

2/28/96 Failed to Pass

JAN 8 1996
TRANSPORTATION

HOUSE FILE 2002
BY MILLAGE

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the commercial air service marketing program.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2002

1 Section 1. Section 328.12, subsection 1, Code 1995, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Participation in the commercial
4 air service marketing program shall be limited to airports
5 currently receiving scheduled commercial air service and
6 designated as level I airports in the Iowa aviation plan and
7 to airports providing commercial air service located within
8 ten miles of the borders of the state of Iowa.

9 EXPLANATION

10 Currently the state department of transportation
11 administers the commercial air service marketing program which
12 is created under 761 IAC ch. 715, pursuant to section 328.12.
13 The program provides funds for marketing, advertising, and
14 public relations programs to improve scheduled air service and
15 increase passenger traffic at Iowa's commercial service
16 airports. The funding is currently limited to airports
17 receiving commercial air service and designated as level I
18 airports in the Iowa aviation plan. This bill requires that
19 the state department of transportation provide funding to
20 airports providing commercial air service located within 10
21 miles of the borders of the state of Iowa.

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**HOUSE FILE 2002
FISCAL NOTE**

A fiscal note for House File 2002 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2002 requires the Department of Transportation to provide funding to airports providing commercial air service located within ten miles of the borders of the State of Iowa.

BACKGROUND

The DOT receives an annual appropriation from the General Fund for the State Aviation Program. The FY 1996 appropriation is \$2,262,000. The appropriation level is generally determined from the level of aircraft registration fees and tax on aviation and jet fuel which is deposited into the General Fund. The State Aviation program includes numerous subprograms including: air service marketing, aviation weather system, runway marking program, windsock program, airport improvement program, and the facilities and equipment program. Approximately \$1,780,000 of the FY 1996 appropriation is being used for runway reconstruction, widening, and aircraft parking apron reconstruction.

In FY 1996 air service marketing is funded at \$256,000. Currently, there are ten Level I commercial air service airports in Iowa that are eligible for the air service marketing funds. Air Service Marketing Program grants range from \$1,500 at Spencer to \$60,000 at Des Moines. The average FY 1996 grant is \$25,500.

FISCAL IMPACT

House File 2002 will make three out-of-state airports eligible for air service marketing funds. These include: Moline, Omaha, and Sioux Falls.

The fiscal impact of HF 2002 will depend on the future funding level of air service marketing and the funding approved for the three additional Level I airports by the DOT Commission. This legislation will increase the demand for air service marketing funds.

SOURCE

Department of Transportation

(LSB 3336hh, DLR)

FILED FEBRUARY 20, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR