

HOUSE BILL No. 2037

By Committee on Commerce, Labor and Economic Development

1-11

1 AN ACT concerning economic development; establishing a grant program
2 for Kansas educational institutions administered by the director of
3 aviation to promote aviation education and small business
4 development; establishing the aviation fuel sales tax fund.
5

6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. For purposes of sections 1 through 4, and amendments
8 thereto, the following words or phrases shall mean:

9 (a) "Aviation small business" means a person, corporation,
10 partnership or other entity engaged in the aviation development, research,
11 manufacturing or service industry and doing business or seeking to do
12 business in Kansas that satisfies conditions imposed by the secretary or the
13 director. "Aviation" includes, but is not limited to, unmanned aircraft
14 systems.

15 (b) "Aviation grant program" means the grant program established
16 pursuant to sections 1 through 4, and amendments thereto.

17 (c) "Aviation project" means a research, development, engineering or
18 manufacturing project that satisfied conditions imposed by the secretary or
19 director and is undertaken by an aviation business relating to the
20 development of a new or improved business component or product and
21 may include, but not be limited to, product development and design,
22 applied research, manufacturing, improvement, replacement or acquisition
23 of real or personal property and modernization and retooling of existing
24 property in Kansas.

25 (d) "Director" means the director of aviation.

26 (e) "Kansas educational institution" means a state educational
27 institution as defined in K.S.A. 76-711, and amendments thereto, a
28 municipal university, community college or technical college established
29 under the laws of this state, or the institute of technology at Washburn
30 university.

31 (f) "Secretary" means the secretary of transportation, unless otherwise
32 clearly indicated.

33 (g) "UAS" means an unmanned aircraft system.

34 (h) "UAS education" means educational courses or programs directly
35 related to UAS developed for the technical, undergraduate, graduate or
36 professional level and may include instruction in the areas of

1 communications and control, guidance, UAS systems, such as fuel or
2 power, electrical, mechanical, control or other systems, design, computing,
3 artificial intelligence or software, manufacturing, payload, remote sensing,
4 maintenance, testing or piloting.

5 Sec. 2. (a) The secretary of transportation is hereby authorized and
6 empowered to establish an aviation grant program to be administered
7 under the supervision of the office of the secretary by the director of
8 aviation in consultation with the secretary and in cooperation with Kansas
9 educational institutions. Grants shall be awarded at the discretion of the
10 director, upon criteria approved by the secretary, to Kansas educational
11 institutions for the purposes provided in subsections (c) and (d). Grants
12 shall be made upon terms and conditions that the director deems
13 appropriate and shall be made from funds credited to the aviation fuel
14 sales tax fund.

15 (b) The secretary of transportation and the director of aviation are
16 hereby authorized and empowered to solicit and receive moneys from any
17 public or private sources for the purpose of funding or matching funding
18 of grants or to otherwise further the purposes of the aviation grant
19 program.

20 (c) Grants may be awarded to Kansas educational institution
21 programs for the creation or development of aviation small businesses or
22 aviation projects. These programs may be developed and operated in
23 coordination and consultation with the director of aviation. Any grant for
24 this purpose shall require a matching contribution from local government
25 or private donations of funds. The secretary and the director shall seek to
26 utilize $\frac{1}{2}$ of funding available from the aviation fuel sales tax fund for
27 grants for this purpose.

28 (d) Grants may be awarded for the establishment or development of
29 UAS education courses or education programs, including, but not limited
30 to, the purchase of equipment or repayment of bonds for the construction
31 of facilities for the purpose of UAS education. The secretary and the
32 director shall seek to utilize $\frac{1}{2}$ of funding available from the aviation fuel
33 sales tax fund for grants for this purpose.

34 (e) Grants shall be made in compliance with applicable federal laws
35 or rules governing use of aviation fuel sales tax revenues.

36 Sec. 3. (a) The aviation fuel sales tax fund is hereby established in the
37 state treasury which shall be for the purpose of development of the
38 aviation industry in Kansas and funding of the aviation grant program. All
39 moneys received pursuant to section 2(b), and amendments thereto, shall
40 be remitted to the state treasurer in accordance with the provisions of
41 K.S.A. 75-4215, and amendments thereto, upon receipt of each such
42 remittance, the state treasurer shall deposit the entire amount in the
43 treasury to the credit of the aviation fuel sales tax fund. All expenditures

1 from the aviation fuel sales tax fund shall be made in accordance with
2 appropriation acts upon warrants of the director of accounts and reports
3 issued pursuant to vouchers approved by the secretary of transportation, or,
4 if so designated by the secretary, by the director of aviation or the
5 director's designee.

6 (b) Subject to appropriation acts, on July 1, 2017, and on or before
7 each July 1 thereafter, the secretary of revenue shall advise the secretary of
8 transportation and the director of accounts and reports of the amount of
9 sales tax revenue from all sales of aviation fuel for the prior fiscal year
10 ending June 30 and the director of accounts and reports shall transfer that
11 amount from the general fund to the aviation fuel sales tax fund. If
12 necessary, the secretary of revenue may estimate the amount of sales tax
13 revenue received, based on all information reasonably available to the
14 secretary of revenue. The secretary of revenue may adopt rules and
15 regulations for the purpose of implementing this subsection.

16 Sec. 4. The secretary of transportation may adopt rules and
17 regulations for the purpose of implementing the provisions of the aviation
18 grant program.

19 Sec. 5. This act shall take effect and be in force from and after its
20 publication in the statute book.