



# Alaska State Legislature

**Senate Majority** Web: [www.akrepublicans.org](http://www.akrepublicans.org)

**Sponsor:** Senator Ben Stevens By Request

**Current Version:** SB 92

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## Fact Sheet for: Senate Bill 92

**Short Title:** AIRPORT CUSTOMER FACILITY CHARGES

### Summary:

- Adds a customer facility maintenance charge to fund facility maintenance and operations.
- Clarifies that customer facility charges collected at state owned and operated airports are not considered revenue to the state when the bond is a private initiative.
- Ensures that bonds for airport improvements are marketable by giving control of CFC funds to the bond trustee rather than the state.

### Benefits:

- Secures a revenue stream to pay for improvements and capital projects at airports by charging a fee to consumers using car rental agencies, restaurants and retail shops on airport property.
- Exempts airline tickets from the customer facility charge.
- Prevents scarce state funds from being used for airport improvements.
- Implements a valuable private market tool to construct improvements to Alaska's airports without the expenditure of public funds.

### Background:

- Airports require frequent capital improvements and maintenance to provide safe, reliable transportation for Alaskans. In 2001 the Legislature passed a law allowing airports to collect a customer facility charge to pay for improvements at airports. SB 92 helps make the bonds for airport improvements more marketable by stating that CFCs are not state revenue. The CFC rate will be set by the Alaska Department of Transportation & Public Facilities and be paid by consumers purchasing goods and services at retail locations located on airport property. CFCs are becoming a popular method for funding airport operations nationwide.