HOUSE COMMITTEE OF REFERENCE REPORT

	March 6, 2024
	Chair of Committee Date
	Committee on <u>Transportation</u> , <u>Housing & Local Government</u> .
	After consideration on the merits, the Committee recommends the following:
	HB24-1235 be amended as follows, and as so amended, be referred to the Committee on <u>Finance</u> with favorable recommendation:
1	Amend printed bill, strike everything below the enacting clause and
2	substitute:
3	"SECTION 1. Legislative declaration. (1) The general
4	assembly finds and declares that:
5	(a) According to the United States environmental protection
6	agency:
7	(I) Aircraft that use leaded aviation gasoline are a leading source
8	of lead emissions in our air;
9	(II) Excessive exposure to lead has many harmful health effects,
10	which can include adverse effects on the nervous system, kidney function,
11	the immune system, reproductive and developmental systems, the
12	cardiovascular system, and the oxygen carrying capacity of blood;
13	(III) Exposure to lead can cause irreversible and life-long harmful
14	health effects in children and pregnant individuals; and
15	(IV) Elevated lead in the environment can result in decreased
16	growth and reproduction in plants and animals and negative neurological
17	effects in vertebrates;
18	(b) According to the United States centers for disease control and
19	prevention, no level of lead exposure is safe for children, and even low
20	levels of lead in their blood are associated with developmental delays,
21	learning difficulties, and behavioral issues;
22	(c) Peer-reviewed research indicates that children who live near
23	airports with significant general aviation activity have elevated levels of
24	lead in their blood and that blood lead levels in children under five
2526	increase as levels of atmospheric lead increase;
	(d) Persistent and loud noise also has harmful health effects,
27	especially for children; and

(e) It is therefore necessary, appropriate, and in the best interest of all Coloradans for the state to:

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- (I) Provide financial incentives in the form of an income tax credit and a grant program to reduce the use of leaded aviation gasoline; and
- (II) Create standards for an airport with significant general aviation activity in an urban or suburban area to follow to notify the surrounding community of its voluntary plans and procedures to reduce the impacts of noise and lead on the community.

SECTION 2. In Colorado Revised Statutes, **add** 39-22-560 as follows:

- 39-22-560. Tax credit for certification of aircraft to use unleaded aviation gasoline tax preference performance statement review legislative declaration definitions repeal. (1) (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THE TAX CREDIT PROVIDED IN THIS SECTION IS TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS, SPECIFICALLY THE MODIFICATION OF AIRCRAFT THAT ARE POWERED BY LEADED AVIATION GASOLINE SO THAT SUCH AIRCRAFT CAN BE CERTIFIED TO BE POWERED BY UNLEADED AVIATION GASOLINE AND NO LONGER USE LEADED AVIATION GASOLINE.
- (b) The general assembly and the state auditor shall measure the effectiveness of the credit in achieving the purpose specified in subsection (1)(a) of this section based on the number of credits claimed.
- (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (a) "AIRCRAFT" HAS THE SAME MEANING AS SET FORTH IN SECTION 43-10-102 (1).
- (b) "AVIATION GASOLINE" MEANS GASOLINE-BASED FUEL THAT IS USED TO POWER AN AIRCRAFT.
- (c) "LEADED AVIATION GASOLINE" MEANS ANY AVIATION FUEL CONTAINING TETRAETHYL LEAD ADDITIVES.
- (d) "QUALIFYING AIRCRAFT" MEANS AN AIRCRAFT THAT HAS BEEN POWERED BY LEADED AVIATION GASOLINE AND FOR WHICH A SUPPLEMENTAL TYPE CERTIFICATE OR ANY OTHER AUTHORIZATION THAT APPROVES THE COMPLETED MODIFICATION OF THE AIRCRAFT TO BE POWERED BY UNLEADED AVIATION GASOLINE HAS BEEN ISSUED.
- (e) "QUALIFYING EXPENSES" MEANS ANY ACTUAL OUT-OF-POCKET EXPENSES INCURRED AND PAID BY A QUALIFYING TAXPAYER FOR THE PURPOSE OF MODIFYING AN AIRCRAFT REGISTERED WITH THE FEDERAL

AVIATION ADMINISTRATION IN THIS STATE SO THAT IT IS A QUALIFYING AIRCRAFT.

- (f) "QUALIFYING TAXPAYER" MEANS A PERSON SUBJECT TO TAX UNDER THIS ARTICLE 22 WHO IS THE OWNER OF AN AIRCRAFT AS INDICATED ON THE AIRCRAFT REGISTRY MAINTAINED BY THE FEDERAL AVIATION ADMINISTRATION.
- (g) "SUPPLEMENTAL TYPE CERTIFICATE" MEANS A TYPE CERTIFICATE ISSUED BY THE FEDERAL AVIATION ADMINISTRATION TO AN APPLICANT THAT HAS MODIFIED AN AERONAUTICAL PRODUCT FROM ITS ORIGINAL DESIGN WITH FEDERAL AVIATION ADMINISTRATION APPROVAL.
- (h) "UNLEADED AVIATION GASOLINE" MEANS AVIATION GASOLINE THAT DOES NOT INCLUDE LEAD.
- (3) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2025, BUT BEFORE JANUARY 1, 2030, A QUALIFYING TAXPAYER WHO INCURS QUALIFYING EXPENSES IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN THE TAX YEAR IN WHICH THE QUALIFYING AIRCRAFT IS REGISTERED BY THE FEDERAL AVIATION ADMINISTRATION IN THIS STATE IN AN AMOUNT EQUAL TO FIFTY PERCENT OF ALL QUALIFYING EXPENSES INCURRED; EXCEPT THAT THE MAXIMUM AMOUNT OF THE CREDIT THAT MAY BE CLAIMED FOR QUALIFYING EXPENSES INCURRED IN MODIFYING ANY ONE AIRCRAFT IS FIVE HUNDRED DOLLARS.
- (4) IF THE AMOUNT OF A CREDIT AUTHORIZED BY THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE QUALIFYING TAXPAYER CLAIMING THE CREDIT IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES IN THAT INCOME TAX YEAR MAY BE CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT EXCEEDING FIVE YEARS AND MUST BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY CREDIT REMAINING AFTER THE PERIOD MAY NOT BE REFUNDED OR CREDITED TO THE QUALIFYING TAXPAYER.
 - (5) This section is repealed, effective December 31, 2039.
- **SECTION 3.** In Colorado Revised Statutes, 43-10-102, **amend** the introductory portion and (3)(a)(VII); and **add** (3)(a)(IX), (3)(a)(XI), and (3)(a)(XII) as follows:
- **43-10-102. Definitions.** As used in this article ARTICLE 10, unless the context otherwise requires:
- (3) (a) "Aviation purposes" means any objective that provides direct and indirect benefits to the state aviation system and includes, but is not limited to:
- (VII) Any acquisition of land, of any interest therein, or of any easement through or other interest in airspace, including land for future

airport development, which is necessary to permit any such work or to remove, mitigate, prevent, or limit the establishment of any hazard to the safe operation of aircraft; and

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- (IX) DESIGN, ENGINEERING, CONSTRUCTION, INSTALLATION, ACQUISITION, AND INSPECTION OF INFRASTRUCTURE, INCLUDING EQUIPMENT, THAT WILL ALLOW THE SALE OF UNLEADED AVIATION GASOLINE AT A GENERAL AVIATION AIRPORT OR AT A COMMERCIAL AIRPORT AT WHICH THERE IS, AS DETERMINED BY THE DIVISION, SIGNIFICANT GENERAL AVIATION ACTIVITY;
- (X) SUBSIDIZATION OF UNLEADED AVIATION GASOLINE AT A GENERAL AVIATION AIRPORT OR A COMMERCIAL AIRPORT AT WHICH THERE IS SIGNIFICANT GENERAL AVIATION ACTIVITY, AS DETERMINED BY THE DIVISION;
- (XI) NOISE MONITORING DEVICES, TECHNOLOGIES, OR SYSTEMS THAT ARE USED TO EVALUATE NOISE LEVELS FROM THE OPERATION OF AIRCRAFT AND OTHER AVIATION ACTIVITIES AT OR NEAR AIRPORTS; AND
- (XII) THE EVALUATION, PROVISION OF EDUCATION AND TECHNICAL ASSISTANCE TO AIRPORTS ABOUT, PREVENTION, OR MITIGATION OF ADVERSE IMPACTS TO THE HEALTH, SAFETY, AND WELFARE OF INDIVIDUALS WHO RESIDE OR WORK NEAR AN AIRPORT INCLUDING BUT NOT LIMITED TO THE EVALUATION, PROVISION OF EDUCATION AND TECHNICAL ASSISTANCE TO AIRPORTS ABOUT, PREVENTION, OR MITIGATION OF SUCH ADVERSE IMPACTS CONDUCTED BY THE DIVISION AND THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 43-10-118.

SECTION 4. In Colorado Revised Statutes, 43-10-103, **amend** (2) introductory portion and (2)(k); and **add** (2)(n) and (2)(o) as follows:

- **43-10-103. Division of aeronautics created duties.** (2) The division shall provide support for the Colorado aeronautical board in fulfilling its duties. The duties of the division shall also include, but ARE not be limited to, the following:
 - (k) Publishing information relating to aeronautics in the state; and
- (n) Working with the department of public health and environment to evaluate and educate and provide technical assistance to airports about the adverse impacts of aircraft noise and the use of leaded aviation gasoline on public health, safety, and welfare as required by section 43-10-118; and
- (o) EDUCATING AIRPORTS WITH SIGNIFICANT GENERAL AVIATION ACTIVITY, AS DETERMINED BY THE DIVISION, REGARDING:
- (I) THE NEED TO EXPEDITE THE TRANSITION FROM LEADED AVIATION GASOLINE TO UNLEADED AVIATION GASOLINE; AND
- (II) THE PROVISIONS OF THIS ARTICLE 10, AS AMENDED BY HOUSE BILL 24-1235, ENACTED IN 2024, THAT OFFER FUNDING FOR PROJECTS AND

UNLEADED AVIATION GASOLINE SUBSIDIES, IF OFFERED BY THE DIVISION, THAT SUPPORT THE TRANSITION FROM LEADED AVIATION GASOLINE TO UNLEADED AVIATION GASOLINE AND IMPOSE REQUIREMENTS FOR ACCESSING THAT FUNDING AND, IF OFFERED, THOSE SUBSIDIES.

SECTION 5. In Colorado Revised Statutes, 43-10-104, **amend** (1)(b), (1)(f), and (2) as follows:

- **43-10-104.** Colorado aeronautical board created. (1) (b) The board consists of seven NINE VOTING members appointed by the governor, with the consent of the senate, for terms of three years; except that the terms shall MUST be staggered so that no more than three members' terms expire in the same year.
- (f) The board shall not conduct any business unless there are at least four FIVE VOTING members of the board present.
- (2) (a) The members of the board shall be chosen as follows CONSISTS OF THE FOLLOWING MEMBERS:
- (I) Four members, two from the eastern slope and two from the western slope of the state, representing local governments which THAT operate airports, which members shall be selected by the governor SHALL SELECT from a list of nominees supplied by THOSE local governments;
- (II) Two members who are residents of communities that are affected by general aviation airport traffic or traffic at a commercial airport at which there is significant general aviation activity, as determined by the division. The initial terms of the two new members commence when the next term of an existing member commences, and the new members' initial terms must comply with the existing staggering requirement. In appointing these members, the governor shall give priority to individuals who:
 - (A) ARE NOT TRAINED PILOTS;
- (B) ARE FAMILIAR WITH AIRPORT INFRASTRUCTURE, AVIATION, AND THE MISSION OF THE BOARD, INCLUDING BUT NOT LIMITED TO THOSE WHO SERVE ON AN AIRPORT COMMUNITY NOISE ROUNDTABLE; AND
- (C) RESIDE IN A COMMUNITY THAT IS SIGNIFICANTLY IMPACTED BY NOISE OR LEAD EMISSIONS BY A HIGH-TRAFFIC AIRPORT WITH SIGNIFICANT GENERAL AVIATION ACTIVITY, AS DETERMINED BY THE DIVISION;
- (III) One member representing a statewide association of airport managers;
- (IV) One member representing a statewide association of pilots; and
- (V) One member familiar with and supportive of the state's aviation issues, interests, and concerns; AND
- (VI) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, OR THE EXECUTIVE DIRECTOR'S DESIGNEE,

WHO IS AN EX OFFICIO NONVOTING MEMBER OF THE BOARD.

(b) Appointments shall be made IN ADDITION TO SATISFYING THE REQUIREMENTS SET FORTH IN SECTION 24-20-115, THE GOVERNOR SHALL MAKE APPOINTMENTS TO THE BOARD SO as to insure ENSURE a balance broadly representative of the activity level of airports throughout the state AND FURTHER ENSURE THAT THE RACIAL, ETHNIC, AND GENDER MAKEUP OF THE BOARD IS REPRESENTATIVE OF COMMUNITIES THAT ARE DISPROPORTIONATELY IMPACTED BY GENERAL AVIATION AIRPORT TRAFFIC OR TRAFFIC AT A COMMERCIAL AIRPORT AT WHICH THERE IS SIGNIFICANT GENERAL AVIATION ACTIVITY, AS DETERMINED BY THE DIVISION.

SECTION 6. In Colorado Revised Statutes, 43-10-108.5, **amend** (2) as follows:

43-10-108.5. State aviation system grant program. (2) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(c) OF THIS SECTION, any entity operating an FAA-designated public-use airport may apply to the division for a state aviation system grant to be used solely for aviation purposes. Applications shall MUST contain such information as may be required by the division and shall be filed in accordance with procedures established by the division. In order to be eligible for a grant, the applicant must demonstrate, to the satisfaction of the division, that the grant shall be used solely for aviation purposes as defined in section 43-10-102 (3). The division shall evaluate grant applications based upon criteria established by the division, AND CRITERIA SET FORTH IN SUBSECTION (2)(b) OF THIS SECTION, and make recommendations to the board on the awarding of grants. Any grant proposed by the board shall MUST be submitted to the governor's office for review and recommendation prior to a final decision. The governor shall accomplish his THE GOVERNOR'S review and recommendation within thirty days of submittal of the grant proposal by the board. The board shall make final decisions on the awarding of grants subject to the availability of moneys MONEY in the aviation fund created in section 43-10-109. The board shall establish procedures to ensure that grants awarded pursuant to the provisions of this section are used solely for aviation purposes as required by this subsection (2).

(b) The division, when evaluating grant applications and making recommendations to the board as to the awarding of grants; the governor's office, when reviewing requested grants recommended by the division making recommendations regarding such requested grants to the board; and the board, when awarding grants, shall designate the lesser of ten percent of the amount awarded in grants per year or one million five hundred thousand dollars per year in grants for the aviation purposes of aiding and accelerating the transition from leaded

AVIATION GASOLINE TO UNLEADED AVIATION GASOLINE. THE BOARD SHALL PRIORITIZE AWARDING GRANTS DESIGNATED TO ADDRESS THE TRANSITION FROM LEADED AVIATION GASOLINE TO UNLEADED AVIATION GASOLINE TO AIRPORTS WITH SIGNIFICANT GENERAL AVIATION TRAFFIC IN URBAN AND SUBURBAN AREAS WHERE SURROUNDING COMMUNITIES MAY BE DISPROPORTIONATELY IMPACTED BY SUCH TRAFFIC. IF THE BOARD DOES NOT RECEIVE GRANT APPLICATIONS EQUALING AT LEAST THE AMOUNT DESIGNATED BY THE BOARD PURSUANT TO THIS SUBSECTION (2)(b) IN ANY GIVEN YEAR, THE BOARD MAY USE THE REMAINDER OF THIS FUNDING FOR OTHER AVIATION PURPOSES.

- (c) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(g) OF THIS SECTION, MONEY SHALL NOT BE EXPENDED FROM THE FUND FOR A GRANT AWARDED PURSUANT TO THIS SECTION OR OTHERWISE TO AN AIRPORT THAT THE DIVISION HAS IDENTIFIED AS BEING LOCATED IN A DENSELY POPULATED RESIDENTIAL AREA OR AS HAVING A SIGNIFICANT NUMBER OF FLIGHTS OVER A DENSELY POPULATED RESIDENTIAL AREA UNLESS THE AIRPORT OR ENTITY OPERATING THE AIRPORT DEMONSTRATES TO THE SATISFACTION OF THE DIVISION THAT:
- (I) By January 1, 2026, it has adopted a plan for phasing out sales of leaded aviation gasoline at the airport by January 1, 2030, with execution of the plan in accordance with FAA and federal environmental protection agency requirements or other relevant federal guidance; and
- (II) IT HAS ESTABLISHED, IN CONSULTATION WITH FLIGHT SCHOOLS AND PILOTS THAT REGULARLY USE THE AIRPORT, A VOLUNTARY NOISE ABATEMENT PLAN, WITH EXECUTION OF THE NOISE ABATEMENT PLAN IN ACCORDANCE WITH FAA AND FEDERAL ENVIRONMENTAL PROTECTION AGENCY REQUIREMENTS OR OTHER RELEVANT FEDERAL GUIDANCE, SO THAT AIRCRAFT NOISE IS NOT A SIGNIFICANT PUBLIC NUISANCE AND DOES NOT CAUSE SIGNIFICANT ADVERSE IMPACTS TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF INDIVIDUALS RESIDING NEAR THE AIRPORT. THE DIVISION SHALL DEVELOP GUIDELINES FOR THE ESTABLISHMENT OF EFFECTIVE VOLUNTARY NOISE ABATEMENT PLANS THAT MUST INCLUDE, AT A MINIMUM:
- (A) PUBLICATION OF NOISE ABATEMENT PLANS AMONG ALL AIRPORT OPERATORS; AND
- (B) NOISE ABATEMENT PLAN ELEMENTS, INCLUDING, BUT NOT LIMITED TO, A VOLUNTARY CURFEW ON WHEN FLIGHTS MAY DEPART FROM THE AIRPORT; VOLUNTARY GUIDELINES ON THE NUMBER OF FLIGHTS THAT MAY DEPART FROM THE AIRPORT WITHIN SPECIFIED PERIODS; AND VOLUNTARY GUIDELINES ON THE FREQUENCY OF TOUCH AND GO FLIGHTS DURING WHICH AN AIRCRAFT TOUCHES DOWN ON A RUNWAY AND THEN IMMEDIATELY ACCELERATES AND TAKES OFF AGAIN WITHOUT STOPPING.

(d) (I) NOISE ABATEMENT PLANS DEVELOPED IN ACCORDANCE WITH SUBSECTION (2)(c)(II) OF THIS SECTION MUST BE PROPERLY POSTED AT EACH AIRPORT.

- (II) EACH AIRPORT SHALL CONDUCT MEETINGS WITH THE AIRPORT'S FLIGHT SCHOOLS, FUEL OPERATORS, AND PILOTS WHO COMMONLY FLY OUT OF THE AIRPORT ON A REGULAR BASIS TO INFORM THE PARTIES OF THE NOISE ABATEMENT PROCEDURES AND HOW THEY MIGHT COMPLY WITH SUCH PROCEDURES.
- (III) EACH AIRPORT SHALL CREATE AND POST ON ITS WEBSITE AN INTERNAL COMMUNICATIONS PLAN DETAILING HOW THEY INTEND TO ENSURE THAT THEIR NOISE ABATEMENT PLAN IS WELL UNDERSTOOD AND AVAILABLE TO ALL AIRPORT OPERATORS.
- (e) Noise abatement plans developed in accordance with subsection (2)(c)(II) of this section must be submitted to the FAA and are not contingent on FAA approval.
- (f) IF AN AIRPORT OR AN ENTITY OPERATING AN AIRPORT HAS ONE OR MORE AVIGATION EASEMENTS IN PLACE, THE LEGAL STAFF OF THE AIRPORT OR ENTITY MUST CERTIFY IN WRITING FOR EACH GRANT APPLICATION THAT THE AIRPORT OR ENTITY IS IN COMPLIANCE WITH THE ALL THE EASEMENTS.
- (g) The Limitation on the expenditure of money from the fund set forth in subsection (2)(c) of this section does not apply to money expended for an aviation project that is for an international airport or that is determined by the division to be directly utilized towards the transition from leaded aviation gasoline to unleaded aviation gasoline, including but not limited to improvements, additions, and modifications described in section 43-10-102 (3)(a)(IX) to (3)(a)(XII), for the health, safety, and welfare of individuals who reside near the airport at which the aviation project will be completed.

SECTION 7. In Colorado Revised Statutes, **add** 43-10-118 as follows:

- 43-10-118. Adverse impacts evaluation and provision of education, and technical assistance. (1) (a) The division shall evaluate, and educate and provide technical assistance to airports about, the adverse impacts of aircraft noise on public health, safety, and welfare. The division shall prioritize this evaluation, education, and technical assistance at airports with significant general aviation activity that the division has identified as being located in densely populated residential areas or as having a significant number of flights over densely populated residential areas.
 - (b) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

SHALL CONTINUE TO ENCOURAGE TESTING IN HIGH-RISK AREAS FOR THE PRESENCE OF LEAD IN THE BLOOD OF INDIVIDUALS WHO RESIDE OR WORK NEAR SUCH AIRPORTS OR CHILDREN WHO ATTEND SCHOOLS OR CHILD CARE FACILITIES NEAR SUCH AIRPORTS.

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SECTION 8. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions."

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