

Minnesota aeronautics programs and funding

How to maintain the current level of funding for Minnesota airports is an important and challenging question. Optimally, the level of funding should increase over time so that the airport system can continue to serve current and future needs. During the 2003 session, however, the Minnesota Legislature redirected \$15 million from the State Airports Fund to the general fund, with a promise to return the money in July 2007. Airport advocates were caught off guard, and as a result, were unable to protect money that was intended for state airport improvement and development. Understanding where the money comes from, and how private citizens and advocacy groups can affect the decision-making process, is an important first step in becoming more effective advocates for Minnesota airports.

Where does the money come from?

Minnesota has two sources of aeronautics funding: the State Airports Fund and federal funds.

State Airports Fund. Revenue from aviation taxes are dedicated by law to the State Airports Fund. Money in the fund is appropriated biennially to the Minnesota Department of Transportation (Mn/DOT) for regulation and development of aviation in Minnesota. Sources for this fund are:

1. **Aviation fuel tax:** A tax on fuel used in aircraft, with the rate declining from five cents to one-half cent per gallon as the taxpayer consumes more fuel in a year.
2. **Aircraft registration tax:** A tax of one percent of an aircraft's taxable value, imposed on non-airline aircraft based in Minnesota or used in the state for more than 60 days each year. The taxable value is the aircraft's base price, reduced by 10 percent in the second year of life and by 15 percent in the third and subsequent years of life, down to a minimum of 25 percent of base price. The minimum tax is \$50.
3. **Airline flight property tax:** A tax paid by commercial airlines in lieu of local property taxes on aircraft

and flight equipment. An airline's tax capacity is multiplied by a tax rate that is determined based on the State Airports Fund's revenue needs (appropriations from the fund less revenue from the other two taxes).

4. **Investment income:** Money in the State Airports Fund is invested by the state board of investment, and all interest and profits are credited to the fund.

[From the Minnesota House of Representatives: www.house.leg.state.mn.us/hrd/issinfo/ssaero.htm.]

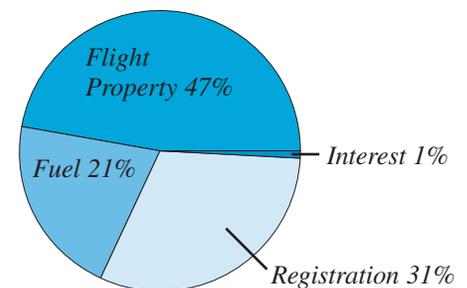


Figure 1. Sources for the State Airports Fund, 2004

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AirTAP fall forum takes flight

AirTAP held its first-ever fall forum November 3 and 4 in St. Cloud, Minn. Participants heard from aviation experts on topics that ranged from attracting business to airports, setting rates and charges, and meeting FAA minimum standards to controlling wildlife, keeping runways safe, and using the AirTAP marketing toolkit.

One special guest was Representative Michael Beard, who, in addition to sitting on both the Transportation Finance and Transportation Policy committees, is also a general aviation pilot. "He knows what aviation is all about," said Ray Rought, director of Mn/DOT's Office of Aeronautics, when introducing Rep. Beard. "It's great that we [in general aviation] now have some advocates in the legislature."

On the subject of aviation funding, Rep. Beard mentioned what happened several years ago, when funds meant for aviation were snagged for other uses. Through the efforts of the House Aviation Subcommittee, on which Beard serves as chair, he said he is hopeful of getting the aviation funds back. "Just know

that there are several of us at the legislature championing your cause."

In another presentation, Bill Gartner, a professor in the University of Minnesota's Department of Applied Economics, introduced a new interactive Web-based tool for assessing the economic impact of airports in Minnesota. In this case, "economic impact" refers to money and jobs, not revenue or profitability, Gartner explained. The tool is currently being tested and, once available, will allow users to generate reports based on different scenarios and then compare the outcomes.

Attendees of the forum, who represented airports across the state, took part in a number of other sessions as well as a reception and tour at the St. Cloud Regional Airport led by airport director Bill Towle.

A printed summary of the forum will be published in early 2005. To be added to the AirTAP mailing list, contact Mindy Jones, 612-625-1813, or jones154@cts.umn.edu.

Federal Funds: In addition to appropriations from the State Airports Fund, Minnesota airports receive \$60–\$70 million per year in federal Airport Improvement Program (AIP) funds, which are distributed as grants. This money comes from the federal aviation trust fund, financed by aviation user charges such as a federal aviation fuel tax and airline ticket taxes.

Mn/DOT administers programs for the publicly owned airports in Minnesota. The largest activity in the state aeronautics program is airport development and assistance, which receives over 70 percent of the aeronautics budget. This activity provides state and federal assistance to publicly owned airports in greater Minnesota in the form of grants for construction and maintenance as well as the operation of electronic navigation aids and automated weather systems.

How can you influence the process?

Contact your legislator. Legislators work for the public, and they listen to constituent concerns. Mobilize yourself and your local airport supporters and let your representatives and senators know that you have specific needs and ideas for your airport.

To find out who represents you in the state House of Representatives and Senate, go to the “District Finder” on the general information page of the Minnesota State Legislature Web site at www.leg.state.mn.us. Or call 651-296-2146 or 800-657-3550.

Contacting legislators by phone or e-mail can be very effective. E-mail works best when it is not a blanket message to all members, but rather, a specific, targeted message to a representative or senator. When sending e-mail, remember to include your name, postal address, and phone number. The best way to get a legislator’s attention is with a short, well-reasoned letter. Listed below are suggestions.

- Be brief; try to keep to one page.
- Make your letter neat and easy to read (type or print).
- Make sure you understand the legislative process, and reflect that knowledge in your letter.
- Identify the issue at the top of the letter and cover only one issue per letter.
- Remember, you’re the expert: make your letter informative.
- Identify yourself and the reason for your expertise.
- Get right to the point.

- Use terms the legislator will understand and avoid using abbreviations.
- Offer to be of assistance by providing additional information, or by testifying at an appropriate hearing.
- Ask for a reply if you want one.
- Be polite and reasonable. Lawmakers can’t please everyone and they may disagree with you. Try to respect their views. Tell your legislator what you think and why, but be polite. And be sure to say “Thanks.”
- Don’t use form letters or postcards. Legislators say they would rather get one short, simple, handwritten letter than a hundred form letters that organizations urge people to write—which, even if they’re handwritten, are word for word the same.
- Don’t threaten.
- Don’t address a legislator as “Congressman.”

The proper way to address your letter is:
Representative [his or her last name]
Minnesota House of Representatives
Room # State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298
or
Senator [his or her last name]
Minnesota Senate
Room # Capitol Building
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

The salutation should read “Dear Representative” or “Dear Senator.” Another tip: make an appointment. It’s best to let your legislator know ahead of time when you’re going to be at the capitol so he or she can arrange to spend some time with you.

Finally, if you’re calling about a specific piece of legislation, find out the House or Senate file number and status before you contact your legislator. For help, call the House Index at 651-296-6646.

Use the AirTAP marketing toolkit.

AirTAP developed *Flying High: A Marketing Toolkit for Minnesota Airports* in 2003 to help airport personnel effectively communicate with legislators, board members, and decision makers. This toolkit contains information about the economic activity that an airport brings to an area, along with concrete data supporting those figures to illustrate the value.

Sample letters are included that can be used to write your legislators, encouraging

them to commit more resources to your local airport. A sample presentation in the toolkit can be used during a face-to-face meeting.

The toolkit is available online at www.airtap.umn.edu/toolkit/index.html or by calling the Center for Transportation Studies at 612-626-0331.

Remember: Timing is everything! The legislature meets from January to May each year. Transportation issues, including airport issues, are discussed during each legislative session. Funding appropriations are made for two years during odd-numbered years—for example, the 2005 legislature will appropriate aeronautics funding for FY 2006 and 2007.

Tracking specific legislation is easy. The Web site at www.leg.state.mn.us/leg/trackbil.asp allows users to find a bill that is moving through the system, obtain hearing and other key dates in the process, and get involved to affect the outcome.

If you do not have Internet access, the House and Senate Index Offices also track the status of current bills and can help you find a particular piece of legislation. Call the House Index at 651-296-6646 or Senate Index at 651-296-2887. To receive a copy of the bill once you locate it, call the chief clerk’s office in the House at 651-296-6646 or Senate information at 651-296-0504. ✈

AirTAP was developed through the joint efforts of the Minnesota Department of Transportation (Mn/DOT), the Minnesota Council of Airports (MCOA), and the Center for Transportation Studies (CTS).

Briefings is published as a quarterly insert of the MCOA newsletter. Please direct comments to:

Amy Friebe,
Briefings Editor
Jim Grothaus,
AirTAP Program Manager/Engineer
Cheri Marti,
AirTAP Program Director

Center for Transportation Studies
University of Minnesota
200 Transportation & Safety Bldg.
511 Washington Avenue S.E.
Minneapolis, MN 55455
Phone: 612-626-1077
Fax: 612-625-6381
E-mail: jgrothaus@cts.umn.edu
Web: www.airtap.umn.edu

Contributing writer: Ann Johnson, Professional Engineering Services
Designer: Cadie Wright, CTS

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