

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass and Be Referred to the Committee on Finance and Revenue by prior reference
Vote:	5 - 1 - 0
Yeas:	Atkinson, Burdick, Edwards, Starr, Beyer
Nays:	Girod
Exc.:	0
Prepared By:	Richard Berger, Administrator
Meeting Dates:	3/29, 4/19

WHAT THE MEASURE DOES: Directs Oregon Business Development Department to establish a program to allow rural airports in Oregon to create airport tax increment financing districts, promoting local economic development and financial support for rural airports. Requires all cities, counties, and other local property taxing jurisdictions within a district to approve program. Establishes parameters for land included in district. Authorizes Department to establish terms for tax rebates to sponsors of rural airports, and allows up to 50 percent of incremental tax revenues generated by commercial and industrial development or expansion to be used to pay for airport-related infrastructure and services for period of up to 25 years. Requires Department to report to Legislative Assembly on progress on securing development or expansion of district and associated job creation.

ISSUES DISCUSSED:

- Need for infrastructure at airports, particularly those in rural areas
- Concern over loss of revenue for local governments
- Requirement for agreement from local taxing districts

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: House Bill 2001 (2009) provided \$95 million to the Connect Oregon III program and an additional \$5 million in funding for rural airports. The Connect Oregon III Rural Airports Program (CORA), provide the required five percent match to Federal Aviation Administration (FAA) Airport Improvement Program grants available to airport sponsors with certain FAA grants. Senate Bill 904 supplements CORA dollars by allowing rural airports to establish airport tax increment financing districts, and direct dollars toward improvements in infrastructure and services.