



OFFICE OF THE GOVERNOR

SEP 30 2026

To the Members of the California State Senate:

I am returning Senate Bill 661 without my signature.

This bill would redirect state sales and use tax revenue attributable to jet fuel from the General Fund, Local Public Safety Fund, and Local Revenue Fund to the Aeronautics Account and establish a new formula for distributing those funds to airports and aviation-related programs as an alternative mechanism for complying with the Federal Aviation Administration's Airport Revenue Use Policy.

For more than a decade, California has worked with the FAA across successive federal administrations using an offsetting-expenditure methodology that the FAA has described as a "good overall methodology." Federal law does not prescribe the revenue-distribution formula established by this bill. California instead demonstrates compliance by documenting eligible airport and aviation expenditures that equal or exceed covered jet fuel tax revenue.

In March, the Department of Finance provided the FAA with information identifying nearly \$2.3 billion in state expenditures supporting airports and aviation programs from 2020–21 through 2025–26 — more than 10 times the approximately \$226 million in covered revenue collected during that period. The identified expenditures exceeded covered revenue in every fiscal year.

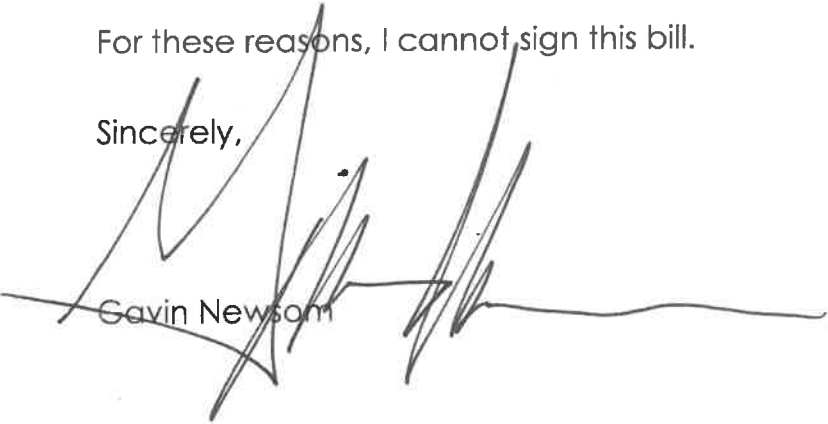
This measure would establish a permanent fiscal commitment that goes far beyond what federal law requires. It would redirect tens of millions of dollars annually from the General Fund and critical realignment funds that support local public safety, health, mental health, and social services. It is critical to evaluate a permanent new revenue commitment of this magnitude in the context of the substantial funding airports already receive through other state programs.

The bill also raises serious constitutional concerns. A portion of the revenue it would redirect is deposited into the Local Public Safety Fund pursuant to Proposition 172 and is constitutionally dedicated to local public-safety services. Redirecting that revenue to a statewide aviation account for purposes not limited to local public safety is inconsistent with that voter-enacted provision of California's Constitution and would diminish resources available for essential public safety services.

Any proposal to permanently redirect these revenues should be based on a demonstrated need for statutory change and considered through the annual budget process alongside other state and local priorities.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom