

1 SENATE BILL 433

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO AVIATION; AMENDING THE RURAL AIR SERVICE
12 ENHANCEMENT ACT; INCREASING THE PASSENGER CAPACITY OF AIRCRAFT
13 USED FOR NEW OR EXPANDED AIR ROUTES FROM THIRTY TO ONE HUNDRED
14 PASSENGERS.

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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. Section 64-6-3 NMSA 1978 (being Laws 2021,
18 Chapter 47, Section 3, as amended) is amended to read:

19 "64-6-3. RURAL AIR SERVICE ENHANCEMENT GRANT PROGRAM.--

20 A. The "rural air service enhancement grant
21 program" is created in the division to be administered by the
22 director.

23 B. The director shall:

24 (1) establish and publish deadlines and
25 guidelines for the submission of grant applications;

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1 (2) develop procedures for receipt, review and
2 approval of grant applications;

3 (3) receive, review and approve grant
4 applications;

5 (4) monitor municipalities' and counties' use
6 of grant money by reviewing annual reports submitted to the
7 director to ensure that grants are used consistently with the
8 terms of the grant awards;

9 (5) establish grant reporting requirements
10 that meet the general purpose of the Rural Air Service
11 Enhancement Act; and

12 (6) perform other duties as necessary to carry
13 out the provisions of the Rural Air Service Enhancement Act.

14 C. Each fiscal year, competitive grants for minimum
15 revenue guarantees shall be awarded to applicants for the sole
16 purpose of funding rural air service enhancement grants.

17 D. The director shall award grants to applicants
18 through a competitive process and based upon the following
19 criteria:

20 (1) the demand for service on the proposed new
21 air routes or expanded air routes;

22 (2) the economic impact on the municipality or
23 county of the proposed new air routes or expanded air routes;
24 and

25 (3) the feasibility of a common carrier

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1 licensed by the state servicing proposed new air routes or
2 expanded air routes.

3 E. Applicants shall meet the following minimum
4 criteria to be eligible for a grant:

5 (1) municipalities or counties shall have a
6 minimum population of twenty thousand persons residing within a
7 fifty-mile radius of the airport unless the municipality or
8 county has existing air routes;

9 (2) aircraft to be used to service proposed
10 new air routes or expanded air routes served by the rural air
11 service enhancement grant program shall have a passenger
12 capacity of not more than [~~thirty~~] one hundred persons; and

13 (3) minimum matching funds from a municipality
14 or county shall be:

15 (a) ten percent if the municipality or
16 county has no existing scheduled air routes at the time of
17 application; and

18 (b) twenty percent if the municipality
19 or county has existing scheduled air routes at the time of
20 application.

21 F. Individual grants awarded through the rural air
22 service enhancement grant program shall not:

23 (1) exceed two million two hundred fifty
24 thousand dollars (\$2,250,000) per year for municipalities or
25 counties with existing scheduled air routes;

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1 (2) exceed two million seven hundred fifty
2 thousand dollars (\$2,750,000) per year for municipalities or
3 counties not served by existing scheduled air routes; or

4 (3) be used for infrastructure improvement.

5 G. Individual grants awarded through the rural air
6 service enhancement grant program shall cover a time frame of
7 at least two years. If funds are available in the rural air
8 service enhancement fund, the director may extend the term of
9 an existing grant up to three additional years.

10 H. No more than ten percent of the balance of the
11 rural air service enhancement fund on July 1 of any year may be
12 used by the division for infrastructure improvements associated
13 with individual grants awarded through the rural air service
14 enhancement grant program.

15 I. Funds received through individual grants awarded
16 through the rural air service enhancement grant program shall
17 be expended by the grantee municipality or county only to
18 airlines that have been selected through a competitive process
19 pursuant to the Procurement Code."

20 SECTION 2. EFFECTIVE DATE.--The effective date of the
21 provisions of this act is July 1, 2023.