

Sig File



BRIAN SANDOVAL  
Governor

STATE OF NEVADA  
DEPARTMENT OF TRANSPORTATION

1263 S. Stewart Street  
Carson City, Nevada 89712

RUDY MALFABON, P.E., Director

January 6, 2015

Mr. Byron K Huffman  
Acting Director  
Office of Airport Compliance and Management Analysis  
Federal Aviation Administration  
800 Independence Avenue, SW  
Washington, DC 20591

RE: FAA's Policy and Procedures Concerning the Use of Airport Revenue, letter dated November 24, 2015

Dear Mr. Huffman;

In response to your letter to the Governor of Nevada, Brian Sandoval dated November 24, 2015, and to further clarify our request for an extension of time on December 8<sup>th</sup>, 2015 from Rudy Malfabon, Director of the Nevada Department of Transportation (NDOT) we offer the following response to each point the FAA identified in the original letter.

NDOT Aviation Action Plan

- (1) *"the process to amend any non-compliant laws, and restructure general revenues to adapt to the dedication of aviation fuel tax revenue to airports and or State aviation programs";*

NDOT will initiate the legislative process to revise State Statues within the NRS and Nevada Administrative Code (NAC). Clarification of existing or the adoption of new legislation imposing a redirection of fuel taxes directly to the facilities where the revenue is collected is feasible.

- (2) *A commitment to undertake the legislative process;*

The NDOT is willing to begin the legislative process at the next session (Bill Draft Requests due in May 2016).

Our need to redraft existing NRS and NAC coupled with the redirection of revenue streams to remit those funds directly back to the facilities is accepted.

- (3) *The time frame for action within the three year transition period for completion by December 8, 2017.*

The time needed to amend NRS and NAC as required to meet federal requirements is feasible to comply with our existing legislative process. As previously mentioned the 2017 Legislative Session begins in February of 2017.

### Background of Nevada's Aviation Fuel Tax System

There are currently 31 airports in the State of Nevada in the National Plan of Integrated Airport Systems (NPIAS) that are obligated under Federal Aviation Administration (FAA) Airport Improvement Program (AIP) Grant Assurances, in particular FAA Grant Assurance #25. The State of Nevada does not directly assess any Aviation Gas (AvGas) or Jet Fuel Taxes by itself, however Nevada does enable a uniform imposition of the assessments and collections of fuel taxes at a local level through Nevada Revised Statutes (NRS).

Specific State Statutes primarily NRS 365.170 and NRS 365.203 may be used to impose a 2c/gallon on AvGas and 1c/gallon on Jet Fuel. Alternatively the option to impose fuel taxes under NRS 365.203 at any airport may be selected to use as a means to impose a fuel tax at a maximum rate of 4c/gallon on Jet Fuel, and 8c/gallon on AvGas. Tax revenues are rendered from fuel dealers / distributors directly back to the State and are credited to the county or airport sponsor where the fuel was delivered. As such The State of Nevada participates in the obligations under FAA Grant Assurance #25 by transferring the revenue, becomes responsible under Federal Amendment (79 Fed. Reg. 6628) revised FAA Policy noted above based on those Dealer fuel collections at airports. Most of the 31 obligated airport sponsors acting under local governing bodies such as cities and/or county boards of commissioners in Nevada are imposing AvGas or Jet Fuel taxes and other related airport fees that the existing NRS enable.

Local governments of individual counties and/or their cities' ordinances are used to select, assess, and receive those tax revenues back from the State. Again, the

enabling legislation is provided for within the State's NRS. One noted deviation from this revenue flow is that the State renders revenue directly to the Civil Air Patrol from those taxes collected at each facility that was imposed under NRS 365.565.

The following table lists each known obligated civil airport sponsors and governance entities in Nevada to focus further on each of the 31 FAA obligated NPIAS airports:

Location ID	County	City	Facility Name	Owner
0L7	CLARK	JEAN	JEAN	CLARK COUNTY
HND	CLARK	LAS VEGAS	HENDERSON EXECUTIVE	CLARK COUNTY
LAS	CLARK	LAS VEGAS	MC CARRAN INTL	CLARK COUNTY
U08	CLARK	OVERTON	PERKINS FIELD	CLARK COUNTY
VGT	CLARK	LAS VEGAS	NORTH LAS VEGAS	CLARK COUNTY
06U	ELKO	JACKPOT	JACKPOT/HAYDEN FIELD	ELKO COUNTY
EKO	ELKO	ELKO	ELKO RGNL	CITY OF ELKO
LWL	ELKO	WELLS	WELLS MUN/HARRIET FIELD	CITY OF WELLS
BAM	LANDER	BATTLE MOUNTAIN	BATTLE MOUNTAIN	LANDER COUNTY
TMT	LANDER	AUSTIN	AUSTIN	LANDER COUNTY
1L1	LINCOLN	PANACA	LINCOLN COUNTY	LINCOLN COUNTY
L92	LINCOLN	ALAMO	ALAMO LANDING FIELD	LINCOLN COUNTY
043	LYON	YERINGTON	YERINGTON MUNI	CITY OF YERINGTON
SPZ	LYON	SILVER SPRINGS	SILVER SPRINGS	LYON COUNTY
BTY	NYE	BEATTY	BEATTY	NYE COUNTY
GAB	NYE	GABBS	GABBS	NYE COUNTY
TPH	NYE	TONOPAH	TONOPAH	NYE COUNTY
RNO	WASHOE	RENO	RENO/TAHOE INTL	RENO-TAHOE AIRPORT AUTHORITY
RTS	WASHOE	RENO	RENO/STEAD	RENO TAHOE ARPT AUTH
CXP	CARSON CITY	CARSON CITY	CARSON	CARSON CITY AIRPORT AUTHORITY
FLX	CHURCHILL	FALLON	FALLON MUNI	CITY OF FALLON
0L9	CLARK	OVERTON	ECHO BAY	LAKE MEAD NATL REC AREA
67L	CLARK	MESQUITE	MESQUITE	CITY OF MESQUITE
BVU	CLARK	BOULDER CITY	BOULDER CITY MUNI	BOULDER CITY MUNICIPALITY
MEV	DOUGLAS	MINDEN	MINDEN-TAHOE	DOUGLAS COUNTY
10U	ELKO	OWYHEE	OWYHEE	SHOSHONE PAIUTE TRIBES
05U	EUREKA	EUREKA	EUREKA	COUNTY OF EUREKA
WMC	HUMBOLDT	WINNEMUCCA	WINNEMUCCA MUNI	CITY/COUNTY OF WINNEMUCCA
HTH	MINERAL	HAWTHORNE	HAWTHORNE INDUSTRIAL	MINERAL COUNTY
LOL	PERSHING	LOVELOCK	DERBY FIELD	PERSHING COUNTY
ELY	WHITE PINE	ELY	ELY ARPT /YELLAND FLD/	WHITE PINE COUNTY

**Airport Sponsor Summaries:**

- A. The preceding table illustrates, 5 facilities are owned and operated by Clark County, 3 facilities each by Elko & Nye Counties, and 2 facilities are sponsored by Lander, Lincoln, Lyon, and Washoe Counties respectively.
- B. Clark County has elected to impose AvGas & Jet Fuel taxes at all of their owned and operated facilities. Elko County does assess and collect Avgas & Jet Fuel taxes at all of their facilities dispensing fuel, as does Nye County.
- C. Individually, Lander, Lincoln, Lyon and Washoe Counties also assess and collect AvGas & Jet Fuel Taxes at their 2 sponsored facilities each.
- D. Washoe County has assessed an aircraft registration fee to aircraft owners who base aircraft at their sponsored airports.
- E. The City and County of Carson City has elected to impose an AvGas & Jet Fuel taxes at the Carson City Airport.
- F. The City of Fallon does assess and collect AvGas & Jet Fuel taxes at Fallon Municipal Airport.
- G. Boulder City Airport does assess and collect AvGas & Jet Fuel Taxes and uses those revenues as income directed to the Boulder City Municipal Airport. As the airport also resides in Clark County additional investigation is needed to verify the direction of any possible revenue or assessment of those funds.
- H. Douglas County does assess and collect AvGas & Jet Fuel Taxes at the Minden-Tahoe Airport and those revenues are directed to the Minden-Tahoe Airport as income.
- I. The City of Mesquite does assess and collect AvGas & Jet Fuel taxes at the Mesquite Airport, as they are also in Clark County and additional investigation is needed to verify the possible collection of county funds also.

- J. Echo Bay Airport in Clark County has never sold fuel to the best of our knowledge. Listed in the NPIAS, the facility is owned and operated by the Lake Mead Recreational Area.
- K. Owyhee Airport, owned and operated by the Shoshone Paiute Tribes and has never sold fuel to our knowledge. The Owyhee Airport is in Elko County.
- L. The County of Eureka does assess and collect AvGas & Jet Fuel Taxes at the Eureka Airport.
- M. Humboldt County does assess and collect AvGas & Jet Fuel Taxes at Winnemucca Municipal Airport.
- N. Mineral County does assess and collect AvGas & Jet Fuel taxes at the Hawthorne Industrial Airport.
- O. Pershing County does assess and collect AvGas & Jet Fuel taxes at the Lovelock/Derby Field Airport.
- P. White Pine County does assess and collect AvGas & Jet Fuel taxes at the Ely Airport / Yelland Field.

Thank you for your kind consideration of this action plan.

Sincerely,



Rudy Malfabon, P.E.  
Director

Cc: Joe Reynolds, Governor Sandoval's Office