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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/2020
 SPONSOR Hochman-Vigil LAST UPDATED 2/17/2020 HB 193/aSFC
 SHORT TITLE Permanent Tax Distribution To Aviation Fund SB _____
 ANALYST Jorgensen

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23		
	\$1,370.0	\$1,410.0	Recurring	State Aviation Fund
	(\$1,370.0)	(\$1,410.0)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Department of Transportation (DOT)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment to House Bill 193 adds a sunset date of June 30, 2031 to the distribution of a portion of the gross receipts tax to the state aviation fund.

Synopsis of Original Bill

House Bill 193 (HB193) removes the sunset date and thereby make the distribution of 0.046 percent of general fund gross receipts revenue tax to the state aviation fund permanent.

FISCAL IMPLICATIONS

HB193 makes permanent a distribution of 0.046 percent, approximately \$1.4 million per year, from net gross receipts tax revenue otherwise distributable to the general fund to the state aviation fund. Current law discontinues the distribution beginning in FY22.

SIGNIFICANT ISSUES

DOT reports:

This funding, when used on Airport Improvement Program (AIP) projects with a 10 percent commitment by state and local governments, may leverage 90 percent in funding from the Federal Aviation Administration. The additional Gross Receipts Tax revenue associated with AIP projects would significantly offset the cost of the state and local 10 percent match commitment.

HB193 will continue to allow the use of the revenue stream for the Air Service Assistance Program, infrastructure improvements, pavement maintenance and rehabilitation, fuel farms, general aviation terminals, and lighting projects at the public use, public owned aviation facilities throughout the State.

CJ/al/rl