

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates:

Prepared By: Julie Neburka, Budget Analyst

WHAT THE MEASURE DOES:

Increases aircraft fuel taxes by 2 cents for both aviation gasoline, jet fuel and motor fuel used for aviation starting January 1st, 2016. Allows the Department of Aviation to retain 5% of the revenue for administration. Establishes different dedications and allowable uses for the new revenue. Establishes process, mechanism and criteria for distributing the new revenue. Sunsets the increase on January 1st, 2022. Requires reports from the Department of Aviation.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

House Bill 2075 will raise aircraft fuel tax by four cents for both aviation gasoline (avgas) and aviation turbine fuel (jet fuel). Avgas and motor fuel used for aviation (mo-gas) will increase from nine cents to eleven cents per gallon and jet fuel will increase from one cent to three cents per gallon and will be effective January 1st, 2016 until January 1st, 2022. The Oregon Department of Aviation (ODA) will keep 5% for administration and distribute the remaining revenue from the increase in aircraft fuel tax as follows:

1. 50% for grants for aviation projects and match for FAA grants, prioritizing projects with a higher amount of contribution; and grants for emergency assistance.
2. 25% for creating and maintaining commercial air service linking rural communities with commercial hubs.
3. 25% For state airports to use for safety and infrastructure projects.