

1                                   **AERONAUTICS CONSTRUCTION REVOLVING**

2   **LOAN FUND**

3   2002 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: John W. Hickman**

6   **This act modifies the Transportation Code to create the Aeronautics Construction Revolving**  
7   **Loan Fund for construction of airports. This act provides for application, approval, and**  
8   **repayment of loan funds and provides for rulemaking by the Transportation Commission.**

9   **This act takes effect on July 1, 2002.**

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

11 ENACTS:

12                   **72-2-122**, Utah Code Annotated 1953

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

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

15                   **72-2-122. Aeronautics Construction Revolving Loan Fund -- Distribution --**  
16 **Repayment -- Rulemaking.**

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

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

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

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

22                   (c) interest earnings on cash balances;

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

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

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



28           (4) (a) The commission shall authorize the expenditure of fund monies for construction,  
29 major reconstruction, major renovation, or property acquisition of airports and airport runways for  
30 state, county, and municipal airports subject to:

31           (i) monies available in the fund; and

32           (ii) rules made under Subsection (7).

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

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

37           (6) The Operations Division:

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

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

43           (7) The commission shall:

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

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

47           (i) areas with rapidly expanding population;

48           (ii) the willingness of local governments to:

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

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

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

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

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

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

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

59           (iii) repayment schedules and conditions of replacing the monies back into the fund.  
60           (8) For loans made under this section to a county or municipal airport, the Division of  
61 Finance shall:  
62           (a) collect and account for a loan made in accordance with this section; and  
63           (b) have custody of all loan documents evidencing indebtedness of the Aeronautics  
64 Construction Revolving Loan Fund, including all:  
65           (i) notes; and  
66           (ii) contracts.  
67           (9) (a) The proceeds from the revenue bonds or other obligations issued on revenues of  
68 the Aeronautics Construction Revolving Loan Fund shall be used for the purposes authorized for  
69 funds under this section.  
70           (b) The commission shall pledge the necessary part of the revenues of the Aeronautics  
71 Construction Revolving Loan Fund to the payment of principal of and interest on the revenue  
72 bonds or other obligations.  
73           Section 2. **Effective date.**  
74           This act takes effect on July 1, 2002.

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**Legislative Review Note**  
**as of 1-31-02 10:40 AM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**