

**AERONAUTICS CONSTRUCTION REVOLVING
LOAN FUND**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: John W. Hickman

This act modifies the Transportation Code to create the Aeronautics Construction Revolving Loan Fund for construction of airports. This act provides for application, approval, and repayment of loan funds and provides for rulemaking by the Transportation Commission. This act takes effect on July 1, 2002.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

72-2-122, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **72-2-122** is enacted to read:

72-2-122. Aeronautics Construction Revolving Loan Fund -- Distribution -- Repayment -- Rulemaking.

(1) There is created the Aeronautics Construction Revolving Loan Fund within the Transportation Fund.

(2) The fund shall include monies from the following sources:

(a) appropriations made to the fund by the Legislature;

(b) contributions from other public and private sources for deposit into the fund;

(c) interest earnings on cash balances;

(d) all monies collected for repayments and interest on fund monies; and

(e) proceeds from revenue bonds or other obligations issued in accordance with Title 63, Chapter 9a, State Building Ownership Act, and Title 63B, Bonds.

(3) All monies appropriated to the Aeronautics Construction Revolving Loan Fund are nonlapsing.

(4) (a) The commission shall authorize the expenditure of fund monies for construction, major reconstruction, major renovation, or property acquisition of airports and airport runways for

state, county, and municipal airports subject to:

(i) monies available in the fund; and

(ii) rules made under Subsection (7).

(b) Fund monies may be used to pay interest on debts incurred in accordance with this section.

(5) Administrative costs of the Aeronautics Construction Revolving Loan Fund shall be paid from the fund.

(6) The Operations Division:

(a) may apply to the commission under this section for monies from the Aeronautics Construction Revolving Loan Fund for a specified aeronautics project, including for county and municipal projects; and

(b) shall repay the fund monies authorized for the project to the fund as required under Subsection (7).

(7) The commission shall:

(a) administer the Aeronautics Construction Revolving Loan Fund to promote long-term statewide aeronautics transportation;

(b) prioritize fund monies based on considerations, including:

(i) areas with rapidly expanding population;

(ii) the willingness of local governments to:

(A) complete studies and impact statements that meet department standards; and

(B) preserve long-term airport operations by the use of local planning and zoning processes;

(iii) the availability of other public and private matching funds for a project; and

(iv) the cost-effectiveness of the projects; and

(c) make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, establishing:

(i) the procedures for the awarding of fund monies;

(ii) the procedures for the Operations Division to apply for Aeronautics Construction Revolving Loan Fund monies for projects; and

(iii) repayment schedules and conditions of replacing the monies back into the fund.

(8) For loans made under this section to a county or municipal airport, the Division of Finance shall:

(a) collect and account for a loan made in accordance with this section; and

(b) have custody of all loan documents evidencing indebtedness of the Aeronautics

Construction Revolving Loan Fund, including all:

(i) notes; and

(ii) contracts.

(9) (a) The proceeds from the revenue bonds or other obligations issued on revenues of the Aeronautics Construction Revolving Loan Fund shall be used for the purposes authorized for funds under this section.

(b) The commission shall pledge the necessary part of the revenues of the Aeronautics Construction Revolving Loan Fund to the payment of principal of and interest on the revenue bonds or other obligations.

Section 2. Effective date.

This act takes effect on July 1, 2002.