

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

Minutes of the Fourth Meeting of the 2023 Interim

September 20, 2023

Call to Order and Roll Call

The fourth meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on September 20, 2023, at 10:30 AM in Room 131 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Upchurch Co-Chair; Senator Jimmy Higdon Co-Chair; Senators Amanda Mays Bledsoe and Johnnie Turner; Representatives John Blanton, Josh Branscum, Thomas Huff, Shawn McPherson, Tom Smith, and Ashley Tackett Laferty.

Guests: Mark Carter, Commissioner, Department of Aviation; Brad Schwandt, Deputy Commissioner, Department of Aviation; Matt Cole, Commissioner, Department of Vehicle Regulation; Drew Underwood, Director, DreamFlight Charities; Evie Sapp, DreamFlight Scholarship Recipient; and, Adrian Reynolds, CEO, Wings Flight Enterprise.

LRC Staff: Justin Perry and Spring Emerson.

Approval of Minutes

Representative McPherson moved to approve the minutes of the August 2, 2023 meeting. The motion was seconded by Co-Chair Upchurch, and the minutes were approved without objection.

Department of Aviation

Commissioner Carter and Deputy Commissioner Schwandt provided information on the Department of Aviation.

In response to a question from Representative Branscum regarding the Elizabethtown project, Commissioner Carter said no price has been set for that. He said it would depend on what is done now, and the project funding is very dependent on the Federal Aviation Administration (FAA). There are typically three sources of funding: The FAA, the Department of Aviation, and the local governments.

In response to a question from Representative McPherson regarding rankings for potential new airports, Commissioner Carter said there is no ranking system, per se. Assessments are made based on needs, and those decisions are made within the FAA.

In response to a question from Representative McPherson regarding funding and House Bill 9, Commissioner Carter said he is aware of that measure, and is currently working with Representative Fleming, who is the Chair of the Aviation Caucus.

In response to a question from Representative Tackett Laferty regarding economic development reports, Commissioner Carter said those will be provided to the subcommittee and will be published on the Department's web page as well.

In response to a question from Chair Higdon regarding the hangar study, Commissioner Carter said the data has been gathered, and preliminary conclusions have been reached. There is clearly a need for more T-Hangars. There is a wide range of rates being used for hangar rentals, and they should be closer to the higher range of approximately \$400 per month. Chair Higdon asked if there were requests for financing hangars and Commissioner Carter replied that some of the airports accumulate federal moneys to build hangars, which creates limitations. He opined that it would be a better approach for the airports to build new hangars, and to do so, they need to charge market rates for rentals.

Chair Higdon requested an overview of the cost and funding stream for the Gallatin County airport. Commissioner Carter said the total cost was \$45 million, and the bulk of the funding came from the FAA at \$26 million, and the state funded most of the remainder, with a small amount coming from the local government.

In response to a question from Chair Higdon regarding commercial carriers maxing out the fuel tax, Commissioner Carter said he is unable to get that information from the Revenue Cabinet due to taxpayer privacy rules. There are four major commercial carriers: Amazon, DHL, UPS, and Delta.

Department of Vehicle Regulation

Commissioner Cole presented information on the Department of Vehicle Regulation.

In response to a question from Representative Smith regarding constituents having issues with online applications, Commissioner Cole said federal compliance is a concern.

In response to a question from Chair Higdon regarding sheriff's inspections fees, Commissioner Cole said those are \$5.00 per inspection, and have been at that rate for quite some time.

In response to a question from Chair Higdon regarding the Kentucky Automated Vehicle Information System (KAVIS), Commissioner Cole said that should be complete by the end of this year or January 2024.

In response to a question from Representative McPherson regarding constituent complaints about Warren County, Commissioner Cole said they would look into that.

In response to a question from Senator Turner regarding students applying for a driver license being required to miss two days of school in order to do so, Commissioner Cole said the Kentucky State Police (KSP) continues to review this issue, and he will contact them about it. Chair Higdon commented that he and Representative Blanton have made this a top priority, and are currently working on it.

DreamFlight Charities

Mr. Underwood, Ms. Sapp, and Mr. Reynolds provided information on the DreamFlight Charities. There were no questions.

Chair Higdon commented that they are doing a great job with an incredible program, and thanked them for their appearance before the subcommittee.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:50 AM.