360.0151 AIR SERVICE MARKETING PROGRAM.

Subdivision 1. **Program established.** The commissioner of transportation shall establish an air service marketing program to encourage the preservation and expansion of scheduled passenger air carrier service to greater Minnesota. The commissioner may spend funds appropriated from the state airports fund for (1) air service marketing grants and (2) conducting statewide studies to determine the feasibility of air service initiatives. The commissioner may develop a single, recognizable statewide marketing program to increase visibility of and ridership at airports with scheduled air carrier service.

Subd. 2. **Grants authorized.** (a) The commissioner may make air service marketing grants to political subdivisions that own and operate airports. The commissioner shall make a project agreement with each political subdivision receiving a grant under this section that provides for:

(1) a detailed description of the project for which the grant is provided;

(2) a schedule of the project; and

(3) the division of costs of the project between the state and the recipient.

(b) Payments by the commissioner under a project agreement may only be made to reimburse local costs already incurred.

Subd. 3. **Uses of grant.** (a) Costs for the following activities related to commercial passenger air service at the recipient's airport are eligible for reimbursement under this section:

(1) advertising of service;

(2) public relations activities intended to educate the public on the value of the airport and its commercial passenger air service;

(3) marketing studies; or

(4) service improvement activities such as route analysis, service studies, and other activities intended to preserve or increase service from an existing or new-entry air carrier.

(b) A grant under this section may not be used for:

(1) an activity that promotes an airport within the service area of another airport;

(2) a promotional activity that features one specific air carrier at an airport when more than one air carrier serves the airport;

(3) administrative costs associated with the marketing program or with the routine operation of the airport; or

(4) payments to air carriers as fare subsidies, service subsidies, or seat guarantees.

History: *1997 c 159 art 2 s 46; 1999 c 230 s 28*