

Selected Significant Aviation-Related Bills in the California Legislature

1. **AB2X 30 (Dutra): “Electrical Corporations: Crude Petroleum Refineries”**: California’s energy crisis has caused service disruptions statewide. AB2X 30 (in the second extraordinary session) *was recently amended to focus on the utility relocation work for transit capital improvement projects. Previous language intended to create a separate priority for crude petroleum refineries to prevent shortages of critical fuels, but that was deleted. Since AB2X 30 no longer is concerned with aviation, this bill will be deleted from the next report.*
2. **AB 37 (Strickland): “Sales and Use Taxes: Exemptions: Gasoline and Diesel Fuel”**: Existing law imposes a sales tax on automotive gasoline and diesel fuel. This bill would exempt those fuels from the sales and use taxes, but would require the State to reimburse local governments for local revenues lost from the exemption to the sales and use taxes (up to the 3½% portion of the sales tax rate). The bill was “held under submission” in the Assembly Committee on Revenue and Taxation due to budget considerations.
3. **AB 243 (Runner): “Aircraft Jet Fuel Tax: Exemption”**: Existing law imposes a sales and use tax on aircraft jet fuel, which generates revenue for State and local general, public safety, and transportation funds. This bill would exempt aircraft jet fuel sold to an air common carrier of property or persons at an airport in an enterprise zone from the sales and use tax. AB 243 would exempt aircraft jet fuel from the State General Fund portion of the sales tax (currently 4¾%), but would retain the local sales and use taxes imposed on jet fuel (up to 3½%). AB 243 was “held under submission” in the Assembly Committee on Revenue and Taxation due to budget considerations.
4. **AB 309 (Longville): “Sales and Use Taxes: Fuel: Prepayment”**: Under existing law, aircraft jet fuel is subject to the sales tax. This bill’s provisions would conform with AB 2114, Chapter 1053 of the Statutes of 2000, relating to the prepayment of the sales tax on aircraft jet fuel at the first point of distribution. Additional prepayments would be permissive if more than 75% of the gross receipts are from the retail sale of motor vehicle fuel, diesel fuel, or aircraft jet fuel. *AB 309 is scheduled for hearing in the Senate Committee on Appropriations on August 20, 2001.*
5. **AB 491 (Frommer): “Rental Vehicles: Passenger Vehicles”**: Existing law provides for the terms and conditions of rental vehicles, in support of a consolidated rental car facility, or for common use by airport passengers moving between terminals and rental car facilities. This bill defines a “customer facility charge” as it relates to rental vehicle charges imposed by airports, and paid by the rental vehicle customer. For rates advertised by rental vehicle companies to their customers, each company shall disclose the amount of the “customer facility charge”, *and the “aggregate amount to be collected.” Other bill provisions are concerned with financial responsibility when the renter has an accident. AB 491 is scheduled for hearing in the Senate Committee on Judiciary on August 21, 2001.*
6. **AB 631 (Oropeza): Transportation: Needs Assessment**: This bill would require completion of an assessment of the State transportation system by the California Transportation Commission, in conjunction with the regional transportation planning agencies and the metropolitan planning organizations (RTPAs/MPOs), and the California Department of Transportation. The bill included “intermodal connections and airport facilities”, “goods movement and transit equity assessment” in the assessment of condition, performance, and deficiencies, to be completed every five years. *AB 631 is scheduled for hearing in the Senate Committee on Appropriations on August 20, 2001.*

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7. **AB 1382 (Liu) and SB 921 (Knight): “Space Industry Development”;** **SB 76 (O’Connell), SB 154 (Haynes), and SB 640 (Knight): “Sales and Use Tax Exemption: Space Flight”;** and **AB 1001 (Longville): “Space Industry”:** AB 1382 and SB 921 would establish a space industry development program in the Technology, Trade & Commerce Agency. AB 1382’s provisions would be funded by a \$1 million appropriation from the State General Fund to the “California Space Industry Fund”. SB 76, SB 154, and SB 640 generally provide for exemptions from the sales tax for property sold for use in space flight. SB 76 would expand the exemption to include property used in spaceport operations. SB 154 and SB 640 would allow material that is not intended to be launched into space to be exempt from the sales tax. AB 1001 would establish a “California Spaceport Development Zone Act of 2001”, which would authorize the Technology, Trade & Commerce Agency to establish five spaceport zones, comparable to enterprise zones, including tax incentives for economic development primarily engaged in launch related activities. The spaceport zone would be in existence 40 years, and include a financing district. AB 1382 is pending in the Senate Committee on Appropriations’ Suspense File. SB 921 has not yet been assigned to a policy committee in the Senate. SB 76 is scheduled for further hearing in the Senate Committee on Revenue and Taxation. SB 154 is pending in the Senate Committee on Revenue and Taxation. SB 640 is scheduled for further hearing in the Senate Committee on Revenue and Taxation. AB 1001’s hearing in the Assembly Committee on Revenue and Taxation was postponed.
8. **SB 703 (Perata and Bates): “Military Base Reuse”:** SB 703 is concerned with military bases in Orange County, and would establish a new reuse entity for El Toro, contingent on voter approval of “The Orange County Central Park and Nature Preserve Initiative” on March 5, 2002. Composition of the reuse entity and certain planning activities are established in SB 703. SB 703 is pending in the Senate Committee on Local Government.
9. **AJR 9 (Runner): “Space Shuttle”:** This resolution would request the President and Congress to consider the continuation of the “Space Shuttle Modification Program” at Plant 42 in Palmdale, and other space industry objectives. Over 65 co-authors *support* the resolution. *AJR 9 is scheduled for hearing in the Senate Committee on Rules on August 20, 2001 (this usually means the bill will be assigned to a policy committee in the Senate).*
10. **SB 13 (McClintock): “Sales and Use Tax: Rate Reduction”:** Existing law provided for a reduction of ¼ % in the sales tax under certain positive economic conditions. This reduction took place on January 1, 2001 for one year; this bill would make the reduction permanent. The bill failed to pass the Senate Committee on Revenue and Taxation, but it was granted reconsideration. The bill’s subsequent hearing was canceled at the request of the author.
11. **SB 244 (Speier): “Environmental Quality: Airport Expansion and Enlargement Projects”:** This bill would: a) Require any airport expansion or enlargement of a publicly owned airport, which needs to acquire “tide and submerged lands, or other lands subject to the public trust for commerce, navigation, or fisheries” for that project, to have a 120-day public review period for any draft environmental impact report; b) Defines “carrying out or approving a project” to include consideration of a plan for expansion or enlargement of an airport; and c) Adds language to the State Aeronautics Act in the Public Utilities Code, where “acquisition of land” would include “tide and submerged lands, or other lands subject to the public trust for commerce, navigation, or fisheries”. SB 244 is supported by the San Francisco International Airport. A bill recently introduced in Congress, H.R. 2107, would preempt states and their political subdivisions from prohibiting runway expansion projects at medium and large hub airports in the U.S. (there are nine such airports in California, including Los Angeles, San Francisco, and San Diego International Airports). SB 244 is scheduled for hearing in the Assembly Committee on Transportation on *August 20, 2001.*

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12. **SB 656 (Knight): “Military Base Retention”**: This bill would establish the Military Base Retention Authority Act, to include single reuse authorities for retention planning for military bases. A list of military bases in the bill include several existing aviation facilities, but does not contain any that are proposed for closure or realignment. SB 656 is pending in the Senate Committee on Local Government.
13. **SB 822 (Poochigian): “County Sheriffs: Search and Rescue”**: The sheriff of each county has search and rescue responsibilities. This bill would specifically include searching for persons in missing or downed aircraft. The sheriff may transfer this responsibility to another agency or jurisdiction through a written agreement. Any expense incurred in the activity would be considered a proper county charge. This bill was scheduled for hearing in the Senate Committee on Local Government, but the hearing was canceled at the request of the author.
14. **SB 865 (Polanco): “California-Mexico Border Infrastructure Financing Authority”**: Population growth along the California and Mexico border will lead to “escalating infrastructure deficits” by 2020, including airports. This bill would create the above authority, which would be required to issue revenue bonds for construction of infrastructure. Projects would be revenue-generating, such as air cargo facilities. The bill is pending in the Assembly Committee on Appropriations.
15. **SB 869 (Karnette): Department of Transportation: Airport Assessment Study**: Under existing law, Caltrans is responsible for developing a California Aviation System Plan. This bill would require Caltrans to conduct a needs assessment study on airports, including an airport inventory, capacity of airports for air traffic, projected growth of the airports, planned airport expansions, and infrastructure evaluation. SB 869 was scheduled for hearing in the Senate Committee on Transportation, but it was canceled at the request of the author. It is our understanding that SB 869 will be a two-year bill, in order to conduct additional research.
16. **SB 1053 (Knight): “Centennial of Flight Program”**: Under existing law, the California Department of Education (CDE) is required to assist school districts in developing an aviation education program. SB 1053 would emphasize, in that aviation education program, materials to commemorate the 100th anniversary of the Wright Brothers’ first flight. CDE would be encouraged to use resources from the National Aeronautics and Space Administration and the U.S. Centennial of Flight Commission. School districts are encouraged to integrate aviation into mathematics, science, social studies, and vocational training, and to work with NASA centers in California. SB 1053 is pending in the Assembly Committee on Appropriations.
17. **SJR 17 (Vincent): “Federal Interstate Highways: *International Airports: Schools*”**: *SJR 17 was amended recently, stating airports and freeways have a “significant detrimental impact on adjacent schools”; the resolution suggests that billboard revenue could offset the detrimental impacts. The resolution urges Congress and the President to establish a “Federal Transportation Impact Assistance Program” for schools located within two miles of an international airport, or adjacent to federal-aid highways. The bill is pending on the Senate Floor.*