

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 2, 2010
POSITION: Neutral
SPONSOR: City of Los Angeles

BILL NUMBER: SB 1192
AUTHOR: J. Oropeza

BILL SUMMARY: Airports: Rental Car Facility Fees

Existing law permits a customer facility charge (CFC), not to exceed \$10 per contract, to be imposed on rental car vendors. Existing law defines "customer facility charge" as a fee required by an airport to be collected from a vendor for either:

- Financing, designing, and constructing consolidated airport car rental facilities.
Financing, designing, constructing, and providing common-use transportation systems that move passengers between airport terminals and the car rental facilities.

This bill would additionally allow CFCs to be used to finance, design, and construct terminal modifications to accommodate customer access to common-use transportation systems, and would allow the Los Angeles International Airport, Bob Hope Airport, Fresno-Yosemite Airport and San Diego Airport (Covered Airports) to charge a daily enhanced CFC of \$6 commencing January 1, 2011, increasing to \$7.50 January 1, 2014, and to \$9 effective January 1, 2017.

Current law provides that the total customer facility charges collected by an airport shall not exceed the reasonable costs, as verified by an independent audit, to finance, design, and construct consolidated airport car rental facilities and common-use transportation systems.

This bill would require covered airports to complete an audit upon the initial collection of the enhanced daily CFC and every three years thereafter. The State controller's Office (SCO) would be required to review the audits in order to certify that the CFCs proposed or collected did not exceed the costs of the improvements funded by the CFCs. The covered airports also would be required to provide annual reports to the Legislature detailing the amount of customer facility charges collected, and their use.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the May 11, 2010 version added the Bob Hope, San Diego and Fresno-Yosemite airports to the list of covered airports that may phase in higher daily CFCs, and required the SCO to review audits conducted by the covered airports.

FISCAL SUMMARY

Finance concurs with SCO estimate that it would incur 2010-11 General Fund costs of \$176,000 and ongoing General Fund costs of \$260,000. All SCO costs arising from this bill would be reimbursed by the covered airports.

Analyst/Principal Date Program Budget Manager Date
(0762) C. Hill Mark Hill

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

J. Oropeza

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SB 1192

COMMENTS

Finance notes the following with regard to this bill:

- We understand this bill is intended to facilitate the modification of airport terminals at the covered airports to include systems to transport travelers to car rental facilities.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)									Fund Code	
	SO	PROP			2010-2011			2011-2012			2012-2013
	LA	98	FC	FC	FC	FC	FC	FC			
0001/Major Rev	SO	No			----- No/Minor Fiscal Impact -----					0001	
0840/Controller	SO	No	C		\$176	C		\$260	C	\$260	0001
0840/Controller	SO	No	M		-\$176	M		-\$260	M	-\$260	0995
<u>Fund Code</u>	<u>Title</u>										
0001	General Fund										
0995	Reimbursements										