

SENATE FILE NO. SF0120

Wyoming air services enhancement.

Sponsored by: Senator(s) Coe, Hawks and Larson and Representative(s) Edwards, Illoway and Lockhart

A BILL

for

1 AN ACT relating to the Wyoming business council;  
2 authorizing the council to contract for air services as  
3 specified; requiring approval by the attorney general;  
4 providing an appropriation; requiring a report; and  
5 providing for an effective date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** W.S. 9-12-601 and 9-12-602 are created to

10 read:

11

ARTICLE 6

12

AIR SERVICES FINANCIAL AID

13

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1           **9-12-601. Wyoming air services enhancement;**  
2 **legislative findings; Wyoming business council authority to**  
3 **contract for services; requirements.**

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5           (a) The legislature finds that an adequate and  
6 comprehensive system of air service between Wyoming  
7 airports and airports located outside the state is vital  
8 for economic development within Wyoming. Competition among  
9 air service providers within the state is virtually  
10 nonexistent and, without competition, services will remain  
11 limited and unreliable and high air fares will remain a  
12 major impediment to use of air services by Wyoming  
13 residents and businesses. Peak air traffic and enplanements  
14 in Wyoming occurred when two (2) air carriers served the  
15 state in years 1993 and 1994. Further, airports in the  
16 state receive federal airport improvement program funds  
17 and, based upon enplanements in calendar year 2002 several  
18 commercial airports in the state are in danger of losing  
19 one million dollars (\$1,000,000.00) each, annually, if  
20 enplanements at the airports drop below ten thousand  
21 (10,000) for the year.

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23           (b) The Wyoming business council may enter into  
24 agreements to provide financial assistance to persons doing

1 business or who will do business in the state for the  
2 enhancement of air services in the state conditioned upon  
3 contractual assurances that specified benefits will accrue  
4 to the state through increased air traffic and  
5 enplanements, including increasing the minimum number of  
6 enplanements at airports facing a possible loss of federal  
7 airport improvement program funding, increasing ridership  
8 between commercial airports in Wyoming and regional airport  
9 hubs, lowering airfares for air passengers and increasing  
10 the number of routes flown within the state.

11

12 (c) The council has primary responsibility and may  
13 consult with the aeronautics division of the Wyoming  
14 department of transportation or other entities, as  
15 necessary, to develop criteria for bids and contracts for  
16 financial aid under this section in accordance with W.S.  
17 9-2-1016(b) (iv).

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19 (d) All applications for financial aid under this  
20 section shall be submitted to the council which shall  
21 investigate and prepare a report concerning the  
22 advisability of approving the proposed financial aid for  
23 the applicant and concerning any other factors deemed  
24 relevant by the council. After consideration of the report,

1 the council shall approve or deny the application. The  
2 applicant shall be promptly notified of the decision. In  
3 making the decision to approve or deny the application, the  
4 council shall give priority to an applicant whereby:

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6 (i) The applicant can provide assurances that  
7 the enterprise has a reasonable chance of success;

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9 (ii) Participation by the council is necessary  
10 to the success of the enterprise because funding for the  
11 enterprise is unavailable in the traditional capital  
12 markets, or because funding has been offered on terms that  
13 would substantially hinder the success of the enterprise;

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15 (iii) The applicant will use the proceeds of the  
16 financial assistance provided under this section only to  
17 cover operational costs or acquisition of special  
18 performance aircraft for the special performance  
19 characteristics of Wyoming airports;

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21 (iv) The financial assistance has the reasonable  
22 potential to create a substantial amount of air travel  
23 originating within the state;

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1           (v) The applicant has already made or are  
2 contractually committed to make a substantial financial and  
3 time commitment to the enterprise;

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5           (vi) The applicant will not pledge financial aid  
6 granted pursuant to this section as collateral for any  
7 other purpose than is specified in the contract between the  
8 applicant and the council;

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10           (vii) The applicant will provide reasonable  
11 assurances that within a time specified by the council, the  
12 state shall benefit from its investment by means of  
13 commercial airports having sufficient enplanements to  
14 retain or reestablish eligibility for federal airport  
15 improvement program funding and that commercial airports in  
16 the state will receive increased revenues from established  
17 passenger facility charges as a result of increased  
18 enplanements by the enterprise.

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20           (e) Before granting any seed capital financial aid  
21 under this section, the council shall enter into an  
22 agreement with the applicant providing for a benefit to the  
23 state which is commensurate with the level of risk and  
24 amount of the financial aid, using the criteria specified

1 in paragraph (d)(vii) of this section. The attorney general  
2 shall review and approve the contract before the council  
3 enters into any agreement under this section.

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5 (f) As used in this article, "council" means the  
6 Wyoming business council created by W.S. 9-12-103.

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8 **9-12-602. Wyoming air services enhancement account.**

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10 (a) The council shall establish and maintain a  
11 Wyoming air services enhancement account under this article  
12 to provide the seed capital specified in W.S. 9-12-601 for  
13 ventures to enhance air services within the state. Any  
14 funds deposited in the account shall only be expended by  
15 the council as provided in W.S. 9-12-601 and to administer  
16 this article.

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18 (b) Any funds appropriated by the legislature to the  
19 account established under subsection (a) of this section  
20 shall not lapse as provided by W.S. 9-4-207(a), but shall  
21 revert to the general fund as provided by W.S. 9-12-103(c)  
22 or upon a finding by the council that no applicant is able  
23 to provide the assurances required by W.S. 9-12-601 by June  
24 30, 2004, whichever occurs earlier.

1

2 (c) The council shall report to the joint minerals,  
3 business and economic development interim committee, the  
4 joint appropriations interim committee and the air  
5 transportation liaison committee no later than September  
6 30, 2003 with respect to any applications it has received  
7 under W.S. 9-12-601, including any actions taken and funds  
8 expended in consideration of, and pursuant to, any contract  
9 entered into under W.S. 9-12-601. If any funds are expended  
10 under a contract prior to June 30, 2004, the council shall  
11 also report no later than that date and annually thereafter  
12 with respect to the performance of any recipient of funds  
13 under such contract.

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15 **Section 2.** There is appropriated three million  
16 dollars (\$3,000,000.00) from the general fund to the  
17 Wyoming air services enhancement account to implement the  
18 purposes of this act.

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1           **Section 3.**   This act is effective immediately upon  
2 completion of all acts necessary for a bill to become law  
3 as provided by Article 4, Section 8 of the Wyoming  
4 Constitution.

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(END)