

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

Sectional Analysis for CS HB 115 (TRA) BY: Representative Tom Anderson

- Section 1.** The language that was added in ch. 99 SLA 2001 to AS 02.15.090(a) is being moved into a new subsection (h) for clarification purposes.
- Section 2.** This adds a new subsection (h) to AS 09.15.090 which now becomes the operative stand alone section allowing for the collection of customer facility charges (“CFCs”). It allows the commissioner of DOT/PF, by contract or order to set the CFC, to require the car rental companies to collect the fee, and to adjust the CFC to meet debt service obligations that might be required or desirable as car rental traffic increases or decreases over time; these are carry-overs of existing law. The new language clarifies that the CFCs will be remitted to the bond trustee and not the state when the state did not issue the bonds. CFCs will still be used to repay the bond or other indebtedness incurred for the project. However, the definition of what types on indebtedness could be paid has been broadened to include debt service, creation of a debt service reserve fund, and to meet any other bond requirements.
- New subsection (i) allows for the imposition of a related customer facility maintenance charge. These differ from CFCs as they are not debt related; they are collected to pay for the maintenance and operation of the facility. Thus, they will cover major repairs, on-going maintenance, utilities and insurance among other expenses. This will prevent the facility from becoming an operational liability to the department while occupied by the RACs in operation; and will ensure that a major repair fund is maintained so that when the state takes sole custody of it in 30 years, there are enough funds to undertake major repairs and allow the facility to be used for its real economic and physical life.
- Section 3.** AS 37.15.410 allows for issuance of revenue bonds for international airport improvements. The 2001 amendment clarified that CFCs are not considered revenues of the state for the purpose of these revenue bonds. This amendment clarifies that customer facility maintenance charges are not considered revenue of the state for the purpose of these revenue bonds.

- Section 4.** AS 37.15.430(a) creates the “International Airports Revenue Fund” into which airport revenues are paid. The 2001 amendment clarified that CFCs are not considered revenues of the state for the purpose of these revenue bonds. This amendment clarifies that customer facility maintenance charges are not considered revenue of the state for the purpose of these revenue bonds.
- Section 5.** AS 37.15.430(c) had been added by the 2001 amendment to clarify that CFCs should be remitted to the bond trustee and not the state. This amendment clarifies that the CFC is not charged to customers, it is collected from them pursuant the order imposed by the commissioner, and further clarifies that the customer facility maintenance charge is remitted directly to a third party rather than the state.
- Section 6.** Establishes an immediate effective date under AS 01.10.070.