

**Title 6: AERONAUTICS**  
**Chapter 10: AIRPORT AUTHORITIES**

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**Maine Revised Statutes**  
**Title 6: AERONAUTICS**  
**Chapter 10: AIRPORT AUTHORITIES**

**§171. PURPOSE; ENABLING NOT MANDATORY; SHORT TITLE**

The purpose of this chapter, which may be known and cited as "the Airport Authority Enabling Act," is to facilitate the creation of airport authorities to operate airports and provide air transportation services. This chapter provides a streamlined process for the creation of airport authorities but is not intended and may not be interpreted to preclude the operation of airports or the provision of air transportation services by any other entity or entities under any other law or authority. [2007, c. 563, §1 (NEW).]

SECTION HISTORY

2007, c. 563, §1 (NEW).

**§172. DEFINITIONS**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [2007, c. 563, §1 (NEW).]

**1. Airport authority.** "Airport authority" means a quasi-municipal entity formed and chartered pursuant to this chapter to operate an airport and provide air transportation services.

[ 2007, c. 563, §1 (NEW) . ]

**2. Airport sponsor.** "Airport sponsor" means a municipality, county or group of municipalities or counties that owns and operates an airport and accepts funds or property from the FAA.

[ 2007, c. 563, §1 (NEW) . ]

**3. Board of directors or board.** "Board of directors" or "board" means the board of directors of an airport authority.

[ 2007, c. 563, §1 (NEW) . ]

**4. Charter.** "Charter" means a private and special law or a series of private and special laws that establishes an airport authority and defines its responsibilities and authority.

[ 2007, c. 563, §1 (NEW) . ]

**5. Charter territory.** "Charter territory" means the territorial limits of an airport authority as defined in its charter.

[ 2007, c. 563, §1 (NEW) . ]

**6. Director.** "Director" means a member of the board.

[ 2007, c. 563, §1 (NEW) . ]

**7. Founding entity.** "Founding entity" means any municipality or county that has on its own or together with one or more other municipalities or counties developed an airport authority proposal for approval under this chapter.

[ 2007, c. 2, §1 (COR) .]

#### SECTION HISTORY

RR 2007, c. 2, §1 (COR). 2007, c. 563, §1 (NEW).

## §173. PROCEDURES; LEGAL EFFECT

**1. Necessary provisions.** An airport authority charter must include the following that are not specified in this chapter:

- A. The corporate name of the airport authority; [2007, c. 563, §1 (NEW).]
- B. The territorial limits of the airport authority; [2007, c. 563, §1 (NEW).]
- C. The number of directors of the airport authority; [2007, c. 563, §1 (NEW).]
- D. The appointing authority responsible for appointing or the method of electing the first board of directors; [2007, c. 563, §1 (NEW).]
- E. The terms of the directors who are elected or appointed subsequent to the first board. Terms of the first board are determined pursuant to section 174, subsection 4; [2007, c. 563, §1 (NEW).]
- F. Whether the directors, subsequent to the first board, are appointed or elected. Reference must be made to the appropriate subsections of section 174; and [2007, c. 563, §1 (NEW).]
- G. The procedures for a local referendum on the creation of the airport authority. [2007, c. 563, §1 (NEW).]

[ 2007, c. 563, §1 (NEW) .]

**2. Optional provisions.** An airport authority charter may include provisions relating to:

- A. Special qualifications of directors, other than the residency requirement established under section 174; [2007, c. 563, §1 (NEW).]
- B. Additional purposes and powers beyond those specified in this chapter; [2007, c. 563, §1 (NEW).]
- C. Specific rights or responsibilities of founding entities; [2007, c. 563, §1 (NEW).]
- D. Authorization for the airport authority to acquire the rights, interests, property and assets and assume the debts and liabilities of an airport sponsor; and [2007, c. 563, §1 (NEW).]
- E. Any other powers or duties necessary to the accomplishment of the purposes for creating the airport authority. [2007, c. 563, §1 (NEW).]

[ 2007, c. 563, §1 (NEW) .]

#### SECTION HISTORY

2007, c. 563, §1 (NEW).

## §174. BOARD OF DIRECTORS

All of the affairs of an airport authority must be managed by a board of directors whose members must be residents of the charter territory. The number of directors must be specified in the charter. After selection of the first board, each director is nominated and elected or appointed as provided in the charter

and in accordance with subsection 1 or 2, as applicable. If the charter does not indicate whether the directors are appointed or elected, the directors, after selection of the first board, must be elected in accordance with subsection 1. [2007, c. 563, §1 (NEW).]

**1. Nominations and elections; vacancies.** This subsection applies to an airport authority if its charter provides that its directors are elected or if the charter does not indicate whether the directors are elected or appointed.

A. Nominations and elections of directors are conducted in accordance with the laws relating to municipal elections. [2007, c. 563, §1 (NEW).]

B. When the term of office of a director expires, the director's successor is elected at large by a plurality vote of the voters of the charter territory. For the purpose of election, a special election must be called and held on the date established by the directors. The election must be called by the directors in the same manner as town meetings are called and, for this purpose, the directors are vested with the powers of municipal officers of towns. A vacancy is filled in the same manner for the unexpired term by a special election called by the directors. [2007, c. 563, §1 (NEW).]

C. The directors shall appoint a registrar of voters for the airport authority, who may also be the registrar of voters for any town within the airport authority, and fix the registrar's salary. It is the registrar's duty to make and keep a complete list of all the registered voters resident in the charter territory. The list prepared by the registrar governs the eligibility of any voter. Voters who are resident outside the charter territory are not eligible voters, and the registrar of voters shall exclude those voters from the registrar's lists. All warrants issued for elections by the directors must show that only the voters resident within the charter territory are entitled to vote. [2007, c. 563, §1 (NEW).]

[ 2007, c. 563, §1 (NEW) .]

**2. Appointment.** This subsection applies to an airport authority if its charter provides that its directors are appointed.

A. After selection of the first board, each director is appointed as provided in the charter. [2007, c. 563, §1 (NEW).]

[ 2007, c. 563, §1 (NEW) .]

**3. Eligibility requirements.** When a director ceases to be a resident of the charter territory, the director shall vacate the office of director and the vacancy is filled as provided in subsection 1 or 2, as applicable. All directors are eligible for reelection or reappointment, but a person who is a municipal officer, as defined in Title 30-A, section 2001, subsection 10, of any town located, in whole or in part, within the charter territory is not eligible for appointment, nomination or election as a director of that airport authority.

[ 2007, c. 563, §1 (NEW) .]

**4. First board.** The first board is appointed or elected as provided in the charter. At the first meeting, the initial board of directors shall determine by agreement or, failing to agree, determine by lot the term of office of each director. The terms of the directors must be determined in accordance with the following table.

Total number of directors	TERM		
	1 year	2 years	3 years
3	1	1	1
4	1	1	2
5	1	2	2
6	2	2	2
7	2	2	3
8	2	3	3
9	3	3	3

10	3	3	4
11	3	4	4
12	4	4	4
13	4	4	5
14	4	5	5
15	5	5	5

The directors shall enter on their records the determination made. Vacancies are filled pursuant to subsection 1 or 2.

At the original meeting, the directors shall organize by electing from among their members a chair and a clerk, by adopting a corporate seal and by electing a treasurer who may or may not be a director.

[ 2007, c. 563, §1 (NEW) .]

**5. Organization; conduct of business; employees.** Within one week after each annual election or appointment, the directors shall meet for the purpose of electing a chair, treasurer and clerk to serve for the ensuing year and until their successors are appointed and qualified. The directors from time to time may choose and employ and fix the compensation of any other necessary officers and agents, who serve at the pleasure of the directors. The treasurer shall furnish bond in the sum and with sureties approved by the directors. The airport authority shall pay the cost of the bond.

The directors may adopt and establish bylaws consistent with the laws of this State and necessary for the convenience and the proper management of the affairs of the airport authority and perform other acts within the powers delegated by law to the directors.

The directors must be sworn to the faithful performances of their duties, including the duties of a member who serves as clerk or clerk pro tem. The directors shall publish an annual report that includes a report of the treasurer.

The directors shall appoint and fix the salary of an airport manager who may not be a director. The airport manager has such power and authority as the directors in their bylaws or by resolution specify and delegate to the airport manager. Subject to approval of or authorization from the directors, the airport manager may appoint any other employees necessary to carry out the corporate purposes of the airport authority and may fix their salaries.

Business of the airport authority must be conducted in accordance with the applicable provisions of the Freedom of Access Act.

[ 2011, c. 662, §9 (AMD) .]

**6. Decisions of the board; conflict of interest.** All decisions of the board of directors must be made by a majority of those present and voting, except that a vote to approve the issuing of any bond, note or other evidence of indebtedness payable within a period of more than 12 months after the date of issuance must be approved by a majority of the entire appointed board. A quorum of the board of directors consists of the total number of authorized directors divided by 2 and, if necessary to obtain a whole number, the resulting number rounded up to the next whole number. Directors are subject to the conflict of interest provisions of Title 30-A, section 2605.

[ 2007, c. 563, §1 (NEW) .]

**7. Compensation.** The directors of an airport authority receive compensation as recommended by the directors and approved by a majority vote of the municipal officers of municipalities located in whole or in part within the charter territory. Certification of the vote must be recorded with the Secretary of State and recorded in the bylaws.

[ 2007, c. 563, §1 (NEW) .]

**8. Retirement.** Directors are not eligible to become members of the Maine Public Employees Retirement System as a result of their selection as directors.

[ 2007, c. 563, §1 (NEW) . ]

**9. Expenses.** The directors may obtain an office and incur necessary expenses.

[ 2007, c. 563, §1 (NEW) . ]

SECTION HISTORY

2007, c. 563, §1 (NEW). 2011, c. 662, §9 (AMD).

## §175. AIRPORT AUTHORITY; GENERAL POWERS; FAA

Except as otherwise provided by law, for the purposes of its incorporation, an airport authority may own, construct, manage, maintain, enhance, expand or otherwise operate an airport and provide air transportation services. [2007, c. 563, §1 (NEW).]

**1. Subject to applicable laws.** All powers of an airport authority must be exercised in accordance with applicable federal and state laws and rules, including but not limited to FAA regulations, the provisions of this Title and the rules of the commissioner.

[ 2007, c. 563, §1 (NEW) . ]

**2. Required approvals.** Before exercising any powers as an airport authority, an airport authority must obtain and possess all necessary written approvals from the commissioner and the FAA.

[ 2007, c. 563, §1 (NEW) . ]

SECTION HISTORY

2007, c. 563, §1 (NEW).

## §176. AUTHORITY TO ACQUIRE PROPERTY; PUBLIC PURPOSE

To the extent necessary for purposes of incorporation, an airport authority may take and hold any interest in real estate for an airport or landing field or for the expansion of an airport or landing field and may acquire air rights and easements over private property adjoining such airports and landing fields in order to provide unobstructed air space and safe approaches for the landing and taking off of aircraft using those airports and landing fields, to place and maintain suitable marks and lights for the safe operation of those airports and landing fields and to prevent any use of adjoining land that would hinder the proper development or use of those airports and landing fields. An airport authority may alter, extend or discontinue any such use of real estate. [2007, c. 563, §1 (NEW).]

**1. Purchase or lease.** An airport authority may take and hold an interest in real estate by gift, purchase, lease or other means.

[ 2007, c. 563, §1 (NEW) . ]

**2. Eminent domain.** For purposes of its incorporation, as a matter of public exigency, an airport authority may exercise the right of eminent domain in accordance with section 177 to acquire any interest in real estate, including land outside the airport authority's charter territory, except that an airport authority may not take an interest in real estate located outside its charter territory without first obtaining the written consent of the municipal officers of the municipality in which that real estate is located.

A. No property rights or easements of a public utility may be taken under this subsection without the approval of the Public Utilities Commission after hearing and upon such notice to the public utility affected by the taking as the commission may order. [2007, c. 563, §1 (NEW).]

[ 2007, c. 563, §1 (NEW) .]

**3. Public purpose.** Any real estate or interest in real estate lawfully acquired, owned, leased, controlled or occupied by an airport authority for the purposes of its incorporation is declared to be acquired, owned, leased, controlled or occupied for public uses.

[ 2007, c. 563, §1 (NEW) .]

#### SECTION HISTORY

2007, c. 563, §1 (NEW).

### §177. PROCEDURE IN EXERCISE OF RIGHT OF EMINENT DOMAIN

The right of eminent domain granted in section 176 may be exercised only after complying with the following procedures. [2007, c. 563, §1 (NEW).]

**1. Notice.** The airport authority shall provide notice as provided in this subsection.

A. The owner or owners of record must be notified under this subsection of:

- (1) The determination of the directors that they will exercise the right of eminent domain;
- (2) A description and scale map of the land or easement to be taken;
- (3) The final amount offered for the land or easement to be taken, based on the fair value, as estimated by the airport authority; and
- (4) The time and place of the hearing provided in subsection 2. [2007, c. 563, §1 (NEW).]

B. Notice under this subsection may be made:

- (1) By personal service in hand by an officer duly qualified to serve civil process in this State; or
- (2) By certified mail, return receipt requested, to the owner's last known address. [2007, c. 563, §1 (NEW).]

C. If the owner or owners are not known or if they cannot be notified by personal service or certified mail, notice under this subsection may be given by publication in the same manner as provided in subsection 2. [2007, c. 563, §1 (NEW).]

D. Notice under this subsection must be made to any tenants in the same manner as for the owner. [2007, c. 563, §1 (NEW).]

[ 2007, c. 563, §1 (NEW) .]

**2. Hearing.** The board of directors shall hold a public hearing on the advisability of the proposed exercise of the right of eminent domain under this section. Notice of the hearing must be made by publication in a newspaper of general circulation in the area of the taking and must be given once a week for 2 successive weeks, the last publication to be at least 2 weeks prior to the time appointed for the hearing. The hearing notice must include the time and place of the hearing, a description of the land or easement taken and the names of the owners, if known.

[ 2007, c. 563, §1 (NEW) .]

**3. Proceedings.** An airport authority, in exercising the right of eminent domain conferred upon it by section 176, shall file in the office of the county commissioners of the county in which the property to be taken is located and cause to be recorded in the registry of deeds in that county plans of the location of all lands, real estate, easements or interest therein, and rights to be taken, with an appropriate description and the names of the owners, if known.

A. Entry may not be made on any private lands, except to make surveys, until title has vested in the airport authority under this section. [2007, c. 563, §1 (NEW).]

B. When for any reason the airport authority fails to acquire property that it is authorized to take and that is described pursuant to this subsection, or if the location so recorded is defective and uncertain, the airport authority shall correct and perfect the description of the location and file a new description. In such a case, the airport authority is liable in damages only for property for which the owner had not previously been paid, to be assessed as of the time of the original taking, and the airport authority is not liable for any acts that would have been justified if the original taking had been lawful. [2007, c. 563, §1 (NEW).]

[2007, c. 563, §1 (NEW).]

**4. Appeal.** If any person sustaining damages by any taking by an airport authority under section 176 does not agree with the airport authority upon the sum to be paid for the property, either party, upon petition to the county commissioners of the county in which the property is located, may have the damages assessed by the county commissioners. The procedure and all subsequent proceedings and rights of appeal are according and subject to the same restrictions, conditions and limitations as are or may be prescribed by law in the case of damages by the laying out of highways by the county commissioners, except:

A. Title to the lands, real estate, easements or interests therein and other property and rights to be taken do not vest in the airport authority under this section until payment to the owner of the amount awarded or, if such payment is refused upon tender, until tender of the amount is made to the treasurer of the county in which the lands and interests are located, for escrow at interest for the benefit of the owner pending final determination of the amount to which the owner is entitled; and [2007, c. 563, §1 (NEW).]

B. In the event of an appeal of the amount awarded as damages for a taking under this section:

(1) The petition for assessment of damages must be filed with the clerk of the county commissioners, by either party, within 30 days following the filing and recording of plans of the location of all the property, facilities and rights taken; and

(2) If the return of the county commissioners has not been made within 120 days following the filing of the petition for assessment, the county commissioners are conclusively presumed to have confirmed the award of damages by the airport authority and either party may, within 30 days following that 120-day period, appeal the amount of the damages awarded by the airport authority to the Superior Court. [2007, c. 563, §1 (NEW).]

[2007, c. 563, §1 (NEW).]

#### SECTION HISTORY

2007, c. 563, §1 (NEW).

### §178. MAKE AND ASSUME CONTRACTS

An airport authority, through its board of directors, in order to carry out the purposes of its incorporation, may contract with persons, governmental entities, utilities or corporations. [2007, c. 563, §1 (NEW).]

#### SECTION HISTORY

2007, c. 563, §1 (NEW).

## §179. RECEIVE GOVERNMENT AID; BORROW MONEY; ISSUE BONDS AND NOTES

**1. Authorization of bonds.** An airport authority, through its board of directors, may issue, in accordance with section 180, bonds, notes or other evidences of indebtedness of the airport authority for any of its corporate purposes, including, but not limited to:

- A. Paying and refunding its indebtedness; [2007, c. 563, §1 (NEW).]
- B. Paying any necessary expenses and liabilities incurred under this chapter, including organizational and other necessary expenses and liabilities, whether incurred by the airport authority or any founding entity or any municipality therein or any person residing in unorganized territory encompassed by the airport authority. The airport authority is authorized to reimburse any founding entity or any municipality therein or any person residing in unorganized territory encompassed by the airport authority for any such expenses; [2007, c. 563, §1 (NEW).]
- C. Paying costs directly or indirectly associated with necessary expenses and liabilities incurred in accordance with the purposes of its incorporation and to cover interest payments during the period of construction of capital projects and for such a period thereafter as the directors may determine; [2007, c. 563, §1 (NEW).]
- D. Providing reserves for debt service, repairs and replacements or other capital or current expenses that may be required by a trust agreement or resolution securing bonds; and [2007, c. 563, §1 (NEW).]
- E. Any combination of these purposes. [2007, c. 563, §1 (NEW).]

[2007, c. 563, §1 (NEW).]

**2. Bonds.** Bonds may be issued by an airport authority as general obligations of the airport authority or as special obligations payable solely from particular funds. The principal of, premium, if any, and interest on all bonds is payable solely from the funds provided for that purpose from revenues. For purposes of this section, "revenues" means the proceeds of bonds and all revenues, rates, fees, charges, assessments, rents and other receipts derived by the airport authority in accordance with the purposes of its incorporation, including, but not limited to, investment earnings and the proceeds of insurance, condemnation, sale or other disposition of properties.

- A. All bonds, notes and other evidences of indebtedness issued by an airport authority in accordance with this section are legal obligations of the airport authority within the meaning of Title 30-A, section 5701. [2007, c. 563, §1 (NEW).]
- B. Bonds may be issued under this section without obtaining the consent of any commission, board, bureau or agency of the State or of any municipality encompassed by the airport authority and without any other proceedings or the happening of other conditions or things other than those proceedings, conditions or things that are specifically required by the FAA, this Title, rules of the commissioner or the airport authority's charter. [2007, c. 563, §1 (NEW).]
- C. Bonds issued under this section do not constitute a debt or liability of the State or of any municipality encompassed by the airport authority or a pledge of the faith and credit of the State or any such municipality, but the bonds are payable solely from the funds provided for that purpose, and a statement to that effect must be recited on the face of the bonds. [2007, c. 563, §1 (NEW).]

[2007, c. 563, §1 (NEW).]

**3. Notes.** An airport authority may provide by resolution of its board of directors for the issuance from time to time of notes in anticipation of bonds authorized under this section and of notes in anticipation of the revenues to be collected or received in any year or in anticipation of the receipt of federal or state grants or other aid. The issue of these notes is governed by the applicable provisions of this chapter relating to the issue

of bonds, as long as notes in anticipation of revenue mature no later than one year from their respective dates and notes issued in anticipation of federal or state grants or other aid and renewals thereof mature no later than the expected date of receipt of those grants or aid. Notes in anticipation of revenue issued to mature less than one year from their dates may be renewed from time to time by the issue of other notes, as long as the period from the date of an original note to the maturity of any note issued to renew or pay the same or the interest thereon does not exceed one year.

[ 2007, c. 563, §1 (NEW) . ]

**4. Grants and loans.** An airport authority may enter into agreements with the State or the United States, or any agency of either, or any municipality, corporation, commission or board authorized to grant or loan money to or otherwise assist in the financing of projects of the type the airport authority is authorized to carry out and may accept grants and borrow money from any such government, agency, municipality, corporation, commission or board as may be necessary or desirable to accomplish the purposes of the airport authority.

[ 2007, c. 563, §1 (NEW) . ]

**5. Maturity; interest; form; temporary bonds.** The bonds issued under this section must be dated and must mature at such time or times and bear interest at such rate or rates as may be determined by the board of directors and may be made redeemable before maturity, at the option of the airport authority, at such price or prices and under such terms and conditions as may be fixed by the board of directors prior to the issuance of the bonds.

A. The board of directors shall determine the form of the bonds issued under this section, including any interest coupons to be attached thereto, and the manner of execution of the bonds and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or outside the State. The bonds may be issued in coupon or registered form, or both, as the board of directors may determine and provision may be made for the registration of any coupon bonds as to principal alone and as to both principal and interest and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. [ 2007, c. 563, §1 (NEW) . ]

B. The board of directors may sell bonds issued under this section in such manner, either at public or private sale, and for such price as they may determine to be for the best interests of the airport authority. The proceeds of the bonds of each issue must be used solely for the purpose for which those bonds have been authorized and must be disbursed in such manner and under such restrictions, if any, as the board of directors may provide in the resolution authorizing the issuance of the bonds or in the trust agreement securing the bonds. The resolution providing for the issuance of bonds and any trust agreement securing the bonds may contain such limitations upon the issuance of additional bonds as the board of directors may determine to be proper, and these additional bonds must be issued under such restrictions and limitations as may be prescribed by that resolution or trust agreement. Prior to the preparation of definitive bonds, the board of directors may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when those bonds are executed and are available for delivery. The board of directors may provide for the replacement of any bond that is mutilated, destroyed or lost. [ 2007, c. 563, §1 (NEW) . ]

C. Bonds issued under this section must be executed in the name of the airport authority by the manual or facsimile signature of such officer or officers as may be authorized in the resolution to execute the bonds, but at least one signature on each bond must be a manual signature. Coupons, if any, attached to the bonds must be executed with the facsimile signature of the officer or officers of the airport authority designated in the resolution. In case any officer whose signature or a facsimile of whose signature appears on any bonds or coupons, ceases to be an officer before the delivery of the bonds, the signature or its facsimile is nevertheless valid and sufficient for all purposes as if the officer had remained in office until the delivery. [ 2007, c. 563, §1 (NEW) . ]

D. Notwithstanding any provision of this chapter or any recitals in any bonds issued under this section, all bonds issued under this section are negotiable instruments under the laws of this State. [ 2007, c. 563, §1 (NEW). ]

[ 2007, c. 563, §1 (NEW) . ]

**6. Pledges and covenants; trust agreement.** In the discretion of the board of directors of any airport authority, each issue of bonds under this section may be secured by a trust agreement by and between the airport authority and a corporate trustee, which may be any trust company within or outside the State.

A. The resolution authorizing the issuance of the bonds under this section, or the trust agreement securing those bonds, may pledge or assign, in whole or in part, the revenues and other money held or to be received by the airport authority and any accounts and contract or other rights to receive the same, whether then existing or thereafter coming into existence and whether then held or thereafter acquired by the airport authority, and the proceeds thereof, but may not convey or mortgage any properties of the airport authority. The resolution may also contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including, but not limited to, covenants setting forth the duties of the airport authority and the board of directors in relation to the acquisition, construction, reconstruction, improvement, repair, maintenance, operation and insurance of its airport or any of its other properties; the fixing and revising of rates, fees and charges; the application of the proceeds of bonds; the custody, safeguarding and application of revenues, defining defaults and providing for remedies in the event thereof, which may include the acceleration of maturities; the establishment of reserves; and the making and amending of contracts. The resolution or trust agreement may set forth the rights and remedies of the bondholders and of the trustee, if any, and may restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing bonds or debentures of corporations. In addition, the resolution or trust agreement may contain such other provisions as the board of directors may determine reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the resolution or trust agreement may be treated as a part of the cost of operation. The pledge by any resolution or trust agreement is valid and binding and continuously perfected for the purposes of the Uniform Commercial Code from the time when the pledge is made. All revenues, money, rights and proceeds so pledged and thereafter received by the airport authority are immediately subject to the lien of the pledge without any physical delivery or segregation or further action under the Uniform Commercial Code or otherwise, and the lien of the pledge is valid and binding against all parties having claims of any kind in tort, contract or otherwise against the airport authority irrespective of whether those parties have notice of the lien. [2007, c. 563, §1 (NEW). ]

B. The resolution authorizing the issuance of bonds under this section, or any trust agreement securing those bonds, may provide that all or a sufficient amount of revenues, after providing for the payment of the cost of repair, maintenance and operation and reserves for those costs as may be provided in the resolution or trust agreement, must be set aside at such regular intervals as may be provided in the resolution or trust agreement and deposited in the credit of a fund for the payment of the interest on and the principal of bonds issued under this chapter as the interest and principal become due and the redemption price or purchase price of bonds retired by call or purchase. The use and disposition of money to the credit of the fund are subject to any regulations provided in the resolution authorizing the issuance of the bonds or in the trust agreement securing the bonds and, except as may otherwise be provided in the resolution or trust agreement, the fund is for the benefit of all bonds without distinction or priority of one over another. [2007, c. 563, §1 (NEW). ]

[ 2007, c. 563, §1 (NEW) . ]

**7. Trust funds.** Notwithstanding any other law, all funds received pursuant to the authority of this chapter are trust funds and must be held and applied solely as provided in this chapter or the airport authority's charter. The resolution authorizing the issuance of bonds or the trust agreement securing the bonds

must provide that any officer to whom, or bank, trust company or other fiscal agent to which, that money is paid shall act as trustee of that money and shall hold and apply the same for the purposes hereof, subject to any regulations as may be provided in the resolution or trust agreement or as may be required by this chapter.

[ 2007, c. 563, §1 (NEW) .]

**8. Remedies.** Any holder of bonds issued under this section or of any of the coupons appertaining thereto, and the trustee under any trust agreement, except to the extent the rights given may be restricted by the resolution authorizing the issuance of those bonds or trust agreement, may, either at law or in equity, by suit, action, mandamus or other proceeding, including proceedings for the appointment of a receiver to take possession and control of the properties of the airport authority, protect and enforce all rights under the laws of the State, including but not limited to those granted under this chapter, or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this chapter or by such resolution or trust agreement to be performed by the airport authority or by any officer thereof, including but not limited to the fixing, charging and collecting of rates, fees, payments or charges relating to the services and facilities furnished by the airport authority.

[ 2007, c. 563, §1 (NEW) .]

**9. Refunding bonds.** Any airport authority formed under this chapter by resolution of its board of directors may issue refunding bonds for the purpose of paying any of its bonds at maturity or upon acceleration or redemption. The refunding bonds may be issued at such time prior to the maturity or redemption of the refunded bonds as the board of directors determines to be in the public interest. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium thereon, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by a trust agreement or resolution securing bonds. The issue of refunding bonds, the maturities and other details of and security for the refunding bonds, the rights of the holders of the refunding bonds and the rights, duties and obligations of the airport authority in respect of the refunding bonds is governed by the applicable provisions of this chapter relating to the issue of bonds other than refunding bonds.

[ 2007, c. 563, §1 (NEW) .]

**10. Tax exemption.** All bonds, notes and other evidences of indebtedness issued by the airport authority under this section are legal investments for savings banks in this State and are exempt from state income tax.

[ 2007, c. 563, §1 (NEW) .]

**11. Bonds are legal investments.** Bonds and notes issued by any airport authority under this section are securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, trust companies, banks, bankers, banking associations, savings banks and savings associations, including savings and loan associations, credit unions, building and loan associations, investment companies, executors, administrators, directors and other fiduciaries, pension, profit-sharing, retirement funds and other persons carrying on a banking business, and all other persons who are now or may hereafter be authorized to invest in bonds or other obligations of the State may properly and legally invest funds, including capital in their control or belonging to them. The bonds and notes are securities that may properly and legally be deposited with and

received by any state, municipal or public officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

[ 2007, c. 563, §1 (NEW) . ]

#### SECTION HISTORY

2007, c. 563, §1 (NEW) .

### **§180. DEBT LIMIT AND APPROVAL OF VOTERS WITHIN AIRPORT AUTHORITY TERRITORY**

Prior to issuing on behalf of an airport authority under section 179 any bond, note or other evidence of indebtedness payable within a period of more than 12 months after the date of issuance, the board of directors shall propose a debt limit for the airport authority that the board must submit for approval in a referendum in the charter territory of the airport authority. The referendum must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters. The voting place for the referendum may be outside the charter territory of the airport authority if the usual voting place for persons located within the charter territory is located outside the charter territory. For the purpose of registering voters, the registrar of voters must be in session on the regular work day preceding the election. The question presented must conform to one of the following forms: [ 2007, c. 563, §1 (NEW) . ]

For establishment of an initial debt limit: "Do you favor establishing the debt limit of the (insert name of airport authority) at (insert amount)?" or [ 2007, c. 563, §1 (NEW) . ]

For amendment of an existing debt limit: "Do you favor changing the debt limit of the (insert name of airport authority) from (insert current debt limit) to (insert proposed debt limit)?" [ 2007, c. 563, §1 (NEW) . ]

The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion on the question. [ 2007, c. 563, §1 (NEW) . ]

The results must be declared by the board of directors and entered upon the airport authority's records. Due certificate of the results must be filed by the clerk with the Secretary of State. [ 2007, c. 563, §1 (NEW) . ]

A debt limit proposal becomes effective upon its acceptance by a majority of the legal voters within the charter territory voting at the referendum. Failure of approval by the majority of voters voting at the referendum does not prevent subsequent referenda from being held for the same purpose. The costs of referenda are borne by the airport authority. [ 2007, c. 563, §1 (NEW) . ]

The board of directors may not issue any bond, note or other evidence of indebtedness payable within a period of more than 12 months after the date of issuance unless the total amount of the debt issued by the directors is no more than an amount approved by referendum under this section. [ 2007, c. 563, §1 (NEW) . ]

#### SECTION HISTORY

2007, c. 563, §1 (NEW) .

### **§181. FEES AND ASSESSMENTS**

An airport authority, through its board of directors, may impose any user fees, rates or charges for the use of its airport or air transportation services and may, by agreement with the municipal officers of any municipality located in whole or in part within the charter territory of the airport authority, establish payments from the municipality to support the airport authority. [ 2007, c. 563, §1 (NEW) . ]

#### SECTION HISTORY

2007, c. 563, §1 (NEW).

## §182. TAX EXEMPT

An airport authority is a public municipal corporation within the meaning of Title 36, section 651, and the property of the authority is exempt from taxation to the extent provided in that section. [2007, c. 563, §1 (NEW).]

### SECTION HISTORY

2007, c. 563, §1 (NEW).

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