



Legislative Fiscal Office  
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**Bill Title:** Relating to aviation fuel; prescribing an effective date; providing for revenue raising that requires approval by a three-fifths majority.

**Government Unit(s) Affected:** Department of Revenue, Office of the Governor, Department of Transportation, Department of Energy, Department of Forestry, Department of Aviation, Department of Emergency Management, Department of the State Fire Marshal

### Summary of Fiscal Impact

This fiscal impact statement is for the purpose of transmitting the measure from the Joint Committee on Transportation to the House Committee on Revenue.

The measure increases the license tax rate for aircraft fuel usable in aircraft operated by turbine engines (jet fuel tax) from three cents to eight cents per gallon; requires the tax to be adjusted for inflation on or before July 1 of each odd-numbered year; and makes other confirming statutory changes. These tax increases apply to jet fuel sold, used, or distributed on or after January 1, 2026.

Additionally, the measure creates a new grant program to provide funds to airports for infrastructure investments and other forms of support related to resilience and wildfire response and recovery using a portion of the funds generated by this tax increase. The State Aviation Board is directed to establish a review committee to review applications for grants. The committee may consult with the Governor, Oregon Department of Forestry, Oregon Department of Energy, Oregon Department of Emergency Management, and Department of the State Fire Marshal. The Oregon Department of Aviation (ODAV) is directed to adopt grant program rules.

The measure requires the Department to submit reports to the interim committees of the legislative assembly related to air transportation by September 15 of each year outlining projects that have been funded, airports affected, those who will perform the work, and project progress. The measure takes effect 91 days after adjournment sine die.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the House Committee on Revenue.