

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9770 SENATE TRANSPORTATION

70

MUNICIPALITY OF ANCHORAGE
1997 LEGISLATIVE PROGRAM
LEGISLATIVE ISSUES

TITLE: Abandoned Vehicles - AS 28.11.020, AS 28.04.050 and AS 28.11.070

Over the last several years, the number of vehicles abandoned on streets and highways has increased to the point that it has become one of the more vexing problems of local government. In Anchorage alone, more than 1,000 junk vehicles are removed from municipal and state rights-of-way each year. These abandoned vehicles are an eyesore on the roadways, present a possible traffic or health risk, and are a potential pollution source due to leaking hazardous materials. The cost to the MOA to remove these vehicles is estimated to be approximately \$126,000 annually.

The vehicles that are abandoned are usually not properly registered making it difficult to trace the true owner to assess civil or criminal penalties. Further, even if a responsible owner did wish to properly dispose of a vehicle, the cost could be as much as \$300 per vehicle given the maze of local, state and federal regulations which must be complied with.

The proposed changes herein address these concerns and are designed to expedite removal and disposal of junk vehicles. In order to resolve these issues, the Municipality of Anchorage recommends the following specific changes to state statutes:

Section 28.11.020. Presumption of Abandonment.

1. A vehicle currently registered pursuant to AS 28.10 that has been left unattended, standing, parked upon or within 10 feet of the traveled portion of a highway, in excess of 48 hours, or a currently registered vehicle left standing or parked on private property in excess of 24 hours or upon other public property for more than 30 days, without the consent of the owner or person in charge of the property, notwithstanding other statutory provisions, may be removed under AS 28.11.030 and treated as an abandoned vehicle, unless the vehicle is reclaimed and removed before action regarding removal is taken under AS 28.11.030.

(more)

Abandoned Vehicles
(continued)

2. A wrecked vehicle or Junk Vehicle that has been left unattended, standing, parked upon or within 10 feet of the traveled portion of a highway, in excess of 24 hours, or a wrecked vehicle or junk vehicle left standing or parked on private property or other public property in excess of 24 hours without the consent of the owner or person in charge of the property, notwithstanding other statutory provisions, may be removed under AS 28.11.030 and treated as an abandoned vehicle, unless the vehicle is reclaimed and removed before action regarding removal is taken under AS 28.11.030.
3. The department for good cause may make provisions for parking of vehicles on state property other than specified in this section and under the provisions of AS 44.62.
4. For purposes of this title and regulations adopted under this title the following terms shall have the meanings set forth below:
 - A. Wrecked Vehicle means a vehicle which is so disabled that whole vehicle cannot be used for its primary function without substantial repair or reconstruction.
 - B. Junk Vehicle means a vehicle that exhibits one of the following:
 1. not currently registered for operation upon the public roads of the State; or
 2. stripped, wrecked, or otherwise inoperable due to mechanical failure; or
 3. has not been repaired because of mechanical difficulties or because the cost of repairs required to make it operable exceeds the fair market value of the vehicle; or
 4. in a condition which exhibits more than one of the following elements:
 - (a) broken glass;

(more)

Abandoned Vehicles
(continued)

- (b) missing wheels or tires;
- (c) missing body panels or parts; or
- (d) missing drive train parts.

Section 28.11.050. Vesting of Title.

Title to an impounded vehicle not reclaimed by the registered owner, a lienholder, or other person entitled to possession of the vehicle within [30] 15 days from the notice given under AS 28.11.040 vests with the state or, if a municipal ordinance is adopted under AS 28.11.100, with the municipality, as appropriate. However, nothing in this section prohibits a lien under AS 28.11.090.

Section 28.11.070. Disposal of Abandoned Vehicles.

- (a) Upon satisfaction of the notice and reporting requirements prescribed in this chapter, a vehicle may be disposed of as follows:
 - (1) By removal to a scrap processing yard or auto wrecker at which place said vehicle shall be disposed of in such a fashion so as to render it incapable of use as a vehicle.
 - (2) By public auction 20 days after notice of the auction is published in a newspaper of general circulation in the area or municipality in which the vehicle was found and presumed abandoned. The notice of auction must describe the vehicle and specify the place, date, and time at which it will be sold. A copy of the notice of auction shall be conveyed to the department.
- (b) A vehicle disposed of under (a)(2) of this section must be registered and titled under AS 28.10, and may not be subsequently sold without a certificate of title issued by the department.
- (c) Notwithstanding the provisions of this section, a person who disposes of an abandoned vehicle under this section may initiate a civil action against a person named in AS 28.11.010, if liable, for costs exceeding receipts for the disposal of the vehicle.

Contact: Ann Waller Resch
Deputy Municipal Attorney
Phone: 343-4545

MUNICIPALITY OF ANCHORAGE
DEPARTMENT OF HEALTH & HUMAN SERVICES
MEMORANDUM

APR 24 1997
4:35 p.m.

DATE: April 24, 1997
TO: Tim Rogers, Executive Assistant for Legislative Affairs
THRU: Elaine Christian, Director, Department of Health and Human Services *mc*
FROM: Christopher P. Beane, I/M Program Administrator *CPB*
SUBJECT: House Bill 222, Abandoned Vehicles, AS 28.11.070(b)

We support House Bill 222 as amended and believe that it will have a positive impact on Air Quality. Attached is previous correspondence on this subject.

cc: Lura Morgan, Ph.D., Manager, Environmental Services Division
Steve Morris, Air Quality Manager

Atchs.

- House Bill 222
- February 10th Letter
- April 22nd Letter

Post-It* Fax Note	7671	Date	# of pages
To	<i>Janet Seitz</i>	From	<i>Tim Rogers</i>
Co/Dept	<i>0</i>	Co.	
Phone #		Phone #	<i>343-4467</i>
Fax #	<i>465-250</i>	Fax #	

OFFICE OF THE CITY ATTORNEY
CITY OF KETCHIKAN, ALASKA

Steven H. Schweppe
City Attorney
354 FRONT STREET
KETCHIKAN, ALASKA 99901
(907) 233-3111, EXT. 377
Facsimile (907) 247-2111

April 21, 1997

APR 21 1997

VIA FACSIMILE
(907) 465-2040

Representative Norman Rokeberg
Alaska State Legislature
House of Representatives
State Capitol
Juneau, Alaska 99801-1182

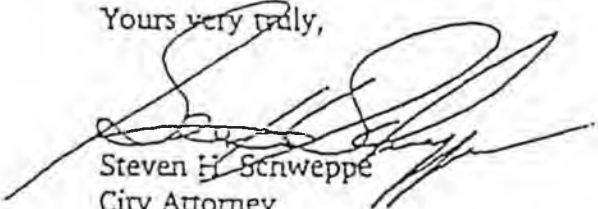
Re: House Bill 222

Dear Representative Rokeberg:

Thank you very much for drafting the proposed amendment to AS 28.11.100. I believe that it addresses the issue which I discussed with your staff. I know that the Ketchikan Police Department and the Ketchikan City Council will be pleased to know that they can establish their own notice and hearing procedures without being mandated to adopt the system used by the State Department of Public Safety.

Since talking to your staff, I have also been contacted by Pete Ecklund of Representative Williams' office concerning this matter. I am enclosing material which I faxed to him last week concerning enforcement of the abandoned vehicle laws. You may want to consider some of these additional issues. I would not, however, want to delay the change to Alaska Statutes 28.11.100 by adding new issues, especially since we have been able to avoid some of these issues in Ketchikan by drafting our own local ordinance.

Yours very truly,


Steven H. Schweppe
City Attorney

KIM/RNR

Enclosures

cc: Pete Ecklund, Representative Williams' office
Via Facsimile (907) 465-3793

OFFICE OF THE CITY ATTORNEY
CITY OF KETCHIKAN, ALASKA

Steven H. Schweppe
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334 FRONT STREET
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(907) 225-3111, EXT. 207
Facsimile (907) 247-2111

April 18, 1997

VIA FACSIMILE
(907) 465-3793

Mr. Pete Ecklund
House of Representatives
Representative Bill Williams
M/S 3100
Juneau, AK 99801-1182

Re: Representative Rokeberg's Bill on Abandoned and Wrecked Vehicles

Dear Pete:

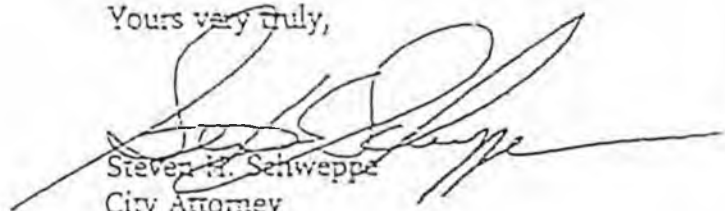
Following our discussion earlier this week, I found the enclosed memorandum which I wrote to the Borough Attorney concerning abandoned vehicles and a presentation he was preparing to make to the Municipal Attorney's Convention. Please note numbers (1) through (3) on pages two and three. These three paragraphs address the primary problem we have with enforcing the abandoned vehicle laws. Paragraph (1) on page two addresses the certified mail problem which we discussed this week. Paragraph (2) on page three discusses the problem with the presumption of abandonment. We have had a number of street-side mechanics who seek to evade the abandoned vehicle ordinance by pushing the vehicle up and down the street. If they are successful in pushing it far enough so that it no longer "reasonably appears" to have been in the same place for 48 hours, the presumption of abandonment ends and the vehicle cannot be removed. In number (3) I address the most common problem in convicting owners of abandoning their vehicles. It would be helpful if the statute would describe how the "identity of the person abandoning the vehicle" is established. People who abandon vehicles or leave junked vehicles on streets generally do not register their vehicles with the Department of Motor Vehicles. In order to establish the identity of the person abandoning the vehicle, the registered owner should be required to present a bill of sale signed by both parties and witnessed or notarized. I would prefer to have the abandoned vehicle law written as a strict liability

law imposing liability on the registered owner unless he has transferred title through the Department of Motor Vehicles.

In reviewing the proposed House Bill No. 222 I noted an additional point which I missed in my discussions with Representative Rokeberg's office. I note that Section 1 states that the vehicle must have been left unattended, standing or parked for 48 hours. The City of Ketchikan has rewritten its abandoned vehicle ordinance to provide that the presumption of abandonment applies if the vehicle "reasonably appears" to have been left unattended, standing, parked. We made this change to eliminate the owner's defense that he pushed the car two feet or three feet during the night. Generally police officers cannot determine whether the vehicle has been moved a matter of two or three feet and obviously cannot know that the vehicle has been unattended for 48 consecutive hours. By adding the phrase reasonably appears, the City's ordinance stops people from evading the ordinance by moving their cars back and forth a few feet or inches. You may want to look at adding the phrase "reasonably appears" to Section 1 and Section 2 of the proposed statute. On several occasions I have had vehicle owner's argue that every 48 hours they pushed their car back and forth. Please apologize to Representative Rokeberg's office for not having brought this to their attention when they called me. My excitement and concern over the certified mail issue caused me to overlook this issue.

Thank you for calling my office on this bill. The Ketchikan Police Department and I will be extremely happy if the certified mail requirement is deleted and we are permitted to draft our own notice requirements.

Yours very truly,


Steven H. Schweppe
City Attorney

Enclosure

STEVEN H. SCHWEPPE
CITY ATTORNEY
CITY OF KETCHIKAN, ALASKA

334 FRONT STREET
KETCHIKAN, ALASKA 99901
(907) 226-3111, EXT. 337
Facsimile (907) 247-2111

MEMORANDUM

TO: Scott A. Brandt-Erichsen, Esq.
Borough Attorney

FROM: *SKS* Steven H. Schweppe
City Attorney

RE: Carwars Presentation

DATE: October 29, 1996

Thank you for giving me an opportunity to review your draft materials on vehicle impoundment and forfeiture. Discussion of this issue is long overdue, and is particularly pertinent in view of the recent U.S. Supreme Court decisions on double jeopardy. It is one of those topics that personally affects all municipal attorneys. We have probably all been confronted on several occasions by elected officials demanding better or quicker impoundment of vehicles. As municipal attorneys we need to have prompt and good responses. Your presentation will be a survival course for municipal attorneys.

I have several initial comments concerning the state cases cited in your memorandum. First, on page 6 you cite *Skagen v. Municipality of Anchorage*. This case was reported in *Municipality of Anchorage v. William M. Skagen*, ___ P.2d ___, Op. No. 1474 (Alaska App., June 21, 1996). Unfortunately, the Court of Appeals stated that the double-jeopardy claim was not ripe. Furthermore the Court relied upon Skagen's default in the forfeiture action, and thus apparently waived his right to contest the forfeiture altogether. Hopefully, Cliff will have an update on the criminal case and whether double jeopardy was raised as a defense at that time.

On page 14 you cite *Resek v. State*, 706 P.2d 288 (Alaska 1985). The *Resek* case is important for two reasons. As you point out, it holds that an indigent claimant does not have a constitutional right to appointed counsel. Secondly, the *Resek* case suggests that forfeiture actions should be stayed pending completion of the criminal prosecution. This is an important principle affecting cities that do not prosecute all DWT's. It requires us to wait until after the State's criminal case is resolved before we can forfeit the automobile. In Ketchikan we only prosecute first-offense DWT's. We forfeit vehicles in second-offense DWT's. Due to *Resek* we must delay our *in rem* forfeiture case until the State's criminal

case is completed. Since the criminal case will generally drag on for several months, this results in significant impoundment costs being imposed upon us. Municipalities which are considering impoundment and forfeiture of DWI vehicles need to realize that, due to *Resek*, the costs of impound will often exceed the value of the vehicle. When the City of Ketchikan first considered a DWI forfeiture ordinance we talked to the Portland, Oregon, officials who were administering the model ordinance which was used by both Anchorage and Ketchikan. The Portland authorities advised that a municipality should have its own impound lots before it begins a DWI forfeiture program. Without a municipally-owned impound lot, the costs of storage will eliminate most of the income from the sale of most vehicles. In general, if the vehicle has any value, there is a lien upon the vehicle for most if not all of its value. Under *State v. Rice*, 626 P.2d 104 (Alaska 1991), the lienholder's share of the car's value may be inaccessible to the municipality.

As to the abandoned vehicle discussion, you may wish to consider the following matters:

- (1) Is certified mail notice necessary prior to impoundment? AS 28.11.100 authorizes municipalities to adopt ordinances for the removal of abandoned vehicles. Under that section an ordinance must provide notice to owners "of the right to a hearing which shall be conducted by the municipality in the manner provided for the department under AS 28.05.131 - 28.05.141." Under AS 28.05.131 the State may impound only after "giving of notice." The term "giving of notice" is defined in AS 28.05.121. That definition requires certified mail or return mail. I realize that AS 28.05.131 allows for immediate removal where necessary for protection of health, safety or welfare. I find it difficult to believe that towing of abandoned vehicles will generally fall within this exception. If it does fall within the exception, the entire section is rendered meaningless. Obviously, any impoundment will be done for the protection of the health, safety and welfare. AS 28.11.100 may be read as providing for municipally determined notice with the phrase "which shall be conducted by the municipality in the manner provided for the department under AS 28.05.131 - 28.05.141" referring simply to the hearing process and not to the notice process. The manner of giving notice is, however, specifically required by AS 28.05.131. Furthermore, AS 28.01.010 provides that the provisions of Title 28 are applicable to all municipalities, and that a municipality may not enact ordinances inconsistent with Title 28.

The City of Ketchikan has long required that certified mail notice be given before an abandoned vehicle is towed. This creates a fair amount of paperwork, and considerable delay. From a municipal attorney's perspective this requirement is particularly significant since abandoned vehicles are frequently impounded on the complaint of angry citizens. These citizens do not understand why weeks or more may pass between the time of their complaint and the time the vehicle is removed. Certified mail notice is one of the reasons for this delay, and is the source of significant dissatisfaction among citizens and elected officials.

- (2) Notice provisions also relate to another problem with the abandoned vehicle statute. Once a street-side mechanic is notified of the abandoned vehicle provisions, he will frequently attempt to avoid abandonment by moving his vehicle several feet in one direction or another. I have recently had several cases in which people have pushed their nonoperating vehicle back and forth up the street. The City of Ketchikan has somewhat addressed this problem by applying its abandoned vehicle ordinance to vehicles which "reasonably appear" to have been abandoned. Since a police officer will seldom be able to testify that the vehicle is in exactly the same position as it was 48 hours earlier, this language has saved several convictions. While it may be somewhat inconsistent with the state statute, AS 28.11.100 permits ordinances which create a presumption of abandonment. We have expanded upon the statutory presumption. Furthermore, our ordinance is consistent with the policy of the statute, and therefore some inconsistency would seem to be permitted under AS 28.01.010. This is an important issue in enforcement of these ordinances.
- (3) In most abandoned vehicle cases the registered owner claims to have sold or given the vehicle to some named third party. Frequently the city attorney will not learn of the name of this person prior to trial. When he is lucky enough to obtain the name and/or address of this "new owner" prior to trial, the chances are great that the "new owner" will have moved to parts unknown. AS 28.11.010(d) states that the lawful owner of the vehicle as shown on the department's records is considered responsible for the abandonment of the vehicle. The statute does not, however, create strict liability on the part of the registered owner. It contains a large loophole. The presumption is overcome if "the identity of the person abandoning the vehicle is established." A defendant will seek to establish the identity of that person by testifying that he sold or gave the vehicle to the "new owner." While this may establish the identity of a new owner, I have argued with some success that this testimony does not establish the identity of the person who abandoned the vehicle. It assumes that the new owner abandoned the vehicle, but no testimony is available to make this link. In some cases, however, the registered owner does establish this link through his testimony, or the testimony of a friend. Furthermore, I frequently find that the registered owner files a transfer pending with the Department of Motor Vehicles shortly after receiving notice of the abandoned vehicle. This document can be filed without the cooperation of the supposed "new owner." The DMV's records have been so horrendously outdated that we sometimes find that the transfer pending has been filed and/or a transfer completed months prior to the abandonment without any update of the DMV records. The municipal attorney cannot completely rely upon DMV records. This breakdown in the system and the low level of proof needed to overcome the presumption, makes prosecution unnecessarily difficult.

The topic of abandoned vehicles is a major issue affecting the relationship of municipal

attorneys to their elected bodies. It is a source of frustration. A municipal attorney will spend excessive amounts of time prosecuting these violations with below average odds of success. Elected officials are frustrated when their constituents call complaining about a vehicle which has not been immediately removed. For these reasons the AMAA may wish to seek changes in the abandoned vehicle statutes. These changes would include language allowing municipalities to establish their own notice and hearing procedures, a statute placing greater responsibility on the registered owner, perhaps making the registered owner responsible, and requiring him to recover from the "new owner" who abandoned the vehicle. This would create a strict liability standard. Since the registration of the vehicle is something within the seller's control, it seems appropriate that the seller should bear the full responsibility for his negligence and his failure to protect himself by properly registering the vehicle in the new owner's name. Finally, there may be some advantage in looking at language specifically expanding abandoned vehicles to include those that "reasonably appear" to be unmoved within 48 hours.

Two other related issues may be worth discussing. First, the City of Ketchikan is currently seeking an amendment to the Administrative Code to change posting requirements for 24-hour parking. Currently, 24-hour parking limitations must be posted along every block where the limitation applies. The proposed change would allow for a 24-hour limitation to be posted only on the outskirts of town. The 24-hour limitation would then apply on all streets within the town. The Department of Public Safety has taken public comment on this proposed change. Other cities might want to consider expanding this posting exemption to apply to calendar parking requirements or requirements prohibiting street parking during certain evening hours. One benefit of such parking limitations is the removal of junked and abandoned vehicles on a shorter timetable. These limitations are also helpful in snow removal and street cleaning.

Secondly, it would be helpful to discuss the judicial authority for impounding vehicles with outstanding parking tickets (see page 2 of your memo). It is quicker and easier to impound for outstanding parking tickets than for abandonment. No giving of notice is required. I have, however, been unsure of the judicial authority which support such impounds.



APR 22 1997

217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325, Fax (907) 463-5

April 22, 1997

Representative Norman Rokeberg
State Capitol Room 24
Juneau, AK 99801

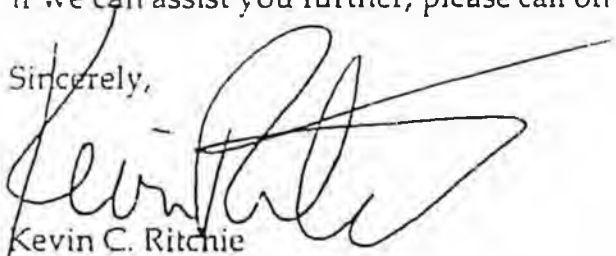
Dear Representative Rokeberg:

We are writing in support of HB 222, relating to abandoned, wrecked, or junk vehicles. Many of our member municipalities are obligated to remove junk vehicles from their city streets and this bill will provide them with the tools to make that process easier.

We understand this issue is of considerable concern to the Municipality of Anchorage, however, we feel that passage of this legislation will help all municipalities who have the responsibility of keeping the streets safe and more attractive.

If we can assist you further, please call on me.

Sincerely,



Kevin C. Ritchie
Executive Director

c:/jk/leg97/hb222tr.doc

HB

231

FISCAL NOTE

No: 1

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO: Bill Version: CSHB 231 (JUD)
(H) Publish Date: 2/6/98

Revision Date: 2/2/98 Dept. Affected: Administration
 Title: "An Act relating to the regulation of
Snowmachines..." BRU: Motor Vehicles
 Sponsor: Representative Masek Component: Administration
 Requestor: H. JUD COMPONENT SERIAL NO. 2149

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	43.0	43.0	43.0	43.0	43.0	43.0
TRAVEL	5.0	2.5	2.5	2.5	2.5	2.5
CONTRACTUAL	18.0	3.0	7.7	7.7	10.9	10.9
SUPPLIES	5	5	5	5	5	5
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	76.5	49.0	53.7	53.7	56.9	56.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1005) Revenue Code	100.0	100.0	200.0	200.0	300.0	300.0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	76.5	49.0	53.7	53.7	56.9	56.9
1006 GF/MHTIA						
Other						
TOTAL						

Estimate of current year (FY 98) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Juanita M. Hensley Phone: 465-5648
 Division: Motor Vehicles Date: 2/3/98
 Approved by Commissioner: Mark Boyer Date: 2/5/98
 Agency: Department of Administration

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

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STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO: CSHB 231(JUD)

Revision Date: 02/3/98

Dept. Affected: Administration

ANALYSIS CONTINUED:

This bill moves the registration requirement for snowmachines from Title 5 to Title 28 and requires dealers to have purchases complete applications prior to leaving the dealership with the snowmachine. The bill also authorizes the dealers to act as agents for DMV and issue the registrations and decals for snowmachines.

Snowmachines are currently required to be registered if they are operated on public land. There are 14,642 snowmachines registered but the estimates from dealers and snowmachine organizations indicate there are 70,000 snowmachines in the state. Not all of these machines will be registered under this bill even if the law requires it and the primary reason is a lack of effective enforcement.

For the purpose of this fiscal note the following projection will be used:

FY99	FY00	FY01	FY02	FY03	FY04
10,000	10,000	20,000	20,000	30,000	30,000

The increase of 10,000 registrations every two years is based on the number of machines estimated to be registered a year and those that must renew the registration on a biennial basis. Mail-in renewal of registrations will increase 10,000 to 20,000 a year. A Motor Vehicle Customer Service Representative III will be required to manage the contracts negotiated with the snowmobile dealers; train the dealer personnel, audit the program and maintain the security of the forms and decals.

COST SUMMARY	FY 99
PERSONAL SERVICES	
1 PFT MVCSR III, Page 14	\$43.0
TRAVEL to train and audit dealer work	\$ 5.0
CONTRACTUAL	
Forms and tabs	\$3.0
Computer Programming	\$15.0
EQUIPMENT	
1 computer workstation --one time cost (this includes PC, desk, chair, file cabinet)	\$10.0
TOTAL	\$76.5

REVENUE

It is estimated 10,000 registrations at \$10 for the biennial period. Assuming even distribution with 10,000 in each year after the startup, there will be an increase of revenue from registration fees.

FY99	FY00	FY01	FY02	FY03	FY04
\$100.0	\$100.0	\$200.0	\$200.0	\$300.0	\$300.0



Alaska State Legislature

Please enter into the record my testimony to the STRA.
committee name

committee on HB231, dated 3-19-98
bill # / subject

Written testimony for Senate Transportation Committee hearing 3/19/98

HB231-

The Caribou Hills Cabin Hoppers with a membership of over 200 families, strongly supports HB231. Alaska only received approximately \$85000.00 in SYMMS money this year because we have so few snowmachines registered. Please pass this bill so we can get registrations up and receive our share of SYMMS money for trails.

Mr. Howard T. Davis,
Caribou Hills Cabin Hoppers
PO Box 395 Clam Gulch, Alaska 99568

Signed: _____
 Testifier

Representing (Optional)

Address

Phone number



ALASKA SNOWMOBILE REPRESENTATIVES ALLIANCE

P.O. Box 243664 • Anchorage, AK 99524-3664 • (907) 258-3700

March 12 1998

The Honorable Jerry Ward
State Capitol
Juneau, AK 99801-1182

Dear Representative Ward,

Thank you for supporting HB 231 snowmobile point of sale registration. I am pleased that this bill has successfully passed in the House. It is a good bill for Alaska and snowmobilers.

Sincerely,

A handwritten signature in cursive script that reads "Max J. Lowe".

Max J. Lowe
President

MJL:ta





Alaska State Legislature

Representative Beverly Masek

Chair, Military & Veterans Affairs

Vice Chair, Transportation

Vice Chair, Resources

Legislative Council

During Interim:
600 East Railroad Avenue
Wasilla, AK 99654
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907-376-6180 (fax)

During Session:
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(907) 465-4822 FAX
(800) 505-2678

MEMORANDUM

Jerry
TO: Sen. Jerry Ward, Chairman
Senate Transportation Committee

FROM: Rep. Beverly Masek *Beverly*

RE: HB 231 "An Act relating to the point of sale registration of snowmobiles."

DATE: Mar. 11, 1998

I would appreciate having this bill scheduled for a hearing in the Senate Transportation Committee at your earliest convenience.

HB 231 will allow for dealers to register snowmobiles at the time of purchase. By getting a reliable registration in place, we will be able to qualify for grant funding for trails from the National Recreational Trails fund. This funding is important as Alaska grows, trails will become more of a necessity.

I would like to thank you for any expedited consideration you may be able to give my request.



Alaska State Legislature

Representative Beverly Masek
Chair, Military & Veterans Affairs
Vice Chair, Transportation
Vice Chair, Resources
Legislative Council

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SPONSOR STATEMENT HB 231

HB 231 was the result of several years of effort on the part of Alaska's organized snowmobile associations. The need for viable winter economic opportunities prompted my involvement in this issue. I view this legislation as an important tool in promoting those opportunities. I also believe the development of trails will help protect snowmobiling opportunities throughout Alaska.

There has been a statutory requirement for registering snowmobiles since 1968; however, few Alaskans participated in registration of their snowmobiles. This is primarily due to the problems that existed in the registration process. When somebody purchased a new snowmobile they had to take the title to the Division of Motor Vehicles and wait in line to get the five-dollar registration. Also, since the Division was not been able to implement a mail in system for registration renewal, individuals have to repeat that performance every two years.

By allowing dealers to handle registrations at time of purchase, HB 231 will create a better process for people to comply with current statutes. This legislation will also allow dealers and other agents to handle renewal of registrations.

It is important to snowmobile enthusiasts to have a good system in place for the purpose of providing a good accounting of the number of machines in Alaska. This information is an integral part of the formula for acquiring trail moneys available from the National Trails Fund. The National Trails Fund was established to provide

needed funding for trail construction, trailheads, trail signing, and grooming equipment. The importance of being able to acquire funds through this system cannot be stressed enough. The establishment and maintenance of good trail systems throughout Alaska will provide Alaskans a place to ride, and more importantly provide us with an opportunity to expand winter recreation and tourism.

I believe HB 231 is a good first step toward developing an important facet of winter tourism. I further believe now is the time to identify and allocate trail systems so that future Alaskans will always have a place to recreate. I feel this is important, as some trails have already been lost due to population growth without any forethought given to protecting these types of uses. HB 231 provides us with the tools to better plan for future growth and its associated problems.

part b_national recreational trails trust fund act

Summary

Part B establishes a National Recreational Trails Trust Fund, drawn from the excise tax paid on nonhighway recreational fuels, which will provide states with funding for projects promoting safe and environmentally sensitive opportunities for use of recreational trails. A provision of current law allowing a refund of nonhighway recreational fuel taxes is repealed.

Discussion

Americans going to and from their places of recreation constitute eight percent of national highway usage.

Access to fishing, hunting, camping, climbing and a number of other forms of recreation is often provided by trails; but such trails can also be the source of recreation themselves for hikers, joggers, horseback riders, bicyclists, snowmobilers, trail bikers and others. Recognizing this, the President's Commission on Americans Outdoors in 1987 recommended the establishment of a dedicated trust fund financed by the fuel use taxes paid on "nonhighway recreational fuels", the balance of which would assist the states in providing and maintaining recreational trails. This concept is very similar to the Aquatic Resources (Wallop-Breaux) Trust Fund, which dedicates motorboat fuel taxes to the protection and enhancement of fisheries and boating facilities.

Part B follows the Commission's recommendation by establishing a National Recreational Trails Fund. The Fund is created out of "nonhighway recreational fuel taxes." By definition, this revenue source is not derived by any usage of

highways, and under the "user-fee" concept of highway funding, should either be refunded or dedicated to a program more directly related to the activity being taxed. While the recreational fuel taxes paid by individuals are not practically refundable, the taxes paid by outfitters and guides, snowmobile excursion operators, motorcross racing establishments, ski lodge and snow trail groomers, and other commercial fuel users are currently refunded. Part B eliminates the existing refund mechanisms for all nonhighway recreational fuel taxes, and dedicates this revenue source to a Fund that directly benefits recreation in general.

The Fund is distributed to the states, one-half divided equally and one-half divided based on a measure of recreational usage. Under this formula, those states which face the greatest recreational demands will receive a proportionately greater share of funds to address that demand.

Many states already dedicate taxes and fees on equipment and fuels for recreational programs. The availability of federal Trails Fund moneys should not reduce any state's financial commitment in this regard. In fact, after three years, states with certain trail-recreation-based revenue sources are required to make a reasonable estimation of such revenues available for recreational trail funding within that state.

The Fund provides assistance to state and local governments, since it is at this level that the goal of "closer-to-home" recreation can be best achieved. While trails on federal lands can be expected to benefit when the impacts of heavy usage are mitigated by the provision of more local trail opportunities, the Fund is not

CORRECTION

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Department of Education
State of Alaska

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intended as a substitute, or supplement, to appropriations for trail programs on federal lands. To emphasize this, the bill does not authorize the use of Fund moneys for trail construction on federal lands, except to the extent that such construction furthers a specific objective of a State Comprehensive Outdoor Recreation Plan (SCORP).

Section 143(d) lists the authorized uses of Fund moneys. The various activities lettered (A) through (K) have been listed in order of suggested priority. It is well recognized among trail users that the need for construction of new trails is often not as immediate as the need for maintenance and repair of the existing trails system. Furthermore, education, enforcement and training activities are essential to prevent further erosion and damage to existing trails. These activities are therefore ranked when allocating Fund moneys.

The Recreational Trails Fund is designed so that, once a decision is made concerning a trail, states have access to funds that will improve the enjoyment, safety and environmental soundness of that trail. The Fund itself is not intended to alter public land management policies, dictate when or where a trail is to be built, or what kind of usage should occur on that trail. Rather, it is assumed that such decisions have already been made through public policy processes, such as state or local recreation plans. In conformance with this process, states should specify trail needs and priorities in statewide park and recreation plans or their supplements prior to commitment of Fund moneys.

In regard to administration and allocation of funds to states, it is recognized that institutions and processes for administering recreation and park grants already exist, including assistance for trails and trail-related projects. To avoid a proliferation of agencies and administrative burdens, the state and local activities benefitting from the Fund should, to the extent practicable, be administered in conjunction with the state grant program authorized by the Land

and Water Conservation Fund Act, including the utilization of existing administration procedures and organization. For the purposes of Federal-State coordination, the Secretary should encourage each Governor to appoint the entity currently administering the Land and Water Conservation Fund state assistance program to administer Trails Fund moneys.

The Fund is structured to encourage as much consensus between diverse trail users as possible. In order to remain eligible for Fund money after three years, a trail-user representative advisory committee must exist within each participating state. Many such committees already exist as provided under the National Trails System Act, and it is not anticipated that duplicate committee structures would be necessary to satisfy the eligibility requirement. These committees should reflect the diversity of trail use within each state.

Priority is given to those proposals which satisfy more than one recreational demand, i.e. hiking and bicycling, horseback riding and skiing, alternating and time-shared use proposals, and other combinations of differing uses. In no case, however, should this encouragement for diversified use of trails result in the placement of two or more incompatible or dangerous uses together on a trail.

The Fund also ensures that states seriously consider proposals which address different trail needs, including motorized and non-motorized use. A "minimum reservation" for each form of recreation affords all trail users an opportunity to advance sound proposals. In the absence of acceptable proposals, however, this reservation of funds may be dropped with the approval of the trail-user advisory committee in that state.

Further, given that some smaller states may lack a wide array of recreational trail use options, states with a total land area of less than 3,500,000 acres and that contribute less than one percent of total nonhighway recreational fuel use, may choose to be exempted from any consideration of a "minimum reservation" for expenditures relating to motorized or non-motorized recreation.

Part B also establishes a National Recreational Trails Advisory Committee to advise the Department of the Interior on Fund administration. It is anticipated that trail-user involvement will result in policies that reduce administrative overhead, promote volunteerism, and increase and improve trail experiences. As is required under the Federal Advisory Committees Act, the Secretary should select committee members who are most qualified and knowledgeable on the issues of importance to trail users.

part c: intelligent vehicle-highway systems

Section 151. Short title

Summary

MEMORANDUM

Department of Natural Resources

State of Alaska

Division of Parks and Outdoor Recreation
Director's Office



TO: Eddie Grasser
Rep. Masek staff
Craig Johnson
Senator Pearce staff

DATE: February 6, 1998

TELEPHONE NO: 269-8701

FAX NO: 269-8907

FROM: Jim Stratton *JS*
Director

SUBJECT: snowmobile sales numbers

I just received information from the International Snowmobile Manufacturers Association about the number of snowmobiles sold in Alaska over the past six years. These numbers are based on the warranty cards sent in after a sale. There are more than this number of snowmobiles sold in Alaska as a certain segment of the population does not send their warranty card because it really does them no good (no local dealer).

1997 - 7,856
1996 - 8,021
1995 - 7,740
1994 - 6,820
1993 - 5,400
1992 - 3,850

These numbers should help us determine the potential funds available to operate the registration program at DMV and a trails program at Parks. The average life of a snowmobile is 7 years, so the vast majority of these 39,687 snowmobiles are still on the trail and would be registered.



From the desk of the President:

Mr. Carlson,

It has come to my attention that you are in Juneau this week in order to help with the initialization of the legislation concerning Point of Sale Registration of snowmobiles in Alaska.

As the elected representative of thousands of snowmobilers statewide, I would like to offer our wholehearted support of this legislation and extend to you any and all means of assistance at our disposal. It is time that the organized sportspersons of Alaska spoke in unison on a critical crossroad of our recreational choice.

Any information that we can provide that has bearing on this subject will be made readily available to yourself or any other interested persons upon request. The Anchorage Snowmobile Club can be reached at (907) 566-0272. The Alaska State Snowmobile Association can be reached at (907) 566-0212.

Kevin E. Hite
kevin_hite@fmc.com

FAX

To: Ted Carlson
Of: Municipal League
Pages: 3, including this cover sheet.
Date: January 27, 1998

The following are the supporters thus far of the statewide trail system. They know in order to accomplish the establishment of a statewide trail system that Point of sale legislation is the critical funding component for success. As the future unfolds, it also may become necessary to implement a user pay system as well. All other snowbelt states with organized snowmobile trail systems have implemented both. Alaska is the last state that does not have mandatory point of sale registration for recreational vehicles, specifically snowmobiles. Without accurate registration or recorded snowmobile sales numbers Alaska loses out on hundreds of thousands of dollars every year in federal funds for trail development and maintenance. We do know there were 15817 new snowmobiles sold just in the last two winters and yet the most accurate data the Dept. Of Motor Vehicles can supply is that there are approximately only 11000 registered machines in the state. This is aggregate over the course of time since registration is strictly voluntary although state law requires registration. Point of Sale registration is the only solution to this mounting problem. Also, point of sale may help to alleviate another serious problem of snowmobile theft which is running rampant across Alaska. This legislation is a strong deterrent and protects dealers from servicing and selling used stolen snowmobiles. The most accurate estimate comes from Alaska State Parks indicating there may be as many as 70,000 unregistered snowmobiles in Alaska. The following is a partial list of supporters and does not reflect the growing list of support from private enterprise through out the state.

Alaska Snowmobile Representatives Alliance (ASRA)
Alaska State Snowmobile Association (ASSA)
Anchorage Snowmobile Club (ASC)
Anchorage Economic Development Corporation (AEDC)
Mayor Rick Mystrom, Municipality of Anchorage
Mayor Sarah Palin, City of Wasilla
State of Alaska, Division of Parks and Outdoor Recreation
International Snowmobile Manufacturers Association (ISMA)
Bombardier Motor Corporation (Includes 16 statewide dealers)
Polaris Industries Inc. (Includes 62 statewide dealers)
Yamaha Motor Corporation (Includes 23 statewide dealers)
Artic Recreational Distributors Inc. (Includes 40 statewide dealers)
Iron Dog Gold Rush Classic
Muldoon Community Council
Eagle River Community Council

- Eagle River Chamber of Commerce
- Wasilla Chamber of Commerce
- Big Lake Chamber of Commerce
- Anchorage Convention and Visitors Bureau (ACVB)
- Alaska Visitors Association (AVA)
- Governor Tony Knowles, State of Alaska
- Anchorage Trails and Greenways Coalition (ATCG)
- Alyeska Resort
- Anchorage Hilton Hotel
- Regal Alaskan Hotel
- Chilkoot Charlies
- Days Inn Anchorage
- Klondike Mikes Adventures
- Alaska Sales and Service
- Anchorage Hotel/Rumrunners Bar & Grill
- Bovey Trophies
- Alaska Regional Hospital
- E&A Enterprises
- Golden North Van Lines
- Grizzley's Inc.
- Linford of Alaska
- Almost Home Accomodations
- Anchorage Daily News
- Best Western Barratt Inn
- Comfort Inn
- Food Services of America
- Holland America
- MACtel Inc
- Mat-Su Resort
- Sheraton Anchorage Hotel
- Windy Creek
- National Bank of Alaska
- Ship Creek Hotel
- The Rusty Harpoon
- PIP Printing
- Thrifty Car Rental of Alaska
- Westmark Anchorage Hotel
- Mat-Su Motor Musers
- Caribou Hills Cabin Hoppers
- Alaska Motor Musers

Ted, if you need anything further please do not hesitate to call. While in Juneau see if you can find out where the registration money over the years has gone and why motorized recreational users have never recieved any benefits from all the fuel taxes they have paid.

Thanks,
Tim

Bozic



TELEPHONE (907) 694-1202

FAX (907) 694-1203

Chugiak-Eagle River Chamber of Commerce

P.O. BOX 770353
EAGLE RIVER, ALASKA 99577

11401 OLD GLENN HIGHWAY, SUITE 1104
EAGLE RIVER, ALASKA 99577

"Place of Many Places"

February 27, 1998

Representative Beverly Masek
State Capitol
Juneau, AK 99801

Dear Representative Masek

The Chugiak-Eagle River Chamber of Commerce supports HB 231, Point of Sale Snowmobile Registration. The Chamber wants to see this recreational industry developed with appropriate planning, public safety and regulation. We support user fees and matching grants as the means to do this. Point of Sale Registration is absolutely necessary in order to accomplish this goal.

If you have questions, please feel free to contact me at 694-4200 or the Chamber at 694-4702.

Sincerely,

Al Romaszewski

Al Romaszewski
Snowmobile Task Force Committee Chair
Chugiak-Eagle River Chamber of Commerce
Board of Directors



ALASKA OUTDOOR COUNCIL

211 4th St. #302A
Juneau, AK. 99801
(907) 463-3830

Feb. 1, 1998

The Honorable Joe Green, Chair
House Judiciary Committee
Alaska State Capitol
Juneau, Ak. 99801

Dear Representative Green:

The Alaska Outdoor Council and its member organizations strongly support SB 231 and would appreciate your assistance in moving this piece of legislation this session.

HB 231 "An act relating to the registration of snowmobiles" was discussed at our legislative workshop held in Anchorage this past November. At that time, the many delegates from around Alaska voted unanimously to endorse this legislation. As you may be aware, the AOC is an umbrella organization of outdoor user groups covering a broad spectrum of uses.

Currently there are four snowmobile clubs affiliated with the AOC and this is their number one priority. Also, trails and access is one of the AOC's primary areas of concern. We would like to thank you for your past support of our issues and hope you will once again give us your assistance on this important piece of legislation. If there is something further we can do to assist you in this effort, please feel free to contact us.

Sincerely,

Rod Arno
President



P.O. Box 243664 • Anchorage, AK 99524-3664 • (907) 258-3700

February 26, 1998

The Honorable Beverly Masek
State Capitol
Juneau, AK 99801-1182

Dear Representative Masek,

I am writing to you in support of HB 231 point of sale registration for snowmobiles. This bill is the anticipated funding mechanism to provide safe, marked, groomed snowmobile trails for Alaskan recreational users. As President of A.S.R.A. I can assure you that the majority of snowmobile users in Alaska are in favor of this bill. To date we have worked with the Anchorage Snowmobile Club, The Alaska State Snowmobile Association, The Mayor's of Anchorage and Wasilla, the Chamber of Commerce of Eagle River, Wasilla and Seward, the State Department of Parks and Outdoor Recreation, and other key groups on this issue. We are trusting that our legislators will listen to and react to the wishes of the snowmobilers in Alaska.

I would be pleased to discuss this important bill further at your convenience.

Sincerely,

Max J. Lowe
President, A.S.R.A.



Feb 18, 1988

Representative Beverly Masek

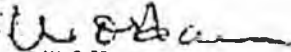
Dear Beverly,

I would like to take this opportunity to support HB 231, snowmobile registration. We further would like to see the revenues collected put into an account to be dedicated to improving trails, education and access for snowmobilers.

As a dealer, this will put an additional workload on us, however we feel strongly that this is a step in the right direction to help control theft, provide for better tracking of machines and eventually provide funds for improvement of the sport.

Thank you for your support of this bill

Sincerely,



Bill O'Hara
Bill's Car House
Big Lake, AK

TOTAL P. 01



DENALI STATE BANK

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Member FDIC

February 11, 1998

Representative Beverly Masek
Alaska State Capitol
Juneau, AK 99801

RE: House Bill 231

Dear Representative Therriault,

I am writing in support of point of sale registration for snowmobiles. As a major area lender, I find that my customers do not have the necessary time to spend in a Department of Motor Vehicles line to register their snowmachines.

Registration will deter thefts and assist in the recovery of stolen machines by providing easily visible registration numbers. It will also identify snowmachiners' economic impact and their contribution to the gas tax. Trail development should follow with an appropriate allocation of those tax dollars. Registration has been a law for nearly thirty years and registration (user) fees should be utilized for the user group they are extracted from. I would appreciate your support from both a business and personal perspective, as I am also an avid snowmachine user.

Sincerely,

Brent LeValley
Assistant Vice President

MAIN BRANCH
P.O. BOX 74568
119 N. CUSHMAN
FAIRBANKS, AK 99707
(907) 456-1400
FAX (907) 458-4240

GOLDEN HEART BRANCH
P.O. BOX 74568
1989 AIRPORT WAY
FAIRBANKS, AK 99707
(907) 458-4260
FAX (907) 458-4270

TOK BRANCH
P.O. BOX 579
MILE 1314 ALASKA HWY
TOK, AK 99780
(907) 863-2265
FAX (907) 863-2268



Fairbanks Area Alaska State Parks Citizen Advisory Board

3700 Airport Way Fairbanks, Alaska 99709-4613 (907) 451-2695

February 12, 1998

Representative Gene Therriault
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 511
Juneau, AK 99801-1182

Dear Representative Therriault,

The Fairbanks Area State Parks Citizens Advisory Board fully supports House Bill 231, the point of sale snowmobile registration legislation. The bill will streamline the registration process for snowmobiling and may eventually provide better trails for a variety of trail users.

Trail use is an important concern of the Citizen Advisory Board. The trail systems within our park units and our community need to be improved to better serve the recreating public. More and better trails lead to more trail use. More trail use contributes to healthier communities – physically, mentally, economically, and environmentally.

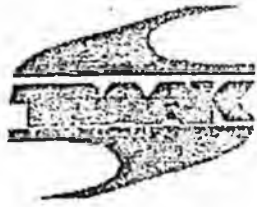
We applaud your efforts to provide point of sale registration and mail-out renewals. Additionally, House Bill 231 will give public land managers and local government a means to better quantify the numbers of snowmobilers, which should result in improved trail program development. We would like to see any additional funds collected through this legislation be applied to develop and manage a shared-use trail program.

Thank you for your consideration.

Sincerely,

Jack L. Jefferies
Chair

cc: Representative Beverly Masek



Trails & Recreational Access for Alaska Citizens Advisory Board

Department of Natural Resources
Division of Parks & Outdoor Recreation
3061 C Street, Suite 1200
Anchorage, AK 99503-5921

Department of Transportation & Public Facilities
Division of Statewide Planning
3132 Cheneau Drive, Room 200
Juneau, AK 99801-7698

Members

HELEN NIENHUESER, CHAIR
Anchorage 277-9330

MITZI BARKER
Eagle River 343-4881

CHIP DENNERLEIN
Anchorage 277-6722

KATHERINE ENINGOWUK
Nome 443-4336

LANIE FLEISCHER
Anchorage 274-2453

AUSTIN HELMERS
Palmer 376-2050

E. J. HILKER
Juneau 789-6172

KIRK HOESSELE
Girdwood 783-2928

ROSE ISAAC
Tok 883-5181

PETER E. RICE
Ketchikan 225-3383

GINNY H. WOOD
Fairbanks 479-2754

LEE JOHNSON
Fairbanks 452-2897

JIM VORDERSTRASSE
Barrow 852-5211

SUE SHERMAN
Glenallen 822-3476

EX-OFFICIO MEMBERS

JIM STRATTON, ADNR
Anchorage 269-8703

TOM BRIGHAM, ADOT&PF
Juneau 465-6978

Staff
ODIN BRUDIE, ADOT&PF
Juneau 465-8769

FAX TRANSMITTAL

March 3, 1998

TO: Representative Beverly Masek

FAX: 465-~~6618~~ 4822

PAGES: 2

FROM: Odin Brudie, DOT&PF TRAAK Board Staff
PHONE: 465-8769
FAX: 465-6984

I am transmitting Resolution No. 98-4 on behalf of the Trails and Recreational Access for Alaska - TRAAK Citizens Advisory Board, who passed the resolution at a meeting in Juneau on February 20 & 21. TRAAK brings together the state agencies that deal with recreation in order to make the best possible use of the limited resources available for community and recreational access improvements. The TRAAK Citizens Advisory Board advises the Departments of Transportation & Public Facilities and Natural Resources on matters relating to TRAAK. Please do not hesitate to give me a call if you have any questions about the TRAAK program or this resolution.

TRAAK Citizens Advisory Board

RESOLUTION 98 - 4

In Support of Snowmobile Point of Sale Registration Legislation, HB 231

At a meeting of the Trails and Recreational Access for Alaska (TRAAK) Citizens Advisory Board held on the 20th and 21st of February, 1998 in Juneau, the following resolution was duly adopted:

WHEREAS, the Governor of the State of Alaska has appointed the TRAAK Citizens Advisory Board to review state policy regarding trails and recreational access;

WHEREAS, snowmobiles are recognized as an important form of transportation as well as important for recreation;

WHEREAS, snowmobile theft is a problem in many areas;

WHEREAS, Alaska is in need of a snowmobile safety and education program throughout the state;

WHEREAS, there is a continuing need for trail staking and trail shelters in rural and bush areas;

WHEREAS, federal grant money is available for construction and maintenance of both motorized and non-motorized trails and trail facilities based on the number of registered off-road vehicles, including snowmobiles, in a state;

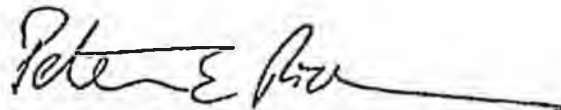
WHEREAS, legislation currently being considered by the Alaska State Legislature can provide the means for securing funding to provide for these needs; and

WHEREAS, due to the inefficiency of the current registration program, a large percent of snowmobiles in Alaska are not registered, resulting in a significant loss of federal grant funds to meet safety and trail needs;

NOW THEREFORE, BE IT RESOLVED:

1. That the TRAAK Citizens Advisory Board supports HB 231 legislation requiring point of sale registration of snowmobiles; and
2. That this resolution be distributed to Governor Tony Knowles, Senator Drue Pearce, and Representative Beverly Masck.

Adopted on the 21st. day of February, 1998



Peter Rice, Acting Chairperson

February 11, 1998

Alaska State Capitol
Juneau AK 99801

Dear Representative Therriault, Chair, House Finance Committee

I would like you to know that I fully support HB 231 and that many of the snowmobilers I meet with across the state fully support it. I currently represent trail users as a member of the following organizations. Alaska State Parks Citizens Advisory Board, Fairbanks Snow Travelers Inc., Fairbanks North Star Borough Trails Advisory Commission, past member of the Governors TRAAK CAB and I am currently working on two winter trail projects for Alaska State Parks. For the past ten years I have studied the winter trail programs of many snowbelt states and focused this attention on what parts of their programs were successful and what programs were less successful. This research has taught me several things but one of the most important is that all successful snowmobile programs started with registration fees and gas tax funds being spent on the people that pay them. HB 231 is a great start for Alaska and I hope we can see past the usual complaints and view the long range potential for this the first step in statewide snowmobile trail program development.

What follows are a few thoughts on the positive attributes of HB 231. The current statute does not provide for the same conveniences of initial registration and renewal that currently apply to my snowmobile trailer. This new statute will keep me from taking time off work to wait in lines at DMV and that will make me very happy.

As for the registration fee, I think the current level of \$5.00 is more than adequate to fund the fiscal note associated with point of sale requirements. If however, funds are left over after processing I would encourage the legislature to make those funds available to an agency for snowmobile trail programming. As a matter of fact most snowmobilers I know would gladly pay \$40.00 every two years just to have groomed trails with good signing. Any funding in support of snowmobiling will help preserve existing access and promote additional access which according to the recent SCORP survey is exactly what snowmobilers wanted.

Point of sale registration will also help all interested parties quantify the numbers of snowmobiles used statewide which in turn enhances our understanding of the extent of snowmobiling's social and economic impacts. Also, by quantifying the number of snowmobiles we begin to address the formula for determining snowmobiling's gas tax contribution. To determine the value of this tax account two issues require defining. These are the number of snowmobiles that gas is being bought for and the number of gallons being bought. For our immediate purpose current registration stands at approximately 13,000. Snowmobile sales figures for the 1995-1996 and 1996-1997 seasons are 15,700 unit sold and data is probably available for the three seasons prior to

that. In other words data is available to show that approximately 35,000 snowmobiles were sold in this state over the past five seasons and I'm confident this is conservative.

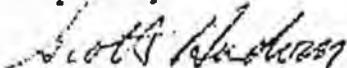
The second question is how much fuel are snowmobilers using. Over the years states publish information on user characteristics and I've noticed that east and west coast riders each travel about 1100 miles per year. I have done some informal surveys and found that Alaskans also ride on the average 1100 mile per year. The average gas mileage on today's machines is probably 11 mpg. This shows that the average Alaskan snowmobiler purchases 100 gallons of gas per season of which \$8.00 goes for a tax. If 35,000 snowmobilers are contributing \$8.00 each then the general fund receives \$280,000 each year from this user group. The boater and aircraft owners are being taxed similarly but I am not aware if they are benefiting from the tax. Let me know if you need some actual figures from other states or I can at least supply you with contact in other states to verify their program procedures. This tax should be used to develop a snowmobile program that maintains trails and promotes snowmobile safety education and conservation awareness.

In addition to removing the hassle of waiting in line and the benefits of quantifying the social and economic impacts of snowmobiling this legislation will also act as a theft deterrent. Right now no method of tracking a machine exists and HB 231 will require notification of transfer of ownership which will keep the Department of Public Safety's records updated with current owner names.

This is important legislation to the future of snowmobiling and I respectfully request your committees support in assuring that the future remains a bright one. If you are interested in lighting the way with a 280,000 candle power headlight I am confident you would garner considerable interest and support from the paying customers. The gas tax is an entirely different issue but no better time then the present to be proactive toward snowmobiling.

Thank you for your time and consideration.

Respectfully,



Scott Heidorn
PO Box 757380
Fairbanks AK 99775-7380
474-5558

cc Representative Beverly Masek

HB

239

Revision Date: _____ Dept. Affected: Revenue _____
 Title: Motor Fuel Tax Credit; Tax Not Pd by User BRU Revenue Operation _____
 Component: Income and Excise Audit _____
 Sponsor: Representative Davis _____
 Requestor: (H) FIN COMPONENT SERIAL NO. 113

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						
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CHANGE IN REVENUES (GF)	*****	*****	*****	*****	*****	*****
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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						
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						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

*****See Attached

Prepared by: Paul E. Dick Phone: 465-3691
 Division: Income and Excise Audit Division Date: February 23, 1998
 Approved by Commissioner: Wilson L. Condon Date: February 23, 1998
 Agency: Revenue

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Alaska State Legislature

Senate

JERRY WARD

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716 W. 4th Ave., Ste. 450
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Fax (907) 258-0820

145 Main Street Loop
Kenai, AK 99611
Phone (907) 283-7996
Fax (907) 283-3075

MEMORANDUM

DATE: April 28, 1998

TO: Legislative Legal

FROM: Lydia A. Jones *[Signature]*
Senate Transportation Committee

RE: Senate Transportation Committee Substitute to CSHB 239 (Fin)

Please prepare a Senate Transportation Committee Substitute to CSHB 239 (FIN) in final form as follows:

Page 2, lines 5-6:

Delete “, in the aggregate, on the transactions”
Insert “in the aggregate”

Thank you.

PETRO MARINE SERVICES

Petroleum Marketing to the Marine Industry

February 24, 1998

The Honorable Gary L. Davis
Alaska State Legislature
State Capitol
Juneau, AK 99811

Re: House Bill No. 239

Dear Representative ~~Davis~~,^{Davis}

On behalf of Petro Marine Services, I want to thank you for taking the initiative in sponsoring House Bill No. 239. Petro Marine Services is strongly supportive of this legislation. This bill would allow fuel dealers to receive a nonrefundable credit for fuel taxes paid to the state on fuel sold on credit, but ultimately not paid by purchasers who subsequently declare bankruptcy or render their debt worthless.

Alaska's motor fuel tax is an excise tax designed ultimately to be paid by the consumer or user of the fuel. For administrative reasons, state law requires the tax to be collected and paid by the motor fuel dealer at the time the fuel is sold or transferred. This transaction usually occurs at the wholesale level with businesses that subsequently resell the fuel to the consumer or user of the fuel.

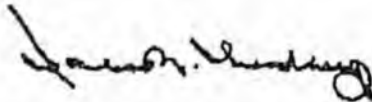
In commercial transactions of this nature, it is customary and typical to extend reasonable credit terms which may result in a deferral or delay in the collection of both the debt and the motor fuel tax by the dealer. In some cases, the debt may become wholly or partially worthless because of a bankruptcy filing or other reasons.

House Bill No. 239 would allow motor fuel dealers in these cases to receive a nonrefundable credit in an amount equal to the tax previously remitted to the state. The credit would be applied against subsequent tax liabilities only, and could only be taken for sales with a total tax liability of \$500 or more. Please note that a conforming amendment is needed to clarify that the proposed floor of \$500 should apply to one or more transactions in the aggregate per business entity.

This legislation specifies that dealers may only apply for a bad debt credit by filing written proof of the bankruptcy petition, or following reporting the debt as worthless or partially worthless on the dealer's federal income tax return. It is our understanding that many states and local governments similarly authorize credits or deductions for taxes paid on accounts that are later found to be worthless.

As a major petroleum distributor in Alaska, Petro Marine Services believes House Bill No. 239 proposes an adjustment to current law which is more fair and equitable to all parties. Thank you for this opportunity to comment. If there are any questions, please contact Mark Hickey who represents us in Juneau. He can be reached at 586-2263.

Sincerely,



Dale R. Lindsey, President & CEO
HARBOR ENTERPRISES, INC.

PETRO MARINE SERVICES

Petroleum Marketing to the Marine Industry

Alaska State Legislature

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Representative Gary Davis

SPONSOR STATEMENT Committee Substitute for House Bill 239(Fin)

“An Act relating to the liability of motor fuel dealers for payment of tax imposed on certain credit transactions involving motor fuel sales or transfers that become worthless debt or on sales or transfers to persons who declare bankruptcy; and providing for an effective date”

The Alaska motor fuel tax is an excise tax designed to be paid ultimately by the consumer or user of the fuel. For administrative reasons, state law requires the tax to be collected and paid by the motor fuel wholesaler at the time the fuel is sold or transferred. As a practical matter, this transaction often occurs at the wholesale level with businesses that subsequently resell the fuel to the consumer or user of the fuel.

In commercial transactions of this nature, it is customary and typical to extend reasonable credit terms that may result in a deferral or delay in the collection of both the debt and the motor fuel tax by the dealer. In some cases, the debt may become wholly or partially worthless because of a bankruptcy filing or other similar reasons.

House Bill 239 allows motor fuel dealers in these cases to receive a nonrefundable credit in an amount equal to the tax previously remitted to the state. The credit would be applied against subsequent tax liabilities only, and could only be taken for sales with a total tax liability of \$500 or more.

The language specifies that dealers may only apply for a bad debt credit by filing written proof of the bankruptcy petition, or after reporting the debt as worthless or partially worthless on the dealer's federal income tax return.

Many states and local governments authorize credits or deductions for taxes paid on accounts that are later found to be worthless. It is also typical to require the tax be repaid if the account or debt is subsequently recovered. House Bill 239 includes a provision requiring repayment of the tax if the account or debt is subsequently repaid, with partial payments to be handled on a proportional or pro rata basis.

HB239/SS/1/20/98

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

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Representative Gary Davis

SECTIONAL ANALYSIS

Committee Substitute for House Bill 239 (Fin)

“An Act relating to the liability of motor fuel dealers for payment of tax imposed on certain credit transactions involving motor fuel sales or transfers that become worthless debt or on sales or transfers to persons who declare bankruptcy; and providing for an effective date”

Section 1: Adds the following new section to AS 43.40, Motor Fuel Tax:

43.40.025(a) states when the dealer will be able to determine if a debt is wholly or partially worthless. AS 43.40.025(a)(1) and (2) are trigger mechanisms that determine the value of a debt owed to the fuel dealer.

43.40.025(b) explains the entitlement of credit on a worthless or partially worthless debt and the limitations for qualification.

43.40.025(c) explains that the fuel may not claim a refund but may use the entitlement as a credit toward future motor fuel tax debts. Sections 2(c)(1) and (2) state when the dealer may take the tax credit, and the procedures required before claiming the credit.

43.40.025(d) states that when a partially or wholly worthless debt that is collected at a later date, the dealer shall return payment to the Department of Revenue for all credit received.

43.25.40(e) requires a five-year period of time between requesting a credit for a partially or wholly worthless debt originating from the same person.

43.40.025(f) disallows the collection of a credit if the fuel dealer knows that a person to whom the fuel was sold has become a debtor under 11

43.40.025(g) defines “credit transaction.”

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- Section 2: (a) states that this act applies to sales or transfers of motor fuel sale or transfers under AS 43.40.010-43.40.100. Section 3(b) states that the filing with the Internal Revenue Service as a deduction of income for applicability must be filed on or after the effective date of this legislation.
- Section 3: repeals this legislation on July 1, 2003
- Section 4: provides the effective date of the legislation.

DEPARTMENT OF REVENUE
Income and Excise Audit Division

Motor Fuel Tax Credit: Tax Not Pd by User
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BILL ANALYSIS

Section 1 states legislative findings that motor fuel dealers should not be burdened with a motor fuel tax remittance obligation if the tax liability on a transaction is significant and the underlying debt becomes worthless or the person to whom motor fuel had been sold or transferred becomes a debtor under federal bankruptcy laws; the tax liability and payment responsibility should remain with the person.

Section 2 amends motor fuel statutes by adding a new section that entitles motor fuel dealers to a bad debt credit against their motor fuel tax liability when the dealer sells or transfers motor fuel to a person on credit and if that person (1) has become a debtor under federal bankruptcy laws (11 U.S.C.) or (2) ceased paying their debt and the dealer treats the person's debt as a worthless debt under the Internal Revenue Code (26 U.S.C. 166). Dealers would be entitled to a credit if a sale or transfer results in a tax liability of \$500 or more.

The dealer may not claim a refund for the amount of credit but may claim the credit against motor fuel taxes payable. Dealers would be required to provide documentation substantiating bankruptcy or worthless debt. If, as to a credit transaction for which a credit was claimed, a person subsequently makes payment of all or part of the debt, the dealer would be required to remit all or part of the tax.

Dealers would not be allowed a credit if the dealer, within the 3-year period before making a claim above, previously reported that a credit transaction debt of the purchaser or transferee is a worthless debt. Credits would not apply to dealers who sell or transfer fuel after the dealer knows that the purchaser or transferee is a debtor under federal bankruptcy laws or treats a previous credit transaction as a worthless debt under the Internal Revenue Code.

Section 3 provides that this bill would apply to sales or transfers of motor fuel that are made after the effective date of the bill.

Section 4 provides for a July 1, 1997 effective date.

DEPARTMENT OF REVENUE
Income and Excise Audit Division

Motor Fuel Tax Credit: Tax Not Pd by User
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OPERATING EXPENDITURES

Department of Revenue does not anticipate additional costs for administering the provisions of this bill.

REVENUE

It is not feasible to estimate the revenue loss from the tax credit allowed under this bill because bad debt motor fuel sales data is not available. Using FY 1997 motor fuel sales data adjusted for the effects of HB 63 (enacted last session) and assuming that .1% of taxable gallons qualify for the bad debt credit under this bill, the state would lose approximately \$44,300 in motor fuel tax revenue.

(1) the name and social security number of the individual whose dividend is being claimed;

(2) the amount the individual owes on a loan awarded under AS 14.43; and

(3) a statement that the loan is in default under AS 14.43.145, or, if the individual has requested review of the status of the loan under AS 14.43.145(c), that a final determination has been made that the loan is in default.

(b) The Alaska Commission on Postsecondary Education shall notify the individual of a claim under (a) of this section. The notice shall be sent to the address provided in the individual's permanent fund dividend application and must provide the following information:

(1) the amount of the claim;

(2) notice that the amount of the permanent fund dividend up to the amount of the claim shall be paid to the Alaska Commission on Postsecondary Education to be credited against the individual's loan balance; and

(3) the individual's right to a hearing under (c) of this section.

(c) Within 30 days after the date of the notice under (b) of this section, the individual may request a hearing. AS 44.62.330 — 44.62.630 apply to a hearing under this section. At the hearing, the borrower has the burden to show that

(1) the commission has not sent a notice of default in compliance with AS 14.43.145(b);

(2) the notice of default has been rescinded after review under AS 14.43.145(c); or

(3) the amount owed by the borrower is less than the amount claimed from the permanent fund dividend.

(d) If the amount owed by the borrower is determined under (c) of this section to be some amount greater than \$0, but less than the amount claimed, the commission may amend its claim to the amount determined to be owing. (§ 18 ch 92 SLA 1987; am §§ 5, 6 ch 52 SLA 1992; am § 17 ch 54 SLA 1997)

Effect of amendments. — The 1997 amendment, effective July 1, 1997, rewrote this section.

Sec. 43.23.095. Definitions.

NOTES TO DECISIONS

Requirement of intent to return to state. — A serviceman who was absent more than five years failed to establish intent to return to the state where the evidence showed that he returned for a brief visit only once in a 12-year period, he maintained only

motor vehicle registration, voter registration, driver's license and bar membership in Alaska, and he had not requested reassignment to Alaska. *State, Dep't of Revenue v. Wilder*, 929 P2d 1280 (Alaska 1997).

Chapter 40. Motor Fuel Tax.

Section

10. Tax on transfers or consumption of motor fuel and expenditure of proceeds

15. Exemption from collection of tax

92. Disallowance of exemption from motor fuel tax

Section

for certain fuel sold for use in jet propulsion aircraft operating in flights that continue from foreign countries

100. Definitions

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

(1) the tax on aviation gasoline is four and seven-tenths cents a gallon; (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon;

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

(3) the tax on all aviation fuel other than gasoline is three and two-tenths cents a gallon; and

(4) the tax rate on motor fuel that is blended with alcohol is the same tax rate a gallon as other motor fuel; however,

(A) in an area and during the months in which fuel containing alcohol is required to be sold, transferred, or used in an effort to attain air quality standards for carbon monoxide as required by federal or state law or regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon less than the tax on other motor fuel not described in (1)

— (3) of this subsection;

(B) notwithstanding (A) of this paragraph, through June 30, 2004, the tax on motor fuel sold or otherwise transferred within the state is eight cents a gallon less than the tax on other motor fuel not described in (1) — (3) of this subsection if the motor fuel

(i) is at least 10 percent alcohol by volume, has been produced from the processing of lignocellulose derived from wood, and was produced in a facility that processes lignocellulose from wood, but this reduction in the rate of tax applies to motor fuel sold or transferred that contains alcohol that was produced only during the first five years of the facility's processing of lignocellulose from wood; or

(ii) is at least 10 percent alcohol by volume, has been produced from the processing of waste seafood, and was produced in a facility that processes alcohol from waste seafood, but this reduction in the rate of tax applies to motor fuel sold or transferred that contains alcohol that was produced only during the first five years of the facility's processing of alcohol from waste seafood.

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

(1) the tax on aviation gasoline consumed is four and seven-tenths cents a gallon;

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

(3) the tax on all aviation fuel other than gasoline is three and two-tenths cents a gallon; and

(4) the tax rate on motor fuel that is blended with alcohol is the same tax rate a gallon as other motor fuel; however,

(A) in an area and during the months in which fuel containing alcohol is required to be sold, transferred, or used in an effort to attain air quality standards for carbon monoxide as required by federal or state law or regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon less than the tax on other motor fuel not described in (1) — (3) of this subsection;

(B) notwithstanding (A) of this paragraph, through June 30, 2004, the tax on motor fuel consumed by a user within the state is eight cents a gallon less than the tax on other motor fuel not described in (1) — (3) of this subsection if the motor fuel

(i) is at least 10 percent alcohol by volume, has been produced from the processing of lignocellulose derived from wood, and was produced in a facility that processes lignocellulose from wood, but this reduction in the rate of tax applies to motor fuel consumed by a user that contains alcohol that was produced only during the first five years of the facility's processing of lignocellulose from wood; or

(ii) is at least 10 percent alcohol by volume, has been produced from the processing of waste seafood, and was produced in a facility that processes alcohol from waste seafood, but this reduction in the rate of tax applies to motor fuel consumed by a user that contains alcohol that was produced only during the first five years of the facility's processing of alcohol from waste seafood.

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

and filing the monthly tax return. At the time the remittance is made, each dealer or user shall submit a statement to the department showing all fuel which the dealer or user has distributed or used during the month.

(d) *[Repealed, § 3 ch 166 SLA 1976.]*

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

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

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

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

(i) *[Repealed, § 35 ch 126 SLA 1994.]*

(j) The proceeds from the tax on motor fuel used in snow vehicles and, unless a tax refund is applied for under AS 43.40.050(a), other internal combustion engines not used in or in conjunction with a motor vehicle licensed to be operated on public ways shall be deposited in a special nonpublic highway use account in the general fund. The legislature may appropriate from this account to the Department of Transportation and Public Facilities for trail staking and shelter construction and maintenance.

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

(l) *[Repealed, § 3 ch 182 SLA 1990.]* (§ 48-5-2 ACLA 1949; am § 1 ch 80 SLA 1951; am § 1 ch 47 SLA 1955; am §§ 1, 2 ch 27 SLA 1957; am § 1 ch 134 SLA 1957; am § 1 art VI title II ch 152 SLA 1957; am § 2 art V title III ch 152 SLA 1957; am § 2 ch 124 SLA 1957; am §§ 1, 2 ch 20 SLA 1960; am § 1 ch 150 SLA 1960; am § 1 ch 110 SLA 1961; am § 1 ch 136 SLA 1961; am §§ 1 — 3 ch 131 SLA 1962; am § 1 ch 130 SLA 1968; am § 10 ch 143 SLA 1968; am §§ 1, 2 ch 216 SLA 1968; am §§ 1 — 3 ch 158 SLA 1970; am § 3 ch 58 SLA 1971; am §§ 1, 2 ch 124 SLA 1971; am §§ 2, 3 ch 125 SLA 1971; am §§ 1 — 3 ch 153 SLA 1972; am § 3 ch 166 SLA 1976; am §§ 1, 2 ch 116 SLA 1977; am § 4 ch 82 SLA 1982;

§§ 1, 2 ch 87 SLA 1983; am § 3 ch 182 SLA 1990; am § 35 ch 126 SLA 1994; am §§ 2, ch 127 SLA 1994; am §§ 2, 4 ch 88 SLA 1997)

Delayed amendment of subsections (a) and (b). — Under §§ 3, 5, 6, and 7, ch. 127, SLA 1994, as amended by §§ 3, 5, 10, and 12, ch. 88, SLA 1997, if the Department of Transportation and Public Facilities, before January 1, 2000, increases the landing fee charges under AS 02.15.090(a) for the privilege of landing aircraft at rural airports, as that term is defined in 17 AAC 40.795(2), above the amount of the fee in effect on January 1, 1994, subsections (a) and (b) are amended to read as follows: "(a) There is levied a tax of eight cents a gallon on all motor fuel sold or otherwise transferred within the state, except that

"(1) the tax on aviation gasoline is four cents a gallon;
 "(2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon;
 "(3) the tax on all aviation fuel other than gasoline is two and one-half cents a gallon; and
 "(4) the tax rate on motor fuel that is blended with alcohol is the same tax rate a gallon as other motor fuel; however,

"(A) in an area and during the months in which fuel containing alcohol is required to be sold, transferred, or used in an effort to attain air quality standards for carbon monoxide as required by federal or state law or regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon less than the tax on other motor fuel not described in (1) — (3) of this subsection;

"(B) notwithstanding (A) of this paragraph, through June 30, 2004, the tax on motor fuel sold or otherwise transferred within the state is eight cents a gallon less than the tax on other motor fuel not described in (1) — (3) of this subsection if the motor fuel

"(i) is at least 10 percent alcohol by volume, has been produced from the processing of lignocellulose derived from wood, and was produced in a facility that processes lignocellulose from wood, but this reduction in the rate of tax applies to motor fuel sold or transferred that contains alcohol that was produced only during the first five years of the facility's processing of lignocellulose from wood; or

"(ii) is at least 10 percent alcohol by volume, has been produced from the processing of waste seafood, and was produced in a facility that processes alcohol from waste seafood, but this reduction in the rate of tax applies to motor fuel sold or transferred that contains alcohol that was produced only during the

first five years of the facility's processing of alcohol from waste seafood.

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

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

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

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

"(4) the tax rate on motor fuel that is blended with alcohol is the same tax rate a gallon as other motor fuel; however,

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"(B) notwithstanding (A) of this paragraph, through June 30, 2004, the tax on motor fuel consumed by a user within the state is eight cents a gallon less than the tax on other motor fuel not described in (1) — (3) of this subsection if the motor fuel

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"(ii) is at least 10 percent alcohol by volume, has been produced from the processing of waste seafood, and was produced in a facility that processes alcohol from waste seafood, but this reduction in the rate of tax applies to motor fuel consumed by a user that contains alcohol that was produced only during the first five years of the facility's processing of alcohol from waste seafood."

Effect of amendments. — The 1997 amendment, effective July 1, 1997, in subsections (a) and (b), added paragraph (4) and made related stylistic changes.

Editor's notes. — Section 9, ch. 88, SLA 1997 repealed ch. 42, SLA 1994. Therefore the different tax rate described in the editor's note in the 1996 volume is not in effect after June 30, 1997.

Sec. 43.40.015. Exemption from collection of tax. (a) A dealer who has a reasonable belief at the time of sale or transfer that fuel that is sold or transferred is not to be used as motor fuel need not collect the motor fuel tax. However, as to fuel for which the tax was not collected and for which a certificate of use was not obtained, if the department determines that the fuel was put to a use that is taxable under this chapter, the dealer is liable for the tax and subject to a civil penalty under AS 43.05.220(a) whether or not the dealer's belief that the fuel sold or transferred would not be used as motor fuel was reasonable.

(b) Except for sale or transfer of fuel under (d) of this section, if the motor fuel tax is not collected, the dealer shall obtain a certificate of use from the buyer or transferee at the time of the first sale or transfer of the fuel stating that the fuel that has been or will be purchased or received is not intended for use as motor fuel. The form of the certificate of use shall be prescribed by the department by regulation. The department may not

Differences in tax base may not be prescribed for the same privilege of taxpayers in the same type of business or occupation.

Production and overhead costs are seldom deductible. The legislatures, however, have broad powers in this field. They may be selective by allowing deductions for spoils, swells and discounts to manufacturers of farm products. On the other hand, they may not allow deductions for cost of containers, brokerage, salaries or salesmen and selling expenses.

Alternative tax bases aren't invalid. The applicable base may be determined by the taxpayer's business, limiting his choice in the matter. Estimates derived from the volume of the past year's business are permissible.

The seller may have to include in his tax base sales that are less than the minimum bracket even though he's not permitted to collect these amounts from the buyer.

Gross receipts taxes are usually measured by all receipts from sales. This includes gross receipts from sideline operations such as from food and drink sold at the drug store's lunch counter. Waitress's tips may be included. A gross income tax generally covers all forms of income and the tax on sales is only a part of the tax base. As a rule, there are very few deductions or items excluded from the tax base. Use and compensating taxes are practically equivalent. They're based on the sale or purchase price, or the value of tangible personalty sold. Valuation at the actual purchase price has been allowed. Exclusions from the tax base may be allowed for such items as installation charges and transportation charges separately paid by customers. The statutes are frequently inconsistent. For example, rented tangible personalty from out of state was valued at the out-of-state retail price, while used property brought into the state by the owner was valued at the price it would have brought at the time imported. Depreciation of autos used as demonstrators and otherwise, then sold second-hand, has been both included and excluded from the

tax base. Sales and use taxes have shown divergences in their bases though their rates are the same. For instance, a use tax based upon value may specifically disallow deductions for trade-ins, transportation charges, discounts, or similar items, while allowance may be granted under sales tax law.

.94 ADMISSIONS, COVER CHARGES, ETC.

A number of statutes impose tax on admissions to places of amusement or for the use of them. The tax may apply to admissions above a minimum amount such as 10%. Specified admissions may be exempt, such as admissions to events of nonprofit organizations, school events, plays, or movies. Minimum cover charges are often included in taxable receipts.

.95 BAD DEBTS AND LOSSES.

Many statutes and regulations permit or authorize credit or deduction for tax paid on accounts or debts found to be worthless. A condition often imposed for the credit or deduction is that the account or debt be found to be worthless for income tax purposes. There's also the requirement that the tax be repaid if the account or debt is recovered. Statutes sometimes define "sales" and "gross receipts" so as to specifically deny deduction of losses.

.96 CASH AND TRADE DISCOUNTS—TRADING STAMPS.

Commonly, discounts are excluded from taxable sales receipts. However, distinctions may be made. Discounts that a retailer grants for the purpose of encouraging prompt payment on an account, also known as early payment discounts, may not be excludable. Discounts after sale may not be allowed as deductions. Discounts representing a reduction in price—trade discount, volume discount or cash and carry discount—are often deductible in computing sales receipts.

Determination of Sales Price

In general, sales and use taxes are imposed on the total sales price of a taxable sale, without any reduction for costs of labor, raw materials, or other expenses. This rule applies whether the sale is of tangible personal property or of taxable services. The basis of measuring the sales or purchase price on which to calculate sales and use tax varies substantially among the states and often is a disputed subject. The items included in the sales/use tax base usually are specified in detail in the states' statutes and, therefore, generally are narrowly construed by the courts.

In most situations, the maximum amount upon which the tax is computed is the amount of consideration received for the taxable item or service. For example, many states provide that barter transactions are subject to the tax based on the taxable items or services received in the exchange. However, the sales price determination with respect to coupons, rebates, and discounts typically vary with a given state and also among the states. Cash discounts are generally excluded from sales price subject to tax, if paid by the seller rather than a third party and if paid as part of the sales transaction; thus, for example, manufacturer rebates and co-op patronage dividends generally do not reduce sales price subject to tax. In contrast to most states, the Pennsylvania regulations provide that an amount representing a discount allowed for prompt payment that is dependent on an event occurring after the completion of the sale is included in determining the purchase price for sales and use tax purposes, while amounts representing on-the-spot cash discounts, volume discounts, store discounts, wholesaler's or trade discounts, rebates, and store or manufacturer's coupons may be deducted in computing the tax. Trade-in allowances are treated differently from state to state: some states impose sales tax only on the difference between the total sales price and the amount allowed for trade-in, while others impose tax on the total sales price.

Generally, no reduction in sales price is allowed for excise or import taxes paid by the seller; however, the rules of each state must be consulted, since specific taxes may be given special treatment.

Sales price subject to tax generally does not include interest charged for credit, at least if the interest is separately stated. If the debt arising from a credit sale becomes worthless, the seller is usually allowed a reduction in taxable receipts or a tax credit or deduction, depending on the time of worthlessness as well as the reporting period and other specific rules of the state in question. A debt does not necessarily become worthless merely because the property sold on credit is repossessed. On the other hand, property (whether sold on credit or for cash) for which the seller accepts return and refunds the purchase price, thus can-

(*)

celling the sale, generally does give rise to a reduction in taxable receipts or a tax credit or deduction, although a particular state may impose time limits or other restrictions on such allowances. (See the chart "Sales/Use Tax Refunds" for a state-by-state listing of whether a taxpayer is permitted a credit, deduction, or refund of overpaid tax in such situations.)

Shipping charges imposed after the sale takes place are often excluded from sales price subject to tax if separately stated. However, fees identified as "shipping and handling" fees typically are taxable even where the fee relates solely to shipping charges. Sellers should always separately state shipping charges as a protective measure, and the rules of the state in question should be consulted to see if this exclusion is available. Labor, service or installations charges, generally are treated similar to shipping charges (i.e., if separately identified on the invoice, many states do not impose sales and use taxes on such charges)

When a transaction involves the provision of nontaxable services in connection with a taxable sale, the charge for the nontaxable services will usually not be subject to tax if separately stated. When a single charge is made for the entire transaction, most states will require a determination of whether: (1) the transaction was primarily a taxable sale with an incidental provision of nontaxable services; or (2) primarily the provision of nontaxable services with an incidental transfer of tangible personal property. If the charge for nontaxable services is separately stated, sales tax will be imposed on the total charge; in the latter case, tax will not be imposed on the single charge but the service provider will be considered the end user of the incidental tangible personal property involved, and sales or use tax will be imposed on the cost of such property.

In the case of sales of taxable services, a few states take the position that the service provider is liable for the collection of sales or use tax from customers on the total itemized charges for performing the taxable service, including any expenses incurred by the service provider's employees, such as mileage charges, hotel expense, and auto rental charges. (See *Helmel Engineering Prods. Inc.*, NY Commissioner of Taxation and Finance, TSB-A-92(13) Sales Tax, Feb. 26, 1992 and Texas Comptroller of Public Accounts, Hearing No. 25,577 issued Sept. 25, 1991.)

The following chart is divided into three parts for ease of presentation. The charts detail various items that are included in the sales price for determination of the sales tax liability and lists items that affect the sales tax price in computing the sales tax liability. These charts highlight the common items that generally are included in the sales price for sales tax purposes. We did not ask the states to list every possible inclusion in sales price; thus, the charts do not exhaust all the possible items that may be required to be included in the sales/use tax base by each state.

R. Mark Williamson
Foley & Lardner
Milwaukee, Wisconsin

Most responding states require the inclusion of installation charges, transportation charges, sales of repossessed property, and labor or service costs in the sales price base. Some states include these items only if they are not separately stated on the sales invoice.

Very few states allow the sales price to be reduced for other taxes, such as tobacco or federal gas taxes. However, the federal luxury tax, which is imposed on the retail sale or lease of certain luxury items, generally is excluded from gross proceeds when calculating the sales and use tax. Trade-in allowances reduce sales price in most states although many states specify the type of property that this subtraction applies to.

In the case of manufacturers' coupons and rebates, the majority of states require the amount of the coupon or rebate to be included in the sales price base.

246

13

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 246 | _____

Revision Date: _____ Dept. Affected: DOT&PF
 Title: George W. Palmer Memorial Bridge BRU: Engineering and Operations
 Component: Engineering and Operations

Sponsor: Representative Ogan
 Requester: House Transportation COMPONENT SERIAL NO. 547

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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
-----------------------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) 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)

The department does not anticipate additional costs associated with renaming this bridge.

Prepared by: Sam Kito III Phone: 465-3900
 Special Assistant
 Division: Office of the Commissioner Date: 4/17/97
 Approved by: *Joseph L. Dubens* Date: 4/17/97
 Commissioner
 Agency: Department of Transportation and Public Facilities

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Representative Scott Ogan
House District 27

MEMORANDUM

TO: Senator Jerry Ward, Chair Senate Transportation Committee
FROM: Representative Scott Ogan
RE: HB 246, George W. Palmer Memorial Bridge
DATE: May 5, 1997

I respectfully request HB 246, "George W. Palmer Memorial Bridge" be scheduled for a hearing in the Senate Transportation Committee.

HB 246 is intended to name the new bridge currently being built over the Matanuska River just outside Palmer, AK, the George W. Palmer Memorial Bridge. I have introduced this bill in response to constituent's and local government's desire to remember an early Alaskan pioneer.

The following information is attached --

1. House Bill 246
 2. Sponsor Statement
 3. Bill Back-Up
- City of Palmer Resolution
Matanuska-Susitna Borough Resolution
401 Valley resident signatures

I appreciate your consideration of my request.

Scott Ogan

Alaska State Legislature

Co-Chair Resources Committee
Special Committee on Oil & Gas
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Representative Scott Ogan House District 27

SPONSOR STATEMENT FOR HB 246 An Act naming state bridge #1951 the *"George W. Palmer Memorial Bridge"*

BILL BASIS

The Matanuska River Bridge, or more commonly referred to as the bridge that goes over the Matanuska River on the Old Glenn Hwy, will soon become a hike path. New bridge construction is taking shape alongside the older structure, where traffic will eventually be rerouted. HB 246 was prepared in compliance with Alaska Statute Section 19.10.085 which require bridge names be given through legislation, and if passed will become Alaska Statute Section 35.40.100. In addition, I have prepared this legislation in response to requests from district constituents and local government.

BACKGROUND

Currently, there is an effort underway to name the new structure the *"George W. Palmer Memorial Bridge."* Spearheading that effort is an energetic ten-year old Palmer resident, Justin Kaucic of Boy Scout Troop 325. Others in support of naming this bridge the *George W. Palmer Memorial Bridge* are the Matanuska-Susitna Borough, City of Palmer, and 401 Mat-Su Valley residents.

HISTORICAL BASIS

George W. Palmer arrived in Alaska during the year 1875. He operated a trading post in the late 1800's along a bank of the Matanuska River, in fact near the site where the new bridge is to be built. It's been about one hundred years since George used tin lined boxes to protect the post's supplies from bugs and weather along the river, and he is still remembered as resourceful, industrious, and as one of Alaska's early and true pioneers. George died in 1935, but in 1951 when a small Alaska city incorporated, it chose the name of Palmer to reflect its pioneering spirit and the independence of George W. Palmer.

BACK-UP

Matanuska-Susitna Valley governments and residents seek to extend this remembrance to include the new bridge being built near the site of George Palmer's old trading post. I am asking for your support of HB 246 during this final step in the legislative process.

Matanuska-Susitna Borough's Resolution No. 97-008
City of Palmer Resolution No. 1199
Four hundred one (401) Mat-Su Valley resident petition signatures

Post-It™ brand fax transmittal memo 7871		# of pages > 2	
To SANDRA	From CHUCK KAUCIC		
Co. REP. GLENN'S OFFICE	Co.		
Dept.	Phone # 945-9807		
Fax # 465-3265	Fax #		

By: L. DeVilbiss
Action:

MATANUSKA-SUSITNA BOROUGH
RESOLUTION NO. 97-008

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF A PROPOSAL TO NAME THE NEW BRIDGE OVER THE MATANUSKA RIVER ON THE OLD GLENN HIGHWAY THE "GEORGE W. PALMER MEMORIAL BRIDGE."

WHEREAS, First Class Scout Justin L. Kaucic, of Boy Scout Troop 325, is working on a Life Scout service project; and

WHEREAS, Boy Scout Kaucic is asking the borough to support his proposal to name the new bridge over the Matanuska River on the Old Glenn Highway as the "George W. Palmer Memorial Bridge"; and

WHEREAS, George W. Palmer arrived in Alaska in 1875; and


WHEREAS, George W. Palmer was hired by the Alaska Commercial Company to manage their store at Knik; and

WHEREAS, George W. Palmer established a trading post near the site of the new bridge over the Matanuska River on the Old Glenn Highway in 1897; and

WHEREAS, the city of Palmer was incorporated in 1951 and was named for George W. Palmer.

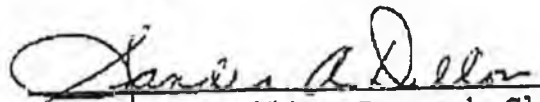
NOW THEREFORE BE IT RESOLVED that the Matanuska-Susitna Borough Assembly supports the proposal to name the new bridge over the Matanuska River on the Old Glenn Highway the "George W. Palmer Memorial Bridge."

ADOPTED by the Matanuska-Susitna Borough Assembly this ²⁵ day
of ^{March} 1997.



BARBARA LACHER, Borough Mayor

ATTEST:



SANDRA A. DILLON, Borough Clerk

(SEAL)

CITY OF PALMER, ALASKA

RESOLUTION NO. 1119

A RESOLUTION IN SUPPORT OF A PROPOSAL TO NAME THE BRIDGE ON THE OLD GLENN HIGHWAY THE "GEORGE W. PALMER MEMORIAL BRIDGE."

WHEREAS, First Class Scout Justin L. Kaucic, of Boy Scout Troop 325, is working on a Life Scout service project; and

WHEREAS, Boy Scout Kaucic is asking the borough to support his proposal to name the new bridge over the Matanuska River on the Old Glenn Highway as the "George W. Palmer Memorial Bridge"; and

WHEREAS, George W. Palmer arrived in Alaska in 1875; and

WHEREAS, George W. Palmer was hired by the Alaska Commercial Company to manage their store at Knik; and

WHEREAS, George W. Palmer established a trading post near the site of the new bridge over the Matanuska River on the Old Glenn Highway in 1897; and

WHEREAS, the city of Palmer was incorporated in 1951 and was named for George W. Palmer.

NOW, THEREFORE, BE IT RESOLVED that the City of Palmer supports the proposal to name the new bridge over the Matanuska River on the Old Glenn Highway the "George W. Palmer Memorial Bridge."

Adopted by the Palmer City Council this 8 day of April, 1997.


HENRY P. GUINOTTE, MAYOR


THOMAS C. SMITH, CITY CLERK

HB

248

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 248 | _____

Revision Date: _____ Dept. Affected: DOT&PF
 Title: East Egan Drive in Valdez BRU: Commissioner's Office
 Component: Office of the Commissioner
 Sponsor: Representative Kubina
 Requester: House Transportation COMPONENT SERIAL NO. 530

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) 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)

The department anticipates no significant costs associated with passage if this legislation.

Prepared by: Sam Kito III Phone: 465-3900
Special Assistant
 Division: Office of the Commissioner Date: 4/24/97
 Approved by: *Joseph C. Kubina* Date: 4/24/97
Commissioner
 Agency: Department of Transportation and Public Facilities

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on Fisheries

Representative Eugene Kubina
House Minority Leader

During Session:
Alaska State Capitol
Juneau, Alaska 99801-1182

During Interim:
P.O. Box 2463
Valdez, Alaska 99686

MEMORANDUM

TO: Senator Jerry Ward, Chairman
Senate Transportation Committee

FR: Representative Gene Kubina *Gene*

RE: House Bill 248

DATE: May 5, 1997

Please consider this a request to hear HB 248, "An Act naming East Egan Drive in Valdez."

HB 248 renames a small section of the Richardson Highway, built after the 1964 earthquake, East Egan Drive. When the Richardson was extended to the new town site the milepost system did not change. This left businesses along that portion of the highway without a corresponding milepost. Naming East Egan Drive will allow the City of Valdez to give each location a local address.

Thank you for your consideration. If you have any questions please give me a call.

Alaska State Legislature



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on Fisheries

Representative Eugene Kubina
House Minority Leader

During Session:
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During Interim:
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Valdez, Alaska 99686

SPONSOR STATEMENT - HOUSE BILL 248

HB 248, "An Act Naming East Egan Drive in Valdez" renames a portion of the Richardson Highway in Valdez built after the 1964 earthquake.

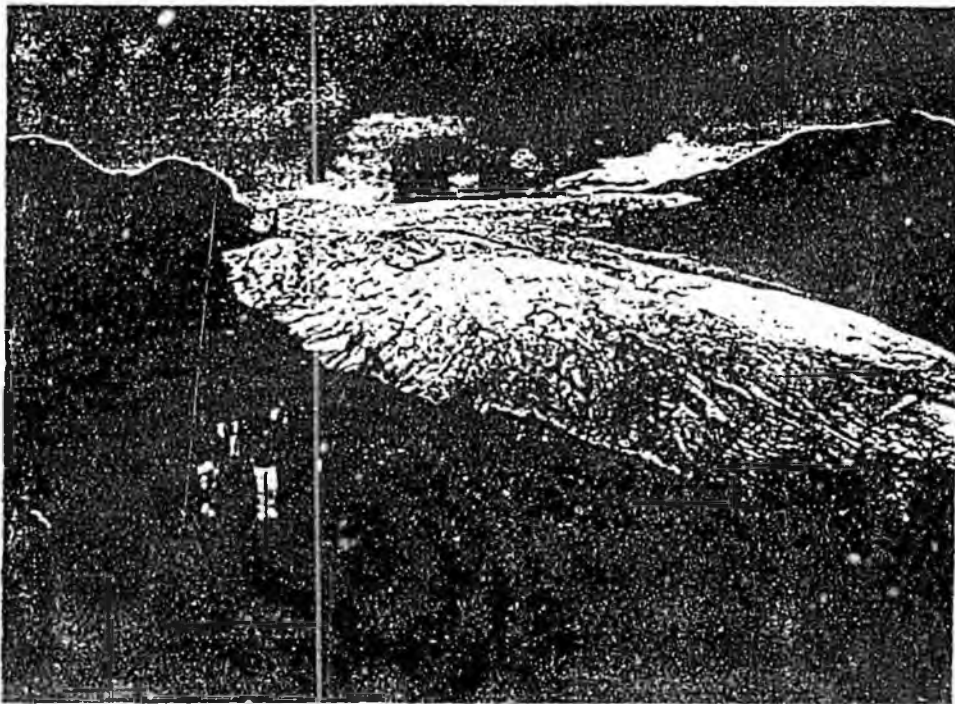
The Richardson Highway is Alaska's first road. As early as 1898 it was known to gold seekers as the Valdez to Eagle trail. In 1910 the trail was upgraded to a wagon road and lengthened to Fairbanks under the direction of General Wilds P. Richardson, the first president of the Alaska Road Commission. The Alaska Road Commission upgraded the road to automobile standards in the 1920's. The Richardson was hard-surfaced in 1957.

Originally, the Richardson Highway ended at the Old Valdez town site. Milepost 0 was established at the city dock. After the 1964 earthquake the Valdez town site was moved approximately four miles west and the Richardson Highway extended to Meals Avenue, where it ends today. However, the milepost system, already firmly established and well used, was not changed.

Because of the extension, there are 3.4 miles of Richardson Highway between Meals Avenue and the east end of Mineral Creek Loop without a corresponding milepost. Making the name change will allow the City of Valdez to assign a local address to businesses located along East Egan Drive.

RICHARDSON HIGHWAY

Valdez to Delta Junction, Alaska
Alaska Route 4



Worthington Glacier is the most visible feature in the Copper River Basin. (A. H. H. H.)

The Richardson Highway is a 107-mile (172 km) road from Valdez to Fairbanks. This section logs the first 270 miles (434.5 km) of the Richardson Highway from Valdez to Delta Junction (the remaining 98 miles, 157.7 km from Delta Junction to Fairbanks are logged in the ALASKA HIGHWAY Atlas only). Southbound travelers need log back to front.

The Richardson is a well-paved highway in good condition except for sporadic frost heaving. A new section of highway completed in 1959 bypasses the historic community of Copper Center. The MILEPOSTs log the old highway through town. The "new" Richardson Highway (bypass route) is of equal distance — 270 miles (434.5 km) — with no notable features. You must exit the highway (watch for signs) to see Copper Center.

The Richardson Highway is a scenic route through the magnificent scenery of the Chugach Mountains and Alaska Range, leading past spectacular glaciers, through spruce forests and across tundra meadows. It also passes many fine king salmon streams including the Gulkana and Tonsina rivers.

The Richardson Highway was Alaska's first road, known to gold seekers in 1895 as the Valdez to Eagle trail. The gold rush trail led over the treacherous Valdez Glacier, then northeast to Eagle and the Yukon River route to the Klondike goldfields. Captain W. R. Abercrombie of the U.S. Army rerouted the trail in 1899 through Keystone Canyon and over Thompson Pass, thus avoiding the glacier. As the Klondike gold rush waned, the military kept the trail open to connect Fort Lisicum in Valdez with Fort Egbert in

Eagle in 1901. The U.S. Army Signal Corps laid the first Alaska telegraph line along this route.

Gold stampedeers started up the trail again in 1900, this time headed for Fairbanks in hope of a big gold strike. The Valdez to Fairbanks trail became an important route to the Interior, and in 1910 the trail was upgraded to a wagon road under the direction of Gen. William F. Bingham, first president of the Alaska Road Commission. The ADC upgraded the road to automobile standards in the 1920s. The Richardson Highway was hard-surfaced in 1957.

Emergency medical services: Phone 911 anywhere along the highway.

Richardson Highway Log

Mileposts on the Richardson Highway were erected before the 1964 Good Friday earthquake and therefore begin 4 miles/6.4 km from present-day downtown Valdez near the Old Valdez townsite (destroyed during the earthquake). Distance from New Valdez (NV) is followed by distance from Old Valdez (OV).

NV 0 (OV 4) (6.4 km) Intersection of Mead's Avenue and the Richardson Highway.

NV 0.4 (0.6 km) OV 3.6 (5.8 km) Paved double-ended turnout to north with Valdez information kiosk, maps, brochures, pay

phones.

NV 0.5 (0.8 km) OV 3.5 (5.6 km) DOT/PF district office.

NV 0.6 (1 km) OV 3.4 (5.5 km) Valdez highway maintenance station.

NV 0.9 (1.4 km) OV 3.1 (5 km) Double-ended turnout to north with litter barrels at Crooked Creek salmon spawning area and hatchery. Viewing platform on creek offers close-up look at salmon spawning in mid-summer and fall. U.S. Forest Service information station is staffed Memorial Day through Labor Day. Interpretive displays, information on cultural history and recreational opportunities. Migrating birds such as Canada geese and various ducks are often here. It is a game sanctuary; no shooting is allowed. Good spot for pictures.

NV 1.3 (2.1 km) OV 2.7 (4.3 km) Paved turnout to south.

NV 2 (3.2 km) OV 2 (3.2 km) Paved turnout to south.

NV 2.1 (3.4 km) OV 1.9 (3.1 km) Mineral Creek Loop Road through business and residential area on outskirts of Old Valdez. Access to Milepost NV 2.4. Access to Port of Valdez container terminal and grain elevators. The five grain elevators were built in 1952 in anticipation of the Port of Valdez receiving Delta barley for shipment.

NV 3.4 (5.5 km) OV 0.6 (1 km) Road toward mountains leads 0.6 mile (1 km) to Valdez Airport, 2 miles (3.2 km) to Valdez Glacier campground, and 3.9 miles (6.3 km) to a parking area next to the glacial moraine of Valdez Glacier. Good views of the glacier area are not available from this spot, nor is Valdez Glacier a very spectacular glacier. Valdez Glacier campground has 101 sites, tent camping, covered picnic area, litter barrels, water, toilets and fireplaces; 15-day limit; camping fee. CAUTION: Beware of bears.

Mineral Creek Loop Road (turn toward ocean) leads to the original townsite of Valdez, destroyed during the Good Friday earthquake on March 27, 1964. A few homes and businesses are here now; there is little evidence of the earthquake's destruction.

NV 4 (6.4 km) OV 0 Former access road to Old Valdez, now blocked off. Milepost 0 of the Richardson Highway is located here.

(Southbound travelers note: Physical mileposts end here, it is 4 miles/6.4 km to downtown Valdez.)

Distance from Old Valdez (OV) is followed by distance from Fairbanks (F). Physical mileposts begin northbound showing distance from Old Valdez.

V 0 F 364 (585.8 km) Milepost 0 of the Richardson Highway is located here at the former access road to Old Valdez.

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 97-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, SUPPORTING HOUSE BILL 248, "AN ACT RELATING TO NAMING EAST EGAN DRIVE"

WHEREAS, the Richardson Highway was Alaska's first road and has connected the City of Valdez with the interior of Alaska for almost 100 years; and

WHEREAS, milepost 0 of the Richardson Highway was at the old Valdez City Dock; and

WHEREAS, the Richardson Highway was extended from the Old Valdez town site to the new Valdez town site after the 1964 earthquake; and

WHEREAS, the milepost system was not changed after the extension of the Richardson Highway; and

WHEREAS, the current system for identifying locations along the Richardson Highway between Meals Avenue and the east end of Mineral Creek Loop is confusing; and

WHEREAS, House Bill 248 would rename the Richardson Highway between Meals Avenue and the east end of Mineral Creek Loop, to East Egan Drive; and

WHEREAS, changing the name would allow locations along East Egan Drive to clarify their address.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the Valdez City Council support House Bill 248, naming that portion of the Richardson Highway between Meals Avenue and the east end of Mineral Creek Loop to "East Egan Drive "

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 21st day of April, 1997

CITY OF VALDEZ, ALASKA

Daniel C. Cobb
Dave C. Cobb, Mayor

ATTEST:

Sheri L. Caples
Sheri L. Caples, CMC, City Clerk



Totem Inn Inc
P. O. Box 648
Valdez, AK 99686

April 16, 1997

Valdez Legislative Information Office
State courthouse Room 13
Valdez, AK 99686

Dear Representative Kubina:

I would like to offer my support for the renaming of The first few miles of the Richardson Hwy. to East Egan Street.

The current mile post system starts 4 miles out of Valdez due to the relocation of the town in 1964

The current addresses are 100 Richardson highway 134 Richardson Hwy. ect. This is very often confused with mile 100 Richardson Hwy. and mile 134 Richardson Hwy. ect.

This will help businesses on this street to properly identify as a downtown business and our UPS packages will not be lost

Best Regards

M C H Inc
134 Richardson Hwy.
Valdez, AK 99686

April 16, 1997

Valdez Legislative Information Office
State courthouse Room 13
Valdez, AK 99686

Dear Representative Kubina:

I would like to offer my support for the renaming of the first few miles of the Richardson Hwy. to East Egan Street.

The current mile post system is not adequate and starts 4 miles out of Valdez due to the relocation of the town in 1964.

My current address is often confused with mile 134 on the Richardson Hwy. But I am actually in downtown Valdez.

This change needed

Sincerely,

Connie Ballow
secretary-treasurer

HB

290

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO: HB 290

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act relating to motor vehicle license plates for ranchers, farmers, and dairymen" BRU: Motor Vehicles
 Component: Field Services
 Sponsor: Representative Green
 Requestor: (H) TRANS COMPONENT SERIAL NO. 2151

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
Revenue Code	(*)	(*)	(*)	(*)	(*)	(*)

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 96) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) This bill will allow corporations to register a vehicle using the farm and dairymen exemption. Currently farm vehicle registration fees are \$68.00 biennially. The fee for a corporation to register a vehicle is \$100 to \$400 biennially. This bill has the potential of loss of general fund revenue. DMV is not able to determine the loss of revenue as it is not determined how many vehicles will meet the exemption and qualify for farm vehicle status under this bill.

Prepared By: Juanita M. Hensley Phone: 465-5648
 Division: Motor Vehicles Date: 2/19/98
 Approved by Commissioner: *Mark Boyer* Date: 2/18/98
 Agency: Mark Boyer, Dept. of Administration

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FOR YOUR IMMEDIATE ATTENTION

DATE: April 20, 1998
TO: Transportation Committee
(Senator Ward)
FROM: Office of the Senate Secretary

The Senate President has added/changed the referral(s) on the following bill(s):

HOUSE BILL NO. 290

RETRIEVE

Please give the bill file(s) to the page delivering this message. The bill file(s) will be returned to your Committee after the appropriate changes have been made.

Thank you.

Alaska State Legislature

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714 WEST 4TH AVENUE
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VICE CHAIRMAN, HEALTH, EDUCATION
& SOCIAL SERVICES COMMITTEE
MEMBER, REVENUE COMMITTEE
FINANCE SUBCOMMITTEE
DEPT. OF COMMERCE & ECONOMIC
DEVELOPMENT
ALASKA COURT SYSTEM

Representative Joe Green
District 10

TO: Senator Jerry Ward, Chairman
Senate Transportation Committee

FR: Representative Joe Green *J. Green*

RE: HB 290 - License plates for ranchers, farmers, and dairymen

DATE: April 2, 1998

By request of one of our constituents I have introduced HB 290, which has been referred to your committee. HB 290 clarifies the definition of a person for the purposes of qualifying for the agricultural license plates offered by DMV. The bill passed the House by a vote of 38-0.

Please schedule HB 290 for action in the Senate Transportation Committee at the earliest opportunity.

Thank you.



Alaska State Legislature

Senate

JERRY WARD

State Capital
Juneau, AK 99801-1182
Phone (907) 465-4940
Fax (907) 465-3766

716 W. 4th Ave., Ste. 450
Anchorage, AK 99501-2133
Phone (907) 258-6183
Fax (907) 258-0820

145 Main Street Loop
Kenai, AK 99611
Phone (907) 283-7996
Fax (907) 283-3075

May 6, 1998

Senator Bert Sharp, Co-Chair
Senator Drue Pearce, Co-Chair
Senate Finance Committee
State Capitol
Juneau, AK 99801

Dear Senators Sharp and Pearce:

On April 28, the Senate Transportation Committee heard CSHB 290 with its accompanying zero fiscal note from the Division of Motor Vehicles (DMV).

During the meeting, it was noted that although the accompanying fiscal note reflected zero fiscal impact, the attached DMV analysis indicated that there was the potential of loss of general fund revenue of an undetermined amount. A member of the Senate Transportation Committee spoke to the fact that more and more fiscal notes are coming before committees reflecting zero fiscal impact but including attachments that say otherwise. Alaska Statute 24.08.035, which defines information that must be included in fiscal notes was referenced, and departmental adherence to the provisions of that statute for preparation of future fiscal notes was emphasized.

Following this discussion, a Transportation Committee Substitute was adopted and the legislation passed out of committee. As a result of the amendment made to this legislation, DMV came back with yet another zero fiscal note with an attachment indicating a potential loss of revenue as high as \$750,000. Again, this tremendous amount of money is not reflected in the fiscal note document. Additionally, it seems questionable that DMV could not determine the dollar amount of lost revenue in the fiscal note for the original version of the bill, but was able to come up with the unreasonable dollar amount of \$750,000 for the amended version.

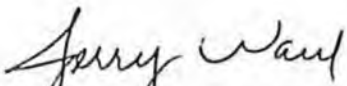
The Senate Transportation Committee supports the passage of this legislation but questions DMV's estimate of the dollar amount of potential lost revenue. We would ask

Senate Finance Committee
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that when this legislation comes before the Finance Committee, that it be passed out of committee regardless of the attached fiscal note. Further, we request that the Finance Committee seriously question the department about their preparation of fiscal notes and instruct them to comply with the provisions set forth in AS 24.08.035 in the future.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Ward".

SENATOR JERRY WARD, Chair
Senate Transportation Committee

REVISED

Alaska State Legislature

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ALASKA COURT SYSTEM

Representative Joe Green
District 10

Sponsor Statement

HB 290 - License plates for farmers, ranchers, and dairymen

HB 290 clarifies the definition of "person" in AS 28.10.181(h), a subsection of the vehicle code dealing with registration of agricultural vehicles, so that a person who has incorporated their business can register certain vehicles as agricultural, as opposed to commercial.

circumstances that are inconsistent with the intent required under (a) of this section to remain a resident of this state. (AS 1 ch 67 SLA 1983)

NOTES TO DECISIONS

Jurisdiction over divorce action. — This section does not affect the common-law rule that Alaska courts have jurisdiction over a divorce action when one of the parties is domiciled in Alaska, where

"domicile" is defined as physical presence plus an intent to remain permanently *Perito v Perito*, 756 P2d 895 (Alaska 1988)

Sec. 01.10.060. Definitions. In the laws of the state, unless the context otherwise requires,

- (1) "action" includes any matter or proceeding in a court, civil or criminal;
- (2) "daytime" means the period between sunrise and sunset;
- (3) "month" means a calendar month unless otherwise expressed;
- (4) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality;
- (5) "nighttime" means the period between sunset and sunrise;
- (6) "oath" includes affirmation or declaration;
- (7) "peace officer" means
 - (A) an officer of the state troopers;
 - (B) a member of the police force of a municipality;
 - (C) a village public safety officer;
 - (D) a United States marshal or deputy marshal; and
 - (E) an officer whose duty it is to enforce and preserve the public peace;
- (8) "person" includes a corporation, company, partnership, firm, association, organization, business trust, or society, as well as a natural person;
- (9) "personal property" includes money, goods, chattels, things in action, and evidences of debt;
- (10) "property" includes real and personal property;
- (11) "real property" is coextensive with land, tenements, and hereditaments;
- (12) "signature" or "subscription" includes the mark of a person who cannot write, with the name of that person written near the mark by a witness who writes the witness's own name near the name of the person who cannot write; but a signature or subscription by mark can be acknowledged or can serve as a signature or subscription to a sworn statement only when two witnesses so sign their own names to the sworn statement;
- (13) "state" means the State of Alaska unless applied to the different parts of the United States and in the latter case it includes the District of Columbia and the territories;
- (14) "writing" includes printing. (§ 4 ch 62 SLA 1962; am § 2 ch 66 SLA 1965; am § 10 ch 117 SLA 1968; am § 19 ch 74 SLA 1985; am § 1 ch 60 SLA 1990)

Revisor's notes. — Reorganized in 1985 to alphabetize the defined terms.

Cross references. — For additional definition of "peace officer", see AS 11.81.900(b); for listing of peace officers for purposes of the Fish and Game Code, see AS 16.05.150; for a definition of "police officer", see AS 18.65.290.

Effect of amendments. — The 1990 amendment rewrote paragraph (7).

Opinions of attorney general. — The statutory framework of the Alaska Statutes viewed as a whole contemplates that for any publicly employed law enforcement officer to be considered a peace officer within the meaning of present paragraph (7), he or she must be empowered with a full range of police duties and authority and must be currently function-

ing on essentially a full-time basis in that role. September 18, 1977, Op. Att'y Gen.

Law enforcement officers within the category "peace officers" as used in present paragraph (7) include, but are not limited to, state troopers, fish and wildlife protection officers and police officers employed by police departments of incorporated municipalities. September 18, 1977, Op. Att'y Gen.

Law enforcement officers with limited police authority with respect to specific statutes or ordinances are not police officers and are not necessarily peace officers either, at least within the meaning of present paragraph (7). September 18, 1977, Op. Att'y Gen.

Comparing the classification of "peace officer" in present paragraph (7) with that of "police officer," it is apparent that police officers, as defined in AS