

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** SB 1417

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

**2. Patron:** Newman

**3. Committee:** Passed Both Houses

**4. Title:** Commercial Air Service Plan.

**5. Summary:** This bill requires the Virginia Aviation Board (VAB) to develop and review every five years a commercial air service plan. The proposal requires the VAB to ensure consistency with the plan prior to allocation of funds from the Commonwealth Airport Fund (CAF). The bill also requires additional financial reporting, including delivering an annual report to the Governor and General Assembly to ensure transparency and accountability for use of all CAF funds. The bill prohibits the use of Commercial Airport Fund revenues for operating costs, unless approved by the VAB, or purposes related to supporting the operation of an airline.

**6. Budget Amendment:** Yes, Item 441.

**7. Fiscal Impact Estimates:** Final. See Item #8.

**8. Fiscal Implications:** There are nine commercial air service airports in Virginia: Charlottesville-Albemarle, Ronald Reagan Washington National, Washington Dulles, Lynchburg Regional, Newport News Williamsburg International, Norfolk International, Richmond International, Roanoke-Blacksburg International, and Shenandoah Valley Regional.

The Commonwealth Airport Fund, per § 58.1-638(A)3, consists of two components, entitlement and discretionary, each with specified allocation ratios. Entitlement funds are used by commercial air carrier airports to reduce their costs per passenger enplanement, improving their ability to attract and/or retain commercial air service. The entitlement funds are distributed to the air carrier airports without being requested. Discretionary funds are awarded to air carrier airports based on a prioritization of their six-year Airport Capital Improvement Plan needs. Most of the commercial service airport capital projects are funded by matching Federal Aviation Administration grants.

Plan development would require a study estimated to cost between \$350,000 and \$500,000 every five years. Funding for the proposed five year plans would be withdrawn from the Commonwealth Airport Fund's air carrier entitlement program.

**9. Specific Agency or Political Subdivisions Affected:** Department of Aviation; all political subdivisions who own or participate in the management of a licensed public-use airport.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 2/17/2017

**Document:** Janet Vogelgesang G:\16-18\FIS 2017\SB1417ER.docx

cc: Secretary of Transportation