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HOUSE FILE No. 547

FIRST COMMITTEE ENGROSSMENT

February 5, 2009

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The bill was read for the first time and referred to the Committee on Finance

Referred by Chair to Transportation Finance and Policy Division.

February 17, 2009

Returned to the Committee on Finance as Amended.

1.1 A bill for an act
1.2 relating to airports; eliminating requirement of local match for federal stimulus
1.3 grants for airport project costs; amending Minnesota Statutes 2008, section
1.4 360.305, subdivision 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 360.305, subdivision 4, is amended to read:

1.7 Subd. 4. **Costs allocated; local contribution; hangar construction account.** (a)

1.8 Except as otherwise provided in this subdivision, the commissioner of transportation shall
1.9 require as a condition of assistance by the state that the political subdivision, municipality,
1.10 or public corporation make a substantial contribution to the cost of the construction,
1.11 improvement, maintenance, or operation of the airport, in connection with which the
1.12 assistance of the state is sought. These costs are referred to as project costs.

1.13 (b) For any airport, whether key, intermediate, or landing strip, where only state and
1.14 local funds are to be used, the contribution shall be not less than one-fifth of the sum of:

1.15 (1) the project costs;

1.16 (2) acquisition costs of the land and clear zones, which are referred to as acquisition
1.17 costs.

1.18 (c) For any airport where federal, state, and local funds are to be used, the
1.19 contribution shall not be less than five percent of the sum of the project costs and
1.20 acquisition costs.

1.21 (d) The commissioner may pay the total cost of radio and navigational aids.

1.22 (e) Notwithstanding paragraph (b) or (c), the commissioner may pay all of the
1.23 project costs of a new landing strip, but not an intermediate airport or key airport, or may
1.24 pay an amount equal to the federal funds granted and used for a new landing strip plus

2.1 all of the remaining project costs; but the total amount paid by the commissioner for the
2.2 project costs of a new landing strip, unless specifically authorized by an act appropriating
2.3 funds for the new landing strip, shall not exceed \$200,000.

2.4 (f) Notwithstanding paragraph (b) or (c), the commissioner may pay all the project
2.5 costs for research and development projects, including, but not limited to noise abatement;
2.6 provided that in no event shall the sums expended under this paragraph exceed five
2.7 percent of the amount appropriated for construction grants.

2.8 (g) To receive aid under this section for project costs or for acquisition costs, the
2.9 municipality must enter into an agreement with the commissioner giving assurance that
2.10 the airport will be operated and maintained in a safe, serviceable manner for aeronautical
2.11 purposes only for the use and benefit of the public:

2.12 (1) for 20 years after the date that any state funds for project costs are received
2.13 by the municipality; and

2.14 (2) for 99 years after the date that any state funds for acquisition costs are received
2.15 by the municipality. If any land acquired with state funds ceases to be used for aviation
2.16 purposes, the municipality shall repay the state airports fund the same percentage of
2.17 the appraised value of the property as that percentage of the costs of acquisition and
2.18 participation provided by the state to acquire the land.

2.19 The agreement may contain other conditions as the commissioner deems reasonable.

2.20 (h) The commissioner shall establish a hangar construction revolving account,
2.21 which shall be used for the purpose of financing the construction of hangar buildings to
2.22 be constructed by municipalities owning airports. All municipalities owning airports are
2.23 authorized to enter into contracts for the construction of hangars, and contracts with
2.24 the commissioner for the financing of hangar construction for an amount and period of
2.25 time as may be determined by the commissioner and municipality. All receipts from the
2.26 financing contracts shall be deposited in the hangar construction revolving account and
2.27 are reappropriated for the purpose of financing construction of hangar buildings. The
2.28 commissioner may pay from the hangar construction revolving account 80 percent of the
2.29 cost of financing construction of hangar buildings. For purposes of this paragraph, the
2.30 construction of hangars shall include their design. The commissioner shall transfer up to
2.31 \$4,400,000 from the state airports fund to the hangar construction revolving account.

2.32 (i) The commissioner may pay a portion of the purchase price of any airport
2.33 maintenance and safety equipment and of the actual airport snow removal costs incurred
2.34 by any municipality. The portion to be paid by the state shall not exceed two-thirds of
2.35 the cost of the purchase price or snow removal. To receive aid a municipality must enter
2.36 into an agreement of the type referred to in paragraph (g).

3.1 (j) This subdivision applies only to project costs or acquisition costs of municipally
3.2 owned airports incurred after June 1, 1971.

3.3 (k) Notwithstanding paragraph (c), no contribution is required from the state, a
3.4 political subdivision, municipality, or public corporation for any eligible project elements
3.5 funded before June 30, 2011, by a federal grant-in-aid through an economic stimulus
3.6 program.

3.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.