

ARTICLE 7.

STATE FUNDING OF AIR CARRIER HUB TERMINAL FACILITIES

SECTION 55-11-500. Definitions.

As used in this article:

(a) An "air carrier hub terminal facility" is an airport terminal facility from which an air carrier certified or licensed by the Federal Aviation Administration, within five years from the date of issuance of the obligations described in this article, operates either:

(1) at least twenty common carrier departing flights a day on which the general public may fly seven days a week, fifty-two weeks a year. No less than seventy percent of all seats on these aircraft arriving at or departing from an air carrier terminal facility must be on jet aircraft capable of carrying at least one hundred passengers on each flight;

(2) at least twenty common carrier departing flights a week on an annual basis for the purposes of transporting cargo and air freight; or

(3) irrespective of the number of flights, two or more specially equipped planes that are:

(i) used for the transportation of specialized cargo; and

(ii) subject to ad valorem property taxation or a fee in lieu of taxes in this State.

(b) An "air carrier" is a corporation licensed by the Federal Aviation Administration with a certificate of public convenience and necessity or an operating certificate under other applicable federal law or pertinent regulations which operates aircraft to or from an air carrier hub terminal facility as defined in this section.

(c) "Board" means the State Budget and Control Board.

(d) "Bonds" mean general obligation bonds of this State.

(e) "Executive Director" is defined in Section 55-1-5(11).

HISTORY: 1989 Act No. 183, Section 2; 1994 Act No. 497, Part II, Section 99, eff June 29, 1994; 1997 Act No. 155, Part II, Section 57A, eff June 14, 1997 (see Editor's Note below); 2004 Act No. 227, Section 3.A, eff May 11, 2004; 2005 Act No. 33, Section 1, eff April 5, 2005; 2012 Act No. 270, Section 5, eff June 18, 2012.

SECTION 55-11-505. Economic development projects functionally related to certain air carrier hub terminal facilities.

The term "air carrier hub terminal facility" includes an economic development project as defined in Section 11-41-30(2) that is functionally related to a facility satisfying one of the criteria in Section 55-11-500(a).

HISTORY: 2005 Act No. 33, Section 1, eff April 5, 2005; 2012 Act No. 270, Section 5, eff June 18, 2012.

SECTION 55-11-510. Authorized payments by state in connection with air carrier hub terminal facilities.

(A) A special purpose district or political subdivision of the State may petition the State for assistance hereunder. Upon receipt of such a petition, the State, from the proceeds of the sale of bonds authorized by Section 55-11-520, is authorized to pay a portion or all of the costs of any insurance required to guarantee the payment of, or any credit enhancement facility utilized in connection with, obligations issued or to be issued by a special purpose district or other political subdivision of this State, for the purposes of acquiring land for and constructing and equipping air carrier hub terminal facilities; except that the amount of fees paid by the State to purchase this insurance or other credit enhancement facility

must not exceed one and one-half percent of the principal plus all interest payable on obligations issued by a special purpose district or other political subdivision of this State. The cost of this insurance or other credit enhancement facility may be paid by the State directly to the provider of it, or by way of reimbursement to the special purpose district or political subdivision.

(B) In addition, after review by the Joint Bond Review Committee, the board may allocate bond proceeds for the purposes authorized in Section 55-11-520 to match on a dollar-for-dollar basis, local funds expended for the purposes authorized in Section 55-11-520 by any special purpose district or other political subdivision of this State. Local funds may include user fees and other monies made available by the special purpose district or political subdivision, but may not include federal grants made available to the special purpose district or other political subdivision for runway construction.

HISTORY: 1989 Act No. 183, Section 2; 2004 Act No. 227, Section 3.B, eff May 11, 2004; 2005 Act No. 33, Section 1, eff April 5, 2005; 2012 Act No. 270, Section 5, eff June 18, 2012.

SECTION 55-11-520. Issuance of general obligation bonds; conditions to issuance.

(A) Pursuant to the provisions of subsection 6(c), Section 13, Article X of the Constitution of this State, in order to provide funds to pay a portion of the costs of (1) acquiring land, (2) constructing, enlarging, improving, extending, renovating, and equipping suitable air carrier hub terminal facilities to be located in this State, (3) purchasing equipment, ground support equipment, machinery, special tools, maintenance, boarding facilities, and any and all additional necessary real or personal property for the operation of air carrier hub terminal facilities, and (4) if petitioned by a special purpose district or other political subdivision of the State, to pay a portion or all of the costs described in Section 55-11-510, not exceeding fifty million dollars of general obligation bonds of this State, to be outstanding at any time may be issued in the manner provided in this article and by law.

(B) A request that bonds be issued pursuant to this article must be accompanied by a binding contract with either an air carrier or the principal user of the air carrier hub terminal facilities to be financed with the issuance of the obligations described in this article, committing the entity to use the air carrier hub terminal facility for a period of five years or the period of time needed to retire any indebtedness incurred to construct the air carrier hub terminal facility, whichever is less. Upon receipt of a certified copy of the executed contract, the executive director shall consider the entity's financial ability, willingness, and commitment to serve this State and other factors considered relevant by the executive director. If the executive director determines that it is in the best interest of this State for the State to provide or to assist in the providing of suitable air carrier hub terminal facilities, the executive director shall recommend that the board consider approving the issuance of bonds of this State for the purposes authorized in this article and shall forward his written approval and request to the Joint Bond Review Committee and the board. The approval and request must be accompanied by a certificate of the executive director establishing:

- (1) the maximum principal amount of the bonds then requested to be authorized;
- (2) a description of the infrastructure for which the bonds are to be issued, including a certification from the executive director that the facility is an air carrier hub terminal facility as defined in Section 55-11-500(a);
- (3) a tentative time schedule for the time during which the sum requested is to be expended; and
- (4) the then-outstanding principal amount of, and the debt service requirements for, all bonds previously issued pursuant to this section.

(C) Following the receipt of the approval and request described in subsection (B), and after approval by the Joint Bond Review Committee, the board may approve the issuance of bonds pursuant to this article. In connection with the approval, the board shall adopt a resolution setting the terms and conditions for the execution, sale, delivery, interest payments, maturities, and redemption of the bonds. For the payment of the principal and interest on all bonds issued and outstanding pursuant to this article, there is pledged the full faith, credit, and taxing power of the State of South Carolina, and in accordance with the provisions of subsection (4), Section 13, Article X, of the South Carolina Constitution, the General Assembly hereby

allocates on an annual basis sufficient tax revenues to provide for the punctual payment of the principal and interest on the bonds authorized by this article.

HISTORY: 1989 Act No. 183, Section 2; 1993 Act No. 181, Section 1295, eff July 1, 1993; 1994 Act No. 361, Section 8, eff May 3, 1994; 2004 Act No. 227, Section 3.C, eff May 11, 2004; 2005 Act No. 33, Section 1, eff April 5, 2005; 2012 Act No. 270, Section 5, eff June 18, 2012.