RESOLUTION NO. 2015-16

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COLLEGE PARK, GEORGIA, AUTHORIZING THE PARTICIPATION WITH CLAYTON COUNTY GOVERNMENT, CLAYTON COUNTY PUBLIC SCHOOLS AND THE CLAYTON COUNTY CITIES IN PREPARATION AND SUBMISSION OF A COMPLIANCE ACTION PLAN TO THE FEDERAL AVIATION ADMINISTRATION ("FAA") IN RESPONSE TO THE FAA POLICY CLARIFICATION FOR THE USE OF AVIATION FUEL TAX REVENUE ("THE FAA POLICY") PUBLISHED IN THE FEDERAL REGISTER IN NOVEMBER OF 2014.

WHEREAS, the Mayor and City Council of the City of College Park, Georgia (the "City") understand that the FAA Policy Clarification for the Use of Aviation Fuel Tax Revenue requires that State and local taxes on aviation fuel be subject to the airport revenue use restrictions. The statutory revenue use requirements apply to certain State and local government taxes on aviation fuel. The FAA Policy requires an airport sponsor or state government submitting an application under the Airport Improvement Program to provide assurance that revenues from State and local government taxes on aviation fuel will be used for aviation/airport related purposes. The FAA Policy also requires that State and local governments prepare an action plan that will document to the FAA how States and local governments will comply and submit such plan to the FAA on or before December 8, 2015 describing how compliance will be accomplished not later than December 8, 2017;

WHEREAS, the State of Georgia, through the Department of Transportation ("the Department"), has developed a draft Action Plan as required by the FAA Policy. The Department's draft does not include compliance with local taxes at federally funded obligated commercial service airports as they are direct recipients of federal funding from the FAA. The commercial service airports in Albany, Atlanta, Augusta, Brunswick, Columbus, Savannah and Valdosta are accordingly responsible for submitting their plans or notifications to the local taxing authorities directly to the FAA;

WHEREAS, taxes on aviation fuels that are grandfathered are defined as those enacted and in use on or prior to December 30, 1987. For existing taxes that do not qualify for grandfathering, the FAA will allow up to three years to transition to full compliance but not later than December 8, 2017. Failure to comply with the FAA Policy will expose taxing authorities to enforcement actions by the federal government including civil fines and lack of eligibility for future grants;

WHEREAS, local taxes on aviation fuels by tax authorities in Clayton County that are not grandfathered include the Local Option Sales Tax (L.O.S.T.) enacted in 1994, the Education Special Purpose Local Option Sales Tax (E.S.P.L.O.S.T.) enacted in 1997, and the Metropolitan Atlanta Rapid Transit Authority (M.A.R.T.A.) tax enacted in 2015. The County-wide Special Purpose Local Option Sales Tax (S.P.L.O.S.T.) enacted in 1993 already exempts aviation fuels. These local taxes are subject to be returned to the airport if local investment in the airport for operational and capital needs, including in-kind services, are not equal to the local taxes collected. There can also be legal reasons for withholding the local tax revenues generated from aviation fuel sales;

WHEREAS, the financial impact of the FAA Policy on Clayton County government, the Clayton County Public Schools and the Clayton County cities is not known as the State has not historically collected data on the annual amount of local aviation fuel tax collections for each county however the annual amounts are estimated in the millions. Many of these tax dollars are dedicated to capital

improvement projects and there are no other revenue sources to replace these amounts if local governments are required to return these amounts to the airport; and

WHEREAS, it is in the collective interests of Clayton County government, the Clayton County Public Schools and the Clayton County cities (referred to as the "Clayton County Entities" hereinafter) to jointly consider, prepare and submit a compliance action plan to the FAA on or before December 8, 2015 to document how the Clayton County Entities will comply with the FAA Policy.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council authorize the City of College Park, Georgia participation in the preparation and submission of a compliance action plan in response to the FAA Policy on the use of local sales taxes on aviation fuels, such plan to be prepared and submitted on or before December 8, 2015 and executed for the City of College Park, Georgia by the Mayor. This Resolution shall take effect immediately upon its adoption.

SO RESOLVED this 7th day of December, 2015.

Jack Longino
Mayor

ATTEST:

Melissa Brooks
City Clerk

(THE SEAL OF THE CITY OF COLLEGE PARK, GEORGIA)