SESSION OF 2017

HOUSE BILL NO. 2037

By Committee on Commerce, Labor and Economic Development

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

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

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

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

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

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

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

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

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

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

(h) "UAS education" means educational courses or programs directly related to UAS developed for the technical, undergraduate, graduate or professional level and may include instruction in the areas of
communications and control, guidance, UAS systems, such as fuel or
power, electrical, mechanical, control or other systems, design, computing,
artificial intelligence or software, manufacturing, payload, remote sensing,
maintenance, testing or piloting.

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

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

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

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

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

Sec. 3. (a) The aviation fuel sales tax fund is hereby established in the
state treasury which shall be for the purpose of development of the
aviation industry in Kansas and funding of the aviation grant program. All
moneys received pursuant to section 2(b), and amendments thereto, shall
be remitted to the state treasurer in accordance with the provisions of
K.S.A. 75-4215, and amendments thereto, upon receipt of each such
remittance, the state treasurer shall deposit the entire amount in the
treasury to the credit of the aviation fuel sales tax fund. All expenditures
from the aviation fuel sales tax fund shall be made in accordance with
appropriation acts upon warrants of the director of accounts and reports
issued pursuant to vouchers approved by the secretary of transportation, or,
if so designated by the secretary, by the director of aviation or the
director's designee.

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

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

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