Oregon
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DATE: May 16, 2011

TO: Senator Ginny Burdick
Chair, Senate Finance and revenue Committee

FROM: Mitch Swecker, Interim Director

RE: Senate Bill 904 with -1 Amendment

INTRODUCTION:
Senate Bill 904 including -1 amendment changes ORS 836 to allow for the establishment of Tax Increment Financing (TIF) Districts at rural airports within Oregon.

BACKGROUND:
The 2005 Oregon Legislature enacted ORS 836.640 and 836.642 in 2005 establishing a pilot program that would encourage development of through-the-fence operations at three airports to promote economic development. The 2005 legislation promotes the creation of public-private partnerships to promote the orderly development of airports and airport related businesses to increase family wage jobs and local tax bases.

WHAT THE BILL DOES:
Senate Bill 904 amends ORS 836.640 and 836.642 to allow for the creation, with local approval, of Tax Increment Financing Districts at rural airports throughout Oregon.

SUMMARY:
Senate Bill 904 develops a means for rural airport sponsors and taxing districts to fund airport maintenance projects, on and off airport infrastructure improvements, noise abatement plans, land use planning, and other essential airport improvements, many of which are not normally eligible for funding from other sources. This type of funding could also improve airports that are not federally funded and have minimal revenue sources to improve rural airports. This bill could provide a funding mechanism for both on and off-airport infrastructure improvements that support safety and economic growth, such as road improvements and fire suppression. Additionally, the bill potentially could provide additional revenue to assist with maintaining an efficient aviation system throughout Oregon.

Position: The Oregon Aviation Board voted unanimously to support SB 904 at their April 28, 2011 Board meeting.