



Summary of Aviation Legislation in California

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

Aviation-Related Bills in the California Legislature

JULY 1, 2004

2003-04 FIRST EXTRAORDINARY SESSION: THE FOLLOWING BILL WOULD AMEND THE: A) BUDGET ACT OF 2003, OR B) CALIFORNIA STATUTES, TO IMPLEMENT THE BUDGETARY CHANGES.

Budget and Trailer Bills for FY 2003-04 SB 1048 (Senate Budget Committee): SB 1048 was amended in the Assembly to delete the transfer of \$4.8 million from the Aeronautics Account to the General Fund for FY 2003-04. SB 1048 passed the Assembly, and is pending in the Senate Committee on Rules.

2003-04 REGULAR SESSION

AB 118 (Frommer), “Rental Vehicle Transaction Fee” and SB 300 (Torlakson and Alpert) “Rental Vehicle License Transaction Fee”: AB 118 would require rental car agencies to collect an “Impact Fee” of 2.29 percent on each rental car transaction, to mitigate the congestion caused by rental cars on the State’s highways. The fees would be deposited in the State Highway Account to fund road improvement and traffic congestion relief projects near airports and tourist destinations. SB 300 would allow rental car companies to recoup 80% of new increased Vehicle License Fees from consumers by allowing them to charge a separate line item fee on their rental agreements. The bill also provides for various fines for noncompliance with the bill’s reporting requirement. SB 300 is pending in the Assembly Committee on Appropriations. AB 118 is in the Senate, but has not been assigned to a policy committee.

AB 694 (LEVINE) INACTIVE: SEE AB 2107.

AB 920 (Nakano): “Real Estate Disclosures: Nuisance: Local Government”: AB 2776 established a city or county disclosure requirement for real property in the vicinity of an airport

influence area, effective January 1, 2004. AB 920 provides that on or after January 1, 2005, if a city or county adopts a different or additional disclosure form regarding the proximity or effects of an airport, the form would be required to contain specified information regarding annoyances or inconveniences regarding annoyances associated with airport operations. This bill also provides that on or after January 1, 2006, that if a city or county doesn't adopt a different or additional disclosure form, or if there is not a current airport influence area map, a written disclosure of an airport within two statute miles will satisfy city or county disclosure requirements. This bill was chaptered 6/24/04: Chapter 66, Statutes of 2004.

AB 1869 (Maldonado): “Sales and use tax exemption: Space Flight.” Existing law provides a sales tax exemption for personal property that has space flight capability (launch vehicles and satellites). This bill expands the sales tax exemption to include equipment and materials used to construct, launch, and transport commercial space flight property and facilities used in spaceport operations. This bill was amended on May 5, 2004. New language requires an impact report from the California Research Bureau to the Legislature by January 1, 2010. The expanded exemption would be effective until January 1, 2012.

AB 2039 (La Suer) and AB 2284 (Plescia): “Airports: San Diego County Regional Airport Authority” Existing law (PUC Section 170028) provides for the appointment of three members of the public to the San Diego Regional Airport Authority's Executive Committee to four year terms, and to receive a base salary commensurate to that of superior court judges in the county. AB 2039 would require the three public members of the executive committee be elected at large from the county, beginning with the 2006 statewide general election, and that they receive a salary commensurate with that of members of the state legislature. AB 2284 would delete the requirement that the San Diego Association of Governments and the port transfer all contracts related to the location of an airport over to the authority by March 1, 2002. (sic) Both bills have been referred to the Committees on Local Government and Transportation.

AB 2107 (Levine): “Use Tax: Vehicles, Vessels, and Aircraft”: This bill will make a “rebuttable presumption” that an aircraft purchased outside of California (CA) will 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 will not be subject to the bill. The bill will 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 will be subject to the use tax. This act will become operative on the first day of the first calendar quarter commencing more than 90 days after the effective date of this act. (This bill is based on AB 694 from the last report.)

AB 2430 (Wiggins): Commercial Air Carriers: Hot Air Balloons. This bill excludes hot air balloon operators from the definition of “commercial air operator” and excludes hot air balloons from the definition of aircraft. This bill also requires hot air balloon operators to maintain a minimum of \$1,000,000 of liability insurance in addition to obtaining and maintaining a valid local business certificate. This bill has been re-referred to the Committee on Judiciary.

AB 2676 (Nakano): “Airports: Heliport Construction Plans: Before submitting an application for the construction of a new heliport to any local state or federal agency, the plan must first be approved by the department responsible for approving heliport development of the city or county in which the heliport is to be located. Although this bill would authorize a county board of supervisors or a city council to delegate its approval authority to the city or county planning agency, this authority already exists. This bill was amended on 6/22/2004, and re-referred to the Committee on Appropriations.

SB 924 (Karnette): “Global Gateways Development Council”: This bill would create, until January 1, 2011, an eight-member Council in the Business Transportation and Housing Agency, 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 agency, and the Assembly and Senate Transportation Committees and the Governor on the goods movement transportation system. The council may only convene after the Department of Finance has determined that nonstate funds have been deposited with the state to fully support the activities of the Council. This bill was read the second time on 6/24/04 and re-referred to the Senate Committee on Appropriation.

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. SB 926 has been placed on inactive file on request of Assembly Member Runner.

SB 1095 (Chesbro) and AB 1800 (Steinberg): “Budget Act of 2004”: This bill calls for the transfer of \$745,000 from Aeronautics funds to the General Fund. The transfer will decrease the State’s potential to fund future FAA Airport Improvement Program (AIP) matching grants, Acquisition and Development (A&D) safety projects and Airport Land Use Compatibility Planning (ALUCP) projects. AIP grants are matched at 5%, so the transfer would potentially cause the State to lose up to \$14.9m in Federal funds, depending on the number of AIP matching grants needing funding. In addition, the 2004/05 budget has potentially 14 A & D safety projects estimated at \$2,615,444 and 17 ALUCP projects estimated at \$2,303,090. SB 1095 is now in the Committee on Budget and Fiscal Review. AB 1800 is now in the Committee on Budget.

SB 1233 (Murray) “Vehicles”: This bill would make changes in the Public Utilities Code. It would change the term “Comprehensive Land Use Plan” to “ Airport Land Use Compatibility Plan” which would make the term consistent throughout the PUC. Another change includes the substitution of the term “airport influence area” for “planning boundaries”, “planning area” and “study area.” SB 1233 was introduced on February 12, 2004. This bill was re-referred to the Committee on Local Government.

SB 1879 (Cedillo) “Property Taxation: Exemption: Aircraft of Historical Significance”:

This bill would eliminate the requirement that an owner of an historical aircraft sign an affidavit before a notary public when seeking a tax exemption. Instead the owner would be required to sign the affidavit under penalty of perjury, which would create a new crime and impose a state-mandated local program. SB 1879 was introduced on February 26, 2004. This bill has been referred to the Assembly Committee on Revenue and Taxation.

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, upon approval of 2/3 of voters, for the purpose of funding local transportation projects and related smart growth planning. “Smart Growth planning means land use planning programs that conserve open space, reduce air pollution, and provide housing in close proximity to population and employment centers.” SCA 2 was amended February 20, 2004 to add “local transportation authority” to the list of entities authorized to impose the tax.

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. This bill was chaptered on 6/16/04: Resolution Chapter 94.

SJR 23 (Ashburn and Knight):“Military Base Closures”: This resolution requests the President and Congress of the United States to include “intellectual capital” and “total mission support” in the list of essential 2005 Base Realignment and Closure Act evaluation criteria. This bill has been chaptered: Resolution Chapter 7, Statutes of 2004.

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