

Alaska State Legislature



Interim:
716 W. 4th Ave.
Anchorage, AK 99501-2133

Phone: (907) 269-0265
Fax: (907) 269-0264

Session:
Alaska State Capitol, Rm 408
Juneau, AK 99801-1182

Phone: (907) 465-4939
Fax: (907) 465-2418
Toll Free: (800) 465-4939
Rep.Tom_Anderson@legis.state.ak.us

Representative Tom Anderson
District 19 - Anchorage

Sponsor Statement SCS CSHB 115 (TRA)

Title: “An Act relating to charges paid or collected by users or occupants of an airport facility owned or controlled by the state; and providing for an effective date.”

HB 115 provides a mechanism (customer facility charges or “CFCs”) to improve airport facilities without the expenditures of state funds. The most common projects to use CFCs funds are car rental facilities. The bill also provides a revenue stream to maintain and operate the facilities, without requiring an increase in the airport operating budget as the cost of maintenance will be paid using the related customer facility maintenance charge.

In 2001, the legislature passed chapter 99 SLA 2001, which authorized the imposition of customer facility charges to fund the construction of improvements on airport properties. CFCs have been imposed by many other airports around the country as a means of funding car rental facility improvements. No state credit is pledged to support the bonds. Dallas-Fort Worth and Denver are two examples out of many where CFC’s have been used successfully to build these facilities.

During negotiations with the state over the implementation of the project, issues were identified and set forth in ch. 99 SLA 2001. These issues should be clarified to ensure the bonds can be marketable. Those issues revolve around clarifying the new revenue stream generated by the CFC should not be considered revenue of the state when the bond is a private initiative and ensuring that the bond trustee, not the state, will take custody of the funds.

Because the facility will revert to the state in its entirety at the end of the term, it would also be appropriate to allow the imposition of a customer facility maintenance charge to ensure the facility is well-maintained and kept up appropriately. The charge also avoids any impact on the airport’s operating budget as the airport will not be responsible for the maintenance and repair of the facility while under airport car rental company’s control.

This bill implements a valuable private market tool to construct improvements to Alaska airports, without the expenditure of public funds. This will improve the amenities provided to the traveling public, both Alaskan and non-Alaskan alike.

I urge your support for this bill.