

HOUSE BILL 17

Unofficial Copy  
R2

2000 Regular Session  
(01r0561)

**ENROLLED BILL**

-- Appropriations/Budget and Taxation --

Introduced by **Delegates Taylor, Dewberry, Hurson, Arnick, Busch, Guns,  
Harrison, Hixson, Howard, Kopp, Menes, Montague, Owings, Rawlings,  
Rosenberg, Vallario, and Wood**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Aviation Administration - Regional Air Service Development**  
3 **Program**

4 FOR the purpose of requiring the Maryland Aviation Administration to establish a  
5 Regional Air Service Development Program to foster development of a system of  
6 regional air transportation facilities and scheduled air service linking ~~under~~  
7 ~~served~~ underserved regions of the State to the national and international air  
8 transportation system; stating certain findings and declarations of the General  
9 Assembly; specifying the powers and duties of the Administration under the  
10 Program, including the authority to grant to any person, subject to approval of  
11 the Board of Public Works, the privilege to provide scheduled air transportation  
12 service to certain communities under certain circumstances; requiring the  
13 Administration to develop a certain strategic plan and to make certain  
14 recommendations regarding the development of regional air service; authorizing  
15 the Administration to determine the level of financial support, if any, that the

1 Program will provide to certain entities; authorizing the Administration to make  
 2 certain grants and loans under certain circumstances; authorizing the  
 3 Administration to adopt regulations to implement the Program; requiring the  
 4 Secretary of Transportation to request full funding for the Program as part of  
 5 the Department's budget request beginning in a certain fiscal year; providing  
 6 that the Program be funded through ~~General Fund appropriations~~ *certain*  
 7 *appropriations subject to certain conditions*; prohibiting a General Fund  
 8 appropriation for the Program from being credited to the Transportation Trust  
 9 Fund or credited as airport revenue of the Administration; requiring that any  
 10 unused General Fund appropriations for the Program remaining at the end of a  
 11 fiscal year revert to the General Fund; limiting State financial assistance to  
 12 certain amounts in certain years; requiring the Administration to submit a  
 13 ~~certain report~~ certain reports to the General Assembly; requiring the  
 14 Administration to make certain recommendations regarding funding of the  
 15 Program; requiring the Department to seek certain federal funding for the  
 16 Program; providing for the termination of this Act; and generally relating to the  
 17 establishment of a Regional Air Service Development Program.

18 BY repealing and reenacting, without amendments,  
 19 Article - Transportation  
 20 Section 1-101(a) and (m) and 5-101(a) and (b)  
 21 Annotated Code of Maryland  
 22 (1993 Replacement Volume and 1999 Supplement)

23 BY adding to  
 24 Article - Transportation  
 25 Section 5-1301 through 5-1307, inclusive, to be under the new subtitle "Subtitle  
 26 13. Regional Air Service Development Program"  
 27 Annotated Code of Maryland  
 28 (1993 Replacement Volume and 1999 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 30 MARYLAND, That the Laws of Maryland read as follows:

31 **Article - Transportation**

32 1-101.

33 (a) In this article the following words have the meanings indicated.

34 (m) "Secretary" means the State Secretary of Transportation.

35 5-101.

36 (a) In this title the following words have the meanings indicated.

37 (b) "Administration" means the Maryland Aviation Administration.

1 SUBTITLE 13. REGIONAL AIR SERVICE DEVELOPMENT PROGRAM.

2 5-1301.

3 IN THIS SUBTITLE, "PROGRAM" MEANS THE REGIONAL AIR SERVICE  
4 DEVELOPMENT PROGRAM.

5 5-1302.

6 (A) THE GENERAL ASSEMBLY FINDS THAT:

7 (1) DEVELOPMENT OF A COORDINATED SYSTEM OF REGIONAL AIR  
8 TRANSPORTATION SERVICE IN THE STATE IS CONSISTENT WITH THE LEGISLATIVE  
9 POLICY STATED IN § 5-102 OF THIS TITLE AND THE GRANT OF POWERS AND DUTIES  
10 TO THE ADMINISTRATION UNDER § 5-204 OF THIS TITLE TO ENCOURAGE, FOSTER,  
11 AND ASSIST IN THE DEVELOPMENT OF AERONAUTICS IN THE STATE; AND

12 (2) A REGIONAL AIR TRANSPORTATION SYSTEM CANNOT BE ACHIEVED  
13 THROUGH THE UNILATERAL ACTION OF ANY ONE POLITICAL SUBDIVISION, BUT  
14 REQUIRES ACTION BY THE STATE THROUGH A STATE AGENCY THAT IS RESPONSIVE  
15 TO LOCAL NEEDS AND WILL ENSURE THAT DEVELOPMENT OF THE REGIONAL AIR  
16 TRANSPORTATION SYSTEM IS CONSISTENT WITH GENERAL DEVELOPMENT PLANS  
17 FOR THE STATE AND THE LOCAL DEVELOPMENT PLANS OF PARTICIPATING  
18 POLITICAL SUBDIVISIONS.

19 (B) THE GENERAL ASSEMBLY DECLARES THAT IT IS IN THE PUBLIC INTEREST  
20 FOR THE STATE TO FOSTER THE DEVELOPMENT OF AN EFFICIENT AND ECONOMICAL  
21 SYSTEM OF REGIONAL AIR TRANSPORTATION SERVICE THAT:

22 (1) PLACES MAXIMUM RELIANCE ON COMPETITIVE MARKET FORCES  
23 AND, TO THE GREATEST EXTENT POSSIBLE, IS FINANCIALLY SELF-SUFFICIENT; AND

24 (2) TO THE EXTENT THAT SUPPLEMENTAL STATE FINANCIAL SUPPORT  
25 IS NECESSARY, MAY BE SUBSIDIZED THROUGH A FOCUSED AND COORDINATED  
26 STATE PROGRAM SUPPORTED BY APPROPRIATIONS FROM THE STATE'S GENERAL  
27 FUND.

28 5-1303.

29 (A) SUBJECT TO THE PROVISIONS OF THIS SUBTITLE, THE ADMINISTRATION  
30 SHALL ESTABLISH A REGIONAL AIR SERVICE DEVELOPMENT PROGRAM.

31 (B) THE PURPOSE OF THE PROGRAM IS TO FOSTER DEVELOPMENT OF A  
32 SYSTEM OF REGIONAL AIR TRANSPORTATION FACILITIES AND SCHEDULED AIR  
33 SERVICE THAT EFFECTIVELY LINKS TO THE NATIONAL AND INTERNATIONAL AIR  
34 TRANSPORTATION SYSTEM ~~UNDER-SERVED~~ UNDERSERVED REGIONS OF THE STATE  
35 THAT ARE CAPABLE OF SUPPORTING SCHEDULED AIR SERVICE.

36 (C) THE POLITICAL SUBDIVISIONS OF THE STATE, IN THE EXERCISE OF THEIR  
37 PROPRIETARY POWERS AS AIRPORT OWNERS AND OPERATORS, POLICE POWERS OF

1 LAND USE PLANNING AND ZONING, AND GENERAL AUTHORITY TO FOSTER AND  
2 PROMOTE LOCAL DEVELOPMENT PLANS, ARE ENCOURAGED TO COOPERATE WITH  
3 ADMINISTRATION EFFORTS UNDER THE PROGRAM.

4 5-1304.

5 (A) TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE ADMINISTRATION  
6 MAY:

7 (1) WITH THE APPROVAL OF THE SECRETARY, AND CONSISTENT WITH  
8 THE PROVISIONS OF DIVISION II OF THE STATE FINANCE AND PROCUREMENT  
9 ARTICLE, GRANT TO ANY PERSON THE PRIVILEGE OF OPERATING, AS AGENT OF THE  
10 STATE OR OTHERWISE, SCHEDULED REGIONAL AIR SERVICE TO AND FROM ANY  
11 COMMUNITY OF THE STATE DETERMINED BY THE ADMINISTRATION TO BE IN NEED  
12 OF, AND CAPABLE OF SUPPORTING, SUCH AIR SERVICE;

13 (2) DETERMINE WHETHER, AND TO WHAT EXTENT, A PERSON GRANTED  
14 A PRIVILEGE TO OPERATE SCHEDULED REGIONAL AIR SERVICE UNDER ITEM (1) OF  
15 THIS SUBSECTION SHOULD RECEIVE STATE FINANCIAL ASSISTANCE THROUGH THE  
16 PROGRAM;

17 (3) MAKE GRANTS OR LOANS OF FUNDS THROUGH THE PROGRAM  
18 CONSISTENT WITH THE DETERMINATIONS MADE UNDER ITEM (2) OF THIS  
19 SUBSECTION;

20 (4) ADOPT REGULATIONS DETERMINED BY THE ADMINISTRATION TO BE  
21 NECESSARY; AND

22 (5) TAKE ANY OTHER ACTIONS CONSISTENT WITH THIS SUBTITLE THAT  
23 ARE REASONABLY DETERMINED BY THE ADMINISTRATION TO BE NECESSARY.

24 (B) ANY GRANT OF A PRIVILEGE TO OPERATE SCHEDULED REGIONAL AIR  
25 SERVICE UNDER SUBSECTION (A) OF THIS SECTION IS SUBJECT TO PRIOR APPROVAL  
26 BY THE BOARD OF PUBLIC WORKS.

27 5-1305.

28 BEFORE EXERCISING ANY AUTHORITY GRANTED UNDER § 5-1304 OF THIS  
29 SUBTITLE, THE ADMINISTRATION SHALL:

30 (1) DEVELOP A STRATEGIC PLAN FOR REGIONAL AIR SERVICE IN THE  
31 STATE THAT, AT A MINIMUM, IDENTIFIES AND CONSIDERS:

32 (I) THE AREAS OF THE STATE MOST IN NEED OF REGIONAL AIR  
33 SERVICE;

34 (II) THE TARGET PASSENGER MARKET IN THE STATE FOR  
35 REGIONAL AIR SERVICE;

1 (III) OPTIMAL FLIGHT AND FARE SCHEDULES TO SERVE THE  
2 TARGET MARKET IN AN EFFICIENT AND COST-EFFECTIVE MANNER;

3 (IV) OPTIONS FOR AIRCRAFT TO BE EMPLOYED IN PROVIDING  
4 REGIONAL AIR SERVICE; AND

5 (V) DIRECT AND INDIRECT OPERATING COSTS AND POTENTIAL  
6 REVENUE SOURCES, INCLUDING PASSENGER FARES AND FEDERAL, STATE, AND  
7 LOCAL REVENUES; AND

8 (2) RECOMMEND TO THE SECRETARY POLICIES AND SPENDING  
9 PRIORITIES TO IMPLEMENT THE STRATEGIC PLAN DEVELOPED UNDER ITEM (1) OF  
10 THIS SECTION.

11 5-1306.

12 (A) THE SECRETARY SHALL SEEK FULL FUNDING, IN ACCORDANCE WITH THE  
13 LIMITS ESTABLISHED UNDER § 5-1307 OF THIS SUBTITLE, FOR THE PROGRAM IN THE  
14 DEPARTMENT'S ANNUAL BUDGET REQUEST FOR FISCAL YEAR 2001 AND EACH FISCAL  
15 YEAR THEREAFTER.

16 (B) (1) ~~SUBJECT TO THE APPROVAL OF THE GENERAL ASSEMBLY,~~  
17 ~~BEGINNING WITH THE BUDGET FOR FISCAL YEAR 2001, THE PROGRAM SHALL BE~~  
18 ~~FUNDED THROUGH AN ANNUAL GENERAL FUND APPROPRIATION TO THE~~  
19 ~~ADMINISTRATION TO CARRY OUT THE PURPOSES OF THIS SUBTITLE. THE PROGRAM~~  
20 ~~SHALL BE FUNDED THROUGH:~~

21 (I) TO THE EXTENT AUTHORIZED BY FEDERAL LAW, THE  
22 TRANSPORTATION TRUST FUND;

23 (II) FEDERAL FUNDS AVAILABLE UNDER 49 U.S.C. § 41743;

24 (III) OTHER AVAILABLE FEDERAL FUNDS; OR

25 (IV) TO THE EXTENT THAT THE FUNDS LISTED IN ITEMS (I)  
26 THROUGH (III) ARE INSUFFICIENT, SUBJECT TO APPROVAL BY THE GENERAL  
27 ASSEMBLY, AN APPROPRIATION FROM THE GENERAL FUND.

28 (2) (I) NOTWITHSTANDING § 3-216(B) OF THIS ARTICLE, A GENERAL  
29 FUND APPROPRIATION RECEIVED UNDER THIS SUBSECTION MAY NOT BE CREDITED  
30 TO THE TRANSPORTATION TRUST FUND.

31 (II) CONSISTENT WITH APPLICABLE FEDERAL LAW, A GENERAL  
32 FUND APPROPRIATION RECEIVED UNDER THIS SUBSECTION MAY NOT BE CREDITED  
33 BY THE ADMINISTRATION AS AIRPORT REVENUE.

34 (3) NOTWITHSTANDING § 3-216(F) OF THIS ARTICLE, AT THE END OF  
35 EACH FISCAL YEAR, ANY UNUSED FUNDS APPROPRIATED FOR USE BY THE  
36 ADMINISTRATION IN ESTABLISHING OR IMPLEMENTING THE PROGRAM SHALL

1 REVERT AND BE CREDITED TO THE GENERAL FUND AND MAY NOT BE RETAINED BY  
2 THE ADMINISTRATION.

3 5-1307.

4 THE ADMINISTRATION SHALL:

5 (1) IMPLEMENT THE PROGRAM IN FISCAL YEAR 2001;

6 (2) AS PROVIDED UNDER § 5-1304 OF THIS SUBTITLE, PROVIDE STATE  
7 FINANCIAL ASSISTANCE NOT TO EXCEED \$1,000,000 IN FISCAL YEAR 2001, \$2,000,000  
8 IN FISCAL YEAR 2002, AND \$2,000,000 IN FISCAL YEAR 2003 TO SUPPORT REGIONAL AIR  
9 SERVICE AT A MAXIMUM OF THREE AIRPORTS IN EACH YEAR; AND

10 (3) ~~SUBMIT TO THE GENERAL ASSEMBLY DURING THE 2001 LEGISLATIVE~~  
11 ~~SESSION BY DECEMBER 1, 2001, IN ACCORDANCE WITH § 2-1246 OF THE STATE~~  
12 ~~GOVERNMENT ARTICLE, A REPORT ON THE INITIAL RESULTS OF THE PROGRAM; AND~~

13 ~~(3) AS PART OF THE DEPARTMENT'S BUDGET REQUEST FOR FISCAL YEAR~~  
14 ~~2002, MAKE RECOMMENDATIONS REGARDING CONTINUED FINANCIAL SUPPORT OF~~  
15 ~~THE PROGRAM FROM THE GENERAL FUND.~~

16 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Aviation  
17 Administration shall submit a report to the Governor and, subject to § 2-1246 of the  
18 State Government Article, to the General Assembly by December 1, 2002, that  
19 evaluates the effectiveness of and need for the Regional Air Service Development  
20 Program in fostering regional air transportation service in this State and the  
21 feasibility of continuing regional service without a State subsidy, and makes  
22 recommendations regarding the continued financial support of the Program from the  
23 General Fund.

24 SECTION 3. AND BE IT FURTHER ENACTED, That, for the Regional Air  
25 Service Program established under this Act, the Department of Transportation shall  
26 seek federal funding under the federal Air-21 program established by 49 U.S.C. §  
27 41743 and any other funding source authorized by law.

28 ~~SECTION 3. 4. AND BE IT FURTHER ENACTED,~~ That this Act shall take  
29 effect ~~July~~ October 1, 2000. It shall remain effective for a period of 2 years and 9  
30 months and at the end of June 30, 2003, with no further action required by the  
31 General Assembly, this Act shall be abrogated and of no further force and effect.

