Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session

STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

Fiscal: Fiscal impact issued Revenue: Revenue impact issued

Action Date: 02/25/15

Action: Do Pass And Refer To Finance And Revenue By Prior Reference.

Meeting Dates: 02/25

Vote:

Yeas: 4 - Beyer, Girod, Monroe, Riley

Nays: 1 - Thomsen

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Increase pilot registration fees from twelve to twenty-four dollars for initial registration and from twenty-four to forty-eight dollars for renewal registration. Raise aircraft registration fees for all classifications. Increase airport registration and renewal fees for all classifications.

MEASURE: SB 269

ISSUES DISCUSSED:

- Budget for Oregon Department of Aviation
- Oregon Office of Emergency Management operations at rural airports
- Other state comparisons
- Economic and demographic changes in aviation field

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Department of Aviation (ODA) is solely supported by federal funds through the Federal Aviation Administration, and by Other Fund moneys, including revenues from the jet fuel and aviation fuel tax, which representing over 50 percent of the Other Fund revenues. Funding for the agency has steadily declined and compressed over the years due to inflation and a lack of revenue increases. ODA reviewed the existing fee structures and identified those which need more immediate attention in order to maintain the same level of service in the 2015-2017 biennium. Fees for pilot and aircraft registration were last raised in 2007. Fees for public airport registration have been at a flat thirty-dollar rate since 1997.

A fee increase in each of the areas listed below is required to provide additional revenue to ODA. With the additional revenue, ODA will be able to offset inflation, increase funding to Oregon Emergency Management (OEM), and provide funding for maintenance and operations of the Department.

- *Pilot Registration* ODA does not generate sufficient revenue to allocate funds to OEM, as required by ORS 837.035, to provide services to the aviation community in the outcome areas of safety, reimbursements, insurance, and operation costs;
- *Aircraft Registration* The current fee structure no longer meets the demand for services provided from this account for FAA grant matching, airport operations costs, and Unmanned Aerial Vehicle registrations;

| • | Public Airports Registration - The thirty-dollar fee currently in place does not cover the cost incurred by ODA for the services provided to public airports, such as land use coordination with counties, development expertise, and legal and administrative costs. |
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