

CHAPTER 12
AIRPORT PASSENGER FACILITY CHARGES

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8-12-1: **PURPOSE:** The purpose of this Chapter is to establish a procedure for the imposition, collection, use, keeping and auditing of a passenger facility charge as authorized by the Aviation Safety and Capacity Expansion Act of 1990 (49 U.S.C. 1513), pursuant to the regulations set forth in Volume 56, No. 103, Part 158 of the Federal Register, published on May 29, 1991.

8-12-2: **DEFINITIONS:** Whenever the following words or terms are used in this Code, they shall have the meanings ascribed below:

ACT: The Aviation Safety and Capacity and Expansion Act of 1990 (49 U.S.C. §1513).

ADMINISTRATOR: The Administrator of the Federal Aviation Administration pursuant to Section 1113(e) of the Federal Aviation Act of 1958.

ALLOWABLE COST: The reasonable and necessary costs of carrying out an Approved Project including costs incurred prior to and subsequent to the approval by the Administrator to impose a PFC, Bond Financing Costs and payments for debt service on bonds and other indebtedness incurred to carry out such Project.

APPROVED PROJECT: A Project for which the use of PFC revenue has been approved by the Administrator.

BOND FINANCING COSTS: The costs of financing a bond, including such costs as those associated with issuance, underwriting discount, original issue discount, capitalized interest, debt service reserve funds, initial credit enhancement fees and initial trustee and paying agent fees.

CHARGE EFFECTIVE DATE: January 1, 1993, or such other date the City is authorized by the Administrator to impose a PFC.

CHARGE EXPIRATION DATE: The date on which air carriers are to cease to collect a PFC, as determined by the Administrator.

CITY: The City of Idaho Falls, Idaho.

COLLECTING CARRIER: An issuing carrier or other carrier collecting a PFC, whether or not such carrier issues the air travel ticket.

DEBT SERVICE: Payments for such items as principal and interest, sinking funds, call premiums, periodic credit enhancement fees, trustee and paying agent fee, coverage and remarketing fees.

ISSUING CARRIER: Any air carrier or foreign air carrier that issues an air travel ticket or whose imprinted ticket stock is used in issuing such ticket by an agent.

PASSENGER ENPLANED: A domestic, territorial or international revenue passenger enplaned in the States in scheduled or nonscheduled service on aircraft in intrastate, interstate or foreign commerce.

PASSENGER REVENUE: A person receiving air transportation from an air carrier for which remuneration is received by the air carrier. Such term includes persons traveling under a frequent flyer program or other promotional program based upon frequency of prior paid revenue travel. Air carrier employees or others receiving air transportation against whom token service charges are levied are considered non-revenue passengers. Infants for whom a token fare is charged are not considered as revenue passengers.

PFC: A passenger facility charge imposed by the City on Passengers Enplaned at the Airport.

PROJECT: Airport planning, Airport land acquisition or development of a single project a multi-phase development program or a new airport for which PFC financing is sought or approved by the Administrator.

REGULATIONS: The regulations set forth in Part 158, Volume 56, No. 103, Federal Register as published on May 29, 1991, or as may be subsequently adopted by the Federal Aviation Administration.

STATE: A state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands and Guam. (Ord. 3003, 4-23-15; Ord. 3332, 09-10-20)

8-12-3: IMPOSITION OF PFC: Subject to the Regulations and the approval by the Administrator, a PFC in an amount set from time to time by Resolution of the Council, is hereby imposed on all Passengers Enplaned at the Airport. (Ord. 2964, 8-14-14)

8-12-4: ADMINISTRATION AND COLLECTION OF PFC: The imposition, collection, administration, investment and accounting of PFC's shall be in accordance with the Act and the

Regulations now in force or as may be hereafter adopted in the manner required by the Act or other applicable law.

8-12-5: **TERM OF FEE:** The PFC shall be imposed on the Charge Effective Date and shall cease to be collected on the Charge Expiration Date.

8-12-6: **ESTABLISHMENT OF AIRPORT PFC FUND:** A fund known as the Airport PFC Fund is hereby established into which all revenues derived from the collection of PFC's shall be deposited. The City Controller shall maintain a separate account for each approved Project for which PFC revenue has been approved by the Administrator. The accounting record shall identify the PFC revenue received from the collecting carriers, interest earned on such revenue, the amounts used on each approved project and the amount reserved for currently approved projects.

8-12-7: **AUDIT OF AIRPORT PFC FUND:** At least annually during any period in which a PFC is collected, held or used, the City Controller shall obtain an audit of said fund by an accredited independent public accountant. The accountant shall express an opinion of the fairness and reasonableness of the procedures for receiving, holding and using PFC revenue. The accountant shall also express an opinion whether the quarterly report required under Section 158.63 of the Regulations fairly represents the net transactions within said fund. The audit may be performed specifically for the fund or conducted as part of an audit under the Single Agency Audit Act of 1983 (31 U.S.C. Section 7501, et seq.), provided the Airport PFC Fund is specifically addressed by the auditor. Upon request, a copy of the audit shall be provided to each collecting carrier that remitted PFC revenue to the City in the period covered by the audit, and to the Administrator.

8-12-8: **RECORD KEEPING AND AUDITING OF COLLECTING CARRIERS:** All collecting carriers shall establish and maintain for the City an accounting record of PFC revenue collected, remitted, refunded and compensation retained pursuant to this Ordinance and the Regulations. Such accounting records shall be made available to the City and the Administrator at all reasonable times and shall be audited in accordance with the Regulations.

8-12-9: **USE OF PFC:** All PFC revenue collected pursuant to this Ordinance, including any interest earned after such revenue has been remitted to the City, may be used only to finance Allowable Costs of an Approved Project at the Airport. The use of such PFC revenue shall further be restricted in accordance with the limitations set forth in the Regulations.