



Summary of Aviation Legislation in California

**Prepared by the
California Department of Transportation
Division of Aeronautics**

AVIATION-RELATED LEGISLATION PASSED BY THE CALIFORNIA LEGISLATURE IN 2003

AB 332	Mullin	“Airports:Land Use Commissions”	Chapter 351 of the Statutes of 2003
AB 487	Frommer	“Rental Car Impact Fee: Traffic Congestion Relief Program”	Vetoed (Message Below)
AB 1263	Benoit	“Trespass”	Chapter 361 of the Statutes of 2003
AB 1532	Nakano	"Economic Development: Technology Programs"	Chapter 627 of the Statutes of 2003
AB 1717	Assembly Transportation Committee	“Omnibus Transportation Bill”	Chapter 525 of the Statutes of 2003
AB 1765	Assembly Budget Committee	“Budget Act of 2003”	Chapter 157 of the Statutes of 2003
ACR 56	Nakano	“California Space Day”	Resolution Chapter 11 of 2003

ACR 117	Pacheco	"Celebrating the 45th Anniversary of NASA"	Resolution Chapter 143 of 2003
AJR 10	Garcia	"Imperial County Airport"	Resolution Chapter 79 of 2003
HR 23	Parra/Dutton	"Military Air Fares"	Adopted by Assembly
HR 33	Runner	"Selection of California Site for Boeing Aircraft"	Adopted by Assembly
SB 1059	Committee on Revenue and Taxation	"Taxation: Aircraft of Historical Significance"	Chapter 604 of the Statutes of 2003
SCR 9	Knight	"Space Shuttle Columbia"	Resolution Chapter 3 of 2003
SCR 36	Knight	"Centennial of Flight"	Resolution Chapter 126 of 2003
SR 21	Knight	"Selection of California Site for Boeing Aircraft"	Adopted by Senate

Governor Davis' Veto Message for AB 487: "I believe it is inappropriate to impose new fees purely for the benefit of one industry. In addition, stating these new rental car fees separately is misleading to consumers who may not be aware that advertised rental car prices do not include vehicle license fee charges."

***AVIATION LEGISLATION IN THE CALIFORNIA LEGISLATURE:
SEPTEMBER 29, 2003***

2003-04 First Extraordinary Session: The following bills would amend the: a) Budget Acts of 2002 or 2003, or b) California statutes, to implement the budgetary changes.

1. ABX1 6 (Oropeza), SBX1 4, SBX1 17 (Senate Budget Committee), and SBX1 9 (Chesbro): "Reductions in the Budget Act of 2002 Relating to State and Local Government": ABX1 6, SBX1 4, and SBX1 17 did not pass the Legislature, and are no longer active. SBX1 9 did not have any reductions or fund transfers related to aviation, and is Chapter 3 of the Statutes of 2003-04, First Extraordinary Session.

2. ABX1 11 (Oropeza) and SBX1 7 (Senate Budget Committee): “Reductions in the Budget Act of 2002 Relating to State Government”: These two “budget trailer bills” initially had identical language relating to aviation, proposing to amend the Public Utilities Code (PUC) in order to implement proposed amendments to the Budget Act of 2002. The PUC amendments in SBX1 7 would have:

- a) When appropriated by the Legislature, permanently allowed the transfer of funds, for the \$10,000 Annual Credits, from the Aeronautics Account to the General Fund, including any funds that public entities owning the airports accumulated over a five-year period;
- b) Suspended the Annual Credits for FY 2003-04; and
- c) Permanently required the California Transportation Commission (CTC), in awarding any aviation grants to eligible airports, including AIP Matching and A&D Grants, to give the highest priority to security projects at general aviation airports with less than 80,000 annual operations.

ABX1 11 deleted all the above PUC amendments relating to aviation, and is Chapter 2 of the Statutes of 2003-04, First Extraordinary Session. SBX1 7 is pending in the Assembly Committee on Budget.

Budget and Trailer Bills for FY 2003-04: AB 1746, AB 1748, and AB 1765 (Assembly Budget Committee), and SB 1048 (Senate Budget Committee): *AB 1746 and AB 1748 are no longer related to aviation. AB 1765 is the Budget Act of 2003, which included a transfer of \$4.8 million from the Aeronautics Account to the General Fund for FY 2003-04, and is Chapter 157 of the Statutes of 2003-04. SB 1048 was amended in the Assembly, to delete that transfer. SB 1048 passed the Assembly, and is pending in the Senate Committee on Rules .*

2003-04 Regular Session

1. AB 77 (LaSuer): “San Diego County Regional Airport Authority (SDCRAA)”: This bill would prohibit the SDCRAA from displacing or interfering with existing aerial fire fighting locations in the San Diego Region, when considering the siting for an international airport. AB 77 is pending in the Assembly Committee on Local Government.

2. AB 296 (Mullin): “Sound Insulation”: *Prior to Sept. 12, 2003 , this bill would have required:*a) All newly constructed public school buildings, including all newly manufactured public school portable classrooms proposed to be located on a new or existing schoolsite within a 65 dB CNEL aircraft noise contour, to be designed to have a schooltime interior Leq of 45 dB from aircraft operations; and b) The Leq would be from the accumulated sound level for a particular time period, such as an eight-hour schoolday. *After the Sept. 12 amendment, AB 296 is no longer related to aviation.*

3. AB 332 (Mullin): “Airports: Land Use Commissions”: This bill:

- a) *Makes* school districts and community colleges subject to airport land use law;
- b) If a local agency plans to overrule the airport land use commission (ALUC), the local agency *is* required to, within 45 days of a public hearing, submit the specified findings to the Department and the ALUC for their review and comment ; *if the ALUC and Department submit their comments within 30 days of receiving the documents, the comments will become part of the public record;*
- c) *Changes* “overrides” to “overrules” in airport land use law; and
- d) *Expresses* the Legislature’s intent to discourage incompatible land uses near existing airports; local agencies planning to renovate or construct public buildings *will* be required to utilize various criteria in the Department’s Airport Land Use Planning Handbook, and Federal Aviation Regulation Part 77. *AB 332 is Chapter 351 of the Statutes of 2003.*

4. AB 487, AB 118 (Frommer), and SB 300 (Torlakson):“Rental Car Impact Fee:Traffic Congestion Relief Program”: *AB 487 is the result of combining language from AB 118 and SB 300 in the closing days of the 2003 session.AB 487 would require rental car agencies to collect a Vehicle License Transaction Fee of 2.71 percent, to sunset on January 1, 2007, on the value of the transaction, should the vehicle license fee be increased above the level on January 1, 2003.An “Impact Fee” of 2.29 percent, to sunset on January 1, 2009, would be imposed on each rental car transaction, to mitigate the congestion caused by rental cars on the state’s highways.The “Impact Fee” revenues would be used to repay loans made in recent budgets between the Traffic Congestion Relief Program, the General Fund, and the State Highway Account.Traffic congestion created by rental cars at airports and tourist destinations would generate revenues, in the judgment of the California Transportation Commission, that would be exclusively allocated to construction projects located at, in, or near airports, tourist destinations, and locations used by a high proportion of rental cars.AB 487 is on the Governor’s desk.*

5. AB 530 (Mullin): “Aviation: Noise”: This bill would, in subsequent legislation, require each airport served by an airline to mitigate airport noise through a collaborative program between the airport and airlines to reach operating performance goals in compliance with the airport noise standards administered by the Department. Assemblymember Mullin is chair of the Assembly Select Committee on Aviation and the Airline Industry, and held a hearing in Brisbane on February 27, 2003 on this issue.AB 530 has not yet been assigned to a policy committee in the Assembly. *The Legislature’s rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

6. AB 694 (Levine): “Use Tax: Vehicles, Vessels, and Aircraft”: This bill would make a “rebuttable presumption” that an aircraft purchased outside of California (CA) would be subject to CA’s use tax, under any of the following circumstances: a) It was purchased by a CA resident; b) It was subject to the CA property tax during the first 12 months of ownership; or c) It was used or stored in CA more than ½ the time during the first 12 months of ownership. This presumption may be “controverted” by documentary proof that the aircraft was purchased for use outside of CA during the first 12 months of ownership. If the aircraft is used in interstate or foreign commerce, it would not be subject to the bill. *The bill would provide for an exemption*

for aircraft brought into California for the purpose of repair, retrofit, or modification, if the work is completed, and less than 25 hours of air time has been logged by the aircraft owner, or an agent designated by the owner who is operating the aircraft. If more than 25 hours is logged, then the aircraft would be subject to the use tax. There would not be a grace period allowed for avoidance of the use tax. AB 694 is in the "Inactive" file on the Senate Floor.

7. AB 721 (Matthews): "Urban Growth Boundaries: Smart Growth Model Ordinance":

This bill would require a city's or county's general plan to establish a 20-year urban growth boundary in the land use element for extension of urban services. Expansion of the growth boundary would be prohibited during that period unless certain conditions are met. Local jurisdictions complying with the updated preparation of the land use element would be eligible for partial reimbursement. Funding would be available for capital improvement projects in the updated land use element with an urban growth boundary. The Governor's Office of Planning and Research would be required to develop a state "smart growth" model zoning ordinance. The bill has not yet been assigned to a policy committee in the Assembly. *The Legislature's rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

8. AB 734 (Montanez): "Large Venue Recycling Programs" : This bill would require a city or county to give funding priority for establishing or expanding recycling at "large venues", including airports, to provide a "multiple material recycling bin" for every 500 visitors, based upon the daily visitor capacity of the "large venue". AB 734 is pending in the Assembly Committee on Natural Resources. *The Legislature's rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

9. AB 920 (Nakano): "Real Estate Disclosures: Nuisance: Local Government": AB 2776, Chapter 496 of the Statutes of 2002, established a city or county disclosure requirement for real property in the vicinity of an airport influence area, effective January 1, 2004. AB 920 would provide, after January 1, 2005, *unless a city or county adopts a different or additional disclosure form, that an "Airport Influence Area" map disclosure, or notice of an airport within two statute miles, would satisfy the requirement for disclosure of airports in transfers of real property.* AB 920 is pending on the Senate Floor.

10. AB 1183 (Ridley-Thomas): "California and Mexico Border Economic Infrastructure Financing Authority": The Legislature's intent is to recognize that due to the doubling of population by 2020 in counties bordering Mexico, transportation and other infrastructure needs must be addressed. This bill would establish the above Authority, which could be used to finance transportation, including airports, and other infrastructure needs. *The bill is pending in the Assembly Committee on Jobs, Economic Development, and the Economy. The Legislature's rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

11. AB 1221 (Steinberg and Campbell): "Taxation": If passed, this bill would become the "California Balanced Communities Act of 2003". The bill is concerned with the tax rates and distribution of revenues from the sales and use tax and property tax, among cities, counties, a city and county, districts, school districts, community college districts, and county offices of education. The Legislature's intent is for the state to maintain its aggregate funding obligations,

by modifying the aforementioned revenue sources that are relied upon by the users of the tax revenues. *The bill is pending in the Assembly Committee on Appropriations. The Legislature's rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

12. AB 1263 (Benoit): "Trespass": In accordance with federal law: a) *A person who intentionally avoids submission to screening in a sterile area of an airport, and is responsible for delays or cancellations of scheduled flights due to the trespass ; and b) If the sterile area is posted with trespass signs at intervals not less than three per mile along all exterior boundaries and entrances, then the person is punishable by imprisonment of not more than one year in a county jail. AB 1263 is Chapter 361 of the Statutes of 2003.*

13. AB 1532 (Nakano): "Economic Development: Technology Programs" : *This bill reflects the recent elimination of the Technology, Trade and Commerce Agency, effective January 1, 2004. It would transmit the California Space Authority (CSA) from the TTCA to the Business, Transportation, and Housing Agency. CSA fosters activities that increase competitiveness of space enterprise in California. The author is seeking to continue the CSA in order to continue pursuit of federal and private funds. This bill is similar to SB 926. AB 1532 is on the Governor's desk.*

14. AB 1645 (Ridley-Thomas): "Airports: Ground Transportation Security": The bill would require the California Public Utilities Commission to establish security standards for driver applicants and key employees to "charter-party carriers" serving airports. LAX's Police requested legislation to require criminal background checks of bus, van, and limousine drivers at airports. *AB 1645 is held under submission in the Assembly Committee on Appropriations. The Legislature's rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

15. AB 1717 (Transportation Committee): "Omnibus Transportation Bill":

AB 1717 would: a) Repeal two obsolete requirements: 1) Implement a "smart cockpit instrument display", and 2) Channelization of airport applications for federal capital improvement projects through the Department; b) Replace Capital Improvement "Program" with "Plan"; and c) Allow the Department to use nonfederal funds for the California Aviation System Plan's Policy and Capital Improvement Plan Elements. *AB 1717 is Chapter 525 of the Statutes of 2003.*

16. ACR 56 (Nakano): "California Space Day" : *The Legislature requested Governor Davis to proclaim March 18, 2003 as "California Space Day", in recognition of the: a) Contributions that space enterprise has made and will continue to make in California; and b) Economic value of space enterprise to the state's economy and pledges to work with academic, local government, and industry leaders to attract, retain, and nurture space enterprise. ACR 56 is Resolution Chapter 11 of 2003.*

17. ACR 117 (Pacheco): "Celebrating the 45th Anniversary of NASA" : *The Legislature recognized the monumental achievements of the National Aeronautical and Space Administration (NASA) in exploration of the moon, and celebrated the 45th anniversary of NASA. ACR 117 is Resolution Chapter 143 of 2003.*

18. **AJR 10 (Garcia): “Imperial County Airport”**: This resolution memorialized Congress to designate the Imperial County Airport as an International Port of Entry; and requested the Imperial County Board of Supervisors to direct the County Airport Manager to pursue all appropriate action to achieve the designation. *AJR 10 is Resolution Chapter 79 of 2003.*

19. **HR 33 (Runner) and SR 21 (Knight): “Selection of California Site for Boeing Aircraft”** : *These resolutions declared support for Boeing’s selection of a site within the State of California as the final assembly facility for the 7E7 jetliner. HR 33 was adopted by the Assembly. SR 21 was adopted by the Senate.*

20. **SB 541 (Torlakson): “Motor Vehicle Fuel License Taxes: Diesel Fuel Taxes”** : Existing law imposes an excise tax on aviation gasoline of \$.18 per gallon, which was effective January 1, 1994. If the price of gasoline is below \$1.80 per gallon, this bill would raise the tax each year according to the Consumer Price Index (CPI), with the rate for 2004 calculated for the period between 1994 and 2003. The author estimated the tax would now be \$.215 per gallon. In FY 2001-02, 28.8 million gallons of aviation gasoline were purchased in California. Using that amount of fuel, the increase could have generated an estimated \$1 million annually. SB 541 failed passage in the Senate Committee on Transportation, but was granted reconsideration. *The Legislature’s rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

21. **SB 593 (Ackerman): “Property Taxation: State Assessment: Commercial Air Carrier Personal Property”**: Existing law imposes taxes on commercial air carriers’ personal property *in each county; the carrier is defined as “a person that operates an aircraft for any commercial purpose for compensation”*. This bill would require, beginning in the 2005-06 Fiscal Year and each year thereafter, the Board of Equalization (BOE) to assess commercial air carriers’ personal property on a statewide basis, *including the full market value of aircraft*, and allocate the revenues to the tax rate area(s) in the counties in which the property is located. *The BOE would be required to audit the books and records of a commercial air carrier every four years. The Senate Committee on Appropriations’ staff analysis of SB 593 stated: Approximately \$100 million is currently collected on the assessment of commercial aircraft (for local property tax purposes). SB 593 is pending in the Suspense File of the Senate Committee on Appropriations. The Legislature’s rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

22. **SB 806 (Sher): “General Plans: Land Use: Circulation—Transportation Element”**: This bill would change the “Circulation Element” to the “Transportation Element”, which would be correlated to the land use element. “Military Airports” are specifically included in the “Transportation Element”. SB 806 is in the *Inactive File* on the Senate Floor. *The Legislature’s rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

23. **SB 924 (Karnette): “Global Gateways Development Council”**: This bill would create, until January 1, 2011, the aforementioned Council, to advise the Department, CTC, and regional transportation planning agencies, concerning the needs of commercial transportation in California. The Council would report annually to the Legislature and the Governor on the goods movement transportation system. *SB 924 is under submission in the Senate Committee on*

Appropriations. The Legislature's rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.

24. SB 926 (Knight): "Technology Development" : This bill would transfer the space enterprise development program, the California Space Authority, and a competitive grant program for space enterprise from the Technology, Trade and Commerce Agency to the Business, Transportation and Housing Agency. *This bill is similar to AB 1532. SB 926 is on the Assembly Floor.*

25. SB 981 (Soto & Romero): "Petroleum Pollution Cleanup and Prevention Act of 2003": Due to air quality problems associated with transportation fuels, including those used for internal combustion engines in aircraft, this bill would impose a fee of \$.30 per barrel of crude oil that is consumed in the state. The revenues would be sent to the Children's Health and Petroleum Pollution Remediation Trust Fund, to provide funding for children's health and other mitigation programs. The bill is pending in the Senate Committee on Revenue and Taxation. *The Legislature's rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

26. SB 998 (Bowen): "California Economic Stimulus and Public Infrastructure Security and Investment Bond Act": This bill would establish and give authority for issuing bonds for the purpose of economic development, to be distributed to nine regions of the state, which are similar to the Technology, Trade and Commerce Agency's business regions. The bill is related to SB 924 and SB 981; the Freight Advisory Commission would make recommendations on infrastructure improvements within five miles of many facilities, including airports. SB 998 is pending in the Senate Committee on Governmental Organization. *The Legislature's rules state that a bill must pass its house of origin by January 31 of the second year of the two-year session, or 2004 for this bill.*

27. SB 1059 (Committee on Revenue and Taxation): "Taxation: Aircraft of Historical Significance": Under existing law, aircraft of historical interest which are displayed to the public for 12 days out of the year, are not held for sale, and do not use the aircraft for commercial or general transportation purposes, are exempt from the property tax. This bill would require the owner of the aircraft to demonstrate proof of the aircraft's participation in the public event. The owner would be required to attach a certificate of attendance from the event coordinator. *If the owner does not file an affidavit for the exemption by February 15th, but files it by August 1st of the tax year, the exemption will be reduced by 80 percent.* This bill addresses other taxation issues unrelated to aviation. *SB 1059 is on the Governor's desk.*

28. SCA 2 (Torlakson): "Local Government: Sales Taxes: Transportation and Smart Growth Planning": This proposed Senate Constitutional Amendment (SCA) would authorize a county, city and county, a local transportation authority, or a regional transportation planning agency to submit an increase in the sales tax to voters, for the purpose of funding transportation projects and services related to smart growth planning. SCA 2 passed the Senate, but has not yet been assigned to a policy committee in the Assembly.

29. SCR 9 (Knight): "Space Shuttle Columbia" : *The Legislature formally expresses its gratitude to Columbia's crew and their families, and also all past, current, and future astronauts for their bravery and selfless sacrifice for the benefit of humankind; the Legislature affirms its support for*

our nation's continued aggressive world leadership in space exploration. SCR 9 is Resolution Chapter 3 of 2003.

30. SCR 36 (Knight): "Centennial of Flight" :The Legislature recognizes the centennial anniversary of flight and encourages cities, counties, and individual citizens to organize activities in celebration of a century of flight. SCR 36 is Resolution Chapter 126 of 2003.

31. SJR 16 (Morrow) and HR 23 (Parra/Dutton) : "Military Air Fares" : These resolutions would urge all airline companies in the United States to permanently establish, for active duty military personnel, a reduced price fare equal to, or lower than, the lowest fare offered for each ticketed flight. SJR 16 has not yet been assigned to a policy committee in the Senate. HR 23 was adopted by the Assembly .

32. SR 23 (Murray): "Aviation:El Toro" :The California State Senate requests the U. S. Navy and Department of Transportation to preserve a national aviation asset by approving the City of Los Angeles's offer to lease the El Toro marine base and operate the facility as a civilian passenger and cargo airport. SR 23 has not yet been assigned to a policy committee in the Senate.

* *"Italics "* indicates changes from the previous report

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