

FILED FEB 4 '03

SENATE FILE

82

BY REHBERG

Passed Senate, Date _____ Passed House, Date _____
 Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act relating to aviation by creating an aviation investment
 2 fund and making an appropriation.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

SF 82
 APPROPRIATIONS

1 Section 1. Section 328.24, unnumbered paragraph 1, Code
2 2003, is amended to read as follows:

3 If, during the year for which an aircraft, except
4 nonresident aircraft used for the application of herbicides
5 and pesticides, was registered and the required fee paid, the
6 aircraft is destroyed by fire or accident or junked, and its
7 identity as an aircraft entirely eliminated, or it is removed
8 and continuously used beyond the boundaries of the state, then
9 the owner in whose name it was registered at the time of
10 destruction, dismantling, or removal from the state shall
11 return the certificate of registration to the department
12 within ten days and make affidavit of the destruction,
13 dismantling, or removal and make claim for the refund. The
14 refund shall be paid from the ~~general~~ aviation investment fund
15 ~~of-the-state~~.

16 Sec. 2. Section 328.36, Code 2003, is amended to read as
17 follows:

18 328.36 ~~DEPOSIT-AND-USE-OF-REVENUES~~ AVIATION INVESTMENT
19 FUND.

20 An aviation investment fund is created in the office of the
21 treasurer of state under the control of the department. All
22 moneys received by the department pursuant to section 328.21
23 or other sections of this chapter and those moneys remaining
24 after the cost of administering the aviation fuel tax fund as
25 provided in section 452A.82 shall be deposited into the
26 ~~general aviation investment fund of-the-state-and-shall-be~~
27 ~~subject-to-the-requirements-of-section-8-60.~~ Moneys from tax
28 receipts on the sales of aircraft and aircraft parts shall be
29 deposited in the fund in accordance with section 422.43 or
30 423.24, as applicable. Moneys in the fund are not subject to
31 section 8.33. Notwithstanding section 12C.7, interest or
32 earnings on moneys in the fund shall be credited to the fund.
33 Moneys in the fund are appropriated to the department for
34 airport engineering studies, construction, and improvements.

35 Sec. 3. Section 422.43, subsection 8, Code 2003, is

1 amended to read as follows:

2 8. a. All Except as provided in paragraph "b", all
3 revenues arising under the operation of the provisions of this
4 section shall become part of the state general fund of the
5 state.

6 b. Revenues generated from the tax imposed on the gross
7 receipts from the sale or rental of aircraft; the gross
8 receipts from the sale or rental of tangible personal property
9 permanently affixed or attached as a component part of the
10 aircraft, including but not limited to repair or replacement
11 materials or parts; and the gross receipts of all services
12 used for aircraft repair, remodeling, and maintenance services
13 when such services are performed on aircraft, aircraft
14 engines, or aircraft component materials or parts shall be
15 deposited as follows:

16 (1) For the fiscal year beginning July 1, 2004, one-third
17 of the revenues shall be deposited into the aviation
18 investment fund and the remaining revenues shall be deposited
19 into the general fund of the state.

20 (2) For the fiscal year beginning July 1, 2005, two-thirds
21 of the revenues shall be deposited into the aviation
22 investment fund and the remaining revenues shall be deposited
23 into the general fund of the state.

24 (3) For the fiscal year beginning July 1, 2006, and for
25 each fiscal year thereafter, the total amount of the revenues
26 shall be deposited into the aviation investment fund.

27 Sec. 4. Section 423.24, Code 2003, is amended by adding
28 the following new subsection:

29 NEW SUBSECTION. 2A. Revenues derived from the use tax on
30 aircraft; tangible personal property permanently affixed or
31 attached as a component part of the aircraft, including but
32 not limited to repair or replacement materials or parts; and
33 all services used for aircraft repair, remodeling, and
34 maintenance services when such services are performed on
35 aircraft, aircraft engines, or aircraft component materials or

1 parts shall be deposited as follows:

2 a. For the fiscal year beginning July 1, 2004, one-third
3 of the revenues shall be deposited into the aviation
4 investment fund and the remaining revenues shall be deposited
5 into the general fund of the state.

6 b. For the fiscal year beginning July 1, 2005, two-thirds
7 of the revenues shall be deposited into the aviation
8 investment fund and the remaining revenues shall be deposited
9 into the general fund of the state.

10 c. For the fiscal year beginning July 1, 2006, and for
11 each fiscal year thereafter, all such revenues shall be
12 deposited into the aviation investment fund.

13 Sec. 5. Section 452A.82, Code 2003, is amended to read as
14 follows:

15 452A.82 AVIATION FUEL TAX FUND.

16 The portion of the moneys collected under this chapter
17 received on account of aviation gasoline and special fuel used
18 in aircraft shall be deposited in a separate fund to be
19 maintained by the treasurer. All moneys remaining in the
20 separate fund after the cost of administering the fund has
21 been paid shall be credited to the ~~general~~ aviation investment
22 fund of-the-state created in section 328.36.

23 EXPLANATION

24 This bill creates an aviation investment fund within the
25 state treasury to be administered by the state department of
26 transportation. Moneys in the fund are appropriated to the
27 department for the purposes of airport engineering,
28 construction, and improvements.

29 The fund consists of aircraft registration fees and moneys
30 from the aviation fuel tax fund not used for the
31 administration of that fund. Beginning July 1, 2004, revenues
32 derived from sales and use taxes on aircraft and aircraft
33 parts are to be deposited into the aviation investment fund
34 according to a three-year phase-in schedule. Currently, all
35 aircraft registration fees, aviation fuel tax revenues, and

1 aircraft sales and use tax revenues are deposited into the
2 general fund of the state.

3 The bill also amends Code section 328.24 by requiring that
4 refunds of registration fees for aircraft that are destroyed,
5 dismantled, or moved out of state are paid from the aviation
6 investment fund, rather than from the general fund.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35