

SENATE FILE NO. SF0120

Wyoming air services enhancement.

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

12

ARTICLE 6

13

AIR SERVICES FINANCIAL AID

14

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

4
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.

22

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).

18

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:

5

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

8

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;

14

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 aircraft suitable
18 for the special requirements of Wyoming airports;

19

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

24

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

4

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;

9

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.

19

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

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

4

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

7

8 (g) The Wyoming business council will establish
9 benchmarks for determining the success of the program.

10

11 **9-12-602. Wyoming air services enhancement account.**

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

20

21 (b) Any funds appropriated by the legislature to the
22 account established under subsection (a) of this section
23 shall not lapse as provided by W.S. 9-4-207(a), but shall
24 revert to the transportation enterprise fund as provided by

1 W.S. 9-12-103(c) or upon a finding by the council that no
2 applicant is able to provide the assurances required by
3 W.S. 9-12-601 by June 30, 2004, whichever occurs earlier.

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

17

18 **Section 2.**

19

20 (a) 1993 Wyoming Session Laws, Chapter 225, Section
21 4(a)(iv) is repealed.

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23 (b) Of the funds deappropriated under subsection (a)
24 of this section, three million dollars (\$3,000,000.00) is

1 appropriated to the Wyoming air services enhancement
2 account to implement the purposes of this act.

3

4 (c) The balance of funds deappropriated under
5 subsection (a) of this section shall be transferred by the
6 state auditor to the permanent Wyoming mineral trust fund.

7

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

12

13

(END)