

Regular Session, 2011

HOUSE BILL NO. 302

BY REPRESENTATIVE MICHAEL JACKSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AIRCRAFT/AIRPORTS: Creates the Air Service Fund within the Transportation Trust Fund

1 AN ACT

2 To amend and reenact R.S. 2:801(3) and 802(A)(1)(introductory paragraph) and to enact  
3 R.S. 2:802.1, relative to the Airport Construction and Development Priority Program;  
4 to provide for definitions; to create the "Air Service Fund" within the Transportation  
5 Trust Fund; to exempt the "Air Service Fund" from submitting certain information  
6 in the application process; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 2:801(3) and 802(A)(1)(introductory paragraph) are hereby amended  
9 and reenacted and R.S. 2:802.1 is hereby enacted to read as follows:

10 §801. Definitions

11 As used in this Chapter, unless the context clearly indicates otherwise, the  
12 following definitions shall apply:

13 \* \* \*

14 (3) "Construction or development project" means a program of construction  
15 or development, either new or continuing, that will be planned and implemented with  
16 the primary goal of improving aviation activities in the state. "Development project"  
17 shall also mean a program of business development, either continuing or new that  
18 will be planned and implemented with the primary goal of improving air service at  
19 commercial carrier airports.

20 \* \* \*

1 §802. Methodology for airport project evaluation

2 A.(1) Applications for funding of any airport construction or development  
3 project may be submitted by any airport authority, except as provided in R.S. 2:806.  
4 However, to be eligible for state funding from the Airport Construction and  
5 Development Priority Program for an airport project, an airport authority located in  
6 a political subdivision which has adopted airport zoning regulations, shall certify to  
7 the Department of Transportation and Development that the political subdivision's  
8 regulations are in compliance with United States Department of Transportation,  
9 Federal Aviation Administration, advisory circulars, orders, regulations, safety  
10 guidelines, recommendations, or other official documents that have been issued for  
11 the purpose of ensuring aviation safety and compatible land use. Equal consideration  
12 shall be given to rural aviation and commercial urban aviation. Applications shall  
13 be made to the Department of Transportation and Development by November first  
14 of each year, for consideration of funding in the following fiscal year. Applications  
15 submitted in accordance with the provisions of this Chapter shall not be subject to  
16 the provisions of R.S. 39:104, 111, 114, and 121. ~~Information~~ Except as provided  
17 in R.S. 2:802.1, information to be provided in the application shall include but not  
18 be limited to the following:

19 \* \* \*

20 §802.1. Air Service Fund

21 A. There is hereby created in the state treasury a special fund to be known  
22 as the "Air Service Fund", hereinafter referred to as "the fund", within the  
23 Transportation Trust Fund. Beginning in Fiscal Year 2011-2012 and each year  
24 thereafter, the state treasurer shall credit to the fund nine million dollars derived from  
25 state taxes collected and received from aviation fuel and deposited in the  
26 Transportation Trust Fund. The monies in the fund shall be used solely for the  
27 purposes provided in Subsection B of this Section and only in amounts appropriated  
28 by the legislature. Unexpended and unencumbered monies in the fund at the end of  
29 each fiscal year shall remain in the fund. The unexpended and unencumbered

1 balance in the fund shall not exceed thirty million dollars, and the state treasurer  
2 shall cease deposits into the fund until such balance is below thirty million dollars.

3 B. All expenditures from the fund shall be for a program that enhances or  
4 increases air service at commercial carrier airports through the award of monies for  
5 specific projects that provide more air flight options, more competition for air travel,  
6 and more affordable air fares for this state. No project shall exceed three million  
7 dollars in any given fiscal year. Beginning in Fiscal Year 2011-2012, project  
8 applications shall be made to the department by November first of each year. The  
9 department, in consultation with the Department of Economic Development, shall  
10 promulgate and adopt rules and regulations for the implementation of the program.  
11 Notwithstanding any provision of law to the contrary, the promulgation and adoption  
12 of any rules and regulations shall be in accordance with the Administrative  
13 Procedure Act for Fiscal Year 2011-2012 and are considered to be an emergency  
14 rule. The program shall be subject to the provisions of R.S. 2:803 except that projects  
15 for Fiscal Year 2011-2012 shall be followed to the extent practicable but shall be  
16 subject to oversight and approved by the joint committee.

17 C. The monies credited to the fund shall be disbursed as a grant by the  
18 department to regional economic development organizations, local governing bodies,  
19 or the governing bodies of airports and shall be used for the development and  
20 implementation of a program that increases air service to provide for more flight  
21 options, more competition for air travel, or more affordable air fares in this state.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Michael Jackson

HB No. 302

**Abstract:** Provides for definitions and creates the "Air Service Fund" and further exempts the fund from certain application requirements for the airport priority program.

Present law defines "construction or development project" to mean a program of construction or development, either new or continuing, that will be planned and implemented with the primary goal of improving aviation activities in the state.

Proposed law adds to the definition of "development project" to also mean a program of business development, either continuing or new that will be planned and implemented with the primary goal of improving air service at commercial carrier airports.

Present law allows for an application for funding of any airport construction or development project to be submitted by any airport authority. Further provides for eligibility requirements to receive state funds from the Airport Construction and Development Priority Program for an airport project and the application deadlines associated with submission. Further exempts applications from the capital outlay budget and requires the applications to include certain information.

Proposed law retains present law, but exempts the "Air Service Fund" from application requirements.

Proposed law creates the "Air Service Fund" within the Transportation Trust Fund and requires the state treasurer to credit the fund with \$9 million derived from state taxes collected and received from aviation fuel each fiscal year, beginning with FY 2011-2012. Provides that unexpended and unencumbered monies in the fund at the end of each fiscal year shall remain in the fund, not to exceed \$30 million.

Proposed law requires that all expenditures from the fund be for a program that enhances or increases air service at commercial carrier airports for specific projects that provide more air flight options, more competition for air travel, and more affordable air fares for this state. Further provides that no project shall exceed \$3 million in any given fiscal year. Provides that project applications shall be made to the department by Nov. 1st of each year, beginning in FY 2011-2012.

Proposed law requires the department in consultation with the Dept. of Economic Development, to adopt rules and regulations for the implementation of the program. The rules and regulations shall be in accordance with the APA for FY 2011-2012 and considered an emergency rule.

Proposed law provides that the program shall be subject to the provisions of present law that require a priority list to be submitted to the joint committee, except that projects for FY 2011-2012, shall be followed to the extent practicable but shall be subject to oversight and approved by the joint committee.

Proposed law requires that the monies credited to the fund be disbursed as a grant by the department to regional economic development organizations, local governing bodies, or the governing bodies of airports to be used for the development and implementation of a program that increases air service to provide for more flight options, more competition for air travel, or more affordable air fares for this state.

(Amends R.S. 2:801(3) and 802(A)(1)(intro. para.); Adds R.S. 2:802.1)