

**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.

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
INCORPORATION OF PUBLIC AIRPORT AUTHORITIES AND PROVIDING FOR THE POWERS,
DUTIES. AND OBLIGATIONS OF PUBLIC AIRPORT AUTHORITIES; PROVIDING FOR THE
TRANSFER OF AIRPORT MANAGEMENT TO PUBLIC AIRPORT AUTHORITIES. INCLUDING
THE TRANSFER OF AIRPORT LIABILITIES, EMPLOYEES, AND OPERATIONAL
5 JURISDICTION; providing juris-
6 diction of crimes, torts, and contracts; providing police powers
7 for those entrusted to enforce this act; providing for civil
8 liability of owners, operators, and others; making hunting from
9 aircraft unlawful; providing for repair station operators lien;
10 providing for appeals from rules or orders issued by the commis-
11 sion; providing for the transfer from the Michigan board of aero-
12 nautics to the aeronautics commission all properties and funds
13 held by the board of aeronautics; providing for a state aeronau-
14 tics fund and making an appropriation therefor; prescribing pen-
15 alties; and making uniform the law with reference to state devel-
opment and regulation of aeronautics.

16 CHAPTER VIA. ACQUISITION AND OPERATION OF AIRPORTS, LANDING
17 FIELDS, AND OTHER AERONAUTICAL FACILITIES BY PUBLIC AIRPORT
18 AUTHORITIES

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

21 SEC. 109. AS USED IN THIS CHAPTER:

22 (A) "AIRPORT" MEANS A PUBLICLY OWNED AIRPORT LICENSED BY THE
23 STATE TRANSPORTATION DEPARTMENT, BUREAU OF AERONAUTICS UNDER SEC-
24 TION 86 AND INCLUDES ALL AIRPORT FACILITIES AT THE AIRPORT. AN
25 AIRPORT IS "PUBLICLY OWNED" IF THE PORTION USED FOR THE LANDING
26 AND TAKING OFF OF AIRCRAFT IS OWNED, OPERATED, CONTROLLED, LEASED
27 TO, OR LEASED BY THE UNITED STATES OR ANY AGENCY OR DEPARTMENT OF

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1 THE UNITED STATES, THIS STATE, A LOCAL GOVERNMENT OR ANY
2 MUNICIPALITY OR OTHER POLITICAL SUBDIVISION OF THIS STATE, OR ANY
3 OTHER GOVERNING BODY, PUBLIC AGENCY, OR OTHER PUBLIC
4 CORPORATION. PROPERTY TO BE INCLUDED AS PART OF AN AIRPORT SHALL
5 INCLUDE ALL OF THE FOLLOWING:

6 (i) PROPERTY WITHIN THE AREA IDENTIFIED IN THE LATEST AIR-
7 PORT LAYOUT PLAN INCLUDED WITHIN EXHIBIT A TO FEDERAL GRANT
8 AGREEMENTS EXECUTED BY THE LOCAL GOVERNMENT THAT OWNS OR OPERATES
9 THE AIRPORT PRIOR TO THE TRANSFER OF OPERATIONAL JURISDICTION
10 OVER THE AIRPORT TO AN AUTHORITY CREATED UNDER THIS CHAPTER, AND
11 LANDS PURCHASED WITH FEDERAL FUNDS AND PASSENGER FACILITY CHARGES
12 RELATED TO THE AIRPORT.

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

19 (B) "AIRPORT FACILITIES" MEANS ANY OF THE FOLLOWING AT AN
20 AIRPORT:

21 (i) REAL OR PERSONAL PROPERTY, OR INTEREST IN REAL OR PER-
22 SONAL PROPERTY, USED FOR THE LANDING, TAKING OFF, TAXIING, PARK-
23 ING, STORING, SHELTER, SUPPLY, OR CARE OF AIRCRAFT, OR FOR
24 RECEIVING OR DISCHARGING PASSENGERS OR CARGO, AND ALL APPURTENANT
25 AREAS USED FOR AIRPORT BUILDINGS OR OTHER AIRPORT FACILITIES, AND
26 ALL APPURTENANT RIGHTS-OF-WAY.

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

5 (iii) REAL OR PERSONAL PROPERTY, AND EASEMENTS ABOVE, ON, OR
6 UNDER THE SURFACE OF REAL OR PERSONAL PROPERTY, USED OR INTENDED
7 TO BE USED FOR THE FULL OR PARTIAL SATISFACTION OF ENVIRONMENTAL
8 MITIGATION REQUIREMENTS IMPOSED BY ANY FEDERAL, STATE, COUNTY, OR
9 OTHER MUNICIPAL GOVERNMENT OR AGENCY AS A CONDITION OF APPROVING
10 THE ACQUISITION, CONSTRUCTION, EXPANSION, OR OPERATION OF OTHER
11 AIRPORT FACILITIES, WHETHER OR NOT LOCATED WITHIN THE BOUNDARIES
12 OF THE LOCAL UNIT OF GOVERNMENT THAT OWNS THE AIRPORT OVER WHICH
13 OPERATIONAL JURISDICTION IS TRANSFERRED PURSUANT TO THIS
14 CHAPTER.

15 (iv) OTHER STRUCTURES, IMPROVEMENTS, AND BUILDINGS OF ALL
16 TYPES USED OR USEFUL FOR AIRPORT RELATED PURPOSES FOR THE CONVE-
17 NIENCE OF THE PUBLIC OR FOR COMMERCIAL OR GENERAL AVIATION ACTIV-
18 ITIES, LOCATED ON THE PROPERTY ACQUIRED BY OR UNDER THE OPER-
19 ATIONAL JURISDICTION OF THE AUTHORITY, INCLUDING, BUT NOT LIMITED
20 TO, RESTAURANTS, HOTELS, MOTELS, EXHIBITION HALLS, CONVENTION
21 FACILITIES, AUTOMOTIVE PARKING FACILITIES, RETAIL STORES, AIR-
22 CRAFT FUELING SYSTEMS, AUTOMOTIVE SERVICE CENTERS, CARGO BUILD-
23 INGS, WAREHOUSES, KITCHEN FACILITIES, DRAINAGE SYSTEMS, UTILI-
24 TIES, ROADWAYS, AUTOMOBILE AND AIRCRAFT BRIDGES, AND SURFACE
25 TRANSPORTATION TERMINALS AND FACILITIES.

26 (v) BEACONS, MARKERS, COMMUNICATIONS SYSTEMS, AND ALL
27 NAVIGATION FACILITIES FOR USE IN AID OF AIR NAVIGATION.

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1 (vi) ANY AND ALL OTHER IMPROVEMENTS OR FACILITIES NECESSARY,
2 USEFUL, OR DESIRABLE TO SERVE THE OCCUPANTS, PASSENGERS, USERS,
3 EMPLOYEES, OPERATORS, AIRLINES, OR LESSEES OF ANY PORTION OF THE
4 PROPERTY OR FACILITIES OF THE AUTHORITY, OR WHICH ARE OTHERWISE
5 DEEMED BY THE AUTHORITY TO BE IN THE PUBLIC INTEREST, INCLUDING,
6 BUT NOT LIMITED TO, FACILITIES NECESSARY, USED, USEFUL, OR
7 INTENDED FOR USE FOR HANDLING, PARKING, STORING, DISPLAY, SALE,
8 OR SERVICING OF AIRCRAFT, EITHER PRIVATE OR COMMERCIAL; FOR THE
9 ACCOMMODATION OF PERSONS AND HANDLING OF FREIGHT, MAIL, AND OTHER
10 ITEMS TRANSPORTED BY AIR, FOR THE FURNISHING AND SUPPLYING OF
11 GOODS, COMMODITIES, SERVICES, THINGS, AND FACILITIES THAT ARE
12 DEEMED BY THE AUTHORITY TO BE APPROPRIATE FOR THE SAFETY OR CON-
13 VENIENCE OF THE TRAVELING PUBLIC OR OF THE OPERATORS OF AIRCRAFT,
14 OR OTHERWISE IN THE PUBLIC INTEREST; AND IN OR FOR THE EQUIPPING,
15 OPERATION, AND MAINTENANCE OF ANY AIRPORT FACILITIES OF THE
16 AUTHORITY.

17 (C) "APPROVAL DATE" MEANS THE EFFECTIVE DATE OF THE ISSUANCE
18 BY THE FEDERAL AVIATION ADMINISTRATION TO THE AUTHORITY ASSUMING
19 OPERATIONAL JURISDICTION OF AN AIRPORT OF A CERTIFICATE UNDER PART 139 OF
20 CHAPTER 14 OF THE CODE OF FEDERAL REGULATIONS
21 WITH RESPECT TO THE AIRPORT, AND THE CONCURRENCE BY THE FAA OF
22 THE DESIGNATION OF THE AUTHORITY AS A SPONSOR OF THE AIRPORT,
23 INCLUDING THE FAA'S APPROVAL OF THE ASSIGNMENT OF EXISTING GRANT
24 AGREEMENTS TO THE AUTHORITY.

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

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

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

2 (G) "ENPLANEMENT" MEANS A DOMESTIC, TERRITORIAL, OR INTERNA-
3 TIONAL REVENUE PASSENGER WHO BOARDS AN AIRCRAFT AT A QUALIFIED
4 AIRPORT IN SCHEDULED OR NONSCHEDULED SERVICE OF AIRCRAFT IN
5 INTRASTATE, INTERSTATE, OR FOREIGN SERVICE AND INCLUDES AN
6 IN-TRANSIT PASSENGER WHO BOARDS AN INTERNATIONAL FLIGHT THAT
7 TRANSITS AN AIRPORT IN THE UNITED STATES FOR NONTRAFFIC
8 PURPOSES.

9 (H) "FAA" MEANS THE FEDERAL AVIATION ADMINISTRATION OF THE
10 UNITED STATES DEPARTMENT OF TRANSPORTATION, OR ANY SUCCESSOR
11 AGENCY.

12 (I) "FISCAL YEAR" MEANS THAT ANNUAL PERIOD THAT IS THE
13 FISCAL YEAR OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT OVER
14 WHICH AN AUTHORITY HAS ASSUMED OPERATIONAL JURISDICTION OR, IF
15 THE LOCAL GOVERNMENT IS NOT REQUIRED TO INCLUDE THE AUTHORITY IN
16 THE FINANCIAL STATEMENTS OF THE LOCAL GOVERNMENT, THAT ANNUAL
17 PERIOD ESTABLISHED BY THE BOARD.

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

20 (K) "LOCAL CHIEF EXECUTIVE OFFICER" MEANS THE MAYOR OR 
21 MANAGER OF A CITY OR VILLAGE, THE TOWNSHIP SUPERVISOR OF A TOWN-
22 SHIP, OR THE COUNTY EXECUTIVE OF A COUNTY OR, IF A COUNTY DOES
23 NOT HAVE A COUNTY EXECUTIVE, THE CHAIRPERSON OF THE COUNTY BOARD
24 OF COMMISSIONERS.

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

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(M) "PASSENGER FACILITY CHARGE" OR "PFC" MEANS A PASSENGER FACILITY CHARGE IMPOSED AS AUTHORIZED UNDER SECTION 1113(E) OF THE FEDERAL AVIATION ACT OF 1958, 49 U.S.C. 1513(E).

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

(O) "SPONSOR" MEANS THE PUBLIC AGENCY AUTHORIZED BY SUBCHAPTER I OF CHAPTER 471 OF TITLE 49 OF THE UNITED STATES CODE, 49 U.S.C. 47101 TO 47134, TO

SUBMIT REQUESTS FOR, AND THEREAFTER ACCEPT, AND BE RESPONSIBLE FOR PERFORMING ALL OF THE ASSURANCES ASSOCIATED WITH ACCEPTING GRANT AGREEMENTS WITH RESPECT TO AIRPORTS FROM THE FAA OR THIS STATE AND TO IMPOSE A PASSENGER FACILITY CHARGE AT AIRPORTS, AND TO PERFORM CERTAIN DUTIES AND RESPONSIBILITIES PREVIOUSLY ASSUMED BY THE LOCAL GOVERNMENT THAT OWNS OR OPERATES THE AIRPORT PRIOR TO THE TRANSFER OF OPERATIONAL JURISDICTION OF THE AIRPORT TO AN AUTHORITY CREATED UNDER THIS CHAPTER BY VIRTUE OF THE LOCAL GOVERNMENT'S ACCEPTANCE PRIOR TO THE APPROVAL DATE OF GRANTS FOR THE BENEFIT OF THE AIRPORT FROM THE FAA OR ANY OTHER AGENCY OF THE UNITED STATES OR THIS STATE.

SEC. 110. (1) AN AUTHORITY CREATED UNDER OR PURSUANT TO THIS SECTION SHALL BE A POLITICAL SUBDIVISION AND INSTRUMENTALITY OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT AND SHALL BE CONSIDERED A PUBLIC AGENCY OF THE LOCAL GOVERNMENT FOR PURPOSES OF STATE AND FEDERAL LAW. AN AUTHORITY CREATED UNDER OR PURSUANT TO THIS SECTION ALSO SHALL BE THE AIRPORT MANAGER. AN AUTHORITY SHALL NOT LEVY A TAX OR SPECIAL ASSESSMENT.

(2) FOR A LOCAL GOVERNMENT THAT OWNS OR OPERATES A QUALIFIED AIRPORT ON THE EFFECTIVE DATE OF THIS CHAPTER, THERE IS CREATED

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1 AN AUTHORITY ON THE EFFECTIVE DATE OF THIS CHAPTER. FOR A LOCAL
2 GOVERNMENT THAT OPERATES AN AIRPORT THAT BECOMES A QUALIFIED AIR-
3 PORT AFTER THE EFFECTIVE DATE OF THIS CHAPTER, THERE IS CREATED
4 AN AUTHORITY ON THE DATE THE AIRPORT BECOMES A QUALIFIED
5 AIRPORT. AN AUTHORITY IS VESTED WITH POWERS GRANTED BY THIS
6 CHAPTER TO MANAGE AND OPERATE THE QUALIFIED AIRPORT AND AIRPORT
7 FACILITIES OF A QUALIFIED AIRPORT AND ANY OTHER AIRPORT AND
8 RELATED AIRPORT FACILITIES OWNED OR OPERATED BY THE LOCAL GOVERN-
9 MENT ON THE APPROVAL DATE. BEFORE THE APPROVAL DATE, AN AUTHOR-
10 ITY MAY ORGANIZE AND EXERCISE ALL POWERS GRANTED UNDER THIS CHAP-
11 TER, EXCEPT THOSE POWERS RELATED TO THE MANAGEMENT AND OPERATION
12 OF A QUALIFIED AIRPORT. OFFICIALS AND EMPLOYEES OF THE LOCAL
13 GOVERNMENT AND THE AUTHORITY SHALL ACTIVELY COOPERATE WITH THE
14 LOCAL GOVERNMENT, THE AUTHORITY, THIS STATE, AND THE FEDERAL GOV-
15 ERNMENT TO THE END THAT THE FAA WILL RECOGNIZE THE AUTHORITY AS THE
16 SPONSOR OF THE QUALIFIED AIRPORT, AND TO OBTAIN FAA APPROVAL OF THE TRANS-
17 FERS CONTEMPLATED BY THIS CHAPTER. ANY ACTION REQUIRED BY THIS
18 STATE RELATED TO THE APPROVAL SHALL BE COORDINATED BY THE
19 DEPARTMENT. THE LOCAL GOVERNMENT SHALL EXECUTE SUCH ADDITIONAL
20 DOCUMENTS AS NECESSARY TO OBTAIN FAA APPROVAL OF THE TRANSFERS CON-
21 TEMPLATED BY THIS CHAPTER AND TO OBTAIN RECOGNITION OF THE
22 AUTHORITY AS THE SPONSOR WITH RESPECT TO THE QUALIFIED AIRPORT.

23 (3) A LOCAL GOVERNMENT THAT OWNS OR OPERATES AN AIRPORT THAT
24 IS NOT A QUALIFIED AIRPORT MAY, BY RESOLUTION, DECLARE ITS INTEN-
25 TION TO INCORPORATE AN AUTHORITY. IN THE RESOLUTION OF INTENT,
26 THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT SHALL SET A DATE FOR
27 THE HOLDING OF A PUBLIC HEARING ON THE ADOPTION OF A PROPOSED

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1 RESOLUTION INCORPORATING THE AUTHORITY. AFTER A PUBLIC
2 HEARING, WHICH SHALL BE HELD IN ACCORDANCE WITH THE OPEN MEETINGS
3 ACT, 1976 PA 267, MCL 15.261 TO 15.275, IF THE LEGISLATIVE BODY
4 OF THE LOCAL GOVERNMENT INTENDS TO PROCEED WITH THE INCORPORATION
5 OF THE AUTHORITY, IT SHALL ADOPT, BY MAJORITY VOTE OF ITS MEM-
6 BERS, A RESOLUTION INCORPORATING THE AUTHORITY. THE ADOPTION OF
7 THE RESOLUTION IS SUBJECT TO ANY APPLICABLE STATUTORY OR CHARTER
8 PROVISIONS IN RESPECT TO THE APPROVAL OR DISAPPROVAL BY THE LOCAL
9 CHIEF EXECUTIVE OFFICER OR OTHER OFFICER OF THE LOCAL GOVERNMENT
10 AND THE ADOPTION OF AN ORDINANCE OVER HIS OR HER VETO. THE RESO-
11 LUTION SHALL TAKE EFFECT UPON BEING FILED WITH THE SECRETARY OF
12 STATE.

13 (4) THE VALIDITY OF THE CREATION OR INCORPORATION OF THE
14 AUTHORITY SHALL BE CONCLUSIVELY PRESUMED UNLESS QUESTIONED IN AN
15 ORIGINAL ACTION FILED IN THE COURT OF APPEALS WITHIN 60 DAYS
16 AFTER THE CREATION OR INCORPORATION OF THE AUTHORITY UNDER THIS
17 CHAPTER. THE COURT OF APPEALS HAS ORIGINAL JURISDICTION TO HEAR
18 AN ACTION UNDER THIS SUBSECTION. THE COURT SHALL HEAR THE ACTION IN AN
19 EXPEDITED MANNER. THE
20 STATE TRANSPORTATION DEPARTMENT IS A NECESSARY PARTY IN ANY
21 ACTION UNDER THIS SUBSECTION.

22 (5) THE DEPARTMENT SHALL NOT PROMULGATE RULES UNDER THIS CHAPTER.
23 SEC. 111. (1) AN AUTHORITY CREATED UNDER OR PURSUANT TO
24 THIS CHAPTER SHALL BE DIRECTED AND GOVERNED BY A BOARD CONSISTING
25 OF 7 MEMBERS.

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

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1 (A) TWO BOARD MEMBERS SHALL BE APPOINTED BY THE GOVERNOR,
2 WITH 1 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 6 YEARS AND
3 1 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 8 YEARS.

4 (B) ONE BOARD MEMBER SHALL BE APPOINTED BY THE LEGISLATIVE
5 BODY OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT, FOR AN INI-
6 TIAL TERM OF 4 YEARS. NOTWITHSTANDING ANY OTHER STATUTE, LAW,
7 ORDINANCE, OR CHARTER PROVISION TO THE CONTRARY, THE BOARD MEMBER
8 APPOINTED BY THE LEGISLATIVE BODY MAY BE A MEMBER OF THE LEGISLA-
9 TIVE BODY OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT, BUT ONLY
10 WHILE CONTINUING TO SERVE AS A MEMBER OF THE LEGISLATIVE BODY OF
11 THAT LOCAL GOVERNMENT.

12 (C) FOUR BOARD MEMBERS SHALL BE APPOINTED BY THE LOCAL CHIEF
13 EXECUTIVE OFFICER OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT,
14 WITH 1 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 4 YEARS, 1
15 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 6 YEARS, AND 2
16 BOARD MEMBERS APPOINTED FOR AN INITIAL TERM OF 8 YEARS.

17 (3) UPON INCORPORATION OF AN AUTHORITY PURSUANT TO SECTION
18 110(3), THE LOCAL CHIEF EXECUTIVE OFFICER, WITH THE CONSENT OF
19 THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT IF THE LOCAL CHIEF
20 EXECUTIVE OFFICER IS NOT ELECTED, SHALL APPOINT THE MEMBERS OF
21 THE BOARD. OF THE BOARD MEMBERS FIRST APPOINTED UNDER THIS SUB-
22 SECTION, 2 BOARD MEMBERS SHALL BE APPOINTED FOR TERMS OF 4 YEARS
23 EACH, 2 BOARD MEMBERS SHALL BE APPOINTED FOR TERMS OF 6 YEARS
24 EACH, AND 3 BOARD MEMBERS SHALL BE APPOINTED FOR TERMS OF 8 YEARS
25 EACH.

26 (4) A BOARD MEMBER APPOINTED PURSUANT TO SUBSECTION (2)(B)
27 OR (C) OR (3) MUST BE A CITIZEN OF THE UNITED STATES AND A

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1 RESIDENT OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT OVER WHICH
2 OPERATIONAL JURISDICTION WILL BE TRANSFERRED TO AN AUTHORITY. A
3 BOARD MEMBER APPOINTED PURSUANT TO SUBSECTION (2)(A) MUST BE A
4 CITIZEN OF THE UNITED STATES AND A RESIDENT OF THE AREA WITHIN
5 THE JURISDICTION OF THE REGIONAL PLANNING COMMISSION CREATED
6 UNDER 1945 PA 281, MCL 125.11 TO 125.25, IN WHICH THE AIRPORT
7 OVER WHICH OPERATIONAL JURISDICTION WILL BE TRANSFERRED IS
8 LOCATED. EXCEPT AS PERMITTED BY SUBSECTION (2)(B), A PERSON SHALL NOT BE
9 APPOINTED UNDER SUBSECTION (2) OR (3) AS A BOARD MEMBER IF HE OR SHE IS,
10 OR WAS DURING THE 12 MONTHS PRECEDING THE DATE OF APPOINTMENT, AN ELECTED
11 PUBLIC OFFICIAL OR EMPLOYEE OF THIS STATE OR AN AGENCY OR INSTRUMENTALITY
12 OF THIS STATE. A LOCAL GOVERNMENT OR AN AGENCY OR INSTRUMENTALITY OF A
13 LOCAL GOVERNMENT. OR THE FEDERAL GOVERNMENT OR AN AGENCY OR
14 INSTRUMENTALITY OF THE FEDERAL GOVERNMENT.
15 (5) A BOARD MEMBER APPOINTED PURSUANT TO SUBSECTION (2) OR
16 (3), A CHIEF EXECUTIVE OFFICER, AND CHIEF FINANCIAL OFFICER OF
17 AN AUTHORITY, SHALL, AT TIME OF APPOINTMENT OR HIRING, MEET ALL
18 OF THE FOLLOWING QUALIFICATIONS:
19 (A) NEITHER THE BOARD MEMBER OR THE CHIEF EXECUTIVE OFFICER
20 OR CHIEF FINANCIAL OFFICER, NOR THE SPOUSE OR HIS OR HER SIBLINGS,
21 CHILDREN OR THEIR SPOUSES, PARENTS, OR
22 SIBLINGS OR THEIR SPOUSES OF THE BOARD MEMBER OR THE CHIEF EXECUTIVE
23 OFFICER OR
24 CHIEF FINANCIAL OFFICER, ARE ACTIVELY ENGAGED OR EMPLOYED IN ANY
25 OTHER BUSINESS, VOCATION, OR EMPLOYMENT OF ANY CIVIL AERONAUTICS
26 ENTERPRISE CONNECTED WITH THE AIRPORT UNDER THE CONTROL OF THE
27 AUTHORITY.
(B) NEITHER THE BOARD MEMBER OR THE CHIEF EXECUTIVE OFFICER
OR CHIEF FINANCIAL OFFICER, NOR THE SPOUSE OR HIS OR HER SIBLINGS,
CHILDREN OR THEIR SPOUSES, PARENTS, OR
SIBLINGS OR THEIR SPOUSES OF THE BOARD MEMBER OR THE CHIEF EXECUTIVE
OFFICER OR
CHIEF FINANCIAL OFFICER, HAS A 15% OR GREATER DIRECT PECUNIARY

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1 INTEREST IN ANY CIVIL AERONAUTICS ENTERPRISE CONNECTED WITH THE
2 AIRPORT UNDER THE CONTROL OF THE AUTHORITY.

3 (C) THE BOARD MEMBER OR THE CHIEF EXECUTIVE OFFICER OR CHIEF
4 FINANCIAL OFFICER WOULD NOT BE CONSIDERED TO HAVE A CONFLICT OF
5 INTEREST UNDER 1968 PA 318, MCL 15.301 TO 15.310, IN RESPECT TO
6 ANY CONTRACT OR SUBCONTRACT INVOLVING THE AIRPORT IF THE BOARD
7 MEMBER OR THE CHIEF EXECUTIVE OFFICER OR CHIEF FINANCIAL OFFICER
8 WERE CONSIDERED A STATE OFFICER UNDER 1968 PA 318, MCL 15.301 TO
9 15.310.

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

14 (7) THE BOARD SHALL APPOINT A CHIEF EXECUTIVE OFFICER WHO
15 SHALL BE AN EX OFFICIO MEMBER, WITHOUT VOTE, OF THE BOARD AND
16 SHALL NOT BE CONSIDERED IN DETERMINING THE PRESENCE OF A QUORUM.

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 (8) THE CHIEF EXECUTIVE OFFICER SHALL APPOINT A CHIEF FINAN-
21 CIAL OFFICER WHO SHALL BE THE TREASURER OF THE AUTHORITY.

22 SEC. 112. (1) UPON THE EXPIRATION OF THE TERM OF AN INITIAL
23 APPOINTMENT UNDER SECTION 111(2) OR (3), ALL FULL TERM APPOINT-
24 MENTS SHALL BE FOR A TERM OF 6 YEARS. THE EXPIRATION DATE OF THE
25 TERM OF OFFICE OF A MEMBER OF THE BOARD SHALL BE ON OCTOBER 1 OF
26 THE YEAR IN WHICH THE TERM IS TO EXPIRE, BUT A MEMBER OF THE
27 BOARD SHALL HOLD OFFICE UNTIL THE BOARD MEMBER'S SUCCESSOR IS

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1 APPOINTED AND QUALIFIED, OR UNTIL RESIGNATION OR REMOVAL. IF A
2 MEMBER OF THE BOARD IS UNABLE TO COMPLETE HIS OR HER TERM OF
3 OFFICE, A SUCCESSOR SHALL BE APPOINTED IN THE SAME MANNER AS THE
4 ORIGINAL APPOINTMENT TO COMPLETE THE TERM. A MEMBER OF THE BOARD
5 MAY RESIGN BY WRITTEN NOTICE TO THE AUTHORITY. THE RESIGNATION
6 IS EFFECTIVE UPON ITS RECEIPT BY THE SECRETARY OR CHAIRPERSON OF
7 THE AUTHORITY OR AT A SUBSEQUENT TIME AS SET FORTH IN THE NOTICE
8 OF RESIGNATION.

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

14 (3) THE APPOINTING ENTITY FOR ANY BOARD MEMBER MAY ONLY
15 REMOVE A BOARD MEMBER APPOINTED BY THE APPOINTING ENTITY FOR
16 CAUSE.

17 (4) BEFORE ASSUMING THE DUTIES OF OFFICE, A MEMBER OF THE
18 BOARD SHALL QUALIFY BY TAKING AND SUBSCRIBING TO THE CONSTITU-
19 TIONAL OATH OF OFFICE.

20 SEC. 113. (1) UPON THE APPOINTMENT OF AT LEAST 4 MEMBERS OF
21 THE BOARD UNDER SECTION 111(2), THE BOARD MAY HOLD ITS FIRST
22 MEETING. IF LESS THAN 4 MEMBERS OF THE BOARD HAVE BEEN APPOINTED
23 UNDER SECTION 111(2) WITHIN 30 DAYS AFTER THE DATE ON WHICH THE
24 AUTHORITY IS CREATED,

25 A MAJORITY OF THOSE BOARD MEMBERS
26 APPOINTED MAY HOLD THE FIRST MEETING OF THE BOARD AFTER THE
27 EXPIRATION OF THAT 30-DAY PERIOD. THE FIRST MEETING OF THE BOARD

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1 SHALL NOT BE HELD MORE THAN 60 DAYS AFTER THE CREATION DATE OF
2 THE AUTHORITY. NOT LATER THAN 60 DAYS AFTER AN AUTHORITY IS CRE-
3 ATED UNDER SECTION 110(3), THE BOARD OF THE AUTHORITY SHALL HOLD
4 ITS FIRST MEETING. AT THE FIRST MEETING, THE BOARD SHALL ORGA-
5 NIZE BY ELECTING A CHAIRPERSON, A VICE-CHAIRPERSON, A SECRETARY,
6 AND ADDITIONAL OFFICERS OF THE BOARD AS THE BOARD CONSIDERS
7 NECESSARY. ALL OFFICERS OF THE BOARD SHALL BE ELECTED ANNUALLY
8 BY THE BOARD. ALL OFFICERS OF THE AUTHORITY, EXCEPT THE CHIEF
9 EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER, MUST BE MEM-
10 BERS OF THE BOARD.

11 (2) THE BUSINESS THAT THE BOARD MAY PERFORM SHALL BE CON-
12 DUCTED AT A PUBLIC MEETING OF THE BOARD HELD IN COMPLIANCE WITH
13 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. PUBLIC
14 NOTICE OF THE TIME, DATE, AND PLACE OF THE MEETING SHALL BE GIVEN
15 IN THE MANNER REQUIRED BY THE OPEN MEETINGS ACT, 1976 PA 267,
16 MCL 15.261 TO 15.275. A BOARD SHALL ADOPT RULES CONSISTENT WITH
17 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275, GOVERN-
18 ING ITS PROCEDURES AND THE HOLDING OF MEETINGS.

19 (3) EXCEPT FOR THOSE POWERS RESERVED OR DELEGATED TO THE
20 CHIEF EXECUTIVE OFFICER OF AN AUTHORITY BY THIS CHAPTER OR BY THE
21 BOARD, THE BOARD SHALL NOT DELEGATE ANY POWER OF THE BOARD TO ANY
22 OTHER OFFICER OR COMMITTEE OF THE AUTHORITY EXCEPT AS PROVIDED IN
23 SECTION 114(3). THE BOARD MAY WITHDRAW FROM THE CHIEF EXECUTIVE
24 OFFICER ANY POWER THAT THE BOARD HAD DELEGATED TO THE CHIEF EXEC-
25 UTIVE OFFICER.

26 (4) MEMBERS OF A BOARD MAY BE REIMBURSED BY AN AUTHORITY FOR
27 ACTUAL AND NECESSARY EXPENSES INCURRED IN THE DISCHARGE OF THEIR

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15

1 OFFICIAL DUTIES. THE MEMBERS OF THE BOARD SHALL NOT BE
2 COMPENSATED FOR SERVICE TO THE AUTHORITY OR ATTENDANCE AT ANY
3 MEETINGS.

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

18 SEC. 114. (1) AFTER ORGANIZATION, A BOARD SHALL ADOPT A
19 SCHEDULE OF REGULAR MEETINGS AND ADOPT A REGULAR MEETING DATE,
20 PLACE, AND TIME. THE BOARD CHAIRPERSON SHALL CALL A SPECIAL
21 MEETING AS PROVIDED IN THE RULES OF PROCEDURE OF THE BOARD OR
22 UPON REQUEST OF 3 MEMBERS OF THE BOARD IN THE MANNER REQUIRED BY
23 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. A
24 BOARD SHALL KEEP A WRITTEN OR PRINTED RECORD OF EACH MEETING,
25 WHICH RECORD AND ANY OTHER WRITING PREPARED, OWNED, USED, IN THE
26 POSSESSION OF, OR RETAINED BY THE BOARD IN THE PERFORMANCE OF AN
27 OFFICIAL FUNCTION SHALL BE MADE AVAILABLE TO THE PUBLIC IN

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16

1 COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT, 1976 PA 442,
2 MCL 15.231 TO 15.246.

3 (2) A BOARD SHALL PROVIDE FOR A SYSTEM OF ACCOUNTS TO CON-
4 FORM TO A UNIFORM SYSTEM REQUIRED BY LAW AND FOR THE AUDITING AT
5 LEAST ONCE A YEAR OF THE ACCOUNTS OF THE AUTHORITY BY AN INDEPEN-
6 DENT CERTIFIED PUBLIC ACCOUNTANT. A BOARD SHALL MEET ANY AND ALL
7 AUDITING OR FINANCIAL REPORTING REQUIREMENTS IMPOSED BY LAW AND
8 SHALL FILE A COPY OF ITS ANNUAL AUDIT WITH THE DEPARTMENT. AN
9 AUTHORITY SHALL PROVIDE THE NECESSARY REPORTS TO THE LOCAL GOV-
10 ERNMENT THAT OWNS THE AIRPORT OVER WHICH OPERATIONAL JURISDICTION
11 HAS BEEN TRANSFERRED IN A TIMELY MANNER IN ORDER FOR THE LOCAL
12 GOVERNMENT TO BE ABLE TO COMPLY WITH THE REPORTING REQUIREMENTS
13 OF THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED
14 STATES AND CANADA. A BOARD SHALL REQUIRE OF THE CHIEF FINANCIAL
15 OFFICER AND CHIEF EXECUTIVE OFFICER OF THE AUTHORITY A SUITABLE
16 BOND OF NOT LESS THAN \$50,000.00 BY A RESPONSIBLE BONDING COM-
17 PANY, AND THE COST OF THE PREMIUM OF THE BOND SHALL BE PAID BY
18 THE AUTHORITY.

19 (3) A BOARD SHALL APPOINT AN AUDIT COMMITTEE CONSISTING OF
20 3 MEMBERS OF THE BOARD. WITH RESPECT TO BOARDS APPOINTED PURSU-
21 ANT TO SECTION 111(2), EACH APPOINTING ENTITY REPRESENTED ON THE
22 BOARD SHALL HAVE A REPRESENTATIVE MEMBER ON THE AUDIT COMMITTEE.
23 THE AUDIT COMMITTEE SHALL MEET NOT LESS THAN 4 TIMES EACH YEAR
24 WITH THE CHIEF FINANCIAL OFFICER, THE CHIEF EXECUTIVE OFFICER OF
25 THE AUTHORITY, AND THE AUTHORITY'S INDEPENDENT PUBLIC AUDI-
26 TORS TO REVIEW THE REPORTS RELATED TO THE FINANCIAL CONDITION,
27 OPERATIONS, PERFORMANCE, AND MANAGEMENT OF THE AUTHORITY AND AIRPORT
INCLUDING, BUT NOT LIMITED TO, ALL CONTRACTORS AND SUBCONTRACTORS, AND
MAY

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17

1 ALSO ORDER SPECIAL INVESTIGATIONS OR AUDITS, THE COST OF WHICH
2 SHALL BE REIMBURSED BY THE AUTHORITY. THE AUDIT COMMITTEE SHALL
3 ALSO REVIEW THE ACTIVITIES AND REPORTS OF THE INTERNAL AUDITOR OF
4 THE AUTHORITY WHO SHALL BE APPOINTED BY THE CHIEF EXECUTIVE OFFI-
5 CER OF THE AUTHORITY.

6 (4) A BOARD SHALL APPOINT AND FIX THE COMPENSATION OF A
7 CHIEF EXECUTIVE OFFICER OF THE AUTHORITY BY A VOTE OF NOT LESS
8 THAN THE MAJORITY OF THE MEMBERS OF THE BOARD THEN SERVING. THE
9 BOARD SHALL PRESCRIBE THOSE DUTIES AND RESPONSIBILITIES OF THE
10 CHIEF EXECUTIVE OFFICER OF THE AUTHORITY THAT ARE IN ADDITION TO
11 THE DUTIES AND RESPONSIBILITIES IMPOSED UPON THE CHIEF EXECUTIVE
12 OFFICER OF THE AUTHORITY BY THIS CHAPTER. THE CHIEF EXECUTIVE
13 OFFICER OF AN AUTHORITY SHALL SERVE AT THE PLEASURE OF THE BOARD
14 AND THE BOARD MAY REMOVE OR DISCHARGE THE CHIEF EXECUTIVE OFFICER
15 OF THE AUTHORITY BY A VOTE OF NOT LESS THAN THE MAJORITY OF THE
16 MEMBERS OF THE BOARD THEN SERVING. THE CHIEF EXECUTIVE OFFICER
17 OF AN AUTHORITY SHALL SUPERVISE, AND BE RESPONSIBLE FOR, ALL OF
18 THE FOLLOWING:

19 (A) THE DAY-TO-DAY OPERATION OF THE AIRPORT, INCLUDING THE
20 CONTROL, SUPERVISION, MANAGEMENT, AND OVERSIGHT OF THE FUNCTIONS
21 OF THE AIRPORT.

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

23 (C) THE NEGOTIATION AND ESTABLISHMENT OF COMPENSATION AND
24 OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR EMPLOYEES OF THE
25 AUTHORITY.

26 (D) THE APPOINTMENT, DISMISSAL, DISCIPLINE, DEMOTION,
27 PROMOTION, AND CLASSIFICATION OF EMPLOYEES OF THE AUTHORITY.

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18

1 (E) THE NEGOTIATION, SUPERVISION, AND ENFORCEMENT OF
2 CONTRACTS ENTERED INTO BY AUTHORITY, AND THE SUPERVISION OF CON-
3 TRACTORS AND SUBCONTRACTORS OF THE AUTHORITY IN THEIR PERFORMANCE
4 OF THEIR DUTIES.

5 (F) THE APPOINTMENT OF INTERNAL AUDITORS.

6 (5) THE CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL HAVE
7 THE POWER AND AUTHORITY TO EXECUTE AND DELIVER, AND TO DELEGATE
8 SIGNATORY POWER FOR, CONTRACTS, LEASES, OBLIGATIONS, AND OTHER
9 INSTRUMENTS APPROVED BY THE BOARD OR FOR WHICH POWER TO APPROVE
10 HAS BEEN DELEGATED TO THE CHIEF EXECUTIVE OFFICER OF THE
11 AUTHORITY. THE CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL
12 HAVE ALL POWERS INCIDENT TO THE PERFORMANCE OF HIS OR HER DUTIES
13 THAT ARE PRESCRIBED BY THIS CHAPTER OR BY THE BOARD. THE BOARD
14 MAY DELEGATE ADDITIONAL POWERS TO THE CHIEF EXECUTIVE OFFICER OF
15 THE AUTHORITY NOT ENUMERATED IN THIS CHAPTER. ALL ACTIONS OF THE
16 CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL BE IN CONFORMANCE
17 WITH THE POLICIES OF THE BOARD AND IN COMPLIANCE WITH LAW. THE
18 CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL ATTEND THE MEETINGS
19 OF THE BOARD AND SHALL RENDER TO THE BOARD A REGULAR REPORT COV-
20 ERING THE ACTIVITIES AND FINANCIAL CONDITION OF THE AIRPORT. IF
21 THE CHIEF EXECUTIVE OFFICER OF AN AUTHORITY IS TEMPORARILY ABSENT
22 OR DISABLED, THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY MAY
23 DESIGNATE A QUALIFIED PERSON AS ACTING CHIEF EXECUTIVE OFFICER OF
24 THE AUTHORITY TO PERFORM THE DUTIES OF THE OFFICE. IF THE CHIEF
25 EXECUTIVE OFFICER OF AN AUTHORITY FAILS OR IS UNABLE TO DESIGNATE
26 AN ACTING CHIEF EXECUTIVE OFFICER OF THE AUTHORITY, THE BOARD
27 SHALL DESIGNATE AN ACTING CHIEF EXECUTIVE OFFICER OF THE

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19

1 AUTHORITY FOR THE PERIOD OF ABSENCE OR DISABILITY OF THE CHIEF
2 EXECUTIVE OFFICER OF THE AUTHORITY. THE CHIEF EXECUTIVE OFFICER
3 OF THE AUTHORITY SHALL FURNISH THE BOARD WITH INFORMATION OR
4 REPORTS GOVERNING THE OPERATION OF THE AIRPORT AS THE BOARD
5 REQUIRES.

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

8 (A) EXCEPT FOR THE NEGOTIATED CONSTRUCTION CONTRACTS PERMIT-
9 TED UNDER THIS SUBDIVISION, A CONTRACT SHALL NOT BE AWARDED BY AN
10 AUTHORITY OR THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY FOR THE
11 CONSTRUCTION, REPAIR, REMODELING, OR DEMOLITION OF AN AIRPORT
12 FACILITY UNLESS THE CONTRACT IS LET PURSUANT TO A PROCEDURE THAT
13 REQUIRES A COMPETITIVE BIDDING IN THE AWARD OF ANY CONTRACT FOR
14 CONSTRUCTION, REPAIR, REMODELING, OR DEMOLITION OF AN AIRPORT
15 FACILITY. A CONSTRUCTION CONTRACT SHALL NOT BE REQUIRED TO BE
16 LET BY COMPETITIVE BIDDING IF THE BOARD OR THE CHIEF EXECUTIVE
17 OFFICER OF THE AUTHORITY WITH DELEGATED AUTHORITY TO ENTER INTO
18 CONTRACTS DETERMINES THAT ANY OF THE FOLLOWING APPLY:

19 (i) THE CONTRACT COST IS LESS THAN \$50,000.00. HOWEVER, IF
20 THE CONTRACT COST, INCLUDING CHANGE ORDERS, SUBSEQUENTLY EXCEEDS
21 \$50,000.00, THE AUTHORITY SHALL DETAIL, IN WRITING, THE
22 REASONS WHY THE CONTRACT AMOUNT EXCEEDED \$50,000.00.

23 (ii) AS DETERMINED IN WRITING BY THE BOARD OR THE CHIEF
24 EXECUTIVE OFFICER WITH DELEGATED AUTHORITY TO ENTER INTO CON-
25 TRACTS, THE CONTRACT IS FOR EMERGENCY REPAIR OR CONSTRUCTION
26 NECESSITATED BY A SUDDEN, UNFORESEEN OCCURRENCE OR SITUATION OF A

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1 SERIOUS AND URGENT NATURE AND IS NOT FOR CONVENIENCE OR
2 EXPEDIENCY.

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

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

9 (C) THE AUTHORITY SHALL UTILIZE COMPETITIVE BIDDING FOR ALL
10 PURCHASES AND ALL OTHER CONTRACTS UNLESS THE BOARD, OR, IF AUTHO-
11 RIZED BY THE BOARD TO APPROVE PROCUREMENTS, THE CHIEF EXECUTIVE
12 OFFICER OF THE AUTHORITY, DETERMINES AND DETAILS IN WRITING THE REASON
13 THAT COMPETITIVE SOLICITATION OF BIDS OR PROPOSALS IS NOT APPROPRIATE, THAT PRO-
14 CUREMENT BY COMPETITIVE BIDS IS NOT PRACTICABLE TO EFFICIENTLY
15 AND EFFECTIVELY MEET THE AUTHORITY'S NEEDS, OR THAT ANOTHER PRO-
16 CUREMENT METHOD IS IN THE PUBLIC'S BEST INTERESTS.

17 (7) THE AUTHORITY MAY ENTER INTO LEASE PURCHASES OR INSTALL-
18 MENT PURCHASES FOR PERIODS NOT EXCEEDING THE ANTICIPATED USEFUL
19 LIFE OF THE ITEMS PURCHASED. THE AUTHORITY MAY ENTER INTO A
20 COOPERATIVE PURCHASING AGREEMENT WITH THE STATE OR OTHER PUBLIC
21 ENTITIES FOR THE PURCHASE OF GOODS, INCLUDING, BUT NOT LIMITED
22 TO, RECYCLED GOODS, AND SERVICES NECESSARY FOR THE AUTHORITY.

23 (8) THE CHIEF EXECUTIVE OFFICER OF AN AUTHORITY SHALL COMPLY
24 WITH ALL FEDERAL AND STATE CONTRACTING REQUIREMENTS PERTAINING TO
25 DISADVANTAGED BUSINESS ENTERPRISES, MINORITY BUSINESS ENTER-
26 PRISES, AND OTHER TARGETED BUSINESS ENTERPRISES AND SHALL SEEK TO
27 ENSURE MAXIMUM PARTICIPATION OF DISADVANTAGED BUSINESS

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21

1 ENTERPRISES, MINORITY BUSINESS ENTERPRISES, AND OTHER TARGETED
2 BUSINESS ENTERPRISES IN CONTRACTING OPPORTUNITIES WITH THE
3 AUTHORITY.

4 (9) MEMBERS OF THE BOARD AND OFFICERS, APPOINTEES, AND
5 EMPLOYEES OF THE AUTHORITY ARE PUBLIC SERVANTS UNDER 1968 PA 317,
6 MCL 15.321 TO 15.330, AND ARE SUBJECT TO ANY OTHER APPLICABLE LAW
7 WITH RESPECT TO CONFLICT OF INTEREST. THE BOARD SHALL ESTABLISH
8 POLICIES AND PROCEDURES REQUIRING PERIODIC DISCLOSURE OF RELA-
9 TIONSHIPS WHICH MAY GIVE RISE TO CONFLICTS OF INTEREST. THE
10 BOARD SHALL REQUIRE THAT A MEMBER OF THE BOARD OR A CHIEF EXECU-
11 TIVE OFFICER OR CHIEF FINANCIAL OFFICER WHO HAS A DIRECT INTEREST
12 IN ANY MATTER BEFORE THE AUTHORITY DISCLOSE THE MEMBER'S OR
13 OFFICER'S INTEREST AND ANY REASONS REASONABLY KNOWN TO THE MEMBER
14 OF THE BOARD OR OFFICER WHY THE TRANSACTION MAY NOT BE IN THE
15 BEST INTEREST OF THE PUBLIC BEFORE THE BOARD TAKES ANY ACTION
16 WITH RESPECT TO THE MATTER. THE DISCLOSURE SHALL BECOME PART OF
17 THE RECORD OF AN AUTHORITY'S PROCEEDINGS.

18 (10) AN AUTHORITY SHALL ESTABLISH AN ETHICS MANUAL GOVERNING
19 THE CONDUCTING OF AIRPORT BUSINESS AND THE CONDUCT OF AIRPORT
20 EMPLOYEES. AN AUTHORITY SHALL ESTABLISH POLICIES AND COORDINATE
21 EFFORTS FOR THE AUTHORITY TO PRECLUDE THE OPPORTUNITY FOR AND THE
22 OCCURRENCE OF TRANSACTIONS BY THE AUTHORITY THAT WOULD CREATE A
23 CONFLICT OF INTEREST INVOLVING MEMBERS OF THE BOARD AND EMPLOYEES
24 OF THE AUTHORITY. AT A MINIMUM, THESE POLICIES SHALL INCLUDE
25 COMPLIANCE BY EACH MEMBER OF THE BOARD AND EMPLOYEES OF THE
26 AUTHORITY WHO REGULARLY EXERCISE SIGNIFICANT DISCRETION OVER THE

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22

1 AWARD AND MANAGEMENT OF AUTHORITY PROCUREMENTS WITH POLICIES
2 GOVERNING ALL OF THE FOLLOWING:

3 (A) IMMEDIATE DISCLOSURE OF THE EXISTENCE AND NATURE OF ANY
4 FINANCIAL INTEREST THAT WOULD REASONABLY BE EXPECTED TO CREATE A
5 CONFLICT OF INTEREST.

6 (B) WITHDRAWAL BY AN EMPLOYEE OR MEMBER FROM PARTICIPATION
7 IN OR DISCUSSION OR EVALUATION OF ANY RECOMMENDATION OR DECISION
8 INVOLVING AN AUTHORITY PROCUREMENT THAT WOULD REASONABLY BE
9 EXPECTED TO CREATE A CONFLICT OF INTEREST FOR THAT EMPLOYEE OR
10 MEMBER.

11 SEC. 115. BEFORE THE BEGINNING OF EACH FISCAL YEAR, THE
12 BOARD SHALL PREPARE A BUDGET CONTAINING AN ITEMIZED STATEMENT OF
13 THE ESTIMATED CURRENT OPERATIONAL EXPENSES AND THE EXPENSES FOR
14 CAPITAL OUTLAY INCLUDING FUNDS FOR THE OPERATION AND DEVELOPMENT
15 OF THE AIRPORT UNDER THE JURISDICTION OF THE BOARD, INCLUDING THE
16 AMOUNT NECESSARY TO PAY THE PRINCIPAL AND INTEREST OF ANY OUT-
17 STANDING BONDS OR OTHER OBLIGATIONS OF THE AUTHORITY MATURING
18 DURING THE ENSUING FISCAL YEAR OR WHICH HAVE PREVIOUSLY MATURED
19 AND ARE UNPAID, AND AN ESTIMATE OF THE ESTIMATED REVENUE OF THE
20 AUTHORITY FROM ALL SOURCES FOR THE ENSUING FISCAL YEAR. THE
21 BOARD SHALL ADOPT THAT BUDGET IN ACCORDANCE WITH THE UNIFORM BUD-
22 GETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.

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

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

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

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23

1 (C) AN AUTHORITY HAS THE POWER AND DUTY OF PLANNING,
2 PROMOTING, EXTENDING, MAINTAINING, ACQUIRING, PURCHASING, CON-
3 STRUCTING, IMPROVING, REPAIRING, ENLARGING, AND OPERATING ALL
4 AIRPORTS AND AIRPORT FACILITIES UNDER THE OPERATIONAL JURISDIC-
5 TION OF OR OWNED BY THE AUTHORITY.

6 (D) AN AUTHORITY HAS THE POWER TO ASSUME AND PERFORM THE
7 OBLIGATIONS AND THE COVENANTS RELATED TO THE AIRPORT THAT ARE
8 CONTAINED IN AN AGREEMENT OR OTHER DOCUMENT BETWEEN OR BY THE
9 LOCAL GOVERNMENT THAT OWNS THE AIRPORT FOR WHICH OPERATIONAL
10 JURISDICTION HAS BEEN TRANSFERRED TO THE AUTHORITY PURSUANT TO
11 THIS CHAPTER AND THE STATE OR THE FEDERAL AVIATION ADMINISTRATION
12 RELATIVE TO SPONSORED PROJECT APPLICATIONS.

13 (E) AN AUTHORITY MAY TAKE BY GRANT, PURCHASE, DEVISE, OR
14 LEASE, OR BY THE EXERCISE OF THE RIGHT OF EMINENT DOMAIN, OR OTH-
15 ERWISE ACQUIRE AND HOLD, REAL AND PERSONAL PROPERTY, IN FEE
16 SIMPLE OR ANY LESSER INTEREST OR EASEMENT, AS AN AUTHORITY MAY
17 DEEM NECESSARY EITHER FOR THE CONSTRUCTION OF ANY AIRPORT FACILI-
18 TIES OR FOR THE EFFICIENT OPERATION OR FOR THE EXTENSION OF ANY
19 AIRPORT FACILITIES ACQUIRED OR CONSTRUCTED OR TO BE CONSTRUCTED
20 UNDER THIS CHAPTER, AND, EXCEPT AS OTHERWISE PROVIDED BY THIS
21 ACT, TO HOLD IN ITS NAME, LEASE, AND DISPOSE OF ALL REAL AND PER-
22 SONAL PROPERTY OWNED BY OR UNDER THE OPERATIONAL JURISDICTION OF
23 THE AUTHORITY. IF LAND IS ACQUIRED BY CONDEMNATION, THE PROVI-
24 SIONS OF THE UNIFORM CONDEMNATION PROCEDURES ACT, 1980 PA 87,
25 MCL 213.51 TO 213.76, OR ANY SUCCESSOR STATUTE, SHALL BE ADOPTED
26 AND USED FOR THE PURPOSE OF INSTITUTING AND PROSECUTING THE
27 CONDEMNATION PROCEEDINGS. FOR THE PURPOSE OF MAKING SURVEYS AND

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24

1 EXAMINATIONS RELATIVE TO ANY CONDEMNATION PROCEEDINGS, IT SHALL
2 BE LAWFUL TO ENTER UPON ANY LAND, DOING NO UNNECESSARY DAMAGE.
3 THE ACQUISITION OF ANY LANDS BY AN AUTHORITY FOR AN AIRPORT OR
4 AIRPORT FACILITIES IN FURTHERANCE OF THE PURPOSES OF THE AUTHORI-
5 TY, AND THE EXERCISE OF ANY OTHER POWERS OF THE AUTHORITY, ARE
6 HEREBY DECLARED AS A MATTER OF LEGISLATIVE DETERMINATION TO BE
7 PUBLIC, GOVERNMENTAL AND MUNICIPAL FUNCTIONS, PURPOSES AND USES
8 EXERCISED FOR A PUBLIC PURPOSE, AND MATTERS OF PUBLIC NECESSITY.

9 (F) AN AUTHORITY MAY MAKE AND ENTER INTO ALL CONTRACTS AND
10 AGREEMENTS NECESSARY OR INCIDENTAL TO THE PERFORMANCE OF ITS
11 DUTIES AND EXECUTION OF ITS POWERS UNDER THIS CHAPTER WITH ANY
12 DEPARTMENT OR AGENCY OF THE UNITED STATES, WITH ANY STATE OR
13 LOCAL GOVERNMENTAL AGENCY, OR WITH ANY OTHER PERSON, PUBLIC OR
14 PRIVATE, UPON THOSE TERMS AND CONDITIONS [REDACTED] ACCEPTABLE TO THE
15 AUTHORITY CONSISTENT WITH SECTION 114(6).

16 (G) AN AUTHORITY HAS THE EXCLUSIVE RESPONSIBILITY TO STUDY
17 AND PLAN ANY IMPROVEMENTS, EXPANSION, OR ENHANCEMENTS THAT AFFECT
18 THE AIRPORT.

19 (H) AN AUTHORITY MAY COMMISSION PLANNING, ENGINEERING, ECO-
20 NOMIC, AND OTHER STUDIES TO PROVIDE INFORMATION FOR MAKING DECI-
21 SIONS ABOUT THE LOCATION, DESIGN, MANAGEMENT, AND OTHER FEATURES
22 OF THE AIRPORT.

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

26 (i) THE LOCATION OF TERMINALS, HANGARS, AIDS TO AIR
27 NAVIGATION, PARKING LOTS AND STRUCTURES, CARGO FACILITIES, AND

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25

1 ALL OTHER FACILITIES AND SERVICES NECESSARY TO SERVE PASSENGERS
2 AND OTHER CUSTOMERS OF THE AIRPORT.

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

6 (J) AN AUTHORITY MAY ACT AS A SPONSOR AND SUBMIT REQUESTS
7 FOR, ACCEPT, AND BE RESPONSIBLE TO PERFORM ALL OF THE ASSURANCES
8 ASSOCIATED WITH ACCEPTING GRANT AGREEMENTS FROM THE FEDERAL AVIA-
9 TION ADMINISTRATION OR ANY OTHER AGENCY OF THE UNITED STATES OR
10 OF THIS STATE, WITH RESPECT TO THE AIRPORT UNDER THE OPERATIONAL
11 JURISDICTION OF THE AUTHORITY, AND TO PERFORM THE DUTIES AND
12 RESPONSIBILITIES PREVIOUSLY ASSUMED BY THE LOCAL GOVERNMENT THAT
13 OWNS THE AIRPORT UNDER THE OPERATIONAL JURISDICTION OF THE
14 AUTHORITY BY VIRTUE OF ITS ACCEPTANCE OF GRANTS FROM THE FEDERAL
15 AVIATION ADMINISTRATION OR
16 ANY OTHER AGENCY OF THE
17 UNITED STATES OR THIS STATE.

18 (K) AN AUTHORITY MAY ENTER INTO AGREEMENTS TO USE THE FACIL-
19 ITIES OR SERVICES OF THE STATE, ANY SUBDIVISION OR DEPARTMENT OF
20 THE STATE, ANY COUNTY OR MUNICIPALITY, OR THE FEDERAL GOVERNMENT
21 OR ANY AGENCY OF THE FEDERAL GOVERNMENT AS NECESSARY OR DESIRABLE
22 TO ACCOMPLISH THE PURPOSES OF THIS CHAPTER FOR THAT CONSIDERATION
23 OR PURSUANT TO THAT COST ALLOCATION FORMULA THAT MAY BE ACCEPT-
24 ABLE TO THE AUTHORITY.

25 (l) AN AUTHORITY MAY ALLOW THE STATE, ANY SUBDIVISION OR
26 DEPARTMENT OF THE STATE, ANY COUNTY OR MUNICIPALITY, OR THE
27 FEDERAL GOVERNMENT OR ANY AGENCY OF THE FEDERAL GOVERNMENT TO

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1 UTILIZE AIRPORT FACILITIES OR THE SERVICES OF THE AUTHORITY AS
2 NECESSARY OR DESIRABLE TO ACCOMPLISH THE PURPOSES OF THIS CHAP-
3 TER, FOR CONSIDERATION ACCEPTABLE TO THE AUTHORITY IN COMPLIANCE
4 WITH ITS OBLIGATIONS UNDER APPLICABLE FEDERAL LAW AND
5 REGULATIONS.

6 (M) AN AUTHORITY MAY ADOPT AND ENFORCE IN A COURT OF COMPE-
7 TENT JURISDICTION OF THIS STATE REASONABLE RULES, REGULATIONS,
8 AND ORDINANCES FOR THE ORDERLY, SAFE, EFFICIENT, AND SANITARY
9 OPERATION AND USE OF AIRPORT FACILITIES OWNED BY THE AUTHORITY OR
10 UNDER ITS OPERATIONAL JURISDICTION, INCLUDING PENALTIES OF A MIS-
11 DEMEANOR PUNISHABLE BY IMPRISONMENT FOR UP TO 1 YEAR FOR A SPE-
12 CIFIC VIOLATION OF THE RULES, REGULATIONS, AND ORDINANCES.

13 (N) AN AUTHORITY MAY ENTER INTO EXCLUSIVE OR NONEXCLUSIVE
14 CONTRACTS, LEASES, FRANCHISES, OR OTHER ARRANGEMENTS WITH ANY
15 PERSON OR PERSONS FOR TERMS NOT EXCEEDING 50 YEARS, FOR GRANTING
16 THE PRIVILEGE OF USING OR IMPROVING, OR HAVING ACCESS TO THE AIR-
17 PORT OR ANY AIRPORT FACILITY, OR ANY PORTIONS OF THE AIRPORT OR
18 THE AUTHORITY'S AIRPORT FACILITIES, FOR COMMERCIAL
19 AIRLINE-RELATED PURPOSES.

20 (O) AN AUTHORITY MAY ENTER INTO EXCLUSIVE OR NONEXCLUSIVE
21 CONTRACTS, LEASES, OR OTHER ARRANGEMENTS NOT DESCRIBED IN SUBDI-
22 VISION (N) FOR COMMERCIALLY REASONABLE TERMS.

23 (P) SUBJECT TO SECTION 119, AN AUTHORITY MAY APPOINT AND
24 VEST WITH POLICE POWERS AIRPORT LAW ENFORCEMENT OFFICERS, GUARDS,
25 OR POLICE OFFICERS UNDER THIS CHAPTER. THE LAW ENFORCEMENT OFFI-
26 CERS, GUARDS, OR POLICE OFFICERS OF THE AUTHORITY SHALL HAVE THE
27 FULL POLICE POWERS AND THE AUTHORITY OF PEACE OFFICERS WITHIN THE

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27

1 AREAS OVER WHICH THE AUTHORITY HAS OPERATIONAL JURISDICTION,
2 INCLUDING, BUT NOT LIMITED TO, THE PREVENTION AND DETECTION OF
3 CRIME, THE POWER TO INVESTIGATE AND ENFORCE THE
4 LAWS OF THIS STATE, RULES, REGULATIONS, AND
5 ORDINANCES ISSUED BY THE AUTHORITY,
6 AND, TO THE EXTENT PERMITTED OR
7 REQUIRED BY FEDERAL LAW AND REGULATIONS, REQUIREMENTS OF FED-
8 ERAL LAW AND REGULATIONS GOVERNING AIRPORT SECURITY. THE OFFI-
9 CERS MAY ISSUE SUMMONS, MAKE ARRESTS, AND INITIATE CRIMINAL PRO-
10 CEEDINGS. AN AUTHORITY IS RESPONSIBLE FOR ALL
11 ACTIONS OF ITS OFFICERS COMMITTED UNDER COLOR OF THEIR OFFICIAL
12 POSITION AND AUTHORITY.

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

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

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

23 (T) AN AUTHORITY MAY EXERCISE ITS POWERS AND DUTIES UNDER
24 THIS CHAPTER NOTWITHSTANDING ANY CHARTER PROVISION, ORDINANCE,
25 RESOLUTION, CONTRACT, REGULATION, OR RULE OF A LOCAL GOVERNMENT
26 TO THE CONTRARY.

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1 (U) AN AUTHORITY MAY FIX, CHARGE, AND COLLECT RATES, FEES,
2 RENTALS, AND CHARGES WITHIN AND FOR THE USE AND OPERATION OF THE
3 AIRPORT OR AIRPORTS UNDER THE OPERATIONAL JURISDICTION OF THE
4 AUTHORITY.

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

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

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

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

24 (6) UPON THE CREATION OR INCORPORATION OF AN AUTHORITY UNDER
25 THIS CHAPTER, THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT OVER
26 WHICH OPERATIONAL JURISDICTION MAY BE TRANSFERRED PURSUANT TO
27 SECTION 117 SHALL NOT PLEDGE AIRPORT FACILITIES OR ASSETS TO

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1 SECURE ANY INSTRUMENT OF INDEBTEDNESS EXCEPT TO SECURE AIRPORT
2 REVENUE BONDS ISSUED FOR AIRPORT CAPITAL IMPROVEMENT PROJECTS
3 PRIOR TO THE APPROVAL DATE.

4 (7) AN AUTHORITY SHALL NOT TAKE ANY ACTION CONTRARY TO OBLI-
5 GATIONS ASSUMED OR ENTERED INTO UNDER FEDERAL RULES OR REGULA-
6 TIONS OR ANY AGREEMENT ENTERED INTO OR ASSUMED WITH RESPECT TO
7 STATE OR FEDERAL AVIATION ADMINISTRATION GRANTS.

8 (8) A LOCAL GOVERNMENT SHALL NOT TAKE ANY ACTION CONTRARY TO
9 OBLIGATIONS ASSUMED OR ENTERED INTO UNDER FEDERAL RULES OR REGU-
10 LATIONS OR ANY AGREEMENT WITH RESPECT TO STATE OR FEDERAL AVIA-
11 TION ADMINISTRATION GRANTS. A LOCAL GOVERNMENT, OR AN OFFICIAL
12 OF THE LOCAL GOVERNMENT ACTING IN AN OFFICIAL CAPACITY, SHALL
13 TAKE NO ACTION, INCLUDING, BUT NOT LIMITED TO, ACTION PURSUANT TO
14 CHARTER PROVISION, ORDINANCE, RESOLUTION, CONTRACT, REGULATION,
15 OR RULE, TO IMPEDE THE EXERCISE OF POWERS OR DUTIES UNDER THIS
16 CHAPTER.

17 SEC. 117. (1) ALL OF THE FOLLOWING OCCUR ON THE APPROVAL
18 DATE:

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

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1 (B) THE AUTHORITY ACQUIRES AND SUCCEEDS TO ALL RIGHTS,
2 TITLE, AND INTERESTS IN AND TO THE FIXTURES, EQUIPMENT,
3 MATERIALS, FURNISHINGS, AND OTHER PERSONAL PROPERTY OWNED AND
4 USED FOR PURPOSES OF THE AIRPORT ON THAT DATE BY THE LOCAL GOV-
5 ERNMENT THAT OWNED THE AIRPORT. THE OFFICERS OF THE LOCAL GOV-
6 ERNMENT THAT OWNS THE AIRPORT UNDER THE OPERATIONAL JURISDICTION
7 OF THE AUTHORITY SHALL EXECUTE THOSE INSTRUMENTS OF CONVEYANCE,
8 ASSIGNMENT, AND TRANSFER AS MAY BE NECESSARY OR APPROPRIATE TO
9 ACCOMPLISH THE FOREGOING.

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

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1 DATE, AS WELL AS THE BENEFIT OF CONTRACTS AND AGREEMENTS, AND ALL
2 OF THE LOCAL GOVERNMENT'S DUTIES, LIABILITIES, RESPONSIBILITIES,
3 AND OBLIGATIONS AS SPONSOR OF THE AIRPORT, EXCEPT FOR ANY OBLIGA-
4 TION OR LIABILITIES CONTESTED IN GOOD FAITH BY THE AUTHORITY.

5 (D) THE AUTHORITY ASSUMES UNFUNDED OBLIGATIONS TO PROVIDE
6 PENSIONS OR RETIREE HEALTH INSURANCE IN AN AMOUNT AND MANNER
7 DETERMINED BY A PROFESSIONAL ACTUARY ACCEPTABLE TO THE AUTHORITY
8 AND THE LOCAL GOVERNMENT. HOWEVER, THE AUTHORITY SHALL NOT
9 ASSUME ANY SUCH OBLIGATIONS IN EXCESS OF THE AMOUNT PROPERLY
10 ALLOCABLE TO THE AIRPORT OVER WHICH THE AUTHORITY IS EXERCISING
11 OPERATIONAL JURISDICTION UNDER THE LOCAL GOVERNMENT'S ALLOCATION
12 PROCEDURES IN EFFECT ON THE DATE THE AUTHORITY IS CREATED OR
13 INCORPORATED, AND THE AMOUNT OF OBLIGATIONS SO ASSUMED BY THE
14 AUTHORITY SHALL NOT EXCEED ITS PRO RATA SHARE OF SUCH OBLIGA-
15 TIONS, BASED UPON THE PERCENTAGE WHICH THE AMOUNT OF SUCH OBLIGA-
16 TIONS ATTRIBUTABLE TO EMPLOYEES OF THE AUTHORITY IS OF THE AMOUNT
17 OF ALL SUCH OBLIGATIONS PRIOR TO SUCH ASSUMPTION.

18 (2) ALL LAWFUL ACTIONS, COMMITMENTS, AND PROCEEDINGS,
19 INCLUDING, BUT NOT LIMITED TO, REVENUE BOND FINANCINGS FOR WHICH
20 A NOTICE OF INTENT RESOLUTION HAS BEEN ADOPTED, OF THE LOCAL GOV-
21 ERNMENT MADE, GIVEN, OR UNDERTAKEN BEFORE THE DATE OF ASSUMPTION
22 BY THE AUTHORITY UNDER THIS SECTION ARE HEREBY RATIFIED, CON-
23 FIRMED, AND VALIDATED UPON ASSUMPTION BY THE AUTHORITY. ALL
24 ACTIONS, COMMITMENTS, OR PROCEEDINGS UNDERTAKEN SHALL, AND ALL
25 ACTIONS, COMMITMENTS, OR PROCEEDINGS OF THE LOCAL GOVERNMENT IN
26 RESPECT OF THE AIRPORT IN THE PROCESS OF BEING UNDERTAKEN BY, BUT
27 NOT YET A COMMITMENT OR OBLIGATION OF, THE LOCAL GOVERNMENT IN

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33

1 RESPECT OF THE AIRPORT MAY, FROM AND AFTER THE DATE OF ASSUMPTION
2 BY THE AUTHORITY UNDER THIS SECTION, BE UNDERTAKEN AND COMPLETED
3 BY THE AUTHORITY IN THE MANNER AND AT THE TIMES PROVIDED IN THIS
4 CHAPTER OR OTHER APPLICABLE LAW AND IN ANY LAWFUL AGREEMENTS MADE
5 BY THE LOCAL GOVERNMENT BEFORE THE DATE OF ASSUMPTION BY THE
6 AUTHORITY UNDER THIS SECTION.

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

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

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

21 (4) THE TRANSFERS DESCRIBED UNDER THIS SECTION INCLUDE, BUT
22 ARE NOT LIMITED TO, ALL OF THE FOLLOWING:

23 (A) ALL CONTRACTS WITH AIRPORT AIRLINES, TENANTS, CONCES-
24 SIONAIRES, LEASEHOLDERS, AND OTHERS.

25 (B) ALL FINANCIAL OBLIGATIONS SECURED BY REVENUES AND FEES
26 GENERATED FROM THE OPERATIONS OF THE AIRPORT, INCLUDING, BUT NOT

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1 LIMITED TO, AIRPORT REVENUE BONDS, SPECIAL FACILITIES REVENUE
2 BONDS, AND ALL BONDED INDEBTEDNESS ASSOCIATED WITH THE AIRPORT.

3 (C) ALL CASH BALANCES AND INVESTMENTS RELATING TO OR RESULT-
4 ING FROM OPERATIONS OF THE AIRPORT OVER WHICH THE AUTHORITY IS
5 TRANSFERRED OPERATIONAL JURISDICTION, ALL FUNDS HELD UNDER AN
6 ORDINANCE, RESOLUTION, OR INDENTURE RELATED TO OR SECURING OBLI-
7 GATIONS OF THE LOCAL UNIT THAT HAVE BEEN ASSUMED BY THE AUTHORI-
8 TY, AND ALL OF THE ACCOUNTS RECEIVABLE OR CHOSSES IN ACTION ARISING
9 FROM OPERATIONS OF THE AIRPORT AS WELL AS ALL BENEFITS OF
10 CONTRACTS AND AGREEMENTS.

11 (D) ALL OFFICE EQUIPMENT, INCLUDING, BUT NOT LIMITED TO,
12 COMPUTERS, RECORDS AND FILES, SOFTWARE, AND SOFTWARE LICENSES
13 REQUIRED FOR FINANCIAL MANAGEMENT, PERSONNEL MANAGEMENT, ACCOUNT-
14 ING AND INVENTORY SYSTEMS, AND GENERAL ADMINISTRATION.

15 SEC. 118. (1) THE TRANSFER OF THE OPERATIONAL JURISDICTION
16 OVER AN AIRPORT TO THE AUTHORITY MAY NOT IN ANY WAY IMPAIR ANY
17 CONTRACTS WITH AIRLINES, VENDORS, TENANTS, BONDHOLDERS, OR OTHER
18 PARTIES IN PRIVITY WITH THE LOCAL GOVERNMENT THAT OWNS THE AIR-
19 PORT OVER WHICH OPERATIONAL JURISDICTION HAS BEEN TRANSFERRED TO
20 AN AUTHORITY.

21 (2) UPON THE TRANSFER OF OPERATIONAL JURISDICTION OVER AN
22 AIRPORT PURSUANT TO SECTION 117, A LOCAL GOVERNMENT SHALL BE
23 RELIEVED FROM ALL FURTHER COSTS AND RESPONSIBILITY ARISING FROM
24 OR ASSOCIATED WITH CONTROL, OPERATION, DEVELOPMENT, AND MAINTENANCE
25 OF THAT AIRPORT, EXCEPT AS OTHERWISE REQUIRED UNDER OBLIGATIONS
26 RETAINED BY THE LOCAL GOVERNMENT UNDER THIS CHAPTER OR AS
27 OTHERWISE AGREED BY THE LOCAL GOVERNMENT.

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1 (3) A LOCAL GOVERNMENT THAT OWNS AN AIRPORT OVER WHICH
2 OPERATIONAL JURISDICTION HAS BEEN TRANSFERRED TO AN AUTHORITY
3 SHALL COMPLY WITH ALL OF THE FOLLOWING:

4 (A) REFRAIN FROM ANY ACTION THAT WOULD IMPAIR AN AUTHORITY'S
5 EXERCISE OF THE POWERS GRANTED TO THE AUTHORITY UNDER THIS CHAP-
6 TER OR THAT WOULD IMPAIR THE EFFICIENT OPERATION AND MANAGEMENT
7 OF THE AIRPORT.

8 (B) REFRAIN FROM ANY ACTION TO SELL, TRANSFER, OR OTHERWISE
9 ENCUMBER OR DISPOSE OF AIRPORT FACILITIES OWNED BY THE LOCAL GOV-
10 ERNMENT FOR WHICH OPERATIONAL JURISDICTION HAS BEEN TRANSFERRED
11 AND RETAINS OPERATIONAL JURISDICTION WITHOUT THE CONSENT OF THE
12 AUTHORITY AND, WHERE NECESSARY, THE FEDERAL AVIATION
13 ADMINISTRATION.

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

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

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

25 (F) MAINTAIN AND REPAIR, INCLUDING PROVIDING SNOW REMOVAL
26 FOR, ANY ROAD PROVIDING INGRESS AND EGRESS TO THE AIRPORT OVER

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1 WHICH RESPONSIBILITY FOR MAINTENANCE AND REPAIR IS RETAINED BY
2 THE LOCAL GOVERNMENT PURSUANT TO AGREEMENT OR LAW.

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

18 (2) LOCAL GOVERNMENT EMPLOYEES EMPLOYED AT AN AIRPORT PREVI-
19 OUSLY OPERATED BY THE LOCAL GOVERNMENT FROM WHICH OPERATIONAL
20 JURISDICTION HAS BEEN TRANSFERRED TO AN AUTHORITY MAY AGREE TO TRANSFER
21 TO
22 THE EMPLOYMENT OF THE AUTHORITY ON OR BEFORE A DATE ESTABLISHED BY THE
23 AUTHORITY. THE DATE ESTABLISHED BY THE AUTHORITY SHALL NOT BE LATER THAN
24 THE APPROVAL DATE. THE AUTHORITY SHALL ACCEPT THE TRANSFERS WITHOUT A
25 BREAK IN EMPLOYMENT, SUBJECT TO ALL RIGHTS AND BENEFITS HELD BY
26 THE TRANSFERRING EMPLOYEES UNDER A COLLECTIVE BARGAINING
27 AGREEMENT. TRANSFERRING EMPLOYEES SHALL NOT BE PLACED IN A WORSE
28 POSITION BY REASON OF THE TRANSFER FOR A PERIOD OF 1 YEAR AFTER
29 THE APPROVAL DATE, OR ANY LONGER PERIOD AS MAY BE REQUIRED IN

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1 CONNECTION WITH THE ASSUMPTION OF ANY APPLICABLE COLLECTIVE
2 BARGAINING AGREEMENT, WITH RESPECT TO WAGES, WORKERS' COMPENSA-
3 TION, PENSION, SENIORITY, SICK LEAVE, VACATION, OR HEALTH AND
4 WELFARE INSURANCE OR ANY OTHER TERM AND CONDITION OF EMPLOYMENT
5 THAT A TRANSFERRING EMPLOYEE MAY HAVE UNDER A COLLECTIVE BARGAIN-
6 ING AGREEMENT THAT THE EMPLOYEE RECEIVED AS AN EMPLOYEE OF THE
7 LOCAL GOVERNMENT. THE RIGHTS AND BENEFITS PROTECTED BY THIS SUB-
8 SECTION MAY BE ALTERED BY A FUTURE COLLECTIVE BARGAINING AGREE-
9 MENT EXCEPT THAT ANY EMPLOYEE WHO AS OF THE EFFECTIVE DATE OF THIS
CHAPTER HAS THE RIGHT. BY CONTRACT OR STATUTE. TO SUBMIT ANY UNRESOLVED
DISPUTES TO THE PROCEDURES SET FORTH IN 1969 PA 312, MCL 423.231 TO
423.247, SHALL CONTINUE TO HAVE THAT RIGHT, OR, FOR EMPLOYEES NOT COVERED
10 BY COLLECTIVE BARGAINING
AGREEMENTS, BY BENEFIT PLANS AS ESTABLISHED AND ADOPTED BY THE
11 AUTHORITY. EMPLOYEES WHO ELECT TO TRANSFER SHALL NOT BY REASON
12 OF THE TRANSFER HAVE THEIR ACCRUED LOCAL GOVERNMENT PENSION BENE-
13 FITS OR CREDITS DIMINISHED. IF A TRANSFERRING EMPLOYEE IS NOT
14 VESTED IN HIS OR HER LOCAL GOVERNMENT PENSION RIGHTS AT THE TIME
15 OF TRANSFER, HIS OR HER POST-TRANSFER SERVICE WITH THE AUTHORITY
16 SHALL BE CREDITED TOWARD VESTING IN ANY LOCAL GOVERNMENT RETIRE-
17 MENT SYSTEM IN WHICH THE TRANSFERRING EMPLOYEE PARTICIPATED PRIOR
18 TO THE TRANSFER, BUT THE POST-TRANSFER SERVICE WITH THE AUTHORITY
19 SHALL NOT BE CREDITED FOR ANY OTHER PURPOSE UNDER THE LOCAL
20 GOVERNMENT'S RETIREMENT SYSTEM, EXCEPT AS PROVIDED IN SUBSECTIONS
21 (3) AND (4). AN EMPLOYEE WHO ELECTS TO TRANSFER TO THE AUTHORITY
22 MAY, UPON RETURN TO EMPLOYMENT WITH THE LOCAL GOVERNMENT WITHIN 1
23 YEAR FROM THE APPROVAL DATE, DO SO WITHOUT LOSS OF SENIORITY
24 UNLESS CONTRARY TO A COLLECTIVE BARGAINING AGREEMENT. NOTWITHSTANDING
ANY OTHER PROVISION OF THIS SECTION. A POLITICAL APPOINTEE. OTHER THAN A
MEMBER OF THE BOARD APPOINTED UNDER SECTION 111. AT AN AIRPORT PREVIOUSLY
OPERATED BY THE LOCAL GOVERNMENT FROM WHICH OPERATIONAL AUTHORITY HAS
BEEN TRANSFERRED TO AN AUTHORITY SHALL NOT BE PLACED IN A WORSE POSITION
IN REGARDS TO TERMS AND CONDITIONS OF EMPLOYMENT UNTIL DECEMBER 31 OF THE
YEAR IN WHICH THE AUTHORITY IS CREATED.
25 (3) IF A LOCAL GOVERNMENT EMPLOYEE DESCRIBED IN THIS SECTION
26 ELECTS TO TRANSFER TO AN AUTHORITY OR IF A PERSON IS HIRED BY THE
27 AUTHORITY AS A NEW EMPLOYEE AFTER THE DATE ON WHICH THE AUTHORITY
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1 ASSUMES OPERATIONAL JURISDICTION OVER AN AIRPORT, THE EMPLOYEE
2 SHALL REMAIN OR BECOME A PARTICIPANT IN THE LOCAL GOVERNMENT
3 RETIREMENT SYSTEM UNTIL THE AUTHORITY HAS ESTABLISHED ITS OWN
4 RETIREMENT SYSTEM OR PENSION PLAN. DURING THIS PERIOD THE
5 EMPLOYEE REMAINS OR IS A PARTICIPANT IN THE LOCAL GOVERNMENT
6 SYSTEM, THE EMPLOYEE'S POST-TRANSFER SERVICE WITH THE AUTHORITY
7 DURING THIS PERIOD AND HIS OR HER POST-TRANSFER COMPENSATION FROM
8 THE AUTHORITY DURING THIS PERIOD SHALL BE COUNTED IN DETERMINING
9 BOTH ELIGIBILITY FOR AND THE AMOUNT OF PENSION BENEFITS THAT THE
10 EMPLOYEE WILL BE ELIGIBLE TO RECEIVE FROM THE LOCAL GOVERNMENT
11 SYSTEM OR PLAN.

12 (4) IF A LOCAL GOVERNMENT EMPLOYEE DESCRIBED IN THIS SECTION
13 ELECTS TO TRANSFER TO THE AUTHORITY, THEN THE TRANSFERRED
14 EMPLOYEE MAY ELECT TO REMAIN A PARTICIPANT IN THE LOCAL GOVERN-
15 MENT RETIREMENT SYSTEM IN LIEU OF PARTICIPATION IN ANY RETIREMENT
16 SYSTEM OR PENSION PLAN OF THE AUTHORITY. BY ELECTING TO REMAIN A
17 PARTICIPANT IN THE LOCAL GOVERNMENT SYSTEM, THE EMPLOYEE'S POST
18 TRANSFER SERVICE WITH THE AUTHORITY AND HIS OR HER POST-TRANSFER
19 COMPENSATION FROM THE AUTHORITY SHALL BE COUNTED IN DETERMINING
20 BOTH ELIGIBILITY FOR AND THE AMOUNT OF PENSION BENEFITS THAT THE
21 EMPLOYEE WILL BE ELIGIBLE TO RECEIVE FROM THE LOCAL GOVERNMENT
22 SYSTEM OR PLAN. ANY ELECTION TO REMAIN IN A LOCAL GOVERNMENT
23 SYSTEM OR PLAN SHALL BE MADE WITHIN 60 DAYS FOLLOWING THE DATE
24 THE AUTHORITY HAS ESTABLISHED ITS OWN RETIREMENT SYSTEM OR PEN-
25 SION PLAN AND SHALL BE IRREVOCABLE. EMPLOYEES ELIGIBLE TO MAKE
26 THE ELECTION DESCRIBED IN THIS SUBSECTION SHALL BE THOSE
27 EMPLOYEES WHO IMMEDIATELY BEFORE THEIR TRANSFER DATE WERE

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1 PARTICIPATING IN THE LOCAL GOVERNMENT SYSTEM AND WHO AGREE TO
2 MAKE ANY EMPLOYEE CONTRIBUTIONS REQUIRED FOR CONTINUING PARTICI-
3 PATION IN THE LOCAL GOVERNMENT SYSTEM AND ALSO AGREE TO MEET ALL
4 REQUIREMENTS AND BE SUBJECT TO ALL CONDITIONS WHICH, FROM TIME TO
5 TIME, APPLY TO EMPLOYEES OF THE LOCAL GOVERNMENT WHO PARTICIPATE
6 IN THE LOCAL GOVERNMENT SYSTEM.

7 (5) FOR EACH EMPLOYEE MEETING THE REQUIREMENTS OF
8 SUBSECTION (4) WHO ELECTS TO REMAIN A PARTICIPANT IN THE LOCAL
9 RETIREMENT SYSTEM, THE AUTHORITY SHALL, ON A TIMELY BASIS, CON-
10 TRIBUTE THE FOLLOWING AMOUNTS, AS APPLICABLE, TO THE TRUSTEES OF
11 THAT RETIREMENT SYSTEM:

12 (A) AN AMOUNT DETERMINED BY THE LOCAL GOVERNMENT SYSTEM'S
13 ACTUARY TOWARD AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABIL-
14 ITIES WHICH, AS OF THE TRANSFER DATE, ARE REASONABLY ALLOCATED TO
15 THAT EMPLOYEE ON THE LOCAL GOVERNMENT SYSTEM'S RECORDS.

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

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

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

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1 (E) AN AMOUNT CORRESPONDING TO WHAT THE LOCAL GOVERNMENT
2 WOULD HAVE CONTRIBUTED TOWARD RETIREE HEALTH COVERAGE FOR THE
3 EMPLOYEE. HOWEVER, THE AUTHORITY SHALL SUCCEED TO ALL RIGHTS OF
4 THE LOCAL GOVERNMENT TO MODIFY, AMEND, REPLACE, SUSPEND, OR DIS-
5 CONTINUE THE RETIREE HEALTH COVERAGE BEING PROVIDED TO THE PER-
6 SONS WHO RETIRE FROM AUTHORITY EMPLOYMENT.

7 SEC. 120. (1) AN AUTHORITY MAY RAISE REVENUES TO FUND ALL
8 OF ITS ACTIVITIES, OPERATIONS, AND INVESTMENTS CONSISTENT WITH
9 ITS PURPOSES. HOWEVER, AN AUTHORITY SHALL NOT LEVY A TAX OR
10 IMPOSE A SPECIAL ASSESSMENT. THE SOURCES OF REVENUE AVAILABLE TO
11 THE AUTHORITY MAY INCLUDE, BUT ARE NOT LIMITED TO, FEES, RENTS,
12 OR OTHER CHARGES THE AUTHORITY MAY FIX, REGULATE, AND COLLECT FOR
13 THE AIRPORT FACILITIES UNDER THE CONTROL OF AND SERVICES FUR-
14 NISHED BY THE AUTHORITY, INCLUDING FEES, RENTALS, AND CHARGES
15 FIXED IN CONNECTION WITH AGREEMENTS ENTERED INTO UNDER
16 SECTION 116. THE REVENUES RAISED BY AN AUTHORITY MAY BE PLEDGED,
17 IN WHOLE OR IN PART, FOR THE REPAYMENT OF BONDED INDEBTEDNESS AND
18 OTHER EXPENDITURES ISSUED OR INCURRED BY THE AUTHORITY.

19 (2) TO THE EXTENT PRACTICABLE, AN AUTHORITY SHALL ENDEAVOR
20 TO MAXIMIZE THE REVENUES GENERATED FROM ENTERPRISES LOCATED AT
21 THE AIRPORT.

22 (3) THE AUTHORITY MAY MAKE APPLICATION FOR AND RECEIVE
23 LOANS, GRANTS, GUARANTEES, OR OTHER FINANCIAL ASSISTANCE IN AID
24 OF AIRPORT FACILITIES AND THE OPERATION OF THE AIRPORT FROM ANY
25 STATE, FEDERAL, COUNTY, OR MUNICIPAL GOVERNMENT OR AGENCY OR FROM
26 ANY OTHER SOURCE, PUBLIC OR PRIVATE, INCLUDING FINANCIAL
27 ASSISTANCE FOR PURPOSES OF PLANNING, CONSTRUCTING, IMPROVING, AND

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1 OPERATING THE AIRPORT, FOR PROVIDING SECURITY AT THE AIRPORT, AND
2 FOR PROVIDING GROUND ACCESS TO THE AIRPORT.

3 SEC. 121. THE AUTHORITY MAY ACCEPT THE TRANSFER OF OPER-
4 ATIONAL JURISDICTION OF OTHER PUBLICLY OWNED AIRPORTS THAT HOLD AN AIR
5 CARRIER OPERATING CERTIFICATE ISSUED BY THE FAA, WITHIN AND
6 WITHOUT THE LOCAL GOVERNMENT. IN ACCEPTING A TRANSFER, THE
7 AUTHORITY MAY ASSUME NO FINANCIAL OBLIGATIONS OTHER THAN THOSE
8 ASSOCIATED WITH THE OPERATION OF THE AIRPORT BEING TRANSFERRED
9 AND WITH DEBT ISSUED TO FINANCE IMPROVEMENTS AT THE AIRPORT BEING
10 TRANSFERRED. THE AUTHORITY SHALL NOT SELL OR TRANSFER ANY PROP-
11 erty WITHOUT THE CONSENT OF THE GOVERNMENTAL ENTITY THAT PROVIDED
12 THE TRANSFER OF OPERATIONAL JURISDICTION UNDER THIS SECTION.

13 SEC. 122. FOR THE PURPOSE OF ACQUIRING, PURCHASING, CON-
14 STRUCTING, IMPROVING, ENLARGING, FURNISHING, EQUIPPING, REEQUIP-
15 PING, OR REPAIRING AIRPORTS AND AIRPORT FACILITIES FOR WHICH
16 OPERATIONAL JURISDICTION IS TRANSFERRED PURSUANT TO THIS CHAPTER
17 OR IS ACQUIRED BY THE AUTHORITY, THE AUTHORITY MAY ISSUE
18 SELF-LIQUIDATING BONDS OF THE AUTHORITY IN ACCORDANCE WITH AND
19 EXERCISE ALL OF THE POWERS CONFERRED UPON PUBLIC CORPORATIONS BY
20 THE REVENUE BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO
21 141.139.

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

26 SEC. 124. ALL BONDS OR OTHER EVIDENCES OF INDEBTEDNESS
ISSUED BY AN AUTHORITY UNDER THIS CHAPTER, AND THE INTEREST

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1 THEREON, ARE FREE AND EXEMPT FROM ALL TAXATION WITHIN THE STATE,
2 EXCEPT FOR TRANSFER AND FRANCHISE TAXES.

3 SEC. 125. (1) THE LEGISLATIVE BODY OF ANY LOCAL GOVERNMENT
4 THAT OWNS AN AIRPORT OVER WHICH THE OPERATIONAL JURISDICTION HAS
5 BEEN TRANSFERRED TO AN AUTHORITY IS HEREBY AUTHORIZED, WITH THE
6 CONSENT OF THE AUTHORITY, TO TAKE 1 OR MORE OF THE FOLLOWING
7 ACTIONS:

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

10 (B) ADVANCE FUNDS TO THE AUTHORITY FOR WORKING CAPITAL AND
11 OTHER PURPOSES OF THE AUTHORITY ON TERMS AND CONDITIONS AGREED TO
12 BY THE AUTHORITY AND THE LOCAL GOVERNMENT.

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

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

19 (2) A PLEDGE MADE PURSUANT TO THIS SECTION SHALL BE AT THE
20 DISCRETION OF THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT AND
21 MAY BE SUBJECT TO AN AGREEMENT PROVIDING FOR TERMS AND CONDITIONS
22 OF THE PLEDGE AND FOR REPAYMENT OF ANY AMOUNT PAID PURSUANT TO
23 THE PLEDGE AS THE AUTHORITY AND THE LOCAL GOVERNMENT MAY DETER-
24 MINE NECESSARY AND ADVISABLE.

25 (3) ANY AGREEMENT BY AN AUTHORITY TO REPAY AN ADVANCE MADE
26 PURSUANT TO THIS SECTION, AND ANY OBLIGATION INCURRED AS EVIDENCE
27 OF ANY OBLIGATION OF THE AUTHORITY UNDER THAT AGREEMENT, SHALL

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1 NOT BE SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34,
2 MCL 141.2101 TO 141.2821.

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

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

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

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

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

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

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

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

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

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

25 (5) UPON THE TRANSFER OF OPERATIONAL JURISDICTION OVER THE
26 AIRPORT TO AN AUTHORITY, TRUSTEES, PAYING AGENTS, AND REGISTRARS
27 FOR ANY OBLIGATION OF THE LOCAL GOVERNMENT THAT HAS BEEN ASSUMED

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

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