

POLICY PACKAGE #100
Operations
Aviation Fee Increases

PURPOSE

This package proposes to increase three fees; Aircraft Registration fees, Pilot Registration fees and Public Airport Registration fees.

Aircraft Registration

Revenue from Aircraft Registration is used to match the Federal Aviation Association (FAA) funding for the General Aviation Entitlement Program and for the Capital Construction Improvement Program. These programs administer projects at the state's twelve federally funded airports that are part of the National Plan of Integrated Airports System (NPIAS). These projects are critical as they address safety, operations and infrastructure development at airports that are significant to national air transportation. In February of 2012 a new FAA reauthorization bill was signed into law that raised the airport sponsor match from 5% to 10% for all new FAA grants. This increase in expenditures from the Oregon Department of Aviation (ODA) without an increase in revenue will result in a reduction in airport project improvements and consequently a decrease in revenue to the state as well as airport safety.

Pilot Registration

The proceeds from pilot registration are dedicated to funding expenses incurred by the Office of Emergency Management (OEM) for conducting activities for search and rescue missions, as well as expenses incurred by ODA relating to registering Oregon pilots. Due to an increase in expenses the current revenue is insufficient to provide the capability to effectively conduct aviation search and rescue activities.

Public Airport Registration

The current fee structure for public use airport registration does not cover the cost incurred to ODA for services provided to these airports such as; land use development expertise, legal advice and administration. The proposed fee increase aims to recapture these expenses. Without an increase in fees the cost incurred for services provided to public use airports will have to be absorbed into the declining operations budget.

HOW ACHIEVED

A fee increase in the registrations for Pilot, Aircraft, and Public Airports will provide additional revenue to the Department. With the additional revenue, we will be able to offset inflation and increase funding to OEM. Additional revenue further promotes the aviation infrastructure and develops economic development and jobs outcomes.

Purpose or Type of Fee, License or Assessment	Who Pays	2013-15 Estimated Revenue	2015-17 Agency Request	2015-17 Governor's Budget	2015-17 Legislatively Adopted	Explanation
Pilot Registration	Pilot		\$200,352			A fee increase in each of the areas listed above is required to

						provide additional revenue to the Department. With the additional revenue, we will be able to offset inflation and increase funding to OEM. Additional revenue further promotes the aviation infrastructure and develops economic development and jobs outcomes.
Aircraft Registration						
Ex-Military, Ex-Air Carrier Turbojet	Aircraft Owner		\$600			
Ex-Military, Multiengine	Aircraft Owner		\$7,200			
Experimental	Aircraft Owner		\$53,020			
Gyrocopter or glider	Aircraft Owner		\$6,380			
Home Built	Aircraft Owner		\$4,400			
Lighter than air (balloon)	Aircraft Owner		\$3,520			
Sail Plane	Aircraft Owner		\$1,760			
Ultralight	Aircraft Owner		\$1,980			
Helicopter Piston	Aircraft Owner		\$8,970			
Helicopter Turbine	Aircraft Owner		\$84,700			
Multi-engine Piston	Aircraft Owner		\$52,200			
Multi-engine Turbine	Aircraft Owner		\$76,800			
Single Engine Piston	Aircraft Owner		\$321,490			
Single Engine Turbine	Aircraft Owner		\$22,500			
TurboJet	Aircraft Owner		\$219,800			

Public Airports Registration						
Category I - Commercial Service	Public Airport Owner		\$2,400			
Category II - Urban General Aviation	Public Airport Owner		\$1,800			
Category III - Regional General Aviation	Public Airport Owner		\$1,800			
Category IV - Local General Aviation	Public Airport Owner		\$1,800			
Category V - Remote Access	Public Airport Owner		\$900			

STAFFING IMPACT

There are no additional staffing needs with this request.

QUANTIFYING RESULTS

Aircraft Registration Fees

The Department of Aviation registers over 4,000 aircraft annually. Aircraft registration fees are currently based on fifteen categories of aircraft types and range from \$30 to \$350 annually. If aircraft registration fees are not increased the total revenue from aircraft registration is forecasted to be \$599,800 per biennium.

The proposed fee increase is based on nine aircraft categories ranging from \$55 to \$700 annually. The revenue forecast based on the proposed fee increase for each biennium is \$865,320.

The total estimated increase in revenue due to aircraft registration fee increases as a result of this proposed legislation will be \$265,520 for the 2015-17 as well as the 2017-19 biennium.

Pilot Registration Fees

The Oregon Department of Aviation registers 4,174 pilots annually. Current pilot registration fees are \$12 for the first year registration and then \$24 bi-annually. \$24 is collected per biennium for each pilot. With no change in fees, the forecasted revenue for each biennium is \$100,176.

The proposed pilot registration fee will be \$24 annually. This will result in forecasted revenue of \$200,352 for each biennium.

The total estimated increase in revenue due to the increase in the pilot registration fee as a result of this proposal is \$100,176 for the 2015-17 as well as for the 2017-19 biennium.

Public Airport Registration Fees

There are sixty two public use airports that register annually with ODA. The annual registration fee is currently \$30 for all five categories of public use airports. With the current fee structure the revenue for each biennium will be \$3,720.

The proposed fee increase is tiered based on the category of the airport. The proposed fees range from \$30 for a category five to \$150 for a category one airport. With the proposed fee increase the revenue forecast for each biennium will be \$8,700.

The total estimated increase in revenue due to the increase in public airport registration fees as a result of this proposed legislation is \$4,980 for the 2015-17 biennium as well as the 2017-19 biennium.

The total estimated increase in other fund revenue to the Oregon Department of Aviation due to the increase in all three fees is \$370,676 for the 2015-17 biennium and \$370,676 for the 2017-19 biennium.

REVENUE SOURCE

The funding will be provided by pilots, aircraft owners, and public airport owners/operators.