

Background on the Capstone Avionics Revolving Loan Fund

The Capstone program was an initiative to improve safety and rural access for the flying public in Alaska. The goal was to install Capstone avionics equipment, which enables pilots to see and be seen on the Capstone system. This equipment reduced the chance of mid-air collisions and accidents related to terrain or weather problems. In order to realize the maximum benefits from the system, a large number of aircraft in Alaska would need the new equipment installed.

In 2008, through the passage of SB 249, the Alaska Legislature created the [Alaska Capstone Avionics Revolving Loan Fund](#), a low-interest loan program to help aircraft owners purchase and equip Capstone electronics in Alaska based aircraft (AS 44.33.650 – AS 44.33.690). The legislature appropriated \$4.9 million for the loan program which began July 1, 2008. The Division of Investments in the Alaska Department of Commerce, Community, and Economic Development administered the program until July 1, 2020 when the statutes were repealed – as written and intended in the original bill.

SB 249 did not stipulate what must be done with any funds remaining in, or repaid to, the Capstone Avionics Revolving Loan Fund. These funds were also not reappropriated by the legislature for any other purpose. As a result, there are approximately \$3.7 million in state funds currently sitting in this account.

Please contact Kyle Neumann at kyle.neumann@akleg.gov or 465-3017 with any further questions.