

**AVIATION FACILITIES IN VIRGINIA**

**REPORT OF THE  
AVIATION COMMISSION**

**To**

**THE GOVERNOR**

**And**

**THE GENERAL ASSEMBLY OF VIRGINIA**



HD 7, 1968

COMMONWEALTH OF VIRGINIA  
Department of Purchases and Supply  
Richmond  
1967



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REPORT OF THE  
COMMISSION ON AVIATION  
TO  
THE GOVERNOR AND THE GENERAL ASSEMBLY

Richmond, Virginia, September 5, 1967

To:

HONORABLE MILLS E. GODWIN, JR., *Governor of Virginia*

and

THE GENERAL ASSEMBLY OF VIRGINIA

Virginia currently is at a crossroads with respect to aviation. The General Assembly at its 1966 Session recognized the vital role transportation by air plays in the life of our citizens, both from an individual standpoint and a business role, and more especially recognized that adequate air service and facilities are an essential ingredient to Virginia's economic well-being, and the fact that localities were in great need of planning and financial assistance from the State in developing facilities to accommodate aircraft. Accordingly, it adopted a resolution directing a study of these problems. This resolution was as follows:

HOUSE JOINT RESOLUTION NO. 115

*To create a Commission to study State assistance in planning, constructing and developing of airports in the various localities of the State.*

Whereas, adequate air service, airports and facilities are essential to Virginia's economic growth and progress; and

Whereas, air transportation and service are inadequate in certain areas of this State; and

Whereas, the use of the private, noncommercial airplanes has greatly increased in recent years and new facilities to accommodate such aircraft must be created in all areas of the State; and

Whereas, the development of airports and air service in Virginia has resulted primarily from local initiative, without substantial financial assistance from the Commonwealth, and

Whereas, the localities are in great need of planning and financial assistance from the State in developing facilities to accommodate aircraft of all types; now therefore, be it

Resolved by the House of Delegates, the Senate concurring, That there is hereby created a Commission of ten members to be known as the Aviation Commission, five to be appointed by the Speaker of the House of Delegates from the membership of the House, two to be appointed by the President of the Senate from the membership of the Senate, and three, including the Chairman, to be appointed by the Governor.

Members of the Commission shall be reimbursed for their expenses incurred in the performance of their duties, but shall be paid no other compensation.

The Commission shall inventory and appraise the aviation facilities of the State and shall particularly study new sources of revenue for the purpose of providing the State with sufficient revenue to assist the localities in planning, operating and constructing additional airport facilities; coordination of efforts to improve local, mid-range and transcontinental commercial air service; technical and legal assistance to localities in connection with applications for commercial service, service withdrawal cases and other matters.

The Commission may employ consultants and secretarial personnel and may accept and expend gifts, grants and donations from any and all sources.

For the expense of this Commission and its work, there is hereby authorized to be expended from the contingent fund of the General Assembly a sum sufficient, not to exceed five thousand dollars.

The Commission shall complete its study and report to the Governor and General Assembly not later than October one, nineteen hundred sixty-seven.

Pursuant to this Resolution the Speaker of the House of Delegates appointed the following members of the House as members of the Commission: Grady W. Dalton, Richlands; T. Coleman Andrews, Jr., Richmond; R. L. Clark, Stuart; Charles W. Gunn, Jr., Lexington; and Harold H. Dervishian, Richmond. The President of the Senate appointed the following members of the Senate to the Commission: Hale Collins, Covington; and M. M. Long, St. Paul. The Governor appointed William J. Tilley, Jr., Richmond; W. Calvin Falwell, Lynchburg and R. R. Smith, Staunton, as members of the Commission and designated Mr. Dalton as Chairman.

The Commission organized by electing Senator M. M. Long as Vice-Chairman, G. M. Lapsley as Secretary and Daniel E. Bray, Jr. as Recording Secretary to the Commission.

The Commission consulted with Colonel Willard G. Plentl, Director of the Division of Aeronautics, State Corporation Commission, attended a combined conference with the Advisory Committee on Aviation and the Virginia Airports Authority and a Subcommittee met with representatives of the Air Carriers. In addition the Commission conducted a survey of aviation programs in other states and gathered invaluable information. The Commission acknowledges its indebtedness to all who assisted it during the course of its study.

Based on data presented to the Commission and after mature consideration, the conclusions and recommendations summarized below are presented.

#### SUMMARY OF RECOMMENDATIONS

I. §§ 58-715, 58-732 and 58-753.3 of the Code should be amended as set forth in the accompanying legislation, to revise the aviation fuel tax to provide for a one and one-half cents per gallon tax on all aviation fuel purchased by scheduled air carriers and a three cents per gallon tax on all general aviation users.

II. The General Assembly should request Virginia's Congressmen to foster federal legislation to permit the return of Washington National Airport to the ambit of the Virginia Motor Fuel Tax Act.

III. A new Chapter 7 should be added to Title 5.1 containing §§ 5.1-77 through 5.1-82, to provide for a service fee for passengers emplaning upon aircraft.

## AIRPORT PROJECTS IN NEED OF STATE AID

The extent to which Virginia localities are deficient in providing optimum facilities to meet the recognized needs of aviation, both general aviation and the air carriers, is shown by the following tabulation of projects, prepared by the Division of Aeronautics of the State Corporation Commission, for which no State funds are presently available.

LOCATION	TOTAL COST OF PROJECT	STATE AID SOUGHT 1968-1969	STATE AID SOUGHT 1969-1970
1. Abingdon .....	300,000	75,000	
2. Accomack County .....	50,000	25,000	
3. Bedford .....	300,000		150,000
4. Blacksburg-VPI .....	53,350		26,675
5. Bridgewater .....	50,000	25,000	
6. Brookneal .....	50,000	25,000	
7. Buena Vista-Lexington .....	400,000	50,000	50,000
8. Charlottesville .....	640,000	80,000	80,000
9. Charlottesville-University of Virginia .....	80,000		40,000
10. Chase City .....	15,000	7,500	
11. Chesapeake .....	100,000		50,000
12. Danville .....	600,000	75,000	75,000
13. Fairfax County .....	1,500,000	375,000	
14. Farmville .....	81,500	15,000	15,000
15. Fork Union .....	130,000		65,000
16. Galax-Hillsville .....	200,000	25,000	25,000
17. Gloucester .....	79,500	25,000	
18. Henrico County .....	372,000	48,000	45,000
19. Hopewell .....	50,000		25,000
20. Hot Springs .....	1,103,310	137,914	137,914
21. Lancaster County .....	400,000	50,000	50,000
22. Lee County .....	12,000	6,000	
23. Lunenburg County .....	222,500	35,000	35,000
24. Luray .....	500,000	62,500	62,500
25. Lynchburg .....	288,000	36,000	36,000
26. Manassas .....	285,000	71,250	71,250
27. Moneta-Bedford County .....	50,000	25,000	
28. Newport News .....	893,000	150,000	150,000
29. Norfolk .....	7,834,000	1,116,000	725,000
30. Oak Grove .....	100,000	25,000	25,000
31. Orange County .....	118,110	30,000	30,000
32. Pulaski-Radford-Dublin .....	1,200,000	150,000	150,000
33. Richlands-Tazewell .....	600,000	75,000	75,000
34. Richmond .....	7,000,000	500,000	500,000
35. Roanoke .....	700,000	100,000	75,000
36. Rocky Mount-Franklin County .....	400,000	50,000	50,000
37. South Boston .....	100,000		25,000
38. South Hill-Lawrenceville- Alberta .....	400,000	50,000	50,000
39. Staunton-Waynesboro- Harrisonburg .....	900,000	125,000	125,000
40. Virginia Beach .....	600,000	75,000	75,000
41. Wakefield-Waverly .....	225,000	50,000	50,000
42. Warrenton-Fauquier .....	795,000	125,000	125,000
43. Wytheville-Marion .....	120,000	15,000	15,000
	\$29,897,270	\$3,910,164	\$3,284,339

Additional State funds needed for airport development 1968-1970 .....		\$7,194,503
Civil Defense Communications Equipment	25,000	25,000
Transportation-Emergency Operating Center .....	200,000	
	<u>\$225,000</u>	<u>\$25,000</u>
Total Additional State funds needed for airport development 1968-1970 .....		\$7,444,503

It is significant to note that this Commission in presenting the above list does so to furnish a complete statistic as to the needs. The Commission is not in any manner indicating any priorities for the various projects as this properly is an administrative function of the State Corporation Commission through its Division of Aeronautics.

#### BACKGROUND AND FINDINGS

The Commission determined by a survey of other states their aviation programs. A summary of its findings as to those states having substantial programs is indicated in the following table.

Alabama and Virginia are the only two states of the eighteen listed that do not regularly support Aviation by appropriations from the General Fund.



State Budgets FY 68 for Aviation	Fiscal Year '68 Total Budget	General Fund Monies	Fuel Tax Monies Estimated	Other Sources	Remarks
1. Alabama .....	\$ 587,047	None	1½¢ Av. Gas 1¢ Jet \$ 450,000	On Hand Funds \$ 137,047	
2. California .....	\$1,873,628	None	2¢ Tax Gen. Av. \$1,873,628	None	
3. Connecticut .....	\$1,519,520*	\$1,519,520	None	Bonds approved for capitol improvements \$17,190,000	*1.2 MM For Operation State Owned Airports
4. Georgia .....	\$ 975,000	\$ 975,000	None	None	
5. Illinois .....	\$4,212,500	\$4,212,000	None	Registrations into General Fund	
6. Louisiana .....	\$ 500,000	\$ 500,000	None	Under Dept. of Public Works	
7. Maine .....	\$3,001,119	None	4¢ Av. Gas 2¢ Jet \$ 85,000	Bonds \$ 2,837,500	
8. Massachusetts .....	\$ 750,000	\$ 150,000	None	\$ 550,000 Bonds \$ 50,000 Fees	
9. Michigan .....	\$5,129,655	None	3¢ Gen. Av. 1½¢ Air Carrier \$2,601,860	\$ 2,527,795*	*From Aviation Fund, bond or General Fund-Not De- termined
10. Minnesota .....	\$2,004,000	None	½—5¢ Sliding \$ 855,000	Flight Prop. Tax and Fees \$ 1,149,000	
11. Montana .....	\$1,320,200	None	1¢ all + military \$ 650,000	Fund on Hand + Fees + Revolving Fund \$ 670,200	

State Budgets FY 68 for Aviation	Fiscal Year '68 Total Budget	General Fund Monies	Fuel Tax Monies Estimated	Other Sources	Remarks
12. Nebraska .....	\$1,225,000	\$ 155,500	2½¢ per gal. \$ 625,000	State Airports + Fees \$ 444,500	
13. Pennsylvania .....	\$2,000,000	None	1½¢ Av. Gas 1¢ Jet \$1,500,000	On Hand + Fees \$ 500,000	
14. Ohio .....	\$2,170,000	None	None	Bonds \$ 2,170,000	Does not include operation costs
15. South Carolina .....	\$1,194,902	\$1,194,902	None		
16. Tennessee .....	\$1,000,000	\$1,000,000	None	Sales Tax, Estimated \$300,000 to General Fund	
17. Virginia .....	\$ 483,770	None	7¢ Sliding \$ 700,000	Aircraft and airman fees	
18. Texas .....	\$ 887,569	None	Unclaimed Av. Gas Tax, 5¢ Refundable \$ 887,569		

The State Corporation Commission states the policy of the Commonwealth as to aviation as set forth in the following:

#### COMMONWEALTH OF VIRGINIA AVIATION POLICY

The policy of the Commonwealth of Virginia is to develop a system of aviation facilities to serve all Virginia residents. Such a system should provide an airport with a paved runway of at least 3500' in length and lighted for night operations within reasonable distance of every Virginia community.

It is also recognized that the Virginia Metropolitan Areas would have their own system of airports and heliports. These airports would be so located as to adequately serve the Metropolitan Area without conflicting with each other. The need for general aviation reliever airports for our large air carrier airports is also recognized and should be constructed as soon as funds permit.

State policy is to participate in airport projects costing up to \$300,000 on a matching fund basis with the State contributing a maximum of \$150,000. On airport projects costing over \$300,000 the State would participate 25% of the total cost or \$150,000 whichever is the greater.

Cost of navigational aids, lighting, obstruction removal and other items affecting safety will be participated in as needed to provide safe and efficient air transportation.

State grants for airport construction and improvement must necessarily be limited to funds available. Priority of projects will be established by the State Corporation Commission, its Division of Aeronautics and the Virginia Advisory Committee on Aviation.

Funding for the promotion of aviation and construction of aviation facilities comes from the Special Fund for Aviation which receives its revenue from aviation sources. The Aviation Special Fund may be supplemented by grants from the General Fund.

The Commission developed statistical information concerning flight originations from points in Virginia. There were 833,515 persons originating commercial flights from points other than Dulles International Airport or Washington National Airport; at Dulles there were 407,364 originations and at Washington National there were 3,180,243 originations. It is estimated, based on these figures, that the Emplaning Service Fee as proposed will engender \$2,210,561 in revenue to the Special Fund for Aviation.

The Special Fund for Aviation which received the bulk of its money from the aviation fuel tax, does not receive anything from the operations at Washington National Airport because this facility is not under the ambit of the Virginia aviation fuel tax. It is specifically exempted by statute, as set forth in Title 7.1 of the Code of Virginia.

Based on the latest figures available, it was determined that a total of 101,715,020 gallons of aviation fuel were sold in Virginia and consequently it is estimated that the proposed revisions in the fuel refund structure will produce \$1,798,095.45 in revenue to the Special Fund for Aviation.

#### REASONS FOR RECOMMENDATIONS

As stated previously Virginia is at a crossroads in the development and servicing of air transportation. The arrival of the jet transport which

will eventually make obsolete all propeller aircraft transports has necessitated the lengthening of runways at the large air carrier airports. The sophistication of smaller aircraft has made obsolete the "cow pasture" as a suitable facility for noncommercial flight. The localities, because of strained and burgeoning demands on the already limited sources of revenue, generally do not have the funds available to promote a project alone even on a 50% basis with the federal government. The demands for educational facilities, water and sewer projects, increased wage costs and the like, frequently exhaust all available funds. As a consequence, the localities have had to request assistance from the State. In our judgment, Virginia must face its responsibilities in the premises. Unfortunately, to do so will require substantial sums of money.

It is virtually impossible to obtain a fixed base operator to come into an area and develop, from scratch, a serviceable airport. Such an operator's requirements are varied, but the minimum requirement is a serviceable runway. The rising cost of land, labor and materials greatly add to the dilemma of the localities in seeking to furnish aviation facilities for their citizens. In the light of probable future development of increasingly more powerful aircraft, and also because of the economic considerations presently involved, the Commission is firmly of the opinion that the best interest of both the State and the localities requires that communities wherever possible combine their talents and revenues to provide, on a regional basis, aviation facilities.

Industrial development throughout the State has demonstrated in the past the need for reasonable facilities. In the past several years several industries, before locating facilities in Virginia, have demanded adequate aviation facilities as a prerequisite to their locating in Virginia. This is and will increasingly become an economic fact of life.

The State's aviation policy as enunciated by the State Corporation Commission, as set forth above, appears to us to be a realistic approach to meet the needs for general aviation in the Commonwealth. We are not primarily concerned with problems of airports of the magnitude of Washington National, Dulles International or Baltimore Friendship. We are concerned with facilities which are functional and reasonable in their size and equipment—3500 feet in length and lighted for night operation—which in turn may have the effect of easing the burden on the larger operations.

The proposed revision to the aviation fuel tax structure is not a major change. While the Commission recognizes that there is and will be opposition to any change founded in the argument that one segment of industry is being asked unduly to bear the tax burden, we do not think this is the case. General aviation would be taxed at twice the rate for the air carriers under the proposed revision.

The rationale of the air carriers appears to be that Virginia's problems are strictly of a local nature and, as a consequence, the carriers do not feel there should be an increase in the fuel tax paid by them on the basis that it is not their responsibility to maintain Virginia's aviation program. The carriers are not being asked to maintain the program, they are just being asked to contribute a fair share toward the total aviation picture. In addition air carriers are adding to the overall problem and the needs of the State because their continuing increased use of the facilities and landing areas have displaced general aviation users thus compounding the problem and contributing to the increased demand for better landing areas.

The carriers should benefit from up-to-date local facilities, if in no other manner than directly through increased feeder traffic. But there should be a greater long range effect in the indirect benefits inuring to the carriers from a generally aviation-minded public. Before the public State-wide, can become generally aviation minded, added and adequate facilities, not only landing areas but navigational aids as well, must be provided. Additionally, as general aviation traffic resulting from industrial development expands, additional commercial air traffic must be engendered similarly.

In summation we feel that the long-range effect of our recommendation will benefit the carriers as well as general aviation and the State. Accordingly, the Commission recommends that a one and one-half cents per gallon tax be paid by the scheduled air carriers and a three cents per gallon tax be paid by all other users. Therefore the Commission urges the adoption of the amendments to §§ 58-715, 58-732 and 58-753.3 accompanying this report.

The proposed tax structure is fair and realistic.

Concerning the recommendation for the return of Washington National Airport to the Virginia fuel tax structure, it is the Commission's opinion that the current status of the facility is an unfair tax haven. What once may have been considered a fair taxing arrangement, to assist in initiating the facility, has ceased to be a valid reason for continuing the tax free status. All other Virginia taxes, including motor vehicle fuel and sales and use taxes currently are applicable at Washington National. It therefore is logical that this facility should be under the ambit of the Virginia aviation fuel tax structure. It is the consensus of the Commission that one of the contributing factors to the overcrowded conditions prevalent at Washington National both by air carrier and general aviation users is due to the tax free status.

The Commission therefore recommends that the General Assembly, by resolution, ask our Virginia Congressmen to propose legislation to again bring Washington National Airport under Virginia's Motor Fuel Tax Act.

In addition to the measures proposed and particularly since Virginia needs to look realistically at its problem on a current basis, the Commission recommends the enactment of a service emplaning fee as set forth in attached legislation. This fee has been utilized in the State of New Hampshire for some time. It is significant to note that the service fee is to be equally divided between the special fund for aviation and the public landing area from which it was generated.

It is also significant to note that such a measure has been proposed by the Federal Department of Transportation only recently.

Considered in the light of potential benefits which will surely inure from a broad, reasonable and adequate network of airport facilities throughout the Commonwealth, Virginia's proposed aviation program is minimal. Airports are needed for industrial development and service, for flying tourists and for locally based aircraft.

The Commission does not advocate a general fund appropriation at this time but it does believe that the State's aviation needs are real and that the measures proposed are reasonable and accordingly, recommends strongly the adoption of the proposals. Failure to do so may necessitate a resort to general fund revenues in the future if the State's aviation needs are to be met.

## CONCLUSION

In summation, the Commission firmly believes its recommendations will return to the State manifold the benefits of the air age without unduly burdening any segment of its citizens or industries.

The Commission expresses its appreciation to the Division of Aeronautics of the State Corporation Commission and to the staff of the Division of Statutory Research and Drafting for its able assistance rendered to the Commission in its deliberations.

Respectfully submitted,

G. W. Dalton, Chairman  
M. M. Long, Vice-Chairman  
T. Coleman Andrews, Jr.  
R. L. Clark  
Hale Collins  
H. H. Dervishian  
W. Calvin Falwell  
Charles W. Gunn, Jr.  
R. R. Smith  
William J. Tilley, Jr.

*A BILL To amend and reenact §§ 58-715 and 58-732, as amended, of the Code of Virginia to provide for refunds of taxes for users of aviation fuel and to define a scheduled air carrier.*

Be it enacted by the General Assembly of Virginia:

1. . That §§ 58-715 and 58-732, as amended, of the Code of Virginia be amended and reenacted as follows:

§ 58-715. Refund of tax on motor fuel.—(a) Any person who shall buy, in quantities of five gallons or more at any one time, any motor fuel for the purpose of operating or propelling (1) boats, ships, stationary gas engines, or pumping or mixing equipment on motor vehicles where the motor fuel used to operate such equipment is stored in an auxiliary tank separate from the motor fuel tank used to propel the motor vehicle, and the motor vehicle is mechanically incapable of self-propulsion while motor fuel is being used from the auxiliary tank, (2) tractors used for agricultural purposes, (3) buses owned and operated by a county or the school board thereof while being used to transport children to and from public schools, (4) buses owned and operated by a private nonprofit nonsectarian school while being used to transport children to and from such schools or buses while solely used to transport children to and from such schools, provided that the total of refunds in all cases under this provision No. (4) of this paragraph shall not, in any fiscal year, exceed the sum of two thousand dollars, (5) equipment of voluntary fire-fighting companies within the State actually and necessarily used for fire-fighting purposes, equipment of volunteer rescue squads within the State actually and necessarily used for rescue purposes, (6) motor equipment belonging to cities, towns and counties used exclusively in public activities and shall actually use the same for such purpose, (7) any person who shall purchase and use any of such fuel for spraying purposes or for cleaning, dyeing or other commercial use except in motor vehicles operated, or intended to be operated in whole or in part upon any of the public highways, streets or alleys of this State on which motor fuel the tax or taxes imposed by this chapter shall have been paid, shall, except as otherwise provided in subsection (b) of this section, be reimbursed and repaid the amount of such tax or taxes paid by such person. Any resident of this State who operates a farm on any island outside the State but within one mile of its boundaries shall be reimbursed and repaid the amount of such tax or taxes paid by such person on motor fuel used for farming purposes on such island. \* After July one, nineteen hundred sixty- \* *eight*, with respect to all motor fuel and other fuels as are subject to the tax imposed by Chapter 14 (§ 58-731 et seq.) of this title purchased in this State and consumed in aeroplanes or aircraft, \* a refund in the following \* amounts shall be made to each user of such fuel. The quantity of such fuel used in aircraft subject to \* refunds shall accumulate to each user throughout each fiscal year beginning on July first of each year.

The amount of the refund with respect to all motor fuel and other fuels as are subject to the tax imposed by Chapter 14 (§ 58-731 et seq.) of this title used by any person \* *for aviation purposes*, with respect to the accumulated usage of such fuels during each fiscal year, shall be:

(1) On each gallon of such fuel so used \* *by a "scheduled air carrier"*, a refund per gallon equal to the amount of the tax per gallon less \* *one and one-half* cents, the intention being that the State shall retain \* *one and one-half* cents tax per gallon.

(2) On each gallon of such fuel so used \* *by all other users*, a refund

per gallon equal to the amount of the tax per gallon less \* *three* cents, the intention being that the State shall retain \* *three* cents tax per gallon.  
\* \* \*

(b) If the applicant for refund includes with such application a statement that the fuel was used for agricultural purposes, the Commissioner shall refund to such applicant six and one-half cents per gallon on all such motor fuel. One-half cent per gallon on such fuel so used shall be paid by the Commissioner into the State treasury to the credit of the Virginia Agricultural Foundation Fund.

On any island in this State on which no motor vehicle is operated upon any public highways, streets or alleys, the refund provided for by this section may be made to the merchant selling such motor fuel to the consumer.

§ 58-732. Definitions.—The following words, terms and phrases as used in this chapter are, for the purposes thereof, hereby defined as follows:

(1) “*Commissioners*” shall mean the Commissioner of the Division of Motor Vehicles.

(2) “*Division*” shall mean the Division of Motor Vehicles, acting directly or through its duly authorized officers and agents.

(3) “*Motor vehicles*” shall mean and include all vehicles, engines, machines or mechanical contrivances, which are propelled by internal combustion engines or motors upon which or by which any person or property is or may be transported or drawn upon a public highway.

(3a) “*Aircraft*” shall mean any kind of vehicle designed for navigation in the air.

(4) “*Fuels*” shall mean and include all combustible gases and liquids, used or suitable for use in an internal combustion engine or motor for the generation of power to propel motor vehicles on the public highways including all types of fuel used in any type of aircraft, rocket or similar device, except such fuels as are subject to the tax imposed by Chapter 13 (§ 58-686 et seq.) of this title.

(5) “*Highway*” shall mean and include every way or place of whatever nature open to the use of the public for purposes of vehicular travel in this State, including the streets and alleys in towns and cities.

(6) “*Person*” shall mean and include natural persons and partnerships, firms, associations and corporations.

(7) “*Use*” shall mean and include, in addition to its original meaning, the receipt of fuel by any person into an aircraft or a motor vehicle or into a receptacle from which fuel is supplied by any person to his own or other aircraft or motor vehicles.

(7a) “*User*” shall mean and include any person who owns or operates any aircraft or Diesel propelled motor vehicle or vehicles having a gross weight in excess of five thousand pounds licensed under the laws of the Commonwealth of Virginia and who does not maintain storage facilities for fueling such aircraft or vehicles. The Commissioner may, by regulation, require all such users to be licensed hereunder.

(8) “*User-seller*” means any person who maintains storage facilities in excess of one hundred gallons and stores fuel therein, and who dispenses such fuel into the fuel tanks of, or attached to, aircraft or motor vehicles and shall include any such person who so dispenses fuel for consumption in such aircraft or motor vehicles owned, leased or operated by him.



(9) “*Supplier*” means any person who sells or delivers fuel to a user-seller as herein defined for resale or use; and any person who imports fuel into the State other than in the usual tank or receptacle connected with the engine of the motor vehicle in the operation of which the fuel is to be consumed, and uses the same in a motor vehicle owned or operated by such person; and any person who sells or delivers any fuel for resale for use in aircraft.

(10) “*Peddler*” means any person who neither owns nor operates stationary storage facilities, and who transports fuel from place to place in any vehicle having thereon any tank or other container of more than one hundred gallons capacity, and sells or offers to sell fuel and deliver the same from such vehicle; provided, that any such person who sells fuel to any user-seller or user as herein defined shall be deemed a supplier and as such be subject to all applicable provisions of this chapter.

(11) “*Liquid*” means any substance which is liquid at temperatures in excess of 60° F. and a pressure of 14.7 pounds per square inch absolute.

(12) “*Aviation fuel*” means a fuel designed for use in the operation of aircraft and sold or used for that purpose.

(13) “*Scheduled air carriers*” means any person, firm or corporation that undertakes, whether directly or by a lease, or any other arrangement to transport passengers, property for the general public, or mail by aircraft for compensation over regular scheduled routes and holds a certificate of public convenience and necessity issued by the Civil Aeronautics Board and/or the State Corporation Commission.

2. This act shall be in force on and after July one, nineteen hundred sixty-eight.

*A BILL To amend and reenact § 58-753.3 of the Code of Virginia relating to refunds of taxes for users of aviation fuel.*

Be it enacted by the General Assembly of Virginia:

1. That § 58-753.3 of the Code of Virginia be amended and reenacted as follows:

§ 58-753.3. Refund on fuel used in operating aircraft. \* On and after July one, nineteen hundred sixty- \* *eight*, with respect to all fuels taxable under this chapter and all motor fuels as are subject to the tax imposed by Chapter 13 (§ 58-686 et seq.) of this title purchased in this State and consumed in aeroplanes or aircraft \*, a refund in the following \* amounts shall be made to each user of such fuel. The quantity of such fuel used in aircraft subject to \* refunds shall accumulate to each user throughout each fiscal year beginning on July first of each year. The amount of the refund with respect to fuels taxable under this chapter and all motor fuels as are subject to the tax imposed by Chapter 13 (§ 58-686 et seq.) of this title \* with respect to each fiscal year’s accumulated usage of those fuels, shall be:

(1) On each gallon of such fuel so used \* *by a “scheduled air carrier”*, a refund per gallon equal to the amount of the tax per gallon less \* *one and one-half* cents, the intention being that the State shall retain \* *one and one-half* cents tax per gallon;

(2) On each gallon of such fuel so used \* *by all other users*, a refund per gallon equal to the amount of the tax per gallon less \* *three* cents, the intention being that the State shall retain \* *three* cents tax per gallon.

Every person who is subject to payment to the State of the tax on aviation fuel under this chapter shall attach a statement to their monthly reports which statement shall show the quantity of aviation fuel on hand the first and last days of the preceding calendar month; the quantity of aviation fuel received, produced, refined or compounded during the month, and the quantity sold, delivered or used during the month.

2. This act shall be in force on and after July one, nineteen hundred sixty-eight.

*A BILL To amend and reenact § 5.1-51 of the Code of Virginia, pertaining to the Special Fund accumulated from taxes, fees and the like for the administration of aviation laws.*

Be it enacted by the General Assembly of Virginia:

1. That § 5.1-51 of the Code of Virginia be amended and reenacted as follows:

§ 5.1-51. All funds accumulated from any special sales tax, excise tax or use tax, now or which may hereafter be imposed under the laws of this State on aviation motor fuel purchased or used in this State in the propulsion of aircraft, and all funds heretofore or hereafter accumulated from any fees for licensing or registering of airmen, aircraft and airports, now or hereafter imposed under the laws of this State, and all funds heretofore, and which may hereafter be, appropriated to the State Corporation Commission for the purpose of the promotion and development of aviation and airports, including the expense of the administration by the Commission through the Division of Aeronautics of the laws pertaining to aviation, as now or as may be hereafter enacted, *and all service fees imposed by Chapter 7 of this title*, and the jurisdiction for the administration thereof conferred on the Commission, are hereby constituted a special fund for the administration of the aviation laws, heretofore or hereafter enacted, insofar as the administration has been, or shall be, imposed upon the Commission, for the construction, maintenance and improvement of airports and landing fields and for the promotion of aviation in the interest of operators and in the interest of the public.

*A BILL To amend the Code of Virginia by adding in Title 5.1 a chapter numbered 7, containing §§ 5.1-77 through 5.1-82, to provide for service fee for passengers emplaning on aircraft under certain circumstances; procedure for collection; disposition and use of fee.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia be amended by adding in Title 5.1 a chapter numbered 7, containing §§ 5.1-77 through 5.1-82 as follows:

#### Chapter 7

#### Emplaning Service Fee

§ 5.1-77. Every person, firm or corporation engaged in this State, whether in interstate or intrastate operations, in the carrying of passengers by aircraft for hire, as defined in paragraphs (c), (d), (e) or (f) of § 56-142 of the Code of Virginia, hereinafter in this chapter referred to as an air carrier that uses in connection with such business a public landing area or areas which are constructed, operated or maintained, for the commercial use of aircraft, shall pay a service fee of one dollar with respect to each passenger emplaning upon its aircraft at any such landing area.

§ 5.1-78. Each air carrier subject to the provisions of § 5.1-77 shall file with the Division of Aeronautics, on forms prescribed by the Division, by the first of each month, a return showing the number of passengers for hire emplaning upon aircraft of such carrier at each such landing area during the preceding month, together with such other pertinent information as the Division shall require, and shall remit with the return the service fees imposed by § 5.1-77.

§ 5.1-79. The Division shall forward the service fees to the State Treasurer who shall deposit the same to the credit of the special fund created by § 5.1-51.

§ 5.1-80. Nothing contained in this chapter shall prevent an air carrier from collecting, directly or indirectly, the service fee payable with respect to each passenger from such passenger.

§ 5.1-81. The fees from each public landing area generated by this chapter shall be divided equally between the special fund created in § 5.1-51 and the public landing area from which the fee was collected; however, the special fund shall be credited with the public landing area share for the purpose of determining any contribution of funds by the State toward any mutual or combined project or projects.

§ 5.1-82. If any person, firm or corporation subject to the provisions of this chapter shall fail or neglect to pay fees imposed, the same may be collected as any other debt due the State.

#### HOUSE JOINT RESOLUTION NO. ....

*Requesting the members from Virginia of the Congress of the United States to sponsor legislation to return Washington National Airport to the ambit of Virginia's aviation fuel tax structure.*

Whereas, the aviation program of Virginia is in need of monies to assist in its fruition; and

Whereas, the Washington National Airport was assisted in its creation by being specifically exempted by agreement between the Commonwealth of Virginia and the United States Government from the Virginia aviation fuel tax structure; and

Whereas, conditions have changed both as to the Commonwealth and Washington National Airport, concerning their respective monetary requirements; and

Whereas, the preferential status of Washington National Airport with respect to aviation fuel taxes has, at least in part, been responsible for that Airport reaching a near saturation point in air traffic while nearby expensive facilities are not optimally utilized; and

Whereas, the time has come for a reevaluation of the situation and tax status of Washington National Airport; now, therefore, be it

Resolved by the House of Delegates of Virginia, the Senate concurring, That the members from Virginia of the Congress of the United States are respectfully requested to consider the tax status of Washington National Airport and to sponsor legislation in the Congress to return this facility to the ambit of Virginia's aviation fuel tax structure.

