



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1209/1  
MES/RAC/JK/JTK:cs:ch

## 2005 ASSEMBLY BILL 1089

March 6, 2006 - Introduced by Representatives STONE, HONADEL, NISCHKE, NEWCOMER, GIELOW, JESKEWITZ, UNDERHEIM, HUNDERTMARK, VOS, HUEBSCH and J. FITZGERALD, cosponsored by Senators PLALE, DARLING, S. FITZGERALD, STEPP and KANAVAS. Referred to Committee on Urban and Local Affairs.

1     **AN ACT** *to amend* 16.70 (14), 19.42 (13) (a), 19.59 (1) (g) 1. a., 25.14 (5), 25.50 (1)  
2           (d), 32.02 (11), 59.69 (4g), 60.61 (2) (e), 62.23 (6) (am) 1. a., 66.0301 (1) (a),  
3           66.0621 (1) (a), 66.0621 (1) (b), 66.1009 (intro.), 71.26 (1) (bm), 71.26 (1m) (g),  
4           71.36 (1m), 71.45 (1t) (g), 79.02 (2) (b), 79.02 (3) (a), 114.105, 114.11 (1) to (4) and  
5           (5) (intro.), 114.12, 114.13, 114.135 (2), 114.135 (4), 114.135 (9), 114.136 (1) (a),  
6           114.136 (2) (a), 114.136 (4) (a), 114.136 (5), 114.14 (1), 114.14 (2) (f), 114.151,  
7           114.32, 114.33 (1), 114.33 (2), 114.33 (3), 114.33 (8), 114.33 (9), 114.33 (11) and  
8           114.33 (13); and **to create** 24.61 (2) (a) 10., 24.61 (3) (a) 12., 25.17 (3) (b) 13.,  
9           25.17 (3) (bc), 66.0603 (1m) (a) 3r., 66.0621 (6) (d), 70.11 (44), 71.05 (1) (c) 7.,  
10          77.25 (22), 77.54 (9a) (i), 78.01 (2) (g), 78.01 (2m) (h), 79.005 (1j), 79.005 (1k),  
11          79.02 (4), 114.002 (13), 219.09 (1) (g) and subchapter VI of chapter 229 [precedes  
12          229.860] of the statutes; **relating to:** creating a local airport district and  
13          authorizing the creation of local airport districts; authorizing the Board of  
14          Commissioners of Public Lands to make loans to a county that contains a 1st

**ASSEMBLY BILL 1089**

- 1 class city; and authorizing the Investment Board to make loans to a county that  
2 contains a 1st class city from the state investment fund.
- 

*Analysis by the Legislative Reference Bureau***CREATION AND DISSOLUTION OF A DISTRICT**

This bill creates a local airport district (district), which is a special purpose district, in each county that owns or operates an airport that is classified by the Federal Aviation Administration (FAA) as a transport airport which provides scheduled air transportation services and which had in excess of 2,000,000 scheduled passenger enplanements in the 12-month period before the bill takes effect. The bill also authorizes one or more local governmental units (any city, village, or county) to create a district by adopting enabling resolutions which establish a district. A district is a local unit of government that is a body corporate and politic and that is separate and distinct from, and independent of, the state and the political subdivisions within its jurisdiction.

In connection with airport facilities, the powers of a district include the construction, maintenance, management, and acquisition of property; the authority to enter into contracts for a variety of purposes; the authority to employ personnel; the authority to appoint a building inspector for airport facilities; the authority to establish a fire department for airport facilities; the authority to issue revenue bonds; the establishment of rates and collection of fees and charges for the use of airport facilities or for services provided by the district; and the authority to enter into partnerships, joint ventures, common ownership, or other arrangements with other persons to further the district's purposes. A district may also establish and enforce rules, regulations, and ordinances governing the use of airport facilities, and may establish civil penalties for the violation of such rules, regulations, and ordinances.

Under the bill, the district has concurrent police power with other authorized peace officers within its jurisdiction, and the district may employ police officers who may arrest any person on or in the district's airport facilities who the officers reasonably believe has violated a state law or any rule promulgated by the district. The district is also authorized to hire security personnel, or contract for such personnel, to provide routine patrol functions.

In the case of the district that is created by the bill, and subject to approval by the FAA and any other conditions agreed to by the county and the district, the county which currently owns or operates the airport is required to transfer and assign all of its rights, title, and interest in the airport and airport facilities that it owns or operates either on the effective date of the bill or on a date agreed to by the county and the district. Generally, such a date may not be later than the first day of the seventh month after the bill's effective date, but the parties may agree to any other terms or conditions that they prefer, notwithstanding the procedures specified in the bill.

**ASSEMBLY BILL 1089**

During the period of time after the district is created but before FAA approval of the transfer, the county is required by the bill to cooperate with the district to obtain any necessary approvals, and ensure the smooth operation of the airport and airport facilities. The district, during this interim period and after a majority of the members of its board are appointed and qualified, is authorized to exercise any of its powers and duties, but only to the extent that is necessary to allow the district to work with the county to obtain FAA approval of the transfer. Until the FAA approval date, the county has the sole actual authority to act on behalf of the airport that the county owns or operates, unless the county delegates some of its authority to the district.

The district that is created in the bill is governed by a board that consists of four persons appointed by the governor, subject to confirmation or rejection by the state senate, and three persons appointed by the chief elected official of the county in which the airport is located, subject to confirmation or rejection by the county board. In general, members of the board are appointed to four-year terms. One of the governor's appointees and one of the chief elected official's appointees must be from one of the following cities: Cudahy, Oak Creek, St. Francis, or South Milwaukee. No member of the board may hold a state or local elective office or be an employee of the senate or any political subdivision. Members may be removed for cause before the expiration of their terms, and may serve any number of terms, provided that they serve no more than two consecutive terms.

If a district is created by one or more local governmental units, the district board shall have seven members, all of whom generally serve for four-year terms.

Generally under the bill, a district may exercise the same sorts of powers under the aeronautics statutes that a city, village, town, or county may currently exercise with regard to airports, aircraft, and aeronautics facilities. These powers include the authority to do all of the following: acquire, establish, own, and control airports or landing fields in this state or an adjoining state; appropriate money for the operation, improvement, or acquisition of an airport; acquire property by eminent domain for airport purposes; and protect the aerial approaches to the site of an airport.

If a district provides for the payment of bonds that it has issued and the performance of other contractual obligations, the district may be dissolved by its district board. The airport, airport facilities, and other property of the district shall be transferred to another political subdivision, district, or public body that agrees to accept the transfer.

**BONDING AUTHORITY**

Under the bill, a district may issue bonds, under general law regulating local government issuance of revenue obligations, for any corporate purpose related to airport facilities, the operation of an airport, or the impact of an airport on surrounding areas and properties. The district may also issue bonds to fund, refund, advance refund, or purchase any outstanding bond of the district. The bonds are payable solely out of revenues of the district. Under the bill, neither the members of the district board nor any person executing the bonds are liable personally on the bonds or subject to any personal liability or accountability by reason of the issuance of the bonds. Finally, under the bill, neither the state nor any political subdivision

**ASSEMBLY BILL 1089**

of the state is liable on the bonds, and the issuance of the bonds does not obligate the state or any political subdivision of the state to levy any form of taxation therefor or to make any appropriation for their payment.

**TAXATION AND SHARED REVENUE**

Under the bill, the property of a district is exempt from the property tax; the income of the district is exempt from income and franchise taxes; property conveyed from the district is exempt from the real estate transfer fee; tangible personal property and taxable services that are purchased by the district are exempt from sales and use taxes; and gasoline and diesel fuel sold to and used by the district are exempt from the motor vehicle fuel tax. In addition, the income and interest from the bonds issued by the district are exempt from the income and franchise tax.

Under current law, 15 percent of a county's shared revenue payment is paid in July and the remainder is paid in November. Under the bill, a county in which is located a district that is created by the bill will receive its entire shared revenue payment in November.

**LOANS TO A DISTRICT**

The bill authorizes the Board of Commissioners of Public Lands to loan money in certain state trust funds to a county that contains a first class city, to be used to fund any shortfall in operating revenues during a fiscal year, for a period not to exceed 120 days. The bill also authorizes the Investment Board to make a similar loan from moneys in the state investment fund.

**ETHICS**

Members of a district board are subject to the statutory code of ethics for local public officials. In addition, board members are subject to other standards of conduct that apply to state public officials. However, like other local public officials, district board members are not subject to periodic reporting requirements.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

- 1           **SECTION 1.** 16.70 (14) of the statutes is amended to read:
- 2           16.70 (14) "State" does not include a district created under subch. II, III, IV, or
- 3           V, or VI of ch. 229.
- 4           **SECTION 2.** 19.42 (13) (a) of the statutes is amended to read:

**ASSEMBLY BILL 1089**

1           19.42 (13) (a) All positions to which individuals are regularly appointed by the  
2           governor, except the position of trustee of any private higher educational institution  
3           receiving state appropriations ~~and~~, the position of member of the district board of a  
4           local professional baseball park district created under subch. III of ch. 229 ~~and~~, the  
5           position of member of the district board of a local cultural arts district created under  
6           subch. V of ch. 229, and the position of member of the district board of a local airport  
7           district created under subch. VI of ch. 229.

8           **SECTION 3.** 19.59 (1) (g) 1. a. of the statutes is amended to read:

9           19.59 (1) (g) 1. a. "District" means a local professional baseball park district  
10          created under subch. III of ch. 229 ~~or~~, a local professional football stadium district  
11          created under subch. IV of ch. 229, or a local airport district created under subch. VI  
12          of ch. 229.

13          **SECTION 4.** 24.61 (2) (a) 10. of the statutes is created to read:

14          24.61 (2) (a) 10. Bonds issued by a local airport district under subch. VI of ch.  
15          229.

16          **SECTION 5.** 24.61 (3) (a) 12. of the statutes is created to read:

17          24.61 (3) (a) 12. A county that contains a 1st class city, to be used to fund any  
18          shortfall in operating revenues during a fiscal year, for a period not to exceed 120  
19          days.

20          **SECTION 6.** 25.14 (5) of the statutes is amended to read:

21          25.14 (5) The assets of the state investment fund shall be invested as  
22          prescribed by s. 25.17 (3) (b), (ba), (bc), and (bd).

23          **SECTION 7.** 25.17 (3) (b) 13. of the statutes is created to read:

24          25.17 (3) (b) 13. Bonds issued by a local airport district under subch. VI of ch.  
25          229.

**ASSEMBLY BILL 1089****SECTION 8**

1           **SECTION 8.** 25.17 (3) (bc) of the statutes is created to read:

2           25.17 **(3)** (bc) Have authority to make a loan from moneys in the state  
3 investment fund to a county that contains a 1st class city, to be used to fund any  
4 shortfall in operating revenues during a fiscal year, for a period not to exceed 120  
5 days.

6           **SECTION 9.** 25.50 (1) (d) of the statutes is amended to read:

7           25.50 **(1)** (d) “Local government” means any county, town, village, city, power  
8 district, sewerage district, drainage district, town sanitary district, public inland  
9 lake protection and rehabilitation district, local professional baseball park district  
10 created under subch. III of ch. 229, family care district under s. 46.2895, local  
11 professional football stadium district created under subch. IV of ch. 229, local  
12 cultural arts district created under subch. V of ch. 229, local airport district created  
13 under subch. VI of ch. 229, public library system, school district or technical college  
14 district in this state, any commission, committee, board or officer of any  
15 governmental subdivision of this state, any court of this state, other than the court  
16 of appeals or the supreme court, or any authority created under s. 231.02, 233.02 or  
17 234.02.

18           **SECTION 10.** 32.02 (11) of the statutes is amended to read:

19           32.02 **(11)** Any housing authority created under ss. 66.1201 to 66.1211;  
20 redevelopment authority created under s. 66.1333 community development  
21 authority created under s. 66.1335; local cultural arts district created under subch.  
22 V of ch. 229, subject to s. 229.844 (4) (c); local airport district created under subch.  
23 VI of ch. 229; or local exposition district created under subch. II of ch. 229.

24           **SECTION 11.** 59.69 (4g) of the statutes is amended to read:

**ASSEMBLY BILL 1089**

1           59.69 (4g) AIRPORT AREAS. In a county which has created a county zoning  
2 agency under sub. (2) (a), the county's development plan shall include the location  
3 of any part of an airport, as defined in s. 62.23 (6) (am) 1. a. or s. 229.860 (1), that is  
4 located in the county and of any part of an airport affected area, as defined in s. 62.23  
5 (6) (am) 1. b., that is located in the county.

6           **SECTION 12.** 60.61 (2) (e) of the statutes is amended to read:

7           60.61 (2) (e) Adopt an official map showing areas, outside the limits of villages  
8 and cities, suited to carry out the purposes of this section. Any map adopted under  
9 this paragraph shall show the location of any part of an airport, as defined in s. 62.23  
10 (6) (am) 1. a. or 229.860 (1), located in the town and of any part of an airport affected  
11 area, as defined in s. 62.23 (6) (am) 1. b., located in the town.

12           **SECTION 13.** 62.23 (6) (am) 1. a. of the statutes is amended to read:

13           62.23 (6) (am) 1. a. "Airport" means an airport as defined under s. 114.002 (7)  
14 which is owned or operated by a county, city, village or town either singly or jointly  
15 with one or more counties, cities, villages or towns, or an airport as defined in s.  
16 229.860 (1) which is owned or operated by a district, as defined in s. 229.860 (5).

17           **SECTION 14.** 66.0301 (1) (a) of the statutes is amended to read:

18           66.0301 (1) (a) In this section "municipality" means the state or any  
19 department or agency thereof, or any city, village, town, county, school district, public  
20 library system, public inland lake protection and rehabilitation district, sanitary  
21 district, farm drainage district, metropolitan sewerage district, sewer utility district,  
22 solid waste management system created under s. 59.70 (2), local exposition district  
23 created under subch. II of ch. 229, local professional baseball park district created  
24 under subch. III of ch. 229, local professional football stadium district created under  
25 subch. IV of ch. 229, a local cultural arts district created under subch. V of ch. 229,

**ASSEMBLY BILL 1089****SECTION 14**

1 local airport district created under subch. VI of ch. 229, family care district under s.  
2 46.2895, water utility district, mosquito control district, municipal electric company,  
3 county or city transit commission, commission created by contract under this section,  
4 taxation district, regional planning commission, or city–county health department.

5 **SECTION 15.** 66.0603 (1m) (a) 3r. of the statutes is created to read:

6 66.0603 **(1m)** (a) 3r. Bonds issued by a local airport district created under  
7 subch. VI of ch. 229.

8 **SECTION 16.** 66.0621 (1) (a) of the statutes is amended to read:

9 66.0621 **(1)** (a) “Municipality” means a city, village, town, county, commission  
10 created by contract under s. 66.0301, public inland lake protection and rehabilitation  
11 district established under s. 33.23, 33.235 or 33.24, metropolitan sewerage district  
12 created under ss. 200.01 to 200.15 and 200.21 to 200.65, town sanitary district under  
13 subch. IX of ch. 60, a local professional baseball park district created under subch.  
14 III of ch. 229, a local professional football stadium district created under subch. IV  
15 of ch. 229, a local cultural arts district created under subch. V of ch. 229, a local  
16 airport district created under subch VI of ch. 229, or a municipal water district or  
17 power district under ch. 198 and any other public or quasi–public corporation, officer,  
18 board or other public body empowered to borrow money and issue obligations to  
19 repay the money and obligations out of revenues. “Municipality” does not include the  
20 state or a local exposition district created under subch. II of ch. 229.

21 **SECTION 17.** 66.0621 (1) (b) of the statutes is amended to read:

22 66.0621 **(1)** (b) “Public utility” means any revenue producing facility or  
23 enterprise owned by a municipality and operated for a public purpose as defined in  
24 s. 67.04 (1) (b) including garbage incinerators, toll bridges, swimming pools, tennis  
25 courts, parks, playgrounds, golf links, bathing beaches, bathhouses, street lighting,

**ASSEMBLY BILL 1089**

1 city halls, village halls, town halls, courthouses, jails, schools, cooperative  
2 educational service agencies, hospitals, homes for the aged or indigent, child care  
3 centers, as defined in s. 231.01 (3c), regional projects, waste collection and disposal  
4 operations, sewerage systems, local professional baseball park facilities, airport  
5 facilities, as defined in s. 229.860 (2), and any other necessary public works projects  
6 undertaken by a municipality.

7 **SECTION 18.** 66.0621 (6) (d) of the statutes is created to read:

8 66.0621 (6) (d) Revenue bonds issued by a local airport district created under  
9 subch. VI of ch. 229 are subject to the provisions in ss. 229.866 to 229.868.

10 **SECTION 19.** 66.1009 (intro.) of the statutes is amended to read:

11 **66.1009 Agreement to establish an airport affected area.** (intro.) Any  
12 county, town, city or village may establish by written agreement with an airport, as  
13 defined in s. 62.23 (6) (am) 1. a. or 229.860 (1):

14 **SECTION 20.** 70.11 (44) of the statutes is created to read:

15 70.11 (44) Property of a local airport district created under subch. VI of ch. 229.

16 **SECTION 21.** 71.05 (1) (c) 7. of the statutes is created to read:

17 71.05 (1) (c) 7. A local airport district created under subch. VI of ch. 229.

18 **SECTION 22.** 71.26 (1) (bm) of the statutes is amended to read:

19 71.26 (1) (bm) *Certain local districts.* Income of a local exposition district  
20 created under subch. II of ch. 229, a local professional baseball park district created  
21 under subch. III of ch. 229, a local professional football stadium district created  
22 under subch. IV of ch. 229, ~~or~~ a local cultural arts district created under subch. V of  
23 ch. 229, or a local airport district created under subch. VI of ch. 229.

24 **SECTION 23.** 71.26 (1m) (g) of the statutes is amended to read:

**ASSEMBLY BILL 1089****SECTION 23**

1           71.26 **(1m)** (g) Those issued under s. 66.0621 by a local professional baseball  
2 park district, a local professional football stadium district, ~~or~~ a local cultural arts  
3 district, or a local airport district.

4           **SECTION 24.** 71.36 (1m) of the statutes is amended to read:

5           71.36 **(1m)** A tax-option corporation may deduct from its net income all  
6 amounts included in the Wisconsin adjusted gross income of its shareholders, the  
7 capital gain deduction under s. 71.05 (6) (b) 9. and all amounts not taxable to  
8 nonresident shareholders under ss. 71.04 (1) and (4) to (9) and 71.362. For purposes  
9 of this subsection, interest on federal obligations, obligations issued under s. 66.0621  
10 by a local professional baseball park district, a local professional football stadium  
11 district, ~~or~~ a local cultural arts district, or an airport district, obligations issued  
12 under ss. 66.1201, 66.1333, and 66.1335, obligations issued under s. 234.65 to fund  
13 an economic development loan to finance construction, renovation or development  
14 of property that would be exempt under s. 70.11 (36) and obligations issued under  
15 subch. II of ch. 229 is not included in shareholders' income. The proportionate share  
16 of the net loss of a tax-option corporation shall be attributed and made available to  
17 shareholders on a Wisconsin basis but subject to the limitation and carry-over rules  
18 as prescribed by section 1366 (d) of the Internal Revenue Code. Net operating losses  
19 of the corporation to the extent attributed or made available to a shareholder may  
20 not be used by the corporation for further tax benefit. For purposes of computing the  
21 Wisconsin adjusted gross income of shareholders, tax-option items shall be reported  
22 by the shareholders and those tax-option items, including capital gains and losses,  
23 shall retain the character they would have if attributed to the corporation, including  
24 their character as business income. In computing the tax liability of a shareholder,

**ASSEMBLY BILL 1089**

1 no credit against gross tax that would be available to the tax-option corporation if  
2 it were a nontax-option corporation may be claimed.

3 **SECTION 25.** 71.45 (1t) (g) of the statutes is amended to read:

4 71.45 (1t) (g) Those issued under s. 66.0621 by a local professional baseball  
5 park district, a local professional football stadium district, ~~or~~ a local cultural arts  
6 district, or a local airport district.

7 **SECTION 26.** 77.25 (22) of the statutes is created to read:

8 77.25 (22) From a local airport district created under subch. VI of ch. 229.

9 **SECTION 27.** 77.54 (9a) (i) of the statutes is created to read:

10 77.54 (9a) (i) A local airport district created under subch. VI of ch. 229.

11 **SECTION 28.** 78.01 (2) (g) of the statutes is created to read:

12 78.01 (2) (g) Gasoline sold to and used by a local airport district created under  
13 subch. VI of ch. 229.

14 **SECTION 29.** 78.01 (2m) (h) of the statutes is created to read:

15 78.01 (2m) (h) It is sold to and used by a local airport district created under  
16 subch. VI of ch. 229.

17 **SECTION 30.** 79.005 (1j) of the statutes is created to read:

18 79.005 (1j) "FAA approval date" has the meaning given in s. 229.860 (9).

19 **SECTION 31.** 79.005 (1k) of the statutes is created to read:

20 79.005 (1k) "Local airport district" means a local airport district created under  
21 subch. VI of ch. 229, whose jurisdiction is described in s. 229.862.

22 **SECTION 32.** 79.02 (2) (b) of the statutes is amended to read:

23 79.02 (2) (b) Subject to ss. 59.605 (4) and 70.995 (14) (b), and except as provided  
24 in sub. (4), payments in July shall equal 15% of the municipality's or county's

**ASSEMBLY BILL 1089****SECTION 32**

1 estimated payments under ss. 79.03, 79.035, 79.04, 79.058, and 79.06 and 100% of  
2 the municipality's estimated payments under s. 79.05.

3 **SECTION 33.** 79.02 (3) (a) of the statutes is amended to read:

4 79.02 (3) (a) Subject to s. 59.605 (4), and except as provided in sub. (4),  
5 payments to each municipality and county in November shall equal that  
6 municipality's or county's entitlement under ss. 79.03, 79.035, 79.04, 79.05, 79.058,  
7 and 79.06 for the current year, minus the amount distributed to the municipality or  
8 county in July.

9 **SECTION 34.** 79.02 (4) of the statutes is created to read:

10 79.02 (4) Subject to s. 59.605 (4), the department of administration shall  
11 distribute in November of each year the total amount of the payments under this  
12 subchapter due to a county in which a local airport district is located, beginning with  
13 the first distribution following the local airport district's FAA approval date.

14 **SECTION 35.** 114.002 (13) of the statutes is created to read:

15 114.002 (13) "District" has the meaning given in s. 229.860 (5).

16 **SECTION 36.** 114.105 of the statutes is amended to read:

17 **114.105 Local regulation.** Any ~~county, town, city or village~~ city, village, town,  
18 county, or district may ~~adopt~~ enact any ordinance that is in strict conformity with the  
19 provisions of this chapter and impose the same penalty for violation of any of its  
20 provisions except that ~~such~~ the ordinance shall may not provide for the suspension  
21 or revocation of pilot or aircraft licenses or certificates and shall may not provide for  
22 imprisonment except for failure to pay any fine which may be imposed. No local  
23 authority shall may enact any ordinance governing aircraft or aeronautics contrary  
24 to or inconsistent with the provisions of this chapter or federal law. Every court in  
25 which a violation of such ordinance is prosecuted shall make a written report of any

**ASSEMBLY BILL 1089**

1 conviction (including bail or appearance money forfeiture) to the federal aviation  
2 administration.

3 **SECTION 37.** 114.11 (1) to (4) and (5) (intro.) of the statutes are amended to read:

4 114.11 (1) The governing body of any ~~county, city, village or town~~ city, village,  
5 town, county, or district in this state is hereby authorized to acquire, establish,  
6 construct, own, control, lease, equip, improve, maintain and operate airports or  
7 landing fields or landing and take-off strips for the use of airplanes and other  
8 aircraft either within or without the limits of such ~~counties, cities, villages and towns~~  
9 cities, villages, towns, counties, and districts, and may use for such purpose or  
10 purposes any property suitable therefor that is now or may at any time hereafter be  
11 owned or controlled by such ~~county, city, village or town~~ city, village, town, county,  
12 or district, and may regulate the same, provided, such regulation shall not be in  
13 conflict with such rules and regulations as may be made by the federal government.  
14 The governing body of ~~each and every county and, municipality, and district~~ owning  
15 an airport or landing field or landing and take-off strip in the state of Wisconsin shall  
16 cause the surroundings of such airport, landing field or landing and take-off strip  
17 to be marked for aeronautical purposes, and maintain such marking, subject to and  
18 in accordance with law and such rules and regulations as may from time to time be  
19 made by the federal government and in so doing may cooperate with other states and  
20 subdivisions thereof and acquire rights and easements in property outside of the  
21 state.

22 (2) The governing body of any ~~county, city, village or town~~ city, village, town,  
23 county, or district of this state is authorized to acquire, establish, construct, own,  
24 control, lease, equip, improve, maintain and operate airports or landing fields or  
25 landing and take-off strips or other aeronautical facilities in an adjoining state

**ASSEMBLY BILL 1089****SECTION 37**

1 whose laws permit, subject to the laws of such state, but subject to the laws of this  
2 state in all matters relating to financing such aeronautical project.

3 (3) The governing body of any municipality or other political subdivision of an  
4 adjoining state whose laws permit, is hereby authorized to acquire, establish,  
5 construct, own, control, lease, equip, improve, maintain and operate airports, or  
6 landing fields, or landing and take-off strips or other aeronautical facilities in this  
7 state, subject to all laws, rules and regulations of this state applicable to its  
8 municipalities, districts, or other political subdivisions in such aeronautical project,  
9 but subject to the laws of its own state in all matters relating to financing such  
10 project. Such municipality or other political subdivision of an adjoining state shall  
11 have all privileges, rights and duties of like municipalities, districts, or other  
12 political subdivisions of this state, including the right to exercise the right of eminent  
13 domain. This subsection shall not apply unless the laws of such adjoining state shall  
14 permit municipalities, districts, or other political subdivisions of this state to  
15 acquire, establish, construct, own, control, lease, equip, improve, maintain, operate  
16 and otherwise control such airport, landing field or landing and take-off strips or  
17 other aeronautical facilities therein with all privileges, rights and duties applicable  
18 to the municipalities or other political subdivisions of such adjoining state in such  
19 aeronautical projects.

20 (4) The governing body of any ~~county, city, village or town~~ city, village, town,  
21 county, or district is authorized to appropriate money to any ~~town, city, village or~~  
22 ~~other county, other city, village, town, county, or district~~ for the operation,  
23 improvement or acquisition of an airport by such ~~town, city, village or other county~~  
24 other city, village, town, county, or district or any combination of such municipalities  
25 or districts.

**ASSEMBLY BILL 1089**

1           (5) (intro.) The governing body of any ~~county, city, village or town~~ city, village,  
2 town, county, or district in this state may, together with any municipality or other  
3 political subdivision of an adjoining state if, under the laws of that state, such  
4 municipality or other political subdivision is similarly authorized, jointly sponsor an  
5 airport project located in this state or in the adjoining state.

6           **SECTION 38.** 114.12 of the statutes is amended to read:

7           **114.12 Condemnation of lands for airports.** Any lands acquired, owned,  
8 controlled or occupied by such ~~counties, cities, villages and towns~~ cities, villages,  
9 towns, counties, and districts for the purposes enumerated in s. 114.11 shall and are  
10 hereby declared to be acquired, owned, controlled and occupied for a public purpose,  
11 and as a matter of public necessity, and such ~~cities, villages, towns or~~ counties, or  
12 districts shall have the right to acquire property for such purpose or purposes under  
13 the power of eminent domain as and for a public necessity including property owned  
14 by other municipal corporations and political subdivisions and including any street,  
15 highway, park, parkway or alley, provided that no state trunk highway shall be so  
16 acquired without the prior consent of the department. Whenever the ~~county, city,~~  
17 ~~village or town~~ city, village, town, county, or district as the case may be shall own all  
18 land or access rights on both sides of such street, highway, park, parkway or alley,  
19 it may, within the limits where it has ownership or access rights on both sides,  
20 notwithstanding any other provisions of law, vacate and close such public way by  
21 resolution of the governing body of the ~~county, city, village or town~~ city, village, town,  
22 county, or district acquiring it and no damages shall be assessed against such ~~county,~~  
23 ~~city, village or town~~ city, village, town, county, or district by reason of such closing,  
24 except as may be allowed in a particular condemnation action where the lands or  
25 rights in lands necessary for such airport are so acquired. If such closing shall leave

**ASSEMBLY BILL 1089****SECTION 38**

1 any part of such street, highway, parkway or alley without access to another public  
2 street or highway, the ~~county, city, village or town~~ city, village, town, county, or  
3 district effecting such closing shall immediately provide such access at its expense.

4 **SECTION 39.** 114.13 of the statutes is amended to read:

5 **114.13 Purchase of land for airports.** Private property needed by a ~~county,~~  
6 ~~city, village or town~~ city, village, town, county, or district for an airport or landing field  
7 or landing and take-off strip, or property or rights for the protection of the aerial  
8 approaches thereof, shall be acquired by purchase if the city, village, town ~~or~~, county,  
9 or district is able to agree with the owners on the terms thereof, and otherwise by  
10 condemnation, as provided in s. 32.05. The purchase price or award for real property  
11 acquired for an airport or landing field or landing and take-off strip, or property or  
12 rights for the protection of the aerial approaches thereof, may be paid for the  
13 appropriation of moneys available therefor, or wholly or partly from the proceeds of  
14 the sale of bonds of the city, village, town ~~or~~, county, or district, as the governing body  
15 of such city, village, town ~~or~~, county, or district determines, subject to ch. 67. Such  
16 property or rights may be acquired by gift, which the respective governing bodies are  
17 authorized to accept.

18 **SECTION 40.** 114.135 (2) of the statutes is amended to read:

19 114.135 (2) NOTICE; CLAIM FOR DAMAGES. In case of any airport landing field or  
20 landing and take-off strip owned by any city, village, town ~~or~~, county, or district or  
21 any union of them, the commission or other body in charge of the operation and  
22 control of the airport, landing field or landing and take-off strip may prepare and  
23 record without charge with the register of deeds plans and specifications showing the  
24 protection privileges sought as described in sub. (1). The commission or other body  
25 in charge shall send by registered mail with return receipt to each owner at his or

**ASSEMBLY BILL 1089**

1 her last-known address a notice stating that the plans and specifications have been  
2 recorded with the register of deeds' office, stating the county, time of recording, the  
3 record number, and a brief description of the parcel of land or interest therein  
4 affected. If the address of the owner cannot be ascertained or the registered letter  
5 is returned unclaimed, notice shall be sent by registered mail to the person in  
6 possession of the premises. If no person is in possession, then the notice shall be  
7 posted in a conspicuous place on the land involved and published as a class 3 notice,  
8 under ch. 985, in the area affected. The right of the owner to claim for damages for  
9 the protection regulations imposed in the plans and specifications, or the removal of  
10 obstructions shall be forever barred, unless the owner files a claim for damages with  
11 the commission or other body in charge within 6 months from the receipt of the notice  
12 from the commission, or other body in charge, or the posting and last publication.  
13 The claim shall be verified and shall state the amount of damages claimed. The  
14 commission or other body in charge may pay the damages, if it has available funds,  
15 and the payment shall operate as a conveyance. If no claims for payment are filed  
16 or if payment is made, the commission or other body in charge shall file an affidavit  
17 for each parcel involved setting forth the rights acquired which shall be recorded by  
18 the register of deeds without charge and when so recorded has the same effect as any  
19 recorded instrument. If any owner is a minor or incompetent, the notice may be sent  
20 by registered mail to the owner's guardian, if he or she has one, and if there is none  
21 the circuit court of the county in which the land, or a larger part, is located shall upon  
22 application of the commission or other body in charge appoint a guardian to receive  
23 the notice, and to protect the rights of the owner. Any funds payable to the owner  
24 shall be cared for in the manner provided in ch. 880. If the commission or other body  
25 in charge determines that the damages claimed are excessive, it shall so report to the

**ASSEMBLY BILL 1089****SECTION 40**

1 governing body that established the airport, landing field or landing and take-off  
2 strip in question and with its consent may acquire in the name of the governmental  
3 body the protection privilege desired in the manner set forth in sub. (1) or it may  
4 deposit with the county clerk an award and notify the owner of the land involved in  
5 the method specified in this subsection. The landowner may accept the award  
6 without prejudice to his or her right to claim and contest for a greater sum. The  
7 landowner may, within a period of 6 months after notice of the award, proceed as  
8 provided in ch. 32 to have the damages appraised.

9 **SECTION 41.** 114.135 (4) of the statutes is amended to read:

10 114.135 (4) ENCROACHMENTS. The duty to prevent encroachments by growth of  
11 trees or other vegetation, or otherwise, upon the protection privileges acquired by  
12 any airport, landing field, landing and take-off strip, shall be upon the owner or  
13 owners of the parcel of land affected by the protection privilege only in cases where  
14 the owner or owners have received compensation for the protection privilege. Any  
15 such encroachment is declared to be a private nuisance and may be abated in the  
16 manner prescribed in ch. 823. In cases where no compensation has been paid for the  
17 protection privilege, encroachments shall be removed by the owner or the authority  
18 in charge of the airport, landing field, or landing and take-off strip and shall be, in  
19 case of a publicly owned airport, landing field or landing and take-off strip, a city,  
20 village, town ~~or~~, county, or district charge as the case may be. In removing such  
21 encroachments, the owner or authority in charge of the airport, landing field or  
22 landing and take-off strip in question, may go upon the land and remove the  
23 encroachment without being liable for damages in so doing.

24 **SECTION 42.** 114.135 (9) of the statutes is amended to read:

**ASSEMBLY BILL 1089**

1           114.135 (9) CONFLICTING AUTHORITY. Wherein conflicting jurisdiction arises  
2 over the control of the erection of a building, structure, tower or hazard between the  
3 secretary of transportation and any political subdivision of, or district in, the state,  
4 the secretary of transportation may overrule rules and regulations adopted by any  
5 political subdivision or district under the laws of this state after a public hearing  
6 wherein all parties thereto have been given an opportunity to be heard. The  
7 secretary may refer such matters to the division of hearings and appeals which shall  
8 hear and decide the matter after notice and hearing.

9           **SECTION 43.** 114.136 (1) (a) of the statutes is amended to read:

10           114.136 (1) (a) ~~Any county, city, village or town~~ city, village, town, county, or  
11 district that is the owner of a site for an airport which has been approved for such  
12 purpose by the appropriate agencies of the state and the federal government may  
13 protect the aerial approaches to such site by ordinance regulating, restricting and  
14 determining the use, location, height, number of stories and size of buildings and  
15 structures and objects of natural growth in the vicinity of such site and may divide  
16 the territory to be protected into several areas and impose different regulations and  
17 restrictions with respect to each area. The provisions of such ordinance shall be  
18 effective whether the site and the lands affected by such ordinance are located within  
19 or without the limits of such ~~county, city, village or town~~ city, village, town, county,  
20 or district, and whether or not such buildings, structures and objects of natural  
21 growth are in existence on the effective date of the ordinance. Such regulations,  
22 restrictions and determinations are declared to be for the purpose of promoting the  
23 public safety, welfare and convenience, and may be adopted, enforced and  
24 administered without the consent of any other governing body. Any ordinance  
25 adopted under this section may be amended from time to time in the same manner

**ASSEMBLY BILL 1089****SECTION 43**

1 as is provided for the adoption of the original ordinance in sub. (2). The authority  
2 granted in this section shall be independent and exclusive of any other authority  
3 granted in the statutes.

4 **SECTION 44.** 114.136 (2) (a) of the statutes is amended to read:

5 114.136 (2) (a) Except as provided by sub. (1) (b) or (c), the county park  
6 commission in the case of any county except any county with a county executive or  
7 county administrator in which case the county park manager, the city or village plan  
8 commission in the case of a city or village, or if there is no such commission or  
9 manager, a committee of the governing body or bodies of the ~~county, city, village or~~  
10 ~~town~~ city, village, town, county, or district which owns the airport site shall formulate  
11 a tentative ordinance and hold a public hearing or hearings thereon in some public  
12 place within the ~~county, city, village or town~~ city, village, town, county, or district.  
13 Notice of the hearings shall be given by publication of a class 3 notice, under ch. 985,  
14 in the area affected by the proposed ordinance.

15 **SECTION 45.** 114.136 (4) (a) of the statutes is amended to read:

16 114.136 (4) (a) Any ordinance enacted under this section shall provide for a  
17 board of appeals. If the ~~county, city, village or town~~ city, village, town, county, or  
18 district which is the owner of the airport has enacted a zoning ordinance under  
19 provision of law other than this section, the board of adjustment or board of appeals  
20 set up by that ordinance shall also function as the board of appeals under the  
21 ordinance enacted under this section.

22 **SECTION 46.** 114.136 (5) of the statutes is amended to read:

23 114.136 (5) ENFORCEMENT. The governing body of the ~~county, city, village or~~  
24 ~~town~~ city, village, town, county, or district owning the airport site may provide for the  
25 enforcement of any ordinance or regulations enacted pursuant to this section. Such

**ASSEMBLY BILL 1089**

1 enforcement may be by a system of permits or any other appropriate method. The  
2 governing body enacting the ordinance may provide for the punishment of a violation  
3 of the ordinance by fine or imprisonment, or both.

4 **SECTION 47.** 114.14 (1) of the statutes is amended to read:

5 114.14 (1) The governing body of a city, village, town ~~or~~, county, or district which  
6 has established an airport or landing field, or landing and take-off strip, and  
7 acquired, leased or set apart real property for such purpose may construct, improve,  
8 equip, maintain and operate the same, or may vest jurisdiction for the construction,  
9 improvement, equipment, maintenance and operation thereof in any suitable officer,  
10 board or body of such city, village, town ~~or~~, county, or district. The expenses of such  
11 construction, improvement, equipment, maintenance and operation shall be a city,  
12 village, town ~~or~~, county, or district charge as the case may be. The governing body  
13 of a city, village, town ~~or~~, county, or district may adopt regulations, and establish fees  
14 or charges for the use of such airport or landing field, or may authorize an officer,  
15 board or body of such ~~village, city, village,~~ town ~~or~~, county, or district having  
16 jurisdiction to adopt such regulations and establish such fees or charges, subject  
17 however to the approval of such governing body before they shall take effect.

18 **SECTION 48.** 114.14 (2) (f) of the statutes is amended to read:

19 114.14 (2) (f) All moneys appropriated for the construction, improvement,  
20 equipment, maintenance or operation of an airport, managed as provided by this  
21 subsection, or earned by the airport or made available for its construction,  
22 improvement, equipment, maintenance or operation in any manner whatsoever,  
23 shall be deposited with the treasurer of the city, village, town ~~or~~, county, or district  
24 where it shall be kept in a special fund and paid out only on order of the airport

**ASSEMBLY BILL 1089****SECTION 48**

1 commission, drawn and signed by the secretary and countersigned by the  
2 chairperson.

3 **SECTION 49.** 114.151 of the statutes is amended to read:

4 **114.151 Union airports.** All powers conferred upon any ~~county, city, village~~  
5 ~~or town~~ city, village, town, county, or district by ss. 114.11 to 114.15, relating to the  
6 acquisition, establishment, construction, ownership, control, lease, equipment,  
7 improvement, maintenance, operation and regulation of airports or landing fields  
8 may be exercised by any 2 or more municipalities or districts in the establishment,  
9 acquisition, equipment and operation of joint airports or landing fields. The  
10 governing body of any ~~county, city, village or town~~ city, village, town, county, or  
11 district participating in the ownership or operation of a joint airport as provided in  
12 this section may by resolution withdraw from such joint operation or control and may  
13 relinquish its interest in the airport.

14 **SECTION 50.** 114.32 of the statutes is amended to read:

15 **114.32 Federal aid for airports. (1) SECRETARY MAY ACCEPT.** The secretary  
16 may cooperate with the government of the United States, and any agency or  
17 department thereof in the acquisition, construction, improvement, maintenance and  
18 operation of airports and other air navigation facilities in this state, and comply with  
19 the laws of the United States and any regulations made thereunder for the  
20 expenditure of federal moneys upon such airports and other air navigation facilities,  
21 and may enter into any contracts necessary to accomplish such purpose. The  
22 secretary may accept, receive and receipt for federal moneys and other moneys,  
23 either public or private, for and in behalf of this state or any municipality or district  
24 thereof, for training and education programs, for the acquisition, construction,  
25 improvement, maintenance and operation of airports and other aeronautical

**ASSEMBLY BILL 1089**

1 facilities, whether such work is to be done by the state or by such municipalities or  
2 districts, or jointly, aided by grants of aid from the United States, upon such terms  
3 and conditions as are or may be prescribed by laws of the United States and any rules  
4 or regulations made thereunder, and the secretary may act as agent of any  
5 municipality of, or district in, this state or the owner of any public-use airport upon  
6 the request of such municipality or district, or the owner of the public-use airport,  
7 in accepting, receiving and receipting for such moneys in its behalf for airports, and  
8 in contracting for the acquisition, improvement, maintenance or operation of  
9 airports financed either in whole or in part by federal moneys, and the governing  
10 body of any such municipality or district, or the owner of the public-use airport, may  
11 designate the secretary as its agent for such purposes and enter into an agreement  
12 with the secretary prescribing the terms and conditions of such agency in accordance  
13 with federal laws, rules and regulations and with this chapter. Such moneys as are  
14 paid over by the U.S. government shall be retained by the state or paid over to said  
15 municipalities or districts or to the owners of the public-use airports under such  
16 terms and conditions as may be imposed by the U.S. government in making such  
17 grants.

18 **(3) CONTRACTS.** All contracts for the acquisition, construction, improvement,  
19 maintenance and operation of airports and other aeronautical facilities, made by the  
20 secretary of transportation either as the agent of this state or as the agent of any  
21 municipality or district or as the agent of the owner of a public-use airport, shall be  
22 made pursuant to the laws of this state governing the making of like contracts;  
23 provided, however, that where the acquisition, construction, improvement,  
24 maintenance and operation of any airport or landing strip and other aeronautical  
25 facilities is financed or partially financed with federal moneys, the secretary of

**ASSEMBLY BILL 1089****SECTION 50**

1 transportation, as agent of the state or of any municipality or district thereof or of  
2 the owner of a public-use airport, may let contracts in the manner prescribed by the  
3 federal authorities, acting under the laws of the United States, and any rules or  
4 regulations made thereunder, notwithstanding any other state law to the contrary.

5 (4) DISPOSITION OF FEDERAL FUNDS. All moneys accepted for disbursement by the  
6 secretary of transportation pursuant to this section shall be deposited in the state  
7 treasury, and, unless otherwise prescribed by the authority from which the money  
8 is received, kept in separate funds, designated according to the purpose for which the  
9 moneys were made available, and held by the state in trust for such purposes. All  
10 such moneys are appropriated for the purposes for which the same were made  
11 available to be expended in accordance with federal laws and regulations and with  
12 this chapter. The secretary of transportation, whether acting for this state or as the  
13 agent of any of its municipalities or districts or as the agent of the owner of a  
14 public-use airport, or when requested by the U.S. government or any agency or  
15 department thereof, may disburse such moneys for the designated purposes, but this  
16 shall not preclude any other authorized method of disbursement.

17 (5) LOCAL PROJECTS AND FUNDS; SECRETARY'S FUNCTIONS. No ~~county, city, village~~  
18 ~~or town~~ city, village, town, county, or district, whether acting singly or jointly with  
19 a ~~county, city, village or town~~ city, village, town, county, or district, shall submit to  
20 a federal aeronautical agency or department any project application requesting  
21 federal assistance, for any airport improvement, aeronautical facility or planning  
22 study, unless the project and the project application have been first approved by the  
23 secretary. No such ~~county, city, village or town~~ city, village, town, county, or district  
24 shall directly accept, receive, receipt for or disburse any funds granted by the United  
25 States for the project, but it shall designate the secretary as its agent and in its behalf

**ASSEMBLY BILL 1089**

1 to accept, receive, receipt for and disburse such funds. It shall enter into an  
2 agreement with the secretary prescribing the terms and conditions of the secretary's  
3 functions under such agency in accordance with federal laws, rules and regulations  
4 and applicable laws of this state.

5 **SECTION 51.** 114.33 (1) of the statutes is amended to read:

6 114.33 (1) Any ~~county, city, village or town~~ city, village, town, county, or district,  
7 either singly or jointly with one or more ~~counties, cities, villages or towns~~ cities,  
8 villages, towns, counties, or districts, or any owner of a public-use airport desiring  
9 to sponsor an airport development project to be constructed with federal aid and state  
10 aid or with the state aid alone as provided by this chapter, may initiate such project  
11 in the manner provided by this section. The department may initiate and sponsor  
12 an airport project in the same manner as a local governing body. If the department  
13 initiates and sponsors an airport project, it shall hold a hearing in the area affected  
14 by the project. Notice of the hearing shall be given as provided in sub. (2). The  
15 department may install, operate and maintain air navigation facilities with or  
16 without federal aid and may enter into agreements with sponsors to share the  
17 maintenance and operation costs of such facilities.

18 **SECTION 52.** 114.33 (2) of the statutes is amended to read:

19 114.33 (2) Such initiation shall be by a petition filed with the secretary by the  
20 governing body or bodies of the ~~counties, cities, villages or towns~~ cities, villages,  
21 towns, counties, or districts or by the governing body of a public-use airport not  
22 owned by a ~~county, city, village or town~~ city, village, town, county, or district desiring  
23 to sponsor the project, or if the project is initiated and sponsored by the department  
24 by a statement by the secretary setting forth among other things that the airport  
25 project is necessary and the reason therefor; the class of the airport that it is desired

**ASSEMBLY BILL 1089****SECTION 52**

1 to develop, the location of the project in general, and the proposed site tentatively  
2 selected; the character, extent and kind of improvement desired under the project,  
3 evidence, in the form of a transcript, that the project has received a public hearing  
4 in the area affected before adoption by the petitioners, and any other statements that  
5 the petitioners or the department may desire to make. At least 10 days' notice of the  
6 public hearing shall be given by publication of a class 1 notice, under ch. 985, in the  
7 area affected.

8 **SECTION 53.** 114.33 (3) of the statutes is amended to read:

9 114.33 (3) If the project has been sponsored by a local governing body or bodies  
10 or by the governing body of a public-use airport not owned by a ~~county, city, village~~  
11 ~~or town~~ city, village, town, county, or district, the secretary shall make a finding  
12 within a reasonable time after receipt of the petition. If such finding is generally  
13 favorable to the development petitioned for, the secretary shall submit the finding  
14 to the governor for approval and no finding favoring an airport development project  
15 shall be effective unless the governor's approval is endorsed thereon in writing. If  
16 the finding is approved by the governor the secretary shall notify the petitioners to  
17 that effect by filing a copy of the finding, which shall include among other things the  
18 location of the approved site, the character and extent of the improvements deemed  
19 necessary, and an approximate estimate of the costs and the amount to be paid by  
20 the sponsor. The finding shall constitute approval of the airport site so specified as  
21 a portion of the state airport system. On receipt of the finding the sponsors shall take  
22 action at their next meeting toward providing their share of the cost and shall  
23 promptly notify the secretary. The sponsors may proceed in accordance with the  
24 finding to acquire the site and to make master development plans and project plans,  
25 and shall be entitled to receive credit therefor as provided by federal law and by this

**ASSEMBLY BILL 1089**

1 chapter. On completion and approval of the plans a revised estimate of the project  
2 costs shall be made for the purposes of the project application.

3 **SECTION 54.** 114.33 (8) of the statutes is amended to read:

4 114.33 (8) (a) The secretary, upon the petition of a sponsoring municipality or  
5 district, may provide that all or certain parts of the required land or interests in land  
6 may be acquired by the municipality or district named by the secretary. When so  
7 provided, the municipality or district and the secretary shall appraise and set the  
8 maximum price, including damages, considered reasonable for the lands or interests  
9 to be so acquired. The municipality or district shall endeavor to obtain easements  
10 or title in fee simple by conveyance of the lands or interests required, as directed in  
11 the secretary's order. The instrument of conveyance shall name the municipality or  
12 municipalities district as grantee and shall be subject to approval by the secretary,  
13 and shall be recorded in the office of the register of deeds and filed with the secretary.  
14 If the needed lands or interests in lands cannot be purchased expeditiously within  
15 the appraised price, the municipality or district may acquire them by condemnation,  
16 as provided in s. 32.05.

17 (b) Any property of whatever nature acquired in the name of a city, village ~~or~~,  
18 town, or district pursuant to this section or any predecessor shall be conveyed to the  
19 state without charge by the city, village ~~or~~, town, or district when so ordered by the  
20 secretary.

21 (c) The municipality or district when so ordered by the secretary shall sell at  
22 public or private sale, subject to the conditions and terms authorized by the  
23 secretary, any and all buildings, structures, or parts thereof, and any other fixtures  
24 or personalty acquired in the name of the municipality or district under this section  
25 or any predecessor. The proceeds from the sale shall be deposited with the state in

**ASSEMBLY BILL 1089****SECTION 54**

1 the appropriate airport fund and the expense incurred in connection with the sale  
2 shall be paid from that fund.

3 **SECTION 55.** 114.33 (9) of the statutes is amended to read:

4 114.33 (9) The cost of the lands and interests acquired and damages allowed  
5 pursuant to this section, incidental expenses and the customary per diem and  
6 expenses of the municipality or district incurred in performing duties pursuant to  
7 this section, shall be paid out of the available airport improvement funds.

8 **SECTION 56.** 114.33 (11) of the statutes is amended to read:

9 114.33 (11) Subject to the approval of the governor, the secretary may convey  
10 lands or interests in lands acquired under this section and improvements installed  
11 on those lands to municipalities or districts named in the secretary's order. The  
12 conveyance of the lands or interests in lands and improvements shall restrict the use  
13 of the premises by the municipality or district to the uses for which they were  
14 acquired, except that the lands or interests in lands declared by the secretary to be  
15 excess may be conveyed without restrictions as to use.

16 **SECTION 57.** 114.33 (13) of the statutes is amended to read:

17 114.33 (13) Subsections (6) to (12) do not apply to lands or interests in lands  
18 associated with projects for public-use airports which are not owned by a ~~county, city,~~  
19 ~~village or town~~ city, village, town, county, or district.

20 **SECTION 58.** 219.09 (1) (g) of the statutes is created to read:

21 219.09 (1) (g) Bonds issued by a local airport district under subch. VI of ch. 229.

22 **SECTION 59.** Subchapter VI of chapter 229 [precedes 229.860] of the statutes  
23 is created to read:

24

**CHAPTER 229**

## ASSEMBLY BILL 1089

## SUBCHAPTER VI

## LOCAL AIRPORT DISTRICTS

**229.860 Definitions.** In this subchapter:

(1) "Airport" means any area of land or water which is used, or intended for use, for the landing and take-off of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(2) "Airport facilities" means all district property, tangible or intangible, owned in whole or in part, operated, or leased by a district that is principally related to facilities used, available for use, or designed for use, for or by any of the following:

(a) The navigation, landing, or take-off of aircraft.

(b) The safety, security, storage, maintenance, servicing, or repair of aircraft.

(c) The security, comfort, and convenience of airport personnel and the users of air transportation.

(d) Mail service.

(e) Military and national guard units.

(f) The safe and efficient operation and maintenance of an airport, and all appurtenant areas used for airport facilities, and all appurtenant rights-of-way.

(3) "Bond" means any bond, note, or other obligation issued under s. 66.0621 by a district.

(4) "Chief elected official" means the mayor of a city or, if the city is organized under subch. I of ch. 64, the president of the council of that city, the village president of a village, or the county executive of a county or, if the county does not have a county executive, the chairperson of the county board of supervisors.

(5) "District" means a special purpose district created under this subchapter.

**ASSEMBLY BILL 1089**

1           (6) “District board” means the governing board of a district.

2           (7) “Enabling resolution” means a resolution adopted by the governing body of  
3 a local governmental unit to create a district.

4           (8) “FAA” means the federal aviation administration.

5           (9) “FAA approval date” means the earliest date on which all of the following  
6 are in effect:

7           (a) The issuance, by the FAA to the district assuming jurisdiction of an airport,  
8 of a certificate under 14 CFR 139 with respect to such airport.

9           (b) The concurrence by the FAA of the designation of the district as a sponsor  
10 of such airport, including the FAA’s approval of the assignment of existing grant  
11 agreements to the district.

12           (10) “Local governmental unit” means any city, village, or county.

13           (11) “Political subdivision” means any city, village, town, or county.

14           (12) “PFC” means a passenger facility charge authorized under 49 USC 40117  
15 and designated as a passenger facility charge under 14 CFR 158.

16           (13) “Sponsor” means the public agency authorized by 49 USC 47102 (24) to  
17 submit requests for financial assistance from the FAA.

18           (14) “Surrounding community” means the city of Cudahy, Oak Creek, St.  
19 Francis, or South Milwaukee.

20           (15) “Transfer agreement” means a contract between a district and a local  
21 governmental unit that provides the terms and conditions upon which airport  
22 facilities and the operation of the facilities are transferred by a local governmental  
23 unit to a district.

24           **229.861 Creation, organization, and administration.** (1) (a) There is  
25 created, for each jurisdiction described under s. 229.862 (1), upon the appointment

**ASSEMBLY BILL 1089**

1 and qualification of the members of its district board constituting a quorum, a  
2 district that is a unit of local government, that is a body corporate and politic, that  
3 is separate and distinct from, and independent of, the state and the political  
4 subdivisions within its jurisdiction, that has the powers under s. 229.863 and the  
5 name of which includes "Airport District."

6 (b) One or more local governmental units may create a district that is a unit  
7 of local government, that is a body corporate and politic, that is separate and distinct  
8 from, and independent of, the state and the political subdivisions within its  
9 jurisdiction, that has the powers under s. 229.863 and the name of which includes  
10 "Airport District", if all of the following occur:

11 1. Each local governmental unit adopts an identical enabling resolution  
12 declaring the need for, and establishing, a district and identifying the district's  
13 jurisdiction, as described under s. 229.862 (2).

14 2. The enabling resolution adopted by each local governmental unit is signed  
15 by that unit's chief elected official.

16 3. The signed enabling resolution is filed with the secretary of transportation.

17 4. The members of the district board are appointed and qualified.

18 **(2)** A district is governed by its district board.

19 **(3)** If the district is created under sub. (1) (a), the district board consists of the  
20 members specified and appointed as follows:

21 (a) Four members of the district board shall be appointed by the governor to  
22 4-year terms expiring on July 1, and 3 members of the district board shall be  
23 appointed by the chief elected official of the county in which the airport described  
24 under s. 229.862 (1) is located to 4-year terms expiring on July 1, except that:

**ASSEMBLY BILL 1089****SECTION 59**

1           1. One of the governor's initial appointments and one of the chief elected  
2 official's initial appointments shall expire on July 1 of the 3rd year beginning after  
3 the year of creation of a district. The member appointed by the governor under this  
4 subdivision, and every successor to the member appointed by the governor under this  
5 subdivision, shall be a resident of a surrounding community.

6           2. One of the governor's initial appointments and one of the chief elected  
7 official's initial appointments shall expire on July 1 of the 4th year beginning after  
8 the year of creation of a district. The member appointed by the chief elected official  
9 under this subdivision, and every successor to the member appointed by the chief  
10 elected official under this subdivision, shall be a resident of a surrounding  
11 community.

12           3. One of the governor's initial appointments and one of the chief elected  
13 official's initial appointments shall expire on July 1 of the 5th year beginning after  
14 the year of creation of a district.

15           4. One of the governor's initial appointments shall expire on July 1 of the 6th  
16 year beginning after the year of creation of a district.

17           (b) 1. A member appointed by the governor may take his or her seat  
18 immediately upon appointment and qualification, subject to confirmation or  
19 rejection by the senate. Three of the members appointed by the governor shall reside  
20 within the jurisdiction of the regional planning commission created under s. 66.0309  
21 in which the airport described under s. 229.862 (1) is located, and one member  
22 appointed by the governor may not reside within that area. If the airport is located  
23 in an area that is not within the jurisdiction of a regional planning commission, 3 of  
24 the members appointed by the governor shall reside in the county in which the

**ASSEMBLY BILL 1089**

1 airport is located, and one member appointed by the governor may not reside within  
2 that county.

3 2. A member appointed by the chief elected official may take his or her seat  
4 immediately upon appointment and qualification, subject to confirmation or  
5 rejection by the county board.

6 (c) No member appointed under par. (a) may hold a state or political subdivision  
7 elective office or be an employee of the senate or any political subdivision. A member  
8 appointed under par. (a) may be removed before the expiration of his or her term by  
9 the appointing authority but only for cause, as defined in s. 17.001.

10 (d) Members of the district board may serve any number of terms, except that  
11 no member of the district board may serve more than 2 consecutive terms. Vacancies  
12 shall be filled by the appointing authority who appointed the person whose office is  
13 vacant. A person appointed to fill a vacancy shall serve for the remainder of the  
14 unexpired term to which he or she is appointed, unless removed at an earlier time,  
15 and such service shall be considered one term for purposes of determining  
16 consecutive terms of office.

17 (e) The term of a member of a district board expires or terminates upon the  
18 earliest occurrence of one of the following:

19 1. The term for which the member was appointed expires.

20 2. A member becomes an elected public official or an employee of a  
21 governmental body.

22 3. A member subject to a residency requirement establishes a nonqualifying  
23 residence.

24 4. The member is removed by the appointing authority for cause, as defined in  
25 s. 17.001.

**ASSEMBLY BILL 1089****SECTION 59**

1           (4) If the district is created under sub. (1) (b), the district board consists of the  
2 members specified and appointed as follows:

3           (a) Subject to pars. (c) and (d), 5 members of the district board shall be  
4 appointed by the chief elected official of the creating local governmental unit to  
5 4-year terms expiring on July 1, each of whom shall be a resident of the local  
6 governmental unit.

7           (b) Subject to pars. (c) and (d), 2 members of the district board shall be  
8 appointed by the chief elected official of the creating local governmental unit to  
9 4-year terms expiring on July 1, neither of whom may be a resident of the county in  
10 which the largest airport in the district is located in whole or in part.

11           (c) 1. Two of the chief elected official's initial appointments shall expire on July  
12 1 of the 3rd year beginning after the year of creation of a district.

13           2. Two of the chief elected official's initial appointments shall expire on July 1  
14 of the 4th year beginning after the year of creation of a district.

15           3. Three of the chief elected official's initial appointments shall expire on July  
16 1 of the 5th year beginning after the year of creation of a district.

17           (d) If a district is created by more than one local governmental unit, the  
18 appointment of district board members shall be allocated between the participating  
19 units based on an agreement entered into by all of the creating local governmental  
20 units. The agreement shall be specified in the enabling resolutions.

21           (e) A member appointed under this subsection may not take his or her seat until  
22 he or she is confirmed by the local government unit's governing body.

23           (f) Paragraphs (c) to (e) of sub. (3), as they apply to members appointed under  
24 sub. (3), apply to members appointed under this subsection.

**ASSEMBLY BILL 1089**

1           **(5)** (a) Upon the appointment and qualification of a majority of the members  
2 of a district board, and prior to the FAA approval date, the district board may  
3 organize and exercise the powers and duties of a district board under this subchapter,  
4 but only to the extent that is necessary to allow the district board to work with a  
5 county described in s. 229.862 (1) to obtain the FAA certificate and designation  
6 described in s. 229.860 (9). Until the FAA approval date, the county described in s.  
7 229.862 (1) has sole actual authority to act on behalf of an airport that the county  
8 owns or operates, unless the county authorizes the district board to exercise some of  
9 the county's authority.

10           (b) Officers and employees of the local governmental unit that created the  
11 district, or that owns or operates an airport described in s. 229.862 (1), and members  
12 of the district board, shall actively cooperate to obtain FAA recognition of the district  
13 as the sponsor of the airport, and to obtain FAA approval of a transfer agreement.

14           **(6)** (a) The district board shall elect from its membership a chairperson, a vice  
15 chairperson, a secretary, and a treasurer, each of whom shall serve for one-year  
16 terms, unless another term is specified in the bylaws.

17           (b) Four members of the district board constitute a quorum and the affirmative  
18 vote of a majority of a quorum is necessary for the district board to take any action.

19           **(7)** The district board shall name the district, and the name shall include  
20 "Airport District."

21           **(8)** The members of the district board shall be reimbursed for their actual and  
22 necessary expenses incurred in the performance of their duties.

23           **229.862 Jurisdiction.** **(1)** With regard to a county that on the effective date  
24 of this subsection .... [revisor inserts date], owns or operates an airport classified by  
25 the FAA as a transport airport which provides scheduled air transportation services

**ASSEMBLY BILL 1089****SECTION 59**

1 and which had in excess of 2,000,000 scheduled passenger enplanements during the  
2 preceding 12-month period, the initial jurisdiction of the district created under s.  
3 229.861 (1) (a) is the territory of that airport.

4 (2) The initial jurisdiction of a district created under s. 229.861 (1) (b) includes  
5 all or part of the territory of a local governmental unit, as specified in the enabling  
6 resolution, except that no territory may be within the jurisdiction of more than one  
7 district and no local governmental unit may create a district having jurisdiction over  
8 an airport owned or operated by another unit of government without the consent of  
9 that other unit of government.

10 (3) The jurisdiction of any district shall expand beyond its initial jurisdiction  
11 to include any additional territory that is owned or leased by the district, and shall  
12 contract from its initial jurisdiction to exclude any territory that is no longer owned  
13 or leased by the district. The jurisdiction of a district may include territories that are  
14 not contiguous or that are located in multiple units of government.

15 **229.863 Powers of a district.** A district has all of the powers necessary or  
16 convenient to carry out the purposes and provisions of this subchapter. In addition  
17 to all other powers granted by this subchapter, a district may do all of the following:

18 (1) Adopt bylaws to govern the district's activities, subject to this subchapter.

19 (2) Sue and be sued in its own name, plead and be impleaded.

20 (3) Maintain an office.

21 (4) In connection with airport facilities:

22 (a) Acquire, construct, equip, maintain, improve, operate, and manage  
23 property, interests, or easements in property.

24 (c) Grant concessions.

**ASSEMBLY BILL 1089**

1           (d) Enter into contracts, subject to such standards as may be established by the  
2 district board. The district board may award any such contract for any combination  
3 or division of work it designates and may consider any factors in awarding a contract,  
4 including price, time for completion of work, and qualifications and past performance  
5 of a contractor. Subject to s. 66.0901, all contracts for the construction, repair,  
6 remodeling, and improvement of any public work, the estimated costs of which  
7 exceed \$100,000, shall be let by contract to the lowest qualified and competent  
8 bidder, except that no professional services contracts are subject to the lowest  
9 qualified and competent bidder requirement. The district may reject any bid that is  
10 submitted under this paragraph.

11           (e) Enter into contracts, leases, franchises, or other agreements with any  
12 person for granting the privilege of using, improving, or having access to an airport  
13 or any airport facility for commercial airline-related purposes consistent with its  
14 obligations under federal law, regulations, and assurances associated with accepting  
15 grants from the FAA or any other agency of the United States or this state.

16           (f) Enter into contracts or agreements, that are necessary or incidental to the  
17 performance of its duties and execution of its powers, with any department or agency  
18 of the United States, with any state or local governmental agency, or with any other  
19 person, including transfer agreements and guarantee agreements.

20           (g) Enter into contracts or agreements to license, regulate, or limit the number  
21 of all forms of ground transportation providing services within its jurisdiction.

22           (h) Sell or otherwise dispose of unneeded or unwanted property.

23           **(5)** Employ personnel and fix and regulate their compensation; and provide,  
24 either directly or subject to an agreement under s. 66.0301 as a participant in a

**ASSEMBLY BILL 1089****SECTION 59**

1 benefit plan of another governmental entity, any employee benefits, including an  
2 employee pension plan.

3 (6) Purchase insurance, establish and administer a plan of self-insurance or,  
4 subject to an agreement with another governmental entity under s. 66.0301,  
5 participate in a governmental plan of insurance or self-insurance.

6 (7) Subject to ss. 229.866 and 229.867, issue bonds under s. 66.0621, and  
7 mortgage, pledge, or otherwise encumber the district's property or funds to secure  
8 the bonds.

9 (8) Maintain funds and invest the funds in any investment that the district  
10 board considers appropriate.

11 (9) Enter into interest rate exchange transactions or transactions to provide,  
12 currently or prospectively, a maximum or minimum interest rate on all or a portion  
13 of the indebtedness of the district and grant mortgages and other liens to secure the  
14 indebtedness.

15 (10) Promote, advertise, and publicize the airport, airport facilities, and the  
16 district, and provide information to persons with an interest in air transportation  
17 and other district activities.

18 (11) Appear before rate-making and rule-making authorities to represent and  
19 promote the interests of the district.

20 (12) Adopt and enforce reasonable rules, regulations, and ordinances  
21 governing the use of its airport facilities, and the conduct of its employees and the  
22 public, in order to promote public safety and convenience and to maintain order. The  
23 district may establish civil penalties for the violations of rules, regulations, and  
24 ordinances authorized under this subchapter.

**ASSEMBLY BILL 1089**

1           **(13)** (a) The district shall have concurrent police power, with other authorized  
2 peace officers, in its jurisdiction. Such concurrent police authority shall not be  
3 construed to reduce or lessen the authority of the police power of the political  
4 subdivision in which an airport may be located. All district police officers shall  
5 cooperate with and be responsive to the local police authorities as they meet and  
6 exercise their statutory responsibilities. All district police officers may arrest, with  
7 or without warrant, any person on or in airport facilities within the district's  
8 jurisdiction who the officers have reasonable grounds to believe has violated a state  
9 law or any rule promulgated under this subchapter and deliver the person to any  
10 court having jurisdiction over the violation and execute a complaint charging the  
11 person with the violation. This subsection does not impair the duty of any other  
12 peace officers within their jurisdictions to arrest and take before the proper court  
13 persons found violating any state law on or in airport facilities within the district's  
14 jurisdiction.

15           (b) The district may employ police for the airport facilities and chiefs to head  
16 such police, or contract for police with a political subdivision, all of whom shall be  
17 considered peace officers under s. 939.22 (22) under the supervision and control of  
18 the district. The police officers shall meet the minimum standards established for  
19 other police officers by the law enforcement standards board or a comparable agency.  
20 The police shall preserve the peace in the jurisdiction of the district and enforce all  
21 rules promulgated under this subchapter and all other laws. The district may,  
22 subject to s. 66.0313, request of any other law enforcement agency assistance within  
23 the district's jurisdiction, notwithstanding any other jurisdictional provision.

24           (c) The district may employ security personnel, or contract for the provision of  
25 security personnel, to provide routine patrol functions. The security personnel are

**ASSEMBLY BILL 1089****SECTION 59**

1 not subject to the minimum standards established for other police officers by the law  
2 enforcement standards board or a comparable agency.

3 (14) Establish and collect rates and charges for the use of airport facilities or  
4 for services provided by the district, including PFCs under the Federal Aviation Act  
5 of 1958, as amended.

6 (15) Engage accountants, attorneys, consultants, and other professionals or  
7 service providers.

8 (16) Enter into partnerships, joint ventures, common ownership, or other  
9 arrangements with other persons to further the district's purposes.

10 (17) Enter into an agreement with a political subdivision to establish an airport  
11 affected area under s. 66.1009.

12 (18) Act as a sponsor and submit requests for, accept, and be responsible to  
13 perform all of the assurances associated with accepting grants from the FAA or any  
14 other agency of the United States or of this state, with respect to an airport that is  
15 owned by the district, and to perform the duties and responsibilities previously  
16 assumed by the municipality or municipalities which have transferred an airport to  
17 the district under s. 229.865 by virtue of its acceptance of grants from the FAA or any  
18 other agency of the United States or this state.

19 (19) Subject to the limitation on the exercise of powers and duties described  
20 under s. 229.861 (5) (a), take any necessary action to comply with the terms and  
21 conditions of a FAA certificate, as described in 14 CFR 139.

22 (20) Appoint a building inspector to enforce all ordinances, rules, and  
23 regulations adopted under sub. (12) that relate to any construction, remodeling, or  
24 renovation of airport facilities.

25 (21) Establish a fire department to provide service to airport facilities.

**ASSEMBLY BILL 1089**

1           **229.864 Powers granted to local governmental units; limitations on**  
2 **powers. (1)** In addition to any powers that it may otherwise have, a local  
3 governmental unit may do any of the following:

4           (a) Make grants or loans to a district upon terms that the local governmental  
5 unit considers appropriate.

6           (b) Expend public funds to subsidize a district.

7           (c) Borrow money under ss. 67.04 and 67.12 (12) for airport facilities or to fund  
8 grants, loans, or subsidies to a district.

9           (d) Lease or transfer property to a district upon terms that the local  
10 governmental unit considers appropriate.

11           **(2)** Notwithstanding ss. 59.69, 60.61, 60.62, 61.35, and 62.23, a political  
12 subdivision may not enact or enforce a zoning ordinance within the jurisdiction of a  
13 district.

14           **229.865 Transfer agreements. (1)** (a) In the case of a district created under  
15 s. 229.861 (1) (a), and subject to pars. (b) to (e), the county shall transfer and assign  
16 to the district all of the county's right, title, and interest in an airport and airport  
17 facilities that are owned or operated by the county on the effective date of this  
18 paragraph .... [revisor inserts date], or on the soonest practicable date agreed to by  
19 the district and the county, but such date may not be later than the first day of the  
20 7th month beginning after the effective date of this paragraph .... [revisor inserts  
21 date]. The transfer shall include all of the county's interest in assets, property,  
22 licenses, contracts, and revenues related to the airport and airport facilities. On the  
23 date of transfer, the district shall accept the assignment of all contracts with other  
24 persons, with respect to the transferred airport and airport facilities, that are in force  
25 at the time of transfer, and shall assume all obligations and liabilities of the county

**ASSEMBLY BILL 1089****SECTION 59**

1 related to the airport and airport facilities. The district shall indemnify the county  
2 and hold the county harmless against and from all obligations and liabilities that are  
3 transferred to the district under this paragraph.

4 (b) The county shall cooperate with the district in obtaining any 3rd-party  
5 consents or approvals that are necessary to accomplish the transfer and provide for  
6 safe and uninterrupted service at the airport and airport facilities. The appropriate  
7 officials of the county shall execute any deed, bill of sale, or other instrument of  
8 conveyance, assignment, or transfer as may be necessary to accomplish the transfer.

9 (c) On the date of the transfer, the district shall accept an assignment of any  
10 collective bargaining agreement in force at the time of the transfer with respect to  
11 persons employed by the county at a transferred airport or airport facilities. The  
12 transfer transaction shall be without financial consideration other than the  
13 assumption of liabilities and obligations.

14 (d) Notwithstanding the provisions of pars. (a) to (c), the transfer agreement  
15 entered into by the county and the district under this subsection may contain more  
16 specific, or different, terms and conditions than the transactions or provisions  
17 required under pars. (a) to (c), and the transfer agreement may contain exceptions  
18 to what otherwise would be required by pars. (a) to (c).

19 (e) The transfer and assignment described in par. (a) may not occur earlier than  
20 the FAA approval date. If the FAA approval date has not occurred on or before the  
21 first day of the 7th month beginning after the effective date of this paragraph ...  
22 [revisor inserts date], the county shall make the transfer and assignment described  
23 in par. (a) on the FAA approval date.

24 (2) A local governmental unit may enter into a transfer agreement with a  
25 district created under s. 229.861 (1) (b) to provide the terms and conditions upon

**ASSEMBLY BILL 1089**

1 which the local governmental unit transfers an airport and airport facilities to the  
2 district. A transfer may take the form of a sale, lease, or other conveyance and may  
3 be with or without financial consideration. A transfer agreement shall require the  
4 district to accept an assignment of any collective bargaining agreement in force at  
5 the time of the transfer with respect to persons employed by the local governmental  
6 unit at a transferred airport or airport facilities. A transfer agreement shall require  
7 the district to accept an assignment of all contracts with other persons, with respect  
8 to transferred airport facilities, that are in force at the time of transfer.

9 (3) A local governmental unit may transfer an airport and airport facilities, and  
10 any related assets, property, licenses, contracts, and revenues to a district created  
11 by another local governmental body or to a district created under s. 229.861 (1) (a)  
12 upon the terms and conditions contained in a transfer agreement that is agreed to  
13 by the parties.

14 **229.866 Issuance of bonds.** (1) A district may issue bonds under s. 66.0621  
15 for any corporate purpose related to airport facilities, the operation of an airport, or  
16 the impact of an airport on surrounding areas and properties. The district may issue  
17 bonds to fund, refund, advance refund, or purchase any outstanding bond of the  
18 district. All bonds of the district are declared to be negotiable for all purposes,  
19 notwithstanding that their payment may be from a limited source.

20 (2) The bonds shall be payable solely out of revenues of the district that are  
21 specified in the bond resolution of the district or in a related trust indenture.

22 (3) The bonds shall be authorized by a bond resolution of the district and shall  
23 bear dates, mature at times not exceeding 40 years from their respective dates of  
24 issue, bear interest at fixed or variable rates, be payable at times, be in  
25 denominations, be in certificated or book entry or other form, either coupon or fully

**ASSEMBLY BILL 1089****SECTION 59**

1 registered, carry registration and conversion privileges, be executed in such a  
2 manner, be payable in lawful money of the United States at places, and be subject  
3 to any terms of redemption as provided in the bond resolution or the related trust  
4 indenture. The bonds shall be executed by the manual or facsimile signatures of such  
5 officers of the district as the district designates. The bonds may be sold at public or  
6 private sale at a price and in such a manner as the district determines. Pending  
7 preparation of the definitive bonds, the district may issue interim receipts or  
8 certificates that shall be exchanged for the definitive bonds.

9 (4) A bond resolution or a related trust indenture may contain provisions,  
10 which shall be a part of the contract with the bondholders under the resolution,  
11 relating to any of the following:

12 (a) Pledging or assigning the revenues of the project with respect to which the  
13 bonds are to be issued or other specified revenues or properties of the district.

14 (b) The rentals, fees, and any other amounts to be charged, and the sums to be  
15 raised in each year from the rentals, fees, and any other amounts to be charged, and  
16 the use, investment, and disposition of the sums.

17 (c) Limitations on the issuance of additional bonds, the terms upon which  
18 additional bonds may be issued and secured, and the terms upon which additional  
19 bonds may rank on a parity with, or be subordinate or superior to, other bonds.

20 (d) Limitations on the purpose to which, or the investments in which, the  
21 proceeds from the sale of any issue of bonds may be applied.

22 (e) The setting aside of reserves or sinking funds, and their regulation,  
23 investment, and disposition.

24 (f) The funding, refunding, advance refunding, or purchase of outstanding  
25 bonds.

**ASSEMBLY BILL 1089**

1           (g) The procedure, if any, by which the terms of any contract with bondholders  
2           may be amended or abrogated, the amount of bonds the holders of which must  
3           consent thereto, and the manner in which this consent may be given.

4           (h) Defining the acts or omissions to act that shall constitute a default in the  
5           duties of the district to the holders of its obligations, and providing the rights and  
6           remedies of the holders in the event of a default.

7           (i) Any other matters relating to the bonds that the district considers  
8           appropriate.

9           **(5)** Neither the members of the district board nor any person executing the  
10          bonds are liable personally on the bonds or subject to any personal liability or  
11          accountability by reason of the issuance of the bonds.

12          **(6)** The district may secure any bonds by a trust agreement, trust indenture,  
13          indenture of mortgage, or deed of trust by and between the district and one or more  
14          trust companies or banks having trust powers. The bond resolution providing for the  
15          issuance of bonds or a related trust indenture may mortgage, pledge, assign, and  
16          grant security interests in any of the revenues and property of the district and may  
17          contain provisions for protecting and enforcing the rights and remedies of the  
18          bondholders as are reasonable and proper, and may restrict the individual right of  
19          action by bondholders. In addition, any bond resolution or a related trust indenture  
20          may contain any other provisions that the district considers reasonable and proper  
21          for the security of the bondholders.

22          **(7)** The district may purchase bond insurance, letters of credit, or other forms  
23          of credit enhancement to secure the bonds and may enter into reimbursement  
24          agreements with the providers thereof and may secure the same with mortgages,  
25          liens, and pledges of the district's properties and revenues.

**ASSEMBLY BILL 1089****SECTION 59**

1           **(8)** Neither the state nor any political subdivision of the state is liable on bonds  
2 of the district. All bonds of the district shall contain a statement to that effect. The  
3 issuance of bonds by the district shall not, directly or indirectly or contingently,  
4 obligate the state or any political subdivision of the state to levy any form of taxation  
5 therefor or to make any appropriation for their payment.

6           **229.867 State pledge.** The state pledges to and agrees with the bondholders,  
7 and persons that enter into contracts with a district, that the state will not limit or  
8 alter the rights and powers vested in a district before the district has fully met and  
9 discharged the bonds, and any interest due on the bonds, and has fully performed its  
10 contracts, unless adequate provision is made by law for the protection of the  
11 bondholders or those entering into contracts with the district.

12           **229.868 Budgets; rates and charges; audit.** A district shall adopt a  
13 calendar year as its fiscal year for accounting purposes. The district board shall  
14 annually prepare a budget for the district. Rates and other charges received by the  
15 district shall be used for the general expenses and capital expenditures of the district  
16 and to pay interest, amortization, and retirement charges on bonds. The district  
17 shall maintain an accounting system in accordance with generally accepted  
18 accounting principles and shall have its financial statements and debt covenants  
19 audited annually by an independent certified public accountant.

20           **229.869 Dissolution of a district.** Subject to providing for the payment of  
21 its bonds, including interest on the bonds, and the performance of its other  
22 contractual obligations, a district may be dissolved by the district board and the  
23 airport, airport facilities, and other property of the district shall be transferred to a

**ASSEMBLY BILL 1089**

1 political subdivision, other district, or other public body that agrees to accept the  
2 transfer.

3 (END)