


ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9767

SENATE TRANSPORTATION

10. The permittee shall furnish proof to the authorizing officer that he/she has public liability insurance to cover commercial boating operations and such insurance shall be approved by the authorizing officer. A minimum of \$100,000 per person/\$300,000 combined single limit per occurrence public liability insurance is required and the policy MUST name the "State of Alaska as additional insured". All certificates must provide a 30-day prior written notice to the Kenai Area Superintendent: Division of Parks and Outdoor Recreation, Kenai River Center; 36130 Kenai Spur Highway; Soldotna, Alaska 99669, telephone: (907) 260-4882; fax: (907) 260-5992, of cancellations, non-renewal or material alteration of such insurance or lapse of insurance.

11. Proof of Alaska State vehicle and boat trailer registration. Alaska law requires that vehicles be registered in Alaska once the owner begins working in the state.

 State law also requires that if you use a vehicle to tow your guide boat, whether you transport clients or not, that you register your vehicle as a commercial vehicle with the Division of Motor Vehicles. Any trailers used for a guide boat also need to be registered as a commercial trailer.

Contact the Division of Motor Vehicles in the Red Diamond Center on Kalifornsky Beach Road or at (907) 262-4681 if you have questions.

12. Fishing Guides: Payment of the Park Use Permit fee of \$500.00 for Alaska resident guides; or \$1,400.00 Park Use Permit fee for non-resident guides.

Non-fishing Guides: Payment of the park Use permit Fee of \$200.00 for Alaska resident guides, or \$500.00 Park Use Permit fee for non-resident guides.

For Non-fishing Guides operating within that portion of the Kenai River Special Management Area bounded by the Kenai National Wildlife Refuge and who are required to obtain a special use permit from the Kenai National Wildlife Refuge will pay a reduced permit fee to Alaska State Parks as follows: \$150.00 for Alaska resident guides or \$350.00 for non-resident guides.

All of the above fees include the \$50.00 application processing fee.

Please Note. there is a May 1st, 1998 deadline for registering as a commercial operator within the Kenai Peninsula/Prince William Sound Area. All paperwork must be received by State Park Staff at the Kenai River Center prior to May 1, 1998. Permits received after May 1, 1998 will be processed as staff time allows and may take up to 30 days to process.

STIPULATIONS FOR THE NON-COMPETITIVE PARK USE
PERMITS FOR COMMERCIAL ACTIVITIES
ISSUED TO GUIDES IN THE
KENAI RIVER SPECIAL MANAGEMENT AREA

1. **SUPERVISION:** A permitted guide must be aboard a guide vessel whenever it is on the river and being used for guiding activities. **State Park regulation also requires you to be in sight and sound of your clients at all times.** The permitted guide must have his/her Kenai River Special Management Area Guide identification card in his/her possession at all times while guiding within the Kenai River Special Management Area. The permittee must present this card to any Peace Officer upon request.
2. **GUIDE VESSEL IDENTIFICATION:** A guide vessel shall be identified by prominently displayed Kenai River guide stickers on both sides of the vessel just aft of the midpoint and directly forward of the assigned three-digit guide vessel number to be permanently displayed in six-inch minimum size block style figures of contrasting color to the color of the vessel hull. **Any vessel used for guiding in the Kenai River Special Management Area is considered registered from the time the guide is permitted and must display current year Kenai River Guide stickers and the three-digit identification number.**
3. **SAFETY EQUIPMENT:** The permittee is responsible to ensure that the guide vessel or vessels is/are equipped, maintained and operated in accordance with all applicable state and federal laws and regulation. This includes loading of the vessel not to exceed the U.S. Coast Guard/Manufacturer's Capacity information plate.
4. **LAWFUL OPERATIONS:** The permittee agrees to operate in accordance with the regulations of the Alaska Department of Fish and Game and all other local, state and federal laws and regulations including U.S. Coast Guard licensing requirements and ADF&G commercial vessel license numbers for charter fishing vessels. **Guides are responsible for verifying that clients have fishing licenses and adhere to fishing regulations.**
5. **RANDOM DRUG TESTING PROGRAM:** Operators holding a U.S. Coast Guard License will be required to present to the State Park permitting staff documentation, including expiration date, that you are registered in a random drug testing program. The Division of Parks and Outdoor Recreation will verify registration in the random testing program and monitor test results.

In certain circumstances the Division of Parks may require drug testing (for cause). Should a permittee have his/her U.S. Coast Guard License suspended or revoked for drug use, and the permittee wishes to obtain a non-motorized permit in the Kenai River Special Management Area, the Division will require a clean drug test and enrollment in a random testing program before issuing a permit to operate any vessel or vehicle in the Kenai River Special Management Area.
6. **OUTBOARD MOTOR INSPECTION:** All Kenai River Guides must permit the random inspection of their outboard motors by any Park Ranger or Peace Officer for the purpose of verifying the horsepower rating.
7. **LIABILITY INSURANCE:** Prior to commencement of operations under this permit, the permittee shall furnish proof to the authorizing officer that he/she has public liability insurance to cover commercial boating operations and such insurance shall be approved by the authorizing officer. A minimum of \$300,000 combined single limit per occurrence public liability insurance is required and the policy must name the "State of Alaska, Division of Parks and Outdoor Recreation" as additional insured. All certificates must provide a 30-day prior written notice to the Kenai Area Superintendent, 38130 Kenai Spur Highway, Soldotna, Alaska, 99669, phone (907) 260-4896, of cancellation, non-renewal or material alteration of such insurance or lapse of insurance.
8. **SUSPENSION OR REVOCATION:** The permittee has read and agreed to the terms of the permit and understands that the breach of any terms is cause for suspension or revocation. Further, it is expressly understood and agreed that this permit may be revoked with cause at the discretion of the authorizing officer without compensation to the permittee or liability to the authorizing agency. **The following penalties pertain only to violations that occur while providing guide services in the Kenai River Special Management Area.**

Suspension

Grounds for up to a three day suspension (in season)

Up to a three day suspension following the first court conviction for:

- 1) Violation of the horsepower regulations.
- 2) Violation of not having p.d.'s on children under the age of 13.
- 3) Any u.s. coast guard safety infraction, includes but not limited to improper life jackets, improper lights and lack of safety equipment.
- 4) Trespassing (on private property)
- 5) Violation of minor Fish and Game regulations
- 6) Violating state park guiding stipulations or state park regulations that relate to the Kenai River. Examples are: operating a power boat in a drift area, failure to stay within sight or sound of clients.

Ground for seven day suspension (in season)

Seven day suspension following:

- 1) Second conviction of any of the above with a two year period.

Ground for thirty day suspension (in season)

Thirty day suspension following:

- 1) Third conviction of any of the above
- 2) Positive test in drug screening program. The permit may be returned after a 30 day period (in season) and proof of negative drug test.
- 3) Conviction of reckless endangerment or negligent operation in relation to boat operations or conduct that has put clients or the public in danger while providing guide services in the Kenai River Special Management Area.

Grounds for immediate and indefinite suspension

- 1) Loss or expiration of U. S. Coast Guard License. Permit suspended until valid U. S. Coast Guard License can be obtained.
- 2) Loss of required liability insurance coverage. Permit suspended until valid liability insurance policy is obtained.
- 3) Loss of Alaska Sport Fishing License by court conviction. Permittee will be eligible to re-apply for a permit when a sport fishing license can be obtained provided his/her State Park Non-Competitive Use Permit has not been revoked for conviction of multiple fishing violations.

Grounds for Permanent Revocation

- 1) Court conviction for operating a guide vessel while under the influence of drugs or alcohol while providing guide services in the Kenai River Special Management Area.
- 2) Second court conviction of negligent operation or reckless endangerment while operating a guide vessel that results in fatalities or injuries to clients or others while providing guide services in the Kenai River Special Management Area.
- 3) Court conviction for operating a power boat without a U. S. Coast Guard License while providing guide services in the Kenai River Special Management Area.
- 4) Four convictions in three years of any combinations of State Parks, U. S. Coast Guard or Fish and Game regulations.
- 5) Two positive drug tests in a three year period.
- 6) Any court conviction involving weapons, international ramming, second degree assault or felony assault.
9. **FALSE STATEMENT:** The making of a false statement or presenting false or purposefully altered documents in order to obtain this permit is a violation of the permit stipulations.
10. **FISHING FROM A GUIDE VESSEL:** The permittee, his/her support staff or any other employees or assistants are not allowed to fish from a registered guide vessel from May 15 through September 30 while the vessel is being used for guiding activities in the Kenai River Special Management Area.

11. **NON-FISHING KENAI RIVER GUIDES:** Permittees classified as non-fishing guides may not carry or permit clients to carry any fishing poles, tackle or other fishing equipment aboard the permitted guide vessel while the vessel is being used for guiding activities in the Kenai River Special Management Area.
12. **NON-EXCLUSIVE USE:** This permit shall not be construed as limiting the rights of the authorizing officer to issue similar permits for same or similar activities in the area covered by this permit. The permittee, his or her agents or clients shall not interfere with free public use or other authorized use of roads, trails, parking areas or other lands and water in the area of their activities. **A guide may not stop with clients to bank fish if doing so will crowd out other anglers previously fishing at that location.**
13. **BOAT LAUNCH/DAY USE FEES:** As part of their Commercial Use Permit, guides may use State Park public launch facilities at Izaak Walton State Recreation Site, Bling's Landing State Recreation Site and the Cooper Landing Boat Launch to pick up or return passengers and to launch and retrieve boats. Due to limited parking facilities, no guide or guide's employees vehicle may be placed at the Izaak Walton Unit parking lot from Memorial Day through August 15. Guides (and the general public) are required to pay the daily boat launch fee for the use of the Pillars Boat Launch. All clients cars will be required to pay the daily parking fee for their vehicles.
14. **ADVERTISING:** It is agreed and understood that this permit does not authorize the permittee to solicit business, advertise, collect any fees or sell any goods or services on lands and water authorized to be used by this permit unless specified on the permit. Further, the permittee shall not make any misrepresentations in his/her advertisements, signs, circulars, brochures, letterhead and like materials regarding this permit. This restriction shall not apply to business names, graphics, logos or telephone numbers which are applied to guide vessels or vehicles.
15. **STRUCTURES:** No temporary or permanent structures shall be erected in the area under this permit
16. **CLIENT INFORMATION:** The permittee agrees to provide clients with information regarding rules, regulations and other information pertaining to the area as well as basic safety information relative to the client's visit
17. **ANNUAL USE REPORT:** The permittee agrees to provide the Kenai Area Superintendent with an annual use report by December 31 of each year. **End of season reports must be submitted for each individual guide. Employers are expected to turn in an end of season report that reflects the number of clients and client days for each employee.** The forms for the use report will be provided by the Division.
18. **ACCIDENT NOTIFICATION:** The permittee will notify the Kenai Area Superintendent immediately after completing a trip in which accidents involving personal injury, boat collision, overturning or swamping, or damage to the guide vessels or other vessel occur; or of any threatening incident involving wildlife or incidents involving the loss of equipment, such as canoes, rafts, tents or other gear which could create the impression that someone may be lost or in danger
19. **INDEMNIFICATION:** The permittee shall indemnify, save harmless and defend the State, its officers, agents and employees from liability of any nature or kind, including costs and expenses for, or on account of any and all legal actions or claims of any character whatsoever resulting from injuries or damages sustained by any person or persons or property as a result of any error, omission or negligent act of the permittee relating to its performance of this permit. All legal actions or claims including defense cost resulting from injuries or damages sustained by a person(s) or property arising from the permittee's performance of this permit which will result in joint liability of the State and permittee shall be apportioned on a comparative fault basis. Any such joint liability on the part of the State must be due to the active negligence on the part of the State
20. **QUALITY OF SERVICE:** The permittee shall observe such requirements respecting quality and standards of service as dictated by laws or regulations or as necessary to protect the public health, safety and welfare.
21. **RESOURCE PROTECTION:** The permittee shall exercise diligence in protecting from damage lands, water, facilities and resources in the permit area and used in connection with this permit
22. **REPAIR OF DAMAGE:** The permittee shall be liable for the repair of any damage to lands, water, facilities or resources resulting from the activities of the permittee, his/her agents, employees or clients

23. **NATURAL HAZARDS:** The permittee recognizes and understands that natural hazards are likely to exist within the area of his/her operation. The permittee agrees to take all reasonable precautions to make himself/herself aware of these hazards and to avoid injury to persons or property. The permittee is responsible for ensuring the safety of the clients under his/her supervision.
24. **CO-OPERATION:** The permittee agrees to co-operate with any agency representatives for the purpose of permit compliance and to gather current information on the area.
25. **SANITATION:** Public restrooms are available in most of the heavily fished areas of the Kenai River Special Management Area. Public restrooms are available at the Pillars, Ciechanski (directly upriver from Riverquest), Big Eddy (upriver from Reuben Hanke's), Centennial Park, Swiftwater Park, Funny River, Morgan's Landing, Izaak Walton and Bing's Landing. In the Upper River public restrooms are available at the Cooper Landing Boat Launch, Kenai River-Russian River Ferry Crossing and Jim's Landing. The permittee agrees to take his clients to the public restrooms that are available.
- If restrooms are not available, the permittee must **COLLECT** and **PROPERLY** dispose of all **SOLID** human wastes and refuse generated by himself/herself or his/her clients within the permit area. All human waste will be disposed of in the appropriate facility outside of the permit area.
26. **PRIVATE PROPERTY:** The permittee is aware that much of the Kenai River is bounded by private property and permission to use private property must be obtained in advance from the land owner. Violation of private property rights may be grounds for permit revocation.
27. **BOAT TIE-UPS, CAMPS AND CACHES:** The permittee agrees not to establish temporary or permanent camps or caches within the permit area. Guide vessels may not be moored on property that is not owned/leased/rented by the guide without first obtaining written permission from the property owner. Annual letters of permission must be submitted with the guide permit application.
28. **FIRES:** The permittee WILL use gas or propane stoves for cooking. Ground fires are prohibited. However, dead and down wood may be gathered and fires of wood or charcoal may be built if contained in a metal-bottom container (firepan). All ashes must be removed and properly disposed of. In the event the State Forester declares a burning ban on the Kenai Peninsula, the permittee shall comply and discontinue use of any firepans until the burning ban is lifted.
29. **RENEWAL:** The issuance of this permit does not confer any rights of renewal or preferences for renewal despite investments made by the permittee or for other reasons.
30. **OTHER PERMITS:** The permittee understands that guiding, outfitting or other commercial activities conducted within the boundaries of the Kenai National Wildlife Refuge may require an additional Special Use Permit from the U. S. Fish and Wildlife Service or the U. S. Forest Service within the Chugach National Forest.

This permit is non-transferable and the permittee shall not sublet or enter into third party agreements involving the privileges authorized by this permit. This permit is issued in accordance with 11 AAC 12.300 and 11 AAC 18.030.

I have read and understand and agree to comply with Commercial Use Permit Stipulations #1 through #30.

Permittee's Signature

Date

Alaska State Legislature

Interim:

145 Main Street Loop #223

Kenai, Alaska 99611

(907) 283-7095

(907) 283-3075 (fax)

(907) 262-7574 (h)



Session:

State Capitol

Juneau, Alaska 99801

(907) 465-2693

(fax) (907) 465-3835

Representative Gary L. Davis

MEMORANDUM

DATE: February 16, 1998

TO: Dave Koivuniemi, Legislative Liaison
Department of Administration

FROM: Representative Gary Davis

RE: Requirements for Registering Vehicles as Commercial

Staff with the Division of Parks and Outdoor Recreation is requiring applicants for guide licenses to provide proof that their vehicles and boat trailers are registered as commercial vehicles before processing the guide license applications. This is occurring at the Kenai River Center and may be happening at other places as well.

I was told by staff at the Kenai River Center that this is not a new requirement, but its enforcement is in response to conversations with the Division of Motor Vehicles and cited AS 28.10.421 as the authority to make this requirement. Additionally, nonresident guides coming up for the season are required to show a valid Alaska driver's license and Alaska commercial vehicle registration for the trailer and vehicle to be used. I was told it was a matter of parity to treat the residents the same as the nonresidents in the requirements commercial vehicle registration. I agree that parity must be met but do not know whether it's met by requiring everyone to have commercial vehicle registration or whether it could be met by simply requiring valid Alaska registration.

There is no question that for a portion of the year (up to approximately 4 months) the boats used by licensed guides are commercial boats requiring a CFEC License and the operators are required to have a 6-pack captain's license. However, I have several concerns about this and would like the department's response to the following matters.

1. Does a boat trailer or vehicle need to be registered as a commercial vehicle if the boat is launched from or moored at private property?
2. Does a boat trailer or towing vehicle need to be registered as a commercial vehicle if it's used to take the boat to the car wash, gas station, etc.?

Representing House District 8

Soldotna, Sterling, Funny River, Cooper Landing, Hope, Moose Pass, Seward

Department of Administration

February 16, 1998

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3. If the guide uses a vehicle to take equipment to the boat, does it need to be registered as a commercial vehicle?
4. If the guide sometimes provides transportation for clients to get to the boat, does the car need to be registered as a commercial vehicle?

If you have any questions or would like additional information, please contact Deb Davidson of my staff. Thank you for your attention to this matter.

GLD/dld

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

Mark Boyer, Commissioner

DEPARTMENT OF ADMINISTRATION

DIVISION OF MOTOR VEHICLES

5700 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507-1225

PHONE: (907) 269-5566

February 27, 1998

Representative Gary L. Davis
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

RE: Requirements for Registering Vehicles as Commercial.

Dear Representative Davis:

Conversations between staff of the Division of Parks and Outdoor Recreation at the Kenai River Center and the Division of Motor Vehicles, have centered around the definition of a commercial use of a vehicle.

AS 28.40.100(a)(3), defines use of a vehicle for "commercial purposes" as "activities for which a person receives direct monetary compensation or activities for which a person receives no direct monetary compensation but that are incidental to and done in furtherance of the person's business".

The owner or operator of a vehicle must determine and declare the commercial use of a vehicle at time of initial registration, renewal of registration, or at the time the use of the vehicle changes from a non-commercial to commercial use.

AS 28.10.421(c) provides the biennial registration fees, based on unladen weight of the vehicle, including boat trailers, for commercially registered vehicles. This statute does not require non-resident fishing guides to have an Alaska vehicle registration or driver's license, however, AS 28.10.011, AS 28.10.121(a), and AS 28.10.141, define what vehicles must be registered and the length of time a non-resident may operate a vehicle with an out of state registration. AS 28.15.021(2) allows a non-resident driver to operate a vehicle in Alaska, with a valid out-of state drivers license, for a period of 90 days after entry to the state.

In response to the questions posed in your February 16, 1998 correspondence, it is the Department's opinion that;

1. A vehicle or boat trailer operated on the roadways of Alaska for commercial purposes or in furtherance of a business, must be registered as a commercial vehicle. A vehicle or boat trailer used to launch a boat from private property would not


Representative Gary Davis
February 27, 1998
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be required to be registered for commercial use - nor for that matter would it be required to be registered - so long as the vehicle and or trailer are driven only on private property, or move on a highway only for the purpose of crossing the highway from one private property to another. (AS 28.10.011(1)&(7)).

2. The statutory definition of "commercial purpose", a boat trailer or towing vehicle being used for transporting a commercial use boat for the purpose of washing, cleaning, refueling, repairing, stocking provisions, etc, in furtherance of the commercial use of the boat or business operation, would require the trailer and towing unit to be registered commercially while being used to transport the boat.
3. In strict compliance with statute, a guide who uses a vehicle to transport equipment to the boat in furtherance of their business, would be required to have the transporting vehicle registered commercially.
4. Again in strict compliance with statute, a guide who occasionally provides transportation for clients to get to the boat, would be required to register the vehicle used as commercial use, even if providing this type service once or twice a season.

If you have further questions or require clarification, please contact Carl Springer, the Motor Vehicle Registrar with the Division of Motor Vehicles, at 269-5566.

Sincerely,


Jay N. Dulany
Director

cc: File
David Koivuniemi

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 404(TRA)

1 Page 8, following line 9:

2 Insert a new bill section to read:

3 **** Sec. 18.** AS 28.10.421(b) is amended to read:

4 (b) The biennial registration fees under this subsection are imposed within the
5 following classifications for:

6 (1) a passenger vehicle or motor home not primarily used or
7 maintained for the transportation of persons or property for hire or for other
8 commercial use \$ 68;

9 (2) a pick-up truck or a van not exceeding 6,000 pounds unladen
10 weight and not primarily used or maintained for the transportation of persons or
11 property for hire or for other commercial use \$ 78;

12 (3) a taxicab \$138;

13 (4) a motor bus with a seating capacity for 20 or more persons and
14 used exclusively for commercial purposes in the transporting of visitors or tourists
15 \$168;

16 (5) a motorcycle or a motor-driven cycle \$ 38;

17 (6) a trailer not primarily used or maintained for the transportation
18 of persons or property for hire or for other commercial use, including, but not limited
19 to, a boat trailer, baggage trailer, box trailer, utility trailer, house trailer, travel trailer,
20 or a trailer rented or offered for rent \$ 10."

21 Renumber the following bill sections accordingly.

22 Page 8, line 16, following "is":

23 Insert "primarily"

1 Page 8, line 17, following "or":

2 Insert "primarily used"

3 Page 8, line 29, following "and":

4 Insert "primarily"

5 Page 9, following line 11:

6 Insert a new bill section to read:

7 **** Sec. 22.** AS 28.10.661 is amended by adding a new paragraph to read:

8 (3) "primarily used" means use for a period that exceeds six months
9 of a calendar year."

10 Renumber the following bill sections accordingly.

11 Page 11, line 12:

12 Delete "secs. 1 - 23"

13 Insert "secs. 1 - 25"

14 Page 11, line 14:

15 Delete "Section 24"

16 Insert "Section 26"

17 Page 11, line 15:

18 Delete "sec. 25"

19 Insert "sec. 27"

Alaska State Legislature

Interim:

145 Main St. Lp., 223
Kenai, Alaska 99611
907/283-7095
907/283-3075 fx
907/262-7574 hm



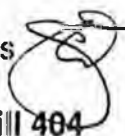
Session:
State Capitol
Juneau, AK 99801
907/465-2693
fx 907/465-3835
800/463-2693

Representative Gary Davis

MEMORANDUM

DATE: February 23, 1998

TO: Representative Bill Williams, Chair
House Transportation Committee

FROM: Representative Gary Davis 

RE: Amendment to House Bill 404

Please review the attached amendment that I would like to offer to House Bill 404 scheduled in your committee Wednesday, February 25, 1998. It has come to my attention that current statutes regarding registration rates for vehicles are all-encompassing and difficult to enforce.

Currently rates are set for vehicles not used for commercial purposes and for vehicles used for commercial purposes. Unfortunately, the statutes don't specify an amount or percentage of time the vehicle must be used for commercial purposes. This means, because of the way the statute is phrased, that any vehicle used for any commercial purpose for any amount of time must technically be registered as a commercial vehicle. Several examples of individuals affected are listed below. The frequency of which they use their vehicle is not considered; only whether or not the vehicle is used for any commercial use.

- Realtors who use their vehicles to go to homes they show to potential buyers
- Attorneys who use their vehicles to go interview their clients at locations other than the attorneys' offices (such as the clients home, or place in which they are incarcerated)
- Individuals with a home-based business, such as a secretarial service, who use their vehicles to take their work either to the post office or to clients' establishments
- Commercial fishermen who use their vehicles to take their nets to their boats;

*Representing House District 8
Cooper Landing, Funny River, Hope, Moose Pass, Seward, Sterling, Soldotna*

Representative_Gary_Davis@legis.state.ak.us

Representative Bill Williams

February 23, 1998

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- Guides who use their vehicle to tow their boats to launch sites
- Pizza delivery persons who use their own vehicle to make deliveries to client's home
- Even parents of children with paper delivery routes should register their vehicles as commercial vehicles if they ever provide their children ride in inclement weather.

I do not believe this was the intent of the legislation when it was enacted. The attached amendment inserts the word "primarily" in the sections concerning registration fees and defines primarily as being more than six months in a calendar year. I believe that this clarifies the statutes and is more in line with its intent.

I realize the Division of Motor Vehicles will most likely present a fiscal note showing a revenue loss for this amendment; however, I would be curious to know their estimate of the revenues never collected from individuals who are technically in violation of current law. Also, while the amendment would still make enforcement of the statute difficult and the state would have to rely on voluntary compliance, that situation is no different than the one we currently face.

If you have any questions, please contact me or Deb Davidson of my staff.

GLD/dld

Attachment

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

March 9, 1998

The Honorable Gary Davis
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Representative Davis:

The amendment to HB 404 concerning registration of commercial vehicles will create an unenforceable situation, and will result in a decrease of state revenues. The amendment proposed a method to provide relief for commercial fishing guides who apparently have been incorrectly registering commercial use vehicles such as boat trailers in a lower-fee non-commercial registration category. While the amendment is directed at the situation with the fishing guides, the wording of the amendment will apply to all commercial vehicles. Due to the loss of revenue and the lack of a viable means of enforcement, DMV opposes this amendment.

Past legislative action indicates that there is clear intent to have commercial-use vehicles pay a higher registration fee and this is consistent with laws in most other states. The rationale is that those persons making money using state resources such as the road system should pay a higher fee. The legislature has taken several actions that support this view.

In 1993 the legislature repealed AS 28.10.181(k) that addressed a special registration category known as "Occasional Use". This allowed all vehicles used less than 5% of their operating time on the highways to register for only \$15. This registration category was established initially for commercial vehicles used in commercial fishing on the Kenai Peninsula that operated mainly on the beaches. The law was repealed because it was very much abused and it was impossible to enforce.

Prior to 1993 the statutes required a vehicle used commercially to be registered in a commercial category but this was widely abused. Many vehicles were registered in company or business names yet the owners claimed they were used noncommercially in order to pay lower registration fees. Also vehicles registered in a person's name but used commercially were to be registered in the commercial category. The legislature recognized the fact that a vehicle may be used during work hours as a commercial vehicle and during non-work hours that same vehicle may be used as the family transportation. It was felt that to be fair any commercial use would subject the vehicle to commercial fees.

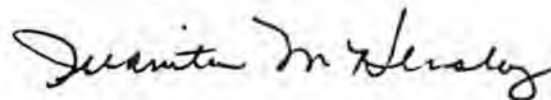
In AS 28.10.121, non-residents are allowed to operate noncommercial vehicles for 60 before obtaining Alaska registration however commercial vehicles are required to be registered as soon as their commercial use starts. This is regardless of the length of time the vehicle will be used in Alaska.

The words "primarily used" commercially creates a situation much the same as with the "Occasional Use" plates which were discontinued. A person could claim that a vehicle is used less than 6 months in commercial operation and there would be no way to prove otherwise. This is not practical and as a result there would be no valid means of enforcement. The honest people would register their vehicles correctly and would be forced to compete with the dishonest operators who could register at lower fees and have no fear of effective enforcement action.

Many commercial activities such as construction, tourism, fishing, etc., are seasonal and the vehicles are used less than 6 months and are then stored for the winter period. All of these vehicles would qualify for lower fees and this would decrease the revenue collected by the state. The amount of revenue loss varies with each vehicle and in some cases there are no corresponding noncommercial categories. HB 404 as written before the amendment does change the fees but it was intended for the most part to be revenue neutral so the loss estimate would be relatively the same.

Even though the division cannot support this amendment I'm sure we can support other amendments that assist the division to become more efficient.

Sincerely,



Juanita Hensley
Chief, Driver's Services

cc: Pat Pourchot
Office of the Governor

David Koivuniemi
Assistant Commissioner
Department of Administration

HB 404 File

Letters sent to individuals regarding Commercial Vehicle Registration

Mr. Mike Bethers
Alaska Sportfish Council
P.O. Box 32323
Juneau, Alaska 99803
Phone: 789-7234 Fax: 789-7235

Mr. Greg Brush
P.O. Box 4278
Soldotna, Alaska 99669
Phone: 262-6169

Mr. Roger G. Byerly
Angler's Lodge & Fish Camp
36020 Stephen's Drive
P.O. Box 508
Sterling, Alaska 99672
Phone : 262-1747 Fax: 262-6747

Mr. Tim Evers
Deep Creek Charter Boats
Mile 137 Sterling Highway
P.O. Box 39547
Ninilchik, Alaska 99639
Phone: 567-3518 Fax: 567-3518

Mr. Mel Erickson, President
Kenai River Professional Guide Association
P.O. Box 3674
Soldotna, Alaska 99669
Phone: 262-4811 Fax: 262-8896

Mr. Reuben G. Hanke
Harry Gaines, Kenai River Fishing Guides
P.O. Box 624
Kenai, Alaska 99611
Phone: 262-5097

Mr. Rhon Lyons
P.O. Box 731
Sterling, Alaska 99672
Phone: 262-3732

Mr. Dennis Roper
KeeTah Fish Camp
P.O. Box 4234
Soldotna, Alaska 99669
Phone: 262-6577 Fax: 262-8896

Mr. Donald N. Wood
HC3 Box 930
Soldotna, Alaska 99669
Phone: 262-9568

Mr. Melvin Forsyth
P.O. Box 3477
Soldotna, Alaska 99669-3477
Phone: 262-4015

Mr. Robert Carroll
P.O. Box 545
Kasilof, Alaska 99610
Phone: 262-9512

Mr. Laine W. Lahndt
P.O. Box 612
Kasilof, Alaska 99610
Phone: 262-3234

Mr. Paul Zobeck
298 W. Marydale Ave.
Soldotna, Alaska 99669

March 11, 1998

«Title» «FirstName» «LastName»
«Company»
«Address1»
«Address2»
«City», «State» «Zip_Code»

Dear «Title» «LastName»:

As you know, I am working on a solution to the dilemma of Kenai River Guides being required to show commercial vehicle registration for their vehicles and trailers before being issued permits to operate on the Kenai River this summer.

Current statutes require a vehicle and/or trailer used for commercial purposes to be registered as a commercial vehicle. Because of the statute's wording, frequency of the vehicle's commercial use is not considered, only whether or not the vehicle is used for any commercial use. In other words, any vehicle used for any commercial purpose for any amount of time must be registered as a commercial vehicle.

According to the Legal Services Division of the legislature, the Division of Parks is within its rights to enforce this statute. I'm afraid there is not a lot that can be done concerning your opposition to this unless we are able to amend current statutes. The division already requires compliance with other statutes—business license, fishing license, CFEC vessel license, U.S. Coast Guard Commercial six-passenger license, etc. Division staff stated that once the statute requiring commercial registration was brought to their attention (by whom I do not know), they felt they had no choice but to verify compliance with that statute as well as the others.

If individuals launch their vehicles from their private property, they could most likely inform the division of this and avoid the commercial registration. If, however, they then launched from another place, they could be cited for noncompliance and become vulnerable to more serious offenses.

Some questions were raised about whether a vehicle that was registered as a commercial vehicle has to be insured as a commercial vehicle. It doesn't appear that this would be the case under state law. Alaska statutes pertaining to financial responsibility requirements for commercial vehicles define them as a "motor vehicle or a combination of a motor vehicle and one or more other vehicles (A) used to transport passengers or property; (B) used upon

«Title» «FirstName» «LastName»

March 11, 1998

Page 2

a land highway or vehicular way; and (C) that (i) has a gross vehicle weight rating or gross combination weight rating greater than 26,000 pounds. . ." [AS 19.10.300(f)]. This definition most likely excludes the vehicles and trailers used to tow boats used by the river guides. The statutes requiring inspections of commercial vehicles define them in a similar manner except that the gross combination weight rating is lowered to "greater than 10,000 pounds."

According to a couple of insurance companies, the way in which the vehicle is registered has no bearing on the insurance rates. The rates are based on the type of insurance requested, the type of vehicle, and its usage. The rates are based on the usage with the "most exposure." Some companies require the policies cover the entire year, others allow seasonal coverage. According to one company, when given the example of a vehicle and trailer used to launch a boat, the insurance would fall into the "business" class and the rates would be in the neighborhood of \$50 higher for a 6-month period.

There is some hope, however. House Bill 404 deals with the commercial registration of vehicles. Section 20 of the bill requires a one-time registration fee of \$10 upon the initial registration for a trailer used for commercial purposes. The bill also increases the commercial registration rate for vehicles. This legislation appears to have a good chance of passing the legislature this year, so it appears to be the bill with which to try to remedy the problem.

I originally planned to offer an amendment to this bill when it was heard in House Transportation. The amendment stated that a vehicle needs to be "primarily" used for commercial purposes before having to be commercially registered. "Primarily" was defined as more than six months in a calendar year. Amending the statute in this way not only would solve your situation, but would also remove the requirement from anyone using vehicles in an incidental way concerning their business. Because the Alaska Trucker's Association opposed the amendment as did the Division of Motor Vehicles, I decided it would better serve the purpose to wait until the bill was heard in House Finance and offer the amendment there. House Bill 404 had a hearing in House Finance Monday, March 9. At that time I discussed the amendment. Unfortunately, there was more opposition than support and the amendment was dropped. The bill was passed out of committee and will next be on the House floor before going to the Senate.

There is still a chance to amend the legislation on the Senate side. I have forwarded the information and your concerns to the office of Senator Ward, Chair of Senate Transportation and asked for his assistance with this matter.

For your information, enclosed are the letters received from the Division of Motor Vehicles regarding vehicles that need to be commercially registered and the division's position on my amendment. If you have any questions, please contact Deb Davidson of my staff.

Sincerely,

Representative Gary Davis

AMENDMENT

OFFERED IN THE SENATE

TO: SB 298

1 Page 4, lines 10-11:

2 Delete all material.

3 Renumber the following bill sections accordingly.

4 Page 9, following line 10:

5 Insert a new bill section to read:

6 **“*Sec. 20. AS 28.10.421 is amended by adding a new subsection to read:**

7 (i) A one-time registration fee of \$10 is imposed upon initial registration

8 for a trailer or semi-trailer used for commercial purposes.”

9 Renumber the following bill sections accordingly.

AMENDMENT

OFFERED IN THE SENATE

TO: SB 298

- 1 Page 7, line 4:
- 2 Delete "60"
- 3 Insert "30"

CS FOR SENATE BILL NO. 298(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the regulation of commercial vehicles; relating to the
 2 temporary registration of out-of-state commercial vehicles; relating to registration
 3 fees for commercial vehicles; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * Section 1. AS 19.10.300 is amended by adding a new subsection to read:

6 (g) When operating a commercial motor vehicle or motor vehicle for which
 7 security is required under (a) of this section, a person shall carry proof of insurance
 8 and, if involved in an accident with another person, shall display the proof of insurance
 9 to the other person. In this subsection, "proof of insurance" means a

10 (1) certificate of self-insurance acceptable to the department;

11 (2) card issued by an insurer described in (b)(1) of this section that
 12 indicates that insurance has been procured as required by this section, that contains a
 13 local or toll-free telephone number for filing or receiving claim information, and that
 14 indicates the name and address of the insurer; or

1 (3) copy of the surety bond described in (b)(2) of this section.

2 * Sec. 2. AS 19.10.310 is amended to read:

3 **Sec. 19.10.310. Commercial motor vehicle safety inspections.** A commercial
4 motor vehicle may not be operated [AFTER JANUARY 1, 1986] without a certificate
5 of inspection. An owner or operator of a commercial motor vehicle shall renew a
6 certificate of inspection at least annually. An owner or operator of a commercial
7 motor vehicle shall provide proof of annual inspection upon demand of a peace
8 officer or employee of the department authorized by the commissioner to enforce
9 this section [SEMI-ANNUALLY AT AN OFFICIAL INSPECTION STATION
10 UNDER AS 19.10.320. THE OWNER MAY RENEW A CERTIFICATE OF
11 INSPECTION AT ANY TIME DURING THE OFFICE HOURS OF THE
12 INSPECTION STATION. AN OWNER OF A COMMERCIAL MOTOR VEHICLE
13 SHALL DISPLAY A CURRENT STICKER OF INSPECTION VISIBLE FROM
14 OUTSIDE THE VEHICLE IN A LOCATION DETERMINED BY THE
15 DEPARTMENT].

16 * Sec. 3. AS 19.10.340 is repealed and reenacted to read:

17 **Sec. 19.10.340. Issuance of certificate of inspection.** A person conducting
18 annual commercial motor vehicle inspections shall issue a certificate of inspection to
19 the owner or operator after determining that the motor vehicle is in a safe and
20 mechanically sound condition as required by law. The owner or operator of a
21 commercial motor vehicle shall keep a record of the annual inspection of the vehicle.

22 * Sec. 4. AS 19.10.370 is amended to read:

23 **Sec. 19.10.370. Regulations.** The commissioner shall adopt [PROCEDURAL]
24 regulations [APPROPRIATE TO ACHIEVE COMPATIBILITY WITH OTHER
25 WESTERN STATES AND PROCEDURAL REGULATIONS NECESSARY] to
26 implement AS 19.10.310 - 19.10.399.

27 * Sec. 5. AS 19.10 is amended by adding a new section to read:

28 **Sec. 19.10.375. Impoundment.** (a) If a peace officer or an employee of the
29 department authorized by the commissioner to issue citations finds a commercial motor
30 vehicle in operation without a current and valid certificate of inspection under this
31 chapter, the commercial motor vehicle may be impounded. The commercial motor

1 vehicle may not be released from impoundment until

2 (1) a current and valid certificate of inspection under this chapter has
3 been provided for the commercial motor vehicle; and

4 (2) any impoundment fees or charges have been paid.

5 (b) The department may adopt regulations to charge fees to recover costs of
6 implementation of this section, including costs of impoundment.

7 * Sec. 6. AS 19.10.399(1) is amended to read:

8 (1) "commercial motor vehicle" means a self-propelled or towed
9 [MOTOR] vehicle [OR A COMBINATION OF A MOTOR VEHICLE AND ONE OR
10 MORE OTHER VEHICLES]

11 (A) used to transport passengers or property for commercial
12 purposes;

13 (B) used upon a highway or vehicular way; and

14 (C) that

15 (i) has a gross vehicle weight rating or gross
16 combination weight rating greater than 10,000 pounds;

17 (ii) is designed to transport more than 15 passengers,
18 including the driver; or

19 (iii) is used in the transportation of materials found by
20 the United States Secretary of Transportation to be hazardous for
21 purposes of 49 U.S.C. 1801 - 1813 (Hazardous Materials Transportation
22 Act);

23 (D) except that the following vehicles meeting the criteria in
24 (A) - (C) of this paragraph are not commercial motor vehicles:

25 (i) emergency or fire equipment that is necessary to the
26 preservation of life or property;

27 (ii) farm vehicles that are controlled and operated by a
28 farmer; used to transport agricultural products, farm machinery, or farm
29 supplies to or from that farmer's farm; not used in the operations of a
30 common or contract motor carrier; and used within 150 miles of the
31 farmer's farm;

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(iii) school buses;

(iv) vehicles owned and operated by the federal government unless the vehicle is used to transport property of the general public for compensation in competition with other persons who own or operate a commercial motor vehicle subject to AS 19.10.310 - 19.10.399, and except to the extent that regulation of vehicles operated by the federal government is permitted by federal law; and

(v) vehicles used exclusively for purposes other than commercial purposes;

* Sec. 7. AS 28.10.021(c) is amended to read:

(c) An employee of the department who processes an application for registration or renewal of registration, other than an application received by mail or an application for registration under AS 28.10.152, shall ask the applicant orally whether the applicant wishes to execute an anatomical gift or a living will. The department shall make known to all applicants the procedure for executing a gift under AS 3.50 (Uniform Anatomical Gifts Act) or a living will under AS 18.12 (Living Wills and Do Not Resuscitate Orders) by displaying posters in the offices in which applications are taken, by providing a brochure or other written information to each person who applies in person or by mail, and, if requested, by providing oral advice.

* Sec. 8. AS 28.10.041(a) is amended to read:

(a) The department may refuse to register a vehicle if

(1) the application contains a false or fraudulent statement;

(2) the applicant fails to furnish information required by the department;

(3) the applicant is not entitled to the issuance of a certificate of title or registration under this chapter;

(4) the vehicle is determined to be mechanically unsafe to be driven or moved on a highway, vehicular way or area, or other public property in the state;

(5) the department has reasonable grounds to believe that the vehicle was stolen or fraudulently acquired or that the granting of registration would be a fraud against the rightful owner or other person having a valid lien upon the vehicle;

1 (6) the registration of the vehicle has been suspended or revoked for
2 any reason under the laws of the state;

3 (7) the required fees or taxes have not been paid;

4 (8) the vehicle or applicant fails to comply with this chapter or
5 regulations implementing this section;

6 (9) the vehicle is without a certificate of inspection required under
7 AS 19.10.310;

8 (10) except for a vehicle to be registered under AS 28.10.152, the
9 vehicle is subject to a state-approved emission inspection program adopted under
10 AS 46.14.400 or 46.14.510, and the vehicle does not meet the standards of that
11 program, unless the vehicle uses a fuel source that does not primarily emit carbon
12 monoxide;

13 (11) the applicant fails to certify to the department the existence of a
14 motor vehicle liability policy that complies with AS 28.22.101 for the vehicle being
15 registered unless the owner of the vehicle qualifies as a self-insurer under
16 AS 28.20.400 or is exempted from obtaining liability insurance under AS 28.22.011.

17 * Sec. 9. AS 28.10.041(c) is amended to read:

18 (c) Except for a vehicle to be registered under AS 28.10.152, the [THE]
19 department shall refuse to register a vehicle subject to the federal heavy vehicle use
20 tax required by 26 U.S.C. 4481 (Internal Revenue Code of 1954) if the applicant fails
21 to furnish proof, in the form prescribed by the United States [U.S.] Secretary of the
22 Treasury, that the tax has been paid.

23 * Sec. 10. AS 28.10.108(a) is amended to read:

24 (a) Except for a vehicle registered under AS 28.10.152, a [A] vehicle
25 required to be registered under this chapter shall be registered under the procedures set
26 out in this section.

27 * Sec. 11. AS 28.10.121(a) is amended to read:

28 (a) A nonresident owner of a noncommercial vehicle registered outside the
29 state is exempt from the registration provisions of this chapter for 60 days after entry
30 into the state if the vehicle at all times when driven in this state is registered in and
31 has displayed upon it a currently valid registration plate issued for it by another

1 jurisdiction. However, if the person becomes gainfully employed in the state or takes
2 action that indicates an intention to acquire residence in the state, the person shall
3 comply with the licensing and registration provisions of this chapter within 10 days
4 of commencement of employment or of taking action that indicates the person's
5 intention to acquire residence. If the vehicle is a commercial vehicle, the vehicle must
6 be registered when its commercial use begins except as provided in AS 28.10.011,
7 [AND] 28.10.131(c), and 28.10.152.

8 * Sec. 12. AS 28.10.131(a) is amended to read:

9 (a) Except for a vehicle to be registered under AS 28.10.152, if [IF] a
10 vehicle to be registered under this chapter is previously registered outside the state, the
11 jurisdiction of registry shall be stated in the application, and the owner shall surrender
12 to the department all evidence of out-of-state registration in the owner's possession or
13 control except as provided in this section [OR AS 28.10.141], and the department may
14 require verification of the vehicle identification number.

15 * Sec. 13. AS 28.10.131(c) is amended to read:

16 (c) Except as provided in AS 28.10.152, if [IF] the owner of a commercial
17 vehicle desires to maintain title in another jurisdiction, the department, when satisfied
18 that the applicant is temporarily operating in-state and is the lawfully registered owner
19 of the commercial vehicle, may register the commercial vehicle without issuing a title
20 and shall type or stamp on the face of the State of Alaska certificate of registration
21 "No Title Issued."

22 * Sec. 14. AS 28.10 is amended by adding a new section to read:

23 **Sec. 28.10.152. Certificates of temporary registration for certain**
24 **commercial vehicles.** (a) If a commercial vehicle registered outside the state enters
25 the state and is not to be registered under AS 28.10.121, 28.10.131, or another
26 provision of this chapter, it must be temporarily registered under the provisions of this
27 section.

28 (b) For a commercial vehicle to be registered under this section, the operator
29 of the vehicle must provide proof of valid registration of the vehicle in another
30 jurisdiction and any other documentation required by the department by regulation.
31 Upon receipt of the proof of registration, any other required documentation, and

1 payment of the applicable fee under (d) of this section, the department or the
2 department's designee may issue a certificate of temporary registration, valid for 30
3 days, for the commercial vehicle. The certificate of temporary registration must state
4 the date of issuance and the expiration date.

5 (c) A certificate of temporary registration under this section may be issued for
6 a commercial vehicle even if a certificate of temporary registration has previously been
7 issued for the vehicle and has expired.

8 (d) The fee for a certificate of temporary registration under this section is

9 (1) for a truck or a truck tractor, \$350;

10 (2) for a commercial bus, \$350;

11 (3) for all other commercial vehicles, including a trailer or a semi-
12 trailer, \$10.

13 (e) Fees collected under this section may be appropriated by the legislature to
14 the Department of Transportation and Public Facilities for programs related to
15 commercial vehicles, including the administration and operation of weigh stations and
16 commercial vehicle safety programs.

17 * Sec. 15. AS 28.10.161(a) is amended to read:

18 (a) Except for a vehicle registered under AS 28.10.152, the [THE]
19 department, upon registering a vehicle, shall issue the owner one fully reflectorized
20 registration plate for a trailer or a motorcycle and two fully reflectorized registration
21 plates for every other vehicle. Except as specifically provided in AS 28.10.181, the
22 plate or plates must remain with the vehicle as long as the vehicle is subject to
23 registration under this chapter.

24 * Sec. 16. AS 28.10.201(a) is amended to read:

25 (a) Except as otherwise provided in (b) of this section or in AS 28.10.131 and
26 28.10.152 [28.10.141], every owner of a vehicle subject to registration in this state
27 shall apply for a certificate of title under this chapter.

28 * Sec. 17. AS 28.10.201(d) is amended to read:

29 (d) Except for vehicles registered under AS 28.10.131(b) or (c) or 28.10.152
30 [AND 28.10.141], the department may not register a vehicle unless the applicant for
31 registration at the same time applies for and obtains a certificate of title under this

1 chapter [,] or presents satisfactory evidence that a certificate of title was previously
 2 issued to the applicant. The department may not accept the application for the original
 3 certificate of registration or title to a vehicle unless the vehicle is in the state at the
 4 time of application. However, the department may accept an application for
 5 registration and certificate of title for a vehicle that is not in the state when the
 6 application is made by a registered and bonded dealer or by a resident of the state
 7 when the application is accompanied by a manufacturer's statement of origin [,] or, in
 8 the case of a used vehicle, when the application is accompanied by a certificate of title
 9 issued in another jurisdiction.

10 * Sec. 18. AS 28.10.421(c) is amended to read:

11 (c) The biennial registration fees under this subsection are imposed and are
 12 based upon the actual unladen weight as established by the manufacturer's advertised
 13 weight or upon the actual weight that [WHICH] the owner shall furnish, subject to the
 14 approval of the commissioner or the commissioner's representative, for a vehicle,
 15 including a motor vehicle pulling a trailer or semi-trailer, that is registered in the name
 16 of a company or business [,] or is used or maintained for the transportation of
 17 passengers for hire, excepting taxicabs and buses under (b) of this section, or for the
 18 transportation of property for hire or for other commercial purposes, including a
 19 [TRAILER, SEMI-TRAILER.] truck, wrecker, tow car, hearse, ambulance, and tractor,
 20 as follows:

- 21 (1) up to and including 5,000 pounds \$158 [\$100];
- 22 (2) more than 5,000 pounds to and including
- 23 12,000 pounds \$246 [\$170];
- 24 (3) more than 12,000 pounds to and including
- 25 18,000 pounds \$494 [\$310];
- 26 (4) more than 18,000 pounds \$640 [\$440].

27 * Sec. 19. AS 28.10.421(h) is amended to read:

28 (h) The annual registration fees under this subsection for vehicles not
 29 registered biennially under (c) of this section and used for commercial purposes are
 30 imposed and are based upon the actual unladen weight as established by the
 31 manufacturer's advertised weight or upon the actual weight that [WHICH] the owner

1 shall furnish, subject to the approval of the commissioner or the commissioner's
2 representative, as follows:

- 3 (1) up to and including 5,000 pounds \$ 80 [\$ 51];
- 4 (2) more than 5,000 pounds to and including
- 5 12,000 pounds \$124 [\$ 86];
- 6 (3) more than 12,000 pounds to and including
- 7 18,000 pounds \$248 [\$156];
- 8 (4) more than 18,000 pounds \$321 [\$221].

9 * Sec. 20. AS 28.10.421 is amended by adding a new subsection to read:

10 (i) A one-time registration fee of \$10 is imposed upon initial registration for
11 a trailer or semi-trailer used for commercial purposes.

12 * Sec. 21. AS 45.75.131(a) is amended to read:

13 (a) A peace officer or an employee of the Department of Transportation and
14 Public Facilities who is authorized by the commissioner of transportation and public
15 facilities to enforce this chapter may issue a citation to a person who

- 16 (1) violates a weight, size, or load limitation adopted by the Department
17 of Transportation and Public Facilities under AS 19.10.060;
- 18 (2) violates the terms of an overweight or oversize vehicle permit
19 issued under AS 19.10.060(b);
- 20 (3) violates a regulation adopted under AS 19.10.060(b) or (c),
21 AS 28.05.011(a)(2), or [UNDER AS 19.10.060(b) AND] AS 45.75.050(b)(5); or
- 22 (4) commits a violation identified under AS 45.75.380.

23 * Sec. 22. AS 45.75.380(a) is amended to read:

24 (a) A person commits a violation subject to the penalty specified in
25 AS 12.55.035(b)(5) if the person does one or more of the following acts:

- 26 (1) uses or has in possession for the purpose of using for a commercial
27 purpose specified in AS 45.75.080, sells, offers, or exposes for sale, or hire, or has in
28 possession for the purpose of selling or hiring, an incorrect weight or measure or a
29 device or instrument used to or calculated to falsify a weight or measure;
- 30 (2) uses or has in possession for current use, in buying or selling a
31 commodity or thing, or for hire or award, or in the computation of a basic charge or

1 payment for services rendered on the basis of weight or measurement, or in the
2 determination of weight or measurement when a charge is made for determination, a
3 weight or measure that has not been tested and sealed by the appropriate authority
4 within one year, unless

5 (A) the person gives written notice to the appropriate authority
6 to the effect that the weight or measure is available for examination, or is due
7 for reexamination, as the case may be;

8 (B) the person receives specific written permission to use the
9 weight or measure from the appropriate authority; or

10 (C) the weight or measure is exempt from sealing or annual
11 testing requirements by AS 45.75.080 or by a regulation adopted under
12 AS 45.75.050;

13 (3) disposes of a rejected or condemned weight or measure in a manner
14 contrary to law or regulation;

15 (4) removes from a weight or measure, contrary to law or regulation,
16 a tag, seal, or mark placed on it by the appropriate authority;

17 (5) sells or offers for sale less than the quantity the person represents
18 of a commodity, thing, or service;

19 (6) takes more than the quantity the person represents of a commodity,
20 thing, or service when, as buyer, the person furnished the weight or measure that the
21 seller used to determine the amount of the commodity, thing, or service;

22 (7) keeps for the purpose of sale, advertises, or offers for sale, or sells
23 a commodity, thing, or service in a condition or manner contrary to law or regulation;

24 (8) uses in retail trade, except in the preparation of packages put up in
25 advance of sale and of medical prescriptions, a weight or measure that is not so
26 positioned that a customer may accurately read, from a position that may reasonably
27 be assumed by a customer, its indications and observe the weighing or measuring
28 operation;

29 (9) hinders or obstructs the director, an inspector, a sealer, or a deputy
30 sealer in the performance of official duties under this chapter;

31 (10) violates a provision of an overweight or oversize vehicle permit

1 issued under AS 19.10.060(b);

2 (11) violates a weight, load, or size limitation established under
3 AS 19.10.060 or a regulation adopted under AS 19.05.020, AS 19.10.060
4 [AS 19.10.060(b)], or AS 45.75.050(b)(5);

5 (12) violates a provision of this chapter or a regulation adopted under
6 this chapter for which a specific penalty is not prescribed.

7 * Sec. 23. AS 19.10.320, 19.10.330, 19.10.350, 19.10.360; AS 28.10.011(9), and 28.10.141
8 are repealed.

9 * Sec. 24. TRANSITION: REGULATIONS. The Department of Administration and the
10 Department of Transportation and Public Facilities may proceed to adopt regulations necessary
11 to implement their respective provisions of this Act. The regulations take effect under
12 AS 44.62 (Administrative Procedure Act), but not before the effective date of secs. 1 - 23 of
13 this Act.

14 * Sec. 25. Section 24 of this Act takes effect immediately under AS 01.10.070(c).

15 * Sec. 26. Except as provided in sec. 25 of this Act, this Act takes effect July 1, 1998.



General Teamsters Local 959 State of Alaska

Affiliated with International Brotherhood of Teamsters

ANCHORAGE, ALASKA 99503, 520 E. 34TH AVE (907) 565-8122 FAX (907) 565-8265 GERALD L. HOOD, Secretary-Treasurer

FAIRBANKS, ALASKA 99707, P.O. Box 70609 (907) 452-2959 FAX (907) 452-5051
JUNEAU, ALASKA 99801, 306 Willoughby (907) 586-3225 FAX (907) 586-1227
KENAI, ALASKA 99611, P.O. BOX 3150 (907) 283-4408 FAX (907) 283-8030

March 23, 1998

Senator Jerry Ward
Chairperson
Senate Transportation Committee
State Capitol
Juneau, AK 99801-1182

Re: SB 298 - Regulation of Commercial Vehicles

Dear Senator Ward:

On behalf of the hundreds of Teamster members whom we represent in the trucking industry, I ask for your support of SB 298, Regulation of Commercial Vehicles

In working with the Department of Transportation, the Division of Motor Vehicles, and many legislative representatives, I feel this bill addresses several important issues in this industry that have been overlooked for years. I do not consider SB 298 a "fix all" to the trucking issues that we and the industry face within the state of Alaska, but most definitely a good faith effort in the right direction. The following issues are addressed in the bill.

SB 298 will amend AS 19, Sec. 19.10.310, to allow for inspection criteria found in the Federal Motor Carrier Safety Regulations, as adopted by the State of Alaska, to meet the State's requirements. In discussion with my members and industry representatives, this is needed and is good for all, non-commercial and commercial vehicles alike. In addition, let me assure you this is not a union versus non-union issue. SB 298 will assist in creating a level playing field for all motor carriers. The safer our commercial vehicles are on our highways, the safer all of us will be.

In addition to the adoption of the safety criteria, SB 298 will also increase temporary registration fees for those out-of-state trucks that wish to operate in Alaska on a temporary basis. This increase would bring Alaska more in-line with what is charged by other states and provinces issuing temporary permits. Revenue generated from this fee will, if approved by the legislature, be appropriated to the weigh station operation. Although this does not fully address the safety and overall operation requirements of the weigh stations, it does help.



March 23, 1998
Page 2.

Finally, this bill will eliminate the annual registration of commercial trailers with the Division of Motor Vehicles (DMV) and transfer the fee instead to "commercial" power units. Although revenue-neutral for DMV, this change will result in a savings of at least 20,000 transactions annually at DMV, saving at least \$100,000 annually. There is also a one-time initial registration fee of \$10.00 for a trailer or semi-trailer. Should Alaska become a member of the International Registration Plan (IRP), a requirement of the plan is that the registration be on the power units not the trailers. Most of the states in the lower 48 have made such a change.

In closing, SB 298 ensures safety on the road for all drivers and passengers using our Alaska highway system. It brings fee structures more in-line with other states and will establish a registration system that will help bring us into the next century.

Your support in passage of SB 298 is greatly appreciated.

Sincerely,

TEAMSTERS LOCAL 959



Gerald L. Hood
Secretary-Treasurer

/kk
MISC\98C23.Ltr

Alaska State Legislature



Session:
State Capitol, Room 423
Juneau, AK 99801-1182
(907) 465-4921

Interim:
716 W. 4th Avenue, Ste. 450
Anchorage, AK 99501-2133
(907) 258-8183

SENATE TRANSPORTATION COMMITTEE

SPONSOR STATEMENT

SB 298 – Regulation of Commercial Motor Vehicles

Senate Bill 298 was introduced to improve efficiency at the DMV and to improve efficiency and safety of freight movement into, out of, and within Alaska. Adoption of SB 298 will allow the State to participate in the International Registration Plan.

Our current state commercial vehicle inspection law is unworkable. This bill proposes to conform our inspection program to inspection criteria found in the Federal Motor Carrier Safety Regulations.

Provisions of SB 298 will increase temporary fees for out-of-state trucks that wish to operate in Alaska from \$50 to \$350. This will bring Alaska fees closer in line with fees charged by other states and provinces issuing temporary permits. Revenue generated from this fee may be appropriated to operate weigh stations and commercial vehicle safety programs.

Further, SB 298 would eliminate the requirement for annual registration of commercial trailers. The fees collected from the registration of commercial trailers would be transferred to the cost of registration of commercial vehicles or 'power units'. Hence the bill is revenue neutral. The change is required if Alaska wants to become part of the International Registration Plan, which allows for a simplified method of prorating fees to other jurisdictions in which Alaska commercial vehicles operate, and vice versa. The state and industry will gain substantial efficiencies by not having to issue and physically tag 20,000 commercial trailers annually.

In short, Senate Bill 298 will create efficiencies in government and the private sector, and will create a safer transportation environment.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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Mail Stop 3101

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

MEMORANDUM

March 23, 1998

SUBJECT: Sectional Summary of CSSB 298(TRA)

TO: Senator Jerry Ward
Attn: Lydia Jones

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

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. Requires an operator of a commercial vehicle to carry proof of insurance. Defines what "proof of insurance" means.

Section 2. Requires an owner or operator of a commercial vehicle to provide proof of annual inspection when demanded by a peace officer or certain D.O.T. employees.

Section 3. Requires a person who conducts a commercial vehicle inspection to issue a certificate of inspection to the owner or operator. Requires the owner or operator to keep a record of the inspection.

Section 4. Amends the regulatory authority of the commissioner of public safety.

Section 5. Provides for impoundment of a commercial motor vehicle without a valid inspection certificate. Prohibits release from impoundment until a valid inspection certificate is obtained and impoundment fees are paid. Allows the department to adopt regulations regarding impoundment fees.

Section 6. Amends the definition of "commercial motor vehicle".

Section 7. Excludes applicants for temporary registration from this subsection.

Section 8. Excludes temporarily registered commercial vehicles from emission inspection requirements.

Section 9. Excludes temporarily registered commercial vehicles from this subsection.

Section 10. Excludes temporarily registered commercial vehicles from this subsection.

Section 11. Excludes temporarily registered commercial vehicles from this subsection.

Section 12. Excludes temporarily registered commercial vehicles from this subsection.

Section 13. Excludes temporarily registered commercial vehicles from this subsection.

Section 14. Provides for temporary registration of certain commercial vehicles and establishes fees.

Section 15. Excludes temporarily registered commercial vehicles from this subsection.

Section 16. Excludes temporarily registered commercial vehicles from this subsection.

Section 17. Excludes temporarily registered commercial vehicles from this subsection.

Section 18. Increases the fees for biennial registration of commercial motor vehicles. Removes trailers and semi-trailers from registration requirements.

Section 19. Increases the fees for annual registration of commercial motor vehicles.

Section 20. Imposes a one-time registration fee of \$10 for commercial trailers or semi-trailers.

Section 21. Allows peace officers or D.O.T. employees to issue citations for a violation of AS 19.10.060(c).

Section 22. Provides that for a violation of AS 19.10.060 a person is subject to a \$300 fine.

Section 23. Repealers.

Section 24. Provision that allows both the Department of Administration and D.O.T to adopt regulations.

Section 25. Effective date for sec. 24.

Section 26. Effective date for all sections except sec. 24.



General Teamsters Local 959 State of Alaska

Affiliated with International Brotherhood of Teamsters

ANCHORAGE, ALASKA 99503, 520 E JATHAVE (907) 565 8122 FAX (907) 565 8265 GERALD L. HOOD, Secretary-Treasurer

FAIRBANKS, ALASKA 99707, P.O. Box 70609 (907) 452-2959 FAX (907) 452-5051
JUNEAU, ALASKA 99801, 306 W. Loughby (907) 586-3225 FAX (907) 586-1227
KENAI, ALASKA 99611, P.O. BOX 3150 (907) 283-4498 FAX (907) 283-8030

March 23, 1998

Senator Jerry Ward
Chairperson
Senate Transportation Committee
State Capitol
Juneau, AK 99801-1182

Re: SB 298 - Regulation of Commercial Vehicles

Dear Senator Ward:

On behalf of the hundreds of Teamster members whom we represent in the trucking industry, I ask for your support of SB 298, Regulation of Commercial Vehicles

In working with the Department of Transportation, the Division of Motor Vehicles, and many legislative representatives, I feel this bill addresses several important issues in this industry that have been overlooked for years. I do not consider SB 298 a "fix all" to the trucking issues that we and the industry face within the state of Alaska, but most definitely a good faith effort in the right direction. The following issues are addressed in the bill.

SB 298 will amend AS 19. Sec. 19.10.310, to allow for inspection criteria found in the Federal Motor Carrier Safety Regulations, as adopted by the State of Alaska, to meet the State's requirements. In discussion with my members and industry representatives, this is needed and is good for all, non-commercial and commercial vehicles alike. In addition, let me assure you this is not a union versus non-union issue. SB 298 will assist in creating a level playing field for all motor carriers. The safer our commercial vehicles are on our highways, the safer all of us will be.

In addition to the adoption of the safety criteria, SB 298 will also increase temporary registration fees for those out-of-state trucks that wish to operate in Alaska on a temporary basis. This increase would bring Alaska more in-line with what is charged by other states and provinces issuing temporary permits. Revenue generated from this fee will, if approved by the legislature, be appropriated to the weigh station operation. Although this does not fully address the safety and overall operation requirements of the weigh stations, it does help.



March 23, 1998

Page 2.

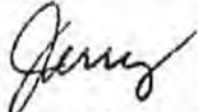
Finally, this bill will eliminate the annual registration of commercial trailers with the Division of Motor Vehicles (DMV) and transfer the fee instead to "commercial" power units. Although revenue-neutral for DMV, this change will result in a savings of at least 20,000 transactions annually at DMV, saving at least \$100,000 annually. There is also a one-time initial registration fee of \$10.00 for a trailer or semi-trailer. Should Alaska become a member of the International Registration Plan (IRP), a requirement of the plan is that the registration be on the power units not the trailers. Most of the states in the lower 48 have made such a change.

In closing, SB 298 ensures safety on the road for all drivers and passengers using our Alaska highway system. It brings fee structures more in-line with other states and will establish a registration system that will help bring us into the next century.

Your support in passage of SB 298 is greatly appreciated.

Sincerely,

TEAMSTERS LOCAL 959



Gerald L. Hood
Secretary-Treasurer

/kk
MISC\98C23.Ltr

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. SB 304

Revision Date _____	Dept. Affected <u>DOT&PF</u>
Title <u>An Act relating to regulations of highways and motor vehicles; & providing for an effective date</u>	BRU <u>Office of the Commissioner</u>
Sponsor <u>Senator Donley</u>	Component <u>Commissioner's Office</u>
Requester <u>Senate Transportation</u>	Component Serial No. <u>530</u>

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

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

Estimate of any current year (FY98) cost: 0.0

POSITIONS

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

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

Prepared by Dennis Poshard
 Division Office of the Commissioner
 Approved by: *Joseph L. Perkins*, Commissioner
 Agency Department of Transportation and Public Facilities

Phone 465-3904
 Date 2/23/98
 Date 2/23/98

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 304

Revision Date _____	Dept. Affected <u>DOT&PF</u>
Title <u>Regulation of Motor Vehicles & Highways</u>	BRU <u>Office of the Commissioner</u>
Sponsor <u>Donley</u>	Component <u>Office of the Commissioner</u>
Requester <u>SUB STRA</u>	Component Serial No. <u>530</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (=FY98) cost: 0.0

POSITIONS

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

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

Prepared by Dennis Poshard, Special Assistant
 Division Commissioners Office
 Approved by *[Signature]* Commissioner
 Agency Department of Transportation and Public Facilities

Phone 465-3900
 Date 3/20/98
 Date 3/20/98

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CS FOR SENATE BILL NO. 304()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR DONLEY

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to regulation of highways and motor vehicles; and providing for
2 an effective date."

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

4 * **Section 1.** AS 28.05.151 is amended by adding a new subsection to read:

5 (d) The supreme court, in establishing scheduled amounts of bail under this
6 section, and each municipality that establishes or has established a fine schedule under
7 this section shall provide that the scheduled amount of bail or fine, as applicable, for
8 a motor vehicle or traffic offense that is committed in a highway work zone shall be
9 double the amount of the bail or fine for the offense if it had not been committed in
10 a highway work zone.

11 * **Sec. 2.** AS 28.35 is amended by adding a new section to read:

12 **Sec. 28.35.165. Operation of vehicle on state highways or vehicular ways**
13 **or areas.** (a) A person operating a motor vehicle on a divided highway with at least
14 two traffic lanes on each side may not drive in the far left lane unless the person is

1 overtaking another vehicle, the person is making a left turn from the divided highway,
2 or traffic or road conditions require driving in the left lane.

3 (b) A person who violates this section is subject to a fine of up to \$50.

4 * Sec. 3. AS 28.40 is amended by adding a new section to read:

5 **Sec. 28.40.070. Fines for offenses committed within highway work zones**
6 **doubled.** Whenever a person violates a provision of this title or a regulation adopted
7 under the authority of this title within a highway work zone, notwithstanding the
8 amount of the fine or the maximum fine set under this title, the fine, or maximum fine,
9 is double the amount provided in this title.

10 * Sec. 4. AS 28.40.100(a) is amended by adding a new paragraph to read:

11 (25) "highway work zone" means an area identified by advance signing
12 where road construction, repair, or maintenance work is being done on or adjacent to
13 a highway, whether or not work is actually being done at that time.

14 * Sec. 5. This Act takes effect June 30, 1999.



ASSOCIATED GENERAL CONTRACTORS of ALASKA

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TELEPHONE (907) 562-6114 • FAX (907) 562-6114

23. Febr. 1998

To
Senate Transportation Committee
State Legislature

The Honorable Jerry Ward, Chm. FAX 465-3766

Subject: SB No. 304, "An Act relating to regulation of highways ..."

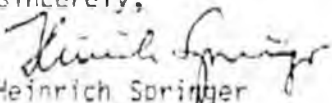
AGC of Alaska, a 600+ member organization serving and representing the construction industry in Alaska supports SB 304.

Our main interest is contained in Section 1.

Traffic safety within construction limits on a highway construction project is of great concern to the owner, contractor and the workers. The legal responsibilities are sometimes obscure and the liability of the various parties in many instances not clearly defined. Enforcement efforts are sporadic and regulations ignored by the travelling public. As a consequence the accident rates in construction zones is too high. Several States have used the "doubling of fines" as a successful means to bring the traffic participants into compliance. Consequently the statistics indicate a safer work environment. Contractors advice the public through signing about the doubling of fines and in most cases achieve a significant reduction in speed and careless operations.

We are confident that implementation of these provisions will benefit all Alaskans.

Sincerely,


Heinrich Springer

Exec. Director

FAIRBANKS
PO BOX 91115 • FAIRBANKS, AK 99709
• 907-452-1814

SOLDOTNA
PO BOX 330 • SOLDOTNA, AK 99687
• 907-262-2244



SENATOR DAVE DONLEY
ALASKA STATE LEGISLATURE

MEMORANDUM

To: Senator Jerry Ward
Chair, Senate Transportation Committee

From: Senator Dave Donley *DD*

Re: Hearing Request for Senate Bill 304 "An Act relating to regulation of highways and motor vehicles."

Date: February 17, 1998

I respectfully request you schedule Senate Bill 304 - "An Act relating to regulation of highways and motor vehicles" for a committee hearing at your earliest convenience.

Senate Bill 304 imposes stricter penalties on those who commit traffic offenses in highway work zones. It creates an infraction for persons driving in the left hand lane for reasons other than dense traffic conditions, for purposes of overtaking & passing another vehicle, or making a left turn. This legislation also doubles the fine of a traffic offense if the offense occurred in a highway work zone.

If you have any questions or need additional information please call myself or James Armstrong of my staff at 465-3892.

DD/jja

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-3892 • FAX: (907) 465-6595
June-December: 716 W. 4TH AVE. • STE. 430 • ANCHORAGE, AK • 99501 • (907) 258-8181 • FAX: (907) 258-1648

MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee
• Senate Community & Regional Affairs Committee



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

Sponsor Statement for Senate Bill 304

Senate Bill 304 would double the fines for moving traffic violations in construction zones in an effort to protect highway construction workers. If passed, Alaska would join 26 other states which have increased sanctions for motorists who recklessly endanger the safety of roadway workers.

Work zone accidents and deaths have increased due to motorists speeding in highway construction zones. In 1994, work zone fatalities in the United States climbed to an all-time high when 833 people were killed. Senate Bill 304 imposes stiffer fines on motorists who disregard speeding laws in construction.

Senate Bill 304 amends AS 28.15.221 relating to the driver's "point" system and its application. The "point" system is used to identify habitually reckless or negligent drivers and habitual or frequent violators of traffic laws. Under this system drivers are assessed "points" when convicted of a traffic violation. SB 304 adds the following exemption to the list of violations in which points are not assessed on a driver's record. Drivers who exceed the 55 mile per hour speed limit would not be assessed "points" if;

- a) the violation occurred on a divided highway; and
- b) the vehicle was not exceeding 65 miles per hour; and
- c) the driver was not driving recklessly or negligently.

Senate Bill 304 would also exempt the assessment of points for those traffic citations not issued by a state or city police officer. In both cases tickets could still be issued and fines assessed.

Additionally Senate Bill 304 adds a provision stating that drivers operating a motor vehicle on a divided highway may not drive in the far left lane unless;

- a) the person is overtaking another vehicle; or
- b) the person is making a left turn from the divided highway; or
- c) dense traffic conditions require driving in the left lane.

Encouraging drivers to stay to the right will improve traffic flow and increase the efficiency of divided highways.

DD/jja

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MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee
• Senate Community & Regional Affairs Committee

Summary Table of Special Sanctions for Exceeding the Speed Limit in Either a Construction or School Zone

S T A T E	Sanctions for Speeding in a Construction Zone	Sanctions for Speeding in a School Zone
AK		Six (6) points are assessed on a person's record for exceeding the speed limit in school zone.
AR		1st offense: Jail - 1 to 10 days/fine - \$25 to \$100 2nd offense (within 1 year): Jail - 5 to 25 days/fine - \$50 to \$250 Subsequent offense (within 1 year): Jail -25 days to 6 months/fine - \$250 to \$1,000 3rd offense (within 1 year): License suspension for 1 year.
D (CO)	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	
D (CT)	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	
D (FL)	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.
GA	Jail - not more than 12 months/fine - \$100 to \$2,000	
IL	There is a minimum fine of \$150.	There is a minimum fine of \$150.
D (IA)	The fine is double the amount in the fine schedule.	
D (KS)	The fine is double the usual amount.	
D (KY)	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	
D (MI)	A fine is double that prescribed by law.	Imprisonment for not more than 90 days and a fine that is double that prescribed by law (i.e., not >\$200).
		A surcharge is assessed

U	MN	A surcharge is assessed which equals the fine. However, the surcharge cannot be <\$25.	which equals the fine. However, the surcharge cannot be <\$25.
U	MS	For exceeding the posted speed limit in a "highway work zone," there is a fine of no more than \$250.	
U	MO	For speeding in a construction zone, a person is assessed an additional fine of \$35.	
D	MT	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	
D	NE	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	If a speeding offense occurs in a school crossing zone, the designed fine is double the usual amount.
D	NV	There is an additional sanction which is <u>equal</u> to the original sanction imposed for exceeding such limit. Imprisonment sanctions for the original and additional sanctions must run consecutively. However, the combined sanctions cannot exceed 6 months of imprisonment, \$1,000 or 120 hours of community service.	
D	NJ	The fine is double the usual amount.	
U	NY	Exceeding the speed limit 10 MPH: Fine - \$60 to \$100. Exceeding the speed limit >10 MPH but <30MPH: Jail - Not more than 30 days/fine - \$100 to \$120. Exceeding the speed limit >30MPH: Jail - not more than 30 days/fine - \$240 to \$400 For a <u>2nd offense</u> (within 18 months) for any of the above offenses, the fine is increased by \$100. For a <u>subsequent offense</u> (within 18 months) for any of the above offenses, the fine is increased by \$250.	
U	NC	There is a mandatory \$100 fine.	There is a mandatory \$25 fine and 3 points are assessed against a person's driving record.
U	ND	Fee schedule for exceeding the speed limit by 1 to 10 MPH - \$40. Fee schedule for exceeding the speed limit by >10 MPH - \$40 plus \$1 for each MPH over 10 MPH.	
D	OH	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	
D	PA	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	Exceeding the speed limit in a school zone - \$35 plus \$2 for every MPH in excess of 5 MPH.
D	SD	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	

0 TN	<p>For speeding in a construction zone, a person is subject to a fine from \$250 (mandatory) to \$500.</p> <p>The following points have been assigned for speeding in a construction zone: Speeding violations where the vehicle's speed was not noted on the citation - 3 points; exceeding the speed limit 1 through 5 MPH - 2 points; exceeding the speed limit 6 through 15 MPH - 6 points; exceeding the speed limit 16 through 35 MPH - 7 points; and, exceeding the speed limit by 36 or more MPH - 8 points.</p> <p>The following points have been assigned for speeding in a construction zone by a commercial vehicle: Speeding violations where the vehicle's speed was not noted on the citation - 4 points; exceeding the speed limit 1 through 5 MPH - 2 points; and, exceeding the speed limit 6 through 14 MPH - 5 points.</p>	
D TX	If a speeding offense occurs in a construction zone, the minimum and maximum fines are doubled .	
0 VA	The fine for exceeding the speed limit in a construction zone is not more than \$250.	The fine for exceeding the speed limit in a school crossing zone is not more than \$250.
WA		There is a mandatory fine for exceeding the speed limit in a school zone which is double the normal amount.
WV		<u>1st or subsequent offense:</u> Fine - \$100 to \$500 <u>Subsequent offense (within 2 years):</u> Jail - not more than 6 months.
D WI	If a speeding offense occurs in a construction zone, the designed fine is double the usual amount.	<u>1st offense:</u> Fine - \$40 to \$300 <u>Subsequent offense:</u> Fine - \$80 to \$600.

**SUMMARY TABLE OF SPECIAL SANCTIONS FOR EXCEEDING THE
SPEED LIMIT IN EITHER A CONSTRUCTION OR SCHOOL ZONE**

STATE	SANCTIONS FOR SPEEDING IN A CONSTRUCTION ZONE	SANCTIONS FOR SPEEDING IN A SCH
AK		Six (6) points are assessed on a person's record for exce school zone.
AR		<p><u>1st offense</u>: Jail-1 to 10 days jail/fine-\$25 to \$100</p> <p><u>2nd offense</u> (within 1 year): Jail-5 to 25 days/fine-\$50 t (within 1 year): Jail-25 days to 6 months/fine-\$250 to S</p> <p><u>3rd offense</u> (within 1 year): License suspension for 1 ye</p>
CT	If a speeding offense occurs in a construction zone, the designed fine is <u>double the usual amount.</u>	
FL	If a speeding offense occurs in a construction zone, the designed fine is <u>double the usual amount.</u>	If a speeding offense occurs in a school zone, the design usual amount.
GA	Jail-not more than 12 months/fine-\$100 to \$2,000	
IL	There is a minimum fine of \$150.	There is a minimum fine of \$150.
KY	If a speeding offense occurs in a construction zone, the designed fine is <u>double the usual amount.</u>	
MI		Jail-not more than 90 days/fine-not more than \$100
MO	For speeding in a construction zone, a person is assessed an additional fine of \$35.	
NE	If a speeding offense occurs in a construction zone, the designed fine is <u>double the usual amount.</u>	
NY	<p><u>Exceeding the speed limit 10 MPH</u>: Fine-\$60 to \$100</p> <p><u>Exceeding the speed limit >10 MPH but <30 MPH</u>: Jail-Not more than 30 days/fine-\$120 to \$100</p> <p><u>Exceeding the speed limit >30 MPH</u>: Jail-Not more than 30 days/fine-240 to \$400</p> <p>For a <u>2nd offense</u> (within 18 months) for any of the above offenses, the fine is increase by \$100.</p> <p>For a <u>subsequent offense</u> (within 18 months) for any of the above offenses, the fine is increase by \$250.</p>	

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<p>0</p> <p>ND</p>	<p>Fee schedule for exceeding the speed limit by 1 to 10 MPH-\$40</p> <p>Fee schedule for exceeding the speed limit by >10 MPH-\$40 plus \$1 for each MPH over 10 MPH</p>	
<p>P</p> <p>OH</p>	<p>If a speeding offense occurs in a construction zone, the designed fine is <u>double the usual amount.</u></p>	
<p>D</p> <p>PA</p>	<p>If a speeding offense occurs in a construction zone, the designed fine is <u>double the usual amount.</u></p>	<p>Exceeding the speed limit in a school zone-\$35 plus \$2 of 5 MPH</p>
<p>D</p> <p>SD</p>	<p>If a speeding offense occurs in a construction zone, the designed fine is <u>double the usual amount.</u></p>	
<p>0</p> <p>TN</p>	<p>For speeding in a construction zone, a person is subject to a fine of from \$250 to \$500. If the offense occurred while operating a commercial vehicle, 2 to 5 points are added to the person's driving record</p>	
<p>VA</p>	<p>The fine for exceeding the speed limit in a construction zone is not more than \$250.</p>	
<p>WV</p>		<p><u>Subsequent offense</u> (within 2 years): Jail-not more than</p> <p><u>1st or subsequent offense</u>: Fine-\$100 to \$500</p>
<p>D</p> <p>WI</p>	<p>If a speeding offense occurs in a construction zone, the designed fine is <u>double the usual amount</u></p>	<p><u>1st offense</u>: Fine-\$40 to \$300</p> <p><u>Subsequent offense</u>: Fine-\$80 to \$600</p>



Washington State
Department of Transportation



Washington

Work Zone Safety Legislation

WORK ZONE SAFETY LEGISLATION GIVES WORKERS ADDED PROTECTION

"All it takes is one careless motorist and in the blink of an eye, many lives can be tragically changed forever"... These were the words of Tammy Malone, widow of WSDOT/Northwest Region engineer Michael D. Malone, as she testified in support of work zone safety measures before the Senate Transportation Committee on January 18, 1994. Her husband, Mike Malone, was killed after being struck by a drunk driver last June while working on Interstate 5 in Seattle.

Also testifying was Pat Forinash who was struck by a driver going 65 mph through a work zone in Seattle in August, 1993. He experienced first hand how current safety measures have failed to protect workers from drivers who show blatant disregard for other people's well being, or from drivers who are under the influence of alcohol or other substances or both. "Highway workers no longer wonder whether or not they will be injured by a driver or their passengers. Rather we wonder when and how badly," said Forinash.

As a result of the increasing numbers of work zone accidents, a new law was enacted by the Legislature in 1994 aimed at protecting highway workers. The two major provisions of the law are doubled fines for speeding in work zones and provisions for citing persons who drive negligently in work zones for endangerment of roadway workers.

Statewide, traffic collision reports indicate 17,297 incidents were reported within construction work zones from January 1, 1991 to June 30, 1996. These incidents included 12,184 injuries and 69 fatalities.

WSDOT's Work Zone Safety Task Force convened in September 1993 to study the problem. They found that drivers speeding through work zones created a substantial risk of injury or death to flaggers and other construction crew workers within highway work zones.

This new protective legislation, combined with the task force's 27 other recommendations, will ultimately lead to safer work zones and fewer injuries and deaths for WSDOT personnel. Task force recommendations call for increased and improved worker protection, operating procedures, worker and contractor training and incident reporting.

Some of those improvements will come through the use of innovative work zone safety devices, such as water-filled barriers, truck-mounted attenuators and movable barriers. Other changes include making workers' clothing more visible, using more law enforcement vehicles at work sites, and closely monitoring traffic control operations to make sure unneeded barrels and signs are removed. An added emphasis on safety in the work zone is also being provided for employees at district safety meetings.

Another major part of the work zone safety program is the Washington "Give 'em a Brake" public education campaign. Entering into its fifth year, the campaign will focus on developing a "partnering" agreement with the traveling public. Busboards, media packets, radio and television

public service announcements will be used to develop driver appreciation for what goes on in a construction work zone from a safety standpoint. In return, the department will keep the public informed of work, while minimizing delays by using various techniques to expedite work.

As construction and maintenance activities gear up, we can all do our part to raise awareness of safety in the work zones. Talk to your neighbors and friends. Write a letter to the editor. Let them know we are out there doing an important job and that we matter. If you have a good idea for spreading the word that you want to share, contact the Eastern Region Public Information Office at (509)324-6015 or Headquarters Communications in Olympia at (360)705-7075.

(This story was written by Ann Briggs of the WSDOT Olympic Region Communications Office.)

Washington State Department of Transportation/Eastern Region
2714 N. Mayfair St.
Spokane, WA 99207
(509)324-6000

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Last updated: May 05, 1997



Texas

FOR IMMEDIATE RELEASE, June 17, 1997

Speeding in work zones becomes costlier with passage of new state law

(Austin, Texas) — Motorists who blatantly disregard construction laws will have to ante up more money for their transgressions. Under House Bill 981, which passed this last legislative session, fines will double for speeding in construction zones or ignoring warning signs. That means that motorists who don't obey posted construction warning signs could pay as much as \$400 for the offense. And for highway construction workers, the news couldn't have come at a better time, say officials with the Texas Department of Transportation (TxDOT).

"Summer is probably our busiest time since a lot of our roadway construction and maintenance is done in the warmer, drier months. That's also the time more Texans are on the roadways traveling. Each year between May and August, on-the-job accidents and injuries at TxDOT increase significantly. HB 981 is just one more tool we can use to better our workers' chances of being safe on the roadway," said Bill Burnett, executive director for TxDOT. Burnett and Rep. Clyde Alexander were on hand in Athens today for the first unveiling in the state of a new work zone warning sign that will be posted in construction work zones. Rep. Alexander, as chairman of the House Transportation Committee, authored the legislation.

Instead of the usual "Observe Warning Signs" that motorists typically see in construction zones, the new 3 feet by 6 feet "Traffic Fines Double" sign will greet drivers as they enter work zones. The signs, which bear the typical construction orange and black, are strikingly different from most construction signs. They, according to Rep. Alexander, carry more punch.

"Call it friendly caution from the state to speeders: you've been warned. The next time you speed in a construction zone or ignore a construction warning, it's going to cost you," said Rep. Alexander.

Although the signs were unveiled today, enforcement won't begin until January, the effective date of the legislation. The early posting of the signs, Burnett said, are simple reminders to the public of the importance of the law.

In 1995, there were 9,337 work-zone accidents in Texas, claiming the lives of 112 Texans. More than 19 percent of those accidents were caused by drivers either speeding or driving too fast for conditions.

"Everyday our workers put their lives on the line to make Texas roads better, to help Texans get to their destinations. All we want in return is to work in a safe environment. We don't think that's asking too much," Burnett said.

For more information, call Randall Dillard, (512)463-9896.

TxDOT Phone Numbers

[TxDOT Home Page](#)



Give Us a Brake!



Slow down and save a life.

Meet Homer. He's your typical kind of guy. He's your neighbor, your friend, your relative. Every day Homer puts on his flashy orange vest, hard hat and steel-toed boots to protect himself from the dangers he faces at work. Homer is a highway worker. Orange signs, flashing yellow warning lights and winding lanes mark the area that Homer calls his "office." Construction work zones are perceived by motorists as inconvenient, but for highway workers like Homer, they are a way of life. Highway workers know how to make construction work zones safe for motorists and themselves, but Homer needs your help.

Slow down and save a life.

Work zones are designed to keep travelers and workers safe on Texas roads. When motorists fail to obey traffic signs in work zones, both highway workers and motorists can lose.

Slow down and save a life.

Imagine going to work each morning knowing you are putting your life on the line. In 1994, 89 fatal work-zone accidents occurred on Texas highways. The increasing rate of work-zone accidents has cost hundreds of Texas highway workers and motorists their lives.

So drive smart - slow down and save a life.

Highway workers put their lives on the line to improve roads that make your trip safer, faster and more enjoyable. They join Homer in his plea for motorists to slow down and save a life: **GIVE US A BRAKE!**

Don't speed.

Observe orange work-zone warning signs calling for reduced speed. Eighteen percent of work-zone accidents are caused by motorists driving too fast for conditions.

Keep a safe distance from the vehicle in front of you.

Most accidents in work zones involve rear-end collisions.

Stay alert.

Keep your eyes peeled for orange work-zone traffic signs. Pay attention to flaggers in orange vests directing traffic.

Be patient.

Traffic delays in work zones are unavoidable as improvements are made to Texas roads. Patience can prevent accidents.

Highway work-zone accident facts

- High speed causes 18 percent of accidents
- Most accidents occur in July
- Most accidents occur on a Friday
- Most accidents occur between 5 and 6 p.m.

For information about work zone safety, contact the TxDOT office nearest you.

[TxDOT Phone Numbers]



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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. SB 314

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

Expenditures/Revenues (Thousands of Dollars)

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

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	20.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	20.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

POSITIONS	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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

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

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

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Fiscal Note Analysis

SB 314

March 9, 1998

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

Analysis:

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

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

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

Alaska State Legislature

Committee Membership

Senate Finance
Senate Resources
Senate Rules
Legislative Budget & Audit



Senator John Torgerson

District Address:

145 Main St. Loop; Ste. 226
Kenai, AK 99611
(907) 283-2690
fax 283-9267

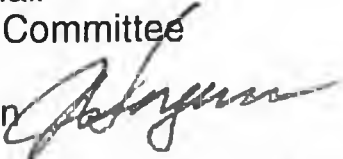
Session Address:

State Capitol: Room 514
Juneau, AK 99801-1182
(907) 465-2828
fax 465-4779

MEMORANDUM

DATE: March 4, 1998

TO: Senator Jerry Ward, Chair
Senate Transportation Committee

FROM: Senator John Torgerson 

RE: SB 314 - Municipal Feeder Vessel Authorities

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

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

Thank you for your time and attention to this matter.

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

Alaska State Legislature



Committee Membership

Senate Finance
Senate Resources
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Legislative Budget & Audit

District Address:
145 Main St. Loop; Ste. 226
Kenai, AK 99611
(907) 283-2690
fax 283-9267

Session Address:
State Capitol; Room 514
Juneau, AK 99801-1182
(907) 465-2828
fax 465-4779

Senator John Torgerson

SB 314 - Municipal Feeder Vessel Authority Sponsor Statement

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

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

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

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

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

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

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

Representing the Kenai Peninsula

Alaska State Legislature

Committee Membership

Senate Finance
Senate Resources
Senate Rules
Legislative Budget & Audit



Senator John Torgerson

District Address:
145 Main St. Loop; Ste. 226
Kenai, AK 99611
(907) 283-2690
fax 283-9267

Session Address:
State Capitol: Room 514
Juneau, AK 99801-1182
(907) 465-2828
fax 465-4779

SB 314 Municipal Feeder Vessel Authorities Sectional Analysis

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

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

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

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

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

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

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Revision Date: _____ Dept. Affected: Revenue
 Title: Airport Revenue Bonds BRU: Revenue Operations
 Component: Treasury
 Sponsor: (S) TRA
 Requestor: (S) TRA COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
DEBT SERVICE			6,183.2	15,689.4	15,687.5	15,689.7
TOTAL OPERATING	0.0	0.0	6,183.2	15,689.4	15,687.5	15,689.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1001 CBRF						
International Airports Revenue Fund			6,183.2	15,689.4	15,687.5	15,689.7
Other						
TOTAL	0.0	0.0	6,183.2	15,689.4	15,687.5	15,689.7

Estimate of any current year cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The bill authorizes the State Bond Committee to issue an additional \$179.0 million of revenue bonds to expand the Anchorage International Airport. The debt service on these bonds will be funded from the International Airport Revenue Fund.

See attached debt service analysis for low, mid, and high rates. This fiscal note utilizes the high interest rate of 7% with a 25 year term. Using the high interest rate estimated debt service is approximately \$15.7 million.

annual

Prepared by: Devon Mitchell
 Division: Treasury
 Approved by Commissioner: Wilson L. Condon *Kass A. Kenney*
 Agency: Revenue

Phone: 465-3409
 Date: April 13, 1998
 Date: April 13, 1993

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BOND DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/1998					
04/01/1999			4,353,876.50	4,353,876.50	
06/30/1999					4,353,876.50
10/01/1999			4,353,876.50	4,353,876.50	
04/01/2000			4,353,876.50	4,353,876.50	
06/30/2000					8,707,753.00
10/01/2000			4,353,876.50	4,353,876.50	
04/01/2001			4,353,876.50	4,353,876.50	
06/30/2001					8,707,753.00
10/01/2001	4,490,000	3.950%	4,353,876.50	8,843,876.50	
04/01/2002			4,265,199.00	4,265,199.00	
06/30/2002					13,109,075.50
10/01/2002	4,670,000	4.040%	4,265,199.00	8,935,199.00	
04/01/2003			4,170,865.00	4,170,865.00	
06/30/2003					13,106,064.00
10/01/2003	4,865,000	4.100%	4,170,865.00	9,035,865.00	
04/01/2004			4,071,132.50	4,071,132.50	
06/30/2004					13,106,997.50
10/01/2004	5,070,000	4.150%	4,071,132.50	9,141,132.50	
04/01/2005			3,965,930.00	3,965,930.00	
06/30/2005					13,107,062.50
10/01/2005	5,285,000	4.200%	3,965,930.00	9,250,930.00	
04/01/2006			3,854,945.00	3,854,945.00	
06/30/2006					13,105,875.00
10/01/2006	5,515,000	4.250%	3,854,945.00	9,369,945.00	
04/01/2007			3,737,751.25	3,737,751.25	
06/30/2007					13,107,696.25
10/01/2007	5,755,000	4.300%	3,737,751.25	9,492,751.25	
04/01/2008			3,614,018.75	3,614,018.75	
06/30/2008					13,106,770.00
10/01/2008	6,010,000	4.400%	3,614,018.75	9,624,018.75	
04/01/2009			3,481,798.75	3,481,798.75	
06/30/2009					13,105,817.50
10/01/2009	6,300,000	4.900%	3,481,798.75	9,781,798.75	
04/01/2010			3,327,448.75	3,327,448.75	
06/30/2010					13,109,247.50
10/01/2010	6,615,000	4.900%	3,327,448.75	9,942,448.75	
04/01/2011			3,165,381.25	3,165,381.25	
06/30/2011					13,107,830.00
10/01/2011	6,945,000	4.900%	3,165,381.25	10,110,381.25	
04/01/2012			2,995,228.75	2,995,228.75	
06/30/2012					13,105,610.00
10/01/2012	7,295,000	4.900%	2,995,228.75	10,290,228.75	
04/01/2013			2,816,501.25	2,816,501.25	
06/30/2013					13,106,730.00
10/01/2013	7,665,000	4.900%	2,816,501.25	10,481,501.25	
04/01/2014			2,628,708.75	2,628,708.75	
06/30/2014					13,110,210.00
10/01/2014	8,055,000	5.100%	2,628,708.75	10,683,708.75	
04/01/2015			2,423,306.25	2,423,306.25	

BOND DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/30/2015					13,107,015.00
10/01/2015	8,480,000	5.100%	2,423,306.25	10,903,306.25	
04/01/2016			2,207,066.25	2,207,066.25	
06/30/2016					13,110,372.50
10/01/2016	8,920,000	5.100%	2,207,066.25	11,127,066.25	
04/01/2017			1,979,606.25	1,979,606.25	
06/30/2017					13,106,672.50
10/01/2017	9,390,000	5.100%	1,979,606.25	11,369,606.25	
04/01/2018			1,740,161.25	1,740,161.25	
06/30/2018					13,109,767.50
10/01/2018	9,880,000	5.100%	1,740,161.25	11,620,161.25	
04/01/2019			1,488,221.25	1,488,221.25	
06/30/2019					13,108,382.50
10/01/2019	10,400,000	5.150%	1,488,221.25	11,888,221.25	
04/01/2020			1,220,421.25	1,220,421.25	
06/30/2020					13,108,642.50
10/01/2020	10,950,000	5.150%	1,220,421.25	12,170,421.25	
04/01/2021			938,458.75	938,458.75	
06/30/2021					13,108,880.00
10/01/2021	11,530,000	5.150%	938,458.75	12,468,458.75	
04/01/2022			641,561.25	641,561.25	
06/30/2022					13,110,020.00
10/01/2022	12,135,000	5.150%	641,561.25	12,776,561.25	
04/01/2023			329,085.00	329,085.00	
06/30/2023					13,105,646.25
10/01/2023	12,780,000	5.150%	329,085.00	13,109,085.00	
06/30/2024					13,109,085.00
	179,000,000		144,248,852.00	323,248,852.00	323,248,852.00

NET DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/30/1999	4,353,876.50	4,353,876.50	
06/30/2000	8,707,753.00	8,707,753.00	
06/30/2001	8,707,753.00	4,353,876.50	4,353,876.50
06/30/2002	13,109,075.50		13,109,075.50
06/30/2003	13,106,064.00		13,106,064.00
06/30/2004	13,106,997.50		13,106,997.50
06/30/2005	13,107,062.50		13,107,062.50
06/30/2006	13,105,875.00		13,105,875.00
06/30/2007	13,107,696.25		13,107,696.25
06/30/2008	13,106,770.00		13,106,770.00
06/30/2009	13,105,817.50		13,105,817.50
06/30/2010	13,109,247.50		13,109,247.50
06/30/2011	13,107,830.00		13,107,830.00
06/30/2012	13,105,610.00		13,105,610.00
06/30/2013	13,106,730.00		13,106,730.00
06/30/2014	13,110,210.00		13,110,210.00
06/30/2015	13,107,015.00		13,107,015.00
06/30/2016	13,110,372.50		13,110,372.50
06/30/2017	13,106,672.50		13,106,672.50
06/30/2018	13,109,767.50		13,109,767.50
06/30/2019	13,108,382.50		13,108,382.50
06/30/2020	13,108,642.50		13,108,642.50
06/30/2021	13,108,880.00		13,108,880.00
06/30/2022	13,110,020.00		13,110,020.00
06/30/2023	13,105,646.25		13,105,646.25
06/30/2024	13,109,085.00		13,109,085.00
	323,248,852.00	17,415,506.00	305,833,346.00

BOND SUMMARY STATISTICS

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates
 \$179 MM Bond Issue Principal Amount Assumption

Dated Date	10/01/1998
Delivery Date	10/01/1998
Last Maturity	10/01/2023
Arbitrage Yield	5.106200%
True Interest Cost (TIC)	5.106200%
Net Interest Cost (NIC)	5.007224%
All-In TIC	5.252774%
Average Coupon	5.007224%
Average Life (years)	16.094
Duration of Issue (years)	10.613
Par Amount	179,000,000.00
Bond Proceeds	179,000,000.00
Total Interest	144,248,852.00
Net Interest	144,248,852.00
Total Debt Service	323,248,852.00
Maximum Annual Debt Service	13,110,372.50
Average Annual Debt Service	12,929,954.08
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	41,660,000.00	100.000	4.232%	6.719
Term Bonds	34,820,000.00	100.000	4.900%	13.098
Term 2	44,725,000.00	100.000	5.100%	18.102
Term 3	57,795,000.00	100.000	5.150%	23.103
	179,000,000.00			16.094

BOND DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates plus 100 basis point cushion
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/1998					
04/01/1999			5,269,088.75	5,269,088.75	
06/30/1999					5,269,088.75
10/01/1999			5,269,088.75	5,269,088.75	
04/01/2000			5,269,088.75	5,269,088.75	
06/30/2000					10,538,177.50
10/01/2000			5,269,088.75	5,269,088.75	
04/01/2001			5,269,088.75	5,269,088.75	
06/30/2001					10,538,177.50
10/01/2001	3,930,000	4.950%	5,269,088.75	9,199,088.75	
04/01/2002			5,171,821.25	5,171,821.25	
06/30/2002					14,370,910.00
10/01/2002	4,130,000	5.050%	5,171,821.25	9,301,821.25	
04/01/2003			5,067,538.75	5,067,538.75	
06/30/2003					14,369,360.00
10/01/2003	4,345,000	5.100%	5,067,538.75	9,412,538.75	
04/01/2004			4,956,741.25	4,956,741.25	
06/30/2004					14,369,280.00
10/01/2004	4,575,000	5.150%	4,956,741.25	9,531,741.25	
04/01/2005			4,838,935.00	4,838,935.00	
06/30/2005					14,370,676.25
10/01/2005	4,820,000	5.200%	4,838,935.00	9,658,935.00	
04/01/2006			4,713,615.00	4,713,615.00	
06/30/2006					14,372,550.00
10/01/2006	5,075,000	5.250%	4,713,615.00	9,788,615.00	
04/01/2007			4,580,396.25	4,580,396.25	
06/30/2007					14,369,011.25
10/01/2007	5,350,000	5.300%	4,580,396.25	9,930,396.25	
04/01/2008			4,438,621.25	4,438,621.25	
06/30/2008					14,369,017.50
10/01/2008	5,645,000	5.400%	4,438,621.25	10,083,621.25	
04/01/2009			4,286,206.25	4,286,206.25	
06/30/2009					14,369,827.50
10/01/2009	5,975,000	5.900%	4,286,206.25	10,261,206.25	
04/01/2010			4,109,943.75	4,109,943.75	
06/30/2010					14,371,150.00
10/01/2010	6,335,000	5.900%	4,109,943.75	10,444,943.75	
04/01/2011			3,923,061.25	3,923,061.25	
06/30/2011					14,368,005.00
10/01/2011	6,720,000	5.900%	3,923,061.25	10,643,061.25	
04/01/2012			3,724,821.25	3,724,821.25	
06/30/2012					14,367,882.50
10/01/2012	7,130,000	5.900%	3,724,821.25	10,854,821.25	
04/01/2013			3,514,486.25	3,514,486.25	
06/30/2013					14,369,307.50
10/01/2013	7,565,000	5.900%	3,514,486.25	11,079,486.25	
04/01/2014			3,291,318.75	3,291,318.75	
06/30/2014					14,370,805.00
10/01/2014	8,030,000	6.100%	3,291,318.75	11,321,318.75	
04/01/2015			3,046,403.75	3,046,403.75	

BOND DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates plus 100 basis point cushion
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/30/2015					14,367,722.50
10/01/2015	8,540,000	6.100%	3,046,403.75	11,586,403.75	
04/01/2016			2,785,933.75	2,785,933.75	
06/30/2016					14,372,337.50
10/01/2016	9,075,000	6.100%	2,785,933.75	11,860,933.75	
04/01/2017			2,509,146.25	2,509,146.25	
06/30/2017					14,370,080.00
10/01/2017	9,645,000	6.100%	2,509,146.25	12,154,146.25	
04/01/2018			2,214,973.75	2,214,973.75	
06/30/2018					14,369,120.00
10/01/2018	10,250,000	6.100%	2,214,973.75	12,464,973.75	
04/01/2019			1,902,348.75	1,902,348.75	
06/30/2019					14,367,322.50
10/01/2019	10,900,000	6.150%	1,902,348.75	12,802,348.75	
04/01/2020			1,567,173.75	1,567,173.75	
06/30/2020					14,369,522.50
10/01/2020	11,590,000	6.150%	1,567,173.75	13,157,173.75	
04/01/2021			1,210,781.25	1,210,781.25	
06/30/2021					14,367,955.00
10/01/2021	12,325,000	6.150%	1,210,781.25	13,535,781.25	
04/01/2022			831,787.50	831,787.50	
06/30/2022					14,367,568.75
10/01/2022	13,110,000	6.150%	831,787.50	13,941,787.50	
04/01/2023			428,655.00	428,655.00	
06/30/2023					14,370,442.50
10/01/2023	13,940,000	6.150%	428,655.00	14,368,655.00	
06/30/2024					14,368,655.00
	179,000,000		177,843,952.50	356,843,952.50	356,843,952.50

NET DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates plus 100 basis point cushion
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/30/1999	5,269,088.75	5,269,088.75	
06/30/2000	10,538,177.50	10,538,177.50	
06/30/2001	10,538,177.50	5,269,088.75	5,269,088.75
06/30/2002	14,370,910.00		14,370,910.00
06/30/2003	14,369,360.00		14,369,360.00
06/30/2004	14,369,280.00		14,369,280.00
06/30/2005	14,370,676.25		14,370,676.25
06/30/2006	14,372,550.00		14,372,550.00
06/30/2007	14,369,011.25		14,369,011.25
06/30/2008	14,369,017.50		14,369,017.50
06/30/2009	14,369,827.50		14,369,827.50
06/30/2010	14,371,150.00		14,371,150.00
06/30/2011	14,368,005.00		14,368,005.00
06/30/2012	14,367,882.50		14,367,882.50
06/30/2013	14,369,307.50		14,369,307.50
06/30/2014	14,370,805.00		14,370,805.00
06/30/2015	14,367,722.50		14,367,722.50
06/30/2016	14,372,337.50		14,372,337.50
06/30/2017	14,370,080.00		14,370,080.00
06/30/2018	14,369,120.00		14,369,120.00
06/30/2019	14,367,322.50		14,367,322.50
06/30/2020	14,369,522.50		14,369,522.50
06/30/2021	14,367,955.00		14,367,955.00
06/30/2022	14,367,568.75		14,367,568.75
06/30/2023	14,370,442.50		14,370,442.50
06/30/2024	14,368,655.00		14,368,655.00
	356,843,952.50	21,076,355.00	335,767,597.50

BOND SUMMARY STATISTICS

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates plus 100 basis point cushion
 \$179 MM Bond Issue Principal Amount Assumption

Dated Date	10/01/1998
Delivery Date	10/01/1998
Last Maturity	10/01/2023
Arbitrage Yield	6.137115%
True Interest Cost (TIC)	6.137115%
Net Interest Cost (NIC)	6.019253%
All-In TIC	6.292908%
Average Coupon	6.019253%
Average Life (years)	16.506
Duration of Issue (years)	10.038
Par Amount	179,000,000.00
Bond Proceeds	179,000,000.00
Total Interest	177,843,952.50
Net Interest	177,843,952.50
Total Debt Service	356,843,952.50
Maximum Annual Debt Service	14,372,550.00
Average Annual Debt Service	14,273,758.10
Underwriter's Fees (per \$1000)	
Average Take-down	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	37,870,000.00	100.000	5.236%	6.771
Term Bonds	33,725,000.00	100.000	5.900%	13.118
Term 2	45,540,000.00	100.000	6.100%	18.122
Term 3	61,865,000.00	100.000	6.150%	23.123
	179,000,000.00			16.506

BOND DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates plus 200 basis point cushion
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/1998					
04/01/1999			6,183,107.50	6,183,107.50	
06/30/1999					6,183,107.50
10/01/1999			6,183,107.50	6,183,107.50	
04/01/2000			6,183,107.50	6,183,107.50	
06/30/2000					12,366,215.00
10/01/2000			6,183,107.50	6,183,107.50	
04/01/2001			6,183,107.50	6,183,107.50	
06/30/2001					12,366,215.00
10/01/2001	3,425,000	5.950%	6,183,107.50	9,608,107.50	
04/01/2002			6,081,213.75	6,081,213.75	
06/30/2002					15,689,321.25
10/01/2002	3,635,000	6.050%	6,081,213.75	9,716,213.75	
04/01/2003			5,971,255.00	5,971,255.00	
06/30/2003					15,687,468.75
10/01/2003	3,865,000	6.100%	5,971,255.00	9,836,255.00	
04/01/2004			5,853,372.50	5,853,372.50	
06/30/2004					15,689,627.50
10/01/2004	4,110,000	6.150%	5,853,372.50	9,963,372.50	
04/01/2005			5,726,990.00	5,726,990.00	
06/30/2005					15,690,362.50
10/01/2005	4,370,000	6.200%	5,726,990.00	10,096,990.00	
04/01/2006			5,591,520.00	5,591,520.00	
06/30/2006					15,688,510.00
10/01/2006	4,650,000	6.250%	5,591,520.00	10,241,520.00	
04/01/2007			5,446,207.50	5,446,207.50	
06/30/2007					15,687,727.50
10/01/2007	4,955,000	6.300%	5,446,207.50	10,401,207.50	
04/01/2008			5,290,125.00	5,290,125.00	
06/30/2008					15,691,332.50
10/01/2008	5,280,000	6.400%	5,290,125.00	10,570,125.00	
04/01/2009			5,121,165.00	5,121,165.00	
06/30/2009					15,691,290.00
10/01/2009	5,540,000	6.900%	5,121,165.00	10,761,165.00	
04/01/2010			4,926,585.00	4,926,585.00	
06/30/2010					15,687,750.00
10/01/2010	6,045,000	6.900%	4,926,585.00	10,971,585.00	
04/01/2011			4,718,032.50	4,718,032.50	
06/30/2011					15,689,617.50
10/01/2011	6,475,000	6.900%	4,718,032.50	11,193,032.50	
04/01/2012			4,494,645.00	4,494,645.00	
06/30/2012					15,687,677.50
10/01/2012	6,940,000	6.900%	4,494,645.00	11,434,645.00	
04/01/2013			4,255,215.00	4,255,215.00	
06/30/2013					15,689,860.00
10/01/2013	7,435,000	6.900%	4,255,215.00	11,690,215.00	
04/01/2014			3,998,707.50	3,998,707.50	
06/30/2014					15,688,922.50
10/01/2014	7,975,000	7.100%	3,998,707.50	11,973,707.50	
04/01/2015			3,715,595.00	3,715,595.00	

BOND DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates plus 200 basis point cushion
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/30/2015					15,689,302.50
10/01/2015	8,560,000	7.100%	3,715,595.00	12,275,595.00	
04/01/2016			3,411,715.00	3,411,715.00	
06/30/2016					15,687,310.00
10/01/2016	9,195,000	7.100%	3,411,715.00	12,606,715.00	
04/01/2017			3,085,292.50	3,085,292.50	
06/30/2017					15,692,007.50
10/01/2017	9,870,000	7.100%	3,085,292.50	12,955,292.50	
04/01/2018			2,734,907.50	2,734,907.50	
06/30/2018					15,690,200.00
10/01/2018	10,595,000	7.100%	2,734,907.50	13,329,907.50	
04/01/2019			2,358,785.00	2,358,785.00	
06/30/2019					15,688,692.50
10/01/2019	11,380,000	7.150%	2,358,785.00	13,738,785.00	
04/01/2020			1,951,950.00	1,951,950.00	
06/30/2020					15,690,735.00
10/01/2020	12,220,000	7.150%	1,951,950.00	14,171,950.00	
04/01/2021			1,515,085.00	1,515,085.00	
06/30/2021					15,687,035.00
10/01/2021	13,130,000	7.150%	1,515,085.00	14,645,085.00	
04/01/2022			1,045,687.50	1,045,687.50	
06/30/2022					15,690,772.50
10/01/2022	14,100,000	7.150%	1,045,687.50	15,145,687.50	
04/01/2023			541,612.50	541,612.50	
06/30/2023					15,687,300.00
10/01/2023	15,150,000	7.150%	541,612.50	15,691,612.50	
06/30/2024					15,691,612.50
	179,000,000		212,769,972.50	391,769,972.50	391,769,972.50

NET DEBT SERVICE

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates plus 200 basis point cushion
 \$179 MM Bond Issue Principal Amount Assumption

Period Ending	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/30/1999	6,183,107.50	6,183,107.50	
06/30/2000	12,366,215.00	12,366,215.00	
06/30/2001	12,366,215.00	6,183,107.50	6,183,107.50
06/30/2002	15,689,321.25		15,689,321.25
06/30/2003	15,687,468.75		15,687,468.75
06/30/2004	15,689,627.50		15,689,627.50
06/30/2005	15,690,362.50		15,690,362.50
06/30/2006	15,688,510.00		15,688,510.00
06/30/2007	15,687,727.50		15,687,727.50
06/30/2008	15,691,332.50		15,691,332.50
06/30/2009	15,691,290.00		15,691,290.00
06/30/2010	15,687,750.00		15,687,750.00
06/30/2011	15,689,617.50		15,689,617.50
06/30/2012	15,687,677.50		15,687,677.50
06/30/2013	15,689,860.00		15,689,860.00
06/30/2014	15,688,922.50		15,688,922.50
06/30/2015	15,689,302.50		15,689,302.50
06/30/2016	15,687,310.00		15,687,310.00
06/30/2017	15,692,007.50		15,692,007.50
06/30/2018	15,690,200.00		15,690,200.00
06/30/2019	15,688,692.50		15,688,692.50
06/30/2020	15,690,735.00		15,690,735.00
06/30/2021	15,687,035.00		15,687,035.00
06/30/2022	15,690,772.50		15,690,772.50
06/30/2023	15,687,300.00		15,687,300.00
06/30/2024	15,691,612.50		15,691,612.50
	391,769,972.50	24,732,430.00	367,037,542.50

BOND SUMMARY STATISTICS

Anchorage International Airport
 Fiscal Note Scenario for Department of Revenue
 February 6, 1998 Insured Rates plus 200 basis point cushion
 \$179 MM Bond Issue Principal Amount Assumption

Dated Date	10/01/1998
Delivery Date	10/01/1998
Last Maturity	10/01/2023
Arbitrage Yield	7.170652%
True Interest Cost (TIC)	7.170652%
Net Interest Cost (NIC)	7.030360%
All-In TIC	7.336204%
Average Coupon	7.030360%
Average Life (years)	16.908
Duration of Issue (years)	9.497
Par Amount	179,000,000.00
Bond Proceeds	179,000,000.00
Total Interest	212,769,972.50
Net Interest	212,769,972.50
Total Debt Service	391,769,972.50
Maximum Annual Debt Service	15,692,007.50
Average Annual Debt Service	15,670,798.90
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	34,290,000.00	100.000	6.238%	6.824
Term Bonds	32,535,000.00	100.000	6.900%	13.138
Term 2	46,195,000.00	100.000	7.100%	18.142
Term 3	65,980,000.00	100.000	7.150%	23.143
	179,000,000.00			16.908

SB 352 – Airport Revenue Bonds

“Expansion of the Anchorage International Airport is absolutely necessary if we are to keep pace with increasing numbers of visitors to Alaska, as well as accommodate and attract new air carriers. Anchorage serves as a major hub for not only all of Alaska, but for international and domestic travel as well.”

“At least 10% of the Anchorage workforce is airline related; from the actual airline and airport employees to providers of services such as fuel and gas delivery, food and beverages, ground transportation, tourism, postal and parcel delivery, etc.”

“The Department of Transportation has gone on record as making a commitment to hire Alaskan contractors whenever possible during the life of this project. This is the single largest public works project ever undertaken by the State and will represent a significant number of jobs for Alaskans.”

“The expansion of the Anchorage International Airport is a top priority of the Municipality of Anchorage as well as the State of Alaska.”

Interim:
716 West 4th Ave., Suite 320 Anchorage,
AK 99501

Phone: 907-258-8188
Fax: 907-258-8727



Session:
State Capitol Bldg., Suite 416
Juneau, AK 99801

Phone: 907-465-3879
Fax: 907-465-2069
Toll Free: 1-888-269-3879

Representative
John J. Cowdery

March 25, 1998

The Honorable Bill Williams, Chairman
House Transportation Committee
424 Capitol Building
Juneau, Alaska 99801

The Honorable Gene Therriault, Co-Chairman
The Honorable Mark Hanley, Co-Chairman
House Finance Committee
415 Capitol Building
Juneau, Alaska 99801

Dear Mr. Chairman:

RE: CSHB 432 (IT&T): "An act relating to international airport revenue bonds..."

I am pleased to forward to you the collateral record materials on CSHB 432 for consideration by your committee. The House Special Committee on International Trade and Tourism held five separate hearings, totaling 8 hours with testimony from 20 witnesses. The preponderance of testimony was in favor of the project.

CSHB 432 increases authorization for the state to sell revenue bonds from the present level of \$100,825,000 to a new level of \$280,000,000. The additional increment of \$179,175,000 will be used to construct improvements at Anchorage International Airport (AIA). The increased bonding authority is only one component of the financing for this project. Another component includes approximately \$26 million in federal highway funds for curbside and access road improvements. Still another component includes FAA funding of approximately \$25 million. The total, all in, project cost is estimated to be \$230 million. This bill, however, is about only the \$179.2 million portion relating to revenue bonds to be guaranteed by the International Airport Revenue Fund (IARF).

The difference between the original version of HB 432 and CSHB 432 is one amendment, which is the new Section 2 of the CS. It requires DOT/PF to submit an

advance fiscal year spending plan to the Legislature by January 1st each year of the project.

In the course of our extensive hearings, the IT&T Committee amassed a great amount of paperwork in connection with HB 432. In order to facilitate your committee's further consideration of the bill, I've prepared three volumes of binders containing a copy of every document submitted to my committee during this hearing process. Each document is tabbed with a number. A Master Index to the tabbed documents is in the front of each volume.

I would highlight the following items that may assist you:

- A contact sheet of witnesses and state officials is in Volume II, Section VI, Tab B.
- A bibliography of all documents and reports prepared by DOT/PF and their consultants is located in Volume I, Section II, Tab B at Attachment #4.
- The unabridged Plan of Finance is located at Section II, Tab Q.
- The Letter of Intent (LOI) for FAA funding is located at Section II, Tab R.
- A summary of key points that deserve further elucidation is included as the last section of this letter.

I hope that by presenting the information in this way that it will assist your committee to identify issues that have been adequately covered and other issues that still need legislative perusal.

There are 25 signatories to the Airport Airline Operating Agreement. The Agreement requires that two thirds of the members must vote against a project to disapprove it. Approval takes a one third vote. Abstentions count as a yes vote. The signatories voted 13 Yes and 12 No. The yes votes comprise 60% of the revenue generated at AIA. Strictly among domestic carriers, the support was stronger. Domestic carriers comprising 89% of AIA's revenue voted yes.