



OABA



Oregon Aviation Business Association

Senate Bill 904 How this Approach will Create Jobs and Tax Base

Directs Oregon Business Development Department to establish program to allow rural airport in State of Oregon, with approval of all cities, counties and other local property taxing jurisdictions within which district exists, and to create airport tax increment financing district in which up to 50 percent of incremental tax revenues generated by commercial and industrial development or expansion can be used to pay for airport-related infrastructure and services for period of up to 25 years.

The Goal:

1. Oregon's Rural Airports can be important Jobs Centers and Tax Base: Examples: Aurora Airport 750 jobs; Ashland Airport with Sky Research Inc. This bill provides a self-improvement approach, where success supports more success.

The Funding Problems:

2. FAA pays for the runway and taxiways only.
3. Modern building codes only allow business type hangars if there is water for fire sprinklers and fire hydrants.
4. Many Oregon airports DO NOT HAVE ADEQUATE FIRE PROTECTION water and sewer systems, and this is stopping development at many rural airports.
5. Many Oregon rural airports currently PAY NO TAXES of any kind, even to local fire districts, due to ORS 307.120 so there is no incentive to help airports with tax funds.
6. Those airports that do pay taxes, like Aurora – which pays around \$500,000 per year in property taxes – typically get back zero dollars from those taxes for anything at the airport, even though the airport is a public facility.

The Airport TIF District Results:

7. Airports join the tax rolls.
8. As the airport attracts jobs and business, it also funds infrastructure like water systems, sewer systems, or other infrastructure.

Safeguards:

9. TIF District only formed with consent of all other taxing districts.
10. TIF District controlled by broad representatives.
11. Funds can only be used for public facilities – not private businesses.

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