

**DEPARTMENT OF TRANSPORTATION - AERONAUTICS DIVISION**

**A.R.S. § 28-170**

<b>State Aviation Fund</b>	<b>FY 1999 Actual</b>	<b>FY 2000 Estimate</b>	<b>FY 2001 Approved</b>
FTE Positions	33.0	33.0	33.0 <sup>1/</sup>
Personal Services	512,000	607,200	619,400
Employee Related Expenditures	257,800	141,000	147,300
Professional and Outside Services	0	58,600	58,600
Travel - In State	55,000	27,500	27,500
Travel - Out of State	3,000	10,100	10,100
Other Operating Expenditures	165,200	230,500	230,500
Equipment	64,500	9,600	9,600
<b>Operating Subtotal</b>	<b>1,057,500</b>	<b>1,084,500</b>	<b>1,103,000</b>
Grand Canyon Airport	576,800	626,200	636,200
<b>Total</b>	<b>1,634,300</b>	<b>1,710,700</b>	<b>1,739,200</b>
<b>Additional Appropriations -</b> Airport; Grand Canyon National Park, Ch. 99	0	0	-- <sup>2/</sup>
<b>Total Appropriations</b>	<b>1,634,300</b>	<b>1,710,700</b>	<b>1,739,200</b> <sup>3/4/5/</sup>

**Program Description** — *The Aeronautics Division registers and licenses all general aviation aircraft in the state, administers the airports development grant and airports loan programs, and operates the Grand Canyon National Park Airport.*

**Additional Appropriations:** Airport; Grand Canyon National Park (Chapter 99) — Eliminates the Grand Canyon Airport Authority, reverts any unexpended and unencumbered monies previously appropriated to the Authority to the State Aviation Fund, and returns the operation of the Grand Canyon National Park Airport to the Arizona Department of Transportation (ADOT), effective July 18, 2000. ADOT must lease the airport to a nonprofit corporation, to operate and develop the airport as provided in the lease, by March 1, 2001.

Last year's General Appropriation Act appropriated \$626,200 in FY 2000, and \$636,200 in FY 2001 from the State Aviation Fund to ADOT to operate the airport. A General Appropriation Act footnote requires that before the expenditure of any of these monies for the Grand Canyon Airport, the department must report to the Joint Legislative Budget Committee on the status and projected

date of the privatization of the airport. To the extent that a lessee operates the airport from its own separate funding sources in FY 2001 as outlined below, ADOT has received double funding to run the airport in FY 2001.

Later in the 1999 legislative session, the Grand Canyon Airport Authority was established to own and operate the airport by Laws 1999, Chapter 213, effective from and after September 30, 1999. In addition to monies appropriated to the department in the General Appropriation Act, Chapter 213 also appropriated start-up monies to operate and maintain the airport from the State Aviation Fund to the Grand Canyon Airport Authority in FY 2000 and in FY 2001. These start-up appropriations were for \$650,000 for operating expenditures, and \$350,000 for capital improvement projects in FY 2000, and \$350,000 for operating expenditures, and \$150,000 for capital improvement projects in FY 2001. Laws 1999,

<sup>1/</sup> Includes 14 FTE Positions funded from Special Line Items in FY 2001.  
<sup>2/</sup> The amount will be determined as of the effective date of this act (July 18, 2000), since it depends on the available cash and revenues. The current estimate of the available resources is \$850,000.  
<sup>3/</sup> Of the total appropriation for the Aeronautics Division, \$626,200 in FY 2000 and \$636,200 in FY 2001, is for operating the Grand Canyon Airport. Before expending any of the \$626,200 of the FY 2000 appropriation, or any of the \$636,200 of the FY 2001 appropriation for the Grand Canyon Airport, the department shall report to the Joint Legislative Budget Committee on the status and projected date of the privatization of the airport. (General Appropriation Act footnote, as adjusted for state employee pay increase.)  
<sup>4/</sup> General Appropriation Act funds are appropriated as a Lump Sum for the Program.  
<sup>5/</sup> In addition to monies appropriated to the department in the General Appropriation Act, Laws 1999, Chapter 213 also appropriated start-up monies to operate and maintain the airport from the State Aviation Fund to the Grand Canyon Airport Authority in FY 2000 and in FY 2001. These start-up appropriations were for \$650,000 for operating expenditures, and \$350,000 for capital improvement projects in FY 2000, and \$350,000 for operating expenditures, and \$150,000 for capital improvement projects in FY 2001. Laws 1999, Chapter 213 reverted any monies remaining unexpended and unencumbered on July 1, 2000, and on July 1, 2001, respectively, to the State Aviation Fund. Laws 2000, Chapter 99 changes the reversion date for these FY 2001 monies to the effective date of this act (July 18, 2000).

## **DEPARTMENT OF TRANSPORTATION - AERONAUTICS DIVISION (Cont'd)**

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Chapter 213 reverted any monies remaining unexpended and unencumbered on July 1, 2000, and on July 1, 2001, respectively, to the State Aviation Fund. Laws 2000, Chapter 99 changes the reversion date for these FY 2001 monies to the effective date of this act (July 18, 2000).

In addition, Laws 1999, Chapter 213 provided that the ongoing funding source of the Grand Canyon Airport Authority's operating budget was to be airport user fees and charges, which are estimated to be \$1,000,000 annually. Laws 2000, Chapter 99 provides that all airport related cash and revenues of the Grand Canyon Airport Authority are transferred to ADOT on the effective date of this act (July 18, 2000), and are subsequently appropriated to ADOT for transfer to the nonprofit corporation lessee on the effective date of the lease.

Since this amount depends on the available cash and revenues as of the effective date of this act (July 18, 2000), we have not displayed a specific dollar amount for the appropriation in the table above. The current estimate of the available resources is \$850,000. Chapter 99 further provides that any such amounts not transferred to the lessee by the end of FY 2001 revert to the State Aviation Fund.

In addition, Chapter 99 provides that the lease may be for no longer than 20 years, and may have an option to renew for another 20 years. ADOT must submit the lease for review by the JLBC at least 30 days before it intends to execute the lease. ADOT may not execute the lease until the JLBC submits a report summarizing the terms of the lease, within 30 days of receipt from ADOT, to the Speaker of the House of Representatives and the President of the Senate. If the lease is terminated, ADOT may spend any airport revenues returned by the lessee and any revenues received after the termination of the lease to operate the airport until either ADOT re-leases the airport or for the remainder of the current biennial budget cycle, whichever occurs first.

[Click here for more information from the initial biennial appropriations report \(June 1999\)](#)