

A-Engrossed
House Bill 2402

Ordered by the House May 30
Including House Amendments dated May 30

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Transportation Policy)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Increases aviation fuel taxes increased by House Bill 2075 (chapter 700, Oregon Laws 2015), and makes increases and distributions of increased revenue permanent.]

Modifies rulemaking authority of Oregon Department of Aviation, considerations for reviewing applications for distributions and priority in making certain distributions under section 7, chapter 700, Oregon Laws 2015.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to aviation fuel; creating new provisions; amending section 7, chapter 700, Oregon Laws
3 2015; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 7, chapter 700, Oregon Laws 2015, as amended by section 80a, chapter 750,
6 Oregon Laws 2017, is amended to read:

7 **Sec. 7.** (1) The following amounts shall be distributed in the manner prescribed in this section:

8 (a) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines that is
9 computed on a basis in excess of one cent per gallon and any amount of tax on all other aircraft fuel
10 that is computed on a basis in excess of nine cents per gallon, under ORS 319.020 (2); and

11 (b) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines in excess
12 of one cent per gallon and any amount of tax on all other aircraft fuel in excess of nine cents per
13 gallon, that is deducted before the refunding of tax under ORS 319.330 (1).

14 (2)(a) Applications for distributions under **subsections (5) and (6)** of this section may not be
15 approved unless the applicant demonstrates a commitment to contribute at least five percent of the
16 costs of the project to which the application relates. The Oregon Department of Aviation shall adopt
17 rules for purposes of this *[subsection]* **paragraph.**

18 **(b) The department may adopt rules that:**

19 **(A) Set higher minimum contribution commitment requirements; or**

20 **(B) Establish maximum grant amounts.**

21 (3)(a) The State Aviation Board shall establish a review committee composed of one member
22 from each of the area commissions on transportation chartered by the Oregon Transportation Com-
23 mission.

24 (b) The review committee shall meet as necessary to review applications for distributions of
25 amounts pursuant to this section. *[The criteria specified in ORS 367.084 (6) apply to the review pro-*

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 *cess of the review committee.] In reviewing applications, the review committee shall consider:*

2 **(A) Whether a proposed project:**

3 **(i) Reduces transportation costs for Oregon businesses or improves access to jobs and**
4 **sources of labor in this state;**

5 **(ii) Results in an economic benefit to this state;**

6 **(iii) Connects elements of Oregon's aviation system in a way that will measurably im-**
7 **prove utilization and efficiency of the system;**

8 **(iv) Is ready for construction or implementation; and**

9 **(v) Has a useful life expectancy that offers maximum benefit to this state; and**

10 **(B) How much of the cost of the proposed project can be borne by the applicant from**
11 **sources other than Oregon Department of Aviation funds or the Connect Oregon Fund.**

12 (c) The review committee shall recommend applications to the State Aviation Board **for ap-**
13 **proval.** *[which shall select applications with the following priority:]*

14 *[(A) First, to applications filed pursuant to subsection (5)(a)(A) of this section;]*

15 *[(B) Second, to applications filed with respect to safety and infrastructure development; and]*

16 *[(C) Third, to applications filed with respect to aviation-related economic benefits related to air-*
17 *ports.]*

18 (4)(a) Five percent of the amounts described in subsection (1) of this section are appropriated
19 to the Oregon Department of Aviation for the costs of the department and the State Aviation Board
20 in administering this section.

21 (b) The remaining 95 percent of the amounts described in subsection (1) of this section shall be
22 distributed pursuant to subsections (5) to (7) of this section.

23 (5)[(a)] Fifty percent of the amounts described in subsection (4)(b) of this section shall be **pri-**
24 **oritized in the following order and** distributed for the following purposes:

25 [(A)] **(a) First,** to assist airports in Oregon with match requirements for Federal Aviation Ad-
26 ministration Airport Improvement Program grants.

27 [(B)] **(b) Second,** to make grants for emergency preparedness and infrastructure projects, in
28 accordance with the Oregon Resilience Plan¹, *including grants for emergency management plan de-*
29 *velopment, seismic studies and emergency generators and similar equipment]* **or the Oregon Aviation**
30 **Plan.**

31 [(C)] **(c) Third,** to make grants for:

32 [(i)] **(A)** Services critical or essential to aviation, including, but not limited to, fuel, sewer, water
33 and weather equipment[.];

34 [(ii)] **(B)** Aviation-related business development, including, but not limited to, hangars, parking
35 for business aircraft and related facilities[.]; **or**

36 [(iii)] **(C)** Airport development for local economic benefit, including, but not limited to, signs and
37 marketing.

38 *[(b) Priority in distributing grants shall be given to projects for which applicants demonstrate a*
39 *commitment to contribute the greatest amounts toward the costs of the projects to which the applications*
40 *relate.]*

41 (6) Twenty-five percent of the amounts described in subsection (4)(b) of this section shall be
42 distributed for the purpose of assisting commercial air service to rural Oregon.

43 (7) Twenty-five percent of the amounts described in subsection (4)(b) of this section shall be
44 distributed to state-owned airports for the purposes of:

45 (a) Safety improvements recommended by the State Aviation Board and local community air-

1 ports.

2 (b) Infrastructure projects at public use airports.

3 (8)(a) The State Aviation Board shall submit reports, in the manner provided in ORS 192.245 and
4 paragraph (b) of this subsection, that describe in detail the projects for which applications have been
5 submitted and approved, the airports affected, the names of the applicants and the persons who will
6 perform the work proposed in the applications, the progress of projects for which applications have
7 been approved and any other information the board considers necessary for a comprehensive anal-
8 ysis of the implementation of this section.

9 (b) The reports described in paragraph (a) of this subsection shall be submitted:

10 (A) Not later than February 10 of each year to the committees of the Legislative Assembly re-
11 lated to air transportation; and

12 (B) Not later than September 30 of each year to the interim committees of the Legislative As-
13 sembly related to air transportation.

14 **SECTION 2. The amendments to section 7, chapter 700, Oregon Laws 2015, by section 1**
15 **of this 2019 Act apply to applications for distributions approved on or after the effective date**
16 **of this 2019 Act.**

17 **SECTION 3. This 2019 Act takes effect on the 91st day after the date on which the 2019**
18 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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