

6:1-90

LEGISLATIVE HISTORY CHECKLIST
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(Loans to aviation enterprises)

NJSA: 6:1-90

LAWS OF: 1997 **CHAPTER:** 231

BILL NO: A2416

SPONSOR(S): DeCroce and Felice

DATE INTRODUCED: October 7, 1996

COMMITTEE: **ASSEMBLY:** Transportation; Appropriations
SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage denoted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** May 8, 1997
SENATE: June 5, 1997

DATE OF APPROVAL: August 25, 1997

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes 2-3-97 & 3-20-97
SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1997, CHAPTER 231, *approved August 25, 1997*
Assembly, No. 2416 (*First Reprint*)

1 AN ACT concerning ¹[aviation and] expenditures from the Airport
2 Safety Fund,¹ amending P.L.1983, c.264 and P.L.1995, c.108.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 2 of P.L.1983, c.264 (C.6:1-90) is amended to read as
8 follows:

9 2. a. The Legislature finds and declares that:

10 (1) New Jersey's public use, general aviation airports are an integral
11 part of the State's transportation network and promote mobility and
12 economic activities of common public benefit. These public use,
13 general aviation transportation facilities are deteriorating and must be
14 improved as to safety and their economic vitality in order to realize
15 their full public benefit.

16 (2) There is a growing need to upgrade the safety of general
17 aviation airports, which require such improvements and equipment as
18 radar, instrument landing aids and weather-reporting equipment to
19 enable them to safely handle modern general aviation aircraft.

20 (3) Many publicly owned, general aviation airports are unable to
21 obtain all of the federal funds available to them for airport
22 development because they are unable to raise money for their local
23 matching requirements.

24 (4) Many privately owned, public use, general aviation airports
25 which are essential to the State's economic development are in danger
26 of conversion to nonaviation uses, and it is in the public interest to
27 provide State assistance to county and municipal efforts to preserve
28 these airports, through acquisition or other means.

29 (5) Users of general aviation airports have contributed substantial
30 amounts to the State treasury through fees and fuel taxes, and this
31 money should henceforth be used to establish an airport assistance

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ATC committee amendments adopted February 3, 1997.

1 program.

2 (6) The long term stability and viability of unrestricted public use
3 airports are greatly dependent upon the economic stability and vitality
4 of the aviation enterprises which are located within them.

5 (7) It is in the public interest for the Department of Transportation
6 to undertake activities which promote aviation safety, promote
7 aviation education, and provide for the promotion of aeronautics.

8 b. The Legislature therefore finds and declares that it is in the
9 public interest to establish an Airport Safety Fund, impose a two cent
10 per gallon tax on fuel distributed to general aviation airports, and
11 authorize the Commissioner of Transportation to establish assistance
12 programs to improve the safety and economic vitality of general
13 aviation airports, to promote aviation safety and education, and to
14 provide for the promotion of aeronautics.

15 c. The Legislature also declares that, inasmuch as federal
16 authorities already register aircraft, it is deemed appropriate to cease
17 the State registration of New Jersey based aircraft, which is currently
18 administered at a net loss.

19 (cf: P.L.1983, c.264, s.2)

20

21 2. Section 3 of P.L.1983, c.264 (C.6:1-91) is amended to read as
22 follows:

23 3. As used in this act:

24 a. "Commissioner" means the Commissioner of Transportation.

25 b. "Department" means the Department of Transportation.

26 c. "Fund" means the Airport Safety Fund, as established in section
27 4 of this act.

28 d. "Treasurer" means the State Treasurer.

29 e. "Unrestricted public use airport" means any facility for the
30 take-off and landing of aircraft, either publicly or privately owned,
31 that does not have restrictive covenants on operational use by the
32 general public for reasons other than safety.

33 f. "General aviation airport" means any area of land or water, or
34 both, used or made available for the landing and take-off of civil
35 aircraft, and which has further been determined by the Commissioner
36 of Transportation not to be an international airport either by
37 classification or service characteristics.

38 g. "Turbine fuel" means any liquid or gaseous substance used by
39 jet and turbo-shaft aircraft for the propulsion of aircraft through the
40 air, as determined by the Commissioner of Transportation.

41 h. "Director" means the Director of the Division of Taxation.

42 i. "Aviation enterprise" means any business or enterprise which is
43 principally located within a New Jersey unrestricted public use airport
44 where the commissioner has determined such business or enterprise
45 has a direct economic or operational benefit to the airport.

46 (cf: P.L.1983, c.264, s.3)

1 3. Section 4 of P.L.1983, c.264 (C.6:1-92) is amended to read as
2 follows:

3 4. a. There is established in the general fund a separate special
4 account to be known as the "Airport Safety Fund." Notwithstanding
5 any provisions of law to the contrary and except as otherwise
6 provided in this act, revenues from the taxes imposed on the sale of
7 fuel used in aircraft, pursuant to chapter 39 of Title 54 of the Revised
8 Statutes, revenues from the taxes imposed on the sale of aircraft fuels
9 sold for distribution to general aviation airports, pursuant to this act,
10 and fees imposed under Title 6 of the Revised Statutes shall be
11 credited to the fund.

12 b. Moneys shall be appropriated from the fund, notwithstanding the
13 provisions of P.L.1976, c.67 (C.52:9H-5 et seq.).

14 c. Moneys in the fund shall be appropriated to the department only
15 for those aviation purposes which the department is empowered to
16 undertake pursuant to this act or under Title 6 and Title 27.

17 d. All revenues generated by the taxes imposed on the sale of
18 aircraft fuels, pursuant to chapter 39 of Title 54 of the Revised
19 Statutes; the taxes imposed on the sale of aircraft fuels sold for
20 distribution to general aviation airports, pursuant to this act, and fees
21 imposed under the provisions of Title 6 of the Revised Statutes shall
22 be collected and invested by the Treasurer pursuant to law. Earnings
23 received from the investment or deposit of revenues in the fund shall
24 be paid into and become part of the fund.

25 e. Any revenues credited to the fund but not appropriated to the
26 department shall remain in the fund exclusively for the purposes set
27 forth in this act.

28 f. The Director of the Division of Budget and Accounting is
29 empowered to transfer funds from the fund as may be necessary in
30 order to compensate the Division of Taxation for the cost incurred in
31 administering the tax provisions in this act.

32 g. Monies paid back to the State pursuant to loans made from the
33 fund shall be paid back into and become part of the fund.

34 (cf: P.L.1983, c.264, s.4)

35

36 4. Section 9 of P.L.1983, c.264 (C.6:1-93) is amended to read as
37 follows:

38 9. The commissioner is hereby authorized to [provide assistance to
39 general aviation airports] expend monies from the Airport Safety Fund
40 established by section 4 of the "New Jersey Airport Safety Act of
41 1983," P.L.1983, c.264 (C.6:1-92), for the following purposes:

42 a. To provide grants to publicly and privately owned, unrestricted,
43 public use airports to obtain federal funds for airport assistance. The
44 commissioner is authorized to provide up to 50% of the required local
45 match; except that the commissioner is authorized to provide up to
46 100% of the required local match, when he deems that an emergency

1 situation exists.

2 b. To provide grants or loans, or both, to publicly owned and
3 private, unrestricted, public use airports for safety projects, including
4 but not limited to engineering, planning, construction and
5 rehabilitation of lighting, runways, aprons, airport approach aids and
6 obstruction removals.

7 c. To provide grants or loans, or both, to publicly owned airports
8 or counties or municipalities to acquire airports or lands, rights in land
9 and easements, including aviation easements necessary for clear zones
10 or clear areas, which are owned, controlled or operated, or to be
11 owned, controlled or operated by municipalities, counties or other
12 political subdivisions of this State.

13 d. To acquire lands or rights in lands adjacent to privately owned,
14 public use airports, which are found necessary for airport or air safety
15 purposes, and while retaining title to that land or rights in land, the
16 commissioner may lease those lands or rights to airports or airport
17 authorities for use in the furtherance of airport, air safety, or air
18 transportation purposes. The commissioner shall establish terms in
19 any such lease so as to protect the State's interest in the promotion of
20 aviation and the State's investment in lands and property.

21 e. To provide loans to unrestricted public use airports and New
22 Jersey based aviation enterprises, ¹in amounts not to exceed \$200,000
23 per loan, ¹for such specific purposes and on such terms and conditions
24 as may be determined by the commissioner pursuant to this subsection.
25 Loans pursuant to this subsection may be provided for revenue or
26 nonrevenue generating capital construction, capital development, or
27 equipment acquisition purposes. In providing such loans, the
28 commissioner shall establish loan security terms so as to protect the
29 State's interests. ¹Loans shall not be provided pursuant to this
30 subsection to airports or enterprises for the purpose of expanding,
31 preparing for an expansion or completing an expansion of the physical
32 capabilities of the airport, including but not limited to expansion of the
33 runways, to support a greater number of flights or larger aircraft than
34 that which the airport is able to handle within the safety parameters
35 applicable to that airport at the time of the loan application, except
36 that a loan may be provided to restore the physical capabilities of an
37 airport, which capabilities have been reduced as a result of insufficient
38 maintenance and repair, to the capabilities that existed when the
39 airport was in a state of full repair and fully maintained.¹

40 f. To establish, operate, or provide any program or activity which
41 promotes aviation safety, promotes aviation education, or provides for
42 the promotion of aeronautics. In no fiscal year shall the amount of
43 moneys expended pursuant to this subsection exceed 10 percent of the
44 total amount of moneys appropriated in that fiscal year to the Airport
45 Safety Fund, established in the General Fund pursuant to section 4 of

1 P.L.1983, c.264 (C.6:1-92).

2 (cf: P.L.1983, c.264, s.9)

3

4 5. Section 15 of P.L.1995, c.108 (C.27:1B-21.8) is amended to
5 read as follows:

6 15. Each year a nonlapsing sum of money shall be appropriated
7 from funds held in the Special Transportation Fund, established
8 pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21), and credited
9 to the Airport Safety Fund, established in the General Fund pursuant
10 to section 4 of P.L.1983, c.264 (C.6:1-92), for use for any **[capital]**
11 purpose pursuant to the "New Jersey Airport Safety Act of 1983,"
12 P.L.1983, c.264 (C.6:1-89 et al.) and that sum shall be included in the
13 annual report of projects prepared pursuant to section 22 of P.L.1984,
14 c.73 (C.27:1B-22). Funds so appropriated shall no longer be subject
15 to the provisions and limitations of ¹[this]¹ chapter ¹1B of Title 27 of
16 the Revised Statutes¹, but instead shall be subject to the provisions
17 and limitations of P.L.1983, c.264 (C.6:1-89 et al.).

18 (cf: P.L.1995, c.108, s.15)

19

20 6. This act shall take effect immediately.

21

22

23

24

25 _____
26 Permits loans to be made from Airport Safety Fund to aviation
27 enterprises and certain airports for capital and related purposes, and
permits certain other expenditures.

1 to the provisions and limitations of this chapter, but instead shall be
2 subject to the provisions and limitations of P.L.1983, c.264 (C.6:1-89
3 et seq.).

4 (cf: P.L.1995, c.108, s.15)

5

6 6. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill permits loans to be made by the Commissioner of
12 Transportation from the Airport Safety Fund, established pursuant to
13 P.L.1983, c.264 (C.6:1-89 et seq.), to unrestricted public use airports
14 and aviation enterprises for capital and equipment purposes and
15 provides funding for the promotion of aviation safety, aviation
16 education and the promotion of aeronautics.

17 An aviation enterprise is defined as any business or enterprise which
18 is principally located within a New Jersey unrestricted public use
19 airport where the commissioner has determined such business or
20 enterprise has a direct economic or operational benefit to the airport.

21 Loans may be provided for either revenue or nonrevenue generating
22 capital construction, capital development or equipment acquisition
23 purposes.

24

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26

27

28 Permits loans to be made from Airport Safety Fund to aviation
29 enterprises and certain airports for capital and related purposes, and
30 permits certain other expenditures.

[First Reprint]
ASSEMBLY, No. 2416

STATE OF NEW JERSEY

INTRODUCED OCTOBER 7, 1996

By Assemblymen DeCROCE and FELICE

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15 their full public benefit.

16 (2) There is a growing need to upgrade the safety of general
17 aviation airports, which require such improvements and equipment as
18 radar, instrument landing aids and weather-reporting equipment to
19 enable them to safely handle modern general aviation aircraft.

20 (3) Many publicly owned, general aviation airports are unable to
21 obtain all of the federal funds available to them for airport
22 development because they are unable to raise money for their local
23 matching requirements.

24 (4) Many privately owned, public use, general aviation airports
25 which are essential to the State's economic development are in danger
26 of conversion to nonaviation uses, and it is in the public interest to
27 provide State assistance to county and municipal efforts to preserve
28 these airports, through acquisition or other means.

29 (5) Users of general aviation airports have contributed substantial
30 amounts to the State treasury through fees and fuel taxes, and this
31 money should henceforth be used to establish an airport assistance

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6 to undertake activities which promote aviation safety, promote
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13 aviation airports, to promote aviation safety and education, and to
14 provide for the promotion of aeronautics.

15 c. The Legislature also declares that, inasmuch as federal
16 authorities already register aircraft, it is deemed appropriate to cease
17 the State registration of New Jersey based aircraft, which is currently
18 administered at a net loss.

19 (cf: P.L.1983, c.264, s.2)

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23 3. As used in this act:

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25 b. "Department" means the Department of Transportation.

26 c. "Fund" means the Airport Safety Fund, as established in section
27 4 of this act.

28 d. "Treasurer" means the State Treasurer.

29 e. "Unrestricted public use airport" means any facility for the
30 take-off and landing of aircraft, either publicly or privately owned,
31 that does not have restrictive covenants on operational use by the
32 general public for reasons other than safety.

33 f. "General aviation airport" means any area of land or water, or
34 both, used or made available for the landing and take-off of civil
35 aircraft, and which has further been determined by the Commissioner
36 of Transportation not to be an international airport either by
37 classification or service characteristics.

38 g. "Turbine fuel" means any liquid or gaseous substance used by
39 jet and turbo-shaft aircraft for the propulsion of aircraft through the
40 air, as determined by the Commissioner of Transportation.

41 h. "Director" means the Director of the Division of Taxation.

42 i. "Aviation enterprise" means any business or enterprise which is
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46 (cf: P.L.1983, c.264, s.3)

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3 4. a. There is established in the general fund a separate special
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5 any provisions of law to the contrary and except as otherwise
6 provided in this act, revenues from the taxes imposed on the sale of
7 fuel used in aircraft, pursuant to chapter 39 of Title 54 of the Revised
8 Statutes, revenues from the taxes imposed on the sale of aircraft fuels
9 sold for distribution to general aviation airports, pursuant to this act,
10 and fees imposed under Title 6 of the Revised Statutes shall be
11 credited to the fund.

12 b. Moneys shall be appropriated from the fund, notwithstanding the
13 provisions of P.L.1976, c.67 (C.52:9H-5 et seq.).

14 c. Moneys in the fund shall be appropriated to the department only
15 for those aviation purposes which the department is empowered to
16 undertake pursuant to this act or under Title 6 and Title 27.

17 d. All revenues generated by the taxes imposed on the sale of
18 aircraft fuels, pursuant to chapter 39 of Title 54 of the Revised
19 Statutes; the taxes imposed on the sale of aircraft fuels sold for
20 distribution to general aviation airports, pursuant to this act, and fees
21 imposed under the provisions of Title 6 of the Revised Statutes shall
22 be collected and invested by the Treasurer pursuant to law. Earnings
23 received from the investment or deposit of revenues in the fund shall
24 be paid into and become part of the fund.

25 e. Any revenues credited to the fund but not appropriated to the
26 department shall remain in the fund exclusively for the purposes set
27 forth in this act.

28 f. The Director of the Division of Budget and Accounting is
29 empowered to transfer funds from the fund as may be necessary in
30 order to compensate the Division of Taxation for the cost incurred in
31 administering the tax provisions in this act.

32 g. Monies paid back to the State pursuant to loans made from the
33 fund shall be paid back into and become part of the fund.

34 (cf: P.L.1983, c.264, s.4)

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36 4. Section 9 of P.L.1983, c.264 (C.6:1-93) is amended to read as
37 follows:

38 9. The commissioner is hereby authorized to **provide assistance**
39 **to general aviation airports** expend monies from the Airport Safety
40 Fund established by section 4 of the "New Jersey Airport Safety Act
41 of 1983," P.L.1983, c.264 (C.6:1-92), for the following purposes:

42 a. To provide grants to publicly and privately owned, unrestricted,
43 public use airports to obtain federal funds for airport assistance. The
44 commissioner is authorized to provide up to 50% of the required local
45 match; except that the commissioner is authorized to provide up to
46 100% of the required local match, when he deems that an emergency

1 situation exists.

2 b. To provide grants or loans, or both, to publicly owned and
3 private, unrestricted, public use airports for safety projects, including
4 but not limited to engineering, planning, construction and
5 rehabilitation of lighting, runways, aprons, airport approach aids and
6 obstruction removals.

7 c. To provide grants or loans, or both, to publicly owned airports
8 or counties or municipalities to acquire airports or lands, rights in land
9 and easements, including aviation easements necessary for clear zones
10 or clear areas, which are owned, controlled or operated, or to be
11 owned, controlled or operated by municipalities, counties or other
12 political subdivisions of this State.

13 d. To acquire lands or rights in lands adjacent to privately owned,
14 public use airports, which are found necessary for airport or air safety
15 purposes, and while retaining title to that land or rights in land, the
16 commissioner may lease those lands or rights to airports or airport
17 authorities for use in the furtherance of airport, air safety, or air
18 transportation purposes. The commissioner shall establish terms in
19 any such lease so as to protect the State's interest in the promotion of
20 aviation and the State's investment in lands and property.

21 e. To provide loans to unrestricted public use airports and New
22 Jersey based aviation enterprises, ¹in amounts not to exceed \$200,000
23 per loan,¹ for such specific purposes and on such terms and conditions
24 as may be determined by the commissioner pursuant to this subsection.
25 Loans pursuant to this subsection may be provided for revenue or
26 nonrevenue generating capital construction, capital development, or
27 equipment acquisition purposes. In providing such loans, the
28 commissioner shall establish loan security terms so as to protect the
29 State's interests. ¹Loans shall not be provided pursuant to this
30 subsection to airports or enterprises for the purpose of expanding,
31 preparing for an expansion or completing an expansion of the physical
32 capabilities of the airport, including but not limited to expansion of the
33 runways, to support a greater number of flights or larger aircraft than
34 that which the airport is able to handle within the safety parameters
35 applicable to that airport at the time of the loan application, except
36 that a loan may be provided to restore the physical capabilities of an
37 airport, which capabilities have been reduced as a result of insufficient
38 maintenance and repair, to the capabilities that existed when the
39 airport was in a state of full repair and fully maintained.¹

40 f. To establish, operate, or provide any program or activity which
41 promotes aviation safety, promotes aviation education, or provides for
42 the promotion of aeronautics. In no fiscal year shall the amount of
43 moneys expended pursuant to this subsection exceed 10 percent of the
44 total amount of moneys appropriated in that fiscal year to the Airport
45 Safety Fund, established in the General Fund pursuant to section 4 of

1 P.L.1983, c.264 (C.6:1-92).

2 (cf: P.L.1983, c.264, s.9)

3

4 5. Section 15 of P.L.1995, c.108 (C.27:1B-21.8) is amended to
5 read as follows:

6 15. Each year a nonlapsing sum of money shall be appropriated
7 from funds held in the Special Transportation Fund, established
8 pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21), and credited
9 to the Airport Safety Fund, established in the General Fund pursuant
10 to section 4 of P.L.1983, c.264 (C.6:1-92), for use for any **capital**
11 purpose pursuant to the "New Jersey Airport Safety Act of 1983,"
12 P.L.1983, c.264 (C.6:1-89 et al.) and that sum shall be included in the
13 annual report of projects prepared pursuant to section 22 of P.L.1984,
14 c.73 (C.27:1B-22). Funds so appropriated shall no longer be subject
15 to the provisions and limitations of ' [this] ' chapter ' 1B of Title 27 of
16 the Revised Statutes' , but instead shall be subject to the provisions
17 and limitations of P.L.1983, c.264 (C.6:1-89 et al.).

18 (cf: P.L.1995, c.108, s.15)

19

20 6. This act shall take effect immediately.

21

22

23

24

25 _____
26 Permits loans to be made from Airport Safety Fund to aviation
27 enterprises and certain airports for capital and related purposes, and
permits certain other expenditures.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2416

STATE OF NEW JERSEY

DATED: MARCH 20, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2416 (1R).

Assembly Bill No. 2416 (1R) authorizes the Commissioner of Transportation to expend monies from the Airport Safety Fund (ASF) to provide loans in amounts not exceeding \$200,000 to unrestricted public use airports and New Jersey based aviation enterprises. Loans may be provided for revenue or nonrevenue generating capital construction, capital development, or equipment acquisition purposes, however, loans could not be provided for projects that would expand the physical capability of an airport to handle more flights or larger aircraft. An "aviation enterprise" is defined as any business or enterprise which is principally located within a New Jersey unrestricted public use airport where the commissioner has determined such business or enterprise has a direct economic or operational benefit to the airport.

The bill additionally provides that the commissioner may expend monies from the ASF to establish, operate or provide any program or activity which promotes aviation safety, aviation education or provides for the promotion of aeronautics. However, the amount of monies expended for these purposes cannot exceed in a fiscal year 10 percent of the total amount of monies appropriated in that fiscal year to the ASF.

Finally, the bill specifies that appropriations from the Special Transportation Fund to the ASF will be nonlapsing and removes the restriction that these funds be used for capital purposes only.

The ASF was established in 1983 and is financed by certain taxes on the sale of aviation fuels and fees imposed by Title 6 of the Revised Statutes, statutes that regulate aviation in this State. Anticipated revenue from these sources is \$850,000 for Fiscal Year 1997. As part of the reauthorized Transportation Trust Fund, the ASF can expect to be augmented with funds from the trust fund on an annual basis; \$10 million was appropriated in Fiscal Year 1997. These State funds, along with matching federal aviation money, are currently used for grants and loans to publicly and privately owned airports for various improvements, and safety and land acquisition programs.

This bill is identical to Senate Bill No.1408 (2R).

FISCAL IMPACT:

This bill was not certified as requiring a fiscal note since it will not have an impact on State expenditures or revenues. The bill provides additional purposes for which loans and expenditures from the ASF can be made by the Commissioner of Transportation. The bill places certain limits, described above, on the amounts which may be loaned or expended for these new purposes.

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2416

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 1997

The Assembly Transportation and Communications Committee favorably reports Assembly Bill No. 2416 with committee amendments.

This amended bill authorizes the Commission of Transportation to expend monies from the Airport Safety Fund to provide loans in amounts not exceeding \$200,000 to unrestricted public use airports and New Jersey based aviation enterprises. Loans may be provided for revenue or nonrevenue generating capital construction, capital development, or equipment acquisition purposes, however, loans could not be provided for projects that would expand the physical capability of an airport to handle more flights or larger aircraft. An "aviation enterprise" is defined as any business or enterprise which is principally located within a New Jersey unrestricted public use airport where the commissioner has determined such business or enterprise has a direct economic or operational benefit to the airport.

The bill additionally provides that the commissioner may expend monies from the Airport Safety Fund to establish, operate or provide any program or activity which promotes aviation safety, aviation education or provides for the promotion of aeronautics. However, the amount of monies expended for these purposes cannot exceed in a fiscal year 10 percent of the total amount of monies appropriated in that fiscal year to the Airport Safety Fund.

Finally, the bill specifies that appropriations from the Special Transportation Fund to the Airport Safety Fund will be nonlapsing and removes the restriction that these funds be used for capital purposes only.

The Airport Safety Fund was established in 1983 and is financed by certain taxes on the sale of aviation fuels and fees imposed by Title 6 of the Revised Statutes, statutes that regulate aviation in this State. Anticipated revenue from these sources is \$850,000 for Fiscal Year 1997. As part of the reauthorized Transportation Trust Fund, the Airport Safety Fund can expect to be augmented with funds from the trust fund on an annual basis; \$10 million was appropriated in Fiscal

Year 1997. These State funds, along with matching federal aviation money, are currently used for grants and loans to publicly and privately owned airports for various improvements, and safety and land acquisition programs.

The committee amended the bill to prohibit the Department of Transportation from making Airport Safety Fund loans for revenue or nonrevenue generating capital construction, capital development, or equipment acquisition if the loans are for purpose of expanding, preparing for an expansion or completing an expansion of the physical capabilities of the airport to support a greater number of flights or larger aircraft than that which the airport is able to handle within the safety parameters applicable to that airport at the time of the loan application, with a certain exception. The amendment also limits the amount of each loan to \$200,000.

As reported by the committee, this bill is identical to Senate Bill No.1408 (2R).
