, fish processors and a variety of other users.

Our estimate for these users is \$1 million. Because of the numbers and variety of users involved this estimate is probably conservative.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 100

Publish Date: _____

REQUEST _____

Revision Date: 2/12/87

Title: An act relating to taxation of watercraft motor fuel

Sponsor: Jones

Requestor: Transportation & Finance

Agency Affected: Revenue

BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

POSITIONS:

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

ANALYSIS: See attached.

Prepared By: Steven E. Kettel *Steven E. Kettel*
Division: Audit

Phone: 465-2320
Date: 2/12/87

Approved by Commissioner: *H. Malone*
Agency: REVENUE / SEE ADDITIONAL

Date: _____
FISCAL NOTE ON REVENUE IMPACT

Distribution (by Agency preparing fiscal note):

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

Senate Bill 100
Fiscal Note Analysis
February 12, 1987

SB 100 amends definitions in AS 43.40.100 by correcting language usage and adding a section under the definition of motor fuel which excludes from the definition that fuel originating outside the jurisdiction of the State and brought into the State in fuel storage tanks on watercraft for the purpose of operating said watercraft, engines on the watercraft or auxiliary watercraft carried by the watercraft.

It is current Department policy that watercraft of all types, whether engaged in intrastate or interstate commerce must pay the five-cent watercraft motor fuel tax on fuel consumed or used in Alaska. This policy has been conveyed to the water transportation, crude oil tanker, cruise ship and fish processing industries. This position has been challenged by the industry and is currently in the formal hearing process.

We believe it is sound public policy to assert the tax against the interstate shipping industry. First, the levy is borne by Alaska resident shipping companies and puts them at a competitive disadvantage with foreign companies which are not taxed or their fuel purchased in other jurisdictions. Second, there is substantial revenues at stake, conservatively estimated at \$3 million per year.

Suggested Amendments:

Sub-paragraph (M) exempts fuel consumed by "auxiliary watercraft carried by the watercraft." It is our understanding that the sponsors do not intend to exempt from tax fuel consumed by fish processing facilities in the State, especially fishing vessels or other smaller watercraft which enable the processing vessel to take fish in Alaskan waters. The amending language may provide a loophole for fish processors, and we suggest amending language be drafted which disallows the exemption to vessels while they are fishing in Alaskan waters.

The amendment also may permit fish processors to be exempt from tax on fuel used by on-board generators and other engines not associated with propulsion of the vessel. This is also outside the scope of the sponsor's intention.

TESTIMONY REGARDING SENATE BILL 100
BEFORE THE SENATE TRANSPORTATION COMMITTEE
BY BUD HANSEN, LYNDEN, INC.
FEBRUARY 19, 1987

Chairman Jones and members of the Senate Transportation Committee, my name is Bud Hansen, and I am here today on behalf of Lynden, Inc. and in support of SB 100.

It is unfortunate that we need to take up the Committee's time to clarify AS 43.40.100 on the applicability of the marine fuel tax to fuel consumed within Alaskan waters, because the existing statute is clear, and has been interpreted correctly since 1946 when the Territorial Legislature passed the original statute.

I am not going to take up more of your time discussing the existing statute or all of the legal arguments as to why the Department of Revenue's action is incorrect and inappropriate. Rather, I would like to make a few simple arguments why the tax is not in the best interest of Alaskans in any case:

(1) If commercial marine fuel is taxed when consumed in Alaskan waters, as proposed by the Department of Revenue, it will force us to pass this extra cost to Alaskan consumers in the form of higher freight rates or a special Alaska marine fuel surcharge. In Alaska, this means higher costs for almost everything we consume.

(2) Fuel purchased in Alaska, and consumed in Washington State waters is not taxed by the State of Washington.

Washington realizes that would simply be a disincentive to marine commerce, and a better reason for shippers to use alternative ports in other states. This is one reason why our Alaska statute was intended to be similar to Washington's statute.

(3) As we understand, the Department of Revenue has not attempted to enforce this tax on fishing vessels, pleasure boats, aircraft or other users of motor fuel purchased outside of Alaska and consumed in Alaskan waters or air. The reason is obvious - the tax cannot be easily collected or uniformly applied to all users. If the tax is not uniformly applied, it discriminates against certain users. For example, scheduled marine freight services would pay the tax, but out of state charters or itinerant operators would not likely pay, as the Department of Revenue would have no record of their trips in Alaska.

(4) There is no relationship between the proposed tax and services provided by the State. One reason fuel is taxed where it is sold, is that the fuel facilities themselves benefit from roads, police and fire protection, which are provided by the State or local government. No comparable State services are provided to vessels while in Alaskan waters.

For these reasons, we appreciate your introduction of SB 100, and urge the Committee's support for the bill. I would be pleased to answer any questions that the Committee might have.

Thank you.

sd/8.18

TESTIMONY
OF
M.R. LADNER
PUBLIC AFFAIRS FOR
SEALAND SERVICE
FAIRBANKS, ALASKA
BEFORE
THE
ALASKA SENATE
TRANSPORTATION COMMITTEE
ON
FEBRUARY 19, 1987
JUNEAU, ALASKA

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS MIKE LADNER AND I AM THE
PUBLIC AFFAIRS SPOKESMAN FOR SEALAND SERVICES, ^{IN ALASKA} BASED OUT OF FAIRBANKS. SEALAND
SERVICES OPERATES THREE SHIPS BETWEEN SEATTLE AND THE RAILBELT, ^{{ALEUTIAN CHAIN} MARKETS OF
ALASKA.

I AM TESTIFYING FOR SEALAND IN SUPPORT OF S.B. 100, WHICH WE STRONGLY FEEL
CLARIFIES THE EXISTING LAW PASSED BY THE TERRITORIAL LEGISLATURE IN 1946. THE
TERRITORIAL LEGISLATURE'S INTENT WE BELIEVE WAS TO STOP VESSEL OPERATORS FROM
BRINGING IN BULK FUEL, FOR RESALE, THUS AVOIDING IN-STATE PURCHASES AND ALASKA
TAXES.

THE ALASKA DEPARTMENT OF REVENUE IN JUNE OF 1985 CAME TO THE VESSEL OPERATORS
AND STATED THEY WERE NOW GOING TO COLLECT A TAX ON FUEL BURNED BUT NOT PURCHASED
IN ALASKA'S THREE MILE LIMIT. FOR THIRTY-NINE YEARS THIS TAX WAS NEVER COLLECTED
NOR WAS THE LAW INTERPRETED IN SUCH A WAY FOR IT TO BE ASSESSED. THE DEPARTMENT
OF REVENUE ARBITRARILY, FOR REASONS OF ITS OWN, ISSUED WITHOUT CLEAR LEGISLATIVE
INTENT, A NEW TAX.

THIS USER TAX WOULD COST OUR COMPANY APPROXIMATELY \$150,000. PER YEAR BASED PRIMARILY ON OUR CRUISING TIME WITHIN COOK INLET, KODIAK ISLAND, CORDOVA, AND DUTCH HARBOR, AS WELL AS INTERMEDIATE POINTS. A USER TAX IS USUALLY BASED ON SERVICES RECEIVED, BUT ON THIS CONSUMPTION TAX, ALL AIDES TO NAVIGATION, IINSPECTIONS, SAFETY AT SEA AND PORT CHARGES ARE EITHER PROVIDED BY THE FEDERAL OR LOCAL GOVERNMENTS.

SEALAND EMPLOYS (203) PEOPLE DIRECTLY AND INDIRECTLY IN ALASKA AND WE PAY TAXES ON PAYROLL, WORKERS COMPENSATION, ^{PERS. PROP.,} (EXCISE). OUR COMPANY PAYS ITS FAIR SHIARE OF TAXES IN ALASKA AND FEELS WE ARE GOOD CORPORATE CITIZENS.
2 LICENSE TAX

SINCE THE DEPARTMENT OF REVENUE HAS NEVER COLLECTED THIS TAX, THERE WOULD BE NO LOSS OF REVENUE IN PASSING THIS LEGISLATION. THE DEPARTMENT OF REVENUE HAS ^{INITIALLY} ~~ALSO~~ SINGLED OUT THE MARITIME INDUSTRY ~~FOR~~ ON THIS TAX, BUT CHECKS FOR TRUCKS AT THE BORDER, CARS AND RECREATIONAL VEHICALS AT THE BORDER AND ON THE FERRIES AND ALL AIRLINES WHEN THEY HIT ALASKA AIRSPACE WOULD ALSO FALL UNDER REVENUES INTERPRETATION OF THIS TAX. AS ONE MIGHT IMAGINE, THE EQUITABLE ENFORCEMENT AND STAFFING TO ENFORCE THIS TAX WOULD BE A DIFFICULT AND COSTLY UNDERTAKING, PLUS THE ACCOUNTING BURDEN FOR THE TRANSPORTATION COMPANIES WOULD BE INCREASED.

IF THIS TAX WERE APPLIED TO THE COMMON CARRIERS OF ALASKA, IT WOULD BE ADDED TO THE RATES PAID FOR BY THE ALASKAN CONSUMER, EITHER BY ADDING TO THE RATE OR BY ADDING AN ALASKA FUEL USE TAX SURCHARGE TO THE BILL OF LADING.

SEALAND THEREFORE URGES PASSAGE OF S.B. 100. I WISH TO THANK THE CHAIRMAN AND THIS COMMITTEE FOR ALLOWING US TIME TO EXPRESS OUR OPINION ON THIS ISSUE.

TESTIMONY OF TOTEM OCEAN TRAILER EXPRESS, INC. (TOTE)
BY LEIGHTON H. THETFORD, ALASKA GENERAL MANAGER
BEFORE THE ALASKA SENATE TRANSPORTATION COMMITTEE
IN SUPPORT OF SENATE BILL NO. 100
FEBRUARY 19, 1987

Mr. Chairman, members of the Committee, TOTE is testifying today on our own behalf and on behalf of other ocean carriers shipping between the states of Alaska and Washington. We wish to express our support of Senate Bill 100, which was introduced to clarify the original intent of the legislature for the Alaska Motor Fuel Tax Act, and to eliminate any ambiguity in that act in relation to fuel brought into the state in the fuel storage tanks of watercraft.

The Motor Fuel Tax Act was passed as law by the Territorial Legislature in 1940. We believe that the legislature intended to tax fuel sold in Alaska and bulk fuel shipped as cargo into Alaska for personal use in the state. The legislature intended to prevent the shipping of untaxed bulk fuel into Alaska and therefore prevent a loss of sales tax revenue. The legislature did not intend to tax fuel brought into the state in fuel storage tanks on a watercraft for the purpose of operating the watercraft.

Alaska followed this legislative intent until June of 1985. No tax was asserted or collected on fuel brought into the state in fuel storage tanks on a watercraft for the purpose of operating the watercraft. In June of 1985 the Department of Revenue arbitrarily determined to redefine the legislative intent and to collect a tax on this bunker fuel. We strongly disagree with this radical new interpretation and believe that, in attempting to reinterpret the law and impose a new tax, the department violated the intent of the legislature as expressed in both the Motor Fuel Tax Act and the Alaska Administrative Procedure Act.

The department has asserted this tax is a user tax. The fuel tax has not previously been based on fuel used, but on fuel purchased in state or shipped into the state. The concept of a user tax is to pay for a service. The State of Alaska itself provides virtually no service for our industry. Aids to navigation, dredging, safety at sea, inspections, and vessel safety are covered by the federal government. TOTE's port and dockside facilities are paid for by dockage fees and rental payments to the Port of Anchorage, which were approximately \$1.9 million in 1986. In addition, TOTE is an Alaska corporation and pays substantial taxes to the State of Alaska, including income, property and payroll taxes.

A tax on bunker fuel consumed in Alaskan waters encourages carriers to avoid travel within the three-mile limit. Ports such as Anchorage, which lie further within Alaskan waters, would be discriminated against, as would carriers serving those ports. TOTE serves the Port of Anchorage only, in our service to Alaska. Our ships cruise six hours in each direction through Cook Inlet. If a tax is imposed on bunker fuel, most of TOTE's tax would result from sailing through Cook Inlet to Anchorage.

Any increase in taxes would worsen the condition of the water transportation industry and increase costs to the Alaska consumer. In addition, our industry is a major source of commerce and employment in Alaska and any additional burden on the industry would be detrimental to the Alaskan economy. The past three years have been unprofitable for many carriers in our industry, and several operators have been forced from the business as a result. The next three years are expected to be more difficult.

Our industry has filed appeals with the Department of Revenue contesting this new tax. Although we expect to ultimately prevail in this matter, this arduous and expensive process can be avoided by clarifying the act through Senate Bill 100.

In summary, Senate Bill 100 was introduced to clarify the original intent of the legislature for the Alaska Motor Fuel Tax Act, and to eliminate any ambiguity in that act in relation to fuel brought into the state in the fuel storage tanks of watercraft. This bill will relieve the industry and the Department of Revenue from an expensive appeal and litigation process resulting from the department's radical new interpretation of the act. Finally, this bill will prevent a burden from being imposed on water carriers and consumers in Alaska.

I thank you for this opportunity to express the views of TOTE and of our industry. We encourage your support of Senate Bill 100 and will answer any questions you have at this time.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of Feb 12, 1987 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

DATE TURNED INTO OFFICE Feb 19, 1987

Mr. President:

TRANSPORTATION Committee considered SB 100

taxation of watercraft motor fuel.

and recommended:

[] replace with CS _____ [] same title

[] attached amendment(s) and [] new title

[] do pass

[] do not pass

[] no recommendation

[X] individual recommendations

[] further referral to _____

[] letter of intent adopted and attached

** Committee [] attached or [] adopted fiscal note(s) *(see attached note)*
[] zero [] fiscal impact

MEMBERS SIGNING DO PASS

[Handwritten signatures]

OTHER RECOMMENDATIONS

Tim Kelly - No Rec until fiscal note question is cleared up.
Fabronkamp - same as Kelly

[Handwritten signature]
Chairman signature and recommendation

[X] Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of Feb 12, 1987 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

DATE TURNED INTO OFFICE Feb 19, 1987

Mr. President:

TRANSPORTATION Committee considered SB 100

taxation of watercraft motor fuel.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent ad _____

** Committee at
 zero

MEMBERS

[Signature]
[Signature]

*Committee felt
 since was in
 in Gov's budget
 motion made
 to pass out of
 committee w/o
 Fiscal Note =
 Finance Committee
 can better deal
 with it.*

s) (see attached note)

TIONS

? - No Rec
note question

re CS

Committee Backup Atta

THE ALASKA STATE CHAMBER OF COMMERCE WISHES TO EXTEND ITS SUPPORT
TO THE INTENT OF SB 100.

WE FEEL SB 100 WOULD AVOID INCREASES IN THE COST OF CONSUMER GOODS
AND CONSTRUCTION MATERIALS.

THE ACTION OF THE DEPT. OF REVENUE TO EXPAND THE SCOPE OF MARINE FUEL
TAX AT THIS TIME WOULD RETARD HEALTHY ECONOMIC DEVELOPMENT IN THE STATE OF
ALASKA.

WE URGE PASSAGE OF THIS LEGISLATION.

2/19/87

Position Paper

Submitted on behalf of Tote, Sealand Services, Crowley Maritime,
Alaska Marine Lines, Western Pioneer, and Knappton Towboat.

POSITION PAPER - SB 100

SB 100 is identical to CS SB 387 (Fin.) which passed the Senat but died in House Rules Committee upon adjournment in 1986.

This legislation is necessary to correct a new (1985) and onerous reinterpretation of the motor fuel tax by the Department of Revenue (D.O.R.). It concerns fuel brought into the state in a marine vessel's fuel storage tanks and consumed to operate the vessel while in Alaska waters. SB 100 would clarify that, consistent with the application of the motor fuel tax laws between 1946 and 1985, fuel brought into the state in fuel storage tanks for the purpose of operating the vessel is not subject to the motor fuel tax.

Background Information

The motor fuel tax was enacted in 1946. Marine fuel purchased or transferred within Alaska is taxable in full at \$.05 per gallon.

Since its enactment in 1946 until 1985, motor fuel purchased outside Alaska and consumed in Alaska without first being stored or otherwise coming to rest in the state was not taxed under the motor fuel tax provisions.

In 1985, without benefit of any new legislative authorization, D.O.R. initiated a series of letters to certain marine cargo carriers, among others, attempting to levy a fuel tax on fuel consumed in Alaska but which was brought into the state in fuel storage tanks and used to propel and operate the vessel.

This "new interpretation" of the law has not been authorized by the Legislature or existing law and extends the tax beyond the original scope of the marine fuel tax statute.

D.O.R. contends that a 1982 amendment to its administrative regulations authorizes its "new interpretation." However, D.O.R. admits that nothing in the public notice of intent to adopt the regulations stated that D.O.R. intended to tax mere consumption of marine fuel or that it intended to change the application of the law it had used the previous 39 years.

The amendment in question consists of deletion of the word "and" used in the statute and substitution of the word "or" to define "user." The result is that the statute defines "user" as follows:

(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. (emphasis added)

However, after the D.O.R. amendment, the regulations defines "user" as follows:

(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; (emphasis added)

The regulations are obviously inconsistent with statute and appear to be an attempt to extend the scope of the fuel tax beyond that originally intended by the Legislature. This unilateral action by an executive branch agency which attempts to make substantive changes in the law without legislative authorization is highly questionable and unfair.

SB 100 would amend the statute to prevent this "new interpretation" and clarify legislative intent to ensure that D.O.R will tailor its administrative activity consistent with the 39-year history of the motor fuel tax.

It is worthy of note that D.O.R. has said that if successful in the marine fuel area, it will extend its "new interpretation" to vehicular motor transportation and aviation travel, which raises questions similar to those in the marine transportation area.

POLICY CONSIDERATIONS IN SUPPORT OF SB 100

1. D.O.R.'s "new interpretation" would certainly increase the costs of consumer goods, construction materials and equipment, and other products shipped to Alaska and thereby increasing the cost of living to all Alaskans;
2. The "new interpretation" would result in higher tourist travel costs to Alaska as cruise ships would be subject to the new fuel tax;
3. The "new interpretation" would impose the tax on the amount of marine fuel consumed while inside the three-mile limit of Alaska waters thereby placing certain ports at a competitive disadvantage due to their location farther inside bays, harbors and inlets;
4. The "new interpretation" would also apply to tanker traffic to and from Valdez, however this merely increases transportation costs which are "netted back" reducing the well-head value to the state of Alaska;
5. The "new interpretation" would apply to the large fishing fleet and pleasure craft which ply Alaska waters raising questions of the administrative, enforcement, and personnel costs required to adequately monitor the expansion of the tax to fuel "consumed" in transit.
6. When the "new interpretation" is applied to motor vehicle transportation, it is readily apparent that revenue agents would be necessary at the Canadian border to measure fuel in tanks of automobiles, recreation vehicles and trucks

coming into Alaska to levy and collect this tax. (Ferry travel from Seattle would require similar treatment.)

7. No other west coast state, neither Texas nor Hawaii impose a "consumption tax" such as is being proposed under D.O.R.'s "new interpretation."
8. When applied to the aviation travel, both commercial and private, similar questions of increased travel costs and administrative costs are evident.
9. Aside from the obvious administrative costs and enforcement problems, as a matter of public policy, it does not make good sense to permit this extension of the motor fuel tax which will result in more expensive consumer goods, construction equipment and materials and which would possibly discourage tourist travel to Alaska. This is an especially sensitive question at this time of economic stagnation in the state.
10. There is no revenue loss to the state of Alaska because the tax has not been levied or collected between 1946-1985.

ALASKA MOTOR FUEL TAX CHRONOLOGY

The following is a chronology of key events in the interpretation and application of the Alaska Motor Fuel Tax.

- 1946 Alaska Territorial Legislature imposes motor fuel tax on (1) all fuel sold and delivered or otherwise transferred within the Territory; and (2) all fuel consumed by a "user," defined as "any person, firm or corporation consuming or using any motor fuel, who shall have purchased such fuel out of the Territory and shipped it into the Territory for his or its own use within the Territory." Laws of Alaska 1946, Ch. 18 (emphasis added).
- 1946 - Present Alaska Legislature amends and reenacts motor fuel tax numerous times, without substantive change to provisions relevant here.
- 1946 - 1985 Division of Audit (DOA) of Department of Revenue applies motor fuel tax in accord with constitutional and statutory limits:
- A. Motor fuel purchased or transferred within Alaska was taxable in full without regard to the jurisdiction in which the fuel was actually consumed.
 - B. Motor fuel purchased outside Alaska and consumed in Alaska during propulsion without first being stored or otherwise coming to rest in the state was not taxed under the Motor Fuel Tax provisions.
- June 3, 1982 Governor approves House Bill 101, which amends the motor fuel tax statute without substantive change to the definition of "user" or other provisions relevant here.
- July 19, 1982 Department adopts first comprehensive motor fuel tax regulations, without prior notice. Finding of Emergency states that the regulations are necessary to implement House Bill 101. However, the regulations also purport to restate the definition of "user" as follows:

A. The statute defines "user" as a person consuming or using motor fuel who . . . purchases the fuel out of the state and ships it into the state for personal use in the state . . . AS 43.40.100(4) (emphasis added).

B. The regulations define "user" as "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 . . ." 15 AAC 40.900(5) [now(6)] (emphasis added)."

July 20, 1982

Department issues Notice of Adoption of Emergency Regulation. Nothing in the notice states that the Department adopted a different definition of "user," or that the Department intended to tax fuel merely consumed in state waters, or that DOA intended to change the way it had applied the motor fuel tax since 1946. No notice is sent to marine fuel consumers as such, or to the Taxpayers here. Extensive comments are submitted on numerous topics, but none of them mention the definition of "user" or taxation of fuel merely consumed in state waters. Nothing in the Department's file on the regulations even discusses the definition of "user" or taxation of fuel merely consumed in state waters.

Nov. 14, 1982

The July 1982 regulations are adopted and made permanent by the Department.

1985

DOA begins to apply the motor fuel tax differently. DOA now interprets the statute and regulations as follows:

A. Motor fuel purchased or transferred within Alaska remained taxable in full at the time of purchase, but in-state purchasers could seek a refund of tax on any fuel consumed outside Alaska. Under this interpretation, fuel both purchased and consumed in the state would be subject to only one tax.

B. Motor fuel purchased outside Alaska and consumed while in transit through Alaska would be subject to Motor Fuel Tax on the fuel actually consumed within the state, even

though not stored or otherwise coming to rest in the state . . . without regard to whether such fuel was subject to actual or potential taxation in the state or foreign country where purchased, and without any express statutory or regulatory credit for taxes paid outside the state.

May 1985

DOA issues Questions and Answer Booklet reflecting its new interpretation as to motor fuel purchased in Alaska. DOA does not seek to comply with Alaska Administrative Procedure Act requirements in the issuance of the Booklet.

June 1985

DOA issues 200 letters applying its new interpretation of the statute to motor fuel purchased outside Alaska and merely consumed in state waters. The letters instruct the recipients, including the Taxpayers here, to file returns for the periods they had allegedly been using fuel in Alaska waters and to respond within 30 days, or else taxes, penalties, and interest would be assessed accordingly. DOA does not seek to comply with Alaska Administrative Procedure requirements in the issuance of the letters. The letters are the first written notice directed to Taxpayers or to marine fuel consumers in general regarding application of the tax to fuel merely consumed in state waters.

July - Nov. 1985

DOA requests that Taxpayers file returns as of January 12, 1985, and represents that it will not seek returns for any prior period.

Oct. Dec. 1985

DOA and Taxpayers agree on appeal procedures, under which Taxpayers file a return for one month, pay the tax for that month, and simultaneously file a refund claim. DOA agrees to stay all other reporting, collection, penalty and assessment procedures pending final administrative and judicial resolution of the matter.

Currently

The matter is now on appeal before the Department of Revenue.

RESOLUTION

WHEREAS, The Alaska Motor Fuel Tax laws have since 1946, levied a 5 cent per gallon tax on marine fuel purchased or transferred within Alaska; and

WHEREAS, for 39 years marine fuel purchased outside Alaska waters and brought into the state in fuel storage tanks on watercraft for the purpose of operating the vessel has not been taxed under the Motor Fuel Tax provisions of Alaska law; and

WHEREAS, in 1985, the Alaska Department of Revenue initiated a new and different interpretation of the law as applied to marine fuel brought into the state in fuel storage tanks on watercraft for the purposes of operating the vessel and began a tax collection effort; and

WHEREAS, this effort was undertaken without new authorizing legislation or amendment; and

WHEREAS, the new interpretation of the marine fuel tax will have serious implications for the business and individual consumers in Alaska by increasing the costs of goods brought into the state by water transportation; and

WHEREAS, the new interpretation will apply to cruise ships which visit Alaska waters thereby increasing costs of such tourist travel to our state; and

WHEREAS, because the new interpretation would impose the tax on the amount of marine fuel consumed while the watercraft is inside the 3 mile limits of Alaska waters, certain Alaska ports will be unfairly placed at a competitive disadvantage due to longer travel time inside bays, harbors and inlets; and

WHEREAS, in 1986 the Alaska Senate passed CS S.B. 387 (Finance) which would have specifically prevented application of the new interpretation; and

WHEREAS, the Alaska House of Representatives adjourned before S.B. 387 could reach the floor for a vote on the issue; and

WHEREAS, legislation similar to S.B. 387 would not result in a revenue loss to the State of Alaska because such a tax was not levied or collected between 1945 and 1985;

THEREFORE BE IT RESOLVED, that the Anchorage Chamber of Commerce urges that Governor Cowper and the Alaska Legislature take action to clarify the law so that marine fuel brought into the state in fuel storage tanks on watercraft for the purposes of operating the vessel not be taxed and avoid increasing costs of business and consumer goods to Alaska consumers, increasing the costs of tourist activities in the state and avoid the competitive discrimination against certain ports which could result;

BE IT FURTHER RESOLVED, that copies of this resolution together with a letter urging Governor Cowper and the legislative delegation to support a measure similar to S.B. 387 be sent to the appropriate state officials.

* This resolution has been adopted by the Anchorage Chamber of Commerce.

- Support Resolution -

S B

1 0 8

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

REQUEST: _____

Bill Version : SB 108
Publish Date : _____

Revision Date: February 16, 1987

Agency Affected: Natural Resources
BRU: Land and Water Management

Title: Right-of-way Lease Decisions

Sponsor: Senator Coghill

Components : _____

Requestor: Senate Transportation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

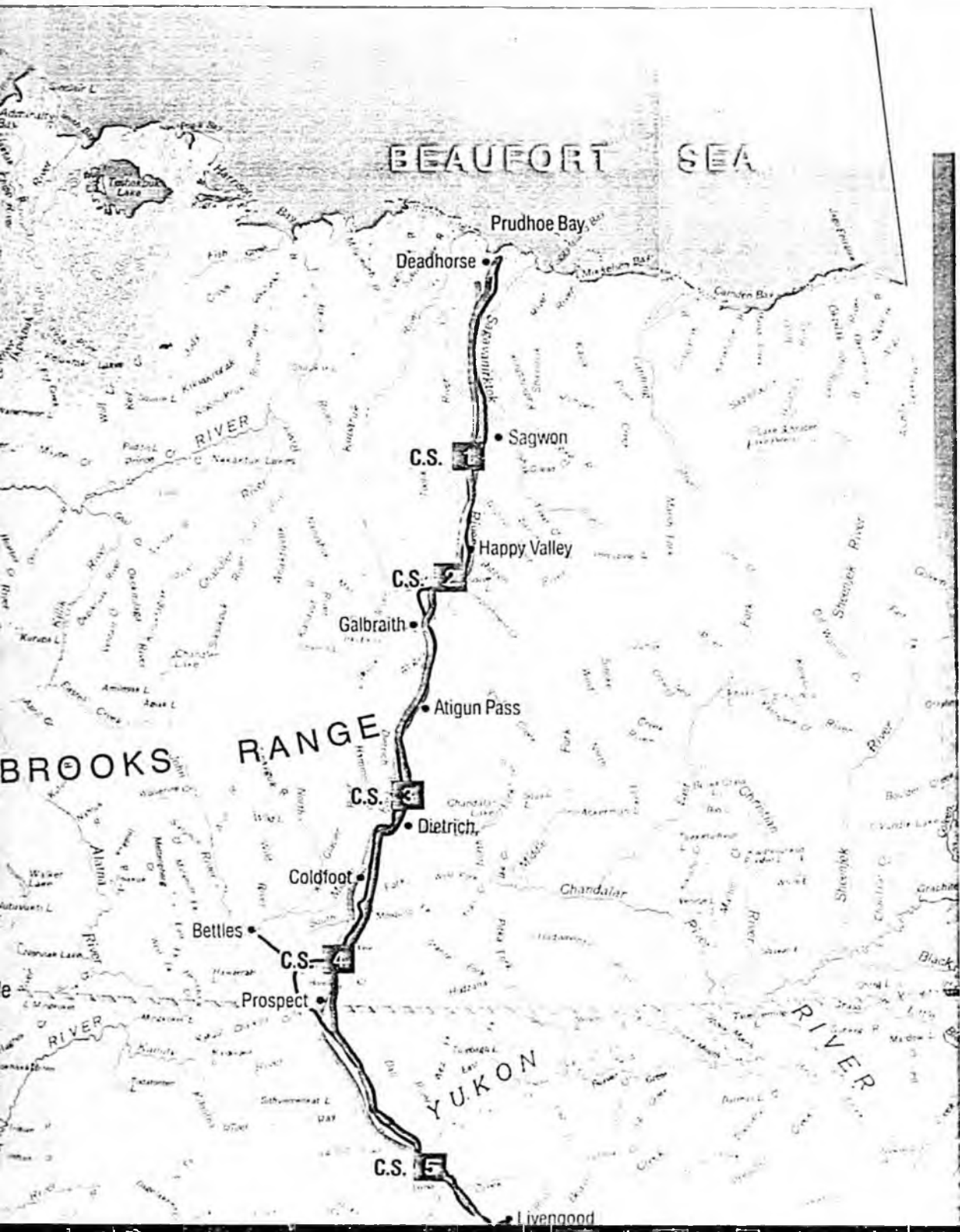
ANALYSIS : (Attach a separate page if necessary)

Prepared by: Carol J. Wilson Phone: 465-2400
Division: Commissioner's Office Date: 2/16/87

Approved by Commissioner:  Date: 2/16/87
Agency: Natural Resources

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

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE



Yukon Pacific Corporation (YPC) believes that a significant opportunity will exist in the mid-1990's to market Alaska North Slope natural gas in the Asian Pacific Rim. To meet this opportunity, YPC proposes to develop the Trans-Alaska Gas System (TAGS). The TAGS project will transport Alaskan North Slope gas to a tidewater facility in the Valdez area where it will be liquefied for ocean transport to Asia. Prime markets for the liquefied natural gas (LNG) exist in the countries of Japan, South Korea, and Taiwan.

The TAGS route from Prudhoe Bay to Valdez generally parallels the Trans-Alaska Pipeline System (TAPS) alignment. Deviations take advantage of more favorable soil-thermal conditions while avoiding, where possible, areas of congestion. From the mouth of Keystone Canyon, the route generally parallels the TAPS alignment along the south side of the Lowe River valley to the south side of Port Valdez. Here, the route bypasses the existing oil terminal facilities and terminates at the LNG plant/marine terminal site at Anderson Bay.

The TAGS project is comprised of three major components: a 36-inch diameter buried chilled gas pipeline from Prudhoe Bay and terminating in the Valdez area which will transport LNG-quality natural gas; ten gas compressor stations to facilitate transport of the gas through the pipeline; and an LNG plant and marine terminal to liquefy the gas and load onto LNG tankers for shipment to Pacific Rim countries.

The pipeline has a designed capacity of 2 billion cubic feet of natural gas per day.

LNG is ordinary natural gas that has had the impurities removed and has been reduced in temperature to about -259°F. (-161°C.) and changed from a vapor to a liquid — only a physical change with no chemical change in composition. By changing it from a vapor to a

TRANS-ALASKA GAS SYSTEM

ROUTE MAP

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801
PHONE: (907) 465-2400

February 16, 1987

The Honorable Lloyd Jones
Chairman
Senate Transportation Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99801

Dear Senator Jones:

Subject: Senate Bill 108, relating to decisions on right-of-way lease applications.

Position: The Department of Natural Resource supports the amendment to the oil and gas pipeline right-of-way leasing statute (AS 38.35.100(b)) described in this bill.

Background: Senate Bill 108 would allow the commissioner to issue a conditional pipeline right-of-way lease even if the applicant is not presently "fit, willing and able."

The existing "fit, willing and able" standard requires the applicant to be nearly ready to begin construction before a right-of-way lease can be issued. In other words, financing has to be reasonably assured, gas sale contracts and markets in place, and construction designs substantially completed.

The commissioner currently has only one alternative to finding an applicant "fit, willing and able," and that is to deny the application. This bill would provide the commissioner with an additional alternative; the ability to issue a conditional right-of-way lease, subject to conditions that ensure the applicant will become "fit, willing and able."

This bill would have a positive effect on the economic development of pipeline projects in Alaska and would not reduce the "fit, willing and able" standards an applicant would be required to meet prior to actual construction of a pipeline.

The Honorable Lloyd Jones

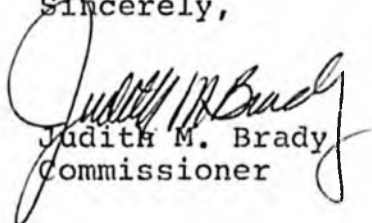
-2-

February 16, 1987

Recommendation: To ensure that the applicant is required to become "fit, willing and able" within a reasonable period of time, add the words "within a prescribed amount of time" to line 15, after the word able.

Please let me know if you would like additional information.

Sincerely,



Judith M. Brady
Commissioner

cc: Committee members
Governor's Legislative Liaison

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

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	0	0	0

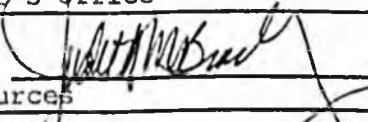
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Carol J. Wilson
Division: Commissioner's Office

Phone: 465-2400
Date: 2/16/87

Approved by Commissioner: 
Agency: Natural Resources

Date: 2/16/87

- Distribution (by preparer):
- Legislative Finance
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Alaska State Legislature

Senate Resources Committee




Sen. John B. (Jack) Coqhll, Chairman
Sen. Paul Fischer, Vice-Chairman
Sen. Lloyd Jones
Sen. Arliss Simgilewski
Sen. Jim Duncan
Sen. Fred Zhatoff
Sen. Dick Eliasow

Box V
Juneau, Alaska 99811
(907) 465-1907

February 17, 1987

MEMORANDUM

To: Members of the Senate
Committee on Transportation

From: Senator John B. Coqhll 

Re: SB 108, "Decisions on ROW Lease Applications"

Presently under AS 38.35.100 (b), the Commissioner of DNR must make the determination that the applicant is "fit, willing and able to perform the transportation" prior to issuing a right-of-way lease.

Past interpretation of this standard has meant that any applicant must have the financial capability to go forth with the project which would utilize the right-of-way.

In today's world a right-of-way permit has a value all its own when negotiating financing. To make financing a condition of the ROW lease application hampers a project's chances of becoming a financial reality.

This bill amends the Right-of-Way Leasing Act so that the Commissioner can condition a grant of right-of-way so that the applicant can receive the right-of-way but must demonstrate that it is "fit, willing and able" prior to being allowed to start construction on that right-of-way.

The current standard of "fit, willing and able" is not circumvented but the finding is postponed to a later phase in the process.

I believe it is important in these times to allow modifications in our statutes that assist industry in the real world, without lifting our standards.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of Feb 12, 1987 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: JUDICIARY
FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

2/5/87
Mr. President:

DATE TURNED INTO OFFICE Feb 12, 1987

TRANSPORTATION Committee considered SB 108

relating to decisions on right-of-way lease applications.

and recommended:

replace with CS SB 108 Trsp same title
 attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

*Fehrenkamp no-rec
until criteria explained*

[Handwritten signature]
Chairman signature and recommendation

Committee Backup Attached