

January 16, 2024

The Honorable Joe Lombardo
Office of the Governor
One Hundred One North Carson St.
Carson City, Nevada 89701

Senator Nicole Cannizzaro, Chair
Legislative Commission
401 South Carson St
Carson City, Nevada 89701

Re: NRS 231.600 Nevada Air Service Development Commission Annual Report

Dear Governor Lombardo and Senator Cannizzaro,

The Governor's Office of Economic Development is submitting this report pursuant to NRS 231.600 to 231.730 as amended by Assembly Bill 58 of the 82 Legislative Session (2023).

This report includes, without limitation, the NRS information requirements along with the answers to those requirements. The report is for the period covering July 1, 2023-December 31, 2023.

Sincerely,



Thomas J. Burns
Executive Director

Cc: Ryan Cherry, Governor's Chief of Staff
Madaline Burak, Governor's Legislative Director
Director Brenda Erdoes, Legislative Counsel Bureau
Angela Hartzler, Deputy Administrator, Legislative Counsel Bureau

NRS 231.600

Annual Report for Nevada Air Service Development Commission

Requirement: [Sec 1.4] On or before February 1 of each year, the Commission shall prepare and submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature, or if the Legislature is not in session, the Legislative Commission, a report detailing for the immediately preceding calendar year:

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

Response: AB58 became effective on July 1, 2023, as such, the appointment of Commission members is still underway as of January 2024; therefore, no applications for grants of money from the Air Service Development Fund were received by the Nevada Air Service Development Commission.

2. The total amount of grants from the Fund that were awarded by the Commission to air carriers.

Response: AB58 became effective on July 1, 2023, as such, the appointment of Commission members necessary to meet quorum is still underway as of January 2024; therefore, no grants from the Fund have been awarded by the Nevada Air Service Development Commission.

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

Response: As of January 2024, there have been no grants of money awarded from the Nevada Air Service Commission Fund by the Commission.

In addition to the above information required by NRS 231, it is anticipated that the Commission seats will be filled by early calendar year 2024. The following individuals have already been appointed to serve by the Governor:

Thomas Burns, Executive Director, Governor's Office of Economic Development

Kenneth Moen, one member appointed by the Governor who represents the Nevada Aviation Association or its successor organization.

Tina Iftiger, one member appointed by the Governor who represents the Nevada Resort Association or its successor organization.

Reece Keener, one member appointed by the Governor represents the Nevada League of Cities or its successor organization.

Assembly Bill No. 58—Committee on Ways and Means

CHAPTER.....

AN ACT relating to economic development; revising the membership of the Nevada Air Service Development Commission; revising provisions governing grants awarded by the Commission from the Nevada Air Service Development Fund; making an appropriation to the Fund for Aviation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law creates the Nevada Air Service Development Commission, which consists of the Executive Director of the Office of Economic Development in the Office of the Governor and the members of the Commission on Tourism. (NRS 231.680) Existing law also creates the Nevada Air Service Development Fund and requires the Commission to develop a program to make grants of money from the Fund to air carriers that will service or provide enhanced air service routes that will service certain airports in this State. (NRS 231.690, 231.710)

Section 1.7 of this bill provides that the Nevada Air Service Development Commission is part of the Office of Economic Development. **Section 1.7** also maintains the Executive Director of the Office of Economic Development as a member of the Nevada Air Service Development Commission, but revises the membership of the Nevada Air Service Development Commission to include: (1) one member of the Commission on Tourism who is appointed by the Governor rather than all of the members of the Commission on Tourism; (2) one member who represents the Nevada Aviation Association; (3) one member who represents the department of aviation in a county whose population is 700,000 or more (currently only Clark County); (4) one member who represents the Reno-Tahoe Airport Authority; (5) one member who represents the Nevada Resort Association; (6) one member who represents the Nevada League of Cities; and (7) one member who represents the Nevada Association of Counties. **Section 1.7** further provides that the terms of office for the members of the Nevada Air Service Development Commission are 2 years and must be staggered.

Section 1.9 of this bill revises the entities to which the Nevada Air Service Development Commission is authorized to award grants to include governmental entities. **Sections 1.2, 1.3, 1.9 and 1.91** of this bill: (1) remove the limitation that the Commission is authorized to award grants only to air carriers that will establish or enhance air service routes to nonhub or small hub airports or to large hub airports that service nonhub or small hub airports; and (2) instead, authorize the Commission to award grants to air carriers for the purpose of establishing or enhancing air service routes that service any public use airport in this State that are part of the National Plan of Integrated Airport Systems published by the United States Secretary of Transportation. **Section 1.6** of this bill clarifies that the air carriers eligible to receive such grants include, without limitation, air taxi operators. **Section 2.7** of this bill repeals the statutory definitions of “large hub airport,” “nonhub airport” and “small hub airport” because those terms would no longer be used for the purpose of determining eligibility for the award of a grant from the Commission.

Existing law creates the Fund for Aviation in the State Treasury and authorizes the Director of the Department of Transportation to award grants to counties, cities and other local governments, except for facilities owned or controlled by the



Reno-Tahoe Airport Authority or a county whose population is 700,000 or more (currently Clark County) for the planning, establishment, development, construction, enlargement, improvement or maintenance of any airport, landing area or air navigation facility owned or controlled by the county, city or other local government. (NRS 494.048) **Section 2.5** of this bill makes an appropriation to the Fund for Aviation in the amount of \$1,000,000 for Fiscal Year 2023-2024 and \$1,000,000 for Fiscal Year 2024-2025 for these purposes.

Section 1.4 of this bill requires the Commission to prepare and submit an annual report to the Director of the Legislative Counsel Bureau relating to applications for grants received and grants awarded by the Commission during the immediately preceding calendar year.

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

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

Section 1. (Deleted by amendment.)

Sec. 1.1. Chapter 231 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.2, 1.3 and 1.4 of this act.

Sec. 1.2. *“National Plan of Integrated Airport Systems public airport” or “NPIAS airport” means an airport in this State that is part of the most recent version of the National Plan of Integrated Airport Systems published by the United States Secretary of Transportation pursuant to 49 U.S.C. § 47103.*

Sec. 1.3. *“Public use airport” has the meaning ascribed to it in 49 U.S.C. § 47102.*

Sec. 1.4. *On or before February 1 of each year, the Commission shall prepare and submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature, or if the Legislature is not in session, the Legislative Commission, a report detailing for the immediately preceding calendar year:*

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

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

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

Sec. 1.5. NRS 231.600 is hereby amended to read as follows:

231.600 As used in NRS 231.600 to 231.720, inclusive, *and sections 1.2, 1.3 and 1.4 of this act*, unless the context otherwise requires, the words and terms defined in NRS 231.610 to ~~[231.670.]~~



231.650, inclusive, *and sections 1.2 and 1.3 of this act* have the meanings ascribed to them in those sections.

Sec. 1.6. NRS 231.610 is hereby amended to read as follows:

231.610 “Air carrier” means a person who provides commercial air transportation to passengers. *The term includes, without limitation, an air taxi operator designated pursuant to 14 C.F.R. § 298.3.*

Sec. 1.7. NRS 231.680 is hereby amended to read as follows:

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

(a) The Executive Director; and

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

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

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

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

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

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

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

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

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

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

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

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



Sec. 1.9. NRS 231.710 is hereby amended to read as follows:

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

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

~~—(b) Certified by the Federal Aviation Administration of the United States Department of Transportation pursuant to 14 C.F.R. Part 139.]~~ *a public use airport that is an NPIAS airport.*

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

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

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

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

Sec. 1.91. NRS 231.720 is hereby amended to read as follows:

231.720 1. The Commission may make a grant of money from the Fund if the Commission finds that the grant will:

(a) Enable an air carrier to commence or continue air service to ~~[a small hub airport, nonhub airport or large hub]~~ *an* airport described in subsection 1 of NRS 231.710; and

(b) Provide economic benefit to this State.

2. The Commission may make a grant of money from the Fund only to:

(a) Guarantee that an air carrier will receive an agreed amount of revenue per flight that the air carrier operates into or out of the airport designated in the application pursuant to paragraph (a) of subsection 2 of NRS 231.710; or

(b) Guarantee a profit goal for the air carrier that is established by agreement between the air carrier and the Commission.

Sec. 2. (Deleted by amendment.)



Sec. 2.5. 1. There is hereby appropriated from the State General Fund to the Fund for Aviation created by NRS 494.048 the following sums:

For the Fiscal Year 2023-2024 \$1,000,000

For the Fiscal Year 2024-2025 \$1,000,000

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

Sec. 2.6. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 2.7. NRS 231.640, 231.660 and 231.670 are hereby repealed.

Sec. 3. This act becomes effective on July 1, 2023.

