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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1940

March 12, 2007

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The bill was read for the first time and referred to the Committee on Finance

May 9, 2007

Committee Recommendation and Adoption of Report:
To Pass as Amended and re-referred to the Committee on Taxes

May 15, 2007

Committee Recommendation and Adoption of Report:
To Pass as Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to airports; creating an advisory task force to study airport funding issues
1.3 and the state airports fund; authorizing agreement relating to Willmar airport;
1.4 requiring a report; appropriating money.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **AIRPORT FUNDING ADVISORY TASK FORCE.**

1.7 Subdivision 1. **Task force established.** An advisory task force on airport funding
1.8 issues is established to study and make recommendations regarding the best methods for
1.9 funding airports in the state and the state airports fund. The task force shall study:

1.10 (1) the adequacy of current sources of revenue for the state airports fund and airports
1.11 in the state;

1.12 (2) policy considerations regarding the use of the sales tax on aircraft as a potential
1.13 source of revenue for airports;

1.14 (3) how other states fund airports;

1.15 (4) projected aviation needs of the future, including required investments in aviation
1.16 infrastructure;

1.17 (5) aircraft registration taxes; and

1.18 (6) other issues relating to the funding of airports as determined by the task force.

1.19 Subd. 2. **Membership.** (a) The task force is comprised of the following members:

1.20 (1) two members of the senate tax committee, appointed by the chair of the tax
1.21 committee; and

1.22 (2) two members of the house of representatives tax committee, appointed by the
1.23 chair of the tax committee.

2.1 The appointing authorities must select members based on knowledge and experience
2.2 in taxes or aviation funding issues. All appointments required by this paragraph must
2.3 be completed by September 1, 2007. The chair of the task force shall be elected by
2.4 the members appointed by the chairs of the house of representatives and senate tax
2.5 committees at the first meeting of the task force.

2.6 (b) The chair of the task force may appoint additional nonvoting members to the
2.7 task force, including, but not limited to, representatives of the following organizations
2.8 or entities:

2.9 (1) a person appointed by the commissioner from the Department of Transportation
2.10 Office of Aeronautics;

2.11 (2) the Aircraft Owners and Pilots Association;

2.12 (3) the Experimental Aircraft Association/ACAA;

2.13 (4) the Metropolitan Airports Commission;

2.14 (5) the Minnesota Aviation Trades Association;

2.15 (6) the Minnesota Business Aviation Association;

2.16 (7) the Minnesota Council of Airports;

2.17 (8) the Minnesota Seaplane Pilots Association;

2.18 (9) the National Business Aviation Association; and

2.19 (10) municipalities that own or operate airports.

2.20 (c) The director of the Office of Aeronautics in the Department of Transportation
2.21 shall convene the first meeting of the task force.

2.22 Subd. 3. **Report.** By February 15, 2008, the task force shall report its
2.23 recommendations to the chairs of the legislative committees with jurisdiction over airports
2.24 and aviation issues and to the legislature as required by Minnesota Statutes, section 3.195.

2.25 Subd. 4. **Expenses.** Per diem and expenses for legislative members of the task force
2.26 are as provided for under Minnesota Statutes, section 15.059. Other members of the task
2.27 force may not receive per diem or expenses.

2.28 Subd. 5. **Expiration.** This section expires after the submission of the report as
2.29 required under subdivision 3.

2.30 **Sec. 2. WILLMAR AIRPORT.**

2.31 (a) Notwithstanding any law, rule, or agreement to the contrary, the commissioner
2.32 of transportation may enter into an agreement with the city of Willmar to allow funds
2.33 granted by the state for land acquisition purposes at the city's former airport to instead

3.1 be used by June 30, 2012, as the state's share of funds for eligible aeronautical purposes
3.2 at the city's new airport.

3.3 (b) Funds not spent pursuant to paragraph (a) by June 30, 2012, must be paid to the
3.4 commissioner of transportation and deposited in the state airports fund.

3.5 **Sec. 3. APPROPRIATION.**

3.6 \$200,000 is appropriated from the state airports fund in fiscal year 2008 to the
3.7 Legislative Coordinating Commission for the administrative expenses of the task force
3.8 created in section 1 and for other costs relating to the preparation of the report required
3.9 under section 1, including the costs of hiring a consultant, if needed. Any remaining
3.10 amount of this appropriation shall revert to the state airports fund.

3.11 **Sec. 4. EFFECTIVE DATE.**

3.12 Sections 1 and 3 are effective the day following final enactment.