

**STAFF MEASURE SUMMARY****House Committee On Revenue****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 05/26/15**Action:** Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways And Means.**Meeting Dates:** 04/14, 05/26**Vote:**

Yeas: 7 - Barnhart, Bentz, Davis, Johnson, Lininger, Vega Pederson, Whitsett

Exc: 2 - Read, Smith Warner

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**WHAT THE MEASURE DOES:**

Increases aircraft fuel taxes by 2 cents for both aviation gasoline, jet fuel and mo-gas starting 1/1/2016. Allows the department of Aviation to retain 5% of the revenue for administration. Establishes different dedications and allowable uses for the new revenue. established process, mechanism and criteria for distributing the new revenue. Sunsets the increase on 1/1/2022. Requires reports form the Department of Aviation.

**ISSUES DISCUSSED:**

- Investment needs for aviation around the state.
- Safety and reliability of services.
- Economic development for rural airports and communities.
- The Aviation community and its different interest.
- The dedication of revenues to main categories.

**EFFECT OF COMMITTEE AMENDMENT:**

The amendment replaces the bill. It increases jet fuel, avgas, and mo-gas by 2 cents a gallon from Jan. 1, 2016 till the end of 2021. Establishes process and criteria for distribution and dedication of the new revenue. Requires reports from the department of aviation to the legislative assembly.

**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 mo-gas will increase from nine cents to 11 cents per gallon and jet fuel will increase from one cent to three cents per gallon and will be effective January 1st 2016 until 1/1/2022. The Oregon Department of Aviation (ODA) will keep 5% for administration and distribute the remaining revenue from the increase in aircraft fuel tax as

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