

(Reprinted with amendments adopted on April 24, 2023)

FIRST REPRINT

A.B. 429

ASSEMBLY BILL NO. 429—ASSEMBLYMEN GURR, DICKMAN, HAFEN, GRAY; ANDERSON, BROWN-MAY, DELONG, GALLANT, 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; providing that money in the Nevada Air Service Development Fund does not revert at the end of a fiscal year; requiring the Commission to prepare and submit an annual report to the Director of the Legislative Counsel Bureau relating to grants awarded from the Fund; making an appropriation to the Nevada Air Service Development Fund for the purpose of conducting a study of the development of intrastate air service and making certain grants; 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.



\* A B 4 2 9 R 1 \*

8 (NRS 231.690, 231.710) **Section 1.6** of this bill provides that the Nevada Air  
9 Service Development Commission is part of the Office of Economic Development.  
10 **Section 1.6** also maintains the Executive Director of the Office of Economic  
11 Development as a member of the Nevada Air Service Development Commission,  
12 but revises the membership of the Nevada Air Service Development Commission to  
13 include: (1) one member of the Commission on Tourism who is appointed by the  
14 Governor rather than all of the members of the Commission on Tourism; (2) one  
15 member who represents the Nevada Aviation Association; (3) one member who  
16 represents the department of aviation in a county whose population is 700,000 or  
17 more (currently only Clark County); (4) one member who represents the Reno-  
18 Tahoe Airport Authority; (5) one member who represents the Nevada Resort  
19 Association; (6) one member who represents the Nevada League of Cities; and (7)  
20 one member who represents the Nevada Association of Counties. **Section 1.6**  
21 further provides that the terms of office for the members of the Commission are 2  
22 years and must be staggered.

23 **Section 1** of this bill requires the Commission to prepare and submit an annual  
24 report to the Director of the Legislative Counsel Bureau relating to applications for  
25 grants received and grants awarded by the Commission during the immediately  
26 preceding calendar year. **Section 1.3** of this bill makes a conforming change to  
27 indicate the proper placement of **section 1** in the Nevada Revised Statutes.

28 **Section 2** of this bill provides that money in the Nevada Air Service  
29 Development Fund does not revert to the State General Fund at the end of a fiscal  
30 year and must be carried forward to the next fiscal year.

31 **Section 3** of this bill revises the entities to which the Nevada Air Service  
32 Development Commission is authorized to award grants to include governmental  
33 entities.

34 **Section 4** of this bill makes an appropriation from the State General Fund to the  
35 Nevada Air Service Development Fund for the purpose of conducting a study of the  
36 development of intrastate air service in this State and for the purpose of making  
37 grants of money to an air carrier that will service or provide enhanced air service  
38 routes to certain airports.

39 Existing law creates the Fund for Aviation in the State Treasury and requires  
40 the Director of the Department of Transportation to administer the Fund. Existing  
41 law authorizes the Director to award grants to counties, cities and other local  
42 governments, except for facilities owned or controlled by the Reno-Tahoe Airport  
43 Authority or a county whose population is 700,000 or more (currently Clark  
44 County) for the planning, establishment, development, construction, enlargement,  
45 improvement or maintenance of any airport, landing area or air navigation facility  
46 owned or controlled by the county, city or other local government. (NRS 494.048)

47 **Section 5** of this bill makes an appropriation to the Fund for Aviation for these  
48 purposes.

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

1 **Section 1.** Chapter 231 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3 *On or before February 1 of each year, the Commission shall*  
4 *prepare and submit to the Director of the Legislative Counsel*  
5 *Bureau for transmittal to the Legislature, or if the Legislature is*  
6 *not in session, the Legislative Commission, a report detailing for*  
7 *the immediately preceding calendar year:*



1 *1. The total number of applications for grants of money from*  
2 *the Fund that were received;*

3 *2. The total amount of grants from the Fund that were*  
4 *awarded by the Commission to air carriers; and*

5 *3. For each grant of money awarded from the Fund, the*  
6 *amount of each grant and an explanation of how the grant will be*  
7 *used by the air carrier to provide or enhance air service to an*  
8 *airport.*

9 **Sec. 1.3.** NRS 231.600 is hereby amended to read as follows:

10 231.600 As used in NRS 231.600 to 231.720, inclusive, *and*  
11 *section 1 of this act*, unless the context otherwise requires, the  
12 words and terms defined in NRS 231.610 to 231.670, inclusive,  
13 have the meanings ascribed to them in those sections.

14 **Sec. 1.6.** NRS 231.680 is hereby amended to read as follows:

15 231.680 1. There is hereby created *within the Office of*  
16 *Economic Development* the Nevada Air Service Development  
17 Commission, consisting of:

18 (a) The Executive Director; ~~and~~

19 (b) ~~The members~~ *One member appointed by the Governor*  
20 *who is a member* of the Commission on Tourism ~~as provided in~~  
21 ~~NRS 231.170.~~;

22 (c) *One member appointed by the Governor who represents the*  
23 *Nevada Aviation Association or its successor organization;*

24 (d) *One member appointed by the Governor who represents the*  
25 *department of aviation in a county whose population is 700,000 or*  
26 *more;*

27 (e) *One member appointed by the Governor who represents the*  
28 *Reno-Tahoe Airport Authority;*

29 (f) *One member appointed by the Governor who represents the*  
30 *Nevada Resort Association or its successor organization;*

31 (g) *One member appointed by the Governor who represents the*  
32 *Nevada Association of Counties or its successor organization; and*

33 (h) *One member appointed by the Governor who represents*  
34 *the Nevada League of Cities or its successor organization.*

35 2. *The Governor shall ensure that at least one member*  
36 *appointed pursuant to subsection 1 is a resident of a county whose*  
37 *population is less than 100,000.*

38 3. *The terms of office for the members of the Commission*  
39 *appointed pursuant to paragraphs (b) to (h), inclusive, of*  
40 *subsection 1 are 2 years, which terms must be staggered.*

41 4. At the first meeting of each fiscal year, the Commission  
42 shall elect from among its members a Chair, a Vice Chair and a  
43 Secretary.



1 ~~[3.]~~ 5. The Commission shall meet at least once each calendar  
2 quarter and at other times at the call of the Chair or a majority of its  
3 members.

4 ~~[4.]~~ 6. A majority of the members of the Commission  
5 constitutes a quorum for the transaction of all business.

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

7 231.690 1. There is hereby created as a special revenue fund  
8 in the State Treasury the Nevada Air Service Development Fund.

9 *Any money in the Fund remaining at the end of a fiscal year does*  
10 *not revert to the State General Fund, and the balance in the Fund*  
11 *must be carried forward to the next fiscal year.*

12 2. The Commission may accept gifts, bequests, grants,  
13 appropriations and donations from any source for deposit in the  
14 Fund.

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

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

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

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

28 (a) A small hub airport, a nonhub airport or, if the air carrier  
29 provides air service through a large hub airport that services small  
30 hub airports and nonhub airports, a large hub airport; and

31 (b) Certified by the Federal Aviation Administration of the  
32 United States Department of Transportation pursuant to 14 C.F.R.  
33 Part 139.

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

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

41 (b) Commitments from the air carrier that if the Commission  
42 awards the grant to the air carrier, the air carrier will enter into a  
43 written agreement with the Commission that provides for the air  
44 carrier to commence or continue air service to the airport designated



1 in the application in exchange for receiving from the Commission  
2 one of the guarantees set forth in subsection 2 of NRS 231.720; and

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

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

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

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

15	For the Fiscal Year 2023-2024 .....	\$1,000,000
16	For the Fiscal Year 2024-2025 .....	\$1,000,000

17 2. The money appropriated by subsection 1 must be used by  
18 rural airports to match money that is available from the Federal  
19 Aviation Administration.

20 **Sec. 5.5.** The provisions of subsection 1 of NRS 218D.380 do  
21 not apply to any provision of this act which adds or revises a  
22 requirement to submit a report to the Legislature.

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

