

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number: SB1328

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Williams

3. Committee: Finance

4. Title: Commonwealth Airport Fund; distribution of revenues.

5. Summary/Purpose: This bill changes the distribution of revenues of the Commonwealth Airport Fund for funds in excess of \$12.1 million.

6. Fiscal Impact: The total amount of the Commonwealth Airport Fund will not change under this bill, but it will significantly impact the distribution of funds between airports. See additional discussion under Item 8.

7. Budget amendment necessary: No.

8. Fiscal implications: This bill affects funding for the Commonwealth's airports in three ways.

- Increases the entitlements to the Air Carrier airports from 40 percent to 60 percent of the funds.
 - Under this bill, 60 percent of the Commonwealth Airport Fund, when added to the Metropolitan Washington Airports Authority entitlement allocation, results in 70 percent of the funds being allocated to 8 of the 66 public use airport sponsors.
 - Eliminates the General Aviation airport category and places the \$3 million from that category into entitlement funds for Air Carrier airports.
- Reduces the funding categories from three to two, which eliminates the current category for the General Aviation airports and requires that General Aviation airports compete directly against Air Carrier airports for the remaining discretionary funds.
 - Results in 58 General Aviation and Reliever airports, which are primarily located in rural areas, to compete for limited discretionary funding against Air Carrier airports for 30 percent of the Commonwealth Airport Fund.
 - Significantly reduces the opportunity for General Aviation and Reliever airports to receive state funding for airport capital improvements.
 - Without state funds to leverage federal funding, many communities could lose federal funding for airport improvements.
 - Any reduction in federal funding could increase the burden on the Commonwealth Airport Fund to support these airports.

- Increases the Air Carrier entitlement cap from \$2 million to \$3 million per airport per year.
 - Prohibits airports which reach the \$3 million per year entitlement cap from receiving any allocation of discretionary funds.

9. Specific agency or political subdivisions affected: Department of Aviation, 58 counties, 33 cities, 42 towns.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/22/07/jlv

Document: G:\06-08\07 Budget Development\FIS\SB1328.Doc Janet Vogelgesang

cc: Secretary of Transportation