

Analysis
Department of Aviation
Tie-Down Fee Ratification

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Request: Approve airport tie-down fees adopted by administrative rule by the Department of Aviation.

Recommendation: The Legislative Fiscal Office recommends that the fees adopted by the Department of Aviation be included in a fee ratification bill during the 2016 legislative session.

Analysis: ORS 291.055(1) (e) mandates that all new state agency fees or fee increases adopted between regular sessions of the Legislative Assembly are rescinded upon adjournment of the next regular session unless authorized by enabling legislation setting forth the approved fees.

The Department of Aviation collects tie-down fees from aircraft tie-down areas on state-owned airport property. Tie-downs are “D” rings and chains fixed in the ground that are used to secure aircraft while parked to protect against winds moving the aircraft.

The agency is required by its federal grant assurances to collect tie-down fees from airport tenants at fair market value. Current administrative rules (OAR 738-0010-0025) require the agency to collect tie-down fees calculated as a percentage (30%) of the total tie-down fees charged. This fee is remitted by the fixed-base operators (FBOs) who lease space at state airports. FBOs, however, are not required to charge for tie-down privileges, resulting in an “honor system” for fee remittances. The agency proposes to change the fee structure from the current percentage basis to a \$10 flat amount per tie-down per month, thus simplifying the fee structure and encouraging revenue collection. The change is estimated to increase Other Funds fee revenue to the Department of Aviation by \$7,560 during the 2015-17 biennium and by \$10,080 during the 2017-19 biennium.



Aircraft with tie-down chains.

The Legislative Fiscal Office recommends approval of this fee restructuring as part of the 2016 fee ratification bill.