GRANDFATHERED AIRPORTS
May 1, 2018

Pursuant to 49 U.S.C. § § 47107 (b)(2) and 47115 (f), the sponsors/airports listed below, constitute the Federal Aviation Administration's (FAA) current list of sponsors/airports officially "grandfathered" under the airport revenue use policy.

- Chicago, City of
- Denver, City
- Hawaii, State of
- Juneau, City and Borough of (dormant since 2001, provision expired)
- Maryland Aviation Administration
- Massachusetts Port Authority
- Niagara Frontier Transportation Authority
- Port Authority of New York & New Jersey
- St. Louis, City of
- San Francisco, City of
- Texarkana Airport Authority (expired)

What constitutes a Grandfather Payment?

Chicago, City of – Vehicle Fuel Tax

In 1981, the City of Chicago (City) imposed a 1 percent sales tax on the purchase of tangible personal property in the City, or outside the City for use in the City. In 1986, the City imposed a $.05 per gallon tax on the purchase or use, in the City, of vehicle fuel, including aviation fuel. The City deposits the revenue into the City's corporate fund and supports numerous City operations.

Denver, City – Aviation Fuel Tax

Denver initially adopted a $.04 per gallon fuel tax in 1981, and in 1986 amended the tax to $.02 per gallon. The fuel tax revenue is not considered airport revenue and is deposited into Denver's general fund.

State of, Hawaii – 5% gross receipts tax

A revised 1970 State statute authorized the transfer of a 5 percent surcharge from the airport revenue fund to the State general fund to defray State expenses.

Maryland Aviation Administration- Payments made to the Transportation Trust Fund

In 1970, a State law created the Maryland Department of Transportation (MDOT) responsible for oversight of Maryland transportation facilities and programs, and the MDOT Trust Fund (Fund). Each transportation agency within MDOT, including the Maryland Aviation Administration, must deposit all revenue collected into the Fund.

Massachusetts Port Authority – PILOTS Chelsea, Winthrop, Boston, Seaport deficits/surpluses

In 1956, a State law created MASSPORT, which owns and operates three airports, and directed MASSPORT to make annual payments-in-lieu-of-taxes for the cities of Chelsea, Winthrop and Boston. In addition, Massport reports Seaport surpluses and deficits.

Niagara Frontier Transportation Authority – Payments or obligations made to other NFTA facilities

In 1967, the New York State Legislature created the Niagara Frontier Transportation Authority (NFTA), a multi-modal authority that operates two airports, a bus and light-rail system, and a port terminal. The enabling statute states that NFTA may cross-utilize its revenues to fund any of its operations.

Port Authority of New York & New Jersey – consolidated revenues

St. Louis, City of – 5% operating revenues to general fund

A 1954 City of St. Louis (City) ordinance required the airport to pay the City's general fund 5 percent of airport operating revenue annually. The payment was continued in 1968.

San Francisco, City of – 15% of non-airline concession revenues per airline agreement

As of 1980, San Francisco's (City's) governing charter called for the transfer of airport revenue to the City's general fund to support other city facilities. Pursuant to a 1981 Settlement Agreement between the airport and airlines, the revenue payment was to be the greater of 15 percent of concession revenues or $5 million.

ACO-1 Guidance for capturing Grandfather Payment Data:

Utilizing the FAA's Compliance Activity Tracking System (CATS), sponsors of grandfathered airports must submit their annual financial data to the FAA using Forms 5100-126 and 127 within 120 days of the end of their fiscal year.

- The total grandfather amounts reported should be placed on the "grandfather payments" line on the Form 126, except for City and County of Denver, City of Chicago, and Port Authority of New York and New Jersey.

- City and County of Denver should report this information on the "aviation fuel tax" line.

- The City of Chicago and Port Authority of New York and New Jersey will continue to report grandfather payments to FAA via written correspondence and/or spreadsheets.

- The State of Hawaii has airports that do not meet the criteria for reporting on the Form 126 and must provide that data separately to FAA. For the purposes of grandfather payment evaluation, the State will provide a worksheet with accrued payment amounts for all 15 grandfathered airports (Honolulu, Hilo, Kaehole, Kahului, Lihue, Hana, Molokai, Kalaupapa, Lanai, Waimea, Dillingham, Kalaeloa, Kapalua, Upolu, and Port Allen).

- State of Maryland must provide its offset payment, the payments made by the Transportation Trust Fund on behalf of Maryland Aviation Administration to FAA. This amount must be reported on the Form 126 in the "other" category as a negative number, noted as "offsets to grandfathering payment."

Verification of Payment Amounts:

The airport's chief financial must certify and validate the financial information transmitted by the airport to the FAA. ACO-1 will periodically verify grandfather payments amounts to the airport's audited financial statements/Single Audits and/or other source documents to ensure the accuracy of the data.

Due Dates for Grandfather Reporting:

Chicago, City of	No later than April 30
Denver, City	No later than April 30
Hawaii, State of	No later than October 31
Maryland Aviation Administration	No later than October 31
Massachusetts Port Authority	No later than October 31
Niagara Frontier Transportation Authority	No later than July 31
Port Authority of New York and New Jersey	No later than April 30
St. Louis, City of	No later than October 31
San Francisco, City of	No later than October 31