



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

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December 7, 2015

The Honorable Peter Pettalia
Chairman, Transportation and Infrastructure Committee
Michigan House of Representatives
S-1485 House Office Building
P.O. Box 30014
Lansing, MI 48909

RE: Aviation Funding Reform Contained in SBs 418, 425, 426, 612, 613, and 614

Dear Chairman Pettalia:

The Aircraft Owners and Pilots Association (AOPA), a not-for-profit membership organization, is the world's largest aviation organization, representing the interests of general aviation aircraft owners and operators – including over 12,000 in Michigan. On behalf of our members, we write to express our strong support for Michigan Senate Bills 418, 425, 426, 612, 613, and 614.

Currently, Michigan's aviation fuel tax rates are among the highest in the nation, yet the State's ability to adequately invest in its 200 public use airports has declined considerably. As one of only 15 states that impose a sales tax on aviation gasoline, Michigan should be well positioned to support investment in its airports. However, the diversion of these funds to the state general fund has prevented the Michigan Department of Transportation from providing sufficient state grants to community airports and state matching funds necessary to attract Federal Aviation Administration (FAA) Airport Improvement Program grants which cover up to 90% of airport maintenance and construction costs. Further, this diversion of aviation revenue places Michigan in a position of noncompliance with FAA regulations on the use of aviation-derived revenue and can result in loss of all grants to airports in Michigan and may include other punitive actions.

Michigan Senate Bills 418, 425, 426, 612, 613, and 614 would correct this situation by dedicating a portion of the sales tax revenue collected from purchases of aviation fuels to the State Aviation Fund and the Qualified Airport Fund for future investment in the airport system. Passage of this legislation would allow Michigan to take a strong step forward in creating a reliable, user-funded means of financing airport infrastructure and ensure the continued safety and efficiency of Michigan's aviation system which provides an annual economic impact exceeding \$4 billion in Michigan.

Thank you for your consideration of this important issue. We urge you to support this package of bills and protect the state's existing aviation investment by guaranteeing its future financial viability. Should you or your staff have any questions, please do not hesitate to contact me at 301-695-2095 or bryan.budds@aopa.org

Very truly yours,

Bryan Budds
Great Lakes Regional Manager

cc: Michigan House Transportation and Infrastructure Committee