



# Airport Association of North Dakota

**Ryan Riesinger - President   Anthony Dudas - Vice President  
Jordan Dahl - Sec. / Treasurer**

P.O. Box 2845, Fargo, North Dakota 58108-2845

March 23, 2021

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

Chairwomen Bell and members of the committee,

I am Matthew Remyse, the Past 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,



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

Enclosure: 2018 Air Transportation Company Tax – Payable 2019

2018 AIR TRANSPORTATION COMPANY TAX - PAYABLE 2019  
DISTRIBUTION BY AIRPORT

Taxes paid by Company

Bismarck

Allegiant Air LLC	\$4,865.73
Delta Airlines, Inc.	\$19,444.28
Envoy Air, Inc	\$6,243.49
Frontier Airlines	\$3,920.68
United Airlines, Inc.	<u>\$10,598.19</u>
Total	\$45,072.37

Devils Lake

SkyWest Airlines, Inc.	<u>\$9,009.26</u>
	\$9,009.26

Dickinson

United Airlines, Inc.	<u>\$10,347.16</u>
	\$10,347.16

Fargo

Allegiant Air LLC	\$7,532.74
Envoy Air, Inc. (fmrly American)	\$7,703.76
Delta Airlines, Inc.	\$19,756.67
Federal Express Corporation	\$4,762.21
Frontier Airlines	\$0.00
United Airlines, Inc.	<u>\$11,110.27</u>
Total	\$50,865.65

Grand Forks

Allegiant Air LLC	\$5,345.94
Delta Airlines, Inc.	<u>\$41,220.33</u>
Total	\$46,566.27

Jamestown

SkyWest Airlines, Inc.	<u>\$10,624.50</u>
	\$10,624.50

Minot

Allegiant Air	\$12,630.52
Delta Airlines, Inc.	\$39,919.63
Frontier Airlines	\$0.00
United Airlines, Inc	<u>\$16,426.94</u>
	\$68,977.09

Williston

Delta Airlines, Inc.	\$2,185.20
United Airlines, Inc.	<u>\$1,722.02</u>
	\$3,907.22

TOTAL ALL AIRPORTS

**\$245,369.52**