

HOUSE BILL 17

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R2

2000 Regular Session  
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(PRE-FILED)

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

Requested: November 15, 1999

Introduced and read first time: January 12, 2000

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 2000

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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  
16 Program will provide to certain entities; authorizing the Administration to make  
17 certain grants and loans under certain circumstances; authorizing the  
18 Administration to adopt regulations to implement the Program; requiring the  
19 Secretary of Transportation to request full funding for the Program as part of  
20 the Department's budget request beginning in a certain fiscal year; providing  
21 that the Program be funded through General Fund appropriations; prohibiting a  
22 General Fund appropriation for the Program from being credited to the  
23 Transportation Trust Fund or credited as airport revenue of the Administration;  
24 requiring that any unused General Fund appropriations for the Program  
25 remaining at the end of a fiscal year revert to the General Fund; limiting State

1 financial assistance to certain amounts in certain years; requiring the  
2 Administration to submit ~~a certain report~~ certain reports to the General  
3 Assembly; requiring the Administration to make certain recommendations  
4 regarding funding of the Program; providing for the termination of this Act; and  
5 generally relating to the establishment of a Regional Air Service Development  
6 Program.

7 BY repealing and reenacting, without amendments,  
8 Article - Transportation  
9 Section 1-101(a) and (m) and 5-101(a) and (b)  
10 Annotated Code of Maryland  
11 (1993 Replacement Volume and 1999 Supplement)

12 BY adding to  
13 Article - Transportation  
14 Section 5-1301 through 5-1307, inclusive, to be under the new subtitle "Subtitle  
15 13. Regional Air Service Development Program"  
16 Annotated Code of Maryland  
17 (1993 Replacement Volume and 1999 Supplement)

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

20 **Article - Transportation**

21 1-101.

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

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

24 5-101.

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

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

27 **SUBTITLE 13. REGIONAL AIR SERVICE DEVELOPMENT PROGRAM.**

28 5-1301.

29 **IN THIS SUBTITLE, "PROGRAM" MEANS THE REGIONAL AIR SERVICE**  
30 **DEVELOPMENT PROGRAM.**

31 5-1302.

32 (A) **THE GENERAL ASSEMBLY FINDS THAT:**

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

6 (2) A REGIONAL AIR TRANSPORTATION SYSTEM CANNOT BE ACHIEVED  
7 THROUGH THE UNILATERAL ACTION OF ANY ONE POLITICAL SUBDIVISION, BUT  
8 REQUIRES ACTION BY THE STATE THROUGH A STATE AGENCY THAT IS RESPONSIVE  
9 TO LOCAL NEEDS AND WILL ENSURE THAT DEVELOPMENT OF THE REGIONAL AIR  
10 TRANSPORTATION SYSTEM IS CONSISTENT WITH GENERAL DEVELOPMENT PLANS  
11 FOR THE STATE AND THE LOCAL DEVELOPMENT PLANS OF PARTICIPATING  
12 POLITICAL SUBDIVISIONS.

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

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

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

22 5-1303.

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

25 (B) THE PURPOSE OF THE PROGRAM IS TO FOSTER DEVELOPMENT OF A  
26 SYSTEM OF REGIONAL AIR TRANSPORTATION FACILITIES AND SCHEDULED AIR  
27 SERVICE THAT EFFECTIVELY LINKS TO THE NATIONAL AND INTERNATIONAL AIR  
28 TRANSPORTATION SYSTEM ~~UNDER SERVED~~ UNDERSERVED REGIONS OF THE STATE  
29 THAT ARE CAPABLE OF SUPPORTING SCHEDULED AIR SERVICE.

30 (C) THE POLITICAL SUBDIVISIONS OF THE STATE, IN THE EXERCISE OF THEIR  
31 PROPRIETARY POWERS AS AIRPORT OWNERS AND OPERATORS, POLICE POWERS OF  
32 LAND USE PLANNING AND ZONING, AND GENERAL AUTHORITY TO FOSTER AND  
33 PROMOTE LOCAL DEVELOPMENT PLANS, ARE ENCOURAGED TO COOPERATE WITH  
34 ADMINISTRATION EFFORTS UNDER THE PROGRAM.

35 5-1304.

36 (A) TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE ADMINISTRATION  
37 MAY:

38 (1) WITH THE APPROVAL OF THE SECRETARY, AND CONSISTENT WITH  
39 THE PROVISIONS OF DIVISION II OF THE STATE FINANCE AND PROCUREMENT

1 ARTICLE, GRANT TO ANY PERSON THE PRIVILEGE OF OPERATING, AS AGENT OF THE  
2 STATE OR OTHERWISE, SCHEDULED REGIONAL AIR SERVICE TO AND FROM ANY  
3 COMMUNITY OF THE STATE DETERMINED BY THE ADMINISTRATION TO BE IN NEED  
4 OF, AND CAPABLE OF SUPPORTING, SUCH AIR SERVICE;

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

9 (3) MAKE GRANTS OR LOANS OF FUNDS THROUGH THE PROGRAM  
10 CONSISTENT WITH THE DETERMINATIONS MADE UNDER ITEM (2) OF THIS  
11 SUBSECTION;

12 (4) ADOPT REGULATIONS DETERMINED BY THE ADMINISTRATION TO BE  
13 NECESSARY; AND

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

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

19 5-1305.

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

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

24 (I) THE AREAS OF THE STATE MOST IN NEED OF REGIONAL AIR  
25 SERVICE;

26 (II) THE TARGET PASSENGER MARKET IN THE STATE FOR  
27 REGIONAL AIR SERVICE;

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

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

32 (V) DIRECT AND INDIRECT OPERATING COSTS AND POTENTIAL  
33 REVENUE SOURCES, INCLUDING PASSENGER FARES AND FEDERAL, STATE, AND  
34 LOCAL REVENUES; AND

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

4 5-1306.

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

9 (B) (1) SUBJECT TO THE APPROVAL OF THE GENERAL ASSEMBLY,  
10 BEGINNING WITH THE BUDGET FOR FISCAL YEAR 2001, THE PROGRAM SHALL BE  
11 FUNDED THROUGH AN ANNUAL GENERAL FUND APPROPRIATION TO THE  
12 ADMINISTRATION TO CARRY OUT THE PURPOSES OF THIS SUBTITLE.

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

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

19 (3) NOTWITHSTANDING § 3-216(F) OF THIS ARTICLE, AT THE END OF  
20 EACH FISCAL YEAR, ANY UNUSED FUNDS APPROPRIATED FOR USE BY THE  
21 ADMINISTRATION IN ESTABLISHING OR IMPLEMENTING THE PROGRAM SHALL  
22 REVERT AND BE CREDITED TO THE GENERAL FUND AND MAY NOT BE RETAINED BY  
23 THE ADMINISTRATION.

24 5-1307.

25 THE ADMINISTRATION SHALL:

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

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

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

34 ~~(3) AS PART OF THE DEPARTMENT'S BUDGET REQUEST FOR FISCAL YEAR~~  
35 ~~2002, MAKE RECOMMENDATIONS REGARDING CONTINUED FINANCIAL SUPPORT OF~~  
36 ~~THE PROGRAM FROM THE GENERAL FUND.~~

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

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