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Chapter No. 460  
14/SS26/R945SG  
CRL 17B/RC

1158

**SENATE BILL NO. 2785**

Originated in Senate  Secretary

SENATE BILL NO. 2785

AN ACT TO CREATE THE MISSISSIPPI AIR SERVICE DEVELOPMENT PROGRAM ACT; TO PROVIDE GRANTS TO CERTAIN AIRPORTS TO PROMOTE ADDITIONAL COMMERCIAL AIR SERVICE IN THE STATE; TO PROVIDE HOW GRANT FUNDS MAY BE UTILIZED; TO REQUIRE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO ADMINISTER THE PROGRAM; TO PROVIDE CERTAIN DISBURSEMENTS TO AIRPORT GRANT RECIPIENTS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

**SECTION 1.** (1) This act shall be known and may be cited as the "Mississippi Air Service Development Program Act."

(2) There is created in the State Treasury a fund designated as the "Mississippi Air Service Development Program Fund" referred to in this act as "fund."

(3) (a) The fund shall be used to provide grants to commercial service airports, as provided in this section, for one or more of the following air service development goals:

- (i) Adding air service to a new destination;
- (ii) Adding frequencies to current services;
- (iii) Lowering fares/introducing new competitive

service;

(iv) Upgauging aircraft; and

(v) Adding a new Federal Aviation Administration (FAA) Part 121 commercial air carrier.

(b) Eligible projects for grants shall include marketing and advertising of new service and routes and additional frequencies, as well as other risk abatement plans; however, use of grant funds to purchase airline passenger seats is prohibited.

~~(4) (a) The fund shall be administered by the Mississippi Development Authority which shall promulgate reasonable regulations consistent with the purposes of this act.~~

(b) The Mississippi Development Authority shall monitor and evaluate the Air Service Development Program and shall also report its evaluation of the program to the Governor, Lieutenant Governor and the Speaker of the House on an annual basis.

(5) (a) Airline grant recipients shall be limited to scheduled air carriers that hold a Federal Aviation Administration (FAA) Part 121 Certificate and that provide scheduled air service at Mississippi airports that maintain FAA Part 139 Certification. An airport grant recipient shall only utilize grant funds in accordance with FAA regulation.

(b) The amount of a grant shall be based on a formula of Ten Dollars (\$10.00) per seat per day calculation, not to exceed an annual total of Five Hundred Thousand Dollars (\$500,000.00) per grant per FAA Part 139 airport. In no instance will a combination of airline or airport grants exceed a combined

total of Five Hundred Thousand Dollars (\$500,000.00) per year per airport.

(c) Grants shall be disbursed by the Mississippi Development Authority within twelve (12) consecutive months as follows:

(i) Thirty-five percent (35%) at the end of the first three (3) months of service;

~~(ii) Twenty-five percent (25%) at the end of the second three (3) months of service;~~

(iii) Twenty-five percent (25%) at the end of the third three (3) months of service; and

(iv) Fifteen percent (15%) at the end of the fourth three (3) months of service.

(d) (i) Each grant shall be expended within twelve (12) consecutive months from the date the grant is awarded. Each grant shall require a forty percent (40%) match, which may be provided by private sources and/or public sources.

(ii) Of the forty percent (40%) match prescribed under this subsection, only one-half (1/2) or twenty percent (20%) of the grant may derive from in-kind sources.

(e) All expenditures of the fund by airport or airline grant recipients shall be utilized for the purposes prescribed under subsection (3) of this section.

(6) This act shall stand repealed from and after July 1, 2018.

**SECTION 2.** This act shall take effect and be in force from  
and after July 1, 2014.

PASSED BY THE SENATE  
March 19, 2014



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PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES  
March 11, 2014



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SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



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GOVERNOR

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