



# Airport Association of North Dakota

**Matthew Remyse - President Ryan Riesinger - Vice President  
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January 25, 2021

**RE: Testimony to the House Finance and Taxation Committee on HB1214- Air Carrier  
Transportation Company Definition**

Chairman Headland and members of the committee,

I am Matthew Remyse, the President of the Airport Association of North Dakota (AAND). I want to thank you for the opportunity to speak here today and thank you for your past support of aviation. AAND is the professional organization for North Dakota Airports and it serves to promote airports, aviation, and safety across the state. I'm here today on behalf of the association to express our support of HB 1214.

By simply providing clarification on what an air carrier transportation company is, HB1214 closes a loophole that was found by a major airline that operates in the North Dakota using affiliate airlines. Currently, century code is written in way that only an air carrier transportation company making regularly scheduled landings can be assessed a centralized tax. The loophole allows major airlines, who are the organizations that actually lease space in terminal, to forego being assessed a centralized tax because they did not land their aircraft. Rather, they operated in the state by using affiliate airlines using the major airline's livery.

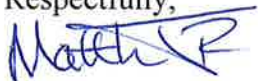
By closing this loophole, airport operators will be able to receive the revenue through the Tax Commissioner's centrally assessed process versus the tax being collected through the local assessor's process. When the tax is collected locally, the collection is divided and given to the school board, park districts, and general funds, not to the airports operators as the law was intended. When dispersed by the Tax Commissioners Office, airport operators receive the

collection and use this revenue to maintain the airport infrastructure that is used by the airlines and traveling public.

Learning about this loophole concerned several airport directors, as it could lead to lost revenue and set a negative precedent. Also, they felt it was unfair as the major airlines are the organizations that have the operational leases at many of the airports in the state. In an effort to correct the loophole, AAND and its commercial service airport members met with the members of the Tax Commissioner's Office to better understand the position of the Tax Commissioner, to explain the airport/airline relationships to the Commissioner and his staff, to express the importance of the revenue and to provide airport industry verbiage to guide the new language present in the bill.

In closing, AAND and its members are supportive of HB1214. By closing this loophole, the centrally assessed tax will be received by the airport operators as it was intended and will be used to support airport operations. We respectfully request that the committee provide a "do pass" recommendation on HB 1214.

Respectfully,

A handwritten signature in blue ink, appearing to read "Matthew Remynse".

Matthew Remynse, A.A.E.  
President, AAND