

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 690**

[A bill to amend 1945 PA 327, entitled
"Aeronautics code of the state of Michigan,"
(MCL 259.1 to 259.208) by amending the title and by adding chap-
ter VIA; and to repeal acts and parts of acts.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act relating to aeronautics in this state; providing for
3 the development and regulation thereof; creating a state aeronau-
4 tics commission; prescribing powers and duties; providing for the
5 licensing, or registration, or supervision and control of all
6 aircraft, airports and landing fields, schools of aviation,
7 flying clubs, airmen, aviation instructors, airport managers,
8 manufacturers, dealers, and commercial operation in intrastate
9 commerce; providing for rules pertaining thereto; prescribing a
10 privilege tax for the use of the aeronautical facilities on the

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1 lands and waters of this state; providing for the acquisition,
2 development, and operation of airports, landing fields, and other
3 aeronautical facilities by the state, ~~and~~ by political
4 subdivisions, OR BY PUBLIC AIRPORT AUTHORITIES; PROVIDING FOR THE
5 INCORPORATION OF PUBLIC AIRPORT AUTHORITIES AND PROVIDING FOR THE
6 POWERS, DUTIES, AND OBLIGATIONS OF PUBLIC AIRPORT AUTHORITIES;
7 PROVIDING FOR THE TRANSFER OF AIRPORT MANAGEMENT TO PUBLIC AIR-
8 PORT AUTHORITIES, INCLUDING THE TRANSFER OF AIRPORT LIABILITIES,
9 EMPLOYEES, AND OPERATIONAL JURISDICTION; providing jurisdiction
10 of crimes, torts, and contracts; providing police powers for
11 those entrusted to enforce this act; providing for civil liabil-
12 ity of owners, operators, and others; making hunting from air-
13 craft unlawful; providing for repair station operators lien; pro-
14 viding for appeals from rules or orders issued by the commission;
15 providing for the transfer from the Michigan board of aeronautics
16 to the aeronautics commission all properties and funds held by
17 the board of aeronautics; providing for a state aeronautics fund
18 and making an appropriation therefor; prescribing penalties; and
19 making uniform the law with reference to state development and
20 regulation of aeronautics.

21 CHAPTER VIA. ACQUISITION AND OPERATION OF AIRPORTS, LANDING
22 FIELDS, AND OTHER AERONAUTICAL FACILITIES BY PUBLIC AIRPORT
23 AUTHORITIES

24 SEC. 108. THIS CHAPTER SHALL BE KNOWN AND MAY BE CITED AS
25 THE "PUBLIC AIRPORT AUTHORITY ACT".

26 SEC. 109. AS USED IN THIS CHAPTER:

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(A) "AIRPORT" MEANS A PUBLICLY OWNED AIRPORT LICENSED BY THE STATE TRANSPORTATION DEPARTMENT, BUREAU OF AERONAUTICS UNDER SECTION 86 AND INCLUDES ALL AIRPORT FACILITIES AT THE AIRPORT. AN AIRPORT IS "PUBLICLY OWNED" IF THE PORTION USED FOR THE LANDING AND TAKING OFF OF AIRCRAFT IS OWNED, OPERATED, CONTROLLED, LEASED TO, OR LEASED BY THE UNITED STATES OR ANY AGENCY OR DEPARTMENT OF THE UNITED STATES, THIS STATE, A LOCAL GOVERNMENT OR ANY MUNICIPALITY OR OTHER POLITICAL SUBDIVISION OF THIS STATE, OR ANY OTHER GOVERNING BODY, PUBLIC AGENCY, OR OTHER PUBLIC CORPORATION. PROPERTY TO BE INCLUDED AS PART OF AN AIRPORT SHALL INCLUDE ALL OF THE FOLLOWING:

(i) PROPERTY WITHIN THE AREA IDENTIFIED IN THE LATEST EXHIBIT A, THE PROPERTY MAP BASED ON DEEDS, TITLE OPINIONS, LAND SURVEYS, AN APPROVED AIRPORT LAYOUT PLAN, AND PROJECT DOCUMENTATION INCLUDED WITH OR ATTACHED TO FEDERAL GRANT AGREEMENTS EXECUTED BY THE LOCAL GOVERNMENT THAT OWNS OR OPERATES THE AIRPORT PRIOR TO THE TRANSFER OF OPERATIONAL JURISDICTION OVER THE AIRPORT TO AN AUTHORITY CREATED UNDER THIS CHAPTER, AND LANDS PURCHASED WITH FEDERAL FUNDS AND PASSENGER FACILITY CHARGES RELATED TO THE AIRPORT.

(ii) OTHER PROPERTY ACQUIRED WITH THE PROCEEDS OF ANY AIRPORT GENERATED REVENUES, PASSENGER FACILITY CHARGES, FEDERAL GRANTS-IN-AID RELATED TO THE AIRPORT, OR OTHER FEDERAL GRANTS FOR AIRPORT PURPOSES BY THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT OVER WHICH OPERATIONAL JURISDICTION IS BEING TRANSFERRED TO AN AUTHORITY.

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1 (iii) OTHER PROPERTY OWNED OR ACQUIRED BY AN AUTHORITY FOR
2 AIRPORT PURPOSES.

3 (B) "AIRPORT FACILITIES" MEANS ANY OF THE FOLLOWING AT AN
4 AIRPORT [:
5]

6 (i) REAL OR PERSONAL PROPERTY, OR INTEREST IN REAL OR PER-
7 SONAL PROPERTY, USED FOR THE LANDING, TAKING OFF, TAXIING, PARK-
8 ING, STORING, SHELTER, SUPPLY, OR CARE OF AIRCRAFT, OR FOR
9 RECEIVING OR DISCHARGING PASSENGERS OR CARGO, AND ALL APPURTENANT
10 AREAS USED FOR AIRPORT BUILDINGS OR OTHER AIRPORT FACILITIES, AND
11 ALL APPURTENANT RIGHTS-OF-WAY.

12 (ii) REAL OR PERSONAL PROPERTY, AND EASEMENTS ABOVE, ON, OR
13 UNDER THE SURFACE OF REAL OR PERSONAL PROPERTY, USED OR INTENDED
14 TO BE USED FOR OVER-FLIGHT, FOR NOISE ABATEMENT OR NOISE BUFFERS,
15 FOR CLEAR ZONES, OR FOR SIDE TRANSITION ZONES.

16 (iii) REAL OR PERSONAL PROPERTY, AND EASEMENTS ABOVE, ON, OR
17 UNDER THE SURFACE OF REAL OR PERSONAL PROPERTY, USED OR INTENDED
18 TO BE USED FOR THE FULL OR PARTIAL SATISFACTION OF ENVIRONMENTAL
19 MITIGATION REQUIREMENTS IMPOSED BY ANY FEDERAL, STATE, COUNTY, OR
20 OTHER MUNICIPAL GOVERNMENT OR AGENCY AS A CONDITION OF APPROVING
21 THE ACQUISITION, CONSTRUCTION, EXPANSION, OR OPERATION OF OTHER
22 AIRPORT FACILITIES, WHETHER OR NOT LOCATED WITHIN THE BOUNDARIES
23 OF THE LOCAL UNIT OF GOVERNMENT THAT OWNS THE AIRPORT OVER WHICH
24 OPERATIONAL JURISDICTION IS TRANSFERRED PURSUANT TO THIS
25 CHAPTER.

26 (iv) OTHER STRUCTURES, IMPROVEMENTS, AND BUILDINGS OF ALL
27 TYPES USED OR USEFUL FOR AIRPORT RELATED PURPOSES FOR THE

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1 CONVENIENCE OF THE PUBLIC OR FOR COMMERCIAL OR GENERAL AVIATION
2 ACTIVITIES, LOCATED ON THE PROPERTY ACQUIRED BY OR UNDER THE
3 OPERATIONAL JURISDICTION OF THE AUTHORITY, INCLUDING, BUT NOT
4 LIMITED TO, RESTAURANTS, HOTELS, MOTELS, EXHIBITION HALLS, CON-
5 VENTION FACILITIES, AUTOMOTIVE PARKING FACILITIES, RETAIL STORES,
6 AIRCRAFT FUELING SYSTEMS, AUTOMOTIVE SERVICE CENTERS, CARGO
7 BUILDINGS, WAREHOUSES, KITCHEN FACILITIES, DRAINAGE SYSTEMS,
8 UTILITIES, ROADWAYS, AUTOMOBILE AND AIRCRAFT BRIDGES, AND SURFACE
9 TRANSPORTATION TERMINALS AND FACILITIES.

10 (v) BEACONS, MARKERS, COMMUNICATIONS SYSTEMS, AND ALL NAVI-
11 GATION FACILITIES FOR USE IN AID OF AIR NAVIGATION.

12 (vi) ANY AND ALL OTHER IMPROVEMENTS OR FACILITIES NECESSARY,
13 USEFUL, OR DESIRABLE TO SERVE THE OCCUPANTS, PASSENGERS, USERS,
14 EMPLOYEES, OPERATORS, AIRLINES, OR LESSEES OF ANY PORTION OF THE
15 PROPERTY OR FACILITIES OF THE AUTHORITY, OR WHICH ARE OTHERWISE
16 DEEMED BY THE AUTHORITY TO BE IN THE PUBLIC INTEREST, INCLUDING,
17 BUT NOT LIMITED TO, FACILITIES NECESSARY, USED, USEFUL, OR
18 INTENDED FOR USE FOR HANDLING, PARKING, STORING, DISPLAY, SALE,
19 OR SERVICING OF AIRCRAFT, EITHER PRIVATE OR COMMERCIAL; FOR THE
20 ACCOMMODATION OF PERSONS AND HANDLING OF FREIGHT, MAIL, AND OTHER
21 ITEMS TRANSPORTED BY AIR, FOR THE FURNISHING AND SUPPLYING OF
22 GOODS, COMMODITIES, SERVICES, THINGS, AND FACILITIES THAT ARE
23 DEEMED BY THE AUTHORITY TO BE APPROPRIATE FOR THE SAFETY OR CON-
24 VENIENCE OF THE TRAVELING PUBLIC OR OF THE OPERATORS OF AIRCRAFT,
25 OR OTHERWISE IN THE PUBLIC INTEREST; AND IN OR FOR THE EQUIPPING,
26 OPERATION, AND MAINTENANCE OF ANY AIRPORT FACILITIES OF THE
27 AUTHORITY.

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1 (C) "APPROVAL DATE" MEANS THE EFFECTIVE DATE OF THE ISSUANCE
2 BY THE FEDERAL AVIATION ADMINISTRATION TO THE AUTHORITY ASSUMING
3 OPERATIONAL JURISDICTION OF AN AIRPORT OF A CERTIFICATE UNDER
4 PART 139 OF CHAPTER 14 OF THE CODE OF FEDERAL REGULATIONS WITH
5 RESPECT TO THE AIRPORT, AND THE CONCURRENCE BY THE FAA OF THE
6 DESIGNATION OF THE AUTHORITY AS A SPONSOR OF THE AIRPORT, INCLUD-
7 ING THE FAA'S APPROVAL OF THE ASSIGNMENT OF EXISTING GRANT AGREE-
8 MENTS TO THE AUTHORITY.

9 (D) "AUTHORITY" MEANS A PUBLIC AIRPORT AUTHORITY CREATED BY
10 OR PURSUANT TO SECTION 110 AND GOVERNED BY A BOARD.

11 (E) "BOARD" MEANS THE GOVERNING BODY OF AN AUTHORITY
12 APPOINTED PURSUANT TO SECTION 111.

13 (F) "DEPARTMENT" MEANS THE STATE TRANSPORTATION DEPARTMENT.

14 (G) "ENPLANEMENT" MEANS A DOMESTIC, TERRITORIAL, OR INTERNA-
15 TIONAL REVENUE PASSENGER WHO BOARDS AN AIRCRAFT AT [AN]
16 AIRPORT IN SCHEDULED OR NONSCHEDULED SERVICE OF AIRCRAFT IN
17 INTRASTATE, INTERSTATE, OR FOREIGN SERVICE AND INCLUDES AN
18 IN-TRANSIT PASSENGER WHO BOARDS AN INTERNATIONAL FLIGHT THAT
19 TRANSITS AN AIRPORT IN THE UNITED STATES FOR NONTRAFFIC
20 PURPOSES.

21 (H) "FAA" MEANS THE FEDERAL AVIATION ADMINISTRATION OF THE
22 UNITED STATES DEPARTMENT OF TRANSPORTATION, OR ANY SUCCESSOR
23 AGENCY.

24 (I) "FISCAL YEAR" MEANS THAT ANNUAL PERIOD THAT IS THE
25 FISCAL YEAR OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT OVER
26 WHICH AN AUTHORITY HAS ASSUMED OPERATIONAL JURISDICTION OR, IF
27 THE LOCAL GOVERNMENT IS NOT REQUIRED TO INCLUDE THE AUTHORITY IN

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1 THE FINANCIAL STATEMENTS OF THE LOCAL GOVERNMENT, THAT ANNUAL
2 PERIOD ESTABLISHED BY THE BOARD.

3 (J) "LEGISLATIVE BODY" MEANS THE ELECTED BODY OF A LOCAL
4 GOVERNMENT HAVING LEGISLATIVE POWERS.

5 (K) "LOCAL CHIEF EXECUTIVE OFFICER" MEANS THE MAYOR OR MAN-
6 AGER OF A CITY OR VILLAGE, THE TOWNSHIP SUPERVISOR OF A TOWNSHIP,
7 OR THE COUNTY EXECUTIVE OF A COUNTY OR, IF A COUNTY DOES NOT HAVE
8 A COUNTY EXECUTIVE, THE CHAIRPERSON OF THE COUNTY BOARD OF
9 COMMISSIONERS.

10 (L) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWNSHIP, OR
11 VILLAGE THAT OWNS OR OPERATES AN AIRPORT.

12 (M) "PASSENGER FACILITY CHARGE" OR "PFC" MEANS A PASSENGER
13 FACILITY FEE AUTHORIZED UNDER SECTION 40117 OF TITLE 49 OF THE
14 UNITED STATES CODE, 49 U.S.C. 40117, AND DESIGNATED AS A PASSEN-
15 GER FACILITY CHARGE UNDER PART 158 OF TITLE 14 OF THE CODE OF
16 FEDERAL REGULATIONS.

17 (N) "QUALIFIED AIRPORT" MEANS AN AIRPORT, OTHER THAN A MILI-
18 TARY AIRPORT, THAT HAS 10,000,000 OR MORE ENPLANEMENTS IN ANY
19 12-MONTH PERIOD.

20 (O) "SPONSOR" MEANS THE PUBLIC AGENCY AUTHORIZED BY
21 SUBCHAPTER I OF CHAPTER 471 OF TITLE 49 OF THE UNITED STATES
22 CODE, 49 U.S.C. 47101 TO 47134, TO SUBMIT REQUESTS FOR, AND
23 THEREAFTER ACCEPT, AND BE RESPONSIBLE FOR PERFORMING ALL OF THE
24 ASSURANCES ASSOCIATED WITH ACCEPTING GRANT AGREEMENTS WITH
25 RESPECT TO AIRPORTS FROM THE FAA OR THIS STATE AND TO IMPOSE A
26 PASSENGER FACILITY CHARGE AT AIRPORTS, AND TO PERFORM CERTAIN
27 DUTIES AND RESPONSIBILITIES PREVIOUSLY ASSUMED BY THE LOCAL

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1 GOVERNMENT THAT OWNS OR OPERATES THE AIRPORT PRIOR TO THE
2 TRANSFER OF OPERATIONAL JURISDICTION OF THE AIRPORT TO AN AUTHOR-
3 ITY CREATED UNDER THIS CHAPTER BY VIRTUE OF THE LOCAL
4 GOVERNMENT'S ACCEPTANCE PRIOR TO THE APPROVAL DATE OF GRANTS FOR
5 THE BENEFIT OF THE AIRPORT FROM THE FAA OR ANY OTHER AGENCY OF
6 THE UNITED STATES OR THIS STATE.

7 SEC. 110. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER,
8 AN AUTHORITY CREATED UNDER OR PURSUANT TO THIS SECTION SHALL BE A
9 POLITICAL SUBDIVISION AND INSTRUMENTALITY OF THE LOCAL GOVERNMENT
10 THAT OWNS THE AIRPORT AND SHALL BE CONSIDERED A PUBLIC AGENCY OF
11 THE LOCAL GOVERNMENT FOR PURPOSES OF STATE AND FEDERAL LAW. AN
12 AUTHORITY CREATED UNDER OR PURSUANT TO THIS SECTION ALSO SHALL BE
13 THE AIRPORT OWNER FOR PURPOSES OF APPOINTING AND DESIGNATING AN
14 AIRPORT MANAGER UNDER THIS ACT. AN AUTHORITY SHALL NOT LEVY A
15 TAX OR SPECIAL ASSESSMENT.

16 (2) FOR A LOCAL GOVERNMENT THAT OWNS OR OPERATES A QUALIFIED
17 AIRPORT ON THE EFFECTIVE DATE OF THIS CHAPTER, THERE IS CREATED
18 AN AUTHORITY ON THE EFFECTIVE DATE OF THIS CHAPTER. FOR A LOCAL
19 GOVERNMENT THAT OPERATES AN AIRPORT THAT BECOMES A QUALIFIED AIR-
20 PORT AFTER THE EFFECTIVE DATE OF THIS CHAPTER, THERE IS CREATED
21 AN AUTHORITY ON THE DATE THE AIRPORT BECOMES A QUALIFIED
22 AIRPORT. AN AUTHORITY IS VESTED WITH POWERS GRANTED BY THIS
23 CHAPTER TO MANAGE AND OPERATE THE QUALIFIED AIRPORT AND AIRPORT
24 FACILITIES OF A QUALIFIED AIRPORT AND ANY OTHER AIRPORT AND
25 RELATED AIRPORT FACILITIES OWNED OR OPERATED BY THE LOCAL GOVERN-
26 MENT ON THE APPROVAL DATE. BEFORE THE APPROVAL DATE, AN
27 AUTHORITY MAY ORGANIZE AND EXERCISE ALL POWERS GRANTED UNDER THIS

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1 CHAPTER, EXCEPT THOSE POWERS RELATED TO THE MANAGEMENT AND
2 OPERATION OF A QUALIFIED AIRPORT. OFFICIALS AND EMPLOYEES OF THE
3 LOCAL GOVERNMENT AND THE AUTHORITY SHALL ACTIVELY COOPERATE WITH
4 THE LOCAL GOVERNMENT, THE AUTHORITY, THIS STATE, AND THE FEDERAL
5 GOVERNMENT TO THE END THAT THE FAA WILL RECOGNIZE THE AUTHORITY
6 AS THE SPONSOR OF THE QUALIFIED AIRPORT, AND TO OBTAIN FAA
7 APPROVAL OF THE TRANSFERS CONTEMPLATED BY THIS CHAPTER. ANY
8 ACTION REQUIRED BY THIS STATE RELATED TO THE APPROVAL SHALL BE
9 COORDINATED BY THE DEPARTMENT. THE LOCAL GOVERNMENT SHALL EXE-
10 CUTE SUCH ADDITIONAL DOCUMENTS AS NECESSARY TO OBTAIN FAA
11 APPROVAL OF THE TRANSFERS CONTEMPLATED BY THIS CHAPTER AND TO
12 OBTAIN RECOGNITION OF THE AUTHORITY AS THE SPONSOR WITH RESPECT
13 TO THE QUALIFIED AIRPORT.

14 (3) A LOCAL GOVERNMENT THAT OWNS OR OPERATES AN AIRPORT THAT
15 IS NOT A QUALIFIED AIRPORT MAY, BY RESOLUTION, DECLARE ITS INTEN-
16 TION TO INCORPORATE AN AUTHORITY. IN THE RESOLUTION OF INTENT,
17 THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT SHALL SET A DATE FOR
18 THE HOLDING OF A PUBLIC HEARING ON THE ADOPTION OF A PROPOSED
19 RESOLUTION INCORPORATING THE AUTHORITY. AFTER A PUBLIC HEARING,
20 WHICH SHALL BE HELD IN ACCORDANCE WITH THE OPEN MEETINGS ACT,
21 1976 PA 267, MCL 15.261 TO 15.275, IF THE LEGISLATIVE BODY OF THE
22 LOCAL GOVERNMENT INTENDS TO PROCEED WITH THE INCORPORATION OF THE
23 AUTHORITY, IT SHALL ADOPT, BY MAJORITY VOTE OF ITS MEMBERS, A
24 RESOLUTION INCORPORATING THE AUTHORITY. THE ADOPTION OF THE RES-
25 OLUTION IS SUBJECT TO ANY APPLICABLE STATUTORY OR CHARTER PROVI-
26 SIONS IN RESPECT TO THE APPROVAL OR DISAPPROVAL BY THE LOCAL
27 CHIEF EXECUTIVE OFFICER OR OTHER OFFICER OF THE LOCAL GOVERNMENT

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1 AND THE ADOPTION OF AN ORDINANCE OVER HIS OR HER VETO. THE
2 RESOLUTION SHALL TAKE EFFECT UPON BEING FILED WITH THE SECRETARY
3 OF STATE.

4 (4) THE VALIDITY OF THE CREATION OR INCORPORATION OF THE
5 AUTHORITY SHALL BE CONCLUSIVELY PRESUMED UNLESS QUESTIONED IN AN
6 ORIGINAL ACTION FILED IN THE COURT OF APPEALS WITHIN 60 DAYS
7 AFTER THE CREATION OR INCORPORATION OF THE AUTHORITY UNDER THIS
8 CHAPTER. THE COURT OF APPEALS HAS ORIGINAL JURISDICTION TO HEAR
9 AN ACTION UNDER THIS SUBSECTION. THE COURT SHALL HEAR THE ACTION
10 IN AN EXPEDITED MANNER. THE STATE TRANSPORTATION DEPARTMENT IS A
11 NECESSARY PARTY IN ANY ACTION UNDER THIS SUBSECTION.

12 (5) THE DEPARTMENT SHALL NOT PROMULGATE RULES UNDER THIS
13 CHAPTER.

14 SEC. 111. (1) AN AUTHORITY CREATED UNDER OR PURSUANT TO
15 THIS CHAPTER SHALL BE DIRECTED AND GOVERNED BY A BOARD CONSISTING
16 OF 7 MEMBERS.

17 (2) THE MEMBERS OF A BOARD CREATED UNDER SECTION 110(2)
18 SHALL BE APPOINTED AS FOLLOWS:

19 (A) TWO BOARD MEMBERS SHALL BE APPOINTED BY THE GOVERNOR,
20 WITH 1 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 6 YEARS AND
21 1 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 8 YEARS.

22 (B) ONE BOARD MEMBER SHALL BE APPOINTED BY THE LEGISLATIVE
23 BODY OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT, FOR AN INI-
24 TIAL TERM OF 4 YEARS. NOTWITHSTANDING ANY OTHER STATUTE, LAW,
25 ORDINANCE, OR CHARTER PROVISION TO THE CONTRARY, THE BOARD MEMBER
26 APPOINTED BY THE LEGISLATIVE BODY MAY BE A MEMBER OF THE
27 LEGISLATIVE BODY OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT,

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1 BUT ONLY WHILE CONTINUING TO SERVE AS A MEMBER OF THE LEGISLATIVE
2 BODY OF THAT LOCAL GOVERNMENT.

3 (C) FOUR BOARD MEMBERS SHALL BE APPOINTED BY THE LOCAL CHIEF
4 EXECUTIVE OFFICER OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT,
5 WITH 1 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 4 YEARS, 1
6 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 2 YEARS, AND 2
7 BOARD MEMBERS APPOINTED FOR AN INITIAL TERM OF 6 YEARS.

[(D) EACH APPOINTING ENTITY SHALL FILE EACH APPOINTMENT UNDER THIS
SUBSECTION WITH THE DEPARTMENT. EACH SUBSEQUENT APPOINTMENT BY AN
APPOINTING ENTITY TO FILL A VACANCY ON THE BOARD SHALL ALSO BE FILED
WITH THE DEPARTMENT.]

8 (3) UPON INCORPORATION OF AN AUTHORITY PURSUANT TO SECTION
9 110(3), THE LOCAL CHIEF EXECUTIVE OFFICER, WITH THE CONSENT OF
10 THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT IF THE LOCAL CHIEF
11 EXECUTIVE OFFICER IS NOT ELECTED, SHALL APPOINT THE MEMBERS OF
12 THE BOARD. OF THE BOARD MEMBERS FIRST APPOINTED UNDER THIS SUB-
13 SECTION, [1 BOARD MEMBER SHALL BE APPOINTED FOR A TERM OF 2 YEARS,] 2
BOARD MEMBERS SHALL BE APPOINTED FOR TERMS OF [4] YEARS
14 EACH, [3] BOARD MEMBERS SHALL BE APPOINTED FOR TERMS OF [6] YEARS
15 EACH, AND [1 BOARD MEMBER] SHALL BE APPOINTED FOR TERMS OF [8 YEARS.
16]

17 (4) A BOARD MEMBER APPOINTED PURSUANT TO SUBSECTION (2)(B)
18 OR (C) OR (3) MUST BE A CITIZEN OF THE UNITED STATES AND A RESI-
19 DENT OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT OVER WHICH
20 OPERATIONAL JURISDICTION WILL BE TRANSFERRED TO AN AUTHORITY. A
21 BOARD MEMBER APPOINTED PURSUANT TO SUBSECTION (2)(A) MUST BE A
22 CITIZEN OF THE UNITED STATES AND A RESIDENT OF THE AREA WITHIN
23 THE JURISDICTION OF THE REGIONAL PLANNING COMMISSION CREATED
24 UNDER 1945 PA 281, MCL 125.11 TO 125.25, IN WHICH THE AIRPORT
25 OVER WHICH OPERATIONAL JURISDICTION WILL BE TRANSFERRED IS
26 LOCATED. EXCEPT AS PERMITTED BY SUBSECTION (2)(B), A PERSON
27 SHALL NOT BE APPOINTED UNDER SUBSECTION (2) OR (3) AS A BOARD

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1 MEMBER IF HE OR SHE IS, OR WAS DURING THE 12 MONTHS PRECEDING THE
2 DATE OF APPOINTMENT, AN ELECTED PUBLIC OFFICIAL OR EMPLOYEE OF
3 THIS STATE OR AN AGENCY OR INSTRUMENTALITY OF THIS STATE, A LOCAL
4 GOVERNMENT OR AN AGENCY OR INSTRUMENTALITY OF A LOCAL GOVERNMENT,
5 OR THE FEDERAL GOVERNMENT OR AN AGENCY OR INSTRUMENTALITY OF THE
6 FEDERAL GOVERNMENT.

7 (5) A BOARD MEMBER APPOINTED PURSUANT TO SUBSECTION (2) OR
8 (3), A CHIEF EXECUTIVE OFFICER, AND CHIEF FINANCIAL OFFICER OF AN
9 AUTHORITY, SHALL, AT TIME OF APPOINTMENT OR HIRING AND SUBJECT TO
10 SUBSECTION (6), MEET ALL OF THE FOLLOWING QUALIFICATIONS:

11 (A) NEITHER THE BOARD MEMBER OR THE CHIEF EXECUTIVE OFFICER
12 OR CHIEF FINANCIAL OFFICER, NOR THE SPOUSE OR HIS OR HER SIB-
13 LINGS, CHILDREN OR THEIR SPOUSES, PARENTS, OR SIBLINGS OR THEIR
14 SPOUSES OF THE BOARD MEMBER OR THE CHIEF EXECUTIVE OFFICER OR
15 CHIEF FINANCIAL OFFICER, ARE ACTIVELY ENGAGED OR EMPLOYED IN ANY
16 OTHER BUSINESS, VOCATION, OR EMPLOYMENT OF ANY CIVIL AERONAUTICS
17 ENTERPRISE CONNECTED WITH THE AIRPORT UNDER THE CONTROL OF THE
18 AUTHORITY.

19 (B) NEITHER THE BOARD MEMBER OR THE CHIEF EXECUTIVE OFFICER
20 OR CHIEF FINANCIAL OFFICER, NOR THE SPOUSE OR HIS OR HER SIB-
21 LINGS, CHILDREN OR THEIR SPOUSES, PARENTS, OR SIBLINGS OR THEIR
22 SPOUSES OF THE BOARD MEMBER OR THE CHIEF EXECUTIVE OFFICER OR
23 CHIEF FINANCIAL OFFICER, HAVE A COMBINED 15% OR GREATER DIRECT
24 PECUNIARY INTEREST IN ANY CIVIL AERONAUTICS ENTERPRISE CONNECTED
25 WITH THE AIRPORT UNDER THE CONTROL OF THE AUTHORITY.

26 (C) THE BOARD MEMBER OR THE CHIEF EXECUTIVE OFFICER OR CHIEF
27 FINANCIAL OFFICER WOULD NOT BE CONSIDERED TO HAVE A CONFLICT OF

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1 INTEREST UNDER 1968 PA 318, MCL 15.301 TO 15.310, IN RESPECT TO
2 ANY CONTRACT OR SUBCONTRACT INVOLVING THE AIRPORT IF THE BOARD
3 MEMBER OR THE CHIEF EXECUTIVE OFFICER OR CHIEF FINANCIAL OFFICER
4 WERE CONSIDERED A STATE OFFICER UNDER 1968 PA 318, MCL 15.301 TO
5 15.310.

6 (6) A BOARD MEMBER WHO, AT ANY TIME DURING HIS OR HER TERM
7 OF SERVICE, BECOMES IN VIOLATION OF SUBSECTION (5)(B) SHALL HAVE
8 30 DAYS TO DIVEST, OR ARRANGE FOR THE DIVESTMENT OF, THE INTEREST
9 THAT CAUSED THE VIOLATION. IF THE BOARD MEMBER OR HIS OR HER
10 RELATIVE IS STILL IN VIOLATION OF SUBSECTION (5)(B) AFTER THE
11 EXPIRATION OF THE 30-DAY PERIOD, THE ENTITY THAT APPOINTED THAT
12 BOARD MEMBER SHALL REMOVE THE BOARD MEMBER FROM OFFICE.

13 (7) NOTWITHSTANDING ANY LAW OR CHARTER PROVISION TO THE CON-
14 TRARY, APPOINTMENTS BY A LOCAL CHIEF EXECUTIVE OFFICER UNDER SUB-
15 SECTION (2) SHALL NOT BE SUBJECT TO THE APPROVAL BY THE LEGISLA-
16 TIVE BODY OF THE LOCAL GOVERNMENT.

17 (8) THE BOARD SHALL APPOINT A CHIEF EXECUTIVE OFFICER WHO
18 SHALL BE AN EX OFFICIO MEMBER, WITHOUT VOTE, OF THE BOARD AND
19 SHALL NOT BE CONSIDERED IN DETERMINING THE PRESENCE OF A QUORUM,
20 WHO SHALL HAVE PROFESSIONAL QUALIFICATIONS COMMENSURATE WITH THE
21 RESPONSIBILITY OF THE JOBS TO BE PERFORMED BY SUCH OFFICIALS.
22 THE BOARD MAY ENTER INTO A CONTRACT WITH THE CHIEF EXECUTIVE
23 OFFICER FOR A COMMERCIALY REASONABLE LENGTH OF TIME COMMENSURATE
24 WITH THE LENGTH OF TIME FOR CONTRACTS OF AIRPORT CHIEF EXECUTIVE
25 OFFICERS, DIRECTORS, OR MANAGERS WITH SIMILAR RESPONSIBILITIES AT
26 OTHER AIRPORTS OR AIRPORT AUTHORITIES WITHIN OR WITHOUT THIS
27 STATE WITH A COMPARABLE NUMBER OF ANNUAL ENPLANEMENTS.

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1 (9) THE CHIEF EXECUTIVE OFFICER SHALL APPOINT A CHIEF
2 FINANCIAL OFFICER WHO SHALL BE THE TREASURER OF THE AUTHORITY,
3 WHO SHALL HAVE PROFESSIONAL QUALIFICATIONS COMMENSURATE WITH THE
4 RESPONSIBILITY OF THE JOBS TO BE PERFORMED BY SUCH OFFICIALS.
5 NOTWITHSTANDING ANY LAW OR CHARTER PROVISION TO THE CONTRARY, IT
6 SHALL BE THE DUTY AND RIGHT OF THE CHIEF FINANCIAL OFFICER OF THE
7 AUTHORITY TO RECEIVE ALL MONEY BELONGING TO THE AUTHORITY, OR
8 ARISING OR RECEIVED IN CONNECTION WITH THE AIRPORT OVER WHICH
9 OPERATIONAL JURISDICTION HAS BEEN TRANSFERRED TO THE AUTHORITY,
10 FROM WHATEVER SOURCE DERIVED. MONEY OF THE AUTHORITY SHALL BE
11 DEPOSITED, INVESTED, AND PAID BY THE CHIEF FINANCIAL OFFICER ONLY
12 IN ACCORDANCE WITH POLICIES, PROCEDURES, ORDINANCES OR RESOLU-
13 TIONS ADOPTED BY THE BOARD. UPON THE APPROVAL DATE, THE AUTHOR-
14 ITY SHALL BE CONSIDERED TO BE THE OWNER OF ALL MONEY OR OTHER
15 PROPERTY THEN OR THEREAFTER RECEIVED BY THE TREASURER OF THE
16 LOCAL GOVERNMENT OR DEPOSITED IN THE TREASURY OF A LOCAL GOVERN-
17 MENT TO THE CREDIT OF THE AIRPORT FOR WHICH OPERATIONAL JURISDIC-
18 TION HAS BEEN TRANSFERRED TO THE AUTHORITY. THE AUTHORITY SHALL
19 BE ENTITLED TO ALL INTEREST AND OTHER EARNINGS ON THOSE FUNDS ON
20 AND AFTER THE LATTER OF THE EFFECTIVE DATE OF THIS CHAPTER OR THE
21 DATE ON WHICH THE AUTHORITY IS CREATED [OR INCORPORATED]. THE TREASURER
OF ANY
22 LOCAL GOVERNMENT RECEIVING OR HAVING CUSTODY OF MONEY OR OTHER
23 PROPERTY BELONGING TO AN AUTHORITY UNDER THIS CHAPTER SHALL
24 PROMPTLY TRANSFER THE MONEY AND OTHER PROPERTY TO THE CUSTODY OF
25 THE CHIEF FINANCIAL OFFICER OF THE AUTHORITY. THE CHIEF FINAN-
26 CIAL OFFICER SHALL PROVIDE THE BOARD WITH COPIES OF ALL REPORTS

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15

1 MADE BY THE CHIEF FINANCIAL OFFICER TO THE CHIEF EXECUTIVE
2 OFFICER.

3 SEC. 112. (1) UPON THE EXPIRATION OF THE TERM OF AN INITIAL
4 APPOINTMENT UNDER SECTION 111(2) OR (3), ALL FULL TERM APPOINT-
5 MENTS SHALL BE FOR A TERM OF 6 YEARS. THE EXPIRATION DATE OF THE
6 TERM OF OFFICE OF A MEMBER OF THE BOARD SHALL BE ON OCTOBER 1 OF
7 THE YEAR IN WHICH THE TERM IS TO EXPIRE, BUT A MEMBER OF THE
8 BOARD SHALL HOLD OFFICE UNTIL THE BOARD MEMBER'S SUCCESSOR IS
9 APPOINTED AND QUALIFIED, OR UNTIL RESIGNATION OR REMOVAL. IF A
10 MEMBER OF THE BOARD IS UNABLE TO COMPLETE HIS OR HER TERM OF
11 OFFICE, A SUCCESSOR SHALL BE APPOINTED IN THE SAME MANNER AS THE
12 ORIGINAL APPOINTMENT TO COMPLETE THE TERM. A MEMBER OF THE BOARD
13 MAY RESIGN BY WRITTEN NOTICE TO THE AUTHORITY. THE RESIGNATION
14 IS EFFECTIVE UPON ITS RECEIPT BY THE SECRETARY OR CHAIRPERSON OF
15 THE AUTHORITY OR AT A SUBSEQUENT TIME AS SET FORTH IN THE NOTICE
16 OF RESIGNATION.

17 (2) A MEMBER OF THE BOARD MAY NOT BE APPOINTED TO SERVE MORE
18 THAN 2 CONSECUTIVE FULL TERMS. FOR PURPOSES OF THIS SUBSECTION,
19 AN INITIAL TERM UNDER SECTION 111(2) AND AN APPOINTMENT TO FILL A
20 VACANCY IN A TERM WITH MORE THAN 3 YEARS REMAINING COUNT AS FULL
21 TERMS.

22 (3) THE APPOINTING ENTITY FOR ANY BOARD MEMBER APPOINTED
23 UNDER SECTION 111(2) OR (3) MAY ONLY REMOVE A BOARD MEMBER
24 APPOINTED BY THE APPOINTING ENTITY FOR CAUSE.

25 (4) BEFORE ASSUMING THE DUTIES OF OFFICE, A MEMBER OF THE
26 BOARD SHALL QUALIFY BY TAKING AND SUBSCRIBING TO THE
27 CONSTITUTIONAL OATH OF OFFICE.

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1 SEC. 113. (1) UPON THE APPOINTMENT OF AT LEAST 4 MEMBERS OF
2 THE BOARD UNDER SECTION 111(2), THE BOARD MAY HOLD ITS FIRST
3 MEETING. IF LESS THAN 4 MEMBERS OF THE BOARD HAVE BEEN APPOINTED
4 UNDER SECTION 111(2) WITHIN 30 DAYS AFTER THE DATE ON WHICH THE
5 AUTHORITY IS CREATED, A MAJORITY OF THOSE BOARD MEMBERS APPOINTED
6 MAY HOLD THE FIRST MEETING OF THE BOARD AFTER THE EXPIRATION OF
7 THAT 30-DAY PERIOD. THE FIRST MEETING OF THE BOARD SHALL NOT BE
8 HELD MORE THAN 60 DAYS AFTER THE CREATION DATE OF THE AUTHORITY.
9 NOT LATER THAN 60 DAYS AFTER AN AUTHORITY IS INCORPORATED UNDER
10 SECTION 110(3), THE BOARD OF THE AUTHORITY SHALL HOLD ITS FIRST
11 MEETING. AT THE FIRST MEETING, THE BOARD SHALL ORGANIZE BY
12 ELECTING A CHAIRPERSON, A VICE-CHAIRPERSON, A SECRETARY, AND
13 ADDITIONAL OFFICERS OF THE BOARD AS THE BOARD CONSIDERS
14 NECESSARY. ALL OFFICERS OF THE BOARD SHALL BE ELECTED ANNUALLY
15 BY THE BOARD. ALL OFFICERS OF THE AUTHORITY, EXCEPT THE CHIEF
16 EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER, MUST BE MEM-
17 BERS OF THE BOARD.

18 (2) THE BUSINESS THAT THE BOARD MAY PERFORM SHALL BE CON-
19 DUCTED AT A PUBLIC MEETING OF THE BOARD HELD IN COMPLIANCE WITH
20 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. PUBLIC
21 NOTICE OF THE TIME, DATE, AND PLACE OF THE MEETING SHALL BE GIVEN
22 IN THE MANNER REQUIRED BY THE OPEN MEETINGS ACT, 1976 PA 267,
23 MCL 15.261 TO 15.275. A BOARD SHALL ADOPT RULES CONSISTENT WITH
24 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275, GOVERN-
25 ING ITS PROCEDURES AND THE HOLDING OF MEETINGS.

26 (3) EXCEPT FOR THOSE POWERS RESERVED OR DELEGATED TO THE
27 CHIEF EXECUTIVE OFFICER OF AN AUTHORITY BY THIS CHAPTER OR BY THE

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1 BOARD, THE BOARD SHALL NOT DELEGATE ANY POWER OF THE BOARD TO ANY
2 OTHER OFFICER OR COMMITTEE OF THE AUTHORITY EXCEPT AS PROVIDED IN
3 SECTION 114(3). THE BOARD MAY WITHDRAW FROM THE CHIEF EXECUTIVE
4 OFFICER ANY POWER THAT THE BOARD HAD DELEGATED TO THE CHIEF EXEC-
5 UTIVE OFFICER.

6 (4) MEMBERS OF A BOARD MAY BE REIMBURSED BY AN AUTHORITY FOR
7 ACTUAL AND NECESSARY EXPENSES INCURRED IN THE DISCHARGE OF THEIR
8 OFFICIAL DUTIES. THE MEMBERS OF THE BOARD SHALL NOT BE COMPEN-
9 SATED FOR SERVICE TO THE AUTHORITY OR ATTENDANCE AT ANY
10 MEETINGS.

11 (5) A BOARD MAY ACT ONLY BY RESOLUTION OR ORDINANCE. A
12 MAJORITY OF THE MEMBERS OF THE BOARD THEN IN OFFICE, OR OF ANY
13 COMMITTEE OF THE BOARD, SHALL CONSTITUTE A QUORUM FOR THE TRANS-
14 ACTION OF BUSINESS. A VOTE OF A MAJORITY OF THE MEMBERS OF THE
15 BOARD SERVING AT THE TIME OF THE VOTE IS NECESSARY TO APPROVE THE
16 ISSUANCE BY THE AUTHORITY OF BONDS, INCLUDING SPECIAL FACILITIES
17 BONDS, OR OTHER OBLIGATIONS PAYABLE FROM REVENUES, INCLUDING SPE-
18 CIAL FACILITIES REVENUES, DERIVED FROM THE AIRPORT, OR TO APPROVE
19 OR AMEND THE ANNUAL BUDGET OF THE AUTHORITY OR HIRE, REMOVE OR
20 DISCHARGE, OR SET THE SALARY OF THE CHIEF EXECUTIVE OFFICER.
21 EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, A VOTE OF THE
22 MAJORITY OF THE BOARD MEMBERS PRESENT AT A MEETING AT WHICH A
23 QUORUM IS PRESENT CONSTITUTES THE ACTION OF THE BOARD OR OF THE
24 COMMITTEE.

25 SEC. 114. (1) AFTER ORGANIZATION, A BOARD SHALL ADOPT A
26 SCHEDULE OF REGULAR MEETINGS AND ADOPT A REGULAR MEETING DATE,
27 PLACE, AND TIME. THE BOARD SHALL MEET NOT LESS THAN [QUARTERLY] PER

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1 YEAR. THE BOARD CHAIRPERSON SHALL CALL A SPECIAL MEETING UPON
2 REQUEST OF 3 MEMBERS OF THE BOARD IN THE MANNER REQUIRED BY THE
3 OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. A BOARD
4 SHALL KEEP A WRITTEN OR PRINTED RECORD OF EACH MEETING, WHICH
5 RECORD AND ANY OTHER WRITING PREPARED, OWNED, USED, IN THE POS-
6 SESSION OF, OR RETAINED BY THE BOARD IN THE PERFORMANCE OF AN
7 OFFICIAL FUNCTION SHALL BE MADE AVAILABLE TO THE PUBLIC IN COM-
8 PLIANCE WITH THE FREEDOM OF INFORMATION ACT, 1976 PA 442,
9 MCL 15.231 TO 15.246.

10 (2) A BOARD SHALL PROVIDE FOR A SYSTEM OF ACCOUNTS TO CON-
11 FORM TO A UNIFORM SYSTEM REQUIRED BY LAW AND FOR THE AUDITING AT
12 LEAST ONCE A YEAR OF THE ACCOUNTS OF THE AUTHORITY BY AN INDEPEN-
13 DENT CERTIFIED PUBLIC ACCOUNTANT SELECTED BY THE AUDIT COMMITTEE
14 PURSUANT TO SUBSECTION (3). A BOARD SHALL MEET ANY AND ALL
15 AUDITING OR FINANCIAL REPORTING REQUIREMENTS IMPOSED BY LAW AND
16 SHALL FILE A COPY OF ITS ANNUAL AUDIT WITH THE DEPARTMENT [AND WITH THE
CLERK OF THE HOUSE OF REPRESENTATIVES AND THE SECRETARY OF THE SENATE].
AN
17 AUTHORITY SHALL PROVIDE THE NECESSARY REPORTS TO THE LOCAL GOV-
18 ERNMENT THAT OWNS THE AIRPORT OVER WHICH OPERATIONAL JURISDICTION
19 HAS BEEN TRANSFERRED IN A TIMELY MANNER IN ORDER FOR THE LOCAL
20 GOVERNMENT TO BE ABLE TO COMPLY WITH THE REPORTING REQUIREMENTS
21 OF THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED
22 STATES AND CANADA. A BOARD SHALL REQUIRE OF THE CHIEF FINANCIAL
23 OFFICER AND CHIEF EXECUTIVE OFFICER OF THE AUTHORITY A SUITABLE
24 BOND OF NOT LESS THAN \$100,000.00 BY A RESPONSIBLE BONDING COM-
25 PANY, AND THE COST OF THE PREMIUM OF THE BOND SHALL BE PAID BY
26 THE AUTHORITY.

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1 (3) A BOARD APPOINTED UNDER SECTION 111(3) SHALL APPOINT AN
2 AUDIT COMMITTEE CONSISTING OF 3 MEMBERS OF THE BOARD. WITH
3 RESPECT TO BOARDS APPOINTED PURSUANT TO SECTION 111(2), THE BOARD
4 SHALL HAVE A 3-MEMBER AUDIT COMMITTEE WITH EACH APPOINTING ENTITY
5 REPRESENTED ON THE BOARD DESIGNATING 1 BOARD MEMBER APPOINTEE TO
6 SERVE ON THE AUDIT COMMITTEE. THE AUDIT COMMITTEE SHALL HOLD ITS
7 FIRST MEETING WITHIN 60 DAYS AFTER THE CREATION OR INCORPORATION
8 OF THE AUTHORITY UNDER THIS CHAPTER. A MAJORITY OF MEMBERS
9 APPOINTED AND DESIGNATED AS AUDIT COMMITTEE MEMBERS BY AN
10 APPOINTING ENTITY UNDER THIS SUBSECTION MAY CONDUCT THE BUSINESS
11 OF THE COMMITTEE. THE AUDIT COMMITTEE SHALL MEET NOT LESS THAN 4
12 TIMES EACH YEAR WITH THE CHIEF FINANCIAL OFFICER, THE CHIEF EXEC-
13 UTIVE OFFICER OF THE AUTHORITY, AND THE AUTHORITY'S INDEPENDENT
14 PUBLIC AUDITORS TO REVIEW THE REPORTS RELATED TO THE FINANCIAL
15 CONDITION, OPERATIONS, PERFORMANCE, AND MANAGEMENT OF THE AUTHOR-
16 ITY AND AIRPORT INCLUDING, BUT NOT LIMITED TO, ALL CONTRACTORS
17 AND SUBCONTRACTORS, AND MAY ALSO ORDER SPECIAL INVESTIGATIONS OR
18 AUDITS, THE COST OF WHICH SHALL BE REIMBURSED BY THE AUTHORITY.
19 THE AUDIT COMMITTEE SHALL ALSO REVIEW THE ACTIVITIES AND REPORTS
20 OF THE INTERNAL AUDITOR OF THE AUTHORITY WHO SHALL BE APPOINTED
21 BY THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY. THE AUDIT COM-
22 MITTEE OF A BOARD APPOINTED PURSUANT TO SECTION 111(2) SHALL [
23] ONCE EVERY 2 YEARS, RECOMMEND 3 INDEPENDENT CERTIFIED
24 PUBLIC ACCOUNTING FIRMS THAT, IN THE JUDGMENT OF THE AUDIT COM-
25 MITTEE, POSSESS SUFFICIENT RESOURCES AND QUALIFICATIONS TO CON-
26 DUCT ANNUAL FINANCIAL AUDITS OF THE ACCOUNTS OF THE AUTHORITY.
27 NOT LESS THAN 90 DAYS PRIOR TO [THE FIRST FULL FISCAL YEAR OF THE

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20

1 AUTHORITY AND THE LAST FISCAL YEAR OF EACH SUBSEQUENT CONTRACT PERIOD FOR
WHICH FINANCIAL AUDITS] WILL BE CONDUCTED UNDER [SECTION 114(2)
2] , THE 3 RECOMMENDATIONS OF THE AUDIT COMMITTEE SHALL BE
3 PRESENTED TO THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT THAT
4 OWNS THE AIRPORT OVER WHICH OPERATIONAL JURISDICTION HAS BEEN
5 TRANSFERRED PURSUANT TO THIS CHAPTER. FROM THE 3 RECOMMENDATIONS
6 OF THE AUDIT COMMITTEE, THE LEGISLATIVE BODY OF THE LOCAL GOVERN-
7 MENT MAY SELECT, NOT MORE THAN 30 DAYS AFTER RECEIPT OF THE REC-
8 OMMENDATIONS OF THE AUDIT COMMITTEE, THE INDEPENDENT CERTIFIED
9 PUBLIC ACCOUNTING FIRM WITH WHOM THE AUTHORITY SHALL EXECUTE AN
10 AGREEMENT TO CONDUCT ANNUAL FINANCIAL AUDITS FOR THE SUCCEEDING
11 2 FISCAL YEARS OF THE ACCOUNTS OF THE AUTHORITY. IF THE LEGISLA-
12 TIVE BODY DOES NOT SELECT 1 OF THE RECOMMENDED INDEPENDENT CERTI-
13 FIED PUBLIC ACCOUNTING FIRMS TO CONDUCT ANNUAL FINANCIAL AUDITS
14 FOR [THE NEXT] 2 FISCAL YEARS OF THE AUTHORITY WITHIN 30 DAYS
15 AFTER RECEIPT OF THE RECOMMENDATIONS OF THE AUDIT COMMITTEE, THE
16 AUDIT COMMITTEE SHALL HAVE THE SOLE POWER TO SELECT THE INDEPEN-
17 DENT CERTIFIED PUBLIC ACCOUNTING FIRM WITH WHOM THE AUTHORITY
18 SHALL EXECUTE AN AGREEMENT TO CONDUCT ANNUAL FINANCIAL AUDITS OF
19 THE ACCOUNTS OF THE AUTHORITY FOR [THE NEXT] 2 FISCAL YEARS.
20 THE TERMS AND CONDITIONS OF A CONTRACT TO BE ENTERED INTO WITH
21 THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM SELECTED BY THE
22 LEGISLATIVE BODY OF THE LOCAL GOVERNMENT SHALL BE EXCLUSIVELY
23 ESTABLISHED BY THE AUTHORITY. THE LEGISLATIVE BODY OF THE LOCAL
24 GOVERNMENT SHALL NOT HAVE THE RIGHT OR POWER TO MODIFY ANY PRO-
25 POSED TERMS AND CONDITIONS OF A CONTRACT BETWEEN THE AUTHORITY
26 AND AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM RECOMMENDED
27 BY THE AUDIT COMMITTEE. NEITHER THE LEGISLATIVE BODY NOR ANY

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21

1 MEMBER OF THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT SHALL
2 IMPOSE ANY REQUIREMENT, RESTRICTION OR CONDITION UPON, OR SOLICIT
3 ANY AGREEMENT OR CONTRIBUTION FROM, THE INDEPENDENT CERTIFIED
4 PUBLIC ACCOUNTING FIRM OR ANY MEMBER OR EMPLOYEE OF THE INDEPEN-
5 DENT CERTIFIED PUBLIC ACCOUNTING FIRM, SELECTED OR CONSIDERED BY
6 THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT. NO CHARTER PROVI-
7 SION OR RESOLUTION OF THE LOCAL GOVERNMENT SHALL CONTRADICT, SUP-
8 PLEMENT, OR EXPAND THIS SUBSECTION. A PERSON MAY NOT PREVENT OR
9 PROHIBIT THE INTERNAL AUDITOR OR THE AUDIT COMMITTEE FROM CARRY-
10 ING OUT OR COMPLETING ANY AUDIT OR INVESTIGATION. THE INTERNAL
11 AUDITOR AND MEMBERS OF THE AUDIT COMMITTEE SHALL BE PROTECTED
12 UNDER THE WHISTLEBLOWERS' PROTECTION ACT, 1980 PA 469, MCL 15.361
13 TO 15.369.

14 (4) A BOARD SHALL APPOINT AND FIX THE COMPENSATION OF A
15 CHIEF EXECUTIVE OFFICER OF THE AUTHORITY BY A VOTE OF NOT LESS
16 THAN THE MAJORITY OF THE MEMBERS OF THE BOARD THEN SERVING. THE
17 BOARD SHALL PRESCRIBE THOSE DUTIES AND RESPONSIBILITIES OF THE
18 CHIEF EXECUTIVE OFFICER OF THE AUTHORITY THAT ARE IN ADDITION TO
19 THE DUTIES AND RESPONSIBILITIES IMPOSED UPON THE CHIEF EXECUTIVE
20 OFFICER OF THE AUTHORITY BY THIS CHAPTER. THE CHIEF EXECUTIVE
21 OFFICER OF AN AUTHORITY SHALL SERVE AT THE PLEASURE OF THE BOARD
22 AND THE BOARD MAY REMOVE OR DISCHARGE THE CHIEF EXECUTIVE OFFICER
23 OF THE AUTHORITY BY A VOTE OF NOT LESS THAN THE MAJORITY OF THE
24 MEMBERS OF THE BOARD THEN SERVING. THE CHIEF EXECUTIVE OFFICER
25 OF AN AUTHORITY SHALL SUPERVISE, AND BE RESPONSIBLE FOR, ALL OF
26 THE FOLLOWING:

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22

1 (A) THE DAY-TO-DAY OPERATION OF THE AIRPORT, INCLUDING THE
2 CONTROL, SUPERVISION, MANAGEMENT, AND OVERSIGHT OF THE FUNCTIONS
3 OF THE AIRPORT.

4 (B) THE ISSUANCE OF BONDS AND NOTES APPROVED BY THE BOARD.

5 (C) THE NEGOTIATION AND ESTABLISHMENT OF COMPENSATION AND
6 OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR EMPLOYEES OF THE
7 AUTHORITY.

8 (D) THE APPOINTMENT, DISMISSAL, DISCIPLINE, DEMOTION, PROMO-
9 TION, AND CLASSIFICATION OF EMPLOYEES OF THE AUTHORITY.

10 (E) THE NEGOTIATION, SUPERVISION, AND ENFORCEMENT OF CON-
11 TRACTS ENTERED INTO BY AUTHORITY, AND THE SUPERVISION OF CONTRAC-
12 TORS AND SUBCONTRACTORS OF THE AUTHORITY IN THEIR PERFORMANCE OF
13 THEIR DUTIES.

14 (F) THE APPOINTMENT OF AN INTERNAL AUDITOR WHO SHALL HAVE
15 PROFESSIONAL QUALIFICATIONS COMMENSURATE WITH THE RESPONSIBILITY
16 OF THE JOBS TO BE PERFORMED BY SUCH AN OFFICIAL, AND WHO SHALL:

17 (i) REPORT TO THE CHIEF EXECUTIVE OFFICER AND PROVIDE INFOR-
18 MATION TO THE BOARD AND ITS AUDIT COMMITTEE AS REQUIRED UNDER
19 THIS CHAPTER.

20 (ii) RECEIVE AND INVESTIGATE ANY ALLEGATIONS THAT FALSE OR
21 MISLEADING INFORMATION WAS RECEIVED IN EVALUATING THE AUTHORITY'S
22 INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL SYSTEM.

23 (iii) CONDUCT AND SUPERVISE AUDITS RELATING TO FINANCIAL
24 ACTIVITIES OF THE AUTHORITY'S OPERATIONS.

25 (iv) RECOMMEND POLICIES FOR ACTIVITIES TO PROTECT THE
26 AUTHORITY'S ASSETS AND TO PREVENT AND DETECT FRAUD AND ABUSE.

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23

1 (v) CONDUCT OTHER AUDIT AND INVESTIGATIVE ACTIVITIES AS
2 ASSIGNED BY THE BOARD, THE AUDIT COMMITTEE, OR THE CHIEF
3 EXECUTIVE COMMITTEE.

4 (vi) ADHERE TO APPROPRIATE PROFESSIONAL AND AUDITING
5 STANDARDS.

6 (vii) PROVIDE TO THE AUDIT COMMITTEE ON AN ANNUAL BASIS A
7 REPORT PREPARED BY THE INTERNAL AUDITOR ON THE EVALUATION OF THE
8 AUTHORITY'S INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL
9 SYSTEM. FOR THE PERIOD REVIEWED, THE REPORT SHALL INCLUDE, BUT
10 NOT BE LIMITED TO, BOTH OF THE FOLLOWING:

11 (A) A DESCRIPTION OF ANY MATERIAL INADEQUACY OR WEAKNESS
12 DISCOVERED IN CONNECTION WITH THE EVALUATION OF THE AUTHORITY'S
13 INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL SYSTEM AND A TIME
14 SCHEDULE FOR CORRECTING THE INTERNAL ACCOUNTING AND ADMINISTRA-
15 TIVE CONTROL SYSTEM, DESCRIBED IN DETAIL.

16 (B) A LISTING OF EACH AUDIT OR INVESTIGATION PERFORMED BY
17 THE INTERNAL AUDITOR PURSUANT TO THIS CHAPTER.

18 (5) THE CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL HAVE
19 THE POWER AND AUTHORITY TO EXECUTE AND DELIVER, AND TO DELEGATE
20 SIGNATORY POWER FOR, CONTRACTS, LEASES, OBLIGATIONS, AND OTHER
21 INSTRUMENTS APPROVED BY THE BOARD OR FOR WHICH POWER TO APPROVE
22 HAS BEEN DELEGATED TO THE CHIEF EXECUTIVE OFFICER OF THE
23 AUTHORITY. THE CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL
24 HAVE ALL POWERS INCIDENT TO THE PERFORMANCE OF HIS OR HER DUTIES
25 THAT ARE PRESCRIBED BY THIS CHAPTER OR BY THE BOARD. THE BOARD
26 MAY DELEGATE ADDITIONAL POWERS TO THE CHIEF EXECUTIVE OFFICER OF
27 THE AUTHORITY NOT ENUMERATED IN THIS CHAPTER. ALL ACTIONS OF THE

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24

1 CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL BE IN CONFORMANCE
2 WITH THE POLICIES OF THE BOARD AND IN COMPLIANCE WITH LAW. THE
3 CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL ATTEND THE MEETINGS
4 OF THE BOARD AND SHALL RENDER TO THE BOARD A REGULAR REPORT COV-
5 ERING THE ACTIVITIES AND FINANCIAL CONDITION OF THE AIRPORT. IF
6 THE CHIEF EXECUTIVE OFFICER OF AN AUTHORITY IS TEMPORARILY ABSENT
7 OR DISABLED, THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY MAY
8 DESIGNATE A QUALIFIED PERSON AS ACTING CHIEF EXECUTIVE OFFICER OF
9 THE AUTHORITY TO PERFORM THE DUTIES OF THE OFFICE. IF THE CHIEF
10 EXECUTIVE OFFICER OF AN AUTHORITY FAILS OR IS UNABLE TO DESIGNATE
11 AN ACTING CHIEF EXECUTIVE OFFICER OF THE AUTHORITY, THE BOARD
12 SHALL DESIGNATE AN ACTING CHIEF EXECUTIVE OFFICER OF THE AUTHOR-
13 ITY FOR THE PERIOD OF ABSENCE OR DISABILITY OF THE CHIEF EXECU-
14 TIVE OFFICER OF THE AUTHORITY. THE CHIEF EXECUTIVE OFFICER OF
15 THE AUTHORITY SHALL FURNISH THE BOARD WITH INFORMATION OR REPORTS
16 GOVERNING THE OPERATION OF THE AIRPORT AS THE BOARD REQUIRES.

17 (6) THE AUTHORITY SHALL ESTABLISH CONTRACTING POLICIES AND
18 PROCEDURES PROVIDING FOR ALL OF THE FOLLOWING:

19 (A) EXCEPT FOR THE NEGOTIATED CONSTRUCTION CONTRACTS PERMIT-
20 TED UNDER THIS SUBDIVISION, A CONTRACT SHALL NOT BE AWARDED BY AN
21 AUTHORITY OR THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY FOR THE
22 CONSTRUCTION, REPAIR, REMODELING, OR DEMOLITION OF AN AIRPORT
23 FACILITY UNLESS THE CONTRACT IS LET PURSUANT TO A PROCEDURE THAT
24 REQUIRES A COMPETITIVE BIDDING. A NEGOTIATED CONSTRUCTION CON-
25 TRACT SHALL NOT BE REQUIRED TO BE LET BY COMPETITIVE BIDDING IF
26 THE BOARD OR THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY WITH

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25

1 DELEGATED AUTHORITY TO ENTER INTO CONTRACTS DETERMINES THAT ANY
2 OF THE FOLLOWING APPLY:

3 (i) THE NEGOTIATED CONTRACT AMOUNT IS LESS THAN \$50,000.00.
4 HOWEVER, IF THE CONTRACT AMOUNT, INCLUDING CHANGE ORDERS, SUBSE-
5 QUENTLY EXCEEDS \$50,000.00, THE AUTHORITY SHALL DETAIL, IN WRIT-
6 ING, THE REASONS WHY THE CONTRACT AMOUNT EXCEEDED \$50,000.00.

7 (ii) AS DETERMINED IN WRITING BY THE BOARD OR THE CHIEF
8 EXECUTIVE OFFICER WITH DELEGATED AUTHORITY TO ENTER INTO CON-
9 TRACTS, THE CONTRACT IS FOR EMERGENCY REPAIR OR CONSTRUCTION
10 NECESSITATED BY A SUDDEN, UNFORESEEN OCCURRENCE OR SITUATION OF A
11 SERIOUS AND URGENT NATURE AND IS NOT FOR CONVENIENCE OR
12 EXPEDIENCY.

13 (iii) AS DETERMINED IN WRITING BY THE BOARD OR THE CHIEF
14 EXECUTIVE OFFICER WITH DELEGATED AUTHORITY TO ENTER INTO CON-
15 TRACTS, THE REPAIR OR CONSTRUCTION IS NECESSARY TO ENSURE PASSEN-
16 GER SAFETY OR OTHERWISE PROTECT LIFE OR PROPERTY.

17 (B) THE AUTHORITY SHALL ESTABLISH POLICIES AND PROCEDURES
18 FOR HIRING PROFESSIONAL SERVICE CONTRACTORS.

19 (C) THE AUTHORITY SHALL UTILIZE COMPETITIVE BIDDING FOR ALL
20 PURCHASES AND ALL OTHER CONTRACTS UNLESS THE BOARD, OR, IF AUTHO-
21 RIZED BY THE BOARD TO APPROVE PROCUREMENTS, THE CHIEF EXECUTIVE
22 OFFICER OF THE AUTHORITY, DETERMINES AND DETAILS IN WRITING THE
23 REASON THAT COMPETITIVE SOLICITATION OF BIDS OR PROPOSALS IS NOT
24 APPROPRIATE, THAT PROCUREMENT BY COMPETITIVE BIDS IS NOT PRACTI-
25 CABLE TO EFFICIENTLY AND EFFECTIVELY MEET THE AUTHORITY'S NEEDS,
26 OR THAT ANOTHER PROCUREMENT METHOD IS IN THE PUBLIC'S BEST
27 INTERESTS.

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26

1 (7) THE AUTHORITY MAY ENTER INTO LEASE PURCHASES OR
2 INSTALLMENT PURCHASES FOR PERIODS NOT EXCEEDING THE ANTICIPATED
3 USEFUL LIFE OF THE ITEMS PURCHASED. THE AUTHORITY MAY ENTER INTO
4 A COOPERATIVE PURCHASING AGREEMENT WITH THE STATE OR OTHER PUBLIC
5 ENTITIES FOR THE PURCHASE OF GOODS, INCLUDING, BUT NOT LIMITED
6 TO, RECYCLED GOODS, AND SERVICES NECESSARY FOR THE AUTHORITY.

7 (8) THE CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL COMPLY
8 WITH ALL FEDERAL AND STATE CONTRACTING REQUIREMENTS PERTAINING TO
9 DISADVANTAGED BUSINESS ENTERPRISES, MINORITY BUSINESS ENTER-
10 PRISES, AND OTHER TARGETED BUSINESS ENTERPRISES AND SHALL SEEK TO
11 ENSURE MAXIMUM PARTICIPATION OF DISADVANTAGED BUSINESS ENTER-
12 PRISES, MINORITY BUSINESS ENTERPRISES, AND OTHER TARGETED BUSI-
13 NESS ENTERPRISES IN CONTRACTING OPPORTUNITIES WITH THE
14 AUTHORITY.

15 (9) MEMBERS OF THE BOARD AND OFFICERS, APPOINTEES, AND
16 EMPLOYEES OF THE AUTHORITY ARE PUBLIC SERVANTS UNDER 1968 PA 317,
17 MCL 15.321 TO 15.330, AND ARE SUBJECT TO ANY OTHER APPLICABLE LAW
18 WITH RESPECT TO CONFLICTS OF INTEREST. THE BOARD SHALL ESTABLISH
19 POLICIES AND PROCEDURES REQUIRING PERIODIC DISCLOSURE OF RELA-
20 TIONSHIPS WHICH MAY GIVE RISE TO CONFLICTS OF INTEREST. THE
21 BOARD SHALL REQUIRE THAT A MEMBER OF THE BOARD OR A CHIEF EXECU-
22 TIVE OFFICER OR CHIEF FINANCIAL OFFICER WHO HAS A DIRECT INTEREST
23 IN ANY MATTER BEFORE THE AUTHORITY DISCLOSE THE MEMBER'S OR
24 OFFICER'S INTEREST AND ANY REASONS REASONABLY KNOWN TO THE MEMBER
25 OF THE BOARD OR OFFICER WHY THE TRANSACTION MAY NOT BE IN THE
26 BEST INTEREST OF THE PUBLIC OR THE AUTHORITY BEFORE THE BOARD

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27

1 TAKES ANY ACTION WITH RESPECT TO THE MATTER. THE DISCLOSURE
2 SHALL BECOME PART OF THE RECORD OF AN AUTHORITY'S PROCEEDINGS.

3 (10) AN AUTHORITY SHALL ESTABLISH AN ETHICS MANUAL GOVERNING
4 THE CONDUCTING OF AIRPORT BUSINESS AND THE CONDUCT OF AIRPORT
5 EMPLOYEES. AN AUTHORITY SHALL ESTABLISH POLICIES [THAT ARE NO LESS
STRINGENT THAN THOSE PROVIDED FOR PUBLIC OFFICERS AND EMPLOYEES BY 1973
PA 196, MCL 15.341 TO 15.348,] AND COORDINATE
6 EFFORTS FOR THE AUTHORITY TO PRECLUDE THE OPPORTUNITY FOR AND THE
7 OCCURRENCE OF TRANSACTIONS BY THE AUTHORITY THAT WOULD CREATE A
8 CONFLICT OF INTEREST INVOLVING MEMBERS OF THE BOARD AND EMPLOYEES
9 OF THE AUTHORITY. AT A MINIMUM, THESE POLICIES SHALL INCLUDE
10 COMPLIANCE BY EACH MEMBER OF THE BOARD AND EMPLOYEES OF THE
11 AUTHORITY WHO REGULARLY EXERCISE SIGNIFICANT DISCRETION OVER THE
12 AWARD AND MANAGEMENT OF AUTHORITY PROCUREMENTS WITH POLICIES GOV-
13 ERNING ALL OF THE FOLLOWING:

14 (A) IMMEDIATE DISCLOSURE OF THE EXISTENCE AND NATURE OF ANY
15 FINANCIAL INTEREST THAT WOULD REASONABLY BE EXPECTED TO CREATE A
16 CONFLICT OF INTEREST.

17 (B) WITHDRAWAL BY AN EMPLOYEE OR MEMBER FROM PARTICIPATION
18 IN OR DISCUSSION OR EVALUATION OF ANY RECOMMENDATION OR DECISION
19 INVOLVING AN AUTHORITY PROCUREMENT THAT WOULD REASONABLY BE
20 EXPECTED TO CREATE A CONFLICT OF INTEREST FOR THAT EMPLOYEE OR
21 MEMBER.

[(11) AN AUTHORITY SHALL WORK COLLABORATIVELY WITH APPROPRIATE LOCAL
GOVERNMENTAL UNITS IN THE IMPLEMENTATION OF ANY FEDERALLY SANCTIONED AND
FUNDED PROGRAMS FOR THE MITIGATION OF AIRCRAFT NOISE AND FUEL FUMES.]

22 SEC. 115. BEFORE THE BEGINNING OF EACH FISCAL YEAR, THE
23 BOARD SHALL PREPARE A BUDGET CONTAINING AN ITEMIZED STATEMENT OF
24 THE ESTIMATED CURRENT OPERATIONAL EXPENSES AND THE EXPENSES FOR
25 CAPITAL OUTLAY INCLUDING FUNDS FOR THE OPERATION AND DEVELOPMENT
26 OF THE AIRPORT UNDER THE JURISDICTION OF THE BOARD, AND THE
27 AMOUNT NECESSARY TO PAY THE PRINCIPAL AND INTEREST OF ANY

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1 OUTSTANDING BONDS OR OTHER OBLIGATIONS OF THE AUTHORITY MATURING
2 DURING THE ENSUING FISCAL YEAR OR WHICH HAVE PREVIOUSLY MATURED
3 AND ARE UNPAID, AND AN ESTIMATE OF THE REVENUE OF THE AUTHORITY
4 FROM ALL SOURCES FOR THE ENSUING FISCAL YEAR. THE BOARD SHALL
5 ADOPT THAT BUDGET IN ACCORDANCE WITH THE UNIFORM BUDGETING AND
6 ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.

7 SEC. 116. (1) AN AUTHORITY IS A PUBLIC BODY CORPORATE WITH
8 THE FOLLOWING POWERS:

9 (A) AN AUTHORITY MAY ADOPT A CORPORATE SEAL.

10 (B) AN AUTHORITY MAY SUE OR BE SUED IN ANY COURT OF THE
11 STATE.

12 (C) AN AUTHORITY HAS THE POWER AND DUTY OF PLANNING, PROMOT-
13 ING, EXTENDING, MAINTAINING, ACQUIRING, PURCHASING, CONSTRUCTING,
14 IMPROVING, REPAIRING, ENLARGING, AND OPERATING ALL AIRPORTS AND
15 AIRPORT FACILITIES UNDER THE OPERATIONAL JURISDICTION OF OR OWNED
16 BY THE AUTHORITY.

17 (D) AN AUTHORITY HAS THE POWER TO ASSUME AND PERFORM THE
18 OBLIGATIONS AND THE COVENANTS RELATED TO THE AIRPORT THAT ARE
19 CONTAINED IN AN AGREEMENT OR OTHER DOCUMENT BETWEEN OR BY THE
20 LOCAL GOVERNMENT THAT OWNS THE AIRPORT FOR WHICH OPERATIONAL
21 JURISDICTION HAS BEEN TRANSFERRED TO THE AUTHORITY PURSUANT TO
22 THIS CHAPTER AND THE STATE OR THE FEDERAL AVIATION ADMINISTRATION
23 RELATIVE TO GRANTS FOR THE AIRPORT OR AIRPORT FACILITIES.

24 (E) AN AUTHORITY MAY TAKE BY GRANT, PURCHASE, DEVISE, OR
25 LEASE, OR BY THE EXERCISE OF THE RIGHT OF EMINENT DOMAIN, OR OTH-
26 ERWISE ACQUIRE AND HOLD, REAL AND PERSONAL PROPERTY, IN FEE
27 SIMPLE OR ANY LESSER INTEREST OR EASEMENT, AS AN AUTHORITY MAY

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1 DEEM NECESSARY EITHER FOR THE CONSTRUCTION OF ANY AIRPORT
2 FACILITIES OR FOR THE EFFICIENT OPERATION OR FOR THE EXTENSION OF
3 ANY AIRPORT FACILITIES ACQUIRED OR CONSTRUCTED OR TO BE CON-
4 STRUCTED UNDER THIS CHAPTER, AND, EXCEPT AS OTHERWISE PROVIDED BY
5 THIS ACT, TO HOLD IN ITS NAME, LEASE, AND DISPOSE OF ALL REAL AND
6 PERSONAL PROPERTY OWNED BY OR UNDER THE OPERATIONAL JURISDICTION
7 OF THE AUTHORITY. IF LAND IS ACQUIRED BY CONDEMNATION, THE PRO-
8 VISIONS OF THE UNIFORM CONDEMNATION PROCEDURES ACT, 1980 PA 87,
9 MCL 213.51 TO 213.76, OR ANY SUCCESSOR STATUTE, SHALL BE ADOPTED
10 AND USED FOR THE PURPOSE OF INSTITUTING AND PROSECUTING THE CON-
11 DEMNATION PROCEEDINGS. FOR THE PURPOSE OF MAKING SURVEYS AND
12 EXAMINATIONS RELATIVE TO ANY CONDEMNATION PROCEEDINGS, IT SHALL
13 BE LAWFUL TO ENTER UPON ANY LAND, DOING NO UNNECESSARY DAMAGE.
14 THE ACQUISITION OF ANY LAND BY AN AUTHORITY FOR AN AIRPORT OR
15 AIRPORT FACILITIES IN FURTHERANCE OF THE PURPOSES OF THE AUTHORI-
16 TY, AND THE EXERCISE OF ANY OTHER POWERS OF THE AUTHORITY, ARE
17 HEREBY DECLARED AS A MATTER OF LEGISLATIVE DETERMINATION TO BE
18 PUBLIC, GOVERNMENTAL AND MUNICIPAL FUNCTIONS, PURPOSES AND USES
19 EXERCISED FOR A PUBLIC PURPOSE, AND MATTERS OF PUBLIC NECESSITY.
20 (F) AN AUTHORITY MAY MAKE AND ENTER INTO ALL CONTRACTS AND
21 AGREEMENTS NECESSARY OR INCIDENTAL TO THE PERFORMANCE OF ITS
22 DUTIES AND EXECUTION OF ITS POWERS UNDER THIS CHAPTER WITH ANY
23 DEPARTMENT OR AGENCY OF THE UNITED STATES, WITH ANY STATE OR
24 LOCAL GOVERNMENTAL AGENCY, OR WITH ANY OTHER PERSON, PUBLIC OR
25 PRIVATE, UPON THOSE TERMS AND CONDITIONS ACCEPTABLE TO THE
26 AUTHORITY CONSISTENT WITH SECTION 114(6).

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1 (G) AN AUTHORITY HAS THE EXCLUSIVE RESPONSIBILITY TO STUDY
2 AND PLAN ANY IMPROVEMENTS, EXPANSION, OR ENHANCEMENTS THAT AFFECT
3 THE AIRPORT.

4 (H) AN AUTHORITY MAY COMMISSION PLANNING, ENGINEERING, ECO-
5 NOMIC, AND OTHER STUDIES TO PROVIDE INFORMATION FOR MAKING DECI-
6 SIONS ABOUT THE LOCATION, DESIGN, MANAGEMENT, AND OTHER FEATURES
7 OF THE AIRPORT OR AIRPORT FACILITIES.

8 (I) AN AUTHORITY IS RESPONSIBLE FOR DEVELOPING ALL ASPECTS
9 OF THE AIRPORT AND AIRPORT FACILITIES, INCLUDING, BUT NOT LIMITED
10 TO, ALL OF THE FOLLOWING:

11 (i) THE LOCATION OF TERMINALS, HANGARS, AIDS TO AIR NAVIGA-
12 TION, PARKING LOTS AND STRUCTURES, CARGO FACILITIES, AND ALL
13 OTHER FACILITIES AND SERVICES NECESSARY TO SERVE PASSENGERS AND
14 OTHER CUSTOMERS OF THE AIRPORT.

15 (ii) STREET AND HIGHWAY ACCESS AND EGRESS WITH THE OBJECTIVE
16 OF MINIMIZING, TO THE EXTENT PRACTICABLE, TRAFFIC CONGESTION ON
17 ACCESS ROUTES IN THE VICINITY OF THE AIRPORT.

18 (J) AN AUTHORITY MAY ACT AS A SPONSOR AND SUBMIT REQUESTS
19 FOR, ACCEPT, AND BE RESPONSIBLE TO PERFORM ALL OF THE ASSURANCES
20 ASSOCIATED WITH ACCEPTING GRANTS FROM THE FEDERAL AVIATION ADMIN-
21 ISTRATION OR ANY OTHER AGENCY OF THE UNITED STATES OR OF THIS
22 STATE, WITH RESPECT TO THE AIRPORT UNDER THE OPERATIONAL JURIS-
23 DICTION OF THE AUTHORITY, AND TO PERFORM THE DUTIES AND RESPONSI-
24 BILITIES PREVIOUSLY ASSUMED BY THE LOCAL GOVERNMENT THAT OWNS THE
25 AIRPORT UNDER THE OPERATIONAL JURISDICTION OF THE AUTHORITY BY
26 VIRTUE OF ITS ACCEPTANCE OF GRANTS FROM THE FEDERAL AVIATION

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1 ADMINISTRATION OR ANY OTHER AGENCY OF THE UNITED STATES OR THIS
2 STATE.

3 (K) AN AUTHORITY MAY ENTER INTO AGREEMENTS TO USE THE FACIL-
4 ITIES OR SERVICES OF THE STATE, ANY SUBDIVISION OR DEPARTMENT OF
5 THE STATE, ANY COUNTY OR MUNICIPALITY, OR THE FEDERAL GOVERNMENT
6 OR ANY AGENCY OF THE FEDERAL GOVERNMENT AS NECESSARY OR DESIRABLE
7 TO ACCOMPLISH THE PURPOSES OF THIS CHAPTER FOR THAT CONSIDERATION
8 OR PURSUANT TO THAT COST ALLOCATION FORMULA THAT MAY BE ACCEPT-
9 ABLE TO THE AUTHORITY IN COMPLIANCE WITH ITS OBLIGATIONS UNDER
10 APPLICABLE FEDERAL LAW, REGULATIONS, AND ASSURANCES ASSOCIATED
11 WITH ACCEPTING GRANTS FROM THE FAA OR ANY OTHER AGENCY OF THE
12 UNITED STATES OR THIS STATE, INCLUDING, BUT NOT LIMITED TO, POLI-
13 CIES OF THE FAA PROHIBITING REVENUE DIVERSION OR THE PAYMENT OF
14 FEES EXCEEDING THE VALUE OF SERVICES PROVIDED BY A GOVERNMENTAL
15 AGENCY.

16 (I) AN AUTHORITY MAY ALLOW THE STATE, ANY SUBDIVISION OR
17 DEPARTMENT OF THE STATE, ANY COUNTY OR MUNICIPALITY, OR THE FED-
18 ERAL GOVERNMENT OR ANY AGENCY OF THE FEDERAL GOVERNMENT TO UTI-
19 LIZE AIRPORT FACILITIES OR THE SERVICES OF THE AUTHORITY AS NEC-
20 ESSARY OR DESIRABLE TO ACCOMPLISH THE PURPOSES OF THIS CHAPTER,
21 FOR CONSIDERATION ACCEPTABLE TO THE AUTHORITY IN COMPLIANCE WITH
22 ITS OBLIGATIONS UNDER APPLICABLE FEDERAL LAW, REGULATIONS, AND
23 ASSURANCES ASSOCIATED WITH ACCEPTING GRANTS FROM THE FAA OR ANY
24 OTHER AGENCY OF THE UNITED STATES OR THIS STATE.

25 (M) AN AUTHORITY MAY ADOPT AND ENFORCE IN A COURT OF COMPE-
26 TENT JURISDICTION OF THIS STATE REASONABLE RULES, REGULATIONS,
27 AND ORDINANCES FOR THE ORDERLY, SAFE, EFFICIENT, AND SANITARY

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1 OPERATION AND USE OF AIRPORT FACILITIES OWNED BY THE AUTHORITY OR
2 UNDER ITS OPERATIONAL JURISDICTION [. THE AUTHORITY MAY
3 ESTABLISH CIVIL AND CRIMINAL PENALTIES FOR THE VIOLATION OF RULES,
4 REGULATIONS, AND ORDINANCES AUTHORIZED UNDER THIS SUBDIVISION TO THE SAME
EXTENT AS THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT.]

5 (N) AN AUTHORITY MAY ENTER INTO EXCLUSIVE OR NONEXCLUSIVE
6 CONTRACTS, LEASES, FRANCHISES, OR OTHER ARRANGEMENTS WITH ANY
7 PERSON OR PERSONS FOR TERMS NOT EXCEEDING 50 YEARS, FOR GRANTING
8 THE PRIVILEGE OF USING OR IMPROVING, OR HAVING ACCESS TO THE AIR-
9 PORT OR ANY AIRPORT FACILITY, OR ANY PORTIONS OF THE AIRPORT OR
10 THE AUTHORITY'S AIRPORT FACILITIES, FOR COMMERCIAL
11 AIRLINE-RELATED PURPOSES CONSISTENT WITH ITS OBLIGATIONS UNDER
12 APPLICABLE FEDERAL LAW, REGULATIONS, AND ASSURANCES ASSOCIATED
13 WITH ACCEPTING GRANTS FROM THE FAA OR ANY OTHER AGENCY OF THE
14 UNITED STATES OR THIS STATE.

15 (O) AN AUTHORITY MAY ENTER INTO EXCLUSIVE OR NONEXCLUSIVE
16 CONTRACTS, LEASES, OR OTHER ARRANGEMENTS NOT DESCRIBED IN SUBDI-
17 VISION (N) FOR COMMERCIALLY REASONABLE TERMS CONSISTENT WITH ITS
18 OBLIGATIONS UNDER APPLICABLE FEDERAL LAW, REGULATIONS, AND ASSUR-
19 ANCES ASSOCIATED WITH ACCEPTING GRANTS FROM THE FAA OR ANY OTHER
20 AGENCY OF THE UNITED STATES OR THIS STATE.

21 (P) SUBJECT TO SECTION 119, AN AUTHORITY MAY APPOINT AND
22 VEST WITH POLICE POWERS AIRPORT LAW ENFORCEMENT OFFICERS, GUARDS,
23 OR POLICE OFFICERS UNDER THIS CHAPTER. THE LAW ENFORCEMENT OFFI-
24 CERS, GUARDS, OR POLICE OFFICERS OF THE AUTHORITY SHALL HAVE THE
25 FULL POLICE POWERS AND THE AUTHORITY OF PEACE OFFICERS WITHIN THE
26 AREAS OVER WHICH THE AUTHORITY HAS OPERATIONAL JURISDICTION,
27 INCLUDING, BUT NOT LIMITED TO, THE PREVENTION AND DETECTION OF

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1 CRIME, THE POWER TO INVESTIGATE AND ENFORCE THE LAWS OF THIS
2 STATE, RULES, REGULATIONS, AND ORDINANCES ISSUED BY THE AUTHORI-
3 TY, AND, TO THE EXTENT PERMITTED OR REQUIRED BY FEDERAL LAW AND
4 REGULATIONS, REQUIREMENTS OF FEDERAL LAW AND REGULATIONS GOVERN-
5 ING AIRPORT SECURITY. THE OFFICERS MAY ISSUE SUMMONS, MAKE
6 ARRESTS, AND INITIATE CRIMINAL PROCEEDINGS. AN AUTHORITY IS
7 RESPONSIBLE FOR ALL ACTIONS OF ITS OFFICERS COMMITTED UNDER COLOR
8 OF THEIR OFFICIAL POSITION AND AUTHORITY.

9 (Q) AN AUTHORITY MAY PROCURE INSURANCE OR BECOME A
10 SELF-FUNDED INSURER AGAINST LOSS IN CONNECTION WITH THE PROPERTY,
11 ASSETS, OR ACTIVITIES OF THE AUTHORITY.

12 (R) AN AUTHORITY MAY INVEST MONEY OF THE AUTHORITY, AT THE
13 BOARD'S DISCRETION, IN INSTRUMENTS, OBLIGATIONS, SECURITIES, OR
14 PROPERTY DETERMINED PROPER BY THE BOARD, AND NAME AND USE DEPOSI-
15 TORIES FOR ITS MONEY.

16 (S) EXCEPT AS OTHERWISE PROHIBITED BY THIS CHAPTER, AN
17 AUTHORITY SHALL HAVE ALL THE POWERS OF A POLITICAL SUBDIVISION
18 UNDER THIS ACT, BUT SHALL NOT LEVY OR IMPOSE A TAX OR SPECIAL
19 ASSESSMENT.

20 (T) AN AUTHORITY MAY EXERCISE ITS POWERS AND DUTIES UNDER
21 THIS CHAPTER NOTWITHSTANDING ANY CHARTER PROVISION, ORDINANCE,
22 RESOLUTION, CONTRACT, REGULATION, OR RULE OF A LOCAL GOVERNMENT
23 TO THE CONTRARY. THIS SUBDIVISION DOES NOT APPLY TO A CONTRACT
24 ENTERED INTO BY A LOCAL GOVERNMENT AFTER THE AUTHORITY IS CREATED
25 IF THE CONTRACT ALSO HAS BEEN APPROVED OR RATIFIED BY THE
26 AUTHORITY. NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO LIMIT
27 THE EXCERCISE OF THE POWERS OF A LOCAL GOVERNMENT IN WHICH AN

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1 AIRPORT IS LOCATED TO ZONE PROPERTY UNDER THE CITY AND VILLAGE
2 ZONING ACT, 1921 PA 207, MCL 125.581 TO 125.600, OR TO ENGAGE IN
3 LAND PLANNING UNDER 1931 PA 285, MCL 125.31 TO 125.45, WITH
4 RESPECT TO PROPERTY THAT IS NOT PART OF THE AIRPORT.

5 (U) AN AUTHORITY MAY FIX, CHARGE, AND COLLECT RATES, FEES,
6 RENTALS, AND CHARGES WITHIN AND FOR THE USE AND OPERATION OF THE
7 AIRPORT OR AIRPORTS UNDER THE OPERATIONAL JURISDICTION OF THE
8 AUTHORITY.

9 (2) A MEMBER OF THE BOARD OR AN OFFICER, APPOINTEE, OR
10 EMPLOYEE OF THE AUTHORITY SHALL NOT BE SUBJECT TO PERSONAL
11 LIABILITY WHEN ACTING IN GOOD FAITH WITHIN THE SCOPE OF HIS OR
12 HER AUTHORITY OR ON ACCOUNT OF LIABILITY OF THE AUTHORITY, AND
13 THE BOARD MAY DEFEND AND INDEMNIFY A MEMBER OF THE BOARD OR AN
14 OFFICER, APPOINTEE, OR EMPLOYEE OF THE AUTHORITY AGAINST LIABIL-
15 ITY ARISING OUT OF THE DISCHARGE OF HIS OR HER OFFICIAL DUTIES.
16 AN AUTHORITY MAY INDEMNIFY AND PROCURE INSURANCE INDEMNIFYING
17 MEMBERS OF THE BOARD AND OTHER OFFICERS AND EMPLOYEES OF THE
18 AUTHORITY FROM PERSONAL LOSS OR ACCOUNTABILITY FOR LIABILITY
19 ASSERTED BY A PERSON WITH REGARD TO BONDS OR OTHER OBLIGATIONS OF
20 THE AUTHORITY, OR FROM ANY PERSONAL LIABILITY OR ACCOUNTABILITY
21 BY REASON OF THE ISSUANCE OF THE BONDS OR OTHER OBLIGATIONS OR BY
22 REASON OF ANY OTHER ACTION TAKEN OR THE FAILURE TO ACT BY THE
23 AUTHORITY. THE AUTHORITY MAY ALSO PURCHASE AND MAINTAIN INSUR-
24 ANCE ON BEHALF OF ANY PERSON AGAINST ANY LIABILITY ASSERTED
25 AGAINST THE PERSON AND INCURRED BY THE PERSON IN ANY CAPACITY OR
26 ARISING OUT OF THE STATUS OF THE PERSON AS A MEMBER OF THE BOARD
27 OR AN OFFICER OR EMPLOYEE OF THE AUTHORITY, WHETHER OR NOT THE

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1 AUTHORITY WOULD HAVE THE POWER TO INDEMNIFY THE PERSON AGAINST
2 THAT LIABILITY UNDER THIS SUBSECTION. AN AUTHORITY, PURSUANT TO
3 BYLAW, CONTRACT, AGREEMENT, OR RESOLUTION OF ITS BOARD, MAY OBLI-
4 GATE ITSELF IN ADVANCE TO DEFEND AND INDEMNIFY PERSONS.

5 (3) AN AUTHORITY SHALL INDEMNIFY AND HOLD HARMLESS THE LOCAL
6 GOVERNMENT THAT OWNS THE AIRPORT OVER WHICH OPERATIONAL JURISDIC-
7 TION HAS BEEN TRANSFERRED TO THE AUTHORITY FOR ANY CIVIL CLAIM
8 EXISTING OR ANY CIVIL ACTION OR PROCEEDING PENDING BY OR AGAINST
9 THE LOCAL GOVERNMENT INVOLVING OR RELATING TO THE AIRPORT, AIR-
10 PORT FACILITIES, OR ANY CIVIL LIABILITY RELATED TO THE OBLIGA-
11 TIONS OF THE LOCAL GOVERNMENT ISSUED OR INCURRED WITH RESPECT TO
12 THE AIRPORT WHICH WAS PENDING AT THE TIME OF, OR WHICH HAD BEEN
13 INCURRED PRIOR TO, THE TRANSFER OF OPERATIONAL JURISDICTION OF
14 THE AIRPORT TO THE AUTHORITY.

15 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CON-
16 TRARY, AN AUTHORITY DOES NOT HAVE THE POWER TO IMPOSE OR LEVY
17 TAXES, EXCEPT THE AUTHORITY HAS THE POWER TO IMPOSE FEES OR
18 CHARGES PERMITTED BY FEDERAL LAW.

19 (5) UNLESS AN AUTHORITY OBTAINS THE APPROVAL OF THE LEGISLA-
20 TIVE BODY OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT OVER
21 WHICH OPERATIONAL JURISDICTION HAS BEEN TRANSFERRED TO THE
22 AUTHORITY PURSUANT TO SECTION 117, THE AUTHORITY SHALL NOT INCUR
23 ANY INDEBTEDNESS PLEDGING, ON A PARITY OR SUPERIOR BASIS, ANY
24 REVENUES FROM AIRPORT FACILITIES THAT ARE OTHERWISE PLEDGED TO
25 SECURE ANY OBLIGATION, NOTE, BOND, OR OTHER INSTRUMENT OF INDEBT-
26 EDNESS FOR WHICH THE FULL FAITH AND CREDIT OF THE LOCAL
27 GOVERNMENT HAS BEEN PLEDGED.

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1 (6) UPON THE CREATION OR INCORPORATION OF AN AUTHORITY UNDER
2 THIS CHAPTER, THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT OVER
3 WHICH OPERATIONAL JURISDICTION MAY BE TRANSFERRED PURSUANT TO
4 SECTION 117 SHALL NOT PLEDGE AIRPORT FACILITIES OR ASSETS TO
5 SECURE ANY INSTRUMENT OF INDEBTEDNESS EXCEPT TO SECURE AIRPORT
6 REVENUE BONDS ISSUED FOR AIRPORT CAPITAL IMPROVEMENT PROJECTS
7 AFTER THE CREATION OR INCORPORATION OF THE AUTHORITY AND PRIOR TO
8 THE APPROVAL DATE.

9 (7) AN AUTHORITY SHALL NOT TAKE ANY ACTION CONTRARY TO OBLI-
10 GATIONS ASSUMED OR ENTERED INTO UNDER FEDERAL RULES OR REGULA-
11 TIONS OR ANY AGREEMENT ENTERED INTO OR ASSUMED WITH RESPECT TO
12 STATE OR FEDERAL GRANTS.

13 (8) A LOCAL GOVERNMENT SHALL NOT TAKE ANY ACTION CONTRARY TO
14 OBLIGATIONS OR COVENANTS UNDER APPLICABLE FEDERAL LAW, REGULA-
15 TIONS, AND ASSURANCES ASSOCIATED WITH THE STATE OR FEDERAL
16 GOVERNMENT. A LOCAL GOVERNMENT, OR AN OFFICIAL OF THE LOCAL GOV-
17 ERNMENT ACTING IN AN OFFICIAL CAPACITY, SHALL TAKE NO ACTION,
18 INCLUDING, BUT NOT LIMITED TO, ACTION PURSUANT TO CHARTER PROVI-
19 SION, ORDINANCE, RESOLUTION, CONTRACT, REGULATION, OR RULE, TO
20 IMPEDE THE EXERCISE OF POWERS OR DUTIES UNDER THIS CHAPTER.

21 (9) IF A LOCAL GOVERNMENT PREVIOUSLY ACTED AS A SPONSOR AND
22 ACTION BY, OR CONCURRENCE OF, THE LOCAL GOVERNMENT IS REQUIRED TO
23 COMPLETE A PROJECT RELATED TO THE AIRPORT OR AIRPORT FACILITIES,
24 THE LOCAL GOVERNMENT SHALL NOT WITHHOLD, CONDITION, OR DELAY CON-
25 CURRENCE WITH ANY AUTHORITY ACTION NECESSARY TO COMPLETE THE
26 PROJECT IN ACCORDANCE WITH OBLIGATIONS UNDER APPLICABLE FEDERAL
27 LAW, REGULATIONS, AND ASSURANCES ASSOCIATED WITH ACCEPTING GRANTS

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1 FROM THE FAA OR ANY OTHER AGENCY OF THE UNITED STATES OR THIS
2 STATE.

3 (10) THE AUTHORITY TO WHICH OPERATIONAL JURISDICTION FOR AN
4 AIRPORT IS TRANSFERRED SHALL BE THE AGENT OF A LOCAL GOVERNMENT
5 FOR THE PREPARATION, SUBMISSION, AND ADMINISTRATION OF ALL STATE
6 OR FEDERAL GRANTS PENDING AS OF THE APPROVAL DATE. THE AUTHORITY
7 SHALL ALSO BE THE CUSTODIAN OF ALL FUNDS RECEIVED OR TO BE
8 RECEIVED BY THE LOCAL GOVERNMENT OR THE AUTHORITY FOR THE
9 PROJECTS FOR WHICH THE GRANTS WERE AWARDED.

10 SEC. 117. (1) ALL OF THE FOLLOWING OCCUR ON THE APPROVAL
11 DATE:

12 (A) THE AUTHORITY ACQUIRES, SUCCEEDS TO, AND ASSUMES THE
13 EXCLUSIVE RIGHT, RESPONSIBILITY, AND AUTHORITY TO OCCUPY, OPER-
14 ATE, CONTROL, AND USE THE AIRPORT AND THE AIRPORT FACILITIES OF
15 AN AIRPORT OWNED BY THE LOCAL GOVERNMENT ON THAT DATE, INCLUDING
16 ALL LANDS, BUILDINGS, IMPROVEMENTS, STRUCTURES, AVIATION EASE-
17 MENTS, RIGHTS OF ACCESS, AND ALL OTHER PRIVILEGES AND APPURTE-
18 NANCES PERTAINING TO THE AIRPORT, SUBJECT ONLY TO THOSE RESTRIC-
19 TIONS IMPOSED BY THIS ACT.

20 (B) THE AUTHORITY ACQUIRES AND SUCCEEDS TO ALL RIGHTS,
21 TITLE, AND INTERESTS IN AND TO THE FIXTURES, EQUIPMENT, MATERI-
22 ALS, FURNISHINGS, AND OTHER PERSONAL PROPERTY OWNED AND USED FOR
23 PURPOSES OF THE AIRPORT ON THAT DATE BY THE LOCAL GOVERNMENT THAT
24 OWNED THE AIRPORT. THE OFFICERS OF THE LOCAL GOVERNMENT THAT
25 OWNS THE AIRPORT UNDER THE OPERATIONAL JURISDICTION OF THE
26 AUTHORITY SHALL EXECUTE THOSE INSTRUMENTS OF CONVEYANCE,

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1 ASSIGNMENT, AND TRANSFER AS MAY BE NECESSARY OR APPROPRIATE TO
2 ACCOMPLISH THE FOREGOING.

3 (C) THE AUTHORITY ASSUMES, ACCEPTS, AND BECOMES LIABLE FOR
4 ALL OF THE LAWFUL OBLIGATIONS, PROMISES, COVENANTS, COMMITMENTS,
5 AND OTHER REQUIREMENTS IN RESPECT OF THE AIRPORT OF THE LOCAL
6 GOVERNMENT THAT OWNS THE AIRPORT UNDER THE OPERATIONAL JURISDIC-
7 TION OF THE AUTHORITY, WHETHER KNOWN OR UNKNOWN, CONTINGENT OR
8 MATURED, BUT EXCEPTING ANY FULL FAITH AND CREDIT PLEDGE OF THE
9 LOCAL GOVERNMENT IN RESPECT OF BONDS ISSUED BY THE LOCAL GOVERN-
10 MENT FOR AIRPORT PURPOSES, AND SHALL PERFORM ALL OF THE DUTIES
11 AND OBLIGATIONS AND SHALL BE ENTITLED TO ALL OF THE RIGHTS OF THE
12 LOCAL GOVERNMENT IN RESPECT OF THE AIRPORT UNDER ANY ORDINANCES,
13 AGREEMENTS, OR OTHER INSTRUMENTS AND UNDER LAW. CONSISTENT WITH
14 THIS CHAPTER, THIS ASSUMPTION INCLUDES, AND THERE SHALL BE TRANS-
15 FERRED TO THE AUTHORITY, ALL LICENSES, PERMITS, APPROVALS, OR
16 AWARDS RELATED TO THE AIRPORT, ALL GRANT AGREEMENTS, GRANT
17 PRE-APPLICATIONS, THE RIGHT TO RECEIVE THE BALANCE OF ANY FUNDS
18 PAYABLE UNDER THE AGREEMENTS, THE RIGHT TO RECEIVE ANY AMOUNTS,
19 INCLUDING PFCS, PAYABLE TO THE LOCAL GOVERNMENT ON THE APPROVAL
20 DATE AND AMOUNTS PAID TO THE LOCAL GOVERNMENT AFTER THE APPROVAL
21 DATE, AS WELL AS THE BENEFIT OF CONTRACTS AND AGREEMENTS, AND ALL
22 OF THE LOCAL GOVERNMENT'S DUTIES, LIABILITIES, RESPONSIBILITIES,
23 AND OBLIGATIONS AS SPONSOR OF THE AIRPORT, EXCEPT FOR ANY OBLIGA-
24 TION OR LIABILITIES CONTESTED IN GOOD FAITH BY THE AUTHORITY.

25 (D) THE AUTHORITY ASSUMES UNFUNDED OBLIGATIONS TO PROVIDE
26 PENSIONS OR RETIREE HEALTH INSURANCE IN AN AMOUNT AND MANNER
27 DETERMINED BY A PROFESSIONAL ACTUARY ACCEPTABLE TO THE AUTHORITY

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1 AND THE LOCAL GOVERNMENT. HOWEVER, THE AUTHORITY SHALL NOT
2 ASSUME ANY SUCH OBLIGATIONS IN EXCESS OF THE AMOUNT PROPERLY
3 ALLOCABLE TO THE AIRPORT OVER WHICH THE AUTHORITY IS EXERCISING
4 OPERATIONAL JURISDICTION UNDER THE LOCAL GOVERNMENT'S ALLOCATION
5 PROCEDURES IN EFFECT ON THE DATE THE AUTHORITY IS CREATED OR
6 INCORPORATED, AND THE AMOUNT OF OBLIGATIONS SO ASSUMED BY THE
7 AUTHORITY SHALL NOT EXCEED ITS PRO RATA SHARE OF SUCH OBLIGA-
8 TIONS, BASED UPON THE PERCENTAGE WHICH THE AMOUNT OF SUCH OBLIGA-
9 TIONS ATTRIBUTABLE TO EMPLOYEES OF THE AUTHORITY IS OF THE AMOUNT
10 OF ALL SUCH OBLIGATIONS PRIOR TO SUCH ASSUMPTION.

11 (2) ALL LAWFUL ACTIONS, COMMITMENTS, AND PROCEEDINGS,
12 INCLUDING, BUT NOT LIMITED TO, REVENUE BOND FINANCINGS FOR WHICH
13 A NOTICE OF INTENT RESOLUTION HAS BEEN ADOPTED, OF THE LOCAL GOV-
14 ERNMENT MADE, GIVEN, OR UNDERTAKEN BEFORE THE DATE OF ASSUMPTION
15 BY THE AUTHORITY UNDER THIS SECTION ARE RATIFIED, CONFIRMED, AND
16 VALIDATED UPON ASSUMPTION BY THE AUTHORITY. ALL ACTIONS, COMMIT-
17 MENTS, OR PROCEEDINGS UNDERTAKEN SHALL, AND ALL ACTIONS, COMMIT-
18 MENTS, OR PROCEEDINGS OF THE LOCAL GOVERNMENT IN RESPECT OF THE
19 AIRPORT IN THE PROCESS OF BEING UNDERTAKEN BY, BUT NOT YET A COM-
20 MITMENT OR OBLIGATION OF, THE LOCAL GOVERNMENT IN RESPECT OF THE
21 AIRPORT MAY, FROM AND AFTER THE DATE OF ASSUMPTION BY THE AUTHOR-
22 ITY UNDER THIS SECTION, BE UNDERTAKEN AND COMPLETED BY THE
23 AUTHORITY IN THE MANNER AND AT THE TIMES PROVIDED IN THIS CHAPTER
24 OR OTHER APPLICABLE LAW AND IN ANY LAWFUL AGREEMENTS MADE BY THE
25 LOCAL GOVERNMENT BEFORE THE DATE OF ASSUMPTION BY THE AUTHORITY
26 UNDER THIS SECTION.

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1 (3) THE EXCLUSIVE RIGHT AND AUTHORITY TO OCCUPY, OPERATE,
2 CONTROL, AND USE THE AIRPORT FACILITIES INCLUDES, BUT IS NOT
3 LIMITED TO, ALL OF THE FOLLOWING:

4 (A) OPERATIONAL JURISDICTION OVER ALL REAL PROPERTY OF THE
5 AIRPORT, INCLUDING, BUT NOT LIMITED TO, ALL TERMINALS, RUNWAYS,
6 TAXIWAYS, APRONS, HANGARS, AIDS TO AIR NAVIGATION, EMERGENCY
7 VEHICLES OR FACILITIES, PARKING FACILITIES FOR PASSENGERS AND
8 EMPLOYEES, AND BUILDINGS AND FACILITIES USED TO OPERATE, MAIN-
9 TAIN, AND MANAGE THE AIRPORT, SUBJECT TO ANY LIENS ON THE REAL
10 PROPERTY AND RESTRICTIONS AND LIMITATIONS ON THE USE OF THE REAL
11 PROPERTY.

12 (B) THE LOCAL GOVERNMENT'S RIGHT, TITLE, AND INTEREST IN,
13 AND ALL OF THE LOCAL GOVERNMENT'S RESPONSIBILITIES ARISING UNDER
14 LEASES, CONCESSIONS, AND OTHER CONTRACTS FOR AIRPORT FACILITIES.

15 (4) THE ACQUISITIONS, ASSUMPTIONS, SUCCESSIONS, OR TRANSFERS
16 DESCRIBED UNDER THIS SECTION INCLUDE, BUT ARE NOT LIMITED TO, ALL
17 OF THE FOLLOWING:

18 (A) ALL CONTRACTS WITH AIRLINES, TENANTS, CONCESSIONAIRES,
19 LEASEHOLDERS, AND OTHERS AT THE AIRPORT.

20 (B) ALL FINANCIAL OBLIGATIONS SECURED BY REVENUES AND FEES
21 GENERATED FROM THE OPERATIONS OF THE AIRPORT, INCLUDING, BUT NOT
22 LIMITED TO, AIRPORT REVENUE BONDS, SPECIAL FACILITIES REVENUE
23 BONDS, AND ALL BONDED INDEBTEDNESS ASSOCIATED WITH THE AIRPORT.

24 (C) ALL CASH BALANCES AND INVESTMENTS RELATING TO OR RESULT-
25 ING FROM OPERATIONS OF THE AIRPORT FOR WHICH OPERATIONAL JURIS-
26 DICTION HAS BEEN TRANSFERRED TO AN AUTHORITY, ALL FUNDS HELD
27 UNDER AN ORDINANCE, RESOLUTION, OR INDENTURE RELATED TO OR

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1 SECURING OBLIGATIONS OF THE LOCAL GOVERNMENT THAT HAVE BEEN
2 ASSUMED BY THE AUTHORITY, AND ALL OF THE ACCOUNTS RECEIVABLE OR
3 CHOSSES IN ACTION ARISING FROM OPERATIONS OF THE AIRPORT AS WELL
4 AS ALL BENEFITS OF CONTRACTS AND AGREEMENTS.

5 (D) ALL OFFICE EQUIPMENT, INCLUDING, BUT NOT LIMITED TO,
6 COMPUTERS, RECORDS AND FILES, SOFTWARE, AND SOFTWARE LICENSES
7 REQUIRED FOR FINANCIAL MANAGEMENT, PERSONNEL MANAGEMENT, ACCOUNT-
8 ING AND INVENTORY SYSTEMS, AND GENERAL ADMINISTRATION.

9 SEC. 118. (1) THE TRANSFER OF THE OPERATIONAL JURISDICTION
10 OVER AN AIRPORT TO THE AUTHORITY MAY NOT IN ANY WAY IMPAIR ANY
11 CONTRACTS WITH AIRLINES, VENDORS, TENANTS, BONDHOLDERS, OR OTHER
12 PARTIES IN PRIVITY WITH THE LOCAL GOVERNMENT THAT OWNS THE AIR-
13 PORT OVER WHICH OPERATIONAL JURISDICTION HAS BEEN TRANSFERRED TO
14 AN AUTHORITY.

15 (2) UPON THE TRANSFER OF OPERATIONAL JURISDICTION OVER AN
16 AIRPORT PURSUANT TO SECTION 117, A LOCAL GOVERNMENT SHALL BE
17 RELIEVED FROM ALL FURTHER COSTS AND RESPONSIBILITY ARISING FROM
18 OR ASSOCIATED WITH CONTROL, OPERATION, DEVELOPMENT, AND MAINTENANCE
19 OF THAT AIRPORT, EXCEPT AS OTHERWISE REQUIRED UNDER OBLIGA-
20 TIONS RETAINED BY THE LOCAL GOVERNMENT UNDER THIS CHAPTER OR AS
21 OTHERWISE AGREED BY THE LOCAL GOVERNMENT.

22 (3) A LOCAL GOVERNMENT THAT OWNS AN AIRPORT FOR WHICH AN
23 AUTHORITY HAS BEEN CREATED OR INCORPORATED UNDER THIS CHAPTER
24 SHALL COMPLY WITH ALL OF THE FOLLOWING:

25 (A) REFRAIN FROM ANY ACTION THAT WOULD IMPAIR AN AUTHORITY'S
26 EXERCISE OF THE POWERS GRANTED TO THE AUTHORITY UNDER THIS

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1 CHAPTER OR THAT WOULD IMPAIR THE EFFICIENT OPERATION AND
2 MANAGEMENT OF THE AIRPORT.

3 (B) REFRAIN FROM ANY ACTION TO SELL, TRANSFER, OR OTHERWISE
4 ENCUMBER OR DISPOSE OF AIRPORT FACILITIES OWNED BY THE LOCAL GOV-
5 ERNMENT FOR WHICH OPERATIONAL JURISDICTION HAS BEEN TRANSFERRED
6 WITHOUT THE CONSENT OF THE AUTHORITY AND, WHERE NECESSARY, THE
7 FEDERAL AVIATION ADMINISTRATION.

8 (C) TAKE ALL ACTION REASONABLY NECESSARY TO CURE ANY DEFECTS
9 IN TITLE TO AIRPORT FACILITIES OVER WHICH AN AUTHORITY HAS BEEN
10 TRANSFERRED OPERATIONAL JURISDICTION.

11 (D) AT THE REQUEST OF AN AUTHORITY THAT HAS BEEN TRANSFERRED
12 OPERATIONAL JURISDICTION OF AN AIRPORT OWNED BY THE LOCAL GOVERN-
13 MENT, GRANT ANY LICENSE, EASEMENT, OR RIGHT-OF-WAY IN CONNECTION
14 WITH THE AIRPORT TO THE EXTENT THE AUTHORITY HAS NOT BEEN EMPOW-
15 ERED TO TAKE THESE ACTIONS.

16 (E) UPON CREATION OR INCORPORATION OF AN AUTHORITY AND
17 BEFORE THE APPROVAL DATE, CONDUCT OPERATIONS OF THE AIRPORT IN
18 THE ORDINARY AND USUAL COURSE OF BUSINESS.

19 (F) MAINTAIN AND REPAIR, INCLUDING PROVIDING SNOW REMOVAL
20 FOR, ANY ROAD PROVIDING INGRESS AND EGRESS TO THE AIRPORT OVER
21 WHICH RESPONSIBILITY FOR MAINTENANCE AND REPAIR IS RETAINED BY
22 THE LOCAL GOVERNMENT PURSUANT TO AGREEMENT OR LAW.

23 (4) AT THE REQUEST OF THE AUTHORITY, A LOCAL GOVERNMENT THAT
24 OWNS A QUALIFIED AIRPORT OVER WHICH OPERATIONAL JURISDICTION HAS
25 BEEN TRANSFERRED TO AN AUTHORITY SHALL PROVIDE THE AUTHORITY WITH
26 TRANSITIONAL SERVICES PREVIOUSLY PERFORMED BY THE LOCAL
27 GOVERNMENT AND RELATED TO THE OPERATION OF THE QUALIFIED AIRPORT

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1 UNTIL THE DATE THE AUTHORITY ELECTS TO ASSUME THESE SERVICES.
2 THE REASONABLE COST OF THESE SERVICES SHALL BE PAID BY THE
3 AUTHORITY.

4 SEC. 119. (1) FOR EMPLOYEES WHO ELECT TO TRANSFER TO THE
5 AUTHORITY UNDER SUBSECTION (2) AND WHO ARE COVERED BY THE TERMS
6 OF A COLLECTIVE BARGAINING AGREEMENT WITH THE LOCAL GOVERNMENT
7 THAT OWNS AN AIRPORT OVER WHICH OPERATIONAL JURISDICTION WILL BE
8 TRANSFERRED, THE AUTHORITY SHALL ASSUME AND BE BOUND BY THOSE
9 EXISTING COLLECTIVE BARGAINING AGREEMENTS FOR THE REMAINDER OF
10 THE TERM OF THE AGREEMENT. A REPRESENTATIVE OF THE EMPLOYEES OR
11 A GROUP OF EMPLOYEES IN THE LOCAL GOVERNMENT WHO REPRESENTS OR IS
12 ENTITLED TO REPRESENT THE EMPLOYEES OR A GROUP OF EMPLOYEES OF
13 THE LOCAL GOVERNMENT, PURSUANT TO 1947 PA 336, MCL 423.201 TO
14 423.217, SHALL CONTINUE TO REPRESENT THE EMPLOYEES OR GROUP OF
15 EMPLOYEES AFTER THE EMPLOYEES TRANSFER TO THE AUTHORITY AND THE
16 AUTHORITY SHALL HONOR ALL OBLIGATIONS OF A PUBLIC SECTOR EMPLOYER
17 AFTER THE EXPIRATION OF ANY COLLECTIVE BARGAINING AGREEMENT WITH
18 RESPECT TO TRANSFERRING EMPLOYEES.

19 (2) LOCAL GOVERNMENT EMPLOYEES EMPLOYED AT AN AIRPORT FROM
20 WHICH OPERATIONAL JURISDICTION WILL BE TRANSFERRED TO AN AUTHOR-
21 ITY MAY AGREE TO TRANSFER TO THE EMPLOYMENT OF THE AUTHORITY ON
22 OR BEFORE A DATE ESTABLISHED BY THE AUTHORITY. THE DATE ESTAB-
23 LISHED BY THE AUTHORITY SHALL NOT BE LATER THAN THE APPROVAL
24 DATE. [LOCAL GOVERNMENT EMPLOYEES, WHO DO NOT AGREE TO TRANSFER TO THE
EMPLOYMENT OF THE AUTHORITY, SHALL BE REASSIGNED WITHIN THE LOCAL
GOVERNMENT. THE LOCAL GOVERNMENT SHALL NOT, AS A RESULT OF THE CREATION
OR INCORPORATION OF AN AUTHORITY FOR A PERIOD OF NOT MORE THAN 1 YEAR,
LAYOFF OR REDUCE THE PAY OR BENEFITS OF ANY EMPLOYEE OF THE LOCAL
GOVERNMENT INTO WHOSE POSITION A LOCAL GOVERNMENT EMPLOYEE WHO WAS
PREVIOUSLY EMPLOYED AT THE AIRPORT IS REASSIGNED. THE AUTHORITY SHALL
CONSIDER ANY PERSON HIRED BY THE AUTHORITY TO FILL A POSITION THAT HAD
BEEN PREVIOUSLY FILLED WITH A LOCAL GOVERNMENT EMPLOYEE WHO DID NOT AGREE
TO TRANSFER TO THE EMPLOYMENT OF THE AUTHORITY TO BE UNDER THE COLLECTIVE
BARGAINING AGREEMENT COVERING, AND TO BE REPRESENTED BY THE COLLECTIVE
BARGAINING REPRESENTATIVE OF, THE LOCAL GOVERNMENT EMPLOYEE WHO DID NOT
AGREE TO TRANSFER TO THE AUTHORITY.] THE AUTHORITY SHALL ACCEPT THE
TRANSFERS WITHOUT A BREAK
25 IN EMPLOYMENT, SUBJECT TO ALL RIGHTS AND BENEFITS HELD BY THE
26 TRANSFERRING EMPLOYEES UNDER A COLLECTIVE BARGAINING AGREEMENT.
27 TRANSFERRING EMPLOYEES SHALL NOT BE PLACED IN A WORSE POSITION BY

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1 REASON OF THE TRANSFER FOR A PERIOD OF 1 YEAR AFTER THE APPROVAL
2 DATE, OR ANY LONGER PERIOD AS MAY BE REQUIRED IN CONNECTION WITH
3 THE ASSUMPTION OF ANY APPLICABLE COLLECTIVE BARGAINING AGREEMENT,
4 WITH RESPECT TO WAGES, WORKERS' COMPENSATION, PENSION, SENIORITY,
5 SICK LEAVE, VACATION, OR HEALTH AND WELFARE INSURANCE OR ANY
6 OTHER TERM AND CONDITION OF EMPLOYMENT THAT A TRANSFERRING
7 EMPLOYEE MAY HAVE UNDER A COLLECTIVE BARGAINING AGREEMENT THAT
8 THE EMPLOYEE RECEIVED AS AN EMPLOYEE OF THE LOCAL GOVERNMENT.
9 THE RIGHTS AND BENEFITS PROTECTED BY THIS SUBSECTION MAY BE
10 ALTERED BY A FUTURE COLLECTIVE BARGAINING AGREEMENT EXCEPT THAT
11 ANY EMPLOYEE WHO AS OF THE EFFECTIVE DATE OF THIS CHAPTER HAS THE
12 RIGHT, BY CONTRACT OR STATUTE, TO SUBMIT ANY UNRESOLVED DISPUTES
13 TO THE PROCEDURES SET FORTH IN 1969 PA 312, MCL 423.231 TO
14 423.247, SHALL CONTINUE TO HAVE THAT RIGHT, OR, FOR EMPLOYEES NOT
15 COVERED BY COLLECTIVE BARGAINING AGREEMENTS, BY BENEFIT PLANS AS
16 ESTABLISHED AND ADOPTED BY THE AUTHORITY. EMPLOYEES WHO ELECT TO
17 TRANSFER SHALL NOT BY REASON OF THE TRANSFER HAVE THEIR ACCRUED
18 LOCAL GOVERNMENT PENSION BENEFITS OR CREDITS DIMINISHED. IF A
19 TRANSFERRING EMPLOYEE IS NOT VESTED IN HIS OR HER LOCAL GOVERN-
20 MENT PENSION RIGHTS AT THE TIME OF TRANSFER, HIS OR HER
21 POST-TRANSFER SERVICE WITH THE AUTHORITY SHALL BE CREDITED TOWARD
22 VESTING IN ANY LOCAL GOVERNMENT RETIREMENT SYSTEM IN WHICH THE
23 TRANSFERRING EMPLOYEE PARTICIPATED PRIOR TO THE TRANSFER, BUT THE
24 POST-TRANSFER SERVICE WITH THE AUTHORITY SHALL NOT BE CREDITED
25 FOR ANY OTHER PURPOSE UNDER THE LOCAL GOVERNMENT'S RETIREMENT
26 SYSTEM, EXCEPT AS PROVIDED IN SUBSECTIONS (3) AND (4). AN
27 EMPLOYEE WHO ELECTS TO TRANSFER TO THE AUTHORITY MAY, UPON RETURN

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1 TO EMPLOYMENT WITH THE LOCAL GOVERNMENT WITHIN 1 YEAR FROM THE
2 APPROVAL DATE, DO SO WITHOUT LOSS OF SENIORITY UNLESS CONTRARY TO
3 A COLLECTIVE BARGAINING AGREEMENT. NOTWITHSTANDING ANY OTHER
4 PROVISION OF THIS SECTION, A POLITICAL APPOINTEE, OTHER THAN A
5 MEMBER OF THE BOARD APPOINTED UNDER SECTION 111, AT AN AIRPORT
6 PREVIOUSLY OPERATED BY THE LOCAL GOVERNMENT FROM WHICH OPER-
7 ATIONAL AUTHORITY HAS BEEN TRANSFERRED TO AN AUTHORITY SHALL NOT
8 BE PLACED IN A WORSE POSITION IN REGARDS TO TERMS AND CONDITIONS
9 OF EMPLOYMENT UNTIL DECEMBER 31 OF THE YEAR IN WHICH THE AUTHOR-
10 ITY IS CREATED.

11 (3) IF A LOCAL GOVERNMENT EMPLOYEE DESCRIBED IN THIS SECTION
12 ELECTS TO TRANSFER TO AN AUTHORITY OR IF A PERSON IS HIRED BY THE
13 AUTHORITY AS A NEW EMPLOYEE AFTER THE DATE ON WHICH THE AUTHORITY
14 ASSUMES OPERATIONAL JURISDICTION OVER AN AIRPORT, THE EMPLOYEE
15 SHALL REMAIN OR BECOME A PARTICIPANT IN THE LOCAL GOVERNMENT
16 RETIREMENT SYSTEM UNTIL THE AUTHORITY HAS ESTABLISHED ITS OWN
17 RETIREMENT SYSTEM OR PENSION PLAN. DURING THIS PERIOD THE
18 EMPLOYEE REMAINS OR IS A PARTICIPANT IN THE LOCAL GOVERNMENT
19 SYSTEM, THE EMPLOYEE'S POST-TRANSFER SERVICE WITH THE AUTHORITY
20 DURING THIS PERIOD AND HIS OR HER POST-TRANSFER COMPENSATION FROM
21 THE AUTHORITY DURING THIS PERIOD SHALL BE COUNTED IN DETERMINING
22 BOTH ELIGIBILITY FOR AND THE AMOUNT OF PENSION BENEFITS THAT THE
23 EMPLOYEE WILL BE ELIGIBLE TO RECEIVE FROM THE LOCAL GOVERNMENT
24 SYSTEM OR PLAN.

25 (4) IF A LOCAL GOVERNMENT EMPLOYEE DESCRIBED IN THIS SECTION
26 ELECTS TO TRANSFER TO THE AUTHORITY, THEN THE TRANSFERRED
27 EMPLOYEE MAY ELECT TO REMAIN A PARTICIPANT IN THE LOCAL

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1 GOVERNMENT RETIREMENT SYSTEM IN LIEU OF PARTICIPATION IN ANY
2 RETIREMENT SYSTEM OR PENSION PLAN OF THE AUTHORITY. BY ELECTING
3 TO REMAIN A PARTICIPANT IN THE LOCAL GOVERNMENT SYSTEM, THE
4 EMPLOYEE'S POST TRANSFER SERVICE WITH THE AUTHORITY AND HIS OR
5 HER POST-TRANSFER COMPENSATION FROM THE AUTHORITY SHALL BE
6 COUNTED IN DETERMINING BOTH ELIGIBILITY FOR AND THE AMOUNT OF
7 PENSION BENEFITS THAT THE EMPLOYEE WILL BE ELIGIBLE TO RECEIVE
8 FROM THE LOCAL GOVERNMENT SYSTEM OR PLAN. ANY ELECTION TO REMAIN
9 IN A LOCAL GOVERNMENT SYSTEM OR PLAN SHALL BE MADE WITHIN 60 DAYS
10 FOLLOWING THE DATE THE AUTHORITY HAS ESTABLISHED ITS OWN RETIRE-
11 MENT SYSTEM OR PENSION PLAN AND SHALL BE IRREVOCABLE. EMPLOYEES
12 ELIGIBLE TO MAKE THE ELECTION DESCRIBED IN THIS SUBSECTION SHALL
13 BE THOSE EMPLOYEES WHO IMMEDIATELY BEFORE THEIR TRANSFER DATE
14 WERE PARTICIPATING IN THE LOCAL GOVERNMENT SYSTEM AND WHO AGREE
15 TO MAKE ANY EMPLOYEE CONTRIBUTIONS REQUIRED FOR CONTINUING PAR-
16 TICIPATION IN THE LOCAL GOVERNMENT SYSTEM AND ALSO AGREE TO MEET
17 ALL REQUIREMENTS AND BE SUBJECT TO ALL CONDITIONS WHICH, FROM
18 TIME TO TIME, APPLY TO EMPLOYEES OF THE LOCAL GOVERNMENT WHO PAR-
19 TICIPATE IN THE LOCAL GOVERNMENT SYSTEM.

20 (5) FOR EACH EMPLOYEE MEETING THE REQUIREMENTS OF
21 SUBSECTION (4) WHO ELECTS TO REMAIN A PARTICIPANT IN THE LOCAL
22 RETIREMENT SYSTEM, THE AUTHORITY SHALL, ON A TIMELY BASIS, CON-
23 TRIBUTE THE FOLLOWING AMOUNTS, AS APPLICABLE, TO THE TRUSTEES OF
24 THAT RETIREMENT SYSTEM:

25 (A) AN AMOUNT DETERMINED BY THE LOCAL GOVERNMENT SYSTEM'S
26 ACTUARY TOWARD AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED
27 LIABILITIES WHICH, AS OF THE TRANSFER DATE, ARE REASONABLY

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1 ALLOCATED TO THAT EMPLOYEE ON THE LOCAL GOVERNMENT SYSTEM'S
2 RECORDS.

3 (B) AN AMOUNT DETERMINED BY THE LOCAL GOVERNMENT SYSTEM'S
4 ACTUARY SUFFICIENT TO FUND THE LIABILITY FOR ALL OF THAT
5 EMPLOYEE'S RETIREMENT AND OTHER BENEFITS UNDER THE SYSTEM ON A
6 CURRENT BASIS, AS THOSE LIABILITIES ARE ACCRUED ON AND AFTER THE
7 TRANSFER DATE.

8 (C) AN AMOUNT DETERMINED BY THE LOCAL GOVERNMENT SYSTEM'S
9 ACTUARY EQUAL TO ALL ACTUARIAL LOSSES NET OF ACTUARIAL GAINS,
10 COSTS, AND ADMINISTRATIVE EXPENSES OF THE SYSTEM WHICH ARE REA-
11 SONABLY ALLOCATED TO THE EMPLOYEE.

12 (D) AN AMOUNT EQUAL TO THE PERCENTAGE OF COMPENSATION THAT
13 THE LOCAL GOVERNMENT WOULD HAVE CONTRIBUTED FOR THE EMPLOYEE HAD
14 HE OR SHE REMAINED IN THE EMPLOY OF THE LOCAL GOVERNMENT.

15 (E) AN AMOUNT CORRESPONDING TO WHAT THE LOCAL GOVERNMENT
16 WOULD HAVE CONTRIBUTED TOWARD RETIREE HEALTH COVERAGE FOR THE
17 EMPLOYEE. HOWEVER, THE AUTHORITY SHALL SUCCEED TO ALL RIGHTS OF
18 THE LOCAL GOVERNMENT TO MODIFY, AMEND, REPLACE, SUSPEND, OR DIS-
19 CONTINUE THE RETIREE HEALTH COVERAGE BEING PROVIDED TO THE PER-
20 SONS WHO RETIRE FROM AUTHORITY EMPLOYMENT.

21 SEC. 120. (1) AN AUTHORITY MAY RAISE REVENUES TO FUND ALL
22 OF ITS ACTIVITIES, OPERATIONS, AND INVESTMENTS CONSISTENT WITH
23 ITS PURPOSES. HOWEVER, AN AUTHORITY SHALL NOT LEVY A TAX OR
24 IMPOSE A SPECIAL ASSESSMENT. THE SOURCES OF REVENUE AVAILABLE TO
25 THE AUTHORITY MAY INCLUDE, BUT ARE NOT LIMITED TO, FEES, RENTS,
26 OR OTHER CHARGES THE AUTHORITY MAY FIX, REGULATE, AND COLLECT FOR
27 THE AIRPORT FACILITIES UNDER THE CONTROL OF AND SERVICES

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1 FURNISHED BY THE AUTHORITY, INCLUDING FEES, RENTALS, AND CHARGES
2 FIXED IN CONNECTION WITH AGREEMENTS ENTERED INTO UNDER
3 SECTION 116. THE REVENUES RAISED BY AN AUTHORITY MAY BE PLEDGED,
4 IN WHOLE OR IN PART, FOR THE REPAYMENT OF BONDED INDEBTEDNESS AND
5 OTHER EXPENDITURES ISSUED OR INCURRED BY THE AUTHORITY.

6 (2) TO THE EXTENT PRACTICABLE, AN AUTHORITY SHALL ENDEAVOR
7 TO MAXIMIZE THE REVENUES GENERATED FROM ENTERPRISES LOCATED AT
8 THE AIRPORT CONSISTENT WITH ITS OBLIGATIONS UNDER APPLICABLE FED-
9 ERAL LAW, REGULATIONS, AND ASSURANCES ASSOCIATED WITH ACCEPTING
10 GRANTS FROM THE FAA OR ANY OTHER AGENCY OF THE UNITED STATES OR
11 THIS STATE.

12 (3) THE AUTHORITY MAY MAKE APPLICATION FOR AND RECEIVE
13 LOANS, GRANTS, GUARANTEES, OR OTHER FINANCIAL ASSISTANCE IN AID
14 OF AIRPORT FACILITIES AND THE OPERATION OF THE AIRPORT FROM ANY
15 STATE, FEDERAL, COUNTY, OR MUNICIPAL GOVERNMENT OR AGENCY OR FROM
16 ANY OTHER SOURCE, PUBLIC OR PRIVATE, INCLUDING FINANCIAL ASSIST-
17 ANCE FOR PURPOSES OF PLANNING, CONSTRUCTING, IMPROVING, AND OPER-
18 ATING THE AIRPORT, FOR PROVIDING SECURITY AT THE AIRPORT, AND FOR
19 PROVIDING GROUND ACCESS TO THE AIRPORT.

20 SEC. 121. THE AUTHORITY MAY ACCEPT THE TRANSFER OF OPER-
21 ATIONAL JURISDICTION OF OTHER PUBLICLY OWNED AIRPORTS THAT HOLD
22 AN AIRPORT OPERATING CERTIFICATE ISSUED BY THE FAA UNDER PART 139
23 OF CHAPTER 14 OF THE CODE OF FEDERAL REGULATIONS, WITHIN AND
24 WITHOUT THE LOCAL GOVERNMENT. IN ACCEPTING A TRANSFER, THE
25 AUTHORITY MAY ASSUME NO FINANCIAL OBLIGATIONS OTHER THAN THOSE
26 ASSOCIATED WITH THE OPERATION OF THE AIRPORT BEING TRANSFERRED
27 AND WITH DEBT ISSUED TO FINANCE IMPROVEMENTS AT THE AIRPORT BEING

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1 TRANSFERRED. IF A GOVERNMENTAL ENTITY TRANSFERS OPERATIONAL
2 JURISDICTION OVER AN AIRPORT TO AN AUTHORITY UNDER THIS SECTION,
3 THE AUTHORITY SHALL NOT SELL OR TRANSFER ANY PROPERTY OF THE GOV-
4 ERNMENTAL ENTITY WITHOUT THE CONSENT OF THE GOVERNMENTAL ENTITY
5 THAT PROVIDED THE TRANSFER OF OPERATIONAL JURISDICTION UNDER THIS
6 SECTION. [AN AUTHORITY THAT OPERATES A QUALIFIED AIRPORT SHALL NOT
OPERATE AN AIRPORT THAT IS LOCATED IN A CITY HAVING A POPULATION OF MORE
THAN 750,000.]

7 SEC. 122. FOR THE PURPOSE OF ACQUIRING, PURCHASING, CON-
8 STRUCTING, IMPROVING, ENLARGING, FURNISHING, EQUIPPING, REEQUIP-
9 PING, OR REPAIRING AIRPORTS AND AIRPORT FACILITIES FOR WHICH
10 OPERATIONAL JURISDICTION IS TRANSFERRED PURSUANT TO THIS CHAPTER
11 OR IS ACQUIRED BY THE AUTHORITY, THE AUTHORITY MAY ISSUE
12 SELF-LIQUIDATING BONDS OF THE AUTHORITY IN ACCORDANCE WITH AND
13 EXERCISE ALL OF THE POWERS CONFERRED UPON PUBLIC CORPORATIONS BY
14 THE REVENUE BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO
15 141.139.

16 SEC. 123. THE AUTHORITY MAY BORROW MONEY AND ISSUE MUNICI-
17 PAL SECURITIES IN ACCORDANCE WITH AND EXERCISE ALL OF THE POWERS
18 CONFERRED UPON MUNICIPALITIES BY THE REVISED MUNICIPAL FINANCE
19 ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

20 SEC. 124. ALL BONDS OR OTHER EVIDENCES OF INDEBTEDNESS
21 ISSUED BY AN AUTHORITY UNDER THIS CHAPTER, AND THE INTEREST
22 THEREON, ARE FREE AND EXEMPT FROM ALL TAXATION WITHIN THE STATE,
23 EXCEPT FOR TRANSFER AND FRANCHISE TAXES.

24 SEC. 125. (1) THE LEGISLATIVE BODY OF ANY LOCAL GOVERNMENT
25 THAT OWNS AN AIRPORT OVER WHICH THE OPERATIONAL JURISDICTION HAS
26 BEEN TRANSFERRED TO AN AUTHORITY IS HEREBY AUTHORIZED, WITH THE

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1 CONSENT OF THE AUTHORITY, TO TAKE 1 OR MORE OF THE FOLLOWING
2 ACTIONS:

3 (A) PLEDGE ITS FULL FAITH AND CREDIT BEHIND ANY OBLIGATION
4 OR EVIDENCE OF INDEBTEDNESS OF THE AUTHORITY.

5 (B) ADVANCE FUNDS TO THE AUTHORITY FOR WORKING CAPITAL AND
6 OTHER PURPOSES OF THE AUTHORITY ON TERMS AND CONDITIONS AGREED TO
7 BY THE AUTHORITY AND THE LOCAL GOVERNMENT CONSISTENT WITH OBLIGA-
8 TIONS UNDER APPLICABLE FEDERAL LAW, REGULATIONS, AND ASSURANCES
9 ASSOCIATED WITH ACCEPTING GRANTS FROM THE FAA OR ANY OTHER AGENCY
10 OF THE UNITED STATES OR THIS STATE.

11 (C) APPROPRIATE AND GRANT FUNDS TO THE AUTHORITY IN FURTHER-
12 ANCE OF ITS PURPOSES.

13 (D) GRANT AND CONVEY TO THE AUTHORITY REAL OR PERSONAL PROP-
14 ERTY OF ANY KIND OR NATURE, OR ANY INTEREST IN REAL OR PERSONAL
15 PROPERTY, FOR THE CARRYING OUT OF THE AUTHORIZED PURPOSES OF THE
16 AUTHORITY.

17 (2) A PLEDGE MADE PURSUANT TO THIS SECTION SHALL BE AT THE
18 DISCRETION OF THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT AND
19 MAY BE SUBJECT TO AN AGREEMENT PROVIDING FOR TERMS AND CONDITIONS
20 OF THE PLEDGE AND FOR REPAYMENT OF ANY AMOUNT PAID PURSUANT TO
21 THE PLEDGE AS THE AUTHORITY AND THE LOCAL GOVERNMENT MAY DETER-
22 MINE NECESSARY AND ADVISABLE CONSISTENT WITH OBLIGATIONS UNDER
23 APPLICABLE FEDERAL LAW, REGULATIONS, AND ASSURANCES ASSOCIATED
24 WITH ACCEPTING GRANTS FROM THE FAA OR ANY OTHER AGENCY OF THE
25 UNITED STATES OR THIS STATE.

26 (3) ANY AGREEMENT BY AN AUTHORITY TO REPAY AN ADVANCE MADE
27 PURSUANT TO THIS SECTION, AND ANY OBLIGATION INCURRED BY THE

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1 AUTHORITY UNDER THAT AGREEMENT, SHALL NOT BE SUBJECT TO THE
2 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
3 141.2821.

4 SEC. 125A. (1) FOR THE PURPOSE OF MORE EFFECTIVELY MANAGING
5 ITS DEBT SERVICE, AN AUTHORITY MAY ENTER INTO AN INTEREST RATE
6 EXCHANGE OR SWAP, HEDGE, OR SIMILAR AGREEMENT OR AGREEMENTS IN
7 CONNECTION WITH THE ISSUANCE OR PROPOSED ISSUANCE OF OBLIGATIONS
8 OR OTHER EVIDENCES OF INDEBTEDNESS OR IN CONNECTION WITH ITS THEN
9 OUTSTANDING OBLIGATIONS OR OTHER EVIDENCES OF INDEBTEDNESS.

10 (2) IN CONNECTION WITH ENTERING INTO AN INTEREST RATE
11 EXCHANGE OR SWAP, HEDGE, OR SIMILAR AGREEMENT, THE AUTHORITY MAY
12 CREATE A RESERVE FUND FOR THE PAYMENT THEREOF.

13 (3) AN AGREEMENT ENTERED INTO PURSUANT TO THIS SECTION SHALL
14 COMPLY WITH ALL OF THE FOLLOWING:

15 (A) THE AGREEMENT IS NOT A DEBT OF THE AUTHORITY ENTERING
16 INTO THE AGREEMENT FOR ANY STATUTORY OR CHARTER DEBT LIMITATION
17 PURPOSE.

18 (B) THE AGREEMENT IS PAYABLE FROM GENERAL FUNDS OF THE
19 AUTHORITY OR, SUBJECT TO ANY EXISTING CONTRACTS, FROM ANY AVAIL-
20 ABLE MONEY OR REVENUE SOURCES, INCLUDING REVENUES THAT SHALL BE
21 SPECIFIED BY THE AGREEMENT, SECURING THE OBLIGATION OR EVIDENCE
22 OF INDEBTEDNESS IN CONNECTION WITH THE AGREEMENT.

23 SEC. 125B. (1) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS
24 CHAPTER OR ANY OTHER LAW, THE PROVISIONS OF ALL ORDINANCES, RESO-
25 LUTIONS, AND OTHER PROCEEDINGS OF THE LOCAL GOVERNMENT WITH
26 RESPECT TO ANY OUTSTANDING BONDS, NOTES, OR ANY AND ALL EVIDENCES
27 OF INDEBTEDNESS OR LIABILITY ASSUMED BY AN AUTHORITY PURSUANT TO

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1 THIS CHAPTER SHALL CONSTITUTE A CONTRACT BETWEEN THE AUTHORITY
2 AND THE HOLDERS OF THE BONDS, NOTES, OR EVIDENCES OF INDEBTEDNESS
3 OR LIABILITY, AND SHALL HAVE THEIR PROVISIONS ENFORCEABLE AGAINST
4 THE AUTHORITY OR ANY OR ALL OF ITS SUCCESSORS OR ASSIGNS, BY MAN-
5 DAMUS OR ANY OTHER APPROPRIATE SUIT, ACTION, OR PROCEEDING IN LAW
6 OR IN EQUITY IN ANY COURT OF COMPETENT JURISDICTION IN ACCORDANCE
7 WITH LAW.

8 (2) BONDS, NOTES, OR ANY AND ALL EVIDENCES OF INDEBTEDNESS
9 OR LIABILITY THAT ARE ASSUMED BY AN AUTHORITY UNDER THIS CHAPTER
10 ARE PAYABLE SOLELY FROM AND SECURED SOLELY BY THE SOURCES OF REV-
11 ENUE THAT WERE PLEDGED TO THOSE BONDS, NOTES, OR EVIDENCES OF
12 INDEBTEDNESS OR LIABILITY UNDER THE ORDINANCE, RESOLUTION, OR
13 OTHER PROCEEDINGS OF THE LOCAL GOVERNMENT, AND DO NOT CONSTITUTE
14 A FULL FAITH AND CREDIT OBLIGATION OF THE AUTHORITY.

15 (3) NOTHING IN THIS CHAPTER OR IN ANY OTHER LAW SHALL BE
16 HELD TO RELIEVE AN AUTHORITY FROM ANY BONDED OR OTHER DEBT OR
17 LIABILITY LAWFULLY CONTRACTED BY THE LOCAL GOVERNMENT WITH
18 RESPECT TO THE AIRPORT AND OUTSTANDING AS OF THE EFFECTIVE DATE
19 OF THE TRANSFER OF THE OPERATIONAL JURISDICTION OVER THE AIRPORT
20 TO THE AUTHORITY.

21 (4) AN AUTHORITY SHALL NOT TAKE ANY ACTION TO IMPAIR THE
22 RIGHTS OR REMEDIES OF THE HOLDERS OF THE BONDS OR OTHER OBLIGA-
23 TIONS OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT THAT WERE
24 LAWFULLY ISSUED PRIOR TO THE TRANSFER OF OPERATIONAL JURISDICTION
25 OF THE AIRPORT TO THE AUTHORITY.

26 (5) UPON THE TRANSFER OF OPERATIONAL JURISDICTION OVER THE
27 AIRPORT TO AN AUTHORITY, TRUSTEES, PAYING AGENTS, AND REGISTRARS

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1 FOR ANY OBLIGATION OF THE LOCAL GOVERNMENT THAT HAS BEEN ASSUMED
2 BY THE AUTHORITY PURSUANT TO SECTION 117 SHALL PERFORM ALL OF
3 THEIR DUTIES AND OBLIGATIONS AND PROVIDE ALL NOTICES RELATED TO
4 THOSE OBLIGATIONS AS IF THE AUTHORITY WERE THE ISSUER OF THE
5 OBLIGATIONS. THESE TRUSTEES, PAYING AGENTS, AND REGISTRARS SHALL
6 CARE FOR AND CONSIDER ALL REVENUES AND FUNDS PLEDGED TO SECURE
7 OBLIGATIONS OF THE LOCAL GOVERNMENT THAT HAVE BEEN ASSUMED BY THE
8 AUTHORITY PURSUANT TO SECTION 117 AS REVENUES AND FUNDS OF THE
9 AUTHORITY. THE AUTHORITY SHALL INDEMNIFY AND HOLD HARMLESS THESE
10 TRUSTEES, PAYING AGENTS, AND REGISTRARS FROM LIABILITY INCURRED
11 IN COMPLIANCE WITH THIS SUBSECTION.

12 SEC. 125C. IF ANY PORTION OF THIS CHAPTER OR THE APPLICA-
13 TION OF THIS CHAPTER TO ANY PERSON OR CIRCUMSTANCES IS FOUND TO
14 BE INVALID BY A COURT, THAT INVALIDITY SHALL NOT AFFECT THE
15 REMAINING PORTIONS OR APPLICATIONS OF THIS CHAPTER, WHICH CAN BE
16 GIVEN EFFECT WITHOUT THE INVALID PORTION OR APPLICATION, AS LONG
17 AS THE REMAINING PORTIONS ARE NOT DETERMINED BY THE COURT TO BE
18 INOPERABLE; AND TO THIS END, THIS CHAPTER IS DECLARED TO BE
19 SEVERABLE.

[Enacting section 1. The international tradeport development
authority act, 1994 PA 325, MCL 125.2521 to 125.2546, is repealed.]