

HB 3551 STAFF MEASURE SUMMARY

Joint Committee On Transportation

Action Date: 05/09/23

Action: Do pass. Refer to Revenue.

House Vote

Yeas: 5 - Boshart Davis, Helfrich, Mannix, McLain, Nathanson

Nays: 1 - Pham K

Exc: 1 - Evans

Senate Vote

Yeas: 3 - Frederick, President Wagner, Woods

Exc: 2 - Boquist, Findley

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Prepared By: Patrick Brennan, LPRO Analyst

Meeting Dates: 4/4, 5/9

WHAT THE MEASURE DOES:

Increases the maximum weight cutoff for aircraft eligibility for 60 percent valuation for property taxation of mobile property of air transportation companies. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Role of tax reduction in maintaining commercial air service to smaller communities
- Weight of newer planes

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon has a number of commercial air service providers operating out of a limited number of locations throughout the state. Smaller communities sometimes struggle to maintain commercial air service. One tool to help maintain that service is a tax reduction provided to commercial air companies through a 40 percent reduction on assessed property value of the company's smaller aircraft, with a gross taxi weight of 75,000 pounds or less.

House Bill 3551 increases the maximum weight allowance for the property valuation reduction to accommodate newer and heavier aircraft that airlines are preparing to roll out to provide services to smaller commercial airports.