

“(3) a grant recipient that uses airport revenues for purposes that are not airport-related in a manner inconsistent with chapter 471 of title 49, United States Code, illegally diverts airport revenues;

“(4) illegal diversion of airport revenues undermines the interest of the United States in promoting a strong national air transportation system;

“(5) the policy of the United States that airports should be as self-sustaining as possible and that revenues generated at airports should not be diverted from airport purposes was stated by Congress in 1982 and reaffirmed and strengthened in 1987, 1994, and 1996;

“(6) certain airports are constructed on lands that may have belonged, at one time, to Native Americans, Native Hawaiians, or Alaska Natives;

“(7) contrary to the prohibition against diverting airport revenues from airport purposes under section 47107 of title 49, United States Code, certain payments from airport revenues may have been made for the betterment of Native Americans, Native Hawaiians, or Alaska Natives based upon the claims related to lands ceded to the United States;

“(8) Federal law prohibits diversions of airport revenues obtained from any source whatsoever to occur in the future whether related to claims for periods of time prior to or after the date of enactment of this Act [Oct. 27, 1997]; and

“(9) because of the special circumstances surrounding such past diversions of airport revenues for the betterment of Native Americans, Native Hawaiians, or Alaska Natives, it is in the national interest that amounts from airport revenues previously received by any entity for the betterment of Native Americans, Native Hawaiians, or Alaska Natives, as specified in subsection (b) of this section, should not be subject to repayment.

“(b) **TERMINATION OF REPAYMENT RESPONSIBILITY.**—Notwithstanding the provisions of [section] 47107 of title 49, United States Code, or any other provision of law, monies paid for claims related to ceded lands and diverted from airport revenues and received prior to April 1, 1996, by any entity for the betterment of Native Americans, Native Hawaiians, or Alaska Natives, shall not be subject to repayment.

“(c) **PROHIBITION ON FURTHER DIVERSION.**—There shall be no further payment of airport revenues for claims related to ceded lands, whether characterized as operating expenses, rent, or otherwise, and whether related to claims for periods of time prior to or after the date of enactment of this Act [Oct. 27, 1997].

“(d) **CLARIFICATION.**—Nothing in this Act [see Tables for classification] shall be construed to affect any existing Federal statutes, enactments, or trust obligations created thereunder, or any statute of the several States that define the obligations of such States to Native Americans, Native Hawaiians, or Alaska Natives in connection with ceded lands, except to make clear that airport revenues may not be used to satisfy such obligations.”

FINDINGS AND PURPOSE

Pub. L. 104-264, title VIII, § 802, Oct. 9, 1996, 110 Stat. 3270, provided that:

“(a) **IN GENERAL.**—Congress finds that—

“(1) section 47107 of title 49, United States Code, prohibits the diversion of certain revenue generated by a public airport as a condition of receiving a project grant;

“(2) a grant recipient that uses airport revenue for purposes that are not airport related in a manner inconsistent with chapter 471 of title 49, United States Code, illegally diverts airport revenues;

“(3) any diversion of airport revenues in violation of the condition referred to in paragraph (1) undermines the interest of the United States in promoting a strong national air transportation system that is responsive to the needs of airport users;

“(4) the Secretary and the Administrator have not enforced airport revenue diversion rules adequately

and must have additional regulatory tools to increase enforcement efforts; and

“(5) sponsors who have been found to have illegally diverted airport revenues—

“(A) have not reimbursed or made restitution to airports in a timely manner; and

“(B) must be encouraged to do so.

“(b) **PURPOSE.**—The purpose of this title [see Short Title of 1996 Amendment note set out under section 40101 of this title] is to ensure that airport users are not burdened with hidden taxation for unrelated municipal services and activities by—

“(1) eliminating the ability of any State or political subdivision thereof that is a recipient of a project grant to divert airport revenues for purposes that are not related to an airport, in violation of section 47107 of title 49, United States Code;

“(2) imposing financial reporting requirements that are designed to identify instances of illegal diversions referred to in paragraph (1);

“(3) establishing a statute of limitations for airport revenue diversion actions;

“(4) clarifying limitations on revenue diversion that are permitted under chapter 471 of title 49, United States Code; and

“(5) establishing clear penalties and enforcement mechanisms for identifying and prosecuting airport revenue diversion.”

DEFINITIONS

Pub. L. 104-264, title VIII, § 803, Oct. 9, 1996, 110 Stat. 3270, provided that: “For purposes of this title [see Short Title of 1996 Amendment note set out under section 40101 of this title], the following definitions apply:

“(1) **ADMINISTRATOR.**—The term ‘Administrator’ means the Administrator of the Federal Aviation Administration.

“(2) **AIRPORT.**—The term ‘airport’ has the meaning provided that term in section 47102(2) of title 49, United States Code.

“(3) **PROJECT GRANT.**—The term ‘project grant’ has the meaning provided that term in section 47102(14) [now section 47102(19)] of title 49, United States Code.

“(4) **SECRETARY.**—The term ‘Secretary’ means the Secretary of Transportation.

“(5) **SPONSOR.**—The term ‘sponsor’ has the meaning provided that term in section 47102(19) [now section 47102(26)] of title 49, United States Code.”

REVISION OF POLICIES AND PROCEDURES; DEADLINES

Pub. L. 104-264, title VIII, § 805(b)(1), Oct. 9, 1996, 110 Stat. 3273, provided that: “Not later than 90 days after the date of the enactment of this Act [Oct. 9, 1996], the Secretary, acting through the Administrator, shall revise the policies and procedures established under section 47107(l) [now 47107(k)] of title 49, United States Code, to take into account the amendments made to that section by this title.”

FORMAT FOR REPORTING

Pub. L. 103-305, title I, § 111(b), Aug. 23, 1994, 108 Stat. 1574, provided that, within 180 days after Aug. 23, 1994, the Secretary of Transportation was to prescribe a uniform simplified format readily comprehensible to the public for reporting applicable to airports.

§ 47108. Project grant agreements

(a) **OFFER AND ACCEPTANCE.**—On approving a project grant application under this subchapter, the Secretary of Transportation shall offer the sponsor a grant to pay the United States Government’s share of the project costs allowable under section 47110 of this title. The Secretary may impose terms on the offer that the Secretary considers necessary to carry out this subchapter and regulations prescribed under this subchapter. An offer shall state the obligations

to be assumed by the sponsor and the maximum amount the Government will pay for the project from the amounts authorized under chapter 481 of this title (except sections 48102(e), 48106, 48107, and 48110). At the request of the sponsor, an offer of a grant for a project that will not be completed in one fiscal year shall provide for the obligation of amounts apportioned or to be apportioned to a sponsor under section 47114(c) or 47114(d)(3)(A) of this title for the fiscal years necessary to pay the Government's share of the cost of the project. An offer that is accepted in writing by the sponsor is an agreement binding on the Government and the sponsor. The Government may pay or be obligated to pay a project cost only after a grant agreement for the project is signed.

(b) INCREASING GOVERNMENT'S SHARE UNDER THIS SUBCHAPTER OR CHAPTER 475.—(1) When an offer has been accepted in writing, the amount stated in the offer as the maximum amount the Government will pay may be increased only as provided in paragraphs (2) and (3) of this subsection.

(2)(A) For a project receiving assistance under a grant approved under the Airport and Airway Improvement Act of 1982 before October 1, 1987, the amount may be increased by not more than—

(i) 10 percent for an airport development project, except a project for acquiring an interest in land; and

(ii) 50 percent of the total increase in allowable project costs attributable to acquiring an interest in land, based on current creditable appraisals.

(B) An increase under subparagraph (A) of this paragraph may be paid only from amounts the Government recovers from other grants made under this subchapter.

(3) For a project receiving assistance under a grant approved under the Act, this subchapter, or chapter 475 of this title after September 30, 1987, the amount may be increased—

(A) for an airport development project, by not more than 15 percent; and

(B) for a grant after September 30, 1992, to acquire an interest in land for an airport (except a primary airport), by not more than the greater of the following, based on current creditable appraisals or a court award in a condemnation proceeding:

(i) 15 percent; or

(ii) 25 percent of the total increase in allowable project costs attributable to acquiring an interest in land.

(c) INCREASING GOVERNMENT'S SHARE UNDER AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970.—For a project receiving assistance under a grant made under the Airport and Airway Development Act of 1970, the maximum amount the Government will pay may be increased by not more than 10 percent. An increase under this subsection may be paid only from amounts the Government recovers from other grants made under the Act.

(d) CHANGING WORKSCOPE.—With the consent of the sponsor, the Secretary may amend a grant agreement made under this subchapter to change the workscope of a project financed

under the grant if the amendment does not result in an increase in the maximum amount the Government may pay under subsection (b) of this section.

(e) CHANGE IN AIRPORT STATUS.—

(1) CHANGES TO NONPRIMARY AIRPORT STATUS.—If the status of a primary airport changes to a nonprimary airport at a time when a development project under a multiyear agreement under subsection (a) is not yet completed, the project shall remain eligible for funding from discretionary funds under section 47115 at the funding level and under the terms provided by the agreement, subject to the availability of funds.

(2) CHANGES TO NONCOMMERCIAL SERVICE AIRPORT STATUS.—If the status of a commercial service airport changes to a noncommercial service airport at a time when a terminal development project under a phased-funding arrangement is not yet completed, the project shall remain eligible for funding from discretionary funds under section 47115 at the funding level and under the terms provided by the arrangement subject to the availability of funds.

(3) CHANGES TO NONHUB PRIMARY STATUS.—If the status of a nonhub primary airport changes to a small hub primary airport at a time when the airport has received discretionary funds under this chapter for a terminal development project in accordance with section 47119(a), and the project is not yet completed, the project shall remain eligible for funding from the discretionary fund and the small airport fund to pay costs allowable under section 47119(a). Such project shall remain eligible for such funds for three fiscal years after the start of construction of the project, or if the Secretary determines that a further extension of eligibility is justified, until the project is completed.

(Pub. L. 103–272, §1(e), July 5, 1994, 108 Stat. 1262; Pub. L. 106–181, title I, §135(c), Apr. 5, 2000, 114 Stat. 84; Pub. L. 108–176, title I, §149(a), Dec. 12, 2003, 117 Stat. 2505; Pub. L. 109–115, div. A, title I, §176(a), Nov. 30, 2005, 119 Stat. 2427; Pub. L. 112–95, title I, §152(e)(2), Feb. 14, 2012, 126 Stat. 34.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
47108(a)	49 App.:2211(a).	Sept. 3, 1982, Pub. L. 97–248, §512(a), 96 Stat. 688; Dec. 30, 1987, Pub. L. 100–223, §§106(b)(4), 110(c), 101 Stat. 1498, 1502.
47108(b)	49 App.:2211(b).	Sept. 3, 1982, Pub. L. 97–248, §512(b), 96 Stat. 688; re-stated Dec. 30, 1987, Pub. L. 100–223, §110(a), 101 Stat. 1502; Oct. 31, 1992, Pub. L. 102–581, §109, 106 Stat. 4879.
47108(c)	49 App.:2211(c).	Sept. 3, 1982, Pub. L. 97–248, 96 Stat. 324, §512(d); added Dec. 30, 1987, Pub. L. 100–223, §110(b), 101 Stat. 1502.
47108(d)	49 App.:2211(d).	

In subsection (a), the words “on behalf of the United States” are omitted as surplus. The words “or sponsors” are omitted because of 1:1. The words “of the application” are omitted as surplus. The words “under section 47110 of this title” are added for clarity. The

words “and conditions” are omitted as being included in “terms”. The words “for the project” are added for clarity. The words “an offer of a grant for a project” are substituted for “In any case where the Secretary approves a project grant application for a project . . . the offer” to eliminate unnecessary words. The words “(including future fiscal years)” are omitted as surplus. The words “An offer that is accepted in writing by the sponsor is an agreement binding on the Government and the sponsor” are substituted for “If and when an offer is accepted in writing by the sponsor, the offer and acceptance shall comprise an agreement constituting an obligation of the United States and of the sponsor” to eliminate unnecessary words. The words “which have been or may be incurred” are omitted as surplus.

In subsection (b)(1), the words “by a sponsor” are omitted as surplus. The words “amount the Government will pay” are substituted for “obligation of the United States” for clarity and consistency in this section.

In subsection (b)(2), the text of 49 App.:2211(b)(2) (last sentence) is restated to apply only to 49 App.:2211(b)(2) (1st sentence) to carry out the probable intent of Congress.

In subsection (b)(3)(B), the words “for fiscal year 1993 and thereafter” are omitted as unnecessary.

In subsection (c), the words “Notwithstanding any other provision of law” are omitted as surplus. The words “a project receiving assistance under” are added for consistency.

In subsection (d), the word “sponsor” is substituted for “grant recipient” for clarity. The words “amount the Government may pay” are substituted for “obligation of the United States authorized” for clarity and consistency in this section.

Editorial Notes

REFERENCES IN TEXT

The Airport and Airway Improvement Act of 1982, referred to in subsec. (b)(2)(A), (3), is title V of Pub. L. 97-248, Sept. 3, 1982, 96 Stat. 671, which was classified principally to chapter 31 (§2201 et seq.) of former Title 49, Transportation, and was substantially repealed by Pub. L. 103-272, §7(b), July 5, 1994, 108 Stat. 1379, and reenacted by the first section thereof as this subchapter.

The Airport and Airway Development Act of 1970, referred to in subsec. (c), is title I of Pub. L. 91-258, May 21, 1970, 84 Stat. 219, which was classified principally to chapter 25 (§1701 et seq.) of former Title 49. Sections 1 through 30 of title I of Pub. L. 91-258, which enacted sections 1701 to 1703, 1711 to 1713, and 1714 to 1730 of former Title 49, and a provision set out as a note under section 1701 of former Title 49, were repealed by Pub. L. 97-248, title V, §523(a), Sept. 3, 1982, 96 Stat. 695. Sections 31, 51, 52(a), (b)(4), (6), (c), (d), and 53 of title I of Pub. L. 91-258 were repealed by Pub. L. 103-272, §7(b), July 5, 1994, 108 Stat. 1379, the first section of which enacted subtitles II, III, and V to X of Title 49, Transportation. For complete classification of this Act to the Code, see Tables. For disposition of sections of former Title 49, see table at the beginning of Title 49.

AMENDMENTS

2012—Subsec. (e)(3). Pub. L. 112-95 substituted “accordance with section 47119(a)” for “accordance with section 47110(d)(2)” and “allowable under section 47119(a)” for “allowable under section 47110(d)”.

2005—Subsec. (e)(3). Pub. L. 109-115 added par. (3).

2003—Subsec. (a). Pub. L. 108-176 inserted “or 47114(d)(3)(A)” after “under section 47114(c)”.

2000—Subsec. (e). Pub. L. 106-181 added subsec. (e).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2003 AMENDMENT

Amendment by Pub. L. 108-176 applicable only to fiscal years beginning after Sept. 30, 2003, except as other-

wise specifically provided, see section 3 of Pub. L. 108-176, set out as a note under section 106 of this title.

EFFECTIVE DATE OF 2000 AMENDMENT

Amendment by Pub. L. 106-181 applicable only to fiscal years beginning after Sept. 30, 1999, see section 3 of Pub. L. 106-181, set out as a note under section 106 of this title.

LAND ACQUISITION COSTS

Pub. L. 107-71, title I, §143, Nov. 19, 2001, 115 Stat. 644, provided that: “In the case of a grant for land acquisition issued to an airport under chapter 471 of title 49, United States Code, prior to January 1, 1995, the Secretary of Transportation may waive the provisions of section 47108 of such title and provide an upward adjustment in the maximum obligation of the United States under that chapter to assist the airport in funding land acquisition costs (and associated eligible costs) that increased as a result of a judicial order.”

[For definitions of “airport” and “United States” used in section 143 of Pub. L. 107-71, set out above, see section 133 of Pub. L. 107-71, set out as a note under section 40102 of this title.]

§ 47109. United States Government’s share of project costs

(a) GENERAL.—Except as otherwise provided in this section, the United States Government’s share of allowable project costs is—

(1) 75 percent for a project at a medium or large hub airport;

(2) not more than 90 percent for a project funded by a grant issued to and administered by a State under section 47128, relating to the State block grant program;

(3) 90 percent for a project at any other airport;

(4) 70 percent for a project funded by the Administrator from the discretionary fund under section 47115 at an airport receiving an exemption under section 47134; and

(5) 95 percent for a project that—

(A) the Administrator determines is a successive phase of a multiphase construction project for which the sponsor received a grant in fiscal year 2011; and

(B) for which the United States Government’s share of allowable project costs would otherwise be capped at 90 percent under paragraph (2) or (3).

(b) INCREASED GOVERNMENT SHARE.—If, under subsection (a) of this section, the Government’s share of allowable costs of a project in a State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) of more than 5 percent of the total area of all lands in the State, is less than the share applied on June 30, 1975, under section 17(b) of the Airport and Airway Development Act of 1970, the Government’s share under subsection (a) of this section shall be increased by the lesser of—

(1) 25 percent;

(2) one-half of the percentage that the area of unappropriated and unreserved public lands and nontaxable Indian lands in the State is of the total area of the State; or

(3) the percentage necessary to increase the Government’s share to the percentage that applied on June 30, 1975, under section 17(b) of the Act.