

ASSEMBLY BILL NO. 429—ASSEMBLYMEN GURR, DICKMAN, HAFEN; ANDERSON, BROWN-MAY, DELONG, GALLANT, GRAY, HANSEN, HARDY, HIBBETTS, KASAMA, KOENIG, MCARTHUR, O’NEILL AND YUREK

MARCH 27, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to aviation. (BDR 18-716)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: Contains Appropriation not included in Executive Budget.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to aviation; revising provisions governing the Nevada Air Service Development Commission and the Nevada Air Service Development Fund; making an appropriation to the Nevada Air Service Development Fund; making an appropriation to the Fund for Aviation for the enlargement, improvement or maintenance of rural airports, landing areas or air navigation facilities in Nevada; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law creates the Nevada Air Service Development Commission, which  
2 consists of the Executive Director of the Office of Economic Development in the  
3 Office of the Governor and the members of the Commission on Tourism. (NRS  
4 231.680) Existing law also creates the Nevada Air Service Development Fund and  
5 requires the Nevada Air Service Development Commission to develop a program to  
6 make grants of money from the Fund to air carriers that will service or provide  
7 enhanced air service routes that will service certain airports in this State. (NRS  
8 231.690, 231.710) **Section 1** of this bill provides that the Nevada Air Service  
9 Development Commission is part of the Office of Economic Development. **Section**  
10 **1** also maintains the Executive Director of the Office of Economic Development as  
11 a member of the Nevada Air Service Development Commission, but revises the  
12 membership of the Nevada Air Service Development Commission to include: (1)  
13 one member of the Commission on Tourism who is appointed by the Governor  
14 rather than all of the members of the Commission on Tourism; and (2) certain other



15 members appointed by the Governor. **Section 2** of this bill provides that money in  
 16 the Nevada Air Service Development Fund does not revert to the State General  
 17 Fund at the end of a fiscal year and must be carried forward to the next fiscal year.  
 18 **Section 3** of this bill revises the entities to which the Nevada Air Service  
 19 Development Commission is authorized to award grants to include governmental  
 20 entities. **Section 4** of this bill makes an appropriation from the State General Fund  
 21 to the Nevada Air Service Development Fund.

22 Existing law creates the Fund for Aviation in the State Treasury and requires  
 23 the Director of the Department of Transportation to administer the Fund. Existing  
 24 law authorizes the Director to award grants to counties, cities and other local  
 25 governments, except for facilities owned or controlled by the Reno-Tahoe Airport  
 26 Authority or located in counties whose population is less than 100,000 (currently all  
 27 counties other than Clark and Washoe Counties) for the planning, establishment,  
 28 development, construction, enlargement, improvement or maintenance of any  
 29 airport, landing area or air navigation facility owned or controlled by the county,  
 30 city or other local government. (NRS 494.048) **Section 5** of this bill makes an  
 31 appropriation to the Fund for Aviation for these purposes.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 231.680 is hereby amended to read as follows:  
 2 231.680 1. There is hereby created *within the Office of*  
 3 *Economic Development* the Nevada Air Service Development  
 4 Commission, consisting of:  
 5 (a) The Executive Director; ~~and~~  
 6 (b) ~~{The members}~~ *One member appointed by the Governor*  
 7 *who is a member* of the Commission on Tourism ~~{as provided in~~  
 8 ~~NRS 231.170.}~~;  
 9 (c) *One member appointed by the Governor who represents the*  
 10 *Nevada Aviation Association or its successor organization;*  
 11 (d) *One member appointed by the Governor who represents the*  
 12 *department of aviation in a county whose population is 700,000 or*  
 13 *more;*  
 14 (e) *One member appointed by the Governor who represents the*  
 15 *Reno-Tahoe Airport Authority;*  
 16 (f) *One member appointed by the Governor who represents the*  
 17 *Nevada Resort Association or its successor organization; and*  
 18 (g) *One member appointed by the Governor who represents the*  
 19 *Nevada League of Cities or its successor organization.*  
 20 2. At the first meeting of each fiscal year, the Commission  
 21 shall elect from among its members a Chair, a Vice Chair and a  
 22 Secretary.  
 23 3. The Commission shall meet at least once each calendar  
 24 quarter and at other times at the call of the Chair or a majority of its  
 25 members.



1 4. A majority of the members of the Commission constitutes a  
2 quorum for the transaction of all business.

3 **Sec. 2.** NRS 231.690 is hereby amended to read as follows:

4 231.690 1. There is hereby created as a special revenue fund  
5 in the State Treasury the Nevada Air Service Development Fund.  
6 *Any money in the Fund remaining at the end of a fiscal year does*  
7 *not revert to the State General Fund, and the balance in the Fund*  
8 *must be carried forward to the next fiscal year.*

9 2. The Commission may accept gifts, bequests, grants,  
10 appropriations and donations from any source for deposit in the  
11 Fund.

12 3. The money in the Fund must be invested as other state funds  
13 are invested. All interest earned on the deposit or investment of the  
14 money in the Fund, after deducting any applicable charges, must be  
15 credited to the Fund. Claims against the Fund must be paid as other  
16 claims against the State are paid.

17 4. The Commission may make grants of money from the Fund  
18 to air carriers that satisfy the criteria set forth in NRS 231.710.

19 **Sec. 3.** NRS 231.710 is hereby amended to read as follows:

20 231.710 1. The Commission shall develop a program to  
21 provide grants of money from the Fund to an air carrier ~~[that will]~~ *or*  
22 *any governmental entity for the purpose of establishing air* service  
23 *or [provide] providing* enhanced air service routes that service an  
24 airport that is:

25 (a) A small hub airport, a nonhub airport or, if the air carrier  
26 provides air service through a large hub airport that services small  
27 hub airports and nonhub airports, a large hub airport; and

28 (b) Certified by the Federal Aviation Administration of the  
29 United States Department of Transportation pursuant to 14 C.F.R.  
30 Part 139.

31 2. An application for a grant of money from the Fund must be  
32 in the form prescribed by the Commission and must include,  
33 without limitation:

34 (a) A statement designating the small hub airport, nonhub  
35 airport or large hub airport described in subsection 1 for which the  
36 air carrier will commence or continue air service if the grant is  
37 awarded;

38 (b) Commitments from the air carrier that if the Commission  
39 awards the grant to the air carrier, the air carrier will enter into a  
40 written agreement with the Commission that provides for the air  
41 carrier to commence or continue air service to the airport designated  
42 in the application in exchange for receiving from the Commission  
43 one of the guarantees set forth in subsection 2 of NRS 231.720; and

44 (c) Letters of support from each airport that participates in the  
45 air service route offered by an air carrier pursuant to subsection 1.



1     **Sec. 4.** 1. There is hereby appropriated from the State  
2 General Fund to the Nevada Air Service Development Fund created  
3 by NRS 231.690 the sum of \$10,000,000.

4     2. The amount appropriated by subsection 1 must be used for  
5 the purpose of conducting a study of the development of intrastate  
6 air service in this State and for the purpose of making grants of  
7 money pursuant to NRS 231.710.

8     **Sec. 5.** 1. There is hereby appropriated from the State  
9 General Fund to the Fund for Aviation created by NRS 494.048 the  
10 following sums:

11         For the Fiscal Year 2023-2024..... \$1,000,000  
12         For the Fiscal Year 2024-2025..... \$1,000,000

13     2. The money appropriated by subsection 1 must be used by  
14 rural airports to match money that is available from the Federal  
15 Aviation Administration.

16     **Sec. 6.** This act becomes effective on July 1, 2023.

