

A-Engrossed
Senate Bill 170

Ordered by the Senate February 26
Including Senate Amendments dated February 26

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Expands number of rural airports eligible to participate in pilot project encouraging economic development. [*Authorizes industrial development of participant airport property.*]

A BILL FOR AN ACT

1
2 Relating to rural airports; amending ORS 836.640 and 836.642.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 836.640 is amended to read:

5 836.640. As used in this section and ORS 836.642:

6 (1) **“Airport boundary” includes the combined public and private properties that are per-**
7 **mitted to have direct access to aircraft by the airport runway.**

8 [(1)] (2) “Customary and usual aviation-related activity” includes activities described in ORS
9 836.616 (2) and includes activities that a local government may authorize pursuant to ORS 836.616
10 (3).

11 [(2)] (3) “Pilot site” means a rural airport identified to participate in the pilot program pursuant
12 to ORS 836.642.

13 [(3)] (4) “Rural airport” means an airport described in ORS 836.610 (1) that:

14 (a) **Does not have a permanent air traffic control tower; and**

15 (b) Principally serves a city or standard metropolitan statistical area with a population of
16 [75,000] **500,000** or fewer.

17 [(4)] (5) “Through the fence operation” means a customary and usual aviation-related activity
18 that:

19 (a) Is conducted by a commercial or industrial user of property within an airport boundary; and

20 (b) Relies, for business purposes, on the ability to taxi aircraft directly from the property em-
21 ployed for the commercial or industrial use to an airport runway.

22 **SECTION 2.** ORS 836.642 is amended to read:

23 836.642. (1) The Oregon Department of Aviation shall establish a pilot program at up to [three]
24 **six** rural airports to encourage development of through the fence operations designed to promote
25 economic development by creating family wage jobs, by increasing local tax bases and by increasing
26 financial support for rural airports. To the extent practicable, the airport sponsor of a pilot site
27 shall use public-private partnerships that incorporate:

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

- 1 (a) Innovative and creative technologies for increasing airport usability and safety;
- 2 (b) Innovative and creative performance of aviation services to make the services more com-
3 petitive and useful for the public;
- 4 (c) Development of the pilot site as a setting for customary and usual aviation-related activities
5 to develop and thrive, in concert with the goals of the Economic and Community Development De-
6 partment; and
- 7 (d) Shared responsibility for:
 - 8 (A) Establishing and meeting the fiscal needs of the pilot site;
 - 9 (B) Maintaining safety of operations; and
 - 10 (C) Maintaining positive community relations and compatibility with existing uses.
- 11 (2) The pilot program shall operate at:
 - 12 (a) The Aurora State Airport; and
 - 13 (b) Not more than *[two]* **five** additional rural airports that volunteer to participate and are se-
14 lected by the Oregon Department of Aviation with the concurrence of the county in which each
15 rural airport is located.
 - 16 (3) The Oregon Department of Aviation, by rule, shall provide standards and guidelines for
17 through the fence operations that:
 - 18 (a) Ensure that the operations provide financial support to the pilot sites in compliance with
19 Federal Aviation Administration regulations;
 - 20 (b) Require submission, review, approval and, as appropriate, revision of a facility site plan for
21 each through the fence operation so that the real property covered by the site plan can be incor-
22 porated into the airport boundary and coordinated with the other aspects of the airport master plan;
 - 23 (c) Ensure that the operations are conducted according to a written contract between the com-
24 mercial or industrial user of property within the airport boundary and the airport sponsor;
 - 25 (d) Ensure that pilot sites continue to operate in a safe manner and to fulfill their roles in
26 Oregon's emergency response system;
 - 27 (e) Preserve investments in pilot sites and the level of service provided by pilot sites;
 - 28 (f) Facilitate orderly management of pilot sites;
 - 29 (g) Provide equitable and uniform treatment of airport tenants and users at pilot sites;
 - 30 (h) Advance economic development through qualified customary and usual aviation-related ac-
31 tivities within the airport boundaries of pilot sites;
 - 32 (i) Encourage well-ordered economic development within the airport boundaries of the pilot
33 sites;
 - 34 (j) Facilitate and foster good relations with the communities surrounding the pilot sites;
 - 35 (k) Enable conformity with approved airport master plans;
 - 36 (L) Make pilot sites available for public use on reasonable terms; and
 - 37 (m) Assist pilot sites in developing financial self-sufficiency through the use of innovative fund-
38 ing and economic development programs.
 - 39 (4) The Department of Land Conservation and Development, the county and a city, if any, within
40 whose jurisdiction a pilot site is located shall coordinate with the Oregon Department of Aviation
41 to ensure that the applicable comprehensive plans and land use regulations, including airport zoning
42 classifications pursuant to ORS 836.600 to 836.630, facilitate through the fence operations and sup-
43 port the development or expansion of the pilot site consistent with applicable statewide land use
44 planning requirements.
 - 45 (5) The Economic and Community Development Department shall assist the pilot sites to:

- 1 (a) Identify, qualify for and apply for funding from appropriate grant and loan programs; and
2 (b) Develop innovative short-term and long-term funding opportunities.
3 (6) To the extent practicable, the airport sponsors shall utilize innovative airport infrastructure
4 and operations funding to support the pilot sites including, but not limited to:
5 (a) Airport districts as provided in ORS chapter 838;
6 (b) Economic development programs administered by the Economic and Community Development
7 Department;
8 (c) Tax increment financing to provide funding for airport-related infrastructure;
9 (d) United States Department of Agriculture Rural Development grants or low-interest loans;
10 and
11 (e) Programs, including funding for short line railroads under ORS 367.067, designed to facilitate
12 development of intermodal transportation projects.
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