

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4304-01
Bill No.: SB 947
Subject: Transportation; Transportation Department; Aircraft and Airports
Type: Original
Date: February 13, 2008

Bill Summary: This proposal increases the cap on amount of aviation generated revenue that may be deposited in state aviation trust fund and expands purposes for which moneys in the aviation trust fund may be used.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(Up to \$6,000,000)	(Up to \$6,000,000)	(Up to \$6,000,000)
Total Estimated Net Effect on General Revenue Fund	(Up to \$6,000,000)	(Up to \$6,000,000)	(Up to \$6,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Aviation Fund	Up to \$6,000,000	Up to \$6,000,000	Up to \$6,000,000
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$6,000,000	Up to \$6,000,000	Up to \$6,000,000

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Division of Budget and Planning (BAP)** assume the proposed legislation should not result in additional costs or savings to BAP. This proposal seeks to increase the amount of revenue that can be deposited into the Aviation Trust Fund to \$12 million from \$6 million. Currently, any revenue above the \$6 million cap on the fund is deposited into the General Revenue Fund (GR). Total Aviation Trust Fund (ATF) revenue collections for fiscal year 2005 through fiscal year 2007 are listed in the chart below:

FY 2005	\$9.2 million
FY 2006	\$6.0 million
FY 2007	\$7.5 million

Assuming revenue collections again reach the fiscal year 2005 level listed above; increasing the cap to \$12 million could result in up to \$3.2 million less being available to deposit into general revenue annually. This proposal essentially seeks to move money currently being deposited into the General Revenue fund to the Aviation Trust Fund. Both of these funds were originally established and currently reside within the State Treasury, so any movement between these funds will not impact total state revenue or the provisions of 18(e).

Officials at the **Missouri Department of Transportation** assume that with an effective date of January 1, 2009 and based on historic receipts of jet fuel sales tax receipts and growth rates from the US Department of Energy and some carriers requesting refunds of overpayments that the Aviation Fund would have an increase of \$1,669,524 in FY09, \$1,917,913 in FY10, \$1,846,868 in FY11.

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

Oversight assumes this proposal is increasing the cap in the aviation trust fund an additional \$6 million. General Revenue could lose "up to" \$6 million as they receive any money collected over the cap. The Aviation Fund could retain "up to" an additional \$6 million.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Loss - General Revenue</u>			
Aviation jet fuel tax	<u>(Up to \$6,000,000)</u>	<u>(Up to \$6,000,000)</u>	<u>(Up to \$6,000,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE			
	<u>(Up to \$6,000,000)</u>	<u>(Up to \$6,000,000)</u>	<u>(Up to \$6,000,000)</u>
AVIATION FUND			
<u>Revenue - Department of Transportation</u>			
Aviation jet fuel tax	<u>Up to \$6,000,000</u>	<u>Up to \$6,000,000</u>	<u>Up to \$6,000,000</u>
ESTIMATED NET EFFECT ON AVIATION FUND			
	<u>Up to \$6,000,000</u>	<u>Up to \$6,000,000</u>	<u>Up to \$6,000,000</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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 of jet fuels sales taxes that can be deposited into the State Aviation Trust Fund. Under current law, only \$6 million generated from jet fuel sales taxes may be deposited to the credit of the Aviation Trust Fund (Section 144.805). This act increases the cap to \$12 million.

FISCAL DESCRIPTION (continued)

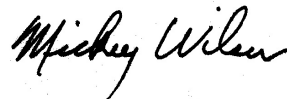
This act allows \$2 million from the Aviation Trust Fund to be used for the study or promotion of expanded domestic or international scheduled commercial service, for the study or promotion of intrastate scheduled commercial service, or to assist airport sponsors participating in a federally funded air service program supporting intrastate scheduled commercial service. The act further requires that there must have been at least \$6 million deposited in the fund in the previous calendar year before aviation trust funds can be utilized for these purposes (Section 305.230).

This act allows moneys in the Aviation Trust Fund to be used to assist communities to match federal air traffic control tower cost-share program grants. Under the act, up to \$500,000 per year may be used on a ratio of 50% state/50% local to meet the non-federal match requirement. No more than \$100,000 per year may be used for any individual air traffic control tower (Section 305.230).

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
Budget and Planning
Office of the State Treasurer
Department of Revenue



Mickey Wilson, CPA
Director
February 13, 2008