

Act No. 258
Public Acts of 2015
Approved by the Governor
December 23, 2015
Filed with the Secretary of State
December 23, 2015
EFFECTIVE DATE: March 22, 2016

**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2015**

Introduced by Senator Schmidt

ENROLLED SENATE BILL No. 425

AN ACT to amend 1945 PA 327, entitled "An act relating to aeronautics in this state; providing for the development and regulation of aeronautics; creating a state aeronautics commission; prescribing powers and duties; providing for the licensing, registration, and supervision and control of all aircraft, airports and landing fields, schools of aviation, flying clubs, airmen, aviation instructors, airport managers, manufacturers, dealers, and commercial operation in intrastate commerce; providing for rules pertaining thereto; prescribing a privilege tax for the use of the aeronautical facilities on the lands and waters of this state; providing for the acquisition, development, and operation of airports, landing fields, and other aeronautical facilities by this state, by political subdivisions, or by airport authorities; providing for the incorporation of airport authorities and providing for the powers, duties, and obligations of airport authorities; providing for the transfer of airport management to airport authorities, including the transfer of airport liabilities, employees, and operational jurisdiction; providing jurisdiction of crimes, torts, and contracts; providing police powers for those entrusted to enforce this act; providing for civil liability of owners, operators, and others; making hunting from aircraft unlawful; providing for a repair station operators lien; providing for appeals from rules or orders issued by the commission; providing for the transfer from the Michigan board of aeronautics to the aeronautics commission all properties and funds held by the board of aeronautics; providing for a state aeronautics fund and making an appropriation therefor; prescribing penalties; and making uniform the law with reference to state development and regulation of aeronautics," by amending section 35 (MCL 259.35), as amended by 2002 PA 352.

The People of the State of Michigan enact:

Sec. 35. (1) All money in and credited to the state aeronautics fund created under section 34(1) is appropriated for carrying out this act, and to meet the expenses of the department. However, money in and credited to the state aeronautics fund is not appropriated for carrying out subsection (2), except as provided in subsection (4). Upon appropriation, the state treasurer may draw a warrant on the state treasury to make payments in the amounts and to the persons as directed by the department subject to approval and release by the state administrative board of the authorized amounts. However, money appropriated under this subsection or later made available must not be expended on an aviation project not carried out under the supervision and direction of the department.

(2) Subject to subsection (3), all money in and credited to the qualified airport fund created under section 34(2) is appropriated for carrying out the purposes described in this subsection. On a quarterly basis, the state treasurer shall disburse from the qualified airport fund to the operator of a qualified airport an amount equal to the amount deposited into the qualified airport fund. If there is more than 1 qualified airport the state treasurer shall disburse the amount deposited into the qualified airport fund to each operator of a qualified airport in the same proportion that the amount of taxable gallons of fuel sold at the qualified airport during the preceding fiscal year bears to the total amount of taxable gallons of fuel sold at all qualified airports during the preceding fiscal year. An operator of a qualified airport shall use money disbursed to the operator under this subsection in the following order of priority:

(a) For deposit in a bond and interest redemption account created by ordinance of the qualified airport solely to pay the next scheduled payments for revenue bonds issued by the operator of the qualified airport pursuant to an ordinance under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, to finance capital improvements to landing areas at the qualified airport. The capital improvements to landing areas may include, but are not limited to, runway

and taxiway design, construction, repair or rehabilitation, lighting, drainage systems, land acquisition, airfield roadways, noise mitigation systems, deicing pads, and surveillance systems at the qualified airport.

(b) To defray the costs of capital improvements to landing areas of the qualified airport. The capital improvements to landing areas may include, but are not limited to, runway and taxiway design, construction, repair or rehabilitation, lighting, drainage systems, land acquisition, airfield roadways, noise mitigation systems, deicing pads, and surveillance systems at the qualified airport.

(3) If the Federal Aviation Administration or a federal court of competent jurisdiction issues a final decision, decision and order, or order in a proceeding finding that the deposit or credit of money to the qualified airport fund under this act, section 25 of the general sales tax act, 1933 PA 167, MCL 205.75, and section 21 of the use tax act, 1937 PA 94, MCL 205.111, does not comply with, or disbursements from the qualified airport fund as authorized under subsection (2) do not comply with, the federal airport revenue use requirements under 49 USC 47107(b) or 49 USC 47133, the state treasurer shall transfer money in the qualified airport fund to the state aeronautics fund as necessary to comply with the final decision, decision and order, or order. The state treasurer shall only transfer money from the qualified airport fund under this subsection while the final decision, decision and order, or order is in effect and binding on this state.

(4) The department shall, on a quarterly basis, disburse all money transferred from the qualified airport fund to the state aeronautics fund under subsection (3) to the operator of a qualified airport. The department shall not disburse money under this subsection if the disbursement would violate the terms of the final decision, decision and order, or order of the Federal Aviation Administration or federal court. If there is more than 1 qualified airport, the department shall disburse the money to each operator of a qualified airport in the same proportion that the amount of taxable gallons of fuel sold at the qualified airport during the preceding fiscal year bears to the total amount of taxable gallons of fuel sold at all qualified airports during the preceding fiscal year. An operator of a qualified airport that receives money under this subsection shall only use the money for the purposes, and in the order of priority, described in subsection (2).

(5) By April 1, 2017, and by April 1 of each year after 2017, the operator of a qualified airport shall file a report with the department describing how the money disbursed to the operator of the qualified airport under this section was spent or otherwise used by the operator of the qualified airport during the preceding calendar year. The report must be on a form or in a format prescribed or approved by the department.

(6) As used in this section, "ordinance" means that term as defined in section 3 of the revenue bond act of 1933, 1933 PA 94, MCL 141.103.

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

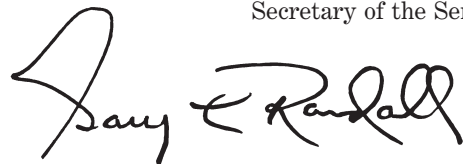
Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 98th Legislature are enacted into law:

- (a) Senate Bill No. 418.
- (b) Senate Bill No. 426.
- (c) Senate Bill No. 612.
- (d) Senate Bill No. 613.
- (e) Senate Bill No. 614.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor