

RESOLUTION NO. 2008-R-028

URGING THE TEXAS LEGISLATURE TO APPROVE  
THE DEDICATION OF STATE SALES TAX  
COLLECTED ON AVIATION AND AIR  
TRANSPORTATION RELATED GOODS AND  
SERVICES FOR AIRPORT DEVELOPMENT.

WHEREAS, the State of Texas is among the very few states that does not have a dedicated source of funds for airport development; and

WHEREAS, currently the Texas Department of Transportation provides funding to its Division of Aviation in the amount of \$16.0 million per year from the non-dedicated portion of Fund Six for airport development; and

WHEREAS, there are 300 plus general aviation airports in the current TxDot airport funding program and due to limited funding, no state funds for capital improvement projects are available for commercial service airports; and

WHEREAS, the State of Texas annually collects approximately \$54.0 million in sales and franchise taxes from aviation and air transportation related goods and services and deposits this revenue into the State General Fund; and

Whereas, the state sales and franchise taxes on aviation and air transportation goods and services would provide a dedicated funding source for the states' airports and would provide a close link between the tax and how that money is spent: and

WHEREAS, dedication of the sales and franchise taxes would provide a significant and needed boost to airport development funding in the state for both general aviation airports and the small commercial service airports that serve our business community; and

WHEREAS, increased state funding would contribute greatly to airport safety, security, maintenance and development and make Texas airports more competitive for federal grants; and


WHEREAS, increased investment in airport development would serve to enhance the ability and capacity of Texas airports to serve as catalyst for local, regional and state wide economic development; and

WHEREAS, the Airport Advisory Committee recommends that the City Council of the City of Laredo adopt this resolution being in the best interest of the Laredo International Airport.

RESOLUTION STATE AVIATION TAXES

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF LAREDO urging the Texas Legislature to approve the use of the state tax collected on aviation and air transportation related goods and services for airport development.


PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE 21<sup>ST</sup> DAY OF April 2008.

  
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RAUL G. SALINAS  
MAYOR

ATTEST:

  
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GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:  
RAUL CASSO  
CITY ATTORNEY

BY:   
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VALERIA M. ACEVEDO  
ASSISTANT CITY ATTORNEY

## COUNCIL COMMUNICATION

<b>DATE:</b>  4-21-08	<b>SUBJECT: RESOLUTION NO. 2008-R- 028</b> Urging the Texas Legislature to approve the dedication of State Sales Tax collected on aviation and air transportation related goods and service for airport development.	
<b>INITIATED BY:</b> Jesus M. Olivares Assistant City Manager	<b>STAFF SOURCE:</b> Jose L. Flores Airport Manager	
<b>PREVIOUS COUNCIL ACTION:</b> None.		
<b>BACKGROUND:</b>  <p>The State of Texas is among the very few states that does not have a dedicated source of funds for airport development. The Texas Department of Transportation provides funding to its Division of Aviation in the amount of \$16.0 million per year from the non-dedicated portion of Fund Six for airport development.</p> <p>There are 300+ general aviation airports in the current TxDot airport funding program and due to limited funding, no state funds for capital improvement projects are available for commercial service airport.</p> <p>The State of Texas annually collects approximately \$54.0 million in sales and franchise taxes from aviation and air transportation related goods and services and deposits this revenue into the State General Fund. The state sales and franchise taxes would provide a dedicated funding source for the state's airports and would provide a close link between the tax and how that money is spent.</p> <p>Dedication of the sales and franchise taxes would provide a significant and needed boost to airport development funding in the state for both general aviation airports and the small commercial service airports that serve our business community.</p> <p>Increased state funding would contribute greatly to airport safety, security and development making Texas airports more competitive for federal grants as well as enhancing the ability and capacity to serve as catalysts for local and regional economic development.</p>		
<b>FINANCIAL IMPACT:</b> None.		
<b>COMMITTEE RECOMMENDATION:</b> On March 25, 2008, the Airport Advisory Committee considered this item and recommends approval.	<b>STAFF RECOMMENDATION:</b> Approval of this Resolution.	