



LAWS OF ALASKA

1982

Source

SB 824 am H

Chapter No.

111

AN ACT

Relating to sale and delivery of in-bond merchandise at international airports; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 14, 1982
Actual Effective Date: June 15, 1982

AN ACT

Relating to sale and delivery of in-bond merchandise at international airports; and providing for an effective date.

* Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that payments for the right to sell and deliver in-bond merchandise to foreign-bound travelers departing from and passing through international airports owned and operated by the state are an important source of state revenue. In-bond merchandise is merchandise that is commonly referred to as "duty-free" merchandise. The International Airports Revenue Fund established by AS 37.15.430 receives significant revenues from these payments which are a major factor in defraying international airport operating expenses, supporting international airport improvement programs, and securing international airport revenue bonds.

(b) The legislature finds that tourism is and will continue to be an important state industry. If revenues from the sale and delivery of in-bond merchandise are reduced by virtue of unregulated activity, then the airlines which are an important part of the tourism industry will be forced to bear a greater share of international airport operating expenses through increased landing and fuel flowage fees. These increases would be passed on to airline passengers through higher fares and this may have a detrimental effect on tourism in the state.

(c) The legislature finds that because the sale and delivery of in-bond merchandise is an important aspect of the tourism industry in the state, it

Chapter 111

1 is important to ensure that quality merchandise and good service are provided
2 to foreign-bound travelers at international airports. It is in the state's
3 interest to facilitate these goals by regulating the sale and delivery of
4 in-bond merchandise at international airports. In order to prevent inter-
5 ference with the safe and efficient operation of international airport facil-
6 ities, deterioration of the quality of services and merchandise offered for
7 sale at international airports, and a reduction in vital revenues to the
8 state, only an authorized concessionaire should be allowed to sell and deliv-
9 er in-bond merchandise at each facility.

10 (d) The state is presently a party to exclusive contracts authorizing
11 the sale and delivery of in-bond merchandise at the Anchorage and Fairbanks
12 International Airports. The state desires to fulfill its obligations under
13 those contracts.

14 (e) It is the state's policy and intent that the statutes enacted in
15 secs. 2 - 4 of this Act displace unfettered business freedom in matters
16 relating to the establishment and operation of in-bond merchandise businesses
17 at international airports in the state.

18 * Sec. 2. AS 02.15 is amended by adding a new section to read:

19 Sec. 02.15.091. SALE AND DELIVERY OF IN-BOND MERCHANDISE AT INTER-
20 NATIONAL AIRPORTS. (a) As provided by (b) and (c) of this section, the
21 department shall allow the sale and delivery of in-bond merchandise at
22 an international airport only by an exclusive contract.

23 (b) While the exclusive contracts for the sale and delivery of
24 in-bond merchandise at international airports that exist on the effec-
25 tive date of this section are in effect, the department may not permit
26 or confer a right on any other person to offer to sell, sell, or deliver
27 in-bond merchandise at an international airport.

28 (c) After the exclusive contracts existing on the effective date
29 of this section are no longer in effect, the department shall enter into

1 one exclusive contract and, on its expiration, additional successive
2 exclusive contracts for the sale and delivery of in-bond merchandise at
3 each international airport. Except under the existing and future exclu-
4 sive contracts described in this section, the department may not permit
5 or confer a right upon any person to offer to sell, sell, or deliver
6 in-bond merchandise at an international airport.

7 (d) The department shall offer the exclusive contracts required by
8 this section only by competitive bid and shall award the contracts after
9 considering the generation of maximum revenues for the International Air
10 ports Revenue Fund established by AS 37.15.430.

11 (e) The department shall actively supervise the operations under
12 each exclusive contract for the sale and delivery of in-bond merchandise
13 in order to ensure the effectiveness of the operations. To supervise
14 contract operations under this section, the department shall develop and
15 implement guidelines that provide for review of the reasonableness of
16 price schedules, quality and assortment of merchandise, and customer
17 service.

18 (f) Nothing in this section applies to deliveries of in-bond
19 merchandise as cargo to airlines.

20 * Sec. 3. AS 02.15.210 is amended to read:

21 Sec. 02.15.210. NO EXCLUSIVE RIGHTS GRANTED. The department may
22 not grant an exclusive right for the use of an airway, airport, or air
23 navigation facility under its jurisdiction. This section does not
24 prevent the making of contracts, leases and other arrangements under
25 [PURSUANT TO] AS 02.15.060 - 02.15.100 and 02.15.120, including exclus-
26 ive contracts for the sale and delivery of in-bond merchandise described
27 in AS 02.15.091.

28 * Sec. 4. AS 02.15.260 is amended by adding new paragraphs to read:

29 (13) "cargo" means goods carried by an airline that are

Chapter 111

1 carried under an agreement between the shipper and the airline other
2 than a passenger ticket, that are accepted, carried, and handled separ-
3 ately from passenger baggage, and that are delivered to a location
4 other than a baggage claim area; "cargo" does not include goods carried
5 by an airline as baggage, whether belly-loaded or hand-carried and wheth-
6 er accompanied or unaccompanied by a passenger;

7 (14) "international airport" means an international airport
8 owned and operated by the state.

9 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
10 10.070(c).