

Funding for general aviation



HB 4036 Section 21



Aviation fuel tax

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General Aviation in Oregon is Underfunded

Reliance on aviation fuel tax

History

Funding prior to 2015

9 cents /gal avgas piston fuel tax

1 cent /gallon turbine fuel tax - for 50 years

Connect Oregon declining (now gone)

2015 Session

History

2 cent increase



2015 Session Testimony

HB2075

- 100% yes vote at all committees
- 90% vote on the floor
- \$3.5 Million per year

6 year sunset

78th OREGON LEGISLATIVE ASSEMBLY--2015 Regular Session

Enrolled
House Bill 2075

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

CHAPTER

AN ACT

Relating to aircraft fuel; creating new provisions; amending ORS 319.020 and 319.330; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

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

SECTION 1. ORS 319.020 is amended to read:

319.020. (1) Subject to subsections (2) to (4) of this section, in addition to the taxes otherwise provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

(a) Not later than the 25th day of each calendar month, render a statement to the Department of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month. The dealer shall render the statement to the department in the manner provided by the department by rule.

(b) Except as provided in ORS 319.270, pay a license tax computed on the basis of 30 cents per gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430.

(2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed on the basis of [nine] 11 cents per gallon of fuel so sold, used or distributed, except that when aircraft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the tax rate shall be [one cent] three cents per gallon.

(3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a credit or deduction on the monthly statement and payment of tax.

(4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or laws of the United States with respect to such tax.

SECTION 2. ORS 319.330 is amended to read:

Results of HB2075 to date

2015 to March 2019



- 10/90% match FAA funding brought into the state
- Runway, taxiway improvements, maintenance
- Infrastructure projects
- Beginning of a rural air plan
- Enhanced local rural economies

\$107,000,000 Total Projects

\$17,000,000 Oregon fuel tax match

\$90,000,000 FAA funds leveraged

A few airport project examples

\$1.7M Baker City - Apron reconstruction, snow removal

\$1.2M Florence - Runway and lighting

\$3.6M John Day Grant County - Apron reconstruction

\$4.8M Astoria - Taxiway and ramp reconstruction

\$6.6M Klamath Falls – Taxiway rehabilitation

\$3.1M Madras -Taxiway construction

\$1.0M Hood River – Construction

\$2.0M Grants Pass – Taxiway construction

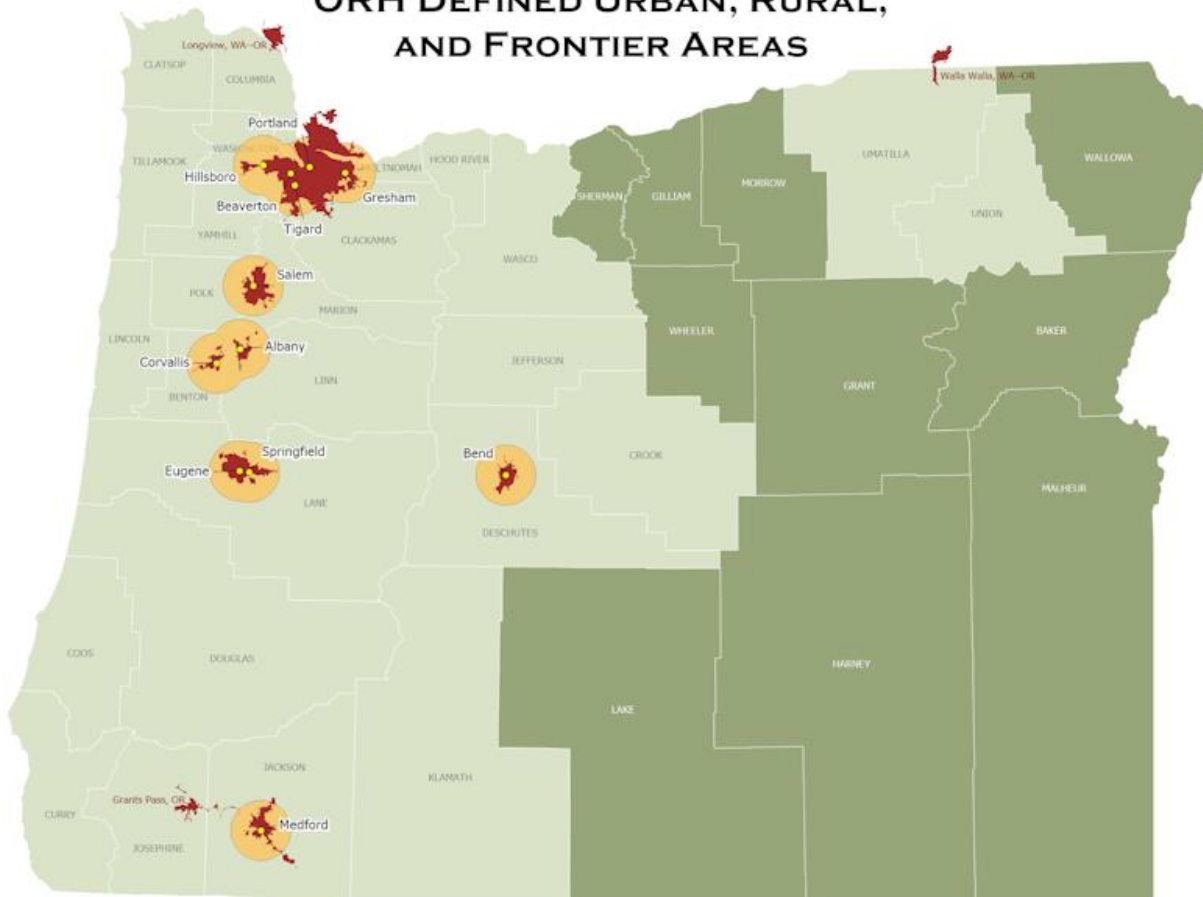


FAA matched 90%

A look at Oregon Airports

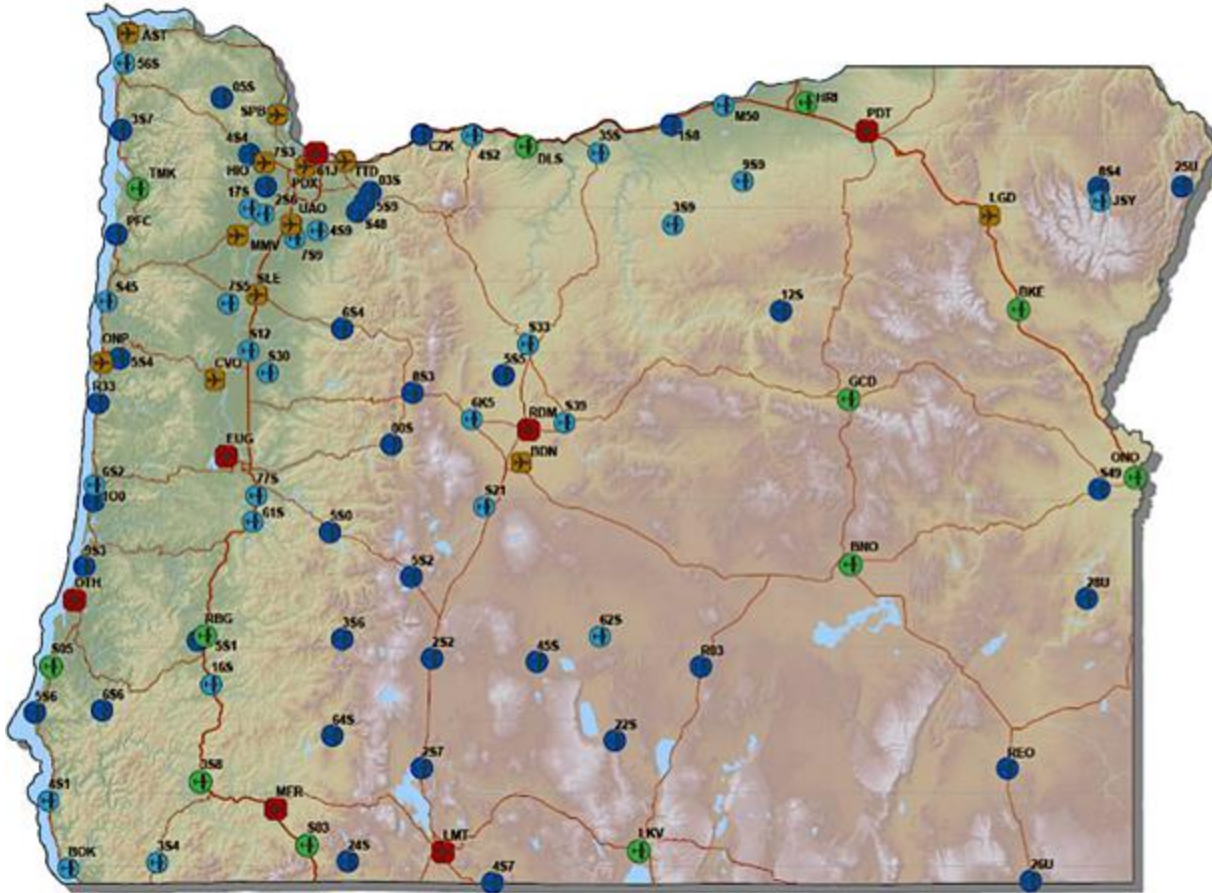
Airports

ORH DEFINED URBAN, RURAL, AND FRONTIER AREAS



- 4 major
 - 2 commuter
 - 400+ total
 - 370 Private
 - 97 Public use
 - 28 State owned
 - 57 NPIAS
- National Plan of Integrated Airport Systems

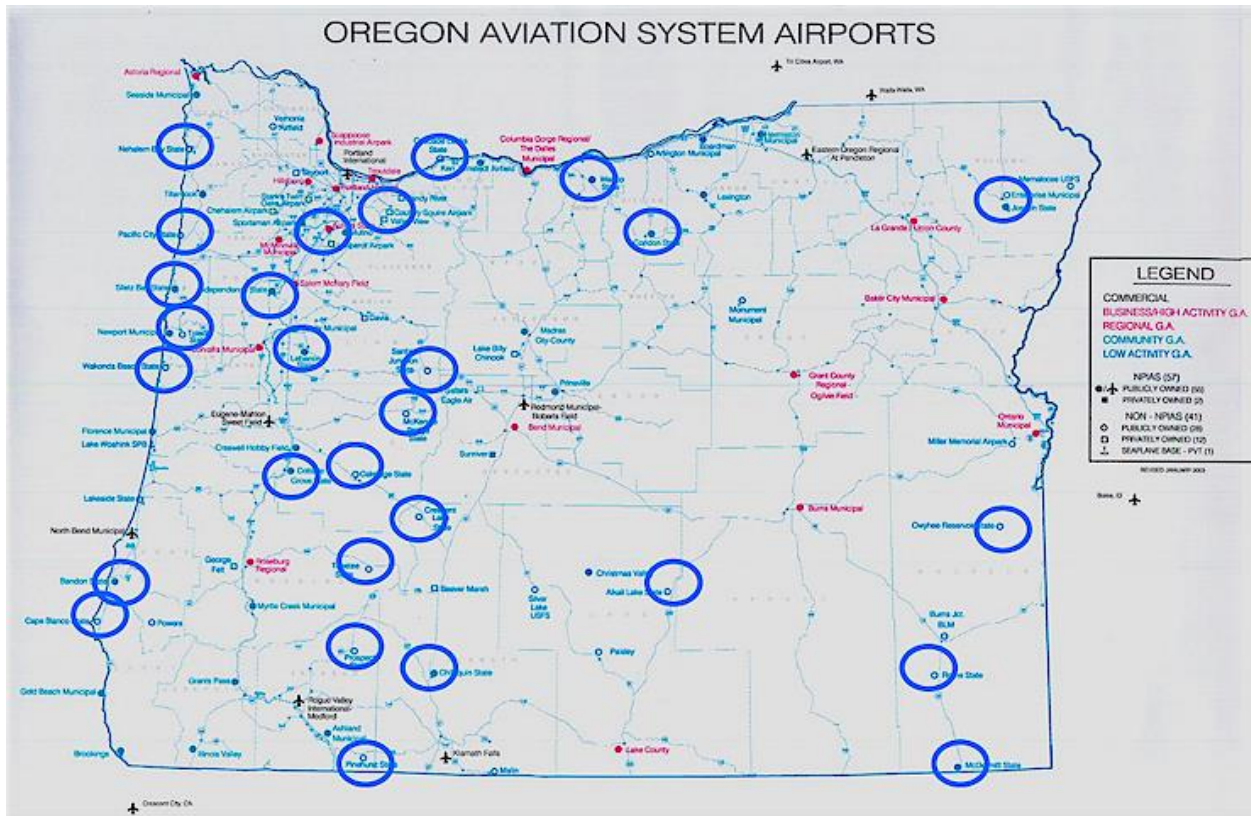
97 Public Use Airport Operations



Category I Category II Category III Category IV Category V

- LifeFlight
- AngelFlight
- Firefighting
- Flight Training
- Emergency preparedness
- Tourism
- Package delivery
- Medical sample delivery
- Business aircraft
- Private aircraft
- Airport businesses

28 State Owned Airports



28 airports

Owned and managed by Oregon Department of Aviation (ODA)

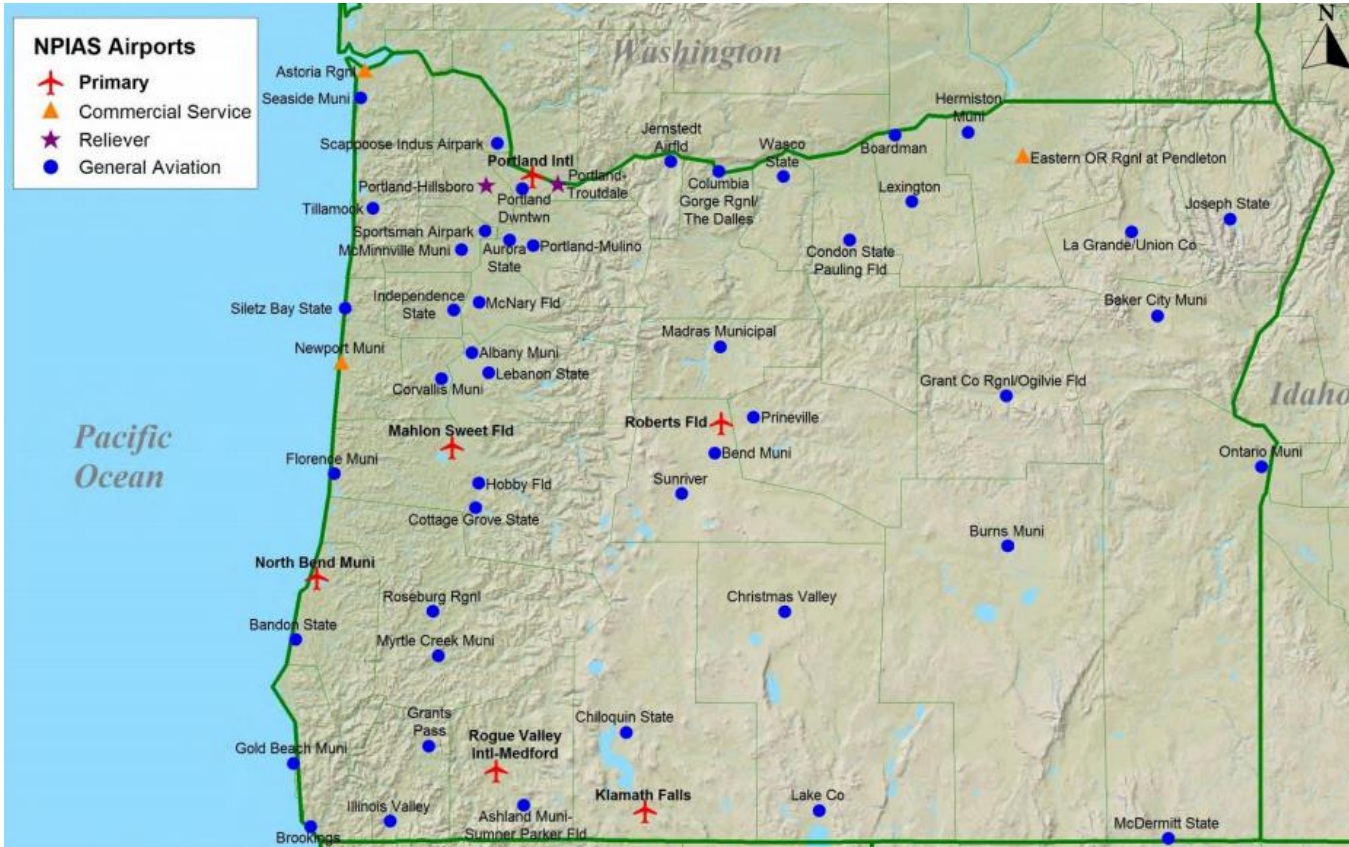
69 airports

Owned and managed by

- Municipalities
- Cities
- Ports
- Private

(ODA provides oversight, grants and assistance)

57 NPIAS Airports 10% - 90% FAA grant match



HB2075

\$90 Million
FAA dollars to Oregon
2015 to present

HB 2075 will cease
December 2021

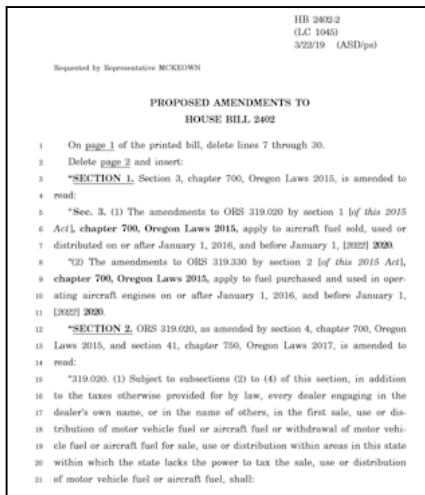
National Plan of
Integrated Airport Systems

HB4036-9



Eliminates sunset – continues in perpetuity
Increase from current rate by 2 cents / gallon

Avgas = 13 cents/gal
Turbine = 5 cents/gal



\$7M per year to assist:
\$1.75 M 28 State owned airports
\$5.25 M 69 Public/Private public use airports

Transportation funding in Oregon

Surface transportation



HB2017

\$5 Billion for multi-mode surface transportation
Road fuel tax 32 cents/ gal → moving to 40 cents
Plus DMV fees



*Zero for aviation
in HB2017*

General aviation transportation



HB4036-9

\$7 Million for general aviation
Add 2 cents additional
13 cents/gal avgas
5 cents /gal turbine



How much will private aircraft pay?



100 hours of flight per year

10 gal/hour = 1,000 gallons

1,000 x .02 cents = \$20 per year increase



Cessna C-172



Airlines Cost



25c per seat hour

Less than \$1 per ticket

80% load factor
 LAX 50 cents/ ticket
 ORD 63 cents/ ticket



PDX to LAX Los Angeles

\$68 Δ

Sunday Apr 21 \$177	Monday Apr 22 \$125	Tuesday Apr 23 \$125	Wednesday Apr 24 \$125	Thursday Apr 25 \$109	Friday Apr 26 \$109
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+ seat upgrades
 + baggage
 + food

PDX to ORD Chicago

\$114 Δ

Sunday Apr 21 \$211	Monday Apr 22 \$319	Tuesday Apr 23 \$252	Wednesday Apr 24 \$252	Thursday Apr 25 \$199	Friday Apr 26 \$205
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HB 4036-9

Critical funding of the \$7 Million per year provides

1. FAA grants of up to \$60 M /year into Oregon with 10% match
2. Improvements and maintenance of airports for operations and safety
3. Emergency airport preparedness for natural disaster relief
4. Possible creation of affordable rural air transportation statewide
5. Economic enhancement of rural airports

Benefits

HB 4036-9 provides community benefits

1. Airports create jobs and attract businesses
2. Economic enhancement to rural communities
3. Provide a transportation gateway
4. Medical, emergency and training resources
5. Maintain and improve existing assets



General Aviation in Oregon



Minimum investment

Maximum return



Nehalem Bay tree removal



Astoria Airport improvements

The end.....