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[www.aopa.org](http://www.aopa.org)

Thursday, February 4, 2016

The Honorable Jason C. Harper  
Chairman, House Ways and Means Committee  
4917 Foxmoore Court NE  
Rio Rancho, NM 87144

Dear Chairman Harper:

The Aircraft Owners and Pilots Association (AOPA) is the world's largest aviation organization representing the general aviation interests of pilots and aircraft owners, including approximately 2,300 of our members in New Mexico. We extend our **strong support for House Bill 242**, which is scheduled for a hearing by your House Ways and Means Committee on Friday, February 5, 2016.

#### New Mexico's Airports

Aviation is a vital element of New Mexico's economy. Each year, aviation activity produces \$3.1 billion in economic activity, employs approximately 48,000 state residents, and adds \$1.3 billion in payroll. Airports provide vital services to many entities, including individuals, families, churches, hospitals, law enforcement and numerous small businesses.

#### State Aviation Trust Fund and NMDOT-Aviation Budget

The State Aviation Trust Fund has been receiving 0.046% of the gross receipts tax (GRT) since 2002 (except for a year between 2012 and 2013); however, that distribution has an expiration date of June 30, 2018.

This funding is used for Airport Improvement Program (AIP) projects by way of state-only grants and 10% matches state/local governments have to commit to leverage 90% grants from the Federal Aviation Administration (FAA). It specifically contributes to program administration, planning, construction, equipment, materials and maintenance of a system of 59 public-own, public-use airports, navigation aids, and related facilities.

Approximately 90% of NMDOT-Aviation Division's budget goes back to airports; the remaining 10% is used for salaries, office operations, education, outreach, etc. So far in FY 2016, the Division has encumbered \$4.2M towards \$39M in FAA funds and state-only grants.

#### House Bill 242

HB 242 would make that much-needed 0.046% GRT distribution permanent.

That percentage, as explained by the bill's fiscal impact report, equates to about \$1.1M a year, which is a significant 15-20% of all State Aviation Fund revenues.

The captioned legislation is a vital step in continuing the adequate development and maintenance of the state's airport infrastructure, which has become increasingly even more important to the local economy as the Legislature, and other state leaders, have sought to position New Mexico as a national leader in the aviation and aerospace industry.



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Failing to continue this funding source would jeopardize the state's short and long-term aviation funding, including the state's ability to match federal airport grants that could result in the forfeiture of millions of dollars in additional federal funding. It would delay and eliminate projects that are currently in the Capital Improvement Plan (CIP). And, just as important, it would lead to a decline in the safety and usefulness of the state's airports.

We appreciate your consideration and encourage your support of this important bill.

If you have any questions or require additional information, please do not hesitate to contact me at 301-695-2096 or [yasmina.platt@aopa.org](mailto:yasmina.platt@aopa.org).

Very truly yours,

Yasmina Platt, Central Southwest Regional Manager

CC: All members of the House Ways and Means Committee  
CC: Rep. Kelly Fajardo, Sponsor, HB 242  
CC: Steve Summers, Director, NMDOT – Aviation Division