

AERONAUTICS CODE OF THE STATE OF MICHIGAN (EXCERPT)
Act 327 of 1945

259.35 State aeronautics fund; qualified airport fund; appropriations; use of money disbursed to operator; finding of noncompliance with federal requirements; disbursement; report; "ordinance" defined.

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.

History: 1945, Act 327, Imd. Eff. May 28, 1945;—CL 1948, 259.35;—Am. 2002, Act 352, Imd. Eff. May 23, 2002;—Am. 2015, Act 258, Eff. Mar. 22, 2016.

Former law: See section 6 of Act 160 of 1931; Act 193 of 1935.