

ALLASKIATJURKOMMUNER 2007-2008 HETRA 2414

1 expense account, the state investment board commingled trust fund
2 accounts, the supplemental pension account, the Tacoma Narrows toll
3 bridge account, the teachers' retirement system plan 1 account, the
4 teachers' retirement system combined plan 2 and plan 3 account, the
5 tobacco prevention and control account, the tobacco settlement account,
6 the transportation infrastructure account, the transportation
7 partnership account, the tuition recovery trust fund, the University of
8 Washington bond retirement fund, the University of Washington building
9 account, the volunteer fire fighters' and reserve officers' relief and
10 pension principal fund, the volunteer fire fighters' and reserve
11 officers' administrative fund, the Washington fruit express account,
12 the Washington judicial retirement system account, the Washington law
13 enforcement officers' and fire fighters' system plan 1 retirement
14 account, the Washington law enforcement officers' and fire fighters'
15 system plan 2 retirement account, the Washington public safety
16 employees' plan 2 retirement account, the Washington school employees'
17 retirement system combined plan 2 and 3 account, the Washington state
18 health insurance pool account, the Washington state patrol retirement
19 account, the Washington State University building account, the
20 Washington State University bond retirement fund, the water pollution
21 control revolving fund, and the Western Washington University capital
22 projects account. Earnings derived from investing balances of the
23 agricultural permanent fund, the normal school permanent fund, the
24 permanent common school fund, the scientific permanent fund, and the
25 state university permanent fund shall be allocated to their respective
26 beneficiary accounts. All earnings to be distributed under this
27 subsection (4)(a) shall first be reduced by the allocation to the state
28 treasurer's service fund pursuant to RCW 43.08.190.

29 (b) The following accounts and funds shall receive eighty percent
30 of their proportionate share of earnings based upon each account's or
31 fund's average daily balance for the period: The aeronautics account,
32 the aircraft search and rescue account, the county arterial
33 preservation account, the department of licensing services account, the
34 essential rail assistance account, the ferry bond retirement fund, the
35 grade crossing protective fund, the high capacity transportation
36 account, the highway bond retirement fund, the highway safety account,
37 the motor vehicle fund, the motorcycle safety education account, the
38 pilotage account, the public transportation systems account, the Puget

1 Sound capital construction account, the Puget Sound ferry operations
2 account, the recreational vehicle account, the rural arterial trust
3 account, the safety and education account, the special category C
4 account, the state patrol highway account, the transportation 2003
5 account (nickel account), the transportation equipment fund, the
6 transportation fund, the transportation improvement account, the
7 transportation improvement board bond retirement account, and the urban
8 arterial trust account.

9 (5) In conformance with Article II, section 37 of the state
10 Constitution, no treasury accounts or funds shall be allocated earnings
11 without the specific affirmative directive of this section.

12 NEW SECTION. **Sec 7.** Sections 1 through 5 of this act constitute
13 a new chapter in Title 47 RCW.

--- END ---

Multiple Agency Fiscal Note Summary

Bill Number: 5207 SB	Title: Freight congestion relief
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Revenue	478,000	287,280,000	720,000	433,199,000	779,000	467,865,000
Total \$	478,000	287,280,000	720,000	433,199,000	779,000	467,865,000

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	0	0	0	0	0	0	0	0	0
Department of Revenue	3	46,600	46,600	.1	13,400	13,400	1	13,400	13,400
Department of Transportation	0	0	0	0	0	0	0	0	0
Total	0.3	\$46,600	\$46,600	0.1	\$13,400	\$13,400	0.1	\$13,400	\$13,400

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

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Prepared by: Doug Jenkins, OFM	Phone: 360-902-0563	Date Published: Final 1/20/2007
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- See Office of the Administrator for the Courts judicial fiscal note
- See local government fiscal note
FNPID: 14732

Individual State Agency Fiscal Note

Bill Number: 5207 SB	Title: Freight congestion relief	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: David Ward	Phone: 3607867341	Date: 01/15/2007
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 01/16/2007
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 01/16/2007
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 01/16/2007

Request # 021-1
Bill # 5207 SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SB 5207 creates the freight congestion relief account and allows the account to retain its earnings from investments.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence different earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2006 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.18% and FY 09 is 4.21%. Approximately \$41,800 in FY 08 and \$42,100 in FY 09 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SB 5207 creates the freight congestion relief account and allows the account to retain its earnings from investments.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules



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Thursday, February 22, 2007

Our Opinion

Setting the standard

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Obituaries

Edwin F. Braz

Edwin F. Braz, 83, died Fri Feb. 20, 2007, at his home in Kodiak.

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'Don't up fee'

By ANNE SUTTON

Associated Press Writer

JUNEAU — It's been called obnoxious and offensive, even described as "an act of aggression from our southern neighbors."

Alaska lawmakers are spouting off about a Washington state senator's proposal to impose a fee of \$100 or more on shipping containers carrying freight in and out of that state — a proposal that is meeting with some turbulence on its home front, as well.

The Alaska House on Wednesday unanimously passed a joint resolution opposing the measure. The Senate is expected to weigh in with a similarly resounding message to the Washington Legislature.

Sponsor Rep. Bill Thomas, R-Haines, said the added cost of shipping would be economically devastating to Alaska.

Ninety-seven percent of goods shipped to Alaska arrive via shipping containers — almost all of them from Washington state.

The fees would add an estimated \$40 million to \$50 million a year to the cost of freight and borne by consumers, Thomas said.

"With shipping fees in Alaska already astronomical, this additional tax could be devastating to the flow of goods to and from the state," Thomas said.

In informal discussions in the hallways and lounge areas of the state Capitol, the buzz is about retaliation, said Sen. Johnny Ellis, D-Anchorage, who made the aggression comment.

Ellis said Washington makes "truckloads — no, supertankers — of money off the state of Alaska," and lawmakers are discussing their options should the fees pass.

"We want to be very calm and measured and professional about this but don't wake up the sleeping giant," Ellis warned. "We have North Slope oil and they make money off of it and we would consider all our options."

Washington state Sen. Mary Margaret Haugen, D-Camano Island, proposed the tax as a way to pay for improvements to the state's congested port facilities.

Haugen did not return calls from The Associated Press but Rick Manugian, a spokesman for Washington Democrats, said the bill is being reworked so that the fees conform with a similar proposal in California.

Haugen's original proposal would charge a one-way rate of \$50 per 20-foot of container.

Since most containers are 40 feet in length, that would amount to \$200 round trip, regardless of whether the container is empty.

The California Legislature is pushing a fee of between \$25 and \$30 per 20-foot unit. A bill that passed last year was vetoed by Gov. Arnold Schwarzenegger.

Manugian also said Haugen would not push the fees this year. Instead, her revised legislation would identify projects that would be paid for by the fees if the Washington Legislature next year agrees to levy them.

Rep. Beth Kerrtula, D-Juneau, said she spoke to Haugen this week and was led to believe the bill was simply being used as leverage to bring the freight industry to the table to help pay for port facilities.

At a conference in January at the Port of Tacoma, the Seattle Post-Intelligencer quoted Washington Gov. Chris Gregoire as saying Haugen's bill was just "a shot across the bow to get everyone to pay attention."

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But Manugian said Haug is indeed serious.

"The impetus is that ports here are congested. They can't move containers fast enough. They need efficiencies and that takes money and the state's strapped," Manugian said.

He pointed out that a more efficient port would cut down on costly delays and be to everyone's benefit.

Kerttula is recommending Alaska lawmakers work with the Washington senator.

"If Washington state ports are too clogged and we don't see our shipments move, that would help us, either," Kerttula said.

Kerttula said Haugen is putting together a study group with a joint House and Senate Transportation Committee and would welcome Alaska's involvement. She said she expects the study group to meet over the summer.

Alaska lawmakers also plan to travel to Olympia, Wash., to testify should the bill, in whatever form, reappear in committee.

Some also are questioning the legality of such a fee and whether it would run afoul of the interstate commerce clause of the U.S. Constitution.

The Alaska resolution urges the state attorney general to file a complaint and request for injunction should the tax pass.

Back to headlines



Increased property tax assessments?

- Yes
- No
- Not sure

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SEATTLE POST-INTELLIGENCER

http://seattlepi.nwsourc.com/local/303745_container15.html

Senate gets earful on container tax

Proposal would drive cargo from region, critics say

Thursday, February 15, 2007

By **KRISTEN MILLARES BOLT**
P-I REPORTER

Sen. Mary Margaret Haugen, D-Camano Island, wanted to start a serious conversation about how to fund transportation projects to allow freight to flow more smoothly through the state of Washington.

So Haugen, who chairs the Transportation Committee, introduced a bill that would levy a \$50 fee on every 20 feet of containers passing through Washington ports.

The money generated from the fee would be earmarked for a passel of freight mobility projects dependent on state funding, such as the \$25 million crowning of Stampede Pass, the \$25 million gap in funding for the second phase of state Route 519 and connecting state Route 167 to state Route 509.

Haugen got what she wanted: a vigorous debate.

Senate hearings brought an earful from ports, labor, shippers, retailers and railroads, who all opposed the proposal as an unfair and trade-suppressing tax that would drive cargo, jobs and money from the region.

But Haugen may have stirred up more controversy than she bargained for, as angry hearings begin today in Alaska on a resolution opposing the bill because it would raise consumer prices there.

Still, what she hasn't found, amid all that talk, is an alternative way to fund the projects, some of which are already slated for public/private partnership.

"They come and tell us they have all these freight mobility problems, and when we ask if there is some alternative, they say no," Haugen said. "How does one take them seriously?"

In an attempt to answer some of the critics' charges that the measure, Senate Bill 5207, would push cargo north to Canada and south to California, Haugen said an amended bill would trim the fee from \$50 per TEU (20-foot equivalent unit, the standard measure of container volume) to between \$25 and \$30 per TEU.

Though the language of the amended bill has not been made public yet, Haugen said its implementation, should it pass, would be tied to that of a similar bill expected from the California Legislature by Feb. 23.

There, state Sen. Alan Lowenthal will introduce a container fee bill similar to one passed by the Legislature last year, which would have levied a fine of \$30 per TEU on containers passing through the ports of L.A. and Long Beach. After intense lobbying by the retail, manufacturing and shipping industries, it was vetoed by Gov. Arnold Schwarzenegger.

"I don't think a \$25 or \$30 container fee is going to put them out of business, or divert that much cargo if California also passes a similar container fee," Haugen said.

That ignores two things: Canadian ports and the reality of Seattle's small market, said Port of Seattle government affairs manager Terry Finn.

"Seventy to 80 percent of the cargo going to the ports of L.A./Long Beach will end up within 500 miles of those docks," Finn said.

"In Seattle, 70 percent of our cargo gets on a train to places like Chicago, so all that freight is discretionary and could be sent elsewhere."

At a conference in January at the Port of Tacoma, Gov. Chris Gregoire said Haugen "wasn't serious" about the bill, which she called "a shot across the bow to get everyone to pay attention."

As introduced, placing a \$50 fee per TEU, the bill would have generated \$287 million from 2007 to 2009, \$433 million from 2009 to 2011, and \$468 million from 2011 to 2013.

But Haugen says she is serious, and so far, she hasn't heard anything from the industry that would change her mind on the state's transportation priorities over the next year. Without those funds, she said, freight mobility projects just

won't happen.

Revised to \$30 per square foot, the bill would generate \$172 million from 2007 to 2009.

"If my colleagues don't want to vote for this, fine -- but don't ask me for any money for freight projects," Haugen said. "I will shift everything we have to safety projects like 520."

The controversy over Haugen's proposal has spread beyond the state along shipping routes through Washington and up to Alaska.

In the state capital of Juneau, a group of incensed representatives -- spurred by industry and concerns for their constituents -- have drafted a resolution opposing the bill and asking Washington to come up with another way to fund freight mobility.

"The problem we've got is that we are so dependent on Washington," said Alaska state Rep. Ralph Samuels, co-sponsor of the resolution, which receives a hearing today at 2:30 p.m. "All the goods we have come on ships, so this bill would drive the cost of day-to-day life up."

Seventy percent of waterborne trade to Alaska from the lower 48 States flows through the Port of Tacoma, unloading at the ports of Anchorage, Kodiak and Dutch Harbor.

Virtually all of the rest of Alaska-bound goods flows through the Seattle port, which serves numerous smaller ports in Alaska.

With fuel prices already at \$6 per gallon in rural Alaska and the price of groceries sky-high, the Alaskan consumer shouldn't have to bear any more costs, Samuels said. And what's more, he said, the bill worsens the deteriorated relationship between Washington and Alaska.

"We are taking it as a poke in the eye," Samuels said.

The goods that stock shelves in Alaska create jobs in the Puget Sound region: more than 100,000 of them in 2003, or 3 percent of the region's total, according to a 2004 report by the Seattle and Tacoma chambers of commerce.

Nearly 90 percent of the freight shipped to Alaska by Totem Ocean Trailer Express Inc., a privately owned Alaska corporation that operates a terminal in Tacoma, is loaded into containers in the Puget Sound region.

"We believe the additional cost for TOTE would be \$11 million per year, which would be transferred to the consumer in Alaska," said TOTE President and Chief Operating Officer Bill Deaver. "The bill puts an onerous burden on the citizens in the state of Alaska."

P-I reporter Kristen Millares Bolt can be reached at 206-448-8142 or kristenbolt@seattlepi.com.

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Web posted Sunday, February 18, 2007

Alaskans bristle over proposed Washington container tax

By Rob Stapleton
Alaska Journal of Commerce

A resolution to impose a \$100 tax on shipping containers by the state of Washington has triggered negative reactions by Alaskans and the ports of Seattle and Tacoma.

"We are opposed to this, in every way," said Aves Thompson, executive director of the Alaska Trucking Association. "The state of Washington can find better ways to raise money than to impose a tax on containers coming to and from Alaska."

Senate Bill 5207 tries to impose a fee of \$50 for each 20-foot-equivalent on every cargo container traveling between Washington state and Alaska. As most cargo containers are at least two 20-foot-equivalent units, this would subject them to a \$100 fee each round trip.

Sen. Mary Margaret Haugen, D-Camano Island, is sponsoring the legislation. The money collected would be deposited in a fund and used for road and rail improvement projects that relieve freight congestion.

Sen. Haugen's office was contacted by the Journal for comment on this story, but was

unavailable for comment.

The fee would raise an estimated \$287 million for freight congestion relief projects in the next two years, and would grow to an estimated \$433 million for 2009-2011.

The implications of the legislation triggered a response from the Alaska Legislature, which issued a joint resolution Feb. 7 opposing the tax.

The resolution urges the Washington state Legislature to consider alternative means for raising revenue to be used for port infrastructure improvements.

Alaska statistics indicate that 97 percent, by weight, and 60 percent, by value, of all goods shipped to Alaska are shipped by marine transportation.

Totem Ocean Trailer Express and its parent company, Saltchuk, are also against the proposal.

"TOTE and Saltchuk have communicated directly, and through organizations we are members of, that this is not good legislation for Alaska," said Curt Stoner, sales manager for TOTE in Alaska.

Stoner also mentioned that he does not expect the bill to get far, because the U.S. Department of Transportation regulates interstate transportation.

Carlile Transportation also thinks that the proposal will die.

"We think that this proposal was intended for international cargo containers, and that it will be re-worked," said Linia Leary, vice president of marketing for Carlile Transportation in Tacoma.

Port officials at both the ports of Seattle and Tacoma are opposed to the container fee.

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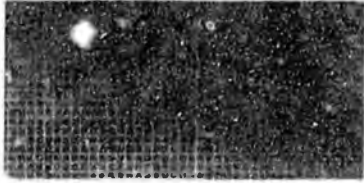
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Officials are saying that it will raise the cost of moving containers from \$200 to \$300, making it harder to compete. The price for moving a container in Portland, Ore., and Vancouver, Wash., is still \$200 or less.

The bill is still awaiting scrutiny by the Washington Legislature's Executive Committee, which will either amend it or pass it out of the state's Transportation Committee.

Rob Stapleton can be reached at rob.stapleton@alaskajournal.com.

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Multiple Agency Fiscal Note Summary

Bill Number: 5207 S SB	Title: Freight congestion relief
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	0	0	0	0	0	0	0	0	0
Department of Transportation	0	0	0	0	0	0	0	0	0
Freight Mobility Strategic Investment Board	0	0	0	0	0	0	0	0	0
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Geri Beardsley, OFM	Phone: 360-902-9822	Date Published: Final 3/27/2007
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 5207 S SB	Title: Freight congestion relief	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jerry Long	Phone: 360-786-7306	Date: 03/22/2007
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/23/2007
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/23/2007
OFM Review: Theo Yu	Phone: 360-902-0548	Date: 03/23/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SSB 5207 creates the freight congestion relief account and allows the account to retain its earnings from investments.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence different earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

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II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SSB 5207 creates the freight congestion relief account and allows the account to retain its earnings from investments.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5207 S SB	Title: Freight congestion relief	Agency: 405-Department of Transportation
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Part I: Estimates

No Fiscal Impact

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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jerry Long	Phone: 360-786-7306	Date: 03/22/2007
Agency Preparation: Brent Thompson	Phone: 360-705-7927	Date: 03/23/2007
Agency Approval: Paula Hammond	Phone: 360-705-7027	Date: 03/26/2007
OFM Review: Geri Beardsley	Phone: 360-902-9822	Date: 03/26/2007

Request # 07-144-1

Bill # 5207 S SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This legislative proposal directs the Joint Transportation Committee, subject to appropriation, to conduct a study to evaluate the imposition of a fee on the processing of shipping containers, port related user fees, and other funding mechanisms as a means to fund freight infrastructure improvements. The legislation also creates a freight congestion relief account in the state treasury. The funds may only be spent after an appropriation and may only be used to provide congestion relief through the improvement of freight rail systems and state highways that function as freight corridors. The legislation identifies specific projects that must, at a minimum, be funded through the account.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement the legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditure (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

None, the legislation only directs that a study be conducted, subject to appropriation, and any funding for congestion relief projects would need to be appropriated.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Request # 07-144-1

Bill # S207 S SB

Individual State Agency Fiscal Note

Bill Number: 5207 S SB	Title: Freight congestion relief	Agency: 411-Freight Mobility Strategic Invest
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Part I: Estimates

No Fiscal Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jerry Long	Phone: 360-786-7306	Date: 03/22/2007
Agency Preparation: Cornelia Kirkpatrick	Phone: (360) 705-7526	Date: 03/23/2007
Agency Approval: Karen Schmidt	Phone: (360) 586-9696	Date: 03/27/2007
OFM Review: Geri Beardsley	Phone: 360-902-9822	Date: 03/27/2007

Request # 2007-4-1

Bill # 5207 S SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The bill authorizes a consultant study that will evaluate the imposition of specific and non specific user fees for improving freight mobility and other related issues. The proposed bill assumes the establishment of a new account and the collection of fees designated for freight rail systems and state highways; however at least one reference is made to a non-state corridor that would also be eligible for funding. The bill requires the development of a new measurement for return on investment or modification of an existing analysis. A future project recommendation body is called for that could be in addition to the Freight Mobility Strategic Investment Board and other state freight efforts.

SSB 5207 identifies areas with possible direct implications for the board. Staff will closely follow the discussion and may become a resource for the consultant which would involve additional staff time. It is assumed there will be some fiscal impact in additional workload for the agency to monitor and participate in the development of the study. The fiscal impact cannot be measured until more information is available.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal revise existing rules.

David Scott

From: Will Vandergriff [Will_Vandergriff@legis.state.ak.us]
Sent: Monday, February 12, 2007 12:51 PM
To: prdistribution
Subject: PR - Washington State Shipping Tax Will Hurt Alaskans
Attachments: PR - Wash. State Shipping Tax Will Hurt Alaskans.doc

FOR IMMEDIATE RELEASE: Feb. 12, 2007

CONTACT: Will Vandergriff, (907) 465-5446
 House Majority Press Secretary

Washington State Shipping Tax Will Hurt Alaskans

Rep. Thomas' HJR 8 Sounds Off on "Nuisance Tax," Scheduled for House Transportation Thursday

(Juneau) – Representative Bill Thomas (R – Haines) is worried that his colleagues in the Washington State Legislature will adversely impact Southeast Alaska with a measure to impose a \$100 fee on marine terminal operators who ship containers from the state. By sponsoring House Joint Resolution 8 (HJR 8), Thomas is putting in writing what he and fellow members of the House of Representatives regard as an unnecessary "nuisance tax" that could pass an undue burden onto Alaskans.

"Alaska depends heavily on goods shipped through ports in Washington State, which has long been a gateway to our state," Thomas said. "Many people do not realize Alaska is the Puget Sound's fifth largest trading partner. The close economic connection between our two states is responsible for at least 103,500 jobs and over \$4 billion in commerce.

The Washington State Senate is currently considering Senate Bill 5207, which would impose a \$50 fee per 20-foot equivalents for shipping containers. The standard container length is 40 feet. The state's Senate is moving the legislation because of what the bill states as "a need to mitigate the enormous burden imposed on the state transportation system by the overland movement of cargo shipped to and from Washington State ports." The fee will be imposed on marine terminal operators, who will be allowed to keep 10% of the fee as compensation for accounting costs, leaving 90% for spending on state port infrastructure improvements.

"Shipping fees in Alaska are already sky-high," Thomas said. "The real losers in this legislation are the consumers, and in our case, we Alaskans. HJR 8 asks Washington to find some other means to fund infrastructure improvements to its ports. The people of Washington State should pay for those improvements, not Alaskan consumers.

"This regressive tax could cripple not only shipping into Alaska, but also the variety and availability of goods that we've grown to depend on. It's already hard enough to find family staples and goods in Southeast. We don't need our most accessible shipping partner cutting off one of our only avenues by forcing operators to pass the burden on to us consumers."

HJR 8 will be considered by the House Transportation Committee Thursday, February 15 at 1:30 p.m.

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SENATE BILL REPORT

SB 5207

As of January 25, 2007

Title: An act relating to creating the freight congestion relief account to improve freight corridors with funding from the imposition of a fee on the processing of shipping containers.

Brief Description: Creating and funding the freight congestion relief account for the purpose of improving freight rail systems and state highways used as freight corridors through imposing a fee on the processing of shipping containers.

Sponsors: Senators Haugen, Murray and Spanel.

Brief History:

Committee Activity: Transportation: 1/24/07.

SENATE COMMITTEE ON TRANSPORTATION

Staff: David Ward (786-7341)

Background: The state has identified various and significant transportation projects that support enhanced freight mobility and capacity. Although the state has provided some funding for these projects, the level of funding is insufficient to provide the level of investment necessary to alleviate congestion levels that impact freight mobility and capacity.

Summary of Bill: A fee is imposed on the processing of shipping containers in the ports of Washington State. The fee must be imposed at the rate of \$50 per twenty-foot equivalent unit (TEU) and is payable by the marine terminal operator processing the container. Marine terminal operators may retain 10 percent of the fee to offset costs associated with the proper reporting of the number of TEUs processed. The remainder of the fee must be remitted to the Department of Revenue (DOR).

The Freight Congestion Relief Account is created in the State Treasury. All receipts received by DOR from the imposition of TEU processing fees must be deposited in the account. The account is subject to appropriation, retains 100 percent of the interest income generated by the account, and may only be used to provide freight-related congestion relief through the improvement of freight rail infrastructure and state highways that function as freight corridors.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: There should be a user fee to fund these critical investments and the return on investment should offset the costs. The system that comprises our state's freight infrastructure needs additional investment and, if possible, should include a component that would allow funding for projects adjacent to the state system that can demonstrably show significant ways to improve, link to, or offload pressure on state freight corridors.

CON: Seventy percent of containerized freight moving through Washington's ports is discretionary. Imposition of a fee on the processing of shipping containers will therefore divert container freight movement away from the state's marine ports. Critical family wage jobs will also be lost and a negative ripple effect will be felt throughout the state economy. Such a fee would also impair state export trade and Washington is a highly trade-dependent state. There are additional concerns that the fee is instead a tax and may well be unconstitutional in that it impedes interstate commerce, import/export activity and the movement of containerized cargo as governed by federal law and international treaty.

Persons Testifying: PRO: Larry Pursley, Washington Trucking Association; Doug Levy, Cities of Everett, Kent, Federal Way, Renton and Puyallup.

CON: Mark Johnson, Washington Retail Association; Rich Berkowitz, Transportation Institute; Randy Ray, Pacific Seafood Processors; Jim Wilcox, Wilcox Farms/Washington Food Industry; Pat Jones, Washington Public Ports Association; Tim Farrell, Port of Tacoma; Terry Finn, Port of Seattle; Gordon Baxter, Masters, Mates and Pilots and Inland Boatmen's Union; Larry McKillip, United Transportation Union; Mike Elliot, Brotherhood of Locomotive Engineers; Karol Kingery, Marine Engineers Beneficial Association; Bill Stauffacher, Burlington Northern Sante Fe Railroad; Tom Parker, Union Pacific Railroad; Scott Hazelgrove, Pacific Merchant Shipping Association; Rick Wickman, Columbia River Steamship Operators.

Multiple Agency Fiscal Note Summary

Bill Number: 5207 SB	Title: Freight congestion relief
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Revenue	478,000	287,280,000	720,000	433,199,000	779,000	467,865,000
Total \$	478,000	287,280,000	720,000	433,199,000	779,000	467,865,000

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	0	0	0	0	0	0	0	0	0
Department of Revenue	3	46,600	46,600	1	13,400	13,400	1	13,400	13,400
Department of Transportation	0	0	0	0	0	0	0	0	0
Total	0.3	\$46,600	\$46,600	0.1	\$13,400	\$13,400	0.1	\$13,400	\$13,400

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Doug Jenkins, OFM	Phone: 360-902-0563	Date Published: Final 1/20/2007
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- See Office of the Administrator for the Courts judicial fiscal note
- See local government fiscal note
ENPID 14732

Individual State Agency Fiscal Note

Bill Number: 5207 SB	Title: Freight congestion relief	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: David Ward	Phone: 3607867341	Date: 01/15/2007
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 01/16/2007
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 01/16/2007
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 01/16/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SB 5207 creates the freight congestion relief account and allows the account to retain its earnings from investments.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence different earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2006 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.18% and FY 09 is 4.21%. Approximately \$41,800 in FY 08 and \$42,100 in FY 09 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SB 5207 creates the freight congestion relief account and allows the account to retain its earnings from investments.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 5207 SB	Title: Freight congestion relief	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax	139,000	339,000	478,000	720,000	779,000
NEW-State 00 - 00 -	83,150,000	203,652,000	286,802,000	432,479,000	467,086,000
Total S	83,289,000	203,991,000	287,280,000	433,199,000	467,865,000

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.5	0.1	0.3	0.1	0.1
Fund					
GF-STATE-State 001-1	39,900	6,700	46,600	13,400	13,400
Total S	39,900	6,700	46,600	13,400	13,400

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: David Ward	Phone: 3607867341	Date: 01/15/2007
Agency Preparation: Valerie Torres	Phone: 360-5706084	Date: 01/18/2007
Agency Approval: Kim Davis	Phone: 360-570-6087	Date: 01/18/2007
OEM Review: Doug Jenkins	Phone: 360-902-0563	Date: 01/18/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill imposes a \$50 fee per 20-foot equivalent unit of shipping container at marine ports. The marine terminal operator keeps 10 percent of the fees collected for costs associated with the proper collection and reporting of the containers. The rest of the money is remitted to the Department of Revenue (the Department) and deposited in a new account where the money is to be used to provide congestion relief through improvements of freight rail systems and state highways that act as freight corridors.

This bill also reenacts the laws related to the earnings of investments of surplus balances being deposited in the treasury income account and adds the new "freight congestion relief account" to the list of accounts that receive a share of the earnings from the treasury income account.

Sections 1 through 5 and 7 are new sections.

Section 1 declares the intent of the container fee.

Section 2 contains definitions.

Section 3 imposes the \$50 fee per 20-foot equivalent unit and allows the marine terminal operator to keep 10 percent. The portion kept must be reported as gross income under the service and other activities tax classification on the excise tax return. The Department must incorporate the fee into the regular audit cycles. The marine terminal operator must include the information specified on the excise tax return forms. The fee is to take effect no sooner than 75 days after the Department receives notice and is only to take effect on the first day of January, April, July, or October unless the Department waives the notice requirement.

Section 4 creates the new account in the state treasury and specifies that the money can only be spent after appropriation and may only be used to provide congestion relief through improvements of freight rail systems and state highways that function as freight corridors.

Section 5 makes it a gross misdemeanor if the marine terminal operator does not remit the fee to the Department, except for the portion that they are allowed to keep. The marine terminal operator is also personally liable if they fail to collect the fee or if they collect the fee and fail to remit it.

Section 6 reenacts the laws related to the earnings of investments of surplus balances being deposited in the treasury income account. The new "freight congestion relief account" is added to the list of accounts that receive their full share of the earnings from the treasury income account less any fees.

Section 7 makes sections 1 through 5 into a new chapter in Title 47 RCW.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS/DATA SOURCES

This bill does not specify an effective date, therefore, the effective date of the bill is assumed to be 90 days after the session ends. Adding to that the 75 days between when the Department is notified and the fee is imposed and then finding the first of January, April, July, or October after that, the fee is assumed to be imposed effective January 1, 2008.

Growth rates for 20-foot equivalent unit cargo containers (containers) were found in the Washington Port Association's marine cargo forecast for 2004. The number of containers and growth rates forecasted was compared to the container statistics found on the Port of Seattle and Port of Tacoma websites.

It is assumed that both empty and full cargo containers would be taxed and that containers would be taxed being loaded on and loaded off of vessels.

It is assumed that the 10 percent the marine terminal owners keep is subject to business and occupation tax at the services and other rate of 1.5 percent.

REVENUE ESTIMATES

It is estimated that in calendar year 2008 there will be approximately 4.2 million 20-foot equivalent unit cargo containers that would be charged the \$50 fee. This would result in approximately \$221 million in fees in calendar year 2008. The marine terminal owners would keep 10 percent of this amount, and business and occupation tax would apply to what they keep. The rest of the money would be deposited in the freight congestion relief account.

For calendar years 2008 through 2010 the growth rate of the number of processed containers would be 4.1 percent, dropping to 3.9 percent for 2011 through 2013.

The calendar year totals were then broken apart into fiscal year totals.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000): Freight Congestion Relief Account

FY 2008 -	\$ 83,150
FY 2009 -	\$ 203,652
FY 2010 -	\$ 212,002
FY 2011 -	\$ 220,447
FY 2012 -	\$ 229,076
FY 2013 -	\$ 238,010

State Government (cash basis, \$000): Business & Occupation Tax

FY 2008 -	\$ 139
FY 2009 -	\$ 339
FY 2010 -	\$ 153
FY 2011 -	\$ 367
FY 2012 -	\$ 382
FY 2013 -	\$ 419

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

To implement this legislation, the Department of Revenue will incur costs of approximately \$39,900 during Fiscal Year 2008. These are programming costs to set up, test, and verify the system to handle the collection of the fee and additional audit time spent to verify reported amounts. Time and effort would equate to 0.5 FTE.

Fiscal Year 2009 costs are approximately \$6,700. These costs are ongoing and include 0.1 FTE to handle the extra audit work required.

The Department of Revenue will incur estimated costs of \$13,400 in the 2009-2011 and the 2011-2013 Biennia. These are ongoing costs to handle the extra audit work required.

Without an appropriation to cover the expenditure impact, the Department of Revenue may not be fully able to implement the legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.5	0.1	0.3	0.1	0.1
A-	26,400	4,600	31,000	9,200	9,200
B-	6,600	1,100	7,700	2,200	2,200
E-	3,400	700	4,100	1,400	1,400
G-	300	300	600	600	600
J-	3,200		3,200		
Total S	\$39,900	\$6,700	\$46,600	3,400	\$13,400

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
IT SPEC 4	54,372	0.4		0.2		
REVENUE AUDITOR 3	45,756	0.1	0.1	0.1	0.1	0.1
Total FTE's		0.5	0.1	0.3	0.1	0.1

Part IV: Capital Budget Impact

NONE.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 5207 SB	Title: Freight congestion relief	Agency: 405-Department of Transportation
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Part I: Estimates

No Fiscal Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: David Ward	Phone: 3607867341	Date: 01/15/2007
Agency Preparation: Andrew Wood	Phone: 360-705-7938	Date: 01/17/2007
Agency Approval: Paula Hammond	Phone: 360-705-7027	Date: 01/18/2007
OFM Review: Geri Beardsley	Phone: 360-902-9822	Date: 01/19/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The legislative proposal imposes a fee on the processing of shipping containers through Washington state ports. Revenue from the fee is deposited in the Freight Rail Congestion Relief Account established by the bill. Any expenditures to provide congestion relief through improvement of freight rail systems and state highways that function as freight corridors would be authorized through an appropriation from the legislature

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules

HJR

18

ALASKA STATE LEGISLATURE

Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

Interim:
50 Front Street, Suite 203
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-8546



REPRESENTATIVE KYLE JOHANSEN
DISTRICT ONE

Chair
Transportation

Vice Chair
Fisheries

Member
Economic Development,
Trade and Tourism
State Affairs

Sponsor Statement - HJR 18

Alaska depends heavily on general aviation to move and distribute mail, supplies, goods, and people around the state. In 1999, Alaska had 10,605 registered pilots and 8,053 registered aircrafts. In many rural communities, aviation is the only means of transportation to and from larger cities for goods, supplies, and medical treatment.

Federal legislation called the "Next Generation Transportation System Financing Reform Act of 2007" (HB 1356 and SB1076) is pending before Congress. Passage of this legislation would impose a dramatic increase in jet fuel and aviation gas taxes. The proposed legislation will increase aviation gas from 19.4 cents per gallon to 70 cents per gallon and aviation fuel from 21.9 cents per gallon to 70 cents per gallon. Such a tax increase will have an immediate negative impact on the people of Alaska and their transportation needs.

HJR 18 brings the negative impact of the tax increases and other problematic parts of the bills to the attention of Alaska's Congressional delegation and other key members of Congress. It also urges them to oppose the legislation.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR18
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
Title: "Opposing the enactment of the provisions in the RDU: Legislative Council
Next Generation Transportation System Financing Reform..." Component: Council and Subcommittees
Sponsor: Representative Johansen
Requester: House Transportation Committee Component No.: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

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)

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
Division: Legislative Affairs Agency
Approved by: Pamela Varni, Executive Director
Agency: Legislative Affairs Agency

Phone: 465-6626
Date/Time: 4/5/07 4:24 PM
Date: 4/5/2007

25-LS0830C

Kane

4/10/07

**CS FOR HOUSE JOINT RESOLUTION NO. 18(TRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVE JOHANSEN

A RESOLUTION

1 **Opposing the enactment of the provisions in the Next Generation Transportation**
2 **System Financing Reform Act of 2007 that impose air traffic control user fees, increase**
3 **aviation fuel and aviation gas taxes, and reduce airport funding.**

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

5 **WHEREAS**, because of Alaska's geography and its many isolated communities
6 without road access, the state has historically relied heavily on general aviation as a major
7 component of its transportation system; and

8 **WHEREAS** the people of Alaska continue to depend on general aviation to move and
9 distribute mail, supplies, goods, and people around the state; and

10 **WHEREAS**, as of May 1999, Alaska had 10,605 registered pilots and 8,053
11 registered aircraft, approximately one pilot and one aircraft for every 61 Alaskans; and

12 **WHEREAS** it is estimated Alaska has about six times as many pilots per capita and
13 16 times as many aircraft per capita as the rest of the United States; and

14 **WHEREAS** Alaska ranks sixth in the total number of airports with 583, including
15 heliports and seaplane bases, a number that equals approximately 3.5 percent of the total

1 number of airports in the United States; and

2 **WHEREAS** Alaska is among the top states in the number of seaplane bases with 102,
3 approximately 25 percent of the United States total; and

4 **WHEREAS** Alaska has two of the world's largest seaplane bases in the world with
5 Lake Hood in Anchorage, which accommodates more than 800 takeoffs and landings on a
6 peak summer day, and Ketchikan, where approximately 16,000 takeoffs and landings by
7 seaplanes and general aviation planes occur in each month in the summer; and

8 **WHEREAS** H.R. 1356 and S. 1076, companion bills proposing the Next Generation
9 Air Transportation System Financing Reform Act of 2007, that are pending before the United
10 States Congress would increase the tax on aviation gas from 19.4 cents a gallon to 70 cents a
11 gallon and the tax on aviation fuel from 21.9 cents a gallon to 70 cents a gallon; and

12 **WHEREAS** because of Alaska's unique geography and dependence on general
13 aviation, such an increase in taxes, implementation of user fees, and reduction of airport
14 funding would be detrimental to the economy of this state and would have a particularly harsh
15 impact on many isolated rural communities;

16 **BE IT RESOLVED** that the Alaska State Legislature respectfully opposes the
17 enactment of the provisions in the Next Generation Air Transportation System Financing
18 Reform Act of 2007 that impose user fees, increase aviation fuel and aviation gas taxes, and
19 reduce airport funding.

20 **COPIES** of this resolution shall be sent to the Honorable Bart Gordon, Chair of the
21 U.S. House of Representatives Committee on Science and Technology; the Honorable Ralph
22 Hall, Ranking Member of the U.S. House of Representatives Committee on Science and
23 Technology; the Honorable Mark Udall, Chair of the Subcommittee on Science and
24 Aeronautics of the U.S. House of Representatives Committee on Science and Technology; the
25 Honorable Ken Calvert, Ranking Member of the Subcommittee on Science and Aeronautics
26 of the U.S. House of Representatives Committee on Science and Technology; the Honorable
27 James Oberstar, Chair of the U.S. House of Representatives Committee on Transportation and
28 Infrastructure; the Honorable John L. Mica, Ranking Member of the U.S. House of
29 Representatives Committee on Transportation and Infrastructure; the Honorable Jerry F.
30 Costello, Chair of the Subcommittee on Aviation of the U.S. House of Representatives
31 Committee on Transportation and Infrastructure; the Honorable Thomas E. Petri, Ranking

1 Member of the Subcommittee on Aviation of the U.S. House of Representatives Committee
2 on Transportation and Infrastructure; the Honorable Charles B. Rangel, Chair of the U.S.
3 House of Representatives Committee on Ways and Means; the Honorable Jim McCrery,
4 Ranking Member of the U.S. House of Representatives Committee on Ways and Means; the
5 Honorable Daniel Inouye, Chair of the U.S. Senate Committee on Commerce, Science, and
6 Transportation; the Honorable John D. Rockefeller, IV, Chair of the Subcommittee on
7 Aviation Operations, Safety, and Security of the U.S. Senate Committee on Commerce,
8 Science, and Transportation; the Honorable Trent Lott, Ranking Member of the
9 Subcommittee on Aviation Operations, Safety, and Security of the U.S. Senate Committee on
10 Commerce, Science, and Transportation; the Honorable John Katz, Director of State and
11 Federal Relations and Special Counsel to the Governor of Alaska; and the Honorable Ted
12 Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young,
13 U.S. Representative, members of the Alaska delegation in Congress.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR18
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
Title: "Opposing the enactment of the provisions in the RDU Legislative Council
Next Generation Transportation System Financing Reform..." Component Council and Subcommittees
Sponsor: Representative Johansen
Requester: House Transportation Committee Component No. 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------	------------

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	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

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)

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director Phone 465-6626
Division: Legislative Affairs Agency Date/Time 4/5/07 4:24 PM
Approved by: Pamela Varni, Executive Director Date 4/5/2007
Agency: Legislative Affairs Agency



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Anchorage Daily News (AK)

March 16, 2007

Section: Money

Edition: Final

Page: F1

Proposal to quadruple aircraft fuel taxes worries small-plane operators

The Associated Press

WIRE

Small-plane operators in Alaska said they are worried about a Federal Aviation Administration proposal to nearly quadruple fuel taxes for **general aviation** aircraft. The tax increase would not apply to airlines or the military, but would affect corporate jets, private charters, emergency helicopters, charter shipping and almost all service to rural communities.

Taxes on **aviation** gas and **aviation** fuel are currently 19.4 cents per gallon and 21.9 cents per gallon, respectively. Under the proposal, both would increase to 70.1 cents per gallon.

Alaska has more pilots per capita than any other state and many are worried about the increase in costs under the proposal, which is part of an overhaul to the Federal **Aviation** Administration funding structure.

"Here in Alaska, since we don't have much in the way of roads, we tend to use **aviation** as a basic form of transportation," said Tom George, Alaska representative for the Aircraft Owners and Pilots Association.

General aviation advocates said the proposed increase could raise the cost of goods and services, especially to rural areas, threaten **aviation** jobs and decrease airport revenues as small-plane pilots cut down flights.

Commercial airlines and passenger groups said the proposal would usher in a more equitable way to fund the FAA.

The FAA believes the changes are justified because **general aviation** accounts for 11 percent of the air traffic costs but contributes only 3 percent of the taxes that make up the trust fund.

Sens. Ted Stevens and Lisa Murkowski, R-Alaska, have both expressed concern about the proposal, while Rep. Don Young, R-Alaska, has held off making a statement while the proposal moves through the committee process.

Stevens, R-Alaska, is the ranking Republican on the Committee on Commerce, Science and Transportation, which will give the proposal another hearing on Thursday.

SB

49

25-LS0693VC
Luckhaupt
3/1/07

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Introduced:
Referred:

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning Senate Bill No. 49, relating to commemorative license plates**
3 **celebrating Alaska's 50th anniversary as a state.**

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

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
7 changes to the title of a bill, are suspended in consideration of Senate Bill No. 49, relating to
8 commemorative license plates celebrating Alaska's 50th anniversary as a state.

ALASKA STATE LEGISLATURE

Representative Kyle Johansen
District One



Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

Interim:
Front Street, Suite 203
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-8546

To: Mr. Gene Franks

At fax: 278-0041

From: Buddy Ruaro

Date: 3/5/07

Pages Sent: 8

Comments: Original bill and amendment
language that Rep. Johansen would
like to offer.

**Amendment
Language To Be
Offered By Rep.
Johansen**

**Adding Medal of
Honor Recipients to
List of Persons
Eligible To Receive
Special Plates**

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSSB 49(STA)

1 Page 1, lines 1 - 7

2 Delete all material.

3 Insert ""An Act relating to motor vehicle license plates; and providing for an
4 effective date.""

5

6 Page 1, line 6, following "of":

7 Insert "secs. 1 - 3 and 7 - 10"

8

9 Page 2, following line 26:

10 Insert new bill sections to read:

11 *** Sec. 4.** AS 28.10.181(l) is amended to read:

12 (l) Vehicles owned by Pearl Harbor survivors, [AND] former prisoners of war,
13 and Medal of Honor recipients. The department, upon receipt of written proof, shall
14 issue without charge special registration plates for one noncommercial motor vehicle
15 to a person who was on active military duty in Pearl Harbor on December 7, 1941,
16 [OR] who has been a prisoner of war during a declared war or other conflict, as
17 determined by the Department of Defense under federal regulations, or who is the
18 recipient of the Medal of Honor awarded by the President of the United States in
19 the name of the United States Congress. The design and color of the Pearl Harbor
20 survivor, [OR] prisoner of war, or Medal of Honor awarded by the President of the
21 United States in the name of the United States Congress recipient plates shall be
22 solely within the discretion of the commissioner.

23 *** Sec. 5.** AS 28.10.421(d)(2) is amended to read:

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- (2) special request plates for
 - (A) Alaska National Guard personnel \$30;
 - (B) veterans or retired veterans \$30;
 - (C) recipients of the Purple Heart **none** [\$30];
 - (D) owners of custom collector vehicles \$50;
 - (E) other special request plates \$30;

plus the fee required for that vehicle under (b) of this section; the fee required by this paragraph shall be collected only on the first issuance and on the replacement of special request plates;

* Sec. 6. AS 28.10.421(d)(11) is amended to read:

(11) a vehicle owned by a Pearl Harbor survivor, [OR] a former prisoner of war, or a recipient of the Medal of Honor awarded by the President of the United States in the name of the United States Congress none;"

Renumber the following bill sections accordingly.

Page 3, line 24:

Delete "sec. 7"

Insert "sec. 10"

ALASKA STATE LEGISLATURE

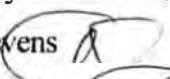



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Fax (907) 486-5264

Senator Gary Stevens
Senate Majority Leader

Memo

To: Representative Kyle Johansen, Chair, House Transportation Committee
From: Senator Gary Stevens 
Date: March 1, 2007 Stevens 
Re: SB 49 7

I respectfully request a House Transportation Committee hearing on SB 49: "An Act relating to commemorative license plates celebrating Alaska's 50th anniversary as a state; and providing for an effective date" at your earliest convenience.

Enclosed is a copy of the bill, sectional analysis, fiscal note, letter of support from the Statehood Celebration Commission and a picture of the proposed license plate. I anticipate having testimony in support of this legislation by Gail Phillips of the Alaska Statehood Celebration Commission, and Duane Bannock, Director of the Alaska Department of Motor Vehicles through the Legislative Affairs Agency teleconference line. Mr. Bannock may also have a mock-up of the plate available in the near future. Thank you for your consideration of this request. Please contact my aide Doug Letch at extension 1283 with any questions you may have.

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Senator Gary Stevens
Alaska State Legislature

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Sponsor Statement for CS for SB 49 (STA)
(Updated on February 26, 2007)

**“An Act relating to commemorative license plates celebrating
Alaska’s 50th anniversary as a state”**

In 2009, Alaska will celebrate its 50th anniversary as the 49th state of the United States of America. To mark this historic occasion, the 23rd Legislature created the Alaska Statehood Celebration Commission to organize, plan and administer all official state activities leading up to the 50th anniversary of Alaska statehood. In the spirit of celebrating our landmark anniversary, the commission recommends the state issue a commemorative license plate.

Senate Bill 49 gives the Division of Motor Vehicles statutory authority to issue a special license plate commemorating the 50th anniversary of Alaska’s statehood. The Division, in consultation with the Alaska Statehood Celebration Commission, has determined the design and color of the commemorative plate. The Division will begin to issue the commemorative license plate on January 1, 2008.

I urge your support of this important legislation.

ALASKA STATE LEGISLATURE



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Senator Gary Stevens Senate Majority Leader

Sectional Analysis for CS for SB 49 (STA)

This bill creates commemorative license plates to honor Alaska's 50th anniversary as a state. The bill is based upon the procedure used by the Legislature to create commemorative centennial gold rush license plates in 1996.

Section 1. Adds a purpose clause.

Section 2. Amends AS 28.10.161(b) to require that passenger vehicle plates issued after 8/1/2007 shall be a commemorative 50th anniversary statehood plate. This section sunsets in 2010 when sec. 3 springs into effect.

Section 3. In 2010, reverts the design of passenger vehicle license plates to the current design once the commemorative period is finished.

Sections 4 – 5. Provides directions to the Department of Administration to handle the transition

Section 6. Provides an instruction for the Revisor of Statutes.

Sections 7 – 8. Provides effective dates.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 49
 (S) Publish Date: 1/24/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title "An Act relating to commemorative license plates celebrating Alaska's 50th anniversary..." RDU Division of Motor Vehicles
 Component Motor Vehicles
 Sponsor Sen. Gary Stevens
 Requester (S) State Affairs Component No. 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation will change the design of the 'standard issue' Alaska license plate. There is no additional cost associated with this bill, as license plates are an annual budget item.

This new design, '50th Anniversary' will be available through 12/31/2009, when the law reverts back to the traditional 'Last Frontier' plate

Prepared by: Duane Bannock Phone 269 5008
 Division Motor Vehicles Date/Time 1/22/07 8:00 AM
 Approved by: Annette Kreitzer, Commissioner Date 1/22/2007
 Agency Department of Administration

ALASKA STATE LEGISLATURE



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Fax (907) 486-5264

Senator Gary Stevens Senate Majority Leader

Sectional Analysis for CS for SB 49 (STA)

This bill creates commemorative license plates to honor Alaska's 50th anniversary as a state. The bill is based upon the procedure used by the Legislature to create commemorative centennial gold rush license plates in 1996.

Section 1. Adds a purpose clause.

Section 2. Amends AS 28.10.161(b) to require that passenger vehicle plates issued after 8/1/2007 shall be a commemorative 50th anniversary statehood plate. This section sunsets in 2010 when sec. 3 springs into effect.

Section 3. In 2010, reverts the design of passenger vehicle license plates to the current design once the commemorative period is finished.

Sections 4 – 5. Provides directions to the Department of Administration to handle the transition

Section 6. Provides an instruction for the Revisor of Statutes.

Sections 7 – 8. Provides effective dates.



January 22, 2007

Frank H. Muckowski, Governor
William Noll, Commissioner

**ALASKA STATEHOOD CELEBRATION
COMMISSION MEMBERS**

Gail Phillips
Commission Chair
gphil@alaska.net
Southcentral

Christopher S. Conner
Vice-Chair
connerc@alaska.net
Southcentral

Representative Mark Norman
representative_mark_norman@legis.state.ak.us
Southcentral

Representative David Guttenberg
representative_david_guttenberg@legis.state.ak.us
Interior

Senator Donald C. Olson
senator_donald_olson@legis.state.ak.us
Baru

Leo Rasmussen
leor@moa.alaska.com
Baru

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Southwest

Kate Teiser
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Southeast

Patti Swenson
Coordinator
Dept. of Commerce, Community,
and Economic Development
550 W 7th Avenue, Suite 1770
Anchorage, AK 99501
Phone: 907-269-8108
Fax: 907-269-8105
patti_swenson@commerce.state.ak.us

TO WHOM IT MAY CONCERN:

**Testimony in support of SB 49 – Commemorative License
Plates Celebrating Alaska's 50th Anniversary as a State**

The Alaska Statehood Celebration Commission has been working with the Department of Motor Vehicles for the past year to design an appropriate commemorative license plate for our 50th anniversary celebration.

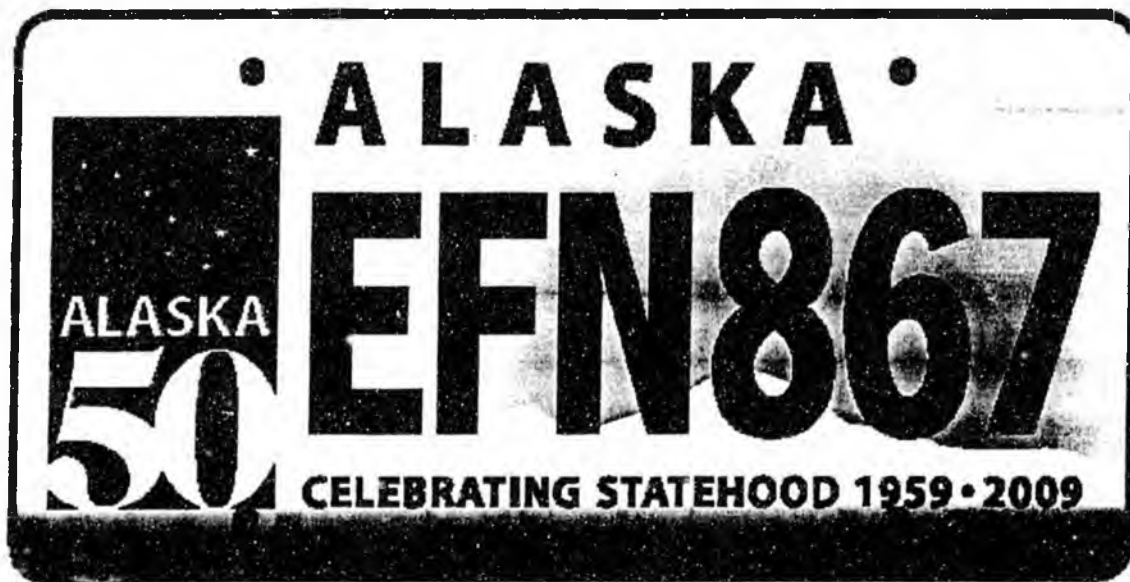
It is the intent of the Commission that these commemorative plates will be the primary license plate issued by the Department throughout the period of time set aside for the celebration which will begin in January 2008 and culminate mid-year in 2009.

The celebration plates will clearly reflect Alaska's 50 years of statehood in addition to acknowledging Alaska's place in the Union of States.

Your affirmative action in approving this legislation will be greatly appreciated. It is quite appropriate that the bill number of this piece of legislation is "49" in honor of our statehood. If you have further questions or need more information, please feel free to contact me.

**Gail Phillips
Chairman
The Alaska Statehood Celebration Commission**





ALASKA

ALASKA

50

E FN 867

CELEBRATING STATEHOOD 1959 • 2009

Office of Veterans Affairs

Helpful Phone Numbers

- ALASKA HOUSING FINANCE (Vet Home Loans) 330-8442
- VA CLINIC 257-4700
- VA EMERGENCY MEDICAL HELP LINE 257-4759
- LOAN GUARANTEES 257-4736
- OFFICE OF VETERANS AFFAIRS 428-6016
- VETERANS OF FOREIGN WARS 276-8213
- AMERICAN LEGION 276-8211 - *Gene Frawks*
- DISABLED AMERICAN VETERANS 276-2842
- DISABLED AMERICAN VETS CRISIS CENTER 276-2844
- ANCHORAGE VET CENTER 563-6966
- FAIRBANKS VET CENTER 456-4238
- WASILLA VET CENTER 376-4318
- KENAI VET CENTER 283-5275
- VET EMPLOYMENT & TRAINING 465-2723
- HOMELESS VETS 273-4077

(278-004)(Fax)
~~278-004~~
 -8598

*Post 3
 Drive Dix*

DMVA Office of Veterans Affairs
 P.O. Box 5800, Camp Denali
 Fort Richardson, AK 99505-5800
 Phone: (907)428-6016 Fax: (907)428-6019


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CONFIDENTIAL

MEMO

Dated: March 4, 2007

To: Tamara Cook
Director, Legislative Legal and Research Services

From: Representative Kyle Johansen 

Re: Preparing a CS for SB 49

Dear Tam:

Enclosed is amendment language that I would like rolled into a committee substitute for SB 49. Thank you.



Mar. 04, 2007

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Eastern Standard Time

A Brief History — The Medal of Honor*

The first formal system for rewarding acts of individual gallantry by the nation's fighting men was established by General George Washington on August 7, 1782. Designed to recognize "any singularly meritorious action," the award consisted of a purple cloth heart. Records show that only three persons received the ward: Sergeant Elijah Churchill, Sergeant William Brown, and Sergeant Daniel Bissel Jr.

The Badge of Military Merit, as it was called, fell into oblivion until 1932, when General Douglas MacArthur, then Army Chief of Staff, pressed for its revival. Officially reinstated on February 22, 1932, the now familiar Purple Heart was at first an Army award, given to those who had been wounded in World War I or who possessed a Meritorious Service Citation Certificate. In 1943, the order was amended to include personnel of the Navy, Marine Corps, and Coast Guard. Coverage was eventually extended to include all services and "any civilian national" wounded while serving with the Armed Forces.

Although the Badge of Military Merit fell into disuse after the Revolutionary War, the idea of a decoration for individual gallantry remained through the early 1800s. In 1847, after the outbreak of the Mexican-American War, a "certificate of merit" was established for any soldier who distinguished himself in action. No medal went with the honor. After the Mexican-American War, the award was discontinued, which meant there was no military award with which to recognize the nation's fighting men.

Early in the Civil War, a medal for individual valor was proposed to General-in-Chief of the Army Winfield Scott. But Scott felt medals smacked of European affectation and killed the idea.

The medal found support in the Navy, however, where it was felt recognition of courage in strife was needed. Public Resolution 82, containing a provision for a Navy medal of valor, was signed into law by President Abraham Lincoln on December 21, 1861. The medal was "to be bestowed upon such petty officers, seamen, landsmen, and Marines as shall most distinguish themselves by their gallantry and other seamanlike qualities during the present war."

Shortly after this, a resolution similar in wording was introduced on behalf of the Army. Signed into law July 12, 1862, the measure provided for awarding a medal of honor "to such noncommissioned officers and privates as shall most distinguish themselves by their gallantry in action, and other soldierlike qualities, during the present insurrection."

Although it was created for the Civil War, Congress made the Medal of Honor a permanent decoration in 1863.

Almost 3,400 men and one woman have received the award for heroic actions in the nation's battles since that time.

* Quoted from "Armed Forces Decorations and Awards," a publication of the American Forces Information Service. Copies of the pamphlet are available upon request (in print format only), via the "DefenseLINK Comment/Question Form" in the "Questions" section.

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Authorized by Special Acts of Congress



*MITCHELL, WILLIAM

AN ACT Authorizing the President of the United States to award posthumously in the name of Congress a Medal of Honor to William Mitchell.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is requested to cause a gold medal to be struck, with suitable emblem, devices and inscriptions, to be presented to the late William Mitchell, formerly a Colonel, United States Army, in recognition of his outstanding pioneer service and foresight in the field of American military aviation.

SEC. 2. When the medal provided for in section 1 of this Act shall have been struck, the President shall transmit the same to William Mitchell, Junior, son of the said William Mitchell, to be presented to him in the name of the people of the United States.

SEC. 3. A sufficient sum of money to carry this Act into effect is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated.

Approved August 8, 1946. Private Law 884.

MEDALS OF HONOR AWARDED TO UNKNOWNNS

BELGIUM

* * * By virtue of the authority vested by law in the President of the United States, the Congressional Medal of Honor, emblem of the highest military ideals and virtues, is bestowed in the name of the Congress of the United States upon the unknown, unidentified Belgian soldier in a desire to add all that is possible to the imperishable glory won by the soldiers of Belgium who fought as comrades of the American soldiers during the World War, and to commemorate with them the deeds of the nations associated with the United States of America, by paying this tribute to their unknown dead (A.G. 220.523) (War Department General Orders, No. 52, 1 Dec. 1922, Sec. 1).

GREAT BRITAIN AND FRANCE

* * * By virtue of an act of Congress approved 4 March 1921, the Medal of Honor, emblem of highest ideals and virtues, is bestowed in the name of the Congress of the United States upon the unknown, unidentified British soldier and French soldier buried, respectively, in Westminster Abbey and Arc de Triomphe.

Whereas: Great Britain and France, two of the Allies of the United States in the World War, have lately done honor to the unknown dead of their armies by placing with fitting ceremony the body of an unknown, unidentified soldier, respectively, in Westminster Abbey and in the Arc de Triomphe; and

Whereas: animated by the same spirit of comradeship in which we of the American forces fought alongside the Allies, we desire to add whatever we can to the imperishable glory won by the deeds of our Allies and commemorated in part by this tribute to their unknown

dead: Now, therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States of America be, and he hereby is, authorized to bestow with appropriate ceremonies, military and civil, the Congressional Medal of Honor upon the unknown, unidentified British soldier buried in Westminster Abbey, London, England, and upon the unknown, unidentified French soldier buried in the Arc de Triomphe, Paris, France (A.G. 220.523) (War Department General Orders, No. 52, 1 Dec. 1922, Sec. II).

* * * By virtue of a joint resolution of Congress, approved 12 October 1921, the Medal of Honor, emblem of highest ideals and virtues, is bestowed in the name of the Congress of the United States upon the unknown, unidentified Italian soldier to be buried in the National Monument to Victor Emanuel II, in Rome.

Whereas the Congress has authorized the bestowal of the Congressional Medal of Honor upon unknown, unidentified British and French soldiers buried in Westminster Abbey, London, England, and the Arc de Triomphe, Paris, France, respectively, who fought beside our soldiers in the recent war, and

Whereas, animated by the same spirit of friendship toward the soldiers of Italy who also fought as comrades of the American soldiers during the World War, we desire to add whatever we can to the imperishable glory won by their deeds and to participate in paying tribute to their unknown dead: Now, therefore, be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and he is hereby, authorized to bestow, with appropriate ceremonies, military and civil, the Congressional Medal of Honor upon the unknown, unidentified Italian soldier to be buried in the National Monument to Victor Emanuel II, in Rome, Italy (A.G. 220.523) (War Department General Orders, No. 52, 1 Dec. 1922, Sec. II)

RUMANIA

* * * By virtue of the authority vested by law in the President of the United States, the Congressional Medal of Honor, emblem of the highest military ideals and virtues, is bestowed in the name of the Congress of the United States upon the unknown, unidentified Rumanian soldier in a desire to add all that is possible to the imperishable glory won by the soldiers of Rumania who fought as comrades of the American soldiers during the World War, and to commemorate with them the deeds of the nations associated with the United States of America, by paying this tribute to their unknown dead (A.G. 220.52, 17 May 1923) (War Department General Orders, No. 22, 6 June 1923).

UNITED STATES

* * * By virtue of an act of Congress approved 24 August 1921, the Medal of Honor, emblem of highest ideals and virtues is bestowed in the name of the Congress of the United States upon the unknown American, typifying the gallantry and intrepidity, at the risk of life above and beyond the call of duty, of our beloved heroes who made the supreme sacrifice in the World War. They died in order that others might live (293.8, A.G.O.) (War Department General Orders, No. 59, 13 Dec. 1921, sec. I).

AN ACT To authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and directed to award, in the name of Congress, a Medal of Honor to the unknown American who lost his life while

...serving overseas in the armed forces of the United States during the Second World War, and who will lie buried in the Memorial Amphitheater of the National Cemetery at Arlington, Virginia, as authorized by the Act of June 24, 1946, Public Law 429, Seventy-ninth Congress.

Approved March 9, 1948. Public Law 438, 80th Congress.

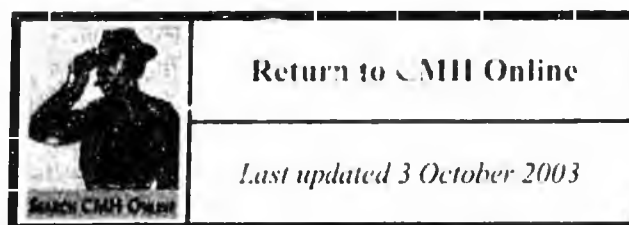
AN ACT To authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the Armed Forces of the United States during the Korean conflict.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and directed to award, in the name of the Congress, a Medal of Honor to the unknown American who lost his life while serving overseas in the Armed Forces of the United States during the Korean conflict, and who will lie buried in the Memorial Amphitheater of the National Cemetery at Arlington, Virginia, as authorized by the Act of August 3, 1956, Public Law 975, Eighty-fourth Congress.

Approved August 31, 1957. Public Law 85_251.

AN ACT To authorize the President to award the Medal of Honor to the unknown American who lost his life while serving in the Armed Forces of the United States in Southeast Asia during the Vietnam era and who has been selected to be buried in the Memorial Amphitheater at Arlington National Cemetery.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and directed to award, in the name of the Congress, a Medal of Honor to the unknown American who lost his life while serving in Southeast Asia during the Vietnam era as a member of the Armed Forces of the United States and who has been selected to lie buried in the Memorial Amphitheater of the National Cemetery at Arlington, Virginia, as authorized by the National Cemeteries Act of 1973.



25-LS0388VE
Luckhaupt
3/5/07

HOUSE CS FOR CS FOR SENATE BILL NO. 49()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR STEVENS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to motor vehicle license plates; and providing for an effective date."

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

3 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
4 to read:

5 PURPOSE. It is the purpose of secs. 1 - 3 and 7 - 10 of this Act to establish
6 commemorative license plates celebrating the 50th anniversary of Alaska's admission to the
7 United States.

8 * **Sec. 2.** AS 28.10.161(b) is amended to read:

9 (b) Every passenger vehicle registration plate issued by the department after
10 January 1, 2008, except as specifically provided in AS 28.10.181, shall have
11 displayed upon it

12 (1) a design and color commemorating the 50th anniversary of
13 Alaska's statehood and admittance into the United States; in determining the
14 design and color of the registration plate, the commissioner shall consult with the
15 Alaska Statehood Celebration Commission [THE ALASKA FLAG;

1 (2) THE TRADITIONAL COLORS OF YELLOW-GOLD AND
2 BLUE;

3 (3) THE SLOGAN "THE LAST FRONTIER";

4 (2) [(4)] the registration number assigned to the vehicle for which it is
5 issued;

6 (3) [(5)] the name of this state, which may be abbreviated; and

7 (4) [(6)] the registration year number or expiration date for which time
8 it is validated; the registration year number or expiration date may be part of the
9 license plate or contained on a suitable sticker or tab device issued by the department;
10 however, only one sticker or tab device may be issued for each pair of plates, and the
11 sticker or tab device must be affixed to the rear plate.

12 * Sec. 3. AS 28.10.161(b) is repealed and reenacted to read:

13 (b) Every passenger vehicle registration plate, except as specifically provided
14 in AS 28.10.181, shall have displayed upon it

15 (1) the Alaska flag;

16 (2) the traditional colors of yellow-gold and blue;

17 (3) the slogan "The Last Frontier";

18 (4) the registration number assigned to the vehicle for which it is
19 issued;

20 (5) the name of this state, which may be abbreviated; and

21 (6) the registration year number or expiration date for which time it is
22 validated; the registration year number or expiration date may be part of the license
23 plate or contained on a suitable sticker or tab device issued by the department;
24 however, only one sticker or tab device may be issued for each pair of plates, and the
25 sticker or tab device must be affixed to the rear plate.

26 * Sec. 4. AS 28.10.181(l) is amended to read:

27 (l) Vehicles owned by Pearl Harbor survivors, [AND] former prisoners of war,
28 and Medal of Honor recipients. The department, upon receipt of written proof, shall
29 issue without charge special registration plates for one noncommercial motor vehicle
30 to a person who was on active military duty in Pearl Harbor on December 7, 1941,
31 [OR] who has been a prisoner of war during a declared war or other conflict, as

1 determined by the Department of Defense under federal regulations, or who is the
 2 recipient of the Medal of Honor awarded by the President of the United States in
 3 the name of the United States Congress. The design and color of the Pearl Harbor
 4 survivor, [OR] prisoner of war, or Medal of Honor awarded by the President of the
 5 United States in the name of the United States Congress recipient plates shall be
 6 solely within the discretion of the commissioner.

7 * Sec. 5. AS 28.10.421(d)(2) is amended to read:

8 (2) special request plates for

- 9 (A) Alaska National Guard personnel \$30;
- 10 (B) veterans or retired veterans \$30;
- 11 (C) recipients of the Purple Heart none [\$30];
- 12 (D) owners of custom collector vehicles \$50;
- 13 (E) other special request plates \$30;

14 plus the fee required for that vehicle under (b) of this section; the fee required
 15 by this paragraph shall be collected only on the first issuance and on the
 16 replacement of special request plates;

17 * Sec. 6. AS 28.10.421(d)(11) is amended to read:

18 (11) a vehicle owned by a Pearl Harbor survivor, [OR] a former
 19 prisoner of war, or a recipient of the Medal of Honor awarded by the President of
 20 the United States in the name of the United States Congress none;

21 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
 22 read:

23 TRANSITION. Notwithstanding AS 28.10.161(b), as amended by sec. 2 of this Act,
 24 the Department of Administration may continue to issue passenger vehicle registration plates
 25 as provided under AS 28.10.161(b) as it read immediately before the effective date of sec. 2
 26 of this Act until the new registration plate required under AS 28.10.161(b), as amended by
 27 sec. 2 of this Act, is available and until the Department of Administration issues the remaining
 28 supply of passenger registration plates displaying the design and color required under
 29 AS 28.10.161(b) as it read immediately before the effective date of sec. 2 of this Act.

30 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
 31 read:

1 TRANSITION. Notwithstanding AS 28.10.161(b), as amended by sec. 3 of this Act,
2 the Department of Administration may continue to issue passenger vehicle registration plates
3 as provided under AS 28.10.161(b) as it read immediately before the effective date of sec. 3
4 of this Act until the new registration plate required under AS 28.10.161(b), as amended by
5 sec. 3 of this Act, is available and until the Department of Administration issues the remaining
6 supply of passenger registration plates displaying the design and color required under
7 AS 28.10.161(b) as it read immediately before the effective date of sec. 3 of this Act.

8 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 INSTRUCTION TO REVISOR OF STATUTES AND INTENT OF THE
11 LEGISLATURE. It is the intent of the legislature that by repealing and reenacting
12 AS 28.10.161(b) in sec. 3 of this Act, the legislature does not intend to repeal intervening
13 amendments to that section unless those amendments relate to the commemorative statehood
14 anniversary license plate being repealed in that section. The revisor of statutes is instructed to
15 give effect to intervening amendments unless those amendments relate to the commemorative
16 statehood anniversary license plate.

17 * **Sec. 10.** Section 3 of this Act takes effect January 1, 2010.

18 * **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect immediately under
19 AS 01.10.070(c).

ALASKA STATE LEGISLATURE



SENATOR GARY STEVENS
Senate Majority Leader

SPONSOR STATEMENT

Senate Bill 49

(updated January 24, 2007)

“An Act relating to commemorative license plates celebrating Alaska’s 50th anniversary as a state; and providing for an effective date.”

In 2009, Alaska will celebrate its 50th anniversary as the 49th state of the United States of America. To mark this historic occasion, the 23rd Legislature created the Alaska Statehood Celebration Commission to organize, plan and administer all official state activities leading up to the 50th anniversary of Alaska statehood. In the spirit of celebrating our landmark anniversary, the commission recommends the state issue a commemorative license plate.

Senate Bill 49 gives the Division of Motor Vehicles statutory authority to issue a special license plate commemorating the 50th anniversary of Alaska’s statehood. The Division, in consultation with the Alaska Statehood Celebration Commission, will determine the design and color of the commemorative plate. The Division will begin to issue the commemorative license plate on January 1, 2008.

I urge your support of this important legislation.

25-LS0721\A
Luckhaupt
3/5/07

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE JOHANSEN

Introduced:
Referred:

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning Senate Bill No. 49, relating to commemorative license plates**
3 **celebrating Alaska's 50th anniversary as a state.**

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

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
7 changes to the title of a bill, are suspended in consideration of Senate Bill No. 49, relating to
8 commemorative license plates celebrating Alaska's 50th anniversary as a state.

March 15, 2007

CHAIRMAN'S REMARKS

- We have one bill before the committee today. It is SB 49. There is a CS.
- The sponsor of SB 49 is Senator Gary Stevens. If the Senator is not present, my understanding is Mr. Letch will introduce the bill to the committee.
- After that, the committee aide will explain the changes made by the CS.

[COMMITTEE AIDE TESTIFIES]

- Mr. Letch, I know my office had advised you of the changes incorporated in the CS, do you have any objection to the CS?
- With that, I would entertain a motion to move the CS from committee, with attached fiscal notes, and any forthcoming notes from DMV.
- Since the CS also changes the title, and the bill originated in the Senate, we need to move a title change resolution as well.

-
- Mr. Chairman, for the record, my name Randy Ruaro, aide for the House Transportation committee and staff to Rep. Johansen.
 - Mr. Chairman, if I could walk the committee through the CS.
 - The first change is to the title. The title is broadened to accommodate the additional subject matter incorporated into the bill. There is a title change resolution accompanying the bill that should be referenced in a motion to move the bill from committee.
 - The second change is to section 1. The purpose of the bill is broadened to accommodate the additional subject matter incorporated into the bill.

Section 4

- The third change is to add a new section 4. Section 4 of the CS adds vehicles owned by Alaskans who have won a Medal of Honor citation

to the list of vehicles that are entitled to registration status with the DMV as a unique or special vehicle under AS 28.10.181(l).

- Sub section (a) of AS 28.10.181 says that persons owning a unique or special vehicle are entitled to receive registration, i.e., license plates “as provided in this section”, i.e., AS 28.10.181.
- This change means Alaskan Pearl Harbor survivors, former POW’s, and Medal of Honor recipients could receive special license plates for their personal vehicle “without charge” by DMV.
- The design of the plate would be at the discretion of the commissioner of DMV.

Section 5

- The fourth change is to add a new section 5. The new section 5 amends AS 28.10.421(d)(2) to delete the present \$30 vehicle registration fee that DMV currently charges recipients of the purple heart for vehicle registration fees.

Section 6

- Adds recipients of the Medal of Honor to the list of Pearl Harbor survivors and former prisoners of war as persons who do not have to pay anything to have their vehicles registered.

Randall Ruaro

From: Duane Bannock [duane_bannock@admin.state.ak.us]
Sent: Thursday, March 15, 2007 9:52 AM
To: Randall Ruaro
Cc: Christopher Clark
Subject: Re: Fiscal note for House CS for CS for SB 49
Attachments: SB092-DOA-DMV-3-9-07.xls

Here's what I sent to DoA for their approval, no increased cost, just a reflection of the (potential) decrease in revenue as a result of the Purple Heart and CMOH plates.

I'm off to another building, if you need me this am call my cell 398 2316,

Thanks

dab

Randall Ruaro wrote:

Chris, just a heads up:

If DMV submits a note for \$1,800, there is a good chance the committee will write its own note and zero it out. may be a better approach for a zero note from DMV with a note in the analysis section of the anticipated costs, but that the Department of Administration will find a way to cover the costs using existing resources.

Just a thought my friend.

Randy

From: Christopher Clark [mailto:Christopher_Clark@gov.state.ak.us]
Sent: Wednesday, March 14, 2007 9:51 PM
To: 'Duane Bannock'; Randall Ruaro
Cc: 'Frank T Bailey'
Subject: RE: Fiscal note for House CS for CS for SB 49

Do the fiscal note.

From: Duane Bannock [mailto:duane_bannock@admin.state.ak.us]
Sent: Wednesday, March 14, 2007 6:36 PM
To: Randall Ruaro
Cc: Christopher Clark; Frank T Bailey
Subject: Re: Fiscal note for House CS for CS for SB 49

Hello,

I've reviewed the CS making changes to the cost of the Purple Heart Plate (was \$30 - now zero) and adding CMOH plates (not very many).

The FN would reflect a estimated decrease in revenue of \$1.5 for the new 'no-cost' PH plate (potentially 50/yr x \$30.00; there are only 500 now in use statewide) and \$0.3 for the set-up of a new CMOH plate.

I'm kinda' embarrassed to submit a \$1.8 FN on such a good bill.

Thoughts?

Duane
269 5008

Randall Ruaro wrote:

Duane:

Sorry to bother you, but could you prepare a zero note for the House CS for CS for SB 49 for this Thursdays meeting of House Transportation at 1:30 p.m. To my knowledge there are only 3 medal of honor winners in the whole state.

Randy

SB

78

Alaska State Legislature



Senator Hollis French

SB 78 - Motor Vehicle Window Tinting

Sponsor Statement

Illegally tinted windows cause a number of safety concerns in Alaska's local communities. The dark tints create a danger for peace officers who approach vehicles, as they can completely block any view of the driver and passengers. In addition, these tints deny pedestrians, bikers and motorcyclists the opportunity to confirm they have been seen by a driver when meeting in an intersection or sharing a roadway.

Currently it is illegal for a vehicle to be on Alaska's roadways if the window tinting allows less than seventy percent of the light to transmit through the glass. However, it is not illegal for higher levels of tinting to be installed by auto detailing shops and similar businesses.

SB 78 would close this loophole by making it a violation to install illegal window tinting. The bill would also help enforcement efforts by allowing police to "go to the source" by writing violations for installers.

Please join me in supporting this legislation.



FAIRBANKS POLICE DEPARTMENT

911 Cushman Street
Fairbanks, AK 99701-4616
Phone: (907) 450-6500
Fax: (907) 452-1588
Email: fpd@ci.fairbanks.ak.us



March 27, 2007

RE: SB 78

To Whom It May Concern:

I am writing to voice my support for Senate Bill 78, which would make it a violation to install illegal window-tinting. For some time now, the State of Alaska has required that front passenger windows on a vehicle allow 70% transmittal of light, with rear windows having a limit of 40% transmittance. These regulations were supported by our State's Department of Public Safety for a variety of safety reasons, to include:

- The necessity for drivers to see outside of their vehicle clearly
- The necessity for pedestrians and other drivers to make eye-contact with a vehicle's operator when preparing to cross a street, enter traffic, etc.
- The legitimate safety need for police officers and other first-responders to be able to see into a vehicle upon their approach.

In spite of these common-sense regulations, it appears that numerous businesses have engaged in the practice of installing window-tinting which exceeds these standards. It has further come to my attention that many of these businesses have voiced opposition to SB 78, citing that it would hurt their respective business operations.

While I understand these business-owner's concerns, I would respectfully suggest that their efforts are somewhat misplaced. If these businesses feel that current window-tint requirements are unduly restrictive, they should be working to change the underlying administrative regulation (13AAC 04.223). Regardless of whether or not a business owner personally agrees with current tint-requirements, *they all know what the current law is*. For them to consciously disregard that law and install a window-tint which they know to be illegal (and passing on the subsequent cost, for both the violation and tint-removal, to their often ignorant and unsuspecting customers) is wrong, and should not be allowed to continue.

Sincerely,

A handwritten signature in black ink that reads "Daniel P. Hoffman".

Daniel P. Hoffman, Chief
Fairbanks Police Department

OPINION

Anchorage Daily News (AK) - April 6, 2007

Author: Staff

Too dark

Why is it legal to sell this product?

In Alaska, it is illegal to drive a car with tinted front **windows** that screen out more than 30 percent of the light. Back **windows** can screen out no more than 60 percent of the light.

However, it is not illegal for an Alaska business to install **window tinting** that violates the law.

This makes no sense. It's like saying, "It's illegal to smoke marijuana, but if you want to sell it to somebody -- sure, go ahead. You're not breaking the law. Your customers are."

There are good reasons for limiting how dark a vehicle's front **windows** can be. At about sunrise and sunset, dark **tinting** makes it harder for drivers to see potential hazards. In many situations, safety requires pedestrians, bicyclists and other motorists to make eye contact with another driver.

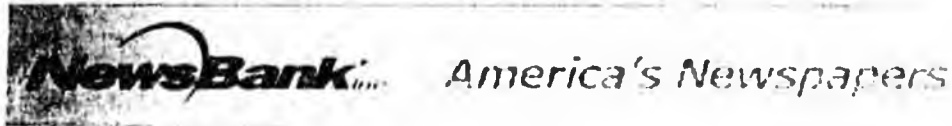
Heavily tinted **windows** are also a threat to police officers when they need to stop a vehicle. Officers can't see whether the motorist is going to be cooperative or draw a weapon.

Anchorage Sen. Hollis French wants to close the loophole that allows **window - tinting** businesses to profit from selling an illegal product. His measure, Senate Bill 78, would stop the problem at the source, instead of requiring police to chase down customers who might not know they had spent their hard-earned money to break the law.

Sen. French's original proposal made it a misdemeanor to sell illegally tinted **window** installations. That was probably too harsh, and it would have been too cumbersome to enforce. The latest version of his bill fixes that flaw by letting police issue a ticket to the business doing the installing.

After police write a few tickets, businesses should get the message: There's no profit in selling a product that violates the law.

BOTTOM LINE: Tinted car **windows** are illegal and businesses shouldn't profit from installing them.



Paper: Charlotte Observer, The (NC)
Title: TEEN CHARGED IN DEATH OF PEDESTRIAN -
DRIVER'S VISION PARTLY BLOCKED BY TINTING ON WINDOWS, POLICE SAY
Date: September 20, 2006

A Mooresville teenager who struck and killed a pedestrian earlier this month was charged Tuesday with misdemeanor death by vehicle, said Mooresville Police Chief John Crone.

Lake Norman High School student Kristina Lawson, 17, has told police she didn't see Janet Bush, 56, walking in the Morrison Plantation subdivision before she struck her.

Crone said Lawson's vision was obstructed because of tinting on her front and side car windows. Lawson had been previously cited for her window tinting and had it removed before the car was inspected in June, Crone said.

Some time after the inspection and before the Sept. 5 wreck, she put the tinting back on, Crone said.

The tinting and Lawson's failure to yield to the pedestrian's right-of-way in a crosswalk contributed to Bush's death, Crone said.

The impact of the crash hurled Bush 110 feet down Morrison Plantation Parkway.

If convicted, Lawson could face up to one year in prison, Crone said.

Lawson faces an unrelated charge of underage alcohol possession in Mecklenburg County, records show. A previous charge of reckless driving to endanger had been dismissed in Iredell County.

Morrison Plantation residents have been pushing for a traffic signal at the intersection where Bush died. It links the residential and retail sides of the development, which includes about 500 homes, Lowe's YMCA, a Harris Teeter and other businesses.

But town officials and the developers of Morrison Plantation have disagreed about who's responsible for improvements at the intersection. The parkway is a private road that belongs to the developers, but motorists use it as a cut-through between Brawley School Road and N.C. 150.

A memorial service for Bush is planned for Friday at St. Therese Catholic Church, 277 Brawley School Road.

Caption:

PHOTO: 1

Caption:

Bush

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Author KATHRYN THIER, KTHIER@CHARLOTTEOBSERVER.COM, WCNC NEWS REPORTER ALEX REED CONTRIBUTED

Section METRO

Page 2B

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America's Newspapers

Paper: San Antonio Express-News

Title: SHOOT.SIDE Premonition prompted patrolman to go home, get bulletproof vest

Date: May 19, 1992

San Antonio Patrolman **Gilbert Tovar** routinely wears his bulletproof vest only on high-crime weekend nights, but an eerie sense of foreboding prompted him to don the protective shield early Monday

He called it a life-saving premonition.

Three hours into his overnight shift, **Tovar** stopped a motorist who fired a bullet through the tinted driver's window and into **Tovar's** chest.

The slug dented **Tovar's** metal nameplate before its deadly path was deflected by the officer's vest.

"I might not be alive right now if I hadn't worn my vest," the 29-year-old officer said Monday afternoon from his home, where he was recovering from the shooting.

Other than feeling "kind of sore" from the impact of the .38-caliber bullet slamming into his body at close-range and nursing superficial neck wounds caused by glass shards and bullet fragments, **Tovar** was in good health and in good spirits

"I thank the Lord I'm still alive," said the **San Antonio** native, whose two-year police career is the realization of a dream that began his freshman year in high school.

With his parents at his side, **Tovar** spent Monday "just trying to rest up," adding that he planned to take his first shooting "as a learning experience."

One thing he has learned, he said, is that every night is a potentially dangerous night for a police officer.

"I only wore my vest on Friday and Saturdays. That was wrong," **Tovar** said. "It could happen anytime. Last night proved that's right."

The officer can't explain his death-defying forewarning.

"Last night, something didn't feel right," he said. "I just didn't feel right about the night."

So two hours after he began patrolling downtown streets, **Tovar** returned home to get his vest.

"It just so happens it saved my life," he said.

Authorities said **Tovar** pulled over a car that was driving erratically about 2 a.m. on the West Side. **Tovar**, unaware the motorist was a suspect in the slaying of a **San Antonio** College professor, walked up to the car and was shot.

"He caught me totally off guard," **Tovar** said. "He shot right through the window. He didn't roll the window down."

As the car sped away, the injured officer fired at it and then radioed for help. Police said the motorist, whom they arrested after a brief pursuit, suffered a minor graze wound in the thigh from the round fired by **Tovar**.

"I thank God that nothing happened to my son, and I'm grateful to God that that young man is OK, too," said **Tovar's** mother, Olga **Tovar**.

Mrs. **Tovar** said her son called from the ambulance to say he was injured, but all right.

"He told me not to be scared," she said.

Despite his close call, **Tovar** who became a police officer for the "challenge" and opportunity to help people will continue to proudly wear the blue uniform.

He added: "I'm going to wear my vest every night from now on, too."

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DAVE

Dear Representative Kyle Johansen,

I am the owner of Shades of Competition Acc. Inc. For the past 22 years I have enjoyed earning my living as an automotive wire technician and window tint installer. My shop displays the current law relating to window tinting (13 AAC 04.223) at the cashier's counter and our customers are required to verify in writing that they must comply with the law in this regard. As someone who takes pride in his livelihood, I am writing you about my concerns regarding Senate bill 78. I believe if you carefully consider this bill you will find that it is unfair in that it threatens the honest employment of me and my co-workers and that it would actually decrease, not increase, safety.

Senate bill 78 was introduced by Senator Hollis French to increase safety and to shift the burden of law enforcement or window tinting facilities. Senator French apparently thinks that by threatening to penalize respectable business establishments such as my own, safety will somehow be increased and relevant laws may somehow be easier to enforce.

While this bill may appear sensible at first blush, I implore you to take the time to more carefully understand the existing current law and the changes that would actually result if Senate bill 78 were enacted. In his sponsor statement, Senator French advises that "Currently it is illegal for a vehicle to be on Alaska's roadways if the window tinting allows less than thirty percent of the light to transmit through the glass." This statement is correct, and will continue to reflect the state of the law after passage of SB 78. However, please do not be misled into thinking that SB78 has any effect on how dark an Alaska car's windows may be. Senate bill 78 does not change the existing glass tint standard, nor does it need to: Alaska has one of the most restrictive state laws regulating vehicular window tinting in North America.

The more light transmitted through glass, the less dark the glass' tint. Title 13, chapter 4, section 223 of the Alaska Administrative Code makes it illegal for most vehicles to be on Alaska's roadways if the window tinting allows less than 70% of the light to transmit through the glass of the driver and front passenger side windows. Current law also makes it illegal for most vehicles to be on Alaska's roadways with less than 40% of the light transmitting through vehicle rear door windows, quarter glasses, and back glasses. (It might interest you to know that the majority of requests that I receive for window tinting in violation of these standards comes from Alaska law enforcement agencies seeking to modify their official vehicles.)

Alaska laws have long reflected our value system by holding people accountable for their own actions. Senate bill 78 turns that tradition on its head by singling out a specific group of honest merchants and holding them accountable for the misconduct of their customers. In doing this, SB 78 is surely going to fail to achieve its stated purpose of increasing safety by preventing people from over-tinting their car windows. Since the people who choose to violate the law will not be the ones being punished or held accountable for their actions, it is inevitable that this

measure will fail to encourage car owners to comply with the law. Senate bill 78 is detrimental to society at large because it encourages people to not take responsibility for their actions.

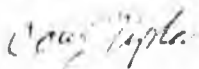
If I and/or others in my profession are going to be held liable any time someone with illegal tinting claims that they obtained it from a particular vendor, the potential liability will be so great that professionals such as myself, who are familiar with the legal standards involved, will have no choice but to refrain from installing any window tinting at all. Individual members of the public, however, would remain free to buy window tinting kits online or from numerous vendors who are not held liable under the proposed legislation. Individual vehicle owners then become free to violate the stringent standards incorporated in Alaska law, either through ignorance or design, without any intervention by professional installers. Senate bill 78 would ultimately cause window tinting to occur entirely outside of automotive shops, which honor and respect the law and encourage compliance by the public.

I believe that by pushing window tinting into an underground market, tint standards would be harder to regulate and more illegal tinting would occur. Individuals are less likely to be aware of legal standards than shops such as my own, who post the law and do our best to encourage compliance with it.

A better approach to obtain an increase in safety is available, however, and it would not preclude my co-workers and I from continuing to make an honest living through our trade in the way that SB 78 does. I suggest instead, that if the legislature wants to address the perceived problem, that it could be solved through a registration system. Safety would increase and I could continue to earn an honest living if customers were required to pay a state registration fee with any window tinting. With this fee, customers would receive a window tint hologram certifying that a shop installed a tint job that complied with legal standards. Such a system would not only encourage responsible window tinting, but it would protect shops from unfounded claims and prevent the harms to our industry that SB 78 poses. At the same time, this registration system could assist law enforcement by making verification of compliance easier and simultaneously generating revenue.

Senate bill 78 would ultimately only cause the state's law enforcement to waste valuable resources and put professional window tinters out of business. This bill does not reflect Alaskan values and would actually decrease, not increase safety in Alaskan communities. For these reasons, I strongly urge you to vote against Senate bill 78.

Sincerely,



Cory Tipton



WINDOW TINT

ALASKA / FEDERAL LAW

ALASKA LAW

- Front windshield 5” strip of tint
- Front driver and passengers side windows must allow 70% Visible Light Transmission (VLT).
- All other rear windows must allow 40% VLT, (some exemptions).
- Special use vehicles must comply with 49 C.F.R. 571.205 (Federal Law)

FEDERAL LAW

- The Federal DOT specifies a minimum of 70% VLT for window tinting on the windshield and the windows to the immediate left and right of the driver.
- The Federal DOT does not specify any VLT requirements for any other windows