

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8502 SENATE TRANSPORTATION

SB

166

Alaska State Legislature

Senate Majority Leader
Chair, Judiciary Committee
Vice Chair, Community &
Regional Affairs

Member, State Affairs Committee
Committee on Committees
Western States Legislative Forestry Task Force
Legislative Council



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Ketchikan, Alaska 99901
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Senator Robin L. Taylor

MEMORANDUM

**TO: Senator Bert Sharp, Chair
Senate Transportation Committee**

FROM: Senator Robin L. Taylor *R.L.T.*

DATE: 3/21/94

REF: Hearing Request - Senate Bill 166

Please consider this to be my formal request that you schedule a hearing on Senate Bill 166 at your earliest convenience.

Thank you in advance for your consideration.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 165-3991
Fax: (907) 163-3351

April 2, 1991

MEMORANDUM

TO: Representative Robin Taylor

FROM: Christine M. Cheff *Cheff*
Legislative Analyst

RE: Draft Bill -- Fines and Court Appearances
Research Request 91.193

You asked us to discuss the draft of your bill amending the Alaska Motor Vehicles Code with the California attorney general's office, comparing it to California Code Section 40509 upon which the amendments are based.¹

There appear to be some differences between the draft bill and the California statutes (Attachment A) which you might like to review before we contact the California attorney general. For instance, in California, penalties are attached to vehicle registration only for failure to pay parking fines, and then only after the vehicle owner or lessee has been properly notified. Also, we were unable to find a license revocation provision in the law. However, the court can impound for up to 30 days the license of persons convicted of an infraction if they fail to pay a fine. The attached table outlines the provisions in your draft and the California statutes (Attachment B).

We spoke with Bernard Lu, with the California Department of Motor Vehicles legal department, who did make one comment about your draft bill. He said that penalties for failure to pay fines should be differentiated between those for parking and moving violations. Because parking violations are recorded against vehicles, penalties should be attached to vehicle registration. Moving violations affect a person's driving privileges, therefore penalties should be attached to the driver's license.

Please let us know what further action you would like taken on this request. Don't hesitate to call if you have any questions.

Attachments

¹Motor Vehicles code sections AS 28.10.041, 28.15.031(b)(2), and 28.15.181(g) pertaining to penalties for failure to pay fines or to appear in court.

**COMPARISON TABLE: Alaska and California Motor Vehicle Codes
(Penalties for Failure to Appear or to Pay Fines)**

ALASKA		CALIFORNIA	
<u>Statute</u>	<u>Text</u>	<u>Statute</u>	<u>Text</u>
AS 28.10.041	Refuses registration to applicant who fails to appear in court or to pay fine for traffic or parking violation.	Sec.4760	Registration renewal can be refused if a notice of delinquent parking violations has been mailed to owner or lessee, and itemization of penalties and fees has been filed with the department.
AS 28.15.031(b)(2)	No original or duplicate driver's license, or renewal or reinstatement to person who fails to appear in court or who fails to pay a fine for a parking or moving violation.	Sec.40508	Willful violation of promise/continuance/order to appear is a misdemeanor. Willful failure to pay fine for vehicle code violation is a misdemeanor.
AS 28.15.181(g)	After the court has provided 10 days written notice of impending license revocation, it may revoke the license of a person who fails to appear in court for a parking offense or moving violation.		The court may impound the driver's license, for up to 30 days, of a person convicted of an infraction of the vehicle code who fails to pay a fine.
		Sec.40509	(a) Magistrate or clerk may notify the Motor Vehicle Department if an order to appear in court has been violated for 15 days or more. (b) Magistrate or clerk may notify the Motor Vehicle Department of a person's failure to pay a fine for 15 days or more.
		Sec.40509.5	(a) and (b) same as Sec. 40509. (c) Court will mail courtesy warning notice to defendant 10 days before sending notice to the department.

Alaska State Legislature

Legislative Research Agency



130 Seward Street, Suite 218
Juneau, Alaska 99801-2196

Phone: (907) 465-3991
Fax: (907) 463-3351

February 23, 1993

MEMORANDUM

TO: Senator Robin Taylor

FROM: Christine M. Cheff *CME*
Legislative Analyst

RE: **Sanctions for Failure to Pay Traffic Fines or Make Court Appearances**
Research Request 93.116

You asked about the Hawaii, Oregon and Washington laws which pertain to sanctions imposed for failure to pay traffic fines or to make related court appearances. Additionally, you wanted to know if there were any problems with implementation of the laws, and whether driver's license revocation and nonrenewal of vehicle registration are effective sanctions. Your request is related to draft legislation that is modeled on California Vehicle Code 40509.

From our analysis of the Hawaii, Oregon and Washington laws it is clear that a **differentiation is made between a parking violation sanction, generally nonrenewal of vehicle registration, and a moving violation sanction which affects driving privileges.** That differentiation was also noted in our previous analysis of the California law upon which your draft bill is based.¹

In the states you asked about, **Oregon is the only one which suspends a driver's license for failure to appear in court or to pay fines for moving traffic violations,** whereas, Hawaii and Washington have nonrenewal provisions. None of the three states suspend vehicle registrations for failure to pay parking fines. **Washington does, however, have a proviso against renewal of a vehicle registration if the registrant has more than two outstanding parking violations.**

¹Christine Cheff, "Draft Bill -- Fines and Court Appearances," Legislative Research Agency Memorandum 91.193, 1991.

Senator Taylor
February 23, 1993
Page 2

No legal opinions related to the sanction laws appear to have been issued, either by the courts or by the states' attorneys general.²

Although we spoke with court personnel about the effectiveness of sanctions, most of the information we obtained was from persons employed in the driver's license and motor vehicle registration departments in each state. The primary responsibility for enforcing court suspensions or nonrenewal orders, as well as for maintaining recordkeeping systems, falls to those departments. The persons with whom we spoke were knowledgeable concerning the application of sanctions and provided general overviews of their effectiveness. Although we were unable to determine what initial problems may have been encountered with implementing the sanctions programs, the principal recommendation we received from the departments contacted was that an automated recordkeeping system and communications link should be in place before implementation.

Summaries of our contacts with the staff of various agencies and of the individual state laws are provided below.

Hawaii

Highway Safety Code Section 286-109 provides that anyone who fails to respond to a traffic citation or summons for violation of traffic laws, or who fails to comply with orders of the court, may be denied issuance or renewal of a driver's license. There is no provision for revocation or suspension of driving privileges.

The municipal courts on each island are responsible for notifying the respective traffic violations divisions about outstanding fines or citations. That information is entered into a computerized recordkeeping system which serves as the checkpoint when a person makes application for or attempts to renew a driver's license. Although each island has a traffic violations division, there is no electronic link between their recordkeeping systems. According to Milton Hee, manager of the Honolulu Traffic Violations section, the computer systems throughout the islands are very old and it is, therefore, impossible to track the number of persons currently on suspension or nonrenewal status. The only comprehensive source for that information is a computer printout. When an outstanding obligation has been satisfied, the court will issue a clearance notice to the traffic violation division and the person's name is removed from the computer.

²We conducted a WESTLAW search of the Attorney General Opinions and case law for Hawaii, Oregon and Washington, and called the Attorney General's office in Oregon.

Hawaii does not have a statutory provision for suspension or nonrenewal of a vehicle registration for outstanding parking fines. Persons who fail to respond to a summons or citation for an illegally parked vehicle may be issued a penal summons to appear in court (Traffic Code Section 291C-168). Failure to appear in court can result in the person's arrest (Traffic Code Section 291C-169).

Oregon

Under Oregon law (ORS 809.210 and 809.220), failure to appear (FTA) for a court hearing or to pay a traffic fine will result in the suspension of a person's driving privileges.³ There are no sanctions (other than towing) for failure to pay fines related to parking offenses.

The Oregon Department of Motor Vehicles (DMV) is electronically connected to over 300 courts statewide--district, municipal, justice, and circuit. According to Jeanelle Naatz, Data Entry Division supervisor, about 12,000 FTAs are processed by the division each month. Ms. Naatz believes that the incidence of repeat offenders is quite high, possibly 50-75 percent. The courts clear between 6,000 and 7,000 driver's licenses for reinstatement per month. After five years, a statute of limitations allows the violator to clear a suspension by simply coming to the DMV office and paying the fine, plus interest. No court appearance is necessary.

Lane Borg, manager of the Criminal Division for the Multnomah County Circuit and District Courts, believes that sanctions are not particularly effective because of the limitations on enforcement. Conceivably, a person may drive on a suspended or expired license for five years and then clear the record without having to go to court.

Washington

Currently, the only sanction for those who fail to appear in court or to pay parking fines is nonrenewal of a driver's license (RCW 46.20.031(3)) or vehicle registration (RCW 46.16.216) respectively.

A bill to suspend driver's licenses for FTAs related to moving violations has been introduced in the legislature, but at present the offense is a misdemeanor (RCW 46.64.020). Anyone with two or more outstanding FTAs within five years is guilty of "failure to comply" (RCW 46.64.027), which is a gross misdemeanor punishable by up to one year in the county jail or a fine of up to \$5,000, or both (RCW 9A20.020).

³In Oregon an FTA refers to outstanding fines as well as to failure to appear in court.

Senator Taylor
February 23, 1993
Page 4

Approximately 85 of the 150 eligible court jurisdictions in Washington participate in the automated vehicle registration suspension program maintained by the state's Title & Registration Department. Statewide, the department processes 30-35 parking violation suspensions per day. Bob Bardish, internal operations manager, says that over 50 percent of the suspensions which come in during a week are cleared by the end of that week.

Copies of the statutes referenced in this memorandum are attached. I hope the information will be useful. Please do not hesitate to call if we can be of further assistance.

Attachments

Alaska State Legislature

Senate Minority Leader
Chair, Judiciary Committee
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Member, State Affairs Committee
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Senator Robin L. Taylor

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SPONSOR STATEMENT

SENATE BILL 166

The intent of this legislation is to encourage individuals to pay outstanding fines related to moving vehicle citations and parking offenses. The bill provides specific means by which this goal can be accomplished: Namely drivers license revocation and non-renewal of motor vehicle registrations.

Senate Bill 166 was designed to provide the court system and municipalities throughout Alaska with additional leverage to collect outstanding fines. It would also apply when an individual fails to appear in court, as ordered.

The bill duplicates House Bill 368, which I introduced in the 17th Alaska State Legislature.

I believe SB 166 would be a valuable tool for use by the courts in addressing the problems of scofflaws, especially those who failed to appear in court or pay a fine imposed by the courts.

The bill is based on statutes from other states. The experience in Washington state indicates that over 50 percent of those who receive notice of possible sanctions clear up outstanding matters within one week.

STATE COMMITTEE OF REFERRAL

DATE: 3/16/93

FURTHER: JUDICIARY
FINANCE

Date of 5-Day Notice: 3/31/94
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

TRANSPORTATION Committee considered SB 166

"An Act relating to registration of a motor vehicle, and issuance, renewal, reinstatement, and revocation of a driver's license for failure to appear in court or failure to pay a fine."

and recommends:

replace with _____ CS SB 166 (TRA)

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
AK COURT SVS.	4/4/94		54.9

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

Tom Kell
RODNEY GIBSON Do Pass
~~_____~~
~~_____~~
~~_____~~

OTHER RECOMMENDATIONS:

Do Not Recommend NR

Do Pass
 Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 166

Revision Date: _____ Dept. Affected: Alaska Court System
 Title: Driver's License Revocation BRU: Trial Courts
 Components: _____
 Sponsor: Senate Judiciary
 Requestor: _____ COMPONENT SERIAL NO. 768

EXPENDITURES/REVENUES (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	39.0	39.0	39.0	39.0	39.0	39.0
TRAVEL						
CONTRACTUAL	13.8	13.8	13.8	13.8	13.8	13.8
SUPPLIES	2.1	2.1	2.1	2.1	2.1	2.1
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING	54.9	54.9	54.9	54.9	54.9	54.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	54.9	54.9	54.9	54.9	54.9	54.9
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	54.9	54.9	54.9	54.9	54.9	54.9

POSITIONS

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME	1.0	1.0	1.0	1.0	1.0	1.0
TEMPORARY						

Estimate of current year (FY 94) cost: \$ None

ANALYSIS: (Attach a separate page if necessary)
 See attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel *CS* Phone: 264-8228
 Agency: Alaska Court System Date: 04/04/94

Approved by: Arthur H. Snowden, II, Administrative Director *AS*
 Agency: Alaska Court System Date: 04/04/94

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

Alaska Court System
Fiscal Analysis
SB 166

This bill will require preparation, mailing and tracking of 3 new forms for certain traffic offenses. The notices will be mailed to persons who fail to pay fines in traffic-related offenses and to persons who fail to appear at the court for moving violations. The three new forms are (1) a notice of pending license revocation, (2) a notice of license revocation and (3) a notice of termination of license revocation. During FY 93, the court system processed over 68,500 traffic offenses, of which nearly 39,000 involved moving violations. For purposes of this fiscal note, we have used the following assumptions:

<u>Estimated Number of Warrants Issued for Failure to Satisfy (25% of all traffic citations)</u>		<u>17,100</u>
100% of warrant recipients will receive Notice of Pending Revocation	17,100	
60% of warrant recipients will receive Notice of Revocation	10,300	
50% of warrant recipients will receive Notice of Termination of Revocation	8,600	
<u>Estimated Number of Warrants Issued for Failure to Appear (20% of moving violation citations)</u>		<u>7,800</u>
100% of warrant recipients will receive Notice of Pending Revocation	7,800	
40% of warrant recipients will receive Notice of Revocation	3,100	
10% of warrant recipients will receive Notice of Termination of Revocation	800	
Total number of notices processed by the courts	<u>47,700</u>	

It is assumed that each notice will require 3 minutes of clerical time for preparation, mailing and tracking. Statewide clerical staffing needs are estimated at 1.2 new clerks.

Personal Services

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Court Clerk I, range 8A, Anchorage, PFT, 12 months	\$21,336	\$10,715	\$32,051
Court Clerk I, range 8A, Fairbanks, PPT, 2.4 months	4,802	2,114	<u>6,916</u>
Total Personal Services			38,967

Contractual

Postage - mail 47,700 notices at 29¢ each 13,833

Supplies

Cost of paper and envelopes for printing and mailing notices 2,069

Total Cost **\$54,869**

8-LS0406E
Ford
4/12/94

CS FOR SENATE BILL NO. 166()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to registration of a motor vehicle and suspension of a driver's
2 license for failure to appear in court or failure to pay a fine."

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

4 * Section 1. AS 12.25.200(b) is amended to read:

5 (b) A citation issued under AS 12.25.180 must indicate the amount of bail or
6 fine applicable to the offense, the procedure a person must follow in responding to the
7 citation, [AND] that if the person fails to pay the bail or fine the person must appear
8 in court, and that failure to pay the bail or fine or appear in court for an offense
9 involving a moving motor vehicle may result in suspension of the person's driver's
10 license. In addition, a citation must indicate that the person has a right to

- 11 (1) a trial;
- 12 (2) engage counsel;
- 13 (3) confront and question witnesses;
- 14 (4) testify; and

1 (5) subpoena witnesses on the person's behalf.

2 * Sec. 2. AS 28.10.041 is amended by adding a new subsection to read:

3 (d) If an applicant has received actual notice of a required payment of a fine
4 for a parking offense and has failed to pay the fine, the department shall refuse to
5 register the applicant's vehicle until the applicant provides proof that the fine has been
6 paid. An agency of the state or a municipality may report a person's failure to pay a
7 fine to the department on a form prescribed by the department. The department may
8 require electronic reporting.

9 * Sec. 3. AS 28.15.181 is amended by adding a new subsection to read:

10 (h) The court may suspend the driver's license, privilege to drive, or privilege
11 to obtain a license of a person who fails to appear in court as required by a citation
12 for an offense involving a moving motor vehicle, or who fails to pay a fine as required
13 by the court for an offense involving a moving motor vehicle. If the court suspends
14 a driver's license under this subsection, the court shall also provide notice of the
15 suspension to the department. Suspension imposed under this subsection shall remain
16 in effect until the person appears in court as required by the citation, or pays the fine
17 as required by the court. When the person appears in court or pays the required fine,
18 the court shall terminate the suspension imposed under this subsection and provide the
19 person with written notice of the termination.

20 * Sec. 4. AS 28.15.211(c) is amended to read:

21 (c) At the end of a period of suspension or limitation, when that limitation
22 follows a suspension, the person whose license has been suspended or limited may
23 apply to the department and, upon payment of the proper fees, including a
24 reinstatement fee of \$100, be issued a duplicate driver's license if the person is
25 otherwise entitled to the license under this title. The reinstatement fee required
26 under this section is not required for a suspension imposed under AS 28.15.181(h).

27 * Sec. 5. AS 28.15.211(e) is amended to read:

28 (e) Except for a suspension under AS 28.15.181(h), at [AT] the end of a
29 period of limitation, suspension, or revocation under this chapter, the department may
30 not issue a driver's license or a duplicate driver's license to the licensee until the
31 licensee has complied with AS 28.20 relating to proof of financial responsibility.

SB

167

Analysis

This bill provides for sharing marine fuel taxes to municipalities based on the linear footage of moorage owned by the municipality. Effective July 1, 1993 taxes would be shared by multiplying marine fuel tax proceeds collected within the municipality by the following fraction of wharfage within the municipality:

$$\frac{\text{Total linear footage of moorage owned by municipality}}{\text{Total linear footage of all moorage that is publicly operated}}$$

Amounts shared would be subject to legislative appropriation.

Total actual linear footage of moorage in the state is not available because moorage has not been cumulatively inventoried as to federal, state, local and private ownership. According to the Alaska Department of Transportation and Public Facilities (DOTPF), municipalities currently own a small percentage of total moorage in the state. DOTPF estimates that between 5% to 10% of moorage in Alaska is municipally owned.

The revenue decrements in this fiscal note are based on 7.5% municipal ownership of moorage and marine fuel tax collections of approximately \$10 million.

This bill will require additional reporting by dealers, distributors and users to report fuel sales in municipalities. Currently, only wholesale transactions are required to be reported by qualified dealers who sell or transfer motor fuel in the state. These transactions are reported on a state level and not by locality. Qualified dealers are not required to track and report transfers and sales of fuel between distributors and vendors. Under this bill, dealers, distributors and users will need to report subsequent sales or transfers of fuel in order for the department to determine the final location of the marine fuel tax proceeds.

Operating Costs

An additional position will be required to monitor and process the additional reports received by the department. This position will also need to data capture moorage and motor fuel tax information and determine the proper amount of taxes to be shared to respective communities. Corresponding costs are outlined on the following page.

The department will procure a contract to survey moorage in municipalities in the initial year that the sharing program takes effect (FY 94). The department will incur travel costs to conduct audits and educational seminars on the new reporting requirements.

Operating Costs (Continued)

Personal Services

Tax Examiner II (Range 12A) \$40.1

Travel

Compliance and Review (FY 94) 20.0

Audits (FY 95 - FY 99) 3.0

Contractual

Survey Contract (FY 94) 40.0

Other (FY 94 - FY 99) 3.0

Supplies

1.0

Equipment

Computer and Office Equipment (FY 94) 8.0

SOUTHEAST CONFERENCE

Tel. (907) 463 3445

FAX (907) 463 5670

124 West 5th Street

Juneau, Alaska 99801

March 22, 1993

Honorable Robin Taylor
Alaska Senate
Juneau, Alaska 99811

Dear Senator Taylor:

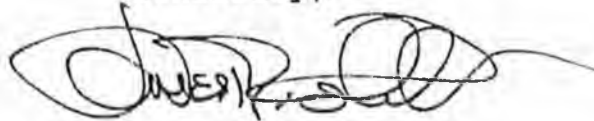
The Southeast Conference supports SB 167 which would distribute some of the revenues from the tax on motor fuel used in watercraft to municipalities for the construction, maintenance, and operation of municipal water and harbor facilities.

The proposed legislation recognizes that such facilities are an integral component of the economic infrastructure of Alaska's coastal communities.

The revenue stream generated by the proposed legislation will make it easier for municipalities to both plan for and execute necessary O&M projects without imposing otherwise burdensome and prohibitive fees and taxes. Such fees and taxes would generate disincentives for use of municipal facilities for continued economic efforts at a time when incentives are needed.

Thank you for your efforts.

Sincerely,



James M. Kohler
Executive Director



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325, Fax (907) 463-5480

DATE: March 22, 1993

TO: Senator Bert Sharp, Chair
and Members, Senate Transportation Committee

FROM: Kent E. Swisher, Executive Director

SUBJ: SB 167, Marine Fuel Tax Revenue Sharing

The Alaska Municipal League supports the concept of SB 167, in that it would provide an additional revenue source for those jurisdictions that own local docks.

The League's Policy Statement, adopted by its member jurisdictions meeting in conference in November, 1992 provides:

"The League supports amendment of the statute on marine fuel taxes (AS 43.40) so that marine fuel taxes collected in any municipality which the state has required to take over responsibility for harbor and dock expenses, or where the municipality holds existing responsibilities for these expenses, must be refunded to that municipality."

The marine fuel tax would certainly seem to be a reasonable source of funding for repair and maintenance of moorage facilities because of the probable relationship between fuel sales and the need for dockage.

SB 167 would return marine fuel tax revenues to municipalities to the extent that they have ownership of dock facilities. To the extent that ownership equates to responsibility for operation and maintenance the measure is consistent with the League's goals and we support it. We are concerned however, that there may be circumstances in which a municipality has, for what ever reason, assumed responsibility for docks it does not own but which are vital to community well being. There should be a sharing of revenues in these circumstances as well, in that the municipality is bearing a burden, in service to the local public, of maintaining a facility it does not own.

AML appreciates the Committee's consideration of these matters.

Alaska State Legislature

Senate Majority Leader
Chair, Judiciary Committee
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Member, State Affairs Committee
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Senator Robin L. Taylor

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Ketchikan, Alaska 99901
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SPONSOR STATEMENT

SENATE BILL 167

March 23, 1993

SB 167 was introduced at the urging of municipalities in my district and the adjoining Senate district. Their concern is the maintenance of local harbor and dock facilities. Most harbor facilities are owned by the State Department of Transportation and Public Facilities and operated by the municipalities. I believe SB167 would provide a real incentive for the municipalities to assume ownership of many of these facilities, a stated goal of DOT/PF.

Under the provisions of this bill, a portion of the taxes paid by the users of the facilities would benefit those facilities. Earmarking a portion of the watercraft fuel tax to improve Alaska's ports and harbors, essentially a dedicated fund, is allowed under Article IX, Section 7 of the Alaska Constitution. In fact, that specific use of the watercraft fuel tax existed prior to statehood and continued until the legislature, in 1962, took control for expenditures from the "Water and Harbor Facility Fund" out from under the jurisdiction of the Department of Public Works.

The Governor's office and the departments of Revenue and Transportation/Public Facilities have given tentative approval to the concept expressed by SB 167, as have the Alaska Municipal League, the City and Borough of Sitka, the City of Craig and the City of Ketchikan. I have offered to work with these entities to answer any concerns over how to implement this legislation.

Properly maintained harbor facilities are vital to the economic development of our coastal communities. The idea of allowing users to directly benefit from the taxes they pay has historic precedence. Since 1961, state law has allowed municipal sharing of aviation fuel taxes collected at municipal airports.

I ask your support of SB 167.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

RESOLUTION NO. 92-492

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA
REQUESTING THAT THE ALASKA STATE LEGISLATURE AMEND AS 43.40.010 (F) TO
REFUND THE PROCEEDS OF THE REVENUE FROM TAXES ON MOTOR FUEL USED IN BOATS
AND WATER CRAFT TO MUNICIPALITIES

WHEREAS, Alaska is one of the major fishing and pleasure boating
areas in the United States; and

WHEREAS, Sitka is a major fishing port in Alaska and the United
States; and

WHEREAS, Sitka also attracts the pleasure boaters, both locally
and from the southern forty-eight (48) states; and

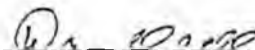
WHEREAS, Sitka has a waiting list of 487 to obtain moorage in the
Sitka harbors; and

WHEREAS, Sitka owns or manages four small boat harbors; and

WHEREAS, all of the harbors and port facilities in Alaska are in
dire need of additional funding.

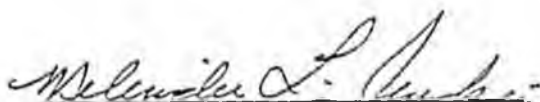
NOW THEREFORE BE IT RESOLVED by the Assembly of the City and
Borough of Sitka, Alaska, that the Alaska State Legislature is requested to
amend AS 43.40.010 (F) to provide that the proceeds from the revenue on the
tax on motor fuel used in boats and water craft of all descriptions be
refunded to the municipalities from which such revenue is generated.

PASSED, APPROVED AND ADOPTED, by the Assembly of the City and
Borough of Sitka, Alaska on this 25th day of February, 1992.



Dan Keck, Mayor

ATTEST:



Melinda L. Jenkins
Municipal Clerk



March 22, 1993

Senator Bert Sharp, Chair
Senate Transportation Committee
Alaska State Capitol
Juneau, Alaska 99801-1182

Subject: SB 167, Municipal Sharing of Watercraft Fuel Tax

Dear Sen. Sharp and members of Senate Transportation Committee:

The City of Craig enthusiastically endorses the passage of SB 167, a bill that allows the distribution of a proportional share of the state tax on watercraft fuels to municipalities assuming ownership of State owned docks and harbors. The tax originally imposed prior to statehood in 1949 was intended by the constitutional convention to continue to be a fund dedicated to water and harbor facilities by means of a grandfather clause in the constitution (Article IX, Section 7). In 1962 control of the fund was assumed by the legislature and the fund was absorbed within the general fund.

The State has adopted a policy (stated in at least two DOIPF policy documents) of shifting the entire cost burden of harbors to municipalities where the harbors are located. This process has begun and has happened already to the City of Craig and the City and Borough of Sitka. Municipalities which must bear the entire cost burden for maintenance and repair of public docks and harbors transferred to the municipality by the State should receive a proportional share of the proceeds from the watercraft fuels tax collected within that municipality under AS 43.40. This is presently not the case under the current statute.

Refunding of watercraft fuel tax to the municipalities as proposed in SB 167 has legislative precedence in that 60% of aviation fuel collected is currently shared with those municipalities that own and operate or lease and operate an airport where the aviation fuel tax is collected. The benefit of fuel taxes should flow to those municipalities which have the financial responsibility for maintaining the facility.

Thank you for the opportunity to comment on this most important bill.

Sincerely,

Tom Briggs
City Administrator, City of Craig



City and Borough of Sitka

304 LAKE STREET. SITKA, ALASKA. 99835

March 22, 1993

Senator Robin L. Taylor
Room 30
State Capitol
Juneau, Alaska 99801-1102

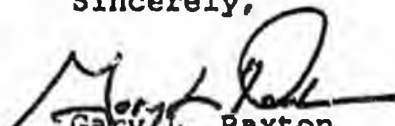
Dear Senator Taylor:

The City and Borough of Sitka strongly supports the passage of House Bill No. 167, which is currently before the Alaska Senate.

A resolution requesting that the proceeds of motor fuel tax on fuel used in watercraft was approved by the City and Borough Assembly in February of 1992. The monies generated by the five cents a gallon tax would be specifically targeted for harbor maintenance. At a minimum, we feel that communities should receive a percentage of the locally generated tax revenues that is equal to the percentage of the linear harbor footage operated by the municipality. This formula is described in Section 2 of House Bill 143.

The City and Borough appreciated the opportunity to comment on this legislation. We urge the passage of the bill.

Sincerely,


Gary L. Paxton
Administrator

Attachment: City and Borough of Sitka Resolution No. 92-492

SPONSOR: Fager/Keck

RESOLUTION NO. 92-492

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA REQUESTING THAT THE ALASKA STATE LEGISLATURE AMEND AS 43.40.010 (F) TO REFUND THE PROCEEDS OF THE REVENUE FROM TAXES ON MOTOR FUEL USED IN BOATS AND WATER CRAFT TO MUNICIPALITIES

WHEREAS, Alaska is one of the major fishing and pleasure boating areas in the United States; and

WHEREAS, Sitka is a major fishing port in Alaska and the United States; and

WHEREAS, Sitka also attracts the pleasure boaters, both locally and from the southern forty-eight (48) states; and

WHEREAS, Sitka has a waiting list of 487 to obtain moorage in the Sitka harbors; and

WHEREAS, Sitka owns or manages four small boat harbors; and

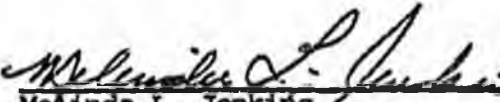
WHEREAS, all of the harbors and port facilities in Alaska are in dire need of additional funding.

NOW THEREFORE BE IT RESOLVED by the Assembly of the City and Borough of Sitka, Alaska, that the Alaska State Legislature is requested to amend AS 43.40.010 (F) to provide that the proceeds from the revenue on the tax on motor fuel used in boats and water craft of all descriptions be refunded to the municipalities from which such revenue is generated.

PASSED, APPROVED AND ADOPTED, by the Assembly of the City and Borough of Sitka, Alaska on this 25th day of February, 1992.


Dan Keck, Mayor

ATTEST:


Melinda L. Jenkins
Municipal Clerk

END



**City of
Ketchikan**
Port & Harbors Department

334 Front Street
Ketchikan, Alaska 99901
Phone 907-225-3111
Fax 907-225-5075

Phone 907-228-5637
Fax 907-247-3610

March 22, 1993

The Honorable Bert M. Sharp
The Senate of Alaska
Room 514
State Capitol Building
Juneau, Alaska 99801-1182

Dear Senator Sharp:

I have recently had the opportunity to review Senate Bill No. 167, "An Act relating to the distribution of the revenue obtained from imposition of the state tax on motor fuel used in watercraft of all descriptions; and providing for an effective date."

Before I comment on Senate Bill No. 167, I feel I must provide some background information. Ketchikan operates five State owned boat harbors; three within the City limits, two located outside the City limits. Our harbors are some of the oldest in the State. Our Harbor Department performs ongoing maintenance of the facilities. However, due to their age, ongoing maintenance is not enough.

Numerous components of the Ketchikan boat harbor facilities should be replaced. Our operating agreement with the State of Alaska defines the level of maintenance for which the City and the State is responsible. The City has performed the required maintenance within the budgetary guidelines provided by the City Council. However, the State Department of Transportation and Public Facilities has deferred many maintenance items due to the budgetary guidelines provided by the Legislature.

If the State's small boat harbors are expected to continue to provide moorage for our fishing fleets, our pleasure boat fleets, and the thousands of transient boats that visit our state each year, then it is necessary that funds be made available to bring our harbors up to an acceptable standard of condition regardless of who owns or operates the harbors.

The Honorable Bert M. Sharp -2-

March 22, 1993

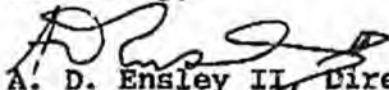
Senate Bill NO. 167 is an excellent first step to provide the funds to rehabilitate or replace the State's aging small boat harbors. As to identifying the beneficiaries of the Bill, I believe you will find there is a limited number of small boat harbors that are owned by a municipality. Therefore, SB No.167, as written, will benefit a small minority.

If the goal of SB No. 167 is to provide funds to allow a municipality to maintain the small boat harbors, then it would be more equitable to amend SB No. 167 to distribute the funds based on the total linear footage of all moorage facilities which are operated by the municipality, regardless of location or ownership, be it State or local. The formula contained in the Bill will not produce the desired results for every community.

Once the funding mechanism provided for in SB No. 167 is in place and funds are being distributed, then the State can better address the issue of the transfer of ownership of the State's small boat harbors.

I am pleased to see that efforts are being made to address the deteriorating condition of the State's small boat harbors. I could support Senate Bill No. 167, if it were to be amended by deleting the funding formula which is based on municipal vs. public operation.

Sincerely,


A. D. Ensley II, Director
Port & Harbors Department

ADE:ade

House CRA
3/2/93

HB 143: MARINE FUEL TAX REVENUE SHARING
NUMBER 192

CHAIRMAN OLBERG RECONVENED THE MEETING AT 1:14 P.M. AND
BROUGHT FORTH SSHB 143.

REPRESENTATIVE JERRY MACKIE, PRIME SPONSOR OF SSHB 143,
TESTIFIED SAYING: "THE REASON I INTRODUCED THIS BILL IS IT
WAS BROUGHT TO MY ATTENTION BY THE CITY OF CRAIG THAT
PERHAPS THIS PARTICULAR BILL OR CHANGE TO LAW COULD SERVE AS
AN INCENTIVE TO ACCOMPLISH SOMETHING THAT I BELIEVE THAT DOT
(DEPARTMENT OF TRANSPORTATION) AND THE ADMINISTRATION, AND
MAYBE MANY OF US WOULD LIKE TO SEE IN REGARDS TO SOME OF OUR
PUBLIC FACILITIES. ... THAT WHEREVER POSSIBLE, THE DOT
WANTED TO TRY TO TRANSFER SOME OF THESE REMOTE HARBOR
FACILITIES TO THE MUNICIPALITIES AND LET THEM OWN THEM SO
THEY WOULD HAVE TO MAINTAIN THEM AND HAVE THE STATE GET OUT
OF THE BUSINESS OF HAVING TO OWN, OPERATE AND MAINTAIN SOME
OF THESE HARBOR FACILITIES THAT AS WE ALL KNOW IS VERY
EXPENSIVE.

REPRESENTATIVE MACKIE CONTINUED, "HOWEVER, THERE'S NOT A
WHOLE LOT OF INCENTIVE FOR COMMUNITIES TO WANT TO TAKE OVER
OWNERSHIP OF THESE FACILITIES. ALONG WITH THAT COMES THE
LIABILITY AND MAINTENANCE COST AND THINGS LIKE THAT. SO WE
FELT THAT THIS MAY SERVE AS AN INCENTIVE TO THOSE
COMMUNITIES THAT WANTED TO TAKE THESE OVER. THAT THIS IS
SOME WAY OF GETTING SOME MONEY BACK INTO THE MAINTENANCE AND
UPKEEP OF SOME OF THESE HARBOR FACILITIES. HE THEN READ
INTO THE RECORD HIS SPONSOR STATEMENT WHICH HAD BEEN
PROVIDED TO THE COMMITTEE MEMBERS." (A COPY OF HIS SPONSOR
STATEMENT MAY BE FOUND IN THE HOUSE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE ROOM, CAPITOL #110, AND AFTER THE
ADJOURNMENT OF THE SECOND SESSION OF THE 18TH ALASKA STATE
LEGISLATURE, IN THE LEGISLATIVE REFERENCE LIBRARY.)

REPRESENTATIVE MACKIE THEN REFERRED TO A LIST OF HARBORS
WHICH HAD BEEN DISTRIBUTED TO COMMITTEE MEMBERS." (A COPY OF
THIS LIST MAY BE FOUND IN THE HOUSE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE ROOM, CAPITOL #110, AND AFTER THE
ADJOURNMENT OF THE SECOND SESSION OF THE 18TH ALASKA STATE
LEGISLATURE, IN THE LEGISLATIVE REFERENCE LIBRARY.)

NUMBER 352

REPRESENTATIVE MACKIE ADDED, "THE MAJORITY OF THIS AMENDMENT
IS BEING OFFERED AS A RESULT OF THE CITY OF KETCHIKAN'S
HARBORMASTER CALLING ME AND EXPRESSING THE CITY OF
KETCHIKAN'S SUPPORT FOR THIS MEASURE, THE HARBOR
DEPARTMENT'S SUPPORT. HOWEVER THEY DIDN'T LIKE THE WORD
WARPAGE... SO WE CAME UP WITH THE LANGUAGE THAT WOULD BETTER
SUIT THE WORDING OF IT. THAT'S THE FIRST FOUR PARTS OF IT.
THE LAST ONE, PAGE 2, LINE 7, MOORAGE FACILITY INCLUDES A
DEFINITION WHICH THE DEPARTMENT OF TRANSPORTATION ASKED US
TO INCLUDE ... AT MEANS."

NUMBER 369

REPRESENTATIVE DAVIES MOVED TO ADOPT THE AMENDMENTS. WITHOUT OBJECTIONS, IT WAS SO ORDERED.

REPRESENTATIVE CYNTHIA TOOHEY ASKED IF IT WAS LEGAL TO HAVE THE LEGISLATION READ, "THE PROCEEDS FROM THE REVENUE FROM THE TAX ON MOTOR FUEL IN WATERCRAFT OF ALL DESCRIPTIONS SHALL BE DEPOSITED IN A SPECIAL WATERCRAFT FUEL TAX ACCOUNT IN THE GENERAL FUND."

REPRESENTATIVE MACKIE SAID, "THAT'S IN STATUTE RIGHT NOW. THE ONLY PART THAT CHANGES IN THE SECTION IS WHAT'S BOLD AND UNDERLINED. ...IT HAD A GRANDFATHER CLAUSE IN THE CONSTITUTION FOR THAT PARTICULAR FUND. AS WE KNOW NOW WE CAN'T HAVE DEDICATED FUNDS UNLESS THEY'RE APPROVED BY THE VOTERS. ...THIS BILL (SSHB 143)... WOULD STILL BE SUBJECT TO A LEGISLATIVE APPROPRIATION EVERY YEAR, AND AS WE DO OUR BUDGET BILLS EVERY YEAR YOU'LL SEE NUMEROUS APPROPRIATIONS BECAUSE OF LEGISLATION THAT WE'VE PASSED OVER THE YEARS, BUT WE CAN'T BIND ONE LEGISLATURE TO DO SOMETHING ELSE THAT WE'VE DONE, SO EACH YEAR THE LEGISLATURE WOULD STILL HAVE TO APPROPRIATE THOSE FUNDS TO THE APPROPRIATE COMMUNITIES AS PART OF THE TOTAL BUDGET PACKAGE."

REPRESENTATIVE TOOHEY ASKED IF CRAIG LIKED SSHB 143.

REPRESENTATIVE MACKIE DEFERRED TO THE CITY MANAGER OF CRAIG, TOM BRIGGS, AND POINTED OUT THAT CRAIG HAD SEVERAL HARBORS, SOME OF WHICH WERE CURRENTLY OWNED BY THE CITY.

NUMBER 420

TOM BRIGGS, CITY MANAGER OF CRAIG, VIA TELECONFERENCE, TESTIFIED AND SAID, "THE CITY OF CRAIG ENTHUSIASTICALLY ENDORSES THE PASSAGE OF HB 143... THE STATE HAS ADOPTED A POLICY THAT HAS BEEN STATED IN AT LEAST TWO DEPARTMENTS OF TRANSPORTATION POLICY DOCUMENTS, OF SHIFTING THE ENTIRE COST BURDEN OF HARBORS TO THE MUNICIPALITIES WHERE THE HARBORS ARE LOCATED. THIS PROCESS HAS BEGUN... MUNICIPALITIES WHICH MUST BEAR THE ENTIRE COST BURDEN FOR MAINTENANCE AND REPAIR OF PUBLIC DOCKS AND HARBORS TRANSFERRED TO THE MUNICIPALITY BY THE STATE SHOULD RECEIVE A PROPORTIONAL SHARE OF THE PROCEEDS OF THE WATERCRAFT FUEL TAX COLLECTED WITHIN THE MUNICIPALITY UNDER AS 43.40..."

MR. BRIGGS ALSO POINTED OUT THAT A SIMILAR SCHEME IS ALREADY FOUND WITH THE AVIATION SALES TAX.

NUMBER 475

REPRESENTATIVE MACKIE ASKED IF THE CITY OF CRAIG WAS HAPPY WITH THE TRANSFER OF THE HARBOR FACILITY.

MR. BRIGGS SAID, "YES, IF WE RECEIVE SOME ASSISTANCE TO MAINTAIN IT. ...WE DON'T HAVE A LOT OF TAXABLE PROPERTY TO SUPPORT THE HARBORS. ...SINCE THIS TAX WAS IMPLEMENTED FOR THIS PURPOSE, WE WOULD BE MUCH HAPPIER IF IT HAD A PROPORTIONAL PORTION OF THE TAX THAT IS GENERATED BY OUR COMMUNITY."

NUMBER 513

REPRESENTATIVE BUNDE ASKED IF THERE WOULD STILL BE LOCAL MONIES TOWARDS FUNDING OF MAINTENANCE.

REPRESENTATIVE MACKIE SAID, "MY UNDERSTANDING IS THAT THIS WOULD BE JUST TO HELP OFFSET THOSE COSTS. ...THE ACTUAL AMOUNT OF MONEY WE'RE TALKING ABOUT IS MINIMAL..."

REPRESENTATIVE BUNDE ASKED FOR A SPECIFIC PERCENTAGE OF REIMBURSEMENT ON HARBORS FROM THE WATER TAX.

REPRESENTATIVE MACKIE SPECULATED, "MAYBE 25 PERCENT."

REPRESENTATIVE WILLIAMS CAUTIONED, "I'D SURE HATE FOR US TO DO SOMETHING THAT WE THINK IS GOOD FOR THE COMMUNITY AND END UP NOT BENEFITTING..." HE EXPRESSED CONCERN THAT HARBORS MIGHT NOT BE REPAIRED.

NUMBER 587

REPRESENTATIVE MACKIE SAID, "THAT'S SOMETHING THAT WE'RE CONSTANTLY CONCERNED WITH BECAUSE I THINK OUR HARBOR FACILITIES THROUGHOUT THE WHOLE STATE HAVE BEEN SUBSTANTIALLY NEGLECTED AS FAR AS STATE CONTRIBUTIONS TO THEIR MAINTENANCE. ...I LOOK AT THIS AS ONLY BEING ABLE TO HELP SOME OF THE COMMUNITIES, AS FAR AS THE STATE PUTTING ANY MORE MONEY INTO THE HARBOR FACILITIES IN THOSE COMMUNITIES TO UPGRADE THEM. IT ISN'T GOING TO CHANGE BECAUSE THAT'S GOING TO BE OUR ABILITY TO HAVE THOSE KINDS OF PROJECTS AND DOT'S ABILITY TO HAVE THEM INCLUDED IN THEIR SIX YEAR PLAN WILL ALWAYS REMAIN WHETHER WE DEDICATE SOME OF THE FUEL TAXES BACK OR NOT. THOSE OF US THAT HAVE HARBOR FACILITIES IN OUR COMMUNITIES ARE ALWAYS FACED WITH THAT..."

REPRESENTATIVE DAVIES ASKED ABOUT THE COSTS AND REVENUES OF HARBORS.

REPRESENTATIVE MACKIE REPLIED, "I THINK BASICALLY THESE FUNDS WHATEVER THEY MAY BE, I DON'T THINK THEY'RE VERY MUCH, BUT I THINK THEY WOULD HELP TO OFFSET THE COSTS. . OF GENERAL MAINTENANCE OF THE FACILITY... ANY KIND OF MAJOR REFURBISHMENT, EXPANSION, OR MAJOR MAINTENANCE OF COURSE ALL THESE COMMUNITIES WILL HAVE TO LOOK TO THE LEGISLATURE FOR THAT KIND OF SUPPORT IN THE FUTURE AND LOOK DIRECTLY TO DOT FOR THAT KIND OF HELP."

REPRESENTATIVE DAVIES SAID, "AS I READ THIS BILL (SSHB 143), THERE APPEARS TO BE NO ACTUAL REQUIREMENT THAT THE FUNDS BE SPENT FOR ANY PARTICULAR PURPOSE. WOULD YOU BE OPPOSED TO AN AMENDMENT THAT ADDED PURPOSE TO IT?"

NUMBER 649

REPRESENTATIVE MACKIE SAID HE WOULDN'T, BUT ADDED THAT THIS WOULD PROBABLY BE APPLIED IN REGULATION RATHER THAN STATUTE. HE SAID, "I THINK IT'S A GOOD PRACTICE NOT TO MICROMANAGE IN STATUTE SOME OF THESE THINGS BUT MAKING SURE THAT THEY ARE UTILIZED FOR THAT PURPOSE IS A VERY GOOD POINT."

REPRESENTATIVE DAVIES ASKED WHO ACTUALLY PAID THE MOTOR FUEL TAXES, A FEW LARGER COMMUNITIES OR MANY SMALL ONES.

REPRESENTATIVE MACKIE SAID, "IT'S UNFORTUNATE THAT NOT EVERY SINGLE COMMUNITY HAS A FUEL FACILITY, MOST DO..." AND, "I'M NOT AS CONVINCED AS DOT THAT THIS IS GOING TO CAUSE ANY FALLOUT OR CAUSE PEOPLE IN HOCK TO WANT TO ASSUME OWNERSHIP, BECAUSE I THINK THOSE THAT JUST ECONOMICALLY CAN'T DO ARE NOT GOING TO DO IT ANYWAY AND THIS MIGHT HELP SOME OF THE BORDERLINE COMMUNITIES LIKE CRAIG AND KETCHIKAN AND SOME OTHER ONES..."

NUMBER 683

CHAIRMAN OLBERG ASKED FOR CLARIFICATION ON THE ROUTING OF THE MARINE FUEL TAX DOLLARS.

REPRESENTATIVE MACKIE REPLIED, "BECAUSE WE CAN'T CREATE A DEDICATED FUND BY LAW, ANY HARBOR IMPROVEMENTS OR ANY MONEY THAT'S GIVEN TO ANY ONE PARTICULAR COMMUNITY IS THROUGH THE GENERAL FUND PROCESS IN THE DOT BUDGET."

TAPE 93-8, SIDE B

NUMBER 000

CHAIRMAN OLBERG SAID, "THIS BILL (SSHB 143) DOES NOT SPEAK TO CAPITAL IMPROVEMENTS. IT DOES NOT SPEAK TO WHERE THE FUEL WAS PURCHASED. IT SIMPLY SAYS THAT THROUGH THIS BILL A PERCENTAGE CAN BE RETURNED TO THE COMMUNITY THAT OWNS ITS OWN HARBOR FACILITY."

REPRESENTATIVE MACKIE GAVE THE EXAMPLE OF CRAIG. "...IT'S DETERMINED THAT CRAIG OWNS 25 PERCENT OF THE TOTAL HARBOR FACILITY. THEN THE COMMUNITY OF CRAIG WOULD BE ELIGIBLE FOR 25 PERCENT OF THAT \$50,000 THAT WAS COLLECTED IN CRAIG ONLY. THE LINEAR FOOTAGE IS ONLY THE MEANS BY WHICH YOU DETERMINE THE PERCENTAGE OF HOW MUCH HARBOR IS MUNICIPALLY OWNED."

NUMBER 056

REPRESENTATIVE BURDE ASKED IF MUNICIPALITIES COULD USE THE
DIP FUNDS.

REPRESENTATIVE HACKIE SAID, "I THINK IT'S REALLY
UNLIKELY IF THE MONEY IS COLLECTED IN THE COMMUNITY OF
CRAIG FROM THE PEOPLE THAT ARE USING THOSE HARBORS, SINCE
IT SHOULD GO BACK TO MAINTAIN THOSE HARBORS; AND THE STATE
HASN'T HAD THE ABILITY TO DO THAT VERY WELL IN THE PAST, AND
THE MUNICIPALITIES ARE HAVING TO DO IT ON THEIR OWN ANYWAY."

REPRESENTATIVE BURDE ASKED IF REPRESENTATIVE HACKIE KNEW OF
OTHER COMMUNITIES THAT WERE INTERESTED IN SBHB 145.

REPRESENTATIVE HACKIE SAID NO AND, "THIS IS JUST A NEW IDEA
THAT COMMISSIONER TURPIN HAS AND BROUGHT TO MY
ATTENTION. THEY DECIDED TO DO THIS ONE HARBOR ON A TEST RUN
TYPE THING TO SEE IF THEY COULD REALLY MAKE IT WORK, TO SEE
IF IT WILL BE BENEFICIAL. I'VE LET THE COMMUNITIES IN MY
DISTRICT KNOW THAT THIS IS AN OPTION THAT THEY MIGHT WANT TO
CONSIDER. IT'S NOT SOMETHING THAT I'M EITHER FOR OR
AGAINST. I THINK IT'S REALLY A LOCAL ISSUE."

NUMBER 137

CHAIRMAN OLBERG REQUESTED THE DISCUSSION OF SBHB 143 BE
CONTINUED NEXT TUESDAY, MARCH 9, 1993, DUE TO A TIME
CONFLICT OF SEVERAL MEMBERS.

REPRESENTATIVE HACKIE SAID HE WANTED TO FIND SPECIFIC
NUMBERS FOR THE QUESTIONS ASKED ON REVENUES.

NUMBER 170

ADJOURNMENT

CHAIRMAN OLBERG ADJOURNED THE MEETING AT 1:49 P.M.

House CRA
3/9/93

HB 143: MARINE FUEL TAX REVENUE SHARING

CHAIRMAN BLEERS RECONVENED THE MEETING AT 1:56 P.M. WITH REPRESENTATIVE WILLIAMS JOINING THE COMMITTEE, AND JOB 143 WAS BROUGHT FORTH.

REPRESENTATIVE COONEY MOVED THAT THE COMMITTEE SUBSTITUTE FOR THE SPONSOR SUBSTITUTE FOR HB 143 (CRA) BE ADOPTED. WITHOUT OBJECTION, IT WAS SO ORDERED.

NUMBER 521

REPRESENTATIVE HACKIE, PRIME SPONSOR OF HB 143, TESTIFIED ADDRESSING A PROPOSED AMENDMENT TO CSSSH 143. "IT WAS SUGGESTED BY REPRESENTATIVE DAVIES IN THE LAST MEETING THAT THE COMMITTEE WANTED TO HAVE LANGUAGE IN THERE THAT THE MONEY COLLECTED HAD TO BE USED FOR HARBOR FACILITIES. SO I CAN DIRECT YOUR ATTENTION TO THE AMENDMENT WHICH IS OFFERED BY JACKIE CHEROWETH LEGISLATIVE LEGAL COUNSEL. HE THEN DESCRIBED THE AMENDMENT. (A COPY OF THIS AMENDMENT MAY BE FOUND IN THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE ROOM, CAPITOL BLDG. AND AFTER THE adjournment of the second session of the 18th ALASKA STATE LEGISLATURE IN THE LEGISLATIVE REFERENCE LIBRARY.)

REPRESENTATIVE DAVIES MOVED THAT THE AMENDMENT BE ADOPTED BY THE COMMITTEE. WITHOUT OBJECTIONS, IT WAS SO ORDERED.

NUMBER 540

REPRESENTATIVE HACKIE REFERRED TO A LETTER FROM THE CITY OF CRAIG WHICH SPECIFIED THE LOSSES THEY INCUR. HE SAID, "THEY EXPECT FOR FY 93 TO GENERATE \$1,000 DOLLARS IN REVENUES. THEY ARE ANTICIPATING THE EXPENDITURES FOR FY 1993 TO BE \$2,900 (DOLLARS) THEREFORE BEING 20,000 DOLLARS SHORT. THE EXPENDITURES ARE EXPECTED TO BE ABOUT 37,000 DOLLARS MORE TO THE CITY IN THE NEXT YEAR. BASED ON LAST YEAR'S (1992) TAXES THAT WERE COLLECTED THERE, THE CITY WOULD EXPECT TO RECEIVE ABOUT 20,000 DOLLARS FROM THAT TAX SOURCE SO THERE WOULD STILL BE A VOID."

REPRESENTATIVE HACKIE CONTINUED, "DEPENDING ON EACH MUNICIPALITY OR EACH LOCATION WITH HARBOR FACILITIES, YOU WOULD NEED TO DETERMINE THEMSELVES WHETHER OR NOT IT WAS IN THEIR BEST INTEREST TO ASSUME CONTROL OF ANY OF THESE HARBORS. THIS WOULD ONLY SERVE AS AN INCENTIVE FOR SOME OF THEM TO DO IT."

NUMBER 572

JUD FAGER, ASSEMBLYMAN AND DEPUTY MAYOR, CITY AND BOROUGH OF SITKA, TESTIFIED VIA TELECONFERENCE IN SUPPORT OF HB 143 SAYING, "MARINE FUEL TAX...WAS ORIGINATED BY THE STATE TO HELP FINANCE HARBORS AND INFRASTRUCTURE, BUT THE STATE'S POSITION OF A RELINQUISHING MAINTENANCE AND INFRASTRUCTURE FOR HARBORS... WITH THE STATE'S DECLINING REVENUES AND DESIRE TO CUT GOVERNMENT SPENDING... WHO BETTER TO RUN THE HARBORS THAN THE LOCAL COMMUNITIES?"

NUMBER 593

REPRESENTATIVE BUNDE ASKED LARRY MEYERS, DIRECTOR OF THE INCOME AND EXCISE AUDIT DIVISION, DEPARTMENT OF REVENUE, "DO YOU SEE THAT THIS WOULD ERODE ANY OF THE MONEY AVAILABLE?"

LARRY MEYERS, DIRECTOR, INCOME AND EXCISE AUDIT DIVISION, DEPARTMENT OF REVENUE, REPLIED, "THIS WILL NOT ERODE. THERE IS A BASIC CONCERN THAT WE HAVE AS FAR AS THE ADMINISTRATION AND COLLECTION. ...CURRENTLY WE ONLY TRACK AT THE WHOLESALE LEVEL AND THE BILL (HB 143) AS PRESENTED WOULD ATTEMPT TO TRACE THE SALE OF FUEL BACK TO THE INDIVIDUAL LOCALITY, AND AS THE FORMS ARE NOW SET UP AND THE WAY WE TRACK, WE'RE NOT CAPABLE OF DOING THIS."

CHAIRMAN OLBERG ASKED AT WHAT POINT WAS THE FUEL TAX BEING CHARGED.

MR. MEYERS SAID, "AT THE WHOLESALE LEVEL. THE FIRST TIME THAT IT'S PURCHASED OR TRANSFERRED COMING IN WITHIN THE STATE."

CHAIRMAN OLBERG ASKED, "A FUEL DEALER IN CRAIG DOES NOT COLLECT ANY FUEL TAXES?"

REPRESENTATIVE TOOHEY ASKED, "DO YOU SUPPORT THIS BILL (HB 143)?"

MR. MEYERS SAID, "RIGHT NOW WE'RE IN A NEUTRAL POSITION."

REPRESENTATIVE TOOHEY SAID, "FROM WHAT YOU SAY YOU'RE LOSING THOUSANDS OF DOLLARS BY NOT BEING ABLE TO TRACK THE FUEL, IS THAT CORRECT?"

MR. MEYERS SAID, "MY CONCERN HERE IS TRYING TO MAKE SURE WE WOULD ALLOCATE THE AMOUNT THAT WAS USED IN THAT PARTICULAR AREA. I'M SAYING WE'RE NOT CAPABLE OF TRACKING IT..."

CHAIRMAN OLBERG SAID, "IT SEEMS IT WOULD BE RELATIVELY SIMPLE, TO DETERMINE HOW MANY GALLONS OF FUEL WERE SOLD IN CRAIG, ALASKA, FOR EXAMPLE."

NUMBER 834

REPRESENTATIVE MACKIE SAID, "I WAS UNAWARE THAT THAT'S HOW IT OPERATED... I CANNOT BELIEVE THAT IT WOULD BE VERY HARD FOR FUEL COMPANY X TO FILL OUT A FORM THAT SAYS I COLLECTED 100,000 DOLLARS IN FUEL TAX THIS YEAR WITHIN THE CITY OF CRAIG. ...IF WE'RE NOT ASKING THEM TO DO THAT, IF WE'RE NOT COLLECTING THE MONEY AS IT'S BEING SOLD...THEN OBVIOUSLY, WE ARE LOSING OUT ON A CONSIDERABLE AMOUNT OF MONEY."

CHAIRMAN OLBERG SAID, "I WONDER IF, IN FACT, THE TAX YOU'RE PAYING WHEN YOU BUY FUEL KIND OF TRAVELS UP THE LINE TO SOME POINT WHERE THE DEPARTMENT OF REVENUE IS KEEPING TRACK OF THE FUEL AT ONE END OF THE SYSTEM OR THE OTHER."

REPRESENTATIVE MACKIE INTERJECTED, "PERHAPS THEY DON'T LIVE, EITHER."

REPRESENTATIVE BUNDE SAID, "IT MAKES LITTLE DIFFERENCE WHERE THE TAX IS ACTUALLY PAID... ALL YOU REALLY NEED TO KNOW IS HOW MUCH IS THAT TAX AND HOW MANY GALLONS WERE PURCHASED AT THAT PARTICULAR LOCALITY."

NUMBER 835

REPRESENTATIVE MACKIE SAID, "IF THIS WAS STRAIGHTENED OUT SOMEHOW, THIS BILL (HE 143) MIGHT BE A CONSIDERABLE REVENUE ENHANCER TO THE STATE." HE ADDED, "WHY WOULDN'T THE DEPARTMENT OF REVENUE ASK EACH FUEL COMPANY THAT DOES BUSINESS IN THE STATE TO SUBMIT TO THEM A REPORT AS TO HOW MANY ACTUAL GALLONS OF MARINE FUEL THEY SOLD AND HOW MANY TAX DOLLARS THEY COLLECTED ON THAT FUEL. IF THEY'RE REQUIRED TO CHARGE THE TAX, THEY CERTAINLY OUGHT TO BE REQUIRED TO REPORT THAT TO YOU, COMMUNITY BY COMMUNITY OR FUEL COMPANY BY FUEL COMPANY..."

MR. MEYERS REPLIED, "THE TAX IS CHARGED AT THE WHOLESALE LEVEL AT THAT ONE END. THAT IS THE REPORTING REQUIREMENT. THEN IT CAN BE MOVED DOWN THE LINE TO DEALER BY DEALER. IT IS PASSED WITH THE TAX ON. ...SO YOU ARE THE ULTIMATE CONSUMER, YOU HAVE THAT ADDITIONAL TAX YOU'RE PAYING FOR, BUT IT'S JUST PULLING BACK UP THE LINE...WE ARE NOT CONCERNED WHO THE ULTIMATE CONSUMER IS."

TAPE 93-11, SIDE B
NUMBER 836

CHAIRMAN OLBERG SAID, "ALL WE NEED TO KNOW IS HOW MANY GALLONS OF FUEL WERE SOLD IN THAT CITY THAT YEAR TO DO THE ARITHMETIC."

MR. MEYERS SAID, "THAT WOULD BE A CERTAIN, YES. ...WE'RE GOING TO SET UP TO TRACE THAT..."

REPRESENTATIVE MACKIE ASKED, "WHY WOULDN'T THE DEPARTMENT OF REVENUE BE ABLE TO CHANGE HOW THEY DO IT A LITTLE BIT AND JUST REQUIRE ANY FUEL RETAILER TO SUBMIT THEIR REPORT... IT SEEMS THAT WOULD BE A MORE ACCURATE, MORE EFFICIENT WAY TO HANDLE THE ACCOUNTING PRACTICES."

NUMBER 049

MR. MEYERS REPLIED, "IN COLLECTING TAXES, IT HAS BEEN OUR EXPERIENCE THAT IF YOU TRY TO GET AT THE FIRST SOURCE WHEN IT COMES INTO THE STATE RATHER THAN WHEN IT FILTERS DOWN, IT MAKES OUR REPORTING REQUIREMENTS, ABILITY TO MONITOR, A LOT EASIER IF WE COLLECT IT THE FIRST TIME IT COMES IN THE STATE. AS IT IS RIGHT NOW, MOTOR FUEL DISTRIBUTORS ARE REQUIRED TO FILE ON A MONTHLY BASIS. IF WE WERE TO GO DOWN ANOTHER LEVEL, WE WOULD PROBABLY INCREASE OUR PAPERWORK THREE, FOUR, FIVE-FOLD TIMES. EACH TIME WE RELY ON SOMEONE FURTHER ON DOWN THE STREAM TO REPORT, WE HAVE LESS AND LESS CHANCE OF CATCHING THEM OR MAKING SURE THAT THERE'S COMPLIANCE."

REPRESENTATIVE BUNDE POINTED OUT THERE WERE A LIMITED NUMBER OF MUNICIPAL-OWNED DOCKS IN ALASKA AND "IT'S IN THE MUNICIPALITY'S INTEREST" TO DO ANY ADDITIONAL ACCOUNTING.

CHAIRMAN OLBERG SAID, "THAT'S A GOOD POINT...PUT THE BURDEN OF PROVIDING THE NECESSARY INFORMATION ON THE MUNICIPALITY THAT'S GOING TO ACTUALLY RECEIVE THE BENEFIT. ...I SUSPECT THERE'S EVEN A TAX STRUCTURE ALREADY IN PLACE THROUGH SALES TAXES..." HE ALSO POINTED OUT THE DEPARTMENT OF REVENUE'S FISCAL NOTE. (A COPY OF THIS FISCAL NOTE MAY BE FOUND IN THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE ROOM, CAPITOL ROOM 110, AND AFTER THE ADJOURNMENT OF THE SECOND SESSION OF THE 18TH ALASKA STATE LEGISLATURE, IN THE LEGISLATIVE REFERENCE LIBRARY.)

NUMBER 117

MR. MEYERS RESPONDED TO THE \$40,000 CONTRACTUAL AMOUNT ON THE FISCAL NOTE, "IT WAS OUR INTENTIONS IN THE FIRST YEAR, ON PAGE 3 OF THE FISCAL NOTE, WOULD BE FOR A SURVEY TO DETERMINE HOW MANY LINEAR FEET OF THE WHARFAGE. SOMEONE WOULD HAVE TO GO OUT THERE AND PHYSICALLY MEASURE THIS..."

REPRESENTATIVE BILL WILLIAMS SAID, "YOU'D THINK YOU HAVE THAT INFORMATION NOW."

CHAIRMAN OLBERG SAID, "IN EVERY CASE WE'RE TALKING ABOUT A FACILITY THAT USED TO BE A STATE FACILITY AND IS NOW A CITY FACILITY. YOU WOULD THINK THAT THOSE FIGURES ARE ON FILE SOMEWHERE FROM WHEN THE DOCK WAS BUILT... I THINK WE JUST SAVED YOU 40,000 BUCKS HERE."

REPRESENTATIVE MACKIE POINTED OUT THAT ON THE DEPARTMENT OF TRANSPORTATION'S (DOT) LIST OF HARBORS PROVIDED TO THE COMMITTEE MEMBERS, THIS INFORMATION HAD BEEN FURNISHED. (A COPY OF THIS FISCAL NOTE MAY BE FOUND IN THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE ROOM, CAPITOL ROOM 110, AND AFTER THE ADJOURNMENT OF THE SECOND SESSION OF THE 18TH ALASKA STATE LEGISLATURE, IN THE LEGISLATIVE REFERENCE LIBRARY.) "DOT OWNS THESE FACILITIES NOW, THEY KNOW HOW MANY LINEAR FEET OF DOCK THEY HAVE ON ALL THESE THINGS," HE

NUMBER 165

CHAIRMAN OLBERG SAID, "PERHAPS THE FISCAL NOTE IS ERRING ON THE SIDE OF NOT WANTING TO BE TOO SMALL, POSSIBLY, BECAUSE SOME OF THE INFORMATION MAY IN FACT BE ON FILE. THE CITIES COULD CERTAINLY BEAR THE BURDEN OF COLLECTING THE TAX INFORMATION..."

REPRESENTATIVE MACKIE SAID, "THESE COMMUNITIES THAT ARE PRESENTLY AFFECTED BY IT CERTAINLY SHOULD MAKE SURE THAT THE DEPARTMENT OF REVENUE HAS THE INFORMATION ABOUT HOW MANY FEET. PERHAPS THE DEPARTMENT OF REVENUE WASN'T AWARE THAT THIS INFORMATION WAS AVAILABLE."

REPRESENTATIVE WILLIAMS ASKED IF ANOTHER AMENDMENT WAS NEEDED.

REPRESENTATIVE MACKIE SAID, "BECAUSE THIS IS STATE STATUTE, WE HAVE TO HOLD ONE OF OUR AGENCIES RESPONSIBLE, WHICH IS THE DEPARTMENT OF REVENUE. HOWEVER, REVENUE CAN HAVE A REGULATION. YOU DON'T LEGISLATE REGULATIONS. THEY CAN HAVE A REGULATION THAT SPECIFIES THAT THE MUNICIPALITY SHALL PROVIDE THE DEPARTMENT OF REVENUE WITH THE FOOTAGE IN THEIR COMMUNITY AND THE INFORMATION BEFORE REVENUE CUTS THEM A CHECK... I THINK IT WOULD BE SOMEWHAT UNUSUAL TO MANDATE THAT RESPONSIBILITY TO A MUNICIPALITY WHEN WE'RE TALKING ABOUT STATE GENERAL FUNDS..."

NUMBER 245

DAN KECK, MAYOR, SITKA, VIA TELECONFERENCE TESTIFIED, "IT'S INTERESTING TO LISTEN TO YOUR CONCERNS OF HOW THIS WOULD BE COLLECTED IN SITKA. I CAN'T SEE THAT THIS IS A PROBLEM. WE COLLECT SALES TAX ON ALL FUEL THAT IS SOLD NOW. SO WE CAN GO BACK AND CHECK... SO IF WE HAVE THIS IN OUR DUTIES, WE CAN EASILY COLLECT THE FUEL TAX."

MR. FAGER ADDED, VIA TELECONFERENCE, "THERE'S NO WAY TO DO THIS ON A WHOLESALE LEVEL... ALL THE TAX WOULD HAVE TO BE COLLECTED AT THE RETAIL LEVEL BECAUSE THAT'S THE ONLY WAY WE WOULD GET ACCURATE RECORDS. THERE ARE SEVERAL WAYS, YOU COULD REPEAL THE LAW AS IT IS AND WE MAKE IT A LOCAL TAX, IF YOU CAN'T FIGURE OUT HOW TO DO IT."

REPRESENTATIVE MACKIE COMPARED THE ^{forced} RECEIPTS' LEGISLATION OF SEVERAL YEARS AGO WHICH WAS "DONE BY REGULATION" AND WAS WORKING WELL.

NUMBER 291

REPRESENTATIVE BUNDE MADE A MOTION TO MOVE C5SSH8 143, AS AMENDED, OUT OF COMMITTEE WITH INDIVIDUAL RECOMMENDATIONS. WITHOUT OBJECTIONS, IT WAS SO ORDERED.

ADJOURNMENT

CHAIRMAN OLBERG ADJOURNED THE MEETING AT 2:10 P.M.

HB 143: MARINE FUEL TAX REVENUE SHARING

How TRA
3/16/93

NUMBER 400

CHAIR FOSTER BROUGHT THE NEXT BILL BEFORE THE COMMITTEE, SSB 143, AND LISTED FOR REPRESENTATIVE JERRY MACKIE, AS PRIME SPONSOR OF THIS LEGISLATION, TO PROVIDE THE COMMITTEE WITH A BRIEF OVERVIEW.

NUMBER 412

REPRESENTATIVE MACKIE SAID HE INTRODUCED HB 143 IN RESPONSE TO INTEREST EXPRESSED BY SEVERAL COMMUNITIES IN HIS DISTRICT IN MAINTAINING LOCAL HARBOR AND DOCK FACILITIES BETTER. THE BILL PROVIDES TO A MUNICIPALITY A PORTION OF STATE WATERCRAFT FUEL TAXES COLLECTED WITHIN THE MUNICIPALITY. THE PORTION IS DETERMINED BY THE RATIO OF CITY OWNED DOCKS AND HARBORS TO ALL PUBLICLY-OWNED DOCKS AND HARBORS IN AN AREA. THE BILL IS A REVENUE SHARING OF TAX RECEIPTS DERIVED FROM FACILITY USERS.

ACCORDING TO REPRESENTATIVE MACKIE, MOST HARBOR FACILITIES LOCATED THROUGHOUT THE STATE ARE CURRENTLY OWNED BY THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (DOT/PF). THESE FACILITIES ARE USUALLY OPERATED BY LOCAL MUNICIPALITIES. THE DOT/PF HAS TRIED TO INTEREST THE MUNICIPALITIES TO TAKE OVER OWNERSHIP AND MAINTENANCE RESPONSIBILITIES. RELUCTANCE WITHIN THE COMMUNITIES COMES FROM THE LACK OF REPAIRS CURRENTLY NEEDED AND THE COST IMPLICATIONS OWNERSHIP WOULD CREATE. HE SAID SSB 143 PROVIDES AN ABILITY FOR MUNICIPALITIES TO OBTAIN COMPENSATION FOR FUTURE MAINTENANCE AND REPAIR COSTS. HE EXPLAINED THE CONCERNS WHICH HAD PREVIOUSLY BEEN BROUGHT UP IN THIS BILL AND SAID THEY HAD BEEN MET IN THE PREVIOUS COMMITTEE OF REFERRAL IN CSSHB 143(CRA).

NUMBER 481

REPRESENTATIVE HUDSON REFERRED TO THE FISCAL NOTE FROM THE DEPARTMENT OF REVENUE IN RELATION TO SSB 143 AND ASKED REPRESENTATIVE MACKIE TO COMMENT ON THE AMOUNT.

REPRESENTATIVE MACKIE STATED HE FELT THE FISCAL NOTE WAS NOT ADEQUATELY REFLECTIVE OF THE LEGISLATION. HE FELT THE WORK CREATED BY HB 143 WOULD NOT REQUIRE AN EXTRA POSITION AS SHOWN IN THE FISCAL NOTE ON THIS LEGISLATION, AND SINCE THE BILL HAD A FURTHER REFERRAL TO THE FINANCE COMMITTEE, THEY COULD ADDRESS THAT AT THAT TIME.

NUMBER 530

REPRESENTATIVE HUDSON MOVED FOR PASSAGE OF CSSHB 143(CRA) FROM COMMITTEE WITH INDIVIDUAL RECOMMENDATIONS. THERE BEING NO OBJECTIONS, THE BILL WAS SO ORDERED.

CHAIR FOSTER ADJOURNED THE HOUSE TRANSPORTATION COMMITTEE MEETING AT 5:00 P.M.

Alaska State Legislature

Legislative Research Agency



130 Seward Street, Suite 218
Juneau, Alaska 99801-2196

Phone: (907) 465-3991
Fax: (907) 463-3551

April 8, 1992

MEMORANDUM

TO: Representative Mike Navarre

FROM: Dale O. Brandt^{DB}
Legislative Analyst

RE: History of Motor Fuel Tax Rate
Research Request 92.225

You asked us to provide a history of the Alaska motor fuel tax rate from its inception to the most recent changes. Attached is a table showing the year changes took place, applicable session laws, tax rates, fuel types and fuel uses. Note that the current 8 cents/gallon gasoline tax for highway use was set in 1970, not in 1961 as is stated in House Research Agency Memorandum 89.254. Also attached is an outline of fuel tax rates and administrative changes provided by the Alaska Department of Revenue.

We hope this information is useful. Please contact this agency if you have questions or need additional information.

Attachments

MOTOR FUEL TAX HISTORY

Laws of Alaska 1982

Sec. 1, 2 & 3 do not relate.

Sec. 4 AS 43.40.010 was amended to make provision for the Certificate of Use to be used by a dealer when the fuel purchased is not intended for use as motor fuel. It exempts the dealer from liability for the tax if he obtains a properly executed Certificate of Use.

Sec. 5 AS 43.40.030 (b) provides the entire tax be refunded to the purchaser on that part of motor fuel used in a foreign country on which the tax has been paid when the fuel is sold and delivered in the state for non-highway use in a foreign country.

Sec. 6 AS 43.40.035 establishes the means by which a reseller may claim a refund on tax for fuel on which the tax was paid, but which is sold for tax exempt purposes.

Sec. 7 AS 43.40.050 (a) makes changes to above statute to do with way to claim a refund.

Sec. 8 same as above.

Sec. 9 same as above.

Sec. 10 AS 43.40.100 (2) add 5 additional exemptions from motor fuel.

Sec. 11 AS 43.40.100 (3) changes definition of User to:

- (3) "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.

Sec. 12 AS 43.40.100 adds a paragraph to define "qualified dealer".

Sec. 13 deals with delinquency in payment of tax and interest charged.

Sec. 14 deals with commercial fisheries - not motor fuel.

Sec. 15 says the Department may not collect motor fuel tax from dealer on sale or transfer of motor fuel that occurs before effective date of this Act if dealer did not collect tax from purchaser because of a reasonable belief that fuel was not to be used as motor fuel.

Laws of Alaska 1972

An Act relating to an exemption from the tax on transfers or consumption of motor fuel.

Sec. 1 AS 43.40.010 (a) (2) is amended to read:

(2) the tax on motor fuel used in engines for the propulsion of boats and watercraft of all descriptions is four cents a gallon; if a person claims an exemption for nonpropulsion use under this paragraph, he shall sign a statement at the time of the sale or transfer attesting to the fact that the amount of fuel for which he claims the exemption will be used only for nonpropulsion use aboard a boat or watercraft, and

Sec. 2 makes the same exemption for users. These two sections have the effect of exempting from tax all fuel used for cooking and heating (non-propulsion) use aboard watercraft.

Sec. 3 adds a new subsection (g) to AS 43.40.010 relating to the non-taxation of liquified petroleum gas.

Sec. 4 amends penalty for violation section to include a person who claims nonpropulsion use of fuel as exempt, and uses it for propulsion.

Laws of Alaska 1970

An Act.

Sec. 1 AS 43.40.010 (a) amended to reflect change in tax rates.

(a) (1) Tax on motor fuel is 8¢ per gallon on all motor fuel sold or otherwise transferred within the State - except that

(2) tax on aviation gas is 4¢ per gallon.

(3) tax on all aviation fuel other than gasoline is 2 1/2¢ per gallon.

Sec. 2, same tax is imposed on consumers or users.

Sec. 3 is to do with filing returns.

Sec. 4 changes amount of refund for non-highway use.

Sec. 5 states books and records shall be kept for 3 years.

Sec. 6, 43.40.100 (1.) defines "dealer" to read:

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

Sec. 7, 43.40.100 (3) defines "user" to read:

(3) "user" means a person consuming or using motor fuel, who either purchases the fuel out of the state and ships it into the state for his own use within the state or manufactures the fuel in the state.

Sec. 8 repeals 43.40.110 & 120 repeals additional tax levies on transfers or consumption of motor fuel (1¢ additional tax on watercraft fuel).

Laws of Alaska 1962

Chapter 131

Sec. 1, Sec. 48-5-2 (c) ACLA 1949 as amended by Ch 47, SLA 1955 is amended to:

Change filing time from quarterly to monthly.

Sec. 2, Sec. 48-5-2 (f), ACLA 1949, as added by Ch 47, SLA 1955, and amended by Ch 152, SLA 2957 is amended to read:

"(f) The monies herein collected from the taxes on motor fuel used in boats and watercraft of all descriptions shall be covered into a special "watercraft fuel tax" account in the general fund. The legislature may appropriate from this account for water and harbor facilities."

This changed the name of "Water and Harbor Facilities Fund" and changed expenditures to be made from that account from the jurisdiction of the Department of Public Works to the Legislature. It was still to be used for water and harbor facilities.

Sec. 3, Sec. 48-5-2 (h) as last amended by Ch. 27, SLA 1957 is repealed and reenacted. This section stated that motor fuel refund claims shall be paid from the "highway fuel tax" account.

Sec. 4, Sec. 3, Ch. 47, SLA 1955 is amended to change way to obtain motor fuel refund permit.

Sec. 5, Sec. 7, Ch. 47, SLA 1955 states that a warrant shall be drawn on the "highway fuel tax" account for payment of refund claims.

Sec. 6, Sec. 3, Ch. 63, SLA 1960 is changed to read:

"Sec. 3. The tax levied by this Act shall be administered and collected in the same manner as the tax levied in Sec. 48-5-2, ACLA 1949, as amended, and the receipts from said tax shall be paid into the "watercraft fuel tax" account in the general fund of the state."

Change is underlined. This changes the fund for which the special 1¢ tax on all fuel used in boats, etc. is to be deposited, from the General Fund to the "watercraft fuel tax account."

Laws of Alaska 1960

Chapter 20

Sec. 1, Sec. 48-5-2 ACLA 1949 (e)

Changes wording on "Aviation fuel tax account."

Sec. 2, Sec. 48-5-2 (g)

Changes authority for disbursement of funds from special "Highway fuel tax fund" from Dept. of Public Works to the Legislature.

Chapter 150

Sec. 1, Sec. 48-5-2 (g) is further amended to change the way highway construction projects are bid and managed.

Laws of Alaska 1960

Chapter 63

Sec. 1. Levies an additional 1¢ per gallon on all motor fuel sold and delivered, or otherwise transferred, within the State, and which is used to propel boats and watercraft of all descriptions.

In other words, the commercial fisherman will be paying 3¢ per gallon tax on marine fuel, as will everyone else.

Sec. 2. States that the tax levied in Sec. 1 is in addition to the tax already in effect.

Sec. 3. Provides that this additional 1¢ tax will be put into the general fund.

Laws of Alaska 1957

Chapter ~~135~~ 134

Sec. 1 adds a tax of 1 1/2¢ per gallon on all aviation fuel other than gasoline (jet fuel) for both "Dealer" and "Users".

Chapter 152

Article V Sec. 2 Water and Harbor Facilities: Amends § (f) of Sec. 48-5-2 ACLA 1949 to read:

"Sec.2. Water and Harbor Facilities Fund. Subsection (f) of Sec. 48-5-2, ACLA 1949, as amended by CH. 47, SLA 1955, is hereby amended to read as follows:

(f) The monies herein collected from the taxes on motor fuel used in boats and watercraft of all descriptions shall be covered into a special fund in the Territorial Treasury to be known as the "Water and Harbor Facilities Fund", and shall be expended by the Alaska Highways and Public Works Board as nearly as practicable in the Division where collected, and be expended for water and harbor facilities.

The only change was as underlined, from "Highway Engineer" to "Alaska Highways and Public Works Board."

Laws of Alaska 1957 Chapter 27

Relating to tax on motor fuel used in commercial fishing craft by commercial fisherman;

Sec. 1 amends tax levy on motor fuel. This section leaves the tax at 5¢ per gallon on all motor fuel except aviation, which remains at 3¢ per gallon, and states that the tax on motor fuel used in commercial fishing crafts for purposes of commercial fishing is 2¢ per gallon.

This tax is levied on both "dealer" and "user".

Sec. 2 deals with method which Tax Commissioner allocates monies between different accounts - aviation, boats or motor fuel.

Sec. 3 provides for refund of 3¢ per gallon on motor fuel used in vehicles not licensed to be operated on highways, except aviation fuel or motor fuel used in commercial fishing crafts for purposes of commercial fishing.

Sec. 9 amends Sec. 48-5-1 ACLA 1949 Definition of Motor Fuel
Changed to read:

Sec. 58-5-1. (a) "Motor Fuel" means any and all fuel used in engines for the propulsion of motor vehicles, aircraft, boats and watercraft of all descriptions, and in all stationary engines, machines or mechanical contrivances which are propelled by internal combustion motors; except on consignments of motor fuel oil to foreign countries and except fuel used in stationery power plants operating as public utility plants and generating electrical energy for sale to the general public or by non-profit power associations or corporations for generating electric energy for resale or by charitable institutions.

Underlined part has been changed slightly.

Sec. 10; repeals subsection 4 of Sec. 14 A of Chap. 123 SLA 1949.
This is the section setting up the Aeronautical Revolving Fund.

Sec. 1 (a) was amended to read:

(a) "Motor Fuel" means any and all fuel used in engines for the propulsion of motor vehicles, aircraft, boats and watercraft of all descriptions, and in all stationary engines, machines, or mechanical contrivances which are propelled by internal combustion motors; except on consignments of motor fuel oil to foreign countries and except fuel used in stationary power plants operated by municipally owned public utilities or by non-profit power associations or corporations for generating electric energy for resale or by charitable institutions. The underlined part is new.

Definition of "Dealer" and "User" remained the same.. Tax rate remained the same (2¢).

Laws of Alaska 1946

Chapter 47

Sec. 1 Definition

(a) was amended to add
except on consignments of motor fuel oil to foreign countries.

(b) was changed from 2 parts into 1 part, "Dealer" was defined the same as 1945. Definition of user was dropped.

(c) was added to define "User
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"

Sec. 2

Tax remained at 1¢ per gallon "on all motor fuel consumed by any
user as above set forth."

The rest of the Act dealt with returns and penalties.

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
ALEKNAGIK DOCK		DOT			No	1 lane	1 - 80' wing BW & 1 - 100' dock BW diaphragm
ANCHORAGE SHIP CREEK HARBOR & L.R.		DOT			No	1 lane 16'x118'	No
ANGOON DOCK		DOT			No	No	No
ANGOON HARBOR	78	DOT	11,097	40	1 - 16'x72'	No	No
ATKA DOCK (PROPOSED)							
BARANOF FLOAT	19	DOT	3,250	11	15'x42' grld, 5 tons per grld bent, 8'-6" on center	No	No
BETHEL SMALL BOAT HARBOR	60	DOT			No	No	
BIG DELTA LAUNCH RAMP		DPOR				1 lane 12'x40'	
CHATANIKA LAUNCH RAMP		DOT				1 lane 16'x30'	

HARBOR REPORT

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
CHENEGA BAY BOAT HARBOR	21	DOT	7,980	42	No	No	
COFFMAN COVE HARBOR	28	DOT	5,532		No	Yes	
GOLD BAY DOCK		DOT			No	No	
CORDOVA BOAT HARBOR	864	DOT	112,860		Yes, 1 90 ton & 1 250 ton	1 lane with float. The City also has a 1-lane concrete L.R. located .33 miles N. of Harbor.	1 1,902' rubblemound & 1 650' sill barrier BW
CRAIG DOCK	12	DOT	2,100	9	18'x103', 20 ton, bent spacing 8'6" on center	No	No
CRAIG NORTH COVE HARBOR	36	CITY	7,233	34	No	1 lane 16'x120'	Floating BW owned by City
CRAIG SOUTH COVE HARBOR	107	DOT	11,192	50	Yes, 40 ton	No	1 160' & 1 300' rubblemound
DILLINGHAM BOAT HARBOR	40	DOT	5,400		No	1 lane and float	
EDNA BAY REFUGE FLOAT	15	DOT	3,420	13	24'x47'	No	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
ELFIN COVE INNER HARBOR	47	DOT	6,820	27	20'x103, 3.5 tons per bent, bent spacing 8'-0" on center	No	
ELFIN COVE OUTER HARBOR	18	DOT	2,125	9	No	No	
ENTRANCE ISLAND REFUGE FLOAT	6	DOT	1,500	6	No	No	
FUNTER BAY HARBOR	8	DOT	1,375	6	No	No	
FUNTER BAY REFUGE FLOAT	8	DOT	1,500	6	No	No	
GUSTAVUS DOCK & FLOAT	7	DOT	2,174		No	No	
HAINES CHILKOOT LAKE L. R.		DPOR				Yes	
HAINES HARBOR	200	DOT	21,430		16'x92', 4 ton per bent, 8'-0" on center	16'x200	905' rubble mound
HAINES LETNIKOF COVE FLOAT	35	DOT	4,554	6	No	20'x500'	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

<u>NAME OF HARBOR</u>	<u>HARBOR CAPACITY</u>	<u>OWNER</u>	<u>SQ. FT. FLOAT</u>	<u>PILES</u>	<u>GRID</u>	<u>LAUNCH RAMP</u>	<u>BREAKWATERS</u>
HALIBUT COVE FLOATS	27	DOT	5,120	11	No	No	
HELM BAY REFUGE FLOAT	5	DOT	1,000	4	No	No	
HOLLIS FLOAT	11	DOT	2,000	7	Yes	16'x168'	
HOMER BOAT HARBOR	728	DOT/CITY	122,500		Yes	5-lane 2-float LR	Yes
HOONAH CITY FLOAT	59	DOT	6,190	23	20'x72', 3 ton per bent, 10'-0" on center	No	
HOONAH HARBOR	220	DOT	30,140		6'x96' grid with 5'x70 appr.	16'x178' LR with 6'x220 float	140', 800', & 1,507' rubblemound BW
HYDABURG HARBOR	160	DOT	22,611	79	18'x88', 20 tons per bent, 8'-0" on center	No	12'x333' floating BW
HYDER HARBOR	29	DOT	3,680	16	No	Yes	log BW
JAKOLOF BAY FLOAT	13	DOT	3,190	10	No	No	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
JUNEAU AUIKE BAY L.R. & GRID							
JUNEAU AURORA HARBOR	457	DOT	67,228		No	No	1,500' rubblemound BW & 670' jelly
JUNEAU DON STATTER HARBOR	200	DOT	70,714		no	no	23'x966 floating BW
JUNEAU DOUGLAS CITY DOCK		DOT/CITY			No	No	
JUNEAU DOUGLAS HARBOR	135	DOT	15,227	31	14'x52', 4 tons per bent, 8'-6" on center	12'x250'	105' rock jelly
JUNEAU HARRIS HARBOR	275	DOT	31,779		16'x451', 5 tons per bent, 8'-0" on center	16'x450'	1-1,540' & 1-430' rubblemound
JUNEAU TAKU HARBOR	18	DOT	4,560	17	No	No	
JUNEAU-NORTH DOUGLAS L. R.		DOT			No	16'x164'	
KAKE DOCK AND FLOAT	7	DOT/CITY	1,625	8	16'x72', 6 tons per bent, 8'-0" on center	No	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
KAKE PORTAGE COVE HARBOR	119	DOT	22,690	82	20'x80', 20 tons per bent, 8'-0" on center	16'x200'	12'x506' floating BW
KASAAN FLOAT	10	DOT	5,526	23	No	No	Log
KASIL OF LAUNCH RAMP		PRIVATE				Yes	
KENAI LAUNCH RAMP		CITY				Yes	
KETCHIKAN BAR HARBOR NORTH	303	DOT	43,992		no	12'x180' with 4'x160' float	963' & 120' floating BW's
KETCHIKAN BAR HARBOR SOUTH	520	DOT	66,299		20'x98', 4 tons per bent, 8'-0" on center	No	1,100, & 700 rubblemound BW
KETCHIKAN CITY FLOAT	45	DOT	12,054	11	No	No	
KETCHIKAN HOLE-IN-THE-WALL HBR.	27	DOT	3,402	14	No	No	soldier pile BW & log BW
KETCHIKAN KNUDSEN COVE HARBOR	54		7,255	21	No	2-lane 12'x200' & 16'x200 w/ 6'x180' float	no

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
KETCHIKAN MT. POINT LAUNCH RAMP		F&G/BOR	1,596		No	2-lane 16'x192' & 12'x188' w/ 6'x266' float	COE has one planned for 1992
KETCHIKAN RYUS FLOAT		DOT	1,632		No	No	
KETCHIKAN THOMAS BASIN	240	DOT	34,468	139	2-26'x48' grids & 1-50'x86' 2- 20 ton per bent and 1 - 3 ton per bent	No	1-940' rubble mound & 1-log BW
KING COVE BOAT HARBOR	97	CITY	20,248		18'x80'	No	1,500' training dike & 200' rock groin
KIVALINA							
KLAWOCK DOCK		CITY			18'x68', 4 tons per bent, 8'-6" on center	No	
KLAWOCK HARBOR	45	DOT	10,080	24	No	No	no
KODIAK CITY FLOAT	22	DOT	5,328	16	No	No	
KODIAK ST. HERMAN'S BOAT HARBOR	260	DOT	80,179		No	Yes with float	23'x900' floating BW

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
KODIAK ST. PAUL BOAT HARBOR	210	DOT	47,091		1-22'x120' & 1-24'x224' grid	16'x104' w/ float	1-1,250' & 1-760' rock BW
LARSON BAY PROPOSED HARBOR							
LORING FLOAT	10	DOT	2,925	13	No	No	
MANLEY LAUNCH RAMP		DOT				Yes	
MANZANITA REFUGE FLOAT (DESTROYED)		DOT			No	No	
MEKORYUK HARBOR		CITY					
METLAKATLA CITY FLOAT	18	DOT	6,576	12	No	12'x200'	900' rock BW
METLAKATLA HARBOR	155	DOT	22,488		No	No	1-1,255 & 1-1,150' rubblemound BW's
MEYERS CHUCK HARBOR	20	DOT	4,139	22	16'x56', 6 tons per bent, 8'-0" on center	No	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
NINILCHIK BOAT HARBOR	32	DOT	4,200		No	No	2-400' rock jetties
NOME HARBOR		CITY					
NUIQSUT HARBOR PROPOSED							
OLD HARBOR DOCK		DOT			No	No	
OLD HARBOR FLOAT	40	DOT	6,292	28			250' groin & 1,200' earth filled dike
OUZINKIE PROPOSED HARBOR							
PELICAN HARBOR	92	DOT	16,100		2-18'x54', 2-16'x78' & 1-18'x80'	no	
PETERSBURG KUPREANOF FLOAT	8	DOT	1,420	6	No	No	
PETERSBURG MIDDLE HARBOR	136	DOT	14,760	16	No	No	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

<u>NAME OF HARBOR</u>	<u>HARBOR CAPACITY</u>	<u>OWNER</u>	<u>SQ. FT. FLOAT</u>	<u>PILES</u>	<u>GRID</u>	<u>LAUNCH RAMP</u>	<u>BREAKWATERS</u>
PETERSBURG MITKOF L. R.		DOT			No	16'x138'	
PETERSBURG NORTH HARBOR	128	DOT	24,844	101	20'x210', 3 tons per bent, 8'-0" on center	16'x400'	
PETERSBURG PAPKE'S LANDING	9	DOT	1,625	6	No	No	
PETERSBURG SOUTH HARBOR	126	DOT	44,946		20'x200', 30 tons per bent, 8'-0" on center	16'x200' w/ 6'x260' float	no
POINT BAKER FLOAT	27	DOT	4,660	14	16'x49', 3 tons per bent	No	
PORT ALEXANDER INNER HARBOR	15	DOT	2,500	7	18'x48', 5 tons per bent, 8'-0" on center	No	
PORT ALEXANDER OUTER HARBOR	24	DOT	2,625	11	yes, communily owned	No	
PORT LIONS SMALL BOAT HARBOR	119	DOT	19,606	87	16'x80' w/ 12'x40' appr.	No	725' main & 150' slab BW
PORT PROTECTION REFUGE & SKIFF FLOATS	15	DOT	2,500	17	32'x48', 7.5 tons per bent, 8'-0" on center	No	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
QUARTZ LAKE LAUNCH RAMP		DOT				Yes	
SALCHA RIVER LAUNCH RAMP		DOT				Yes	
SAND POINT BOAT HARBOR	230	DOT	45,250		Yes	No	2 breakwaters
SELDOVIA BOAT HARBOR	142	DOT	20,542		1-20'x102' & 1-20'x106'	1-lane	1-600' & 1-400' rock BW
SEWARD BOAT HARBOR	540	DOT	58,464		1-grid	4-lane w/ float	1-1,750' & 1-1,060
SITKA CITY (ANB) FLOAT	107	CITY	19,699	78	Yes	No	13'x352' floating BW
SITKA CITY GRID		DOT			1-18'x64', 1-18'x72' & 2-22'x100, 35 ton limit	No	
SITKA CRESCENT HARBOR	413	DOT	55,296		No	12'x136'	1-1,430 rock BW & 1-335' rock jelly
SITKA - PROPOSED CHANNEL ROCK BOAT							

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
SITKA SEALING COVE HARBOR	398	DOT	35,996		No	16'x150' LR w/ 6'x220 float	
SITKA THOMSEN HARBOR	266	DOT	26,356		No	No	20'x1,500' & 20'x550' floating BW's & 500' rock BW
SKAGWAY HARBOR	165	DOT	28,695		1-18'x80' & 1-16'x42'	2-lane w/ 6'x220' float	400' rock BW
ST. GEORGE HARBOR		CITY					
ST. PAUL HARBOR		CITY			NO	No	
SWANSON HARBOR REFUGE FLOAT	9	DOT	2,000	6	No	No	
TATITILEK DOCK		DOT			No	No	
TENAKEE SPRINGS HARBOR	56	DOT	12,613	38	16'x51', 5 ton per bent, 8'-6" on center	No	1-40'x320' & 1-20'x300 floating BW
THORNE BAY CITY HBR.		CITY			No	No	

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
HARBOR SPECIAL REPORT

DATE
2/10/93

NAME OF HARBOR	HARBOR CAPACITY	OWNER	SQ. FT. FLOAT	PILES	GRID	LAUNCH RAMP	BREAKWATERS
UNALASKA SMALL BOAT HARBOR	30	DOT	12,649		No	No	
VALDEZ HARBOR	500	DOT/CITY	50,750		Yes	Yes	1-625' & 1-685'
WHITTIER BOAT HARBOR	338	DOT	40,008		2 grids, 1-18x64	2- 2 lane L.R w/ sectional floats	1-1,650' rubblemound and 1-130' floating BW
WRANGELL FISH AND GAME FLOAT	36	DOT/CITY	7,832				
WRANGELL INNER HARBOR	142	DOT	15,320				
WRANGELL RELIANCE HARBOR	86	DOT	13,520				
WRANGELL SHOEMAKER BAY HARBOR	259	DOT	29,048		No	16'x208' L.R w/ 6'x226' float	1-1,500' & 1-550' rubblemound BW
WRANGELL STANDARD OIL FLOAT	36	DOT	4,640				
YAKUTAT HARBOR	106	DOT	15,536		18'x48', 6 lon per bent, 8'-6" on center	16'x100' L.R w/ 6'x140' float	

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. SB 167

Revision Date: _____ Dept. Affected: Revenue
 Title: Marine Fuel Tax Revenue Sharing BRU: Revenue Operations
 Component: Income and Excise Audit
 Sponsor: Senator Taylor
 Requestor: Senator Taylor COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	40.1	40.1	40.1	40.1	40.1	40.1
TRAVEL	20.0	3.0	3.0	3.0	3.0	3.0
CONTRACTUAL	43.0	3.0	3.0	3.0	3.0	3.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	8.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	112.1	47.1	47.1	47.1	47.1	47.1

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

REVENUE FUND SOURCE: General Fund	(750.0)	(750.0)	(750.0)	(750.0)	(750.0)	(750.0)
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	112.1	47.1	47.1	47.1	47.1	47.1
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	112.1	47.1	47.1	47.1	47.1	47.1

POSITIONS:

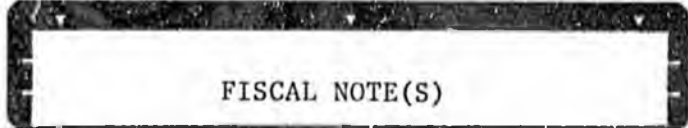
FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary)
 (See Attached)

Prepared by: Larry E. Meyers, Director Phone: 465-2320
 Division: Income and Excise Audit Division Date: March 22, 1993
 Approved by Commissioner: Darrel J. Rexwinkel Date: March 22, 1993
 Agency: Department of Revenue

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SB

1988

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FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 16, 1993

SUBJECT: Sectional Summary of SB 198.

TO: Senator Bert Sharp

FROM: Michael F. Ford *M.F.*
Legislative Counsel *J.*

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Allows the commissioner of Transportation and Public Facilities to fix charges, fees, and rentals at international airports by order or by contract. Exempts the charges, fees, or rentals from the regulation provisions of the Administrative Procedure Act (AS 44.62). Requires the department to provide for public notice and comment before the commissioner fixes a fee, charge, or rental by order.

Section 2. Allows the commissioner to fix fees as provided in sec. 1, for purposes of international airport revenue bonds.

Section 3. Retroactive effective date for sections 1 and 2.

Section 4. Effective date.

MFF:pl
93-307.plm

Alaska Airlines

April 23, 1993

The Honorable Bert Sharp, Chairman
Senate Transportation Committee
State Capitol, Room 514
Juneau, AK 99801

Via FAX (907) 465-2070

Dear Senator Sharp:

I want to convey to you the strong support of Alaska Airlines, Inc. for Senate Bill 198 in its current unamended version.

Since 1985, the rates and fees paid by the airlines serving Anchorage and Fairbanks Airports have been established and adjusted periodically in accordance with a lease and operating agreement negotiated between the carriers and the State DOTPF. The formulas contained in these agreements are consistent with and typical of the practice at major airports throughout the country.

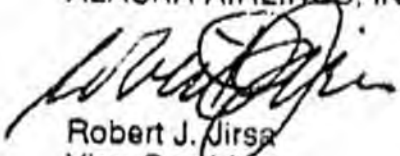
Exempting the international airports from the regulatory requirements of those mandated by recent court action for the rural airport fee schedules is very important to the orderly and efficient operation of both Anchorage and Fairbanks. The additional burden created by this process would not be in the best interest of the airports or the citizens of Alaska.

Additionally, there are serious legal questions about the conflict that failure to exempt international airports would create with the airline operating agreements at those airports. We have maintained an excellent working relationship with DOTPF and the management of Anchorage and Fairbanks Airports. We are opposed to introducing a cumbersome regulatory process into our rate setting mechanism.

Thank you for your consideration of our comments. If you have any questions, please call me at (206) 431-3805 or our Staff Vice President of Properties and Facilities, Clifford T. Argue, at (206) 433-3184. Mr. Argue is Chairman of the Anchorage/Fairbanks Airlines Airport Affairs Committees and is most knowledgeable of the finances and agreements at the two airports.

Sincerely,

ALASKA AIRLINES, INC.



Robert J. Jirsa
Vice President
Public Affairs

/pc



Alaska
International
Airport
System

P.O. Box 190649
Anchorage, Alaska
USA 99519-0649
(907) 268-2528
FAX (907) 243-0663

April 19, 1993

The Honorable Bert Sharp
Chairman, Senate Transportation Committee
State Capitol, Room 514
Juneau, Alaska 99801-1182

Dear Senator Sharp:

This letter is to clarify the Department of Transportation and Public Facilities' (DOT&PF) interest in SB 198. The statute change is needed so the Anchorage and Fairbanks International Airports can continue to adjust rates and fees in accordance with the Airline Operating Agreement. This has been the method used for a number of years.

DOT&PF is concerned that the recent court decision requiring rural airport landing fees to be set by regulation might be interpreted to apply to the International airports. Adjusting rates and fees through regulation would limit DOT&PF's ability to generate revenue for ongoing operation of the two International airports.

In addition to rates and fees specified in the Airline Operating Agreement, the International airports have a wide variety of other fees which generate revenue for the Fairbanks and Anchorage airports. These fees are for uses such as general aviation tie downs, concessions, vehicle parking, and land rent.

SB 198 applies only to the Anchorage and Fairbanks International Airports and will not affect the way DOT&PF sets fees for the rural airports. The rural airports are general funded; the Anchorage and Fairbanks International Airports are wholly supported by revenue they generate (AS 37.15).

If we can provide additional information, please contact either of us.

Sincerely,

Robert Bullock, FIA Manager

Marie Lindsey, AIA Director

cc: Katy McHugh, DOT&PF Legislative Liaison
D. Randy Simmons, Deputy Commissioner
John Ungar, AIA Controller

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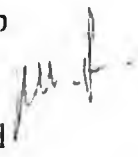
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 21, 1993

SUBJECT: International airports - (SB 198)

TO: Senator Bert Sharp

FROM: Michael F. Ford 
Legislative Counsel

You have asked for an explanation of the term "international airport" as used in SB 198. The term is defined in AS 02.15.260 as follows:

"international airport" means an international airport owned and operated by the state;"

The term "airport" is also defined in that same section. You should also note that in sec. 2 of the bill the term "airports" is used. That term is defined in AS 37.15.550 as essentially the Anchorage and Fairbanks International Airports.

If you have further questions please contact me.

MFF:mi
93-075.mai



April 21, 1993

Jim Wheeler
Vice President
Worldwide Customs Services

VIA FACSIMILE 907/465-2070

2600 Thousand Oaks
Suite 3400
Memphis, TN 38118
901 360 2775
U.S. Mail Box 727
Memphis, TN 38194-0797
FAX 901 360 2750

Mr. Cam Toohey
Senate Transportation Committee
State Capitol
Juneau, AK 99801-1182

Dear Mr. Toohey:

On behalf of Federal Express Corporation, we wish to make known our support of SB198 in its current and unamended version. Federal Express is a major carrier and signatory to the Anchorage International Airport Operating Agreement.

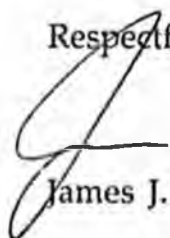
Failure to pass this legislation exempting the international airports from the regulatory requirements of the rural airport fee establishment (as recently ruled by the courts) would violate the operating agreement with the signatory carriers and likely create a chaotic round of further law suits.

Alaska international airports are self-sustaining from the revenues of the carriers, vendors, and other sources. We seriously doubt that the State of Alaska wants to have a potential situation arise where general funds would be required to support the international airports. We feel it is in the best interest of the State of Alaska and Federal Express to enact SB198 unamended.

If you would like more specific information, or have any questions, please do not hesitate contacting any of the following:

James J. Wheeler	901/360-2775
Donald J. Taddia	901/395-3650
James L. Sartin	907/249-3261

Respectfully,



James J. Wheeler

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 8, 1993

*The Honorable Bert Sharp
Alaska State Senator
Chair, Senate Transportation Committee
119 North Cushman Street, Suite 201
Fairbanks, AK 99701*

Dear Bert,

I am pleased to inform you that the legislation sponsored by the Senate Transportation Committee, Senate Bill No. 198, relating to the exemption of certain activities of the Department of Transportation and Public Facilities from the regulation provisions of the Administrative Procedure Act, was signed into law on May 27, 1993. The chapter reference is Chapter 33, SLA 1993, and the effective date is May 28, 1993.

With best regards.

Sincerely,

A handwritten signature in cursive script that reads "Wally".

*Walter J. Hickel
Governor*

FISCAL NOTE

Revision Date: 04/16/93
Title: Exempt DOT from APA Procedures

Department Affected: DOT&PF
BRU: AIAS, AIA, FIA

Sponsor: Transportation
Requestor:

Component: AIAS, AIA, FIA
Component Serial Number: 1649, 613, 619

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES *	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL "	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

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

Estimate of current year (FY93) impact: \$0

ANALYSIS: (Attach a separate page if necessary)

*Indicates there will be a fiscal impact if SB 198 is not enacted. See attached Position Paper.

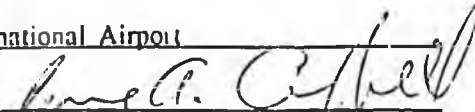
Prepared by: Gina Marie Lindsev, Director

Phone: 266-2525

Division: Anchorage International Airport

Date: April 16, 1993

Approved by Commissioner:


Bruce A. Campbell

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: April 16, 1993

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*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 198

APPROVED: 

TITLE: Exempt DOT from APA
Procedures

DATE: April 16, 1993

SB 198 will allow the international airports to continue to operate in a business-like manner and respond quickly to market conditions and airport revenue requirements.

Based on the court decision in the rural airport landing fee lawsuit, Anchorage (AIA) and Fairbanks (FIA) International Airports may be required to establish all fees and fee changes through the regulatory process defined in the Administrative Procedures Act.

AIA and FIA establish landing fees, terminal rent, and other airline fees through uniform Airline Operating Agreement formulas negotiated with the airlines serving the two airports. This type of negotiation is fundamental to airlines conducting business with airports and is representative of industry standard throughout the United States. These fees are numerous, varied, and subject to change because of requirements in the operating agreements and provisions of other specific leases and concession agreements. Airline landing fees are recalculated twice a year through a formula specified in the Airline Operating Agreement. Other types of new fees are sometimes implemented in response to unanticipated user needs and changes in market conditions. A required regulatory process would impose an estimated four to five month time delay on implementation of new fees as compared to the current six to eight weeks.

In addition to airline specific fees, AIA and FIA have a wide range of other fee types. These include tie down fees, vehicle parking fees, land rent, impound fees, conference room charges, and concession fees. The concession bid/proposal solicitation process may be compromised if minimum bids for

Era Aviation, Inc.
6160 South Airpark Drive
Anchorage, Alaska 99502
Telephone: (907) 248-4422
Telecopier: (907) 266-8383
April 22, 1993

VIA TELECOPIER
Number: 465-2070

To: The Honorable Bert M. Sharp
Alaska State Senate
Juneau, Alaska
cc: Cam Toohey

From: Jack Birmingham

Subject: SB 198; International Airport Rates & Fees

Pages: 3 (Including this page)

Dear Senator Sharp:

We at Era are deeply concerned about the haste with which SB 198 is being rushed through this legislature. It seems fundamentally unfair -- and potentially dangerous -- to enact this bill without first giving notice and an opportunity to comment to all affected air carriers, concessionaires, contractors and vendors. Input from any selected few will not develop the facts and ideas necessary for wise legislation.

DOT&PF represents that SB 198 is both urgent and necessary to preserve the rates and fees setting mechanisms at the Anchorage and Fairbanks International Airports contemplated by the current Airline Operating Agreements. We are not persuaded, but we have not been given enough information or time to carefully evaluate the issues.

If you are persuaded that the DOT&PF is accurate on both the urgency issue and the necessity issue, we would suggest that SB 198 as written remains fundamentally flawed. In the spirit of cooperation, we have attached for your consideration changes which attempt to correct potential danger areas and still accomplish the DOT&PF's stated goals. These are offered only from our own perspective, as one

air carrier and as citizens. We still believe you would benefit from input from contractors, concessionaires, vendors and other air carriers.

We offer brief explanations for our suggested revisions below; the numbers correspond to the circled numbers next to the handwritten interlineations on the attached page 2 of SB 198.

1. We should specify Fairbanks and Anchorage. Otherwise, Nome or Cold Bay (or others) might later be interpreted to be "international airports".

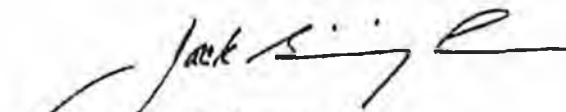
2. The words "by order of the commissioner or by" could be interpreted to mean that the commissioner could set rates and fees different from (or in spite of) those contemplated by the Airline Operating Agreements, or by any other "negotiated or competitively offered contract".

3. We understand that similar protective provisions for public notice and comment have been included in similar rates and fees legislation for both the Alaska Railroad Corporation and the Alaska Housing Finance Corporation.

4. Given the DOT&PF's stated goals, we do not see any reason for changing the words of these provisions, which were designed to protect equal treatment and equal access for all users of Alaska airports.

We hope you will find these comments helpful. We appreciate your efforts toward legislation designed to benefit all Alaskans.

With best regards,



Jack Birmingham
Vice President

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 198

APPROVED: 

TITLE: Exempt DOT from APA
Procedures

DATE: April 16, 1993

SB 198 will allow the international airports to continue to operate in a business-like manner and respond quickly to market conditions and airport revenue requirements.

Based on the court decision in the rural airport landing fee lawsuit, Anchorage (AIA) and Fairbanks (FIA) International Airports may be required to establish all fees and fee changes through the regulatory process defined in the Administrative Procedures Act.

AIA and FIA establish landing fees, terminal rent, and other airline fees through uniform Airline Operating Agreement formulas negotiated with the airlines serving the two airports. This type of negotiation is fundamental to airlines conducting business with airports and is representative of industry standard throughout the United States. These fees are numerous, varied, and subject to change because of requirements in the operating agreements and provisions of other specific leases and concession agreements. Airline landing fees are recalculated twice a year through a formula specified in the Airline Operating Agreement. Other types of new fees are sometimes implemented in response to unanticipated user needs and changes in market conditions. A required regulatory process would impose an estimated four to five month time delay on implementation of new fees as compared to the current six to eight weeks.

In addition to airline specific fees, AIA and FIA have a wide range of other fee types. These include tie down fees, vehicle parking fees, land rent, impound fees, conference room charges, and concession fees. The concession bid/proposal solicitation process may be compromised if minimum bids for

each concession must first be established through regulation. This seriously jeopardizes the ability of AIA and FIA to maximize concession revenue.

If SB 198 is not enacted, there will be substantial direct and indirect operating budget impacts to the international airports. Direct costs include an additional \$36,700 in annual personal services expenses for staff regulation work and an estimated \$50,000 in additional annual Department of Law costs to DOT&PF. Indirect costs include revenue loss due to time delays inherent in the regulatory process. In the absence of the statutory change, AIA and FIA may be unable to implement new fees or revise existing fees (including landing fees) until a regulatory process in which the airports have little timing control is complete. In this situation, the revenue impact is substantial but is not possible to quantify because timing is dependent on Department of Law priorities.

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April 22, 1993

VIA TELECOPIER
Number: 465-2070

To: The Honorable Bert M. Sharp
Alaska State Senate
Juneau, Alaska
cc: Cam Toohey

From: Jack Birmingham

Subject: SB 198; International Airport Rates & Fees

Pages: 3 (Including this page)

Dear Senator Sharp:

We at Era are deeply concerned about the haste with which SB 198 is being rushed through this legislature. It seems fundamentally unfair -- and potentially dangerous -- to enact this bill without first giving notice and an opportunity to comment to all affected air carriers, concessionaires, contractors and vendors. Input from any selected few will not develop the facts and ideas necessary for wise legislation.

DOT&PF represents that SB 198 is both urgent and necessary to preserve the rates and fees setting mechanisms at the Anchorage and Fairbanks International Airports contemplated by the current Airline Operating Agreements. We are not persuaded, but we have not been given enough information or time to carefully evaluate the issues.

If you are persuaded that the DOT&PF is accurate on both the urgency issue and the necessity issue, we would suggest that SB 198 as written remains fundamentally flawed. In the spirit of cooperation, we have attached for your consideration changes which attempt to correct potential danger areas and still accomplish the DOT&PF's stated goals. These are offered only from our own perspective, as one

air carrier and as citizens. We still believe you would benefit from input from contractors, concessionaires, vendors and other air carriers.

We offer brief explanations for our suggested revisions below; the numbers correspond to the circled numbers next to the handwritten interlineations on the attached page 2 of SB 198.

1. We should specify Fairbanks and Anchorage. Otherwise, Nome or Cold Bay (or others) might later be interpreted to be "international airports".

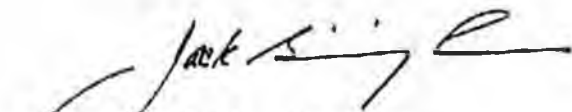
2. The words "by order of the commissioner or by" could be interpreted to mean that the commissioner could set rates and fees different from (or in spite of) those contemplated by the Airline Operating Agreements, or by any other "negotiated or competitively offered contract".

3. We understand that similar protective provisions for public notice and comment have been included in similar rates and fees legislation for both the Alaska Railroad Corporation and the Alaska Housing Finance Corporation.

4. Given the DOT&PF's stated goals, we do not see any reason for changing the words of these provisions, which were designed to protect equal treatment and equal access for all users of Alaska airports.

We hope you will find these comments helpful. We appreciate your efforts toward legislation designed to benefit all Alaskans.

With best regards,


Jack Birmingham
Vice President

① Anchorage and Fairbanks

② consistent with any Airline Operating Agreement or other

1 fees for the privileges or services that are reasonable and uniform for the same class
 2 of privilege or service. Charges, rentals, or fees authorized by this subsection may
 3 be fixed for the international airports by order of the commissioner, or by
 4 negotiated or competitively offered contract. Notwithstanding AS 37.10.050(b),
 5 the fixing of charges, rentals, or fees as permitted under this subsection is not
 6 subject to the adoption of regulation provisions of AS 44.62 (Administrative
 7 Procedure Act). The terms, conditions, charges, rentals, and fees shall be established
 8 with due regard to the property and improvements used and the expense of operation
 9 to the state. However, use of state land and buildings by the Alaska Wing, Civil Air
 10 Patrol and its squadrons shall be permitted without rental charges. The department
 11 shall provide for public notice and an opportunity to comment before a charge,
 12 rental, or fee is fixed by order of the commissioner as permitted under this
 13 subsection. ~~The~~ [IN NO CASE MAY THE] public ~~may not~~ be deprived of its [leave the
 14 rightful, equal, and uniform use of the airport, air navigation facility, or a portion of same as
 15 them. before? ④

* Sec. 2. AS 37.15.500 is amended to read:

② consistent with the provisions of

17 Sec. 37.15.500. AIRPORT CHARGES. ~~As provided in AS 02.15.050(a), the~~
 18 [THE] commissioner of transportation and public facilities shall fix and collect the
 19 [SUCH] fees, charges, and rentals derived by the state from the ownership, lease, use,
 20 and operation of the airports and all of the facilities and improvements ~~that~~ [OF] [leave the
 21 [set] THEM OR USED IN CONNECTION WITH THEM AS] will provide revenue same as
 22 sufficient to comply with all of the covenants of the bond resolution before]

* ~~Sec. 3. Sections 1 and 2 of this Act are retroactive to January 1, 1993. [why?]~~

* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

③, substantially similar to those provided under AS 44.62 (Administrative Procedure Act),