

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 992

(Chair, Finance Committee)

(By Request – Departmental – Transportation)

Finance

Environmental Matters

Maryland Aviation Administration - Airport Improvement Program Funds

This departmental bill repeals the requirement that the Maryland Aviation Administration (MAA) act as agent for political subdivisions to submit federal project applications and to receive federal funds under the federal Airport and Airway Development Act of 1970. Likewise, it repeals the requirement that the Secretary of Transportation approve all aviation projects a political subdivision wants to submit for federal grants.

Fiscal Summary

State Effect: Any change in State operations would not materially affect State finances.

Local Effect: Local government finances would not be affected. However, no longer requiring approval from the Secretary of Transportation for federal grants could allow local government-owned airports to achieve operational efficiencies; in addition, clarifying that MAA does not have to act as a “pass through” for federal money would allow local jurisdictions to achieve greater operational efficiencies.

Small Business Effect: MAA has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: A political subdivision may not submit a project application under the federal Airport and Airway Development Act of 1970 or any other federal law unless the Secretary approves the project. MAA must act as agent for political subdivisions to

submit federal project applications and to receive federal funds under the federal Airport and Airway Development Act of 1970. A political subdivision that has had an active aviation commission or authority since 1949 is exempt from these requirements.

Background: The Airport and Airway Development Act of 1970 was a federal program to provide grants for airport planning and for airport development through two grant programs. Authority to issue grants under these two programs expired on September 30, 1981. In 1982, the federal Airport and Airway Improvement Act of 1982 replaced the previous program, and established the existing federal grant program for airports, the Airport Improvement Program. There is no reference to the 1982 Act in statute.

MAA advises that there are no political subdivisions with an active aviation commission or authority in existence from 1949. MAA advises that it handles 225 to 250 grants annually under these provisions.

According to MAA, requiring it to act as a “pass through” for federal funds adds approximately three weeks to the process.

State Fiscal Effect: Repealing the requirement that the Secretary of Transportation approve projects before a political subdivision can submit an application for federal funding would reduce the Secretary’s workload; however, this effect is assumed to be minimal and have no fiscal impact.

Under State law, MAA does not appear to have been technically required to act as a “pass through” under the Airport and Airway Improvement Act of 1982. The federal authority to issue grants under the Airport and Airway Development Act of 1970 expired in 1981.

Clarifying that MAA is not required to act as a pass through would not have a fiscal effect. Although MAA has acted as a pass through under the Airport and Airway Improvement Act of 1982, MAA does not receive any compensation for performing this function, nor does it have personnel who are specifically dedicated to acting as an agent for local governments. While there would be some administrative efficiencies and reduction in workload for MAA due to the clarification, these would be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Allegany County, Prince George's County, Maryland
Department of Transportation, Department of Legislative Services

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ncs/ljm

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