September 2, 2026

The Honorable Gavin Newsom
Governor of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: Signature Request, California Senate Bill 661 (Hurtado)

Dear Governor Newsom,

As national aviation trade and individual membership associations representing all facets of the general and business aviation industry, we write to express our strong support for the restoration of funding to California airports by ensuring state and local aviation fuel taxes remain within the aviation system. We encourage your Administration to bring California into compliance with the Federal Aviation Administration's (FAA) requirement that aviation fuel tax revenue be used solely for aviation-related purposes such as airport infrastructure and operations, state aviation programs, and aviation system development.

California S.B. 661, sponsored by Senator Melissa Hurtado (D-Bakersfield) and passed unanimously by the California State Senate and Assembly, would make progress toward that goal by curtailing years of aviation revenue diversion that have put California's federal transportation funding at risk. We appreciate the bill's balanced support of the entire civil aviation sector and airport system, both commercial and general aviation, which is essential to critical public services, local economies, and effective airport and airspace management. **We respectfully request your signature on S.B. 661.**

Federal Policy on Aviation Revenue Diversion
Federal law has long required airport-generated revenue to remain within the aviation system, a principle first established in the Airport and Airway Improvement Act of 1982.[1] The law was expanded to include aviation fuel taxes in the Airport and Airway Safety and Capacity Expansion Act of 1987,[2] then strengthened with U.S. Department of Transportation (DOT) enforcement in the FAA Reauthorization Act of 1994.[3] The FAA's Airport Revenue Use Policy, first published in 1999, makes clear that state or local aviation fuel taxes enacted after December 30, 1987, are considered airport revenue and cannot be diverted from aviation purposes.[4] In 2014, the FAA provided a five-year

[1] Pub. L. No. 97-248, 96 Stat. 671, September 3, 1982.
[2] Pub. L. No. 100-223, 101 Stat. 1486, December 30, 1987.
[3] Pub. L. No. 103-305, 108 Stat. 1569, August 23, 1994.
[4] Federal Aviation Administration. (1999). *Policy and Procedures Concerning the Use of Airport Revenue.*

compliance period for states such as California to align aviation fuel tax expenditures with the federal requirements; however, a 2023 DOT Office of Inspector General report found that the state of California remained non-compliant with the law. [5]

California Aviation Industry: What's at Stake

Civil aviation is a powerful economic engine for California, accounting for 4.1% of the state's gross domestic product (GDP) and 5% of the state's total jobs.[6] California leads the nation in total economic impact for general aviation, with the general aviation sector contributing over $39.8 billion to the state's total economic output and supporting over 146,600 California jobs.[7] In addition, California's aviation industry directly supports other significant economic drivers including agriculture, technology, tourism, and small businesses. The foundation of this economic impact is California's network of nearly 250 public-use airports, which range in size and operational scope but work together as an interconnected aviation ecosystem. To maintain this ecosystem, California airports were awarded more than $335 million in FAA Airport Improvement Program (AIP) grants in 2025.[8] However, non-compliance with federal law may jeopardize FAA support for these airports.

Ensure a Healthy Aviation Ecosystem

California's 214 general aviation airports offer tremendous public benefit, providing essential support for firefighting, disaster relief, medical care, and law enforcement services. Further, these airports directly support the state's agricultural industry, enable local business development and job creation, and provide air transportation in communities without scheduled air service. As a critical component in California's aviation network, general aviation airports contribute to efficient system management by relieving traffic congestion and reducing delays at major hub airports. General aviation airports are also vital to the deployment of Advanced Air Mobility (AAM) technologies like electric conventional and vertical take-off and landing (eVTOL) aircraft, which will expand California's transportation options and strengthen its aviation system sustainability. Importantly, general aviation airport users pay state and local aviation fuel taxes that have historically been diverted from the aviation system.

We are pleased that S.B. 661 allocates funds to support the entire aviation ecosystem, including general aviation airports, in recognition of the economic and societal benefits that general aviation airports provide to hundreds of communities across the state.

---

[5] Federal Aviation Administration. (2023). *U.S. Department of Transportation Office of Inspector General Report AV2024010.*

[6] Federal Aviation Administration. (2020). *The Economic Impact of Civil Aviation on the U.S. Economy State Supplement.*

[7] PwC. *Contribution of General Aviation to the US Economy in 2023*.

[8] Federal Aviation Administration. *2025 Airport Improvement Program (AIP) grants*.

Conclusion
When aviation-generated tax revenue is diverted to other sectors, airports and the broader aviation system lose dedicated resources for infrastructure, safety, and capacity needs that directly affect day-to-day operations, essential public services, long-term planning, and technological innovation. Keeping these funds aligned with federal requirements supports safe, reliable aviation operations and long-term system investment.

Ending the aviation fuel tax diversion in a manner that supports the whole of California's diverse aviation sector and airport network must be a priority. We respectfully urge you to sign S.B. 661, and we stand ready to discuss these matters in more detail with you or your staff.

Sincerely,

Aircraft Owners and Pilots Association (AOPA)
Experimental Aircraft Association (EAA)
General Aviation Manufacturers Association (GAMA)
National Air Transportation Association (NATA)
National Business Aviation Association (NBAA)
Vertical Aviation International (VAI)