

# HOUSE BILL No. 5203

December 7, 2011, Introduced by Reps. Cavanagh, Constan, Brown, Howze, Bledsoe, Durhal, Santana, Dillon, Heise, Roy Schmidt and Somerville and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

A bill to amend 1945 PA 327, entitled  
"Aeronautics code of the state of Michigan,"  
by amending section 111 (MCL 259.111), as added by 2002 PA 90.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 111. (1) An authority created under ~~or pursuant to this~~  
2 chapter shall be directed and governed by a board consisting of 7  
3 members.

4       (2) The members of a board created under section 110(2) shall  
5 be appointed as follows:

6       (a) Two board members shall be appointed by the governor, with  
7 1 board member appointed for an initial term of 6 years and 1 board  
8 member appointed for an initial term of 8 years.

9       (b) One board member shall be appointed by the legislative  
10 body of the local government that owns the airport, for an initial  
11 term of 4 years. Notwithstanding any other statute, law, ordinance,

1 or charter provision to the contrary, the board member appointed by  
2 the legislative body may be a member of the legislative body of the  
3 local government that owns the airport, but only while continuing  
4 to serve as a member of the legislative body of that local  
5 government.

6 (c) Four board members shall be appointed by the local chief  
7 executive officer of the local government that owns the airport,  
8 with 1 board member appointed for an initial term of 4 years, 1  
9 board member appointed for an initial term of 2 years, and 2 board  
10 members appointed for an initial term of 6 years. **BEGINNING ON THE**  
11 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT AMENDED THIS SECTION,**  
12 **APPOINTMENTS UNDER THIS SUBDIVISION BY THE LOCAL CHIEF EXECUTIVE**  
13 **OFFICER OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT ARE SUBJECT**  
14 **TO APPROVAL BY THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT THAT**  
15 **OWNS THE AIRPORT.**

16 (d) Each appointing entity shall file each appointment under  
17 this subsection with the department. Each subsequent appointment by  
18 an appointing entity to fill a vacancy on the board shall also be  
19 filed with the department.

20 (3) Upon incorporation of an authority ~~pursuant to~~ **UNDER**  
21 section 110(3), the local chief executive officer, with the consent  
22 of the legislative body of the local government if the local chief  
23 executive officer is not elected, shall appoint the members of the  
24 board. Of the board members first appointed under this subsection,  
25 1 board member shall be appointed for a term of 2 years, 2 board  
26 members shall be appointed for terms of 4 years each, 3 board  
27 members shall be appointed for terms of 6 years each, and 1 board

1 member shall be appointed for a term of 8 years.

2 (4) A board member appointed ~~pursuant to~~ **UNDER** subsection  
3 (2)(b) or (c) or (3) must be a citizen of the United States and a  
4 resident of the local government that owns the airport over which  
5 operational jurisdiction will be transferred to an authority. A  
6 board member appointed ~~pursuant to~~ **UNDER** subsection (2)(a) must be  
7 a citizen of the United States and a resident of the area within  
8 the jurisdiction of the regional planning commission created under  
9 1945 PA 281, MCL 125.11 to 125.25, in which the airport over which  
10 operational jurisdiction will be transferred is located. Except as  
11 permitted by subsection (2)(b), a person shall not be appointed  
12 under subsection (2) or (3) as a board member if he or she is, or  
13 was during the 12 months preceding the date of appointment, an  
14 elected public official or employee of this state or an agency or  
15 instrumentality of this state, a local government or an agency or  
16 instrumentality of a local government, or the federal government or  
17 an agency or instrumentality of the federal government.

18 (5) A board member appointed ~~pursuant to~~ **UNDER** subsection (2)  
19 or (3), a chief executive officer, and chief financial officer of  
20 an authority, shall, at time of appointment or hiring and subject  
21 to subsection (6), meet all of the following qualifications:

22 (a) Neither the board member or the chief executive officer or  
23 chief financial officer, nor the spouse or his or her siblings,  
24 children or their spouses, parents, or siblings or their spouses of  
25 the board member or the chief executive officer or chief financial  
26 officer, are actively engaged or employed in any other business,  
27 vocation, or employment of any civil aeronautics enterprise

1 connected with the airport under the control of the authority.

2 (b) Neither the board member or the chief executive officer or  
3 chief financial officer, nor the spouse or his or her siblings,  
4 children or their spouses, parents, or siblings or their spouses of  
5 the board member or the chief executive officer or chief financial  
6 officer, have a combined 15% or greater direct pecuniary interest  
7 in any civil aeronautics enterprise connected with the airport  
8 under the control of the authority.

9 (c) The board member or the chief executive officer or chief  
10 financial officer would not be considered to have a conflict of  
11 interest under 1968 PA 318, MCL 15.301 to 15.310, in respect to any  
12 contract or subcontract involving the airport if the board member  
13 or the chief executive officer or chief financial officer were  
14 considered a state officer under 1968 PA 318, MCL 15.301 to 15.310.

15 (6) A board member who, at any time during his or her term of  
16 service, becomes in violation of subsection (5)(b) shall have 30  
17 days to divest, or arrange for the divestment of, the interest that  
18 caused the violation. If the board member or his or her relative is  
19 still in violation of subsection (5)(b) after the expiration of the  
20 30-day period, the entity that appointed that board member shall  
21 remove the board member from office.

22 ~~—— (7) Notwithstanding any law or charter provision to the~~  
23 ~~contrary, appointments by a local chief executive officer under~~  
24 ~~subsection (2) shall not be subject to the approval by the~~  
25 ~~legislative body of the local government.~~

26 (7) ~~(8)~~ The board shall appoint a chief executive officer who  
27 shall be an ex officio member, without vote, of the board and shall

1 not be considered in determining the presence of a quorum, who  
2 shall have professional qualifications commensurate with the  
3 responsibility of the jobs to be performed by such officials. The  
4 board may enter into a contract with the chief executive officer  
5 for a commercially reasonable length of time commensurate with the  
6 length of time for contracts of airport chief executive officers,  
7 directors, or managers with similar responsibilities at other  
8 airports or airport authorities within or without this state with a  
9 comparable number of annual enplanements.

10 (8) ~~(9)~~ The chief executive officer shall appoint a chief  
11 financial officer who shall be the treasurer of the authority, who  
12 shall have professional qualifications commensurate with the  
13 responsibility of the jobs to be performed by such officials.  
14 Notwithstanding any law or charter provision to the contrary, it  
15 ~~shall be~~ **IS** the duty and right of the chief financial officer of  
16 the authority to receive all money belonging to the authority, or  
17 arising or received in connection with the airport over which  
18 operational jurisdiction has been transferred to the authority,  
19 from whatever source derived. Money of the authority shall be  
20 deposited, invested, and paid by the chief financial officer only  
21 in accordance with policies, procedures, ordinances, or resolutions  
22 adopted by the board. Upon the approval date, the authority ~~shall~~  
23 ~~be~~ **IS** considered to be the owner of all money or other property  
24 then or thereafter received by the treasurer of the local  
25 government or deposited in the treasury of a local government to  
26 the credit of the airport for which operational jurisdiction has  
27 been transferred to the authority. The authority ~~shall be~~ **IS**

1 entitled to all interest and other earnings on those funds on and  
2 after the latter of ~~the effective date of this chapter~~ **MARCH 26,**  
3 **2002** or the date on which the authority is created or incorporated.  
4 The treasurer of any local government receiving or having custody  
5 of money or other property belonging to an authority under this  
6 chapter shall promptly transfer the money and other property to the  
7 custody of the chief financial officer of the authority. The chief  
8 financial officer shall provide the board with copies of all  
9 reports made by the chief financial officer to the chief executive  
10 officer.