

KANSAS OFFICE of  
**REVISOR of STATUTES**

LEGISLATURE of THE STATE of KANSAS  
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**MEMORANDUM**

To: House Committee on Commerce, Labor and Economic Development  
From: Charles Reimer, Assistant Revisor of Statutes  
Date: 2-2-2017  
Subject: HB 2037

HB 2037 establishes a new grant program administered by the department of transportation for Kansas public “educational institutions” to promote aviation education and aviation-related small business development, based in part on sales tax revenue from aviation fuel sales and local government and private donations.

“Aviation” is not specifically defined, except that it includes unmanned aircraft systems, however any grant is subject to the satisfaction of conditions imposed by the secretary of transportation or the director of aviation.

The secretary of transportation and the director of aviation may award grants to Kansas public “educational institutions” for two purposes:

1. The creation and development of aviation small businesses or “aviation projects,” which are research, development, engineering or manufacturing projects by an aviation business. These grants require a matching contribution from local government or private funds. In addition, sales tax revenue from sales of aviation fuel may be utilized.
2. The development of UAS education programs, including construction of facilities. There is no matching contribution requirement. Sales tax revenue from sales of aviation fuel may be utilized.

Grants are to be made in compliance with applicable federal laws or regulations governing the use of aviation fuel sales tax revenues.

The bill establishes an aviation fuel sales tax fund and, subject to appropriation acts, directs sales tax revenue from all sales of aviation fuel to the fund for the purposes of the act.