

HOUSE BILL NO. HB0053

Air services enhancement.

Sponsored by: Joint Minerals, Business and Economic
Development Interim Committee

A BILL

for

1 AN ACT relating to administration of government;
2 transferring the air services financial aid program to the
3 Wyoming aeronautics commission as specified; providing
4 appropriations; transferring a position; and providing for
5 an effective date.

6

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

8

9 **Section 1.** W.S. 9-12-701 and 9-12-702 are amended and
10 renumbered as 10-3-601 and 10-3-602 to read:

11

12

ARTICLE 6

13

AIR SERVICES FINANCIAL AID

14

1 ~~9-12-701~~10-3-601. Wyoming air services enhancement;
2 legislative findings; Wyoming aeronautics commission
3 authority to contract for services; requirements.
4

5 (a) The legislature finds that an adequate and
6 comprehensive system of air service ~~between~~in 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.~~

22
23 (b) The Wyoming ~~business council~~aeronautics
24 commission may enter into agreements to provide financial

1 assistance to persons doing business or who will do
2 business in the state, to economic development
3 organizations within the state, to joint powers boards or
4 to other entities formed to provide for enhanced air
5 service to communities in Wyoming that have or are seeking
6 commercial air service, for the enhancement of air services
7 in the state conditioned upon contractual assurances that
8 specified benefits will accrue to the state through
9 increased air traffic and enplanements. ~~, including~~
10 Benefits accruing to the state shall include, but not be
11 limited to, increasing the minimum number of enplanements
12 at airports facing a possible loss of federal airport
13 improvement program funding, increasing ~~ridership between~~
14 passenger enplanements at commercial airports in Wyoming,
15 ~~and increasing frequency or sustaining flight operations~~
16 from commercial airports in Wyoming to regional airport
17 hubs, lowering airfares for air passengers and increasing
18 the number of routes flown within the state. The ~~council~~
19 commission shall consult with counties, cities, towns,
20 joint powers boards, airport boards or other entities
21 pursuing air service enhancement before entering into
22 agreements ~~with persons~~ to provide air service enhancement
23 and shall require matching funds for the provision of air
24 service enhancement grants. The amount of matching funds

1 required for the provision of enhancing air services shall
2 be determined by the commission, taking into account the
3 types of service for which grants are approved, the diverse
4 characteristics of the communities to which air service is
5 contracted for and other considerations examined by the
6 commission.

7
8 (c) The ~~council~~commission has primary responsibility
9 and may consult with or delegate to the aeronautics
10 division of the Wyoming department of transportation,
11 Wyoming business council or other entities ~~and enter into~~
12 ~~an agreement with the Wyoming aeronautics commission,~~ as
13 necessary, to develop criteria ~~for bids~~ and contracts for
14 financial aid under this section.

15
16 (d) All applications for financial aid under this
17 section shall be submitted to the aeronautics commission.
18 ~~which shall investigate and prepare a report concerning the~~
19 ~~advisability of approving the proposed financial aid for~~
20 ~~the applicant and concerning any other factors deemed~~
21 ~~relevant by the aeronautics commission. After consideration~~
22 ~~of the report, the council, in consultation with~~ The
23 aeronautics commission shall approve or deny the
24 application. The applicant shall be promptly notified of

1 the decision. In making the decision to approve or deny the
2 application, the ~~council~~commission shall give priority to
3 an applicant whereby:

4
5 (i) The applicant can provide assurances that
6 the enterprise has a reasonable chance of success and will
7 achieve benchmarks specified by the applicant;

8
9 (ii) Participation by the ~~council~~commission is
10 necessary to the success of the enterprise because funding
11 for the enterprise is unavailable in the traditional
12 capital markets, or because funding has been offered on
13 terms that would substantially hinder the success of the
14 enterprise;

15
16 (iii) The applicant will use the proceeds of the
17 financial assistance provided under this section only to
18 secure or enhance air services within the state or to
19 market or promote the service for which the financial
20 assistance is granted;

21
22 (iv) The financial assistance has the reasonable
23 potential in the opinion of the aeronautics commission to

1 create a substantial amount of air travel originating
2 within the state;

3

4 (v) The applicant has already made or is
5 contractually committed to make a substantial financial and
6 time commitment to the enterprise and local ~~matching~~ funds
7 are provided to secure a financial grant under this
8 section, in an amount determined by the commission;

9

10 (vi) The applicant will not pledge financial aid
11 granted pursuant to this section as collateral for any
12 other purpose than is specified in the contract between the
13 applicant and the ~~council~~ commission;

14

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

24

1 (e) Before granting any financial aid under this
2 section, the ~~council~~commission shall enter into an
3 agreement with the applicant providing for a benefit to the
4 state which is commensurate with the level of risk and
5 amount of the financial aid, using the criteria specified
6 in paragraph (d)(vii) of this section. The attorney
7 general shall review and approve the contract before the
8 ~~council~~commission enters into any agreement under this
9 section.

10
11 (f) As used in this article, "~~council~~commission"
12 means the Wyoming ~~business council~~aeronautics commission
13 created by W.S. ~~9-12-103~~10-3-101.

14
15 (g) The Wyoming ~~business council~~aeronautics
16 commission will establish benchmarks for determining the
17 success of the program.

18
19 ~~9-12-702~~10-3-602. **Wyoming air services enhancement**
20 **account.**

21
22 (a) The ~~council~~commission shall establish and
23 maintain a Wyoming air services enhancement account under
24 this article to provide the financial aid specified in W.S.

1 ~~9-12-701 for ventures~~ 10-3-601 to enhance air services
2 within the state. Any funds deposited in the account shall
3 only be expended by the ~~council~~ commission as provided in
4 W.S. ~~9-12-701~~ 10-3-601 and to administer this article.

5
6 (b) Any funds appropriated by the legislature to the
7 account established under subsection (a) of this section
8 shall not lapse as provided by W.S. 9-4-207(a), but shall
9 revert to the transportation enterprise fund as provided by
10 W.S. 9-12-103(c) ~~or upon a finding by the council that no~~
11 ~~applicant is able to provide the assurances required by~~
12 ~~W.S. 9-12-701 by~~ on June 30, 2006~~.~~, ~~whichever occurs~~
13 ~~earlier.~~

14
15 (c) The ~~council~~ commission shall report to the joint
16 minerals, business and economic development interim
17 committee, the joint appropriations interim committee and
18 the air transportation liaison committee no later than
19 September 30, ~~2003 and 2004~~ 2005, with respect to ~~any~~
20 ~~applications it has received~~ the status of the program
21 under W.S. ~~9-12-701~~ 10-3-601, including any actions taken
22 and funds expended in consideration of, and pursuant to,
23 any contract entered into under W.S. ~~9-12-701~~ 10-3-601. If
24 any funds are expended under a contract prior to June 30,

1 2006, the ~~council~~commission shall also report no later
2 than that date and annually thereafter with respect to the
3 performance of any recipient of funds under the contract.

4

5 **Section 2.**

6

7 (a) There is appropriated three million dollars
8 (\$3,000,000.00) from the general fund to the Wyoming air
9 services enhancement account to implement this act.

10

11 (b) There is appropriated from the general fund to
12 the Wyoming department of transportation, aeronautics
13 division four hundred fifty thousand dollars (\$450,000.00)
14 for personnel, information, marketing, research, consulting
15 and other costs associated with the investigation and
16 pursuit of statewide air service enhancement.

17

18 **Section 3.** There is transferred one (1) full-time
19 equivalent position from the Wyoming business council to
20 the Wyoming department of transportation, aeronautics
21 division. This full-time equivalent position shall be
22 appointed by the commission to assist in the implementation
23 of and to carry out the provisions of this act. The
24 appointment may be made as a contract employee or an at-

1 will employee. After consideration and planning of the
2 most effective way to implement the provisions of this act,
3 the commission may choose to utilize funding for part-time
4 employment of support personnel or consulting services and
5 other additional assistance.

6

7 **Section 4.** This act is effective July 1, 2005.

8

9

(END)