

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 425

A bill to amend 1945 PA 327, entitled
"Aeronautics code of the state of Michigan,"
by amending section 35 (MCL 259.35), as amended by 2002 PA 352.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 35. ~~(1) There is appropriated all~~ **ALL** money in and
2 ~~currently credited to the state aeronautics fund created under~~
3 ~~section 34,~~ **34(1) IS APPROPRIATED** for carrying out ~~the purposes and~~
4 ~~provisions of this act, and to meet the expenses of the department.~~
5 **HOWEVER, MONEY IN AND CREDITED TO THE STATE AERONAUTICS FUND IS NOT**
6 **APPROPRIATED FOR CARRYING OUT SUBSECTION (2), EXCEPT AS PROVIDED IN**
7 **SUBSECTION (4).** Upon appropriation, the state treasurer may draw a
8 warrant ~~upon~~ **ON** the state treasury to make payments in the amounts
9 and to the persons as directed by the department subject to
10 approval and release by the state administrative board of the

1 authorized amounts. However, ~~funds~~**MONEY** appropriated under this
2 ~~section~~**SUBSECTION** or ~~subsequently~~**LATER** made available shall ~~shall~~**MUST**
3 not be expended ~~upon any~~**ON AN** aviation project ~~that is not~~ carried
4 out under the supervision and direction of the department.

5 (2) SUBJECT TO SUBSECTION (3), ALL MONEY IN AND CREDITED TO
6 THE QUALIFIED AIRPORT FUND CREATED UNDER SECTION 34(2) IS
7 APPROPRIATED FOR CARRYING OUT THE PURPOSES DESCRIBED IN THIS
8 SUBSECTION. ON A QUARTERLY BASIS, THE STATE TREASURER SHALL
9 DISBURSE FROM THE QUALIFIED AIRPORT FUND TO THE OPERATOR OF A
10 QUALIFIED AIRPORT AN AMOUNT EQUAL TO THE AMOUNT DEPOSITED INTO THE
11 QUALIFIED AIRPORT FUND. IF THERE IS MORE THAN 1 QUALIFIED AIRPORT
12 THE STATE TREASURER SHALL DISBURSE THE AMOUNT DEPOSITED INTO THE
13 QUALIFIED AIRPORT FUND TO EACH OPERATOR OF A QUALIFIED AIRPORT IN
14 THE SAME PROPORTION THAT THE AMOUNT OF TAXABLE GALLONS OF FUEL SOLD
15 AT THE QUALIFIED AIRPORT DURING THE PRECEDING FISCAL YEAR BEARS TO
16 THE TOTAL AMOUNT OF TAXABLE GALLONS OF FUEL SOLD AT ALL QUALIFIED
17 AIRPORTS DURING THE PRECEDING FISCAL YEAR. AN OPERATOR OF A
18 QUALIFIED AIRPORT SHALL USE MONEY DISBURSED TO THE OPERATOR UNDER
19 THIS SUBSECTION IN THE FOLLOWING ORDER OF PRIORITY:

20 (A) FOR DEPOSIT IN A BOND AND INTEREST REDEMPTION ACCOUNT
21 CREATED BY ORDINANCE OF THE QUALIFIED AIRPORT SOLELY TO PAY THE
22 NEXT SCHEDULED PAYMENTS FOR REVENUE BONDS ISSUED BY THE OPERATOR OF
23 THE QUALIFIED AIRPORT PURSUANT TO AN ORDINANCE UNDER THE REVENUE
24 BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO 141.140, TO FINANCE
25 CAPITAL IMPROVEMENTS TO LANDING AREAS AT THE QUALIFIED AIRPORT. THE
26 CAPITAL IMPROVEMENTS TO LANDING AREAS MAY INCLUDE, BUT ARE NOT
27 LIMITED TO, RUNWAY AND TAXIWAY DESIGN, CONSTRUCTION, REPAIR OR

1 REHABILITATION, LIGHTING, DRAINAGE SYSTEMS, LAND ACQUISITION,
2 AIRFIELD ROADWAYS, NOISE MITIGATION SYSTEMS, DEICING PADS, AND
3 SURVEILLANCE SYSTEMS AT THE QUALIFIED AIRPORT.

4 (B) TO DEFRAY THE COSTS OF CAPITAL IMPROVEMENTS TO LANDING
5 AREAS OF THE QUALIFIED AIRPORT. THE CAPITAL IMPROVEMENTS TO LANDING
6 AREAS MAY INCLUDE, BUT ARE NOT LIMITED TO, RUNWAY AND TAXIWAY
7 DESIGN, CONSTRUCTION, REPAIR OR REHABILITATION, LIGHTING, DRAINAGE
8 SYSTEMS, LAND ACQUISITION, AIRFIELD ROADWAYS, NOISE MITIGATION
9 SYSTEMS, DEICING PADS, AND SURVEILLANCE SYSTEMS AT THE QUALIFIED
10 AIRPORT.

11 (3) IF THE FEDERAL AVIATION ADMINISTRATION OR A FEDERAL COURT
12 OF COMPETENT JURISDICTION ISSUES A FINAL DECISION, DECISION AND
13 ORDER, OR ORDER IN A PROCEEDING FINDING THAT THE DEPOSIT OR CREDIT
14 OF MONEY TO THE QUALIFIED AIRPORT FUND UNDER THIS ACT, SECTION 25
15 OF THE GENERAL SALES TAX ACT, 1933 PA 167, MCL 205.75, AND SECTION
16 21 OF THE USE TAX ACT, 1937 PA 94, MCL 205.111, DOES NOT COMPLY
17 WITH, OR DISBURSEMENTS FROM THE QUALIFIED AIRPORT FUND AS
18 AUTHORIZED UNDER SUBSECTION (2) DO NOT COMPLY WITH, THE FEDERAL
19 AIRPORT REVENUE USE REQUIREMENTS UNDER 49 USC 47107(B) OR 49 USC
20 47133, THE STATE TREASURER SHALL TRANSFER MONEY IN THE QUALIFIED
21 AIRPORT FUND TO THE STATE AERONAUTICS FUND AS NECESSARY TO COMPLY
22 WITH THE FINAL DECISION, DECISION AND ORDER, OR ORDER. THE STATE
23 TREASURER SHALL ONLY TRANSFER MONEY FROM THE QUALIFIED AIRPORT FUND
24 UNDER THIS SUBSECTION WHILE THE FINAL DECISION, DECISION AND ORDER,
25 OR ORDER IS IN EFFECT AND BINDING ON THIS STATE.

26 (4) THE DEPARTMENT SHALL, ON A QUARTERLY BASIS, DISBURSE ALL
27 MONEY TRANSFERRED FROM THE QUALIFIED AIRPORT FUND TO THE STATE

1 AERONAUTICS FUND UNDER SUBSECTION (3) TO THE OPERATOR OF A
2 QUALIFIED AIRPORT. THE DEPARTMENT SHALL NOT DISBURSE MONEY UNDER
3 THIS SUBSECTION IF THE DISBURSEMENT WOULD VIOLATE THE TERMS OF THE
4 FINAL DECISION, DECISION AND ORDER, OR ORDER OF THE FEDERAL
5 AVIATION ADMINISTRATION OR FEDERAL COURT. IF THERE IS MORE THAN 1
6 QUALIFIED AIRPORT, THE DEPARTMENT SHALL DISBURSE THE MONEY TO EACH
7 OPERATOR OF A QUALIFIED AIRPORT IN THE SAME PROPORTION THAT THE
8 AMOUNT OF TAXABLE GALLONS OF FUEL SOLD AT THE QUALIFIED AIRPORT
9 DURING THE PRECEDING FISCAL YEAR BEARS TO THE TOTAL AMOUNT OF
10 TAXABLE GALLONS OF FUEL SOLD AT ALL QUALIFIED AIRPORTS DURING THE
11 PRECEDING FISCAL YEAR. AN OPERATOR OF A QUALIFIED AIRPORT THAT
12 RECEIVES MONEY UNDER THIS SUBSECTION SHALL ONLY USE THE MONEY FOR
13 THE PURPOSES, AND IN THE ORDER OF PRIORITY, DESCRIBED IN SUBSECTION
14 (2).

15 (5) BY APRIL 1, 2017, AND BY APRIL 1 OF EACH YEAR AFTER 2017,
16 THE OPERATOR OF A QUALIFIED AIRPORT SHALL FILE A REPORT WITH THE
17 DEPARTMENT DESCRIBING HOW THE MONEY DISBURSED TO THE OPERATOR OF
18 THE QUALIFIED AIRPORT UNDER THIS SECTION WAS SPENT OR OTHERWISE
19 USED BY THE OPERATOR OF THE QUALIFIED AIRPORT DURING THE PRECEDING
20 CALENDAR YEAR. THE REPORT MUST BE ON A FORM OR IN A FORMAT
21 PRESCRIBED OR APPROVED BY THE DEPARTMENT.

22 (6) AS USED IN THIS SECTION, "ORDINANCE" MEANS THAT TERM AS
23 DEFINED IN SECTION 3 OF THE REVENUE BOND ACT OF 1933, 1933 PA 94,
24 MCL 141.103.

25 Enacting section 1. This amendatory act takes effect 90 days
26 after the date it is enacted into law.

27 Enacting section 2. This amendatory act does not take effect

1 unless all of the following bills of the 98th Legislature are
2 enacted into law:

3 (a) Senate Bill No. 418.

4 (b) Senate Bill No. 426.

5 (c) Senate Bill No. 612.

6 (d) Senate Bill No. 613.

7 (e) Senate Bill No. 614.