

Senate Study Bill 1224

Bill Text

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1 1 Section 1. NEW SECTION. 15E.221 AIR TRANSPORTATION
1 2 INFRASTRUCTURE.
1 3 1. There is appropriated from the Iowa comprehensive
1 4 petroleum underground storage tank fund created in section
1 5 455G.3 to the department of economic development for the
1 6 fiscal year beginning July 1, 1999, and ending June 30, 2000,
1 7 the sum of ten million dollars. The department shall use the
1 8 moneys for purposes of providing financial assistance in the
1 9 form of loans to meet air transportation expansion and
1 10 infrastructure needs in the state, notwithstanding section
1 11 455G.3. Under terms provided by the department, recipients of
1 12 financial assistance under this section shall repay the total
1 13 amount of any loan received under this section by June 30,
1 14 2006, and all loan repayments shall be deposited in the Iowa
1 15 comprehensive petroleum underground storage tank fund. All
1 16 loan repayments to be deposited in the Iowa comprehensive
1 17 petroleum underground storage tank fund shall include loan
1 18 principal and an interest rate on the loan principal
1 19 equivalent to the rate earned on the state pooled money fund
1 20 contained in chapter 12 during the period of the loan. Any
1 21 moneys received by the department from a recipient of the
1 22 loans in excess of the moneys deposited in the Iowa
1 23 comprehensive petroleum underground storage tank fund shall be
1 24 retained by the department and are appropriated to the
1 25 department for purposes of air transportation expansion needs
1 26 of the state. The department shall not draw down the
1 27 appropriation for purposes of providing financial assistance
1 28 unless all criteria provided in this section are met prior to
1 29 a disbursement by the department.
1 30 2. An initial round of air transportation infrastructure
1 31 financial assistance disbursements shall be made by the
1 32 department in installments of three million dollars on or
1 33 after July 1, 1999, and three million dollars on or after
1 34 January 1, 2000, provided the following criteria are met:
1 35 a. The applicant is an Iowa-based airline company with
2 1 immediate expansion and infrastructure needs.
2 2 b. The applicant provides a dollar-for-dollar private
2 3 sector equity match for every state dollar expended.
2 4 c. The applicant demonstrates the expansion and
2 5 infrastructure project has statewide economic impact.
2 6 d. The funds will be used for the costs associated with
2 7 direct expansion and infrastructure needs.
2 8 3. A second round of air transportation infrastructure
2 9 financial assistance disbursements totaling not more than four
2 10 million dollars may be made in any number of installments at
2 11 any time after January 1, 2000, by the department of economic
2 12 development only after a determination of necessity has been
2 13 made by the department of management and the legislative
2 14 council, and the department of management has certified the
2 15 determination to the department of economic development. The
2 16 department of economic development shall report quarterly to
2 17 the department of management and the legislative council
2 18 regarding the status of existing loans, the ongoing expansion
2 19 and air transportation infrastructure needs of financial
2 20 assistance recipients, the air transportation industry
2 21 conditions, and any other information deemed necessary by the

2 22 department of management or the legislative council for making
2 23 a determination of necessity.

2 24 4. Notwithstanding section 8.33, moneys appropriated in
2 25 this section that remain unencumbered or unobligated at the
2 26 close of the fiscal year shall not revert but shall remain
2 27 available for expenditure for the purposes designated.

2 28 EXPLANATION

2 29 This bill appropriates to the department of economic
2 30 development for the 1999-2000 fiscal year \$10 million from the
2 31 Iowa comprehensive petroleum underground storage tank fund for
2 32 purposes of providing financial assistance in the form of
2 33 loans to meet air transportation expansion and infrastructure
2 34 needs in the state. The bill provides that any loan shall be
2 35 repaid by June 30, 2006, and all loan repayments shall be
3 1 deposited in the Iowa comprehensive petroleum underground
3 2 storage tank fund. The bill provides that all loan repayments
3 3 to be deposited in the Iowa comprehensive petroleum
3 4 underground storage tank fund shall include loan principal and
3 5 an interest rate on the loan principal equivalent to the rate
3 6 earned on the state pooled money fund during the period of the
3 7 loan. The bill provides that any moneys received by the
3 8 department from a recipient of the loans in excess of the
3 9 moneys deposited in the Iowa comprehensive petroleum
3 10 underground storage tank fund shall be retained by the
3 11 department and are appropriated to the department for purposes
3 12 of air transportation expansion needs of the state.

3 13 The bill provides that an initial round of air
3 14 transportation infrastructure financial assistance
3 15 disbursements shall be made by the department in installments
3 16 of \$3 million on or after July 1, 1999, and \$3 million on or
3 17 after January 1, 2000, provided that certain criteria are met
3 18 by an applicant. The bill provides that a second round of air
3 19 transportation infrastructure financial assistance
3 20 disbursements totaling not more than \$4 million may be made in
3 21 any number of installments at any time after January 1, 2000,
3 22 by the department of economic development only after a
3 23 determination of necessity has been made by the department of
3 24 management and the legislative council. The bill provides
3 25 that the department of economic development shall report to
3 26 the department of management and the legislative council
3 27 quarterly in an effort to provide the department of management
3 28 and the legislative council with information necessary to make
3 29 a determination of necessity.

3 30 The bill provides that moneys appropriated from the Iowa
3 31 comprehensive petroleum underground storage tank fund that
3 32 remain unencumbered or unobligated at the close of the fiscal
3 33 year shall not revert.

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