

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0269-01  
Bill No.: SB 120  
Subject: Aircraft and Airports  
Type: Original  
Date: February 12, 2007

Bill Summary: This proposal increases the cap on aviation trust fund and allows aviation trust fund to be used for certain federal air traffic control cost-sharing programs.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(Up to \$2,500,000)	(Up to \$2,500,000)	(Up to \$2,500,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Up to \$2,500,000)</b>	<b>(Up to \$2,500,000)</b>	<b>(Up to \$2,500,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Aviation Fund	Up to \$2,500,000	Up to \$2,500,000	Up to \$2,500,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Up to \$2,500,000</b>	<b>Up to \$2,500,000</b>	<b>Up to \$2,500,000</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials at the **Missouri Department of Transportation (MoDOT)** assume this legislation would extend the transfer of state sales tax on jet fuel into the State Aviation Trust Fund, which is the primary funding source for capital improvement and maintenance projects on public-use general aviation airports.

The proposed revisions would increase aviation funding administered by MoDOT to municipalities for the operation of air traffic control towers at airports. This legislation would increase the cap on the aviation trust fund from \$6 million to \$8.5 million. The increase in funding would also be available to political subdivisions that own and operate airports. The funds can be used for maintenance and capital improvement projects on airports and for safety and navigational aids.

The estimated jet fuel tax revenue that would be transferred into the State Aviation Trust Fund is \$2.5 million annually. These transfers will support a stable funding source for airport improvements and meet the air transportation needs of Missouri.

Officials at the **Office of Administration's Budget and Planning** assume the proposed legislation should not result in additional costs or savings to the Division of Budget and Planning. This proposal seeks to increase the amount of revenue that can be deposited into the Aviation Trust Fund to \$8.5 million from \$6.0 million. Currently, any revenue above the \$6.0 million cap on the fund is deposited into the General Revenue Fund. Total Aviation Trust Fund revenue collections for fiscal year 2004 through fiscal year 2006 are:

FY 2004 = \$2.6 million  
FY 2005 = \$9.2 million  
FY 2006 = \$6.0 million

Officials at the **Department of Revenue** and the **Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

Officials at the **City of Kansas City** assume the increase in maximum annual contributions of sales and use tax revenues to the aviation trust fund may result in increased disbursements from the fund to the City of Kansas City. The City of Kansas City uses funding from the aviation trust fund for airport capital improvements. The amount of increased payments to the City from the fund as a result of the proposed legislation is unknown.

**Oversight** assumes this proposal is increasing the cap in the aviation trust fund an additional \$2.5 million. General Revenue could lose 'up to" \$2.5 million as they receive any money collected over the cap. The Road Fund could retain "up to" an additional \$2.5 million.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE</b>			
<u>Loss - General Revenue</u>			
Aviation jet fuel tax	<u>(Up to \$2,500,000)</u>	<u>(Up to \$2,500,000)</u>	<u>(Up to \$2,500,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Up to \$2,500,000)</u></b>	<b><u>(Up to \$2,500,000)</u></b>	<b><u>(Up to \$2,500,000)</u></b>
<b>AVIATION FUND</b>			
<u>Revenue - Department of Transportation</u>			
Aviation jet fuel tax	<u>Up to \$2,500,000</u>	<u>Up to \$2,500,000</u>	<u>Up to \$2,500,000</u>
<b>ESTIMATED NET EFFECT ON AVIATION FUND</b>	<b><u>Up to \$2,500,000</u></b>	<b><u>Up to \$2,500,000</u></b>	<b><u>Up tp \$2,500,000</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Having an adequate local airport is an important part of a community's economic development package used to attract and retain business and industry.

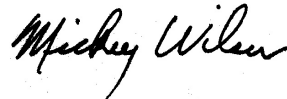
FISCAL DESCRIPTION

This act increases the cap on the amount that can be deposited in the state aviation trust fund from \$6 million to \$8.5 million. The act also provides that aviation trust funds may be used for air traffic control towers partially funded by the federal government under a cost-sharing program. Up to \$500,000 per year may be used on a ratio of 50% state and 50% local to fulfill the non-federal match requirement.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Transportation  
Department of Revenue  
Office of the State Treasurer  
City of Kansas City  
Office of Administration's Budget and Planning



Mickey Wilson, CPA  
Director  
February 12, 2007