

CHAPTER NO. 140

SENATE BILL NO. 119

INTRODUCED BY GOODOVER

BY REQUEST OF THE CODE COMMISSIONER

IN THE SENATE

January 16, 1979	Introduced and referred to Committee on State Administration.
January 23, 1979	Committee recommend bill do pass. Report adopted.
January 24, 1979	Printed and placed on members' desks.
January 25, 1979	Second reading, do pass.
January 26, 1979	Considered correctly engrossed.
January 27, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

January 29, 1979	Introduced and referred to Committee on State Administration.
March 2, 1979	Committee recommend bill be concurred in. Report adopted.
March 3, 1979	Second reading, concurred in.
March 6, 1979	Third reading, concurred in.

IN THE SENATE

March 7, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 *Senate* BILL NO. *119*
 2 INTRODUCED BY *Boak*
 3 BY REQUEST OF THE CODE COMMISSIONER

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
 6 CLARIFY THE LAWS RELATING TO AERONAUTICS; AMENDING SECTIONS
 7 67-1-105, 67-10-101, 67-10-103, 67-10-104, 67-10-201,
 8 67-10-203, 67-10-204, 67-10-207, 67-10-221, 67-10-222,
 9 67-10-231, 67-10-303, 67-10-401, 67-10-402, 67-10-404
 10 THROUGH 67-10-406, 67-11-211, AND 67-11-303, MCA."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 67-1-105, MCA, is amended to read:
 14 "67-1-105. Penalties. Any Unless otherwise provided,
 15 any person violating any of the provisions of [this act]
 16 chapters 1 through 3 or any of the rules or orders issued
 17 pursuant thereto ~~shall be~~ is guilty of a misdemeanor and
 18 punishable by a fine of not more than \$500 or by
 19 imprisonment in a county jail for not more than 90 days, or
 20 both."

21 Section 2. Section 67-10-101, MCA, is amended to read:
 22 "67-10-101. Short title. This ~~act~~ chapter may be
 23 cited as the "Municipal Airports Act"."

24 Section 3. Section 67-10-103, MCA, is amended to read:
 25 "67-10-103. Public purpose. (1) Any lands acquired,

1 owned, controlled, or occupied by any county, city, or town,
 2 individually or pursuant to joint action as herein provided
 3 for the purposes enumerated in 67-10-102, ~~shall~~ and are
 4 ~~hereby declared to be~~ acquired, owned, controlled, and
 5 occupied for a public use and as a matter of public
 6 necessity, and such counties, cities, and towns, whether
 7 acting individually or jointly, ~~shall~~ have the right to
 8 acquire property for such purposes under the power of
 9 eminent domain as and for a public use or necessity.

10 (2) The acquisition of any land or interest therein
 11 pursuant to this ~~act~~ chapter; the planning, acquisition,
 12 establishment, development, construction, improvement,
 13 maintenance, equipment, operation, regulation, protection,
 14 and policing of airports and air navigation facilities,
 15 including the acquisition or elimination of airport hazards;
 16 and the exercise of any other powers herein granted to
 17 municipalities and other public agencies, to be severally or
 18 jointly exercised, are ~~hereby declared to be~~ public and
 19 governmental functions, exercised for a public purpose and
 20 matters of public necessity and, in the case of any county,
 21 are ~~declared to be~~ county functions and purposes as well as
 22 public and governmental and, in the case of any municipality
 23 other than a county, are ~~declared to be~~ municipal functions
 24 and purposes as well as public and governmental. All land
 25 and other property and privileges acquired and used by or on

1 behalf of any municipality or other public agency in the
 2 manner and for the purposes enumerated in this ~~foot~~ chapter
 3 ~~shall--and are hereby declared to be~~ acquired and used for
 4 public and governmental purposes and as a matter of public
 5 necessity and, in the case of a county or municipality, for
 6 county or municipal purposes, respectively."

7 Section 4. Section 67-10-104, MCA, is amended to read:

8 "67-10-104. Construction. This ~~foot~~ chapter shall be
 9 so interpreted and construed as to make uniform so far as
 10 possible the laws and regulations of this state and other
 11 states and of the government of the United States having to
 12 do with the subject of municipal airports."

13 Section 5. Section 67-10-201, MCA, is amended to read:

14 "67-10-201. General municipal powers. (1) Every
 15 municipality ~~is authorized may~~, out of any appropriations or
 16 other moneys ~~may~~ made available for such purposes, to
 17 plan, establish, develop, construct, enlarge, improve,
 18 maintain, equip, operate, regulate, protect, and police
 19 airports and air navigation facilities, either within or
 20 without the territorial limits of such municipality and
 21 within or without the territorial boundaries of this state,
 22 including the construction, installation, equipment,
 23 maintenance, and operation at such airports of buildings and
 24 other facilities for the servicing of aircraft or for the
 25 comfort and accommodation of air travelers and the purchase

1 and sale of supplies, goods, and commodities as an incident
 2 to the operation of its airport properties. For such
 3 purposes the municipality may use any available property
 4 that it may now or hereafter own or control and may, by
 5 purchase, gift, devise, lease, eminent domain proceedings,
 6 or otherwise, acquire property, real or personal, or any
 7 interest therein, including easements, in airport hazards or
 8 land outside the boundaries of an airport or airport site,
 9 as is necessary to permit safe and efficient operation of
 10 the airport; to permit the removal, elimination,
 11 obstruction-marking, or obstruction-lighting of airport
 12 hazards; or to prevent the establishment of airport hazards.

13 (2) The municipality may, by purchase, gift, devise,
 14 lease, eminent domain proceedings, or otherwise, acquire
 15 existing airports and air navigation facilities, provided
 16 however it shall ~~may~~ not acquire or take over any airport or
 17 air navigation facility owned or controlled by another
 18 municipality or public agency of this or any other state
 19 without the consent of such municipality or public agency.

20 (3) For the purposes of this ~~foot~~ chapter, a
 21 municipality may establish or acquire and maintain, within
 22 or bordering upon the territorial limits of the
 23 municipality, airports in, over, and upon any public waters
 24 of this state, any submerged lands under such public waters
 25 and any artificial or reclaimed lands which before the

1 artificial making or reclamation thereof constituted a
 2 portion of the submerged lands under such public waters, and
 3 may construct and maintain terminal buildings, landing
 4 floats, causeways, roadways, and bridges for approaches to
 5 or connecting with any such airport, and landing floats and
 6 breakwaters for the protection thereof.

7 (4) All air navigation facilities established or
 8 operated by municipalities shall be supplementary to and
 9 coordinated in design and operation with those established
 10 and operated by the federal and state governments.

11 (5) A municipality may enter into any contracts
 12 necessary to for the execution of the powers granted it and
 13 for the purposes provided by this ~~act~~ chapter."

14 Section 6. Section 67-10-203, MCA, is amended to read:

15 "67-10-203. Mutual assistance. If any municipality
 16 determines that the public interest and the interests of the
 17 municipality will be served by assisting any other
 18 municipality or municipalities in exercising the powers and
 19 authority granted by this ~~act~~ chapter, such municipality
 20 may furnish assistance by gift of real or personal property
 21 or lease or loan thereof with or without charge or interest.
 22 In appropriating such property or money and providing for
 23 such assistance by taxation, the issuance of bonds, or other
 24 means, the municipality may exercise all of its powers as
 25 though used for its own direct purposes as provided in this

1 ~~act~~ chapter."

2 Section 7. Section 67-10-204, MCA, is amended to read:

3 "67-10-204. Joint exercise of powers. (1) For the
 4 purposes of 67-10-204 through 67-10-206, unless otherwise
 5 qualified, the term "public agency" includes municipality,
 6 as defined in this title; any agency of the state government
 7 and of the United States; and any municipality, political
 8 subdivision, and agency of another state; and the term
 9 "governing body" means the governing body of a county or
 10 municipality and the head of the agency if the public agency
 11 is other than a county or municipality.

12 (2) All powers, privileges, and authority granted to
 13 any municipality by this ~~act~~ chapter may be exercised and
 14 enjoyed jointly with any public agency of this state and
 15 jointly with any public agency of any other state or of the
 16 United States to the extent that the laws of such other
 17 state or of the United States permit such joint exercise or
 18 enjoyment. If not otherwise authorized by law, any agency of
 19 the state government when acting jointly with any
 20 municipality may exercise and enjoy all of the powers,
 21 privileges, and authority conferred by this ~~act~~ chapter
 22 upon a municipality.

23 (3) Any two or more public agencies may enter into
 24 agreements with each other for joint action pursuant to the
 25 provisions of 67-10-204 through 67-10-206. Concurrent action

1 by ordinance, resolution, or otherwise of the governing
2 bodies of the participating public agencies ~~shall constitute~~
3 ~~constitutes~~ joint action. Each such agreement shall specify
4 its duration; the proportionate interest which each public
5 agency ~~shall have~~ has in the property, facilities, and
6 privileges involved; the proportion to be borne by each
7 public agency of preliminary costs and costs of acquisition,
8 establishment, construction, enlargement, improvement, and
9 equipment of the airport or air navigation facility; the
10 proportion of the expenses of maintenance, operation,
11 regulation, and protection thereof to be borne by each; and
12 such other terms as are required by the provisions of
13 67-10-204 through 67-10-206. The agreement may also provide
14 for amendments thereof and conditions and methods of
15 termination of the agreement; the disposal of all or any of
16 the property, facilities, and privileges jointly owned,
17 prior to or upon said property, facilities, and privileges,
18 or any part thereof, ceasing to be used for the purposes
19 provided in this ~~act~~ chapter or upon termination of the
20 agreement; the distribution of the proceeds received upon
21 any such disposal and of any funds or other property jointly
22 owned and undisposed of; the assumption or payment of any
23 indebtedness arising from the joint venture which remains
24 unpaid upon the disposal of all assets or upon a termination
25 of the agreement; and such other provisions as may be

1 necessary or convenient."

2 Section 8. Section 67-10-207, MCA, is amended to read:
3 "67-10-207. Supplementary powers. In addition to the
4 general and special powers conferred by this ~~act~~ chapter,
5 every municipality is authorized to exercise such powers as
6 are necessarily incidental to the exercise of such general
7 and special powers."

8 Section 9. Section 67-10-221, MCA, is amended to read:
9 "67-10-221. Airport property -- acquisition by eminent
10 domain. In the acquisition of property by eminent domain
11 proceedings authorized by this ~~act~~ chapter, the
12 municipality shall proceed in the manner provided by the
13 laws governing eminent domain of the state of Montana. The
14 municipality ~~shall~~ is not be precluded from abandoning such
15 proceedings in any case where possession of the property has
16 not been taken."

17 Section 10. Section 67-10-222, MCA, is amended to
18 read:

19 "67-10-222. Airport property -- disposal. Except as
20 may be limited by the terms and conditions of any grant,
21 loan, or agreement pursuant to 67-10-405, every municipality
22 may by sale, lease, or otherwise dispose of any airport, air
23 navigation facility, or other property or portion thereof or
24 interest therein acquired pursuant to this ~~act~~ chapter.
25 Such disposal by sale, lease, or otherwise shall be in

1 accordance with the laws of this state or provisions of the
 2 charter of the municipality governing the disposition of
 3 other property of the municipality or agency of the state or
 4 federal government for aeronautical purposes incident
 5 thereto. The sale, lease, or other disposal may be effected
 6 in such manner and upon such terms as the governing body of
 7 the municipality may deem consider in the best interest of
 8 the municipality."

9 Section 11. Section 67-10-231, MCA, is amended to
 10 read:

11 "67-10-231. No limitation on airport hazard zoning.
 12 Nothing contained in this ~~fect~~ chapter shall be construed
 13 to limit any right, power, or authority of a municipality to
 14 regulate airport hazards by zoning."

15 Section 12. Section 67-10-303, MCA, is amended to
 16 read:

17 "67-10-303. Delegation of authority. Any authority
 18 vested by this ~~fect~~ chapter in a municipality or in the
 19 governing body thereof for the planning, establishment,
 20 development, construction, enlargement, improvement,
 21 maintenance, equipment, operation, regulation, protection,
 22 and policing of airports or other air navigation facilities
 23 established, owned, or controlled or to be established,
 24 owned, or controlled by the municipality may be vested by
 25 resolution of the governing body of the municipality in an

1 officer or board or other municipal agency whose powers and
 2 duties ~~shall~~ must be prescribed in the resolution,
 3 ~~provided~~ however ~~however~~, that the expense of such
 4 planning, establishment, development, construction,
 5 enlargement, improvement, maintenance, equipment, operation,
 6 regulation, protection, and policing ~~shall~~ be is a
 7 responsibility of the municipality."

8 Section 13. Section 67-10-401, MCA, is amended to
 9 read:

10 "67-10-401. Appropriations -- taxation. The governing
 11 body of any municipality having power to appropriate and
 12 raise money is hereby authorized to appropriate, and to
 13 raise by taxation or otherwise, sufficient ~~moneys~~ money to
 14 carry out the provisions and purposes of this ~~fect~~ chapter,
 15 within the limitations prescribed by law."

16 Section 14. Section 67-10-402, MCA, is amended to
 17 read:

18 "67-10-402. Tax levy. All For the purpose of
 19 establishing, constructing, equipping, maintaining, and
 20 operating airports and landing fields under the provisions
 21 of this ~~fect~~ chapter, the county commissioners or the city
 22 or town council may each year assess and levy, in addition
 23 to the annual levy for general administrative purposes or
 24 the all-purpose levy authorized by 7-6-4451 and 7-6-4452, a
 25 tax of not to exceed 2 mills on the dollar of taxable value

1 of the property of said county, city, or town.

2 (2) In the event of a jointly established airport or
3 landing field, the county commissioners and the council or
4 councils involved shall determine in advance the levy
5 necessary for such purposes and the proportion each
6 political subdivision joining in the venture shall ~~must~~
7 pay, ~~provided that no~~ (3) ~~No~~ property within any political
8 subdivision shall ~~may~~ be subject to a tax pursuant to this
9 section at an annual rate in excess of 2 mills. ~~Provided,~~
10 ~~that--if unless~~ it be ~~is~~ found that the levy hereby
11 ~~authorized---will---be is~~ insufficient for the purposes
12 ~~enumerated.~~ In such a case the commissioners and councils
13 acting are hereby authorized and empowered to contract an
14 indebtedness on behalf of such county, city, or town, as the
15 case may be, upon the credit thereof by borrowing money or
16 issuing bonds for such purposes, provided that no money may
17 be borrowed and no bonds may be issued for such purpose
18 until the proposition has been submitted to the qualified
19 electors and a majority vote ~~to be~~ cast therefor, except ~~as~~
20 provided in subsection (4), that for

21 (4) For the purpose of establishing a reserve fund to
22 resurface, overlay, or improve existing runways, taxiways,
23 and ramps, ~~said the~~ governing bodies may set up annual
24 reserve funds in their annual budget. ~~if provided said~~

25 (a) the reserve is approved by the governing bodies

1 during the normal budgeting procedures. ~~Provided further~~
2 ~~that~~

3 (b) the necessity to resurface or improve said runways
4 by overlays or similar methods every so many years is based
5 upon competent engineering estimates. ~~and provided that~~
6 ~~said~~

7 (c) ~~the~~ funds are expended at least within each
8 10-year period.

9 ~~Said~~ (5) The reserve fund shall ~~may~~ not exceed at any
10 time a competent engineering estimate of the cost of
11 resurfacing or overlaying the existing runways, taxiways,
12 and ramps of any one airport for each ~~said~~ fund. The
13 governing body of ~~the~~ airport, if in its judgment it
14 ~~deems considers~~ it advantageous, may invest the fund in any
15 interest-bearing deposits in a state or national bank
16 insured by the FDIC or obligations of the United States of
17 America, either short-term or long-term. Interest earned
18 from such investments shall ~~must~~ be credited to the
19 operations and maintenance budget of ~~the~~ airport
20 governing body. The above provisions, notwithstanding other
21 budget control measures and due to the uniqueness of the
22 subject matter, are declared necessary in the interests of
23 the public health and safety."

24 Section 15. Section 67-10-404, MCA, is amended to
25 read:

1 "67-10-404. Airport revenues and sale proceeds. The
 2 revenues obtained by a municipality from the ownership,
 3 control, or operation of any airport or air navigation
 4 facility, including proceeds from the sale of any airport or
 5 portion thereof or air navigation facility property, shall
 6 ~~must~~ be deposited in a special fund to be designated the
 7 ".... airport fund", which revenues shall ~~must~~ be
 8 appropriated solely to, and used by the municipality for the
 9 purposes authorized by this ~~[act]~~ chapter."

10 Section 16. Section 67-10-405, MCA, is amended to
 11 read:

12 "67-10-405. Federal and state moneys ~~money~~. (1) A
 13 municipality may accept, receive, receipt for, disburse, and
 14 spend federal and state moneys ~~money~~ and other moneys ~~money~~,
 15 public or private, made available by grant or loan or both
 16 to accomplish any of the purposes of this ~~[act]~~ chapter. All
 17 federal moneys ~~money~~ accepted under this section shall ~~must~~
 18 be accepted and spent by the municipality upon terms and
 19 conditions prescribed by the United States and consistent
 20 with state law. All state moneys ~~money~~ accepted under this
 21 section shall ~~must~~ be accepted and spent by the municipality
 22 upon terms and conditions prescribed by the state. Unless
 23 otherwise prescribed by the agency from which the moneys
 24 ~~money~~ were ~~is~~ received, the chief financial officer of the
 25 municipality shall on its behalf deposit and keep all moneys

1 ~~money~~ received pursuant to this section in separate funds,
 2 designated according to the purposes for which the moneys
 3 were ~~money~~ ~~is~~ made available, in trust for those purposes.

4 (2) o application may be made by a municipality for
 5 federal aid, as provided in this section, unless the
 6 "project application", as defined in the Federal Airport Act
 7 of 1946 and regulations of the administrator of civil
 8 aeronautics, is first approved by the department.

9 (3) A municipality may, with the approval and consent
 10 of the department, designate the department as its agent to
 11 accept, receive, receipt for, and disburse federal and state
 12 moneys ~~money~~ and other moneys ~~money~~, public or private, made
 13 available by grant or loan or both to accomplish any of the
 14 purposes of ~~[1-808--through--1-820]~~ ~~this~~ chapter. A
 15 municipality may, with the consent of the department,
 16 designate the department as its agent in contracting for and
 17 supervising the planning, acquisition, development,
 18 construction, improvement, or equipment of an airport or
 19 other air navigation facility. All contracts made, let, or
 20 awarded by the department acting as agent of a municipality
 21 under this section shall ~~must~~ be made, let, or awarded
 22 pursuant to the laws governing the making of contracts by or
 23 on behalf of the state. The municipality may enter into an
 24 agreement with the department providing for payment to the
 25 department for services rendered as agent and prescribing

1 the terms and conditions of the agency, in accordance with
 2 terms and conditions prescribed by the United States, if
 3 federal money is involved and in accordance with applicable
 4 state law. All federal moneys ~~money~~ accepted under this
 5 section by the department ~~shall~~ **must** be accepted and
 6 transferred or spent by the department upon terms and
 7 conditions prescribed by the United States. All moneys ~~money~~
 8 received by the department under this subsection ~~shall~~ **must**
 9 be deposited in the state treasury and, unless otherwise
 10 prescribed by the agency from which the moneys ~~money~~ were ~~is~~
 11 received, ~~shall~~ **must** be kept in separate funds designated
 12 according to the purposes for which the moneys ~~money~~ were ~~is~~
 13 made available and held by the state in trust for those
 14 purposes."

15 Section 17. Section 67-10-406, MCA, is amended to
 16 read:

17 "67-10-406. Tax exemption. Any property in this state
 18 acquired by a municipality for airport purposes pursuant to
 19 the provisions of this ~~(act)~~ chapter and any income derived
 20 by such municipality from the ownership, operation, or
 21 control thereof ~~shall~~ ~~be~~ ~~is~~ exempt from taxation to the same
 22 extent as other property used for public purposes. Any
 23 municipality is authorized to exempt from municipal taxation
 24 any property acquired within its boundaries by a public
 25 agency of another state for airport purposes and any income

1 derived from such property to the extent that such other
 2 states authorize similar exemptions from taxation to
 3 municipalities of this state."

4 Section 18. Section 67-11-211, MCA, is amended to
 5 read:

6 "67-11-211. Granting of operation and use privileges.
 7 (1) In connection with the operation of an airport or air
 8 navigation facility owned or controlled by an authority, the
 9 authority may enter into contracts, leases, and other
 10 arrangements for terms not to exceed 30 years with any
 11 persons:

12 (a) granting the privilege of using or improving the
 13 airport or air navigation facility or any portion or
 14 facility thereof or space therein for commercial purposes;

15 (b) conferring the privilege of supplying goods,
 16 commodities, things, services, or facilities at the airport
 17 or air navigation facility; and

18 (c) making available services to be furnished by the
 19 authority or its agents at the airport or air navigation
 20 facility.

21 (2) In each case the authority may establish the terms
 22 and conditions and fix the charges, rentals, or fees for the
 23 privileges or services, which ~~shall~~ **must** be reasonable and
 24 uniform for the same class of privilege or service and ~~shall~~
 25 **must** be established with due regard to the property and

1 improvements used and the expenses of operation to the
2 authority; provided that in no case shall ~~may~~ the public be
3 deprived of its rightful, equal, and uniform use of the
4 airport, air navigation facility, or portion of facility
5 thereof.

6 (3) Except as may be limited by the terms and
7 conditions of any grant, loan, or agreement authorized by
8 ~~67-11-105~~ 67-11-305, an authority may by contract, lease, or
9 other arrangements arrangement, upon a consideration fixed
10 by it, grant to any qualified person for a term not to
11 exceed 30 years the privilege of operating, as agent of the
12 authority or otherwise, any airport owned or controlled by
13 the authority; provided that no person shall ~~may~~ be granted
14 any authority to operate an airport other than as a public
15 airport or to enter into any contracts, leases, or other
16 arrangements in connection with the operation of the airport
17 which the authority might not have undertaken under
18 subsections (1) and (2) of this section."

19 Section 19. Section 67-11-303, MCA, is amended to
20 read:

21 "67-11-303. Bonds and obligations. (1) An authority
22 may borrow money for any of its corporate purposes and issue
23 its bonds therefor, including refunding bonds, in such form
24 and upon such terms as it may determine, payable out of any
25 revenues of the authority, including revenues derived from:

1 (a) an airport or air navigation facility or
2 facilities;

3 (b) taxes levied pursuant to 67-11-301 or other law
4 for airport purposes;

5 (c) grants or contributions from the federal
6 government; or

7 (d) other sources.

8 (2) The bonds may be issued by resolution of the
9 authority, without an election and without any limitation of
10 amount, except that no such bonds may be issued at any time
11 if the total amount of principal and interest to become due
12 in any year on such bonds and on any then outstanding bonds
13 for which revenues from the same source or sources are
14 pledged exceeds the amount of such revenues to be received
15 in that year as estimated in the resolution authorizing the
16 issuance of the bonds. The authority shall take all action
17 necessary and possible to impose, maintain, and collect
18 rates, charges, rentals, and taxes, if any are pledged,
19 sufficient to make the revenues from the pledged source in
20 such year at least equal to the amount of such principal and
21 interest due in that year.

22 (3) The bonds may be sold at public or private sale
23 and may bear interest at a rate not exceeding 10% a year.
24 Except as otherwise provided herein, any bonds issued
25 pursuant to this chapter by an authority may be payable as

1 to principal and interest solely from revenues of the
 2 authority and shall state on their face the applicable
 3 limitations or restrictions regarding the source from which
 4 such principal and interest are payable.

5 (4) Bonds issued by an authority or municipality
 6 pursuant to the provisions of this chapter are declared to
 7 be issued for an essential public and governmental purpose
 8 by a political subdivision within the meaning of
 9 15-30-111(2)(a).

10 (5) For the security of any such bonds, the authority
 11 or municipality may by resolution make and enter into any
 12 covenant, agreement, or indenture and may exercise any
 13 additional powers authorized to be exercised by a
 14 municipality under Title 7, chapter 7, parts 44 and 45. The
 15 sums required from time to time to pay principal and
 16 interest and to create and maintain a reserve for the bonds
 17 may be paid from any revenues referred to in this chapter,
 18 prior to the payment of current costs of operation and
 19 maintenance of the facilities.

20 (6) Subject to the conditions stated in this
 21 subsection (6), the governing body of any municipality
 22 having a population in excess of 10,000, with respect to
 23 bonds issued pursuant to this chapter by the municipality or
 24 by an authority in which the municipality is included, may
 25 by resolution covenant that in the event that at any time

1 all revenues, including taxes, appropriated and collected
 2 for such bonds are insufficient to pay principal or interest
 3 then due, it will levy a general tax upon all of the taxable
 4 property in the municipality for the payment of such
 5 deficiency; and may further covenant that at any time a
 6 deficiency is likely to occur within 1 year for the payment
 7 of principal and interest due on such bonds, it will levy a
 8 general tax upon all the taxable property in the
 9 municipality for the payment of such deficiency, and such
 10 taxes are not subject to any limitation of rate or amount
 11 applicable to other municipal taxes but shall be ~~are~~ limited
 12 to a rate estimated to be sufficient to produce the amount
 13 of the deficiency. In the event more than one municipality
 14 having a population in excess of 10,000 is included in an
 15 authority issuing bonds pursuant to this chapter, the
 16 municipalities may apportion the obligation to levy taxes
 17 for the payment of, or in anticipation of, a deficiency in
 18 the revenues appropriated for such bonds in such manner as
 19 the municipalities may determine. The resolution shall state
 20 the principal amount and purpose of the bonds and the
 21 substance of the covenant respecting deficiencies. No such
 22 resolution becomes effective until the question of its
 23 approval has been submitted to the qualified electors of the
 24 municipality at a special election called for that purpose
 25 by the governing body of the municipality and a majority of

1 the electors voting on the question have voted in favor
2 thereof. The notice and conduct of the election ~~shall be~~ is
3 governed, to the extent applicable, by 7-7-4227 through
4 ~~7-7-4232~~ 7-7-4234 for an election called by cities and
5 towns, and 7-7-2229 through ~~7-7-2234~~ 7-7-2236 for an
6 election called by counties. If a majority of the electors
7 voting thereon vote against approval of the resolution, the
8 municipality has no authority to make the covenant or to
9 levy a tax for the payment of deficiencies pursuant to this
10 section, but such municipality or authority may nevertheless
11 issue bonds under this chapter payable solely from the
12 sources referred to in subsection (1) above."

-End-

Approved by Committee
on State Administration

BILL NO. 119

INTRODUCED BY [Signature]

BY REQUEST OF THE CODE COMMISSIONER

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO AERONAUTICS; AMENDING SECTIONS 67-1-105, 67-10-101, 67-10-103, 67-10-104, 67-10-201, 67-10-203, 67-10-204, 67-10-207, 67-10-221, 67-10-222, 67-10-231, 67-10-303, 67-10-401, 67-10-402, 67-10-404 THROUGH 67-10-406, 67-11-211, AND 67-11-303, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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"67-1-105. Penalties. Any Unless otherwise provided, any person violating any of the provisions of ~~[this act]~~ chapters 1 through 3 or any of the rules or orders issued pursuant thereto ~~shall be~~ is guilty of a misdemeanor and punishable by a fine of not more than \$500 or by imprisonment in a county jail for not more than 90 days, or both."

Section 2. Section 67-10-101, MCA, is amended to read:

"67-10-101. Short title. This ~~act~~ chapter may be cited as the "Municipal Airports Act"."

Section 3. Section 67-10-103, MCA, is amended to read:

"67-10-103. Public purpose. (1) Any lands acquired,

There are no changes in SB 119, & will not be re-run.
Please refer to white copy for complete text.

owned, controlled, or occupied by any county, city, or town, individually or pursuant to joint action as herein provided for the purposes enumerated in 67-10-102, ~~shall and~~ are hereby ~~declared to be~~ acquired, owned, controlled, and occupied for a public use and as a matter of public necessity, and such counties, cities, and towns, whether acting individually or jointly, ~~shall~~ have the right to acquire property for such purposes under the power of eminent domain as and for a public use or necessity.

(2) The acquisition of any land or interest therein pursuant to this ~~act~~ chapter; the planning, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, protection, and policing of airports and air navigation facilities, including the acquisition or elimination of airport hazards; and the exercise of any other powers herein granted to municipalities and other public agencies, to be severally or jointly exercised, are ~~hereby declared to be~~ public and governmental functions, exercised for a public purpose and matters of public necessity and, in the case of any county, are ~~declared to be~~ county functions and purposes as well as public and governmental and, in the case of any municipality other than a county, are ~~declared to be~~ municipal functions and purposes as well as public and governmental. All land and other property and privileges acquired and used by or on

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SECOND READING

1 behalf of any municipality or other public agency in the
 2 manner and for the purposes enumerated in this ~~act~~ chapter
 3 ~~shall--and~~ are hereby declared to be acquired and used for
 4 public and governmental purposes and as a matter of public
 5 necessity and, in the case of a county or municipality, for
 6 county or municipal purposes, respectively."

7 Section 4. Section 67-10-104, MCA, is amended to read:

8 "67-10-104. Construction. This ~~act~~ chapter shall be
 9 so interpreted and construed as to make uniform so far as
 10 possible the laws and regulations of this state and other
 11 states and of the government of the United States having to
 12 do with the subject of municipal airports."

13 Section 5. Section 67-10-201, MCA, is amended to read:

14 "67-10-201. General municipal powers. (1) Every
 15 municipality ~~is authorized may~~, out of any appropriations or
 16 other moneys ~~money~~ made available for such purposes, to
 17 plan, establish, develop, construct, enlarge, improve,
 18 maintain, equip, operate, regulate, protect, and police
 19 airports and air navigation facilities, either within or
 20 without the territorial limits of such municipality and
 21 within or without the territorial boundaries of this state,
 22 including the construction, installation, equipment,
 23 maintenance, and operation at such airports of buildings and
 24 other facilities for the servicing of aircraft or for the
 25 comfort and accommodation of air travelers and the purchase

1 and sale of supplies, goods, and commodities as an incident
 2 to the operation of its airport properties. For such
 3 purposes the municipality may use any available property
 4 that it may now or hereafter own or control and may, by
 5 purchase, gift, devise, lease, eminent domain proceedings,
 6 or otherwise, acquire property, real or personal, or any
 7 interest therein, including easements, in airport hazards or
 8 land outside the boundaries of an airport or airport site,
 9 as is necessary to permit safe and efficient operation of
 10 the airport; to permit the removal, elimination,
 11 obstruction-marking, or obstruction-lighting of airport
 12 hazards; or to prevent the establishment of airport hazards.

13 (2) The municipality may, by purchase, gift, devise,
 14 lease, eminent domain proceedings, or otherwise, acquire
 15 existing airports and air navigation facilities, provided
 16 however it ~~shall may~~ not acquire or take over any airport or
 17 air navigation facility owned or controlled by another
 18 municipality or public agency of this or any other state
 19 without the consent of such municipality or public agency.

20 (3) For the purposes of this ~~act~~ chapter, a
 21 municipality may establish or acquire and maintain, within
 22 or bordering upon the territorial limits of the
 23 municipality, airports in, over, and upon any public waters
 24 of this state, any submerged lands under such public waters
 25 and any artificial or reclaimed lands which before the

1 *Senate* BILL NO. *119*
 2 INTRODUCED BY *Boakman*
 3 BY REQUEST OF THE CODE COMMISSIONER

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
 6 CLARIFY THE LAWS RELATING TO AERONAUTICS; AMENDING SECTIONS
 7 67-1-105, 67-10-101, 67-10-103, 67-10-104, 67-10-201,
 8 67-10-203, 67-10-204, 67-10-207, 67-10-221, 67-10-222,
 9 67-10-231, 67-10-303, 67-10-401, 67-10-402, 67-10-404
 10 THROUGH 67-10-406, 67-11-211, AND 67-11-303, MCA."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 67-1-105, MCA, is amended to read:
 14 "67-1-105. Penalties. Any Unless otherwise provided,
 15 any person violating any of the provisions of ~~[this act]~~
 16 chapters 1 through 3 or any of the rules or orders issued
 17 pursuant thereto ~~shall be~~ is guilty of a misdemeanor and
 18 punishable by a fine of not more than \$500 or by
 19 imprisonment in a county jail for not more than 90 days, or
 20 both."

21 Section 2. Section 67-10-101, MCA, is amended to read:
 22 "67-10-101. Short title. This ~~[act]~~ chapter may be
 23 cited as the "Municipal Airports Act".

24 Section 3. Section 67-10-103, MCA, is amended to read:
 25 "67-10-103. Public purpose. (1) Any lands acquired,

1 owned, controlled, or occupied by any county, city, or town,
 2 individually or pursuant to joint action as herein provided
 3 for the purposes enumerated in 67-10-102, ~~shall and~~ are
 4 ~~hereby declared to be~~ acquired, owned, controlled, and
 5 occupied for a public use and as a matter of public
 6 necessity, and such counties, cities, and towns, whether
 7 acting individually or jointly, ~~shall~~ have the right to
 8 acquire property for such purposes under the power of
 9 eminent domain as and for a public use or necessity.

10 (2) The acquisition of any land or interest therein
 11 pursuant to this ~~[act]~~ chapter; the planning, acquisition,
 12 establishment, development, construction, improvement,
 13 maintenance, equipment, operation, regulation, protection,
 14 and policing of airports and air navigation facilities,
 15 including the acquisition or elimination of airport hazards;
 16 and the exercise of any other powers herein granted to
 17 municipalities and other public agencies, to be severally or
 18 jointly exercised, are ~~hereby declared to be~~ public and
 19 governmental functions, exercised for a public purpose and
 20 matters of public necessity and, in the case of any county,
 21 are ~~declared to be~~ county functions and purposes as well as
 22 public and governmental and, in the case of any municipality
 23 other than a county, are ~~declared to be~~ municipal functions
 24 and purposes as well as public and governmental. All land
 25 and other property and privileges acquired and used by or on

1 behalf of any municipality or other public agency in the
 2 manner and for the purposes enumerated in this ~~{ect}~~ chapter
 3 ~~shall--and~~ are hereby ~~declared to be~~ acquired and used for
 4 public and governmental purposes and as a matter of public
 5 necessity and, in the case of a county or municipality, for
 6 county or municipal purposes, respectively."

7 Section 4. Section 67-10-104, MCA, is amended to read:
 8 "67-10-104. Construction. This ~~{ect}~~ chapter shall be
 9 so interpreted and construed as to make uniform so far as
 10 possible the laws and regulations of this state and other
 11 states and of the government of the United States having to
 12 do with the subject of municipal airports."

13 Section 5. Section 67-10-201, MCA, is amended to read:
 14 "67-10-201. General municipal powers. (1) Every
 15 municipality ~~is authorized may~~, out of any appropriations or
 16 other moneys ~~money~~ made available for such purposes, to
 17 plan, establish, develop, construct, enlarge, improve,
 18 maintain, equip, operate, regulate, protect, and police
 19 airports and air navigation facilities, either within or
 20 without the territorial limits of such municipality and
 21 within or without the territorial boundaries of this state,
 22 including the construction, installation, equipment,
 23 maintenance, and operation at such airports of buildings and
 24 other facilities for the servicing of aircraft or for the
 25 comfort and accommodation of air travelers and the purchase

1 and sale of supplies, goods, and commodities as an incident
 2 to the operation of its airport properties. For such
 3 purposes the municipality may use any available property
 4 that it may now or hereafter own or control and may, by
 5 purchase, gift, devise, lease, eminent domain proceedings,
 6 or otherwise, acquire property, real or personal, or any
 7 interest therein, including easements, in airport hazards or
 8 land outside the boundaries of an airport or airport site,
 9 as is necessary to permit safe and efficient operation of
 10 the airport; to permit the removal, elimination,
 11 obstruction-marking, or obstruction-lighting of airport
 12 hazards; or to prevent the establishment of airport hazards.

13 (2) The municipality may, by purchase, gift, devise,
 14 lease, eminent domain proceedings, or otherwise, acquire
 15 existing airports and air navigation facilities, provided
 16 however it ~~shall may~~ not acquire or take over any airport or
 17 air navigation facility owned or controlled by another
 18 municipality or public agency of this or any other state
 19 without the consent of such municipality or public agency.

20 (3) For the purposes of this ~~{ect}~~ chapter, a
 21 municipality may establish or acquire and maintain, within
 22 or bordering upon the territorial limits of the
 23 municipality, airports in, over, and upon any public waters
 24 of this state, any submerged lands under such public waters
 25 and any artificial or reclaimed lands which before the

1 artificial making or reclamation thereof constituted a
2 portion of the submerged lands under such public waters, and
3 may construct and maintain terminal buildings, landing
4 floats, causeways, roadways, and bridges for approaches to
5 or connecting with any such airport, and landing floats and
6 breakwaters for the protection thereof.

7 (4) All air navigation facilities established or
8 operated by municipalities shall be supplementary to and
9 coordinated in design and operation with those established
10 and operated by the federal and state governments.

11 (5) A municipality may enter into any contracts
12 necessary to ~~for~~ the execution of the powers granted it and
13 for the purposes provided by this ~~act~~ chapter."

14 Section 6. Section 67-10-203, MCA, is amended to read:

15 "67-10-203. Mutual assistance. If any municipality
16 determines that the public interest and the interests of the
17 municipality will be served by assisting any other
18 municipality or municipalities in exercising the powers and
19 authority granted by this ~~act~~ chapter, such municipality
20 may furnish assistance by gift of real or personal property
21 or lease or loan thereof with or without charge or interest.
22 In appropriating such property or money and providing for
23 such assistance by taxation, the issuance of bonds, or other
24 means, the municipality may exercise all of its powers as
25 though used for its own direct purposes as provided in this

1 ~~act~~ chapter."

2 Section 7. Section 67-10-204, MCA, is amended to read:

3 "67-10-204. Joint exercise of powers. (1) For the
4 purposes of 67-10-204 through 67-10-206, unless otherwise
5 qualified, the term "public agency" includes municipality,
6 as defined in this title; any agency of the state government
7 and of the United States; and any municipality, political
8 subdivision, and agency of another state; and the term
9 "governing body" means the governing body of a county or
10 municipality and the head of the agency if the public agency
11 is other than a county or municipality.

12 (2) All powers, privileges, and authority granted to
13 any municipality by this ~~act~~ chapter may be exercised and
14 enjoyed jointly with any public agency of this state and
15 jointly with any public agency of any other state or of the
16 United States to the extent that the laws of such other
17 state or of the United States permit such joint exercise or
18 enjoyment. If not otherwise authorized by law, any agency of
19 the state government when acting jointly with any
20 municipality may exercise and enjoy all of the powers,
21 privileges, and authority conferred by this ~~act~~ chapter
22 upon a municipality.

23 (3) Any two or more public agencies may enter into
24 agreements with each other for joint action pursuant to the
25 provisions of 67-10-204 through 67-10-206. Concurrent action

1 by ordinance, resolution, or otherwise of the governing
 2 bodies of the participating public agencies ~~shall constitute~~
 3 constitutes joint action. Each such agreement shall specify
 4 its duration; the proportionate interest which each public
 5 agency ~~shall have~~ has in the property, facilities, and
 6 privileges involved; the proportion to be borne by each
 7 public agency of preliminary costs and costs of acquisition,
 8 establishment, construction, enlargement, improvement, and
 9 equipment of the airport or air navigation facility; the
 10 proportion of the expenses of maintenance, operation,
 11 regulation, and protection thereof to be borne by each; and
 12 such other terms as are required by the provisions of
 13 67-10-204 through 67-10-206. The agreement may also provide
 14 for amendments thereof and conditions and methods of
 15 termination of the agreement; the disposal of all or any of
 16 the property, facilities, and privileges jointly owned,
 17 prior to or upon said property, facilities, and privileges,
 18 or any part thereof, ceasing to be used for the purposes
 19 provided in this ~~act~~ chapter or upon termination of the
 20 agreement; the distribution of the proceeds received upon
 21 any such disposal and of any funds or other property jointly
 22 owned and undisposed of; the assumption or payment of any
 23 indebtedness arising from the joint venture which remains
 24 unpaid upon the disposal of all assets or upon a termination
 25 of the agreement; and such other provisions as may be

1 necessary or convenient."

2 Section 8. Section 67-10-207, MCA, is amended to read:
 3 "67-10-207. Supplementary powers. In addition to the
 4 general and special powers conferred by this ~~act~~ chapter,
 5 every municipality is authorized to exercise such powers as
 6 are necessarily incidental to the exercise of such general
 7 and special powers."

8 Section 9. Section 67-10-221, MCA, is amended to read:
 9 "67-10-221. Airport property -- acquisition by eminent
 10 domain. In the acquisition of property by eminent domain
 11 proceedings authorized by this ~~act~~ chapter, the
 12 municipality shall proceed in the manner provided by the
 13 laws governing eminent domain of the state of Montana. The
 14 municipality ~~shall~~ is not be precluded from abandoning such
 15 proceedings in any case where possession of the property has
 16 not been taken."

17 Section 10. Section 67-10-222, MCA, is amended to
 18 read:
 19 "67-10-222. Airport property -- disposal. Except as
 20 may be limited by the terms and conditions of any grant,
 21 loan, or agreement pursuant to 67-10-405, every municipality
 22 may by sale, lease, or otherwise dispose of any airport, air
 23 navigation facility, or other property or portion thereof or
 24 interest therein acquired pursuant to this ~~act~~ chapter.
 25 Such disposal by sale, lease, or otherwise shall be in

1 accordance with the laws of this state or provisions of the
 2 charter of the municipality governing the disposition of
 3 other property of the municipality or agency of the state or
 4 federal government for aeronautical purposes incident
 5 thereto. The sale, lease, or other disposal may be effected
 6 in such manner and upon such terms as the governing body of
 7 the municipality may deem consider in the best interest of
 8 the municipality."

9 Section 11. Section 67-10-231, MCA, is amended to
 10 read:

11 "67-10-231. No limitation on airport hazard zoning.
 12 Nothing contained in this ~~[ect]~~ chapter shall be construed
 13 to limit any right, power, or authority of a municipality to
 14 regulate airport hazards by zoning."

15 Section 12. Section 67-10-303, MCA, is amended to
 16 read:

17 "67-10-303. Delegation of authority. Any authority
 18 vested by this ~~[ect]~~ chapter in a municipality or in the
 19 governing body thereof for the planning, establishment,
 20 development, construction, enlargement, improvement,
 21 maintenance, equipment, operation, regulation, protection,
 22 and policing of airports or other air navigation facilities
 23 established, owned, or controlled or to be established,
 24 owned, or controlled by the municipality may be vested by
 25 resolution of the governing body of the municipality in an

1 officer or board or other municipal agency whose powers and
 2 duties ~~shall~~ must be prescribed in the resolution,
 3 provided,--however ~~However~~, that the expense of such
 4 planning, establishment, development, construction,
 5 enlargement, improvement, maintenance, equipment, operation,
 6 regulation, protection, and policing ~~shall~~--be is a
 7 responsibility of the municipality."

8 Section 13. Section 67-10-401, MCA, is amended to
 9 read:

10 "67-10-401. Appropriations -- taxation. The governing
 11 body of any municipality having power to appropriate and
 12 raise money is hereby authorized to appropriate, and to
 13 raise by taxation or otherwise, sufficient moneys ~~money~~
 14 carry out the provisions and purposes of this ~~[ect]~~ chapter,
 15 within the limitations prescribed by law."

16 Section 14. Section 67-10-402, MCA, is amended to
 17 read:

18 "67-10-402. Tax levy. lll For the purpose of
 19 establishing, constructing, equipping, maintaining, and
 20 operating airports and landing fields under the provisions
 21 of this ~~[ect]~~ chapter, the county commissioners or the city
 22 or town council may each year assess and levy, in addition
 23 to the annual levy for general administrative purposes or
 24 the all-purpose levy authorized by 7-6-4451 and 7-6-4452, a
 25 tax of not to exceed 2 mills on the dollar of taxable value

1 of the property of said county, city, or town.

2 (2) In the event of a jointly established airport or
3 landing field, the county commissioners and the council or
4 councils involved shall determine in advance the levy
5 necessary for such purposes and the proportion each
6 political subdivision joining in the venture shall ~~must~~
7 pay. ~~provided that no~~ (3) No property within any political
8 subdivision shall ~~may~~ be subject to a tax pursuant to this
9 section at an annual rate in excess of 2 mills. ~~Provided~~
10 ~~that~~ ~~if~~ ~~unless~~ it be ~~is~~ found that the levy hereby
11 authorized ~~will~~ ~~be~~ ~~is~~ insufficient for the purposes
12 enumerated. ~~In such a case~~ the commissioners and councils
13 acting are hereby authorized and empowered to contract an
14 indebtedness on behalf of such county, city, or town, as the
15 case may be, upon the credit thereof by borrowing money or
16 issuing bonds for such purposes, provided that no money may
17 be borrowed and no bonds may be issued for such purpose
18 until the proposition has been submitted to the qualified
19 electors and a majority vote ~~to be~~ cast therefor, except ~~as~~
20 provided in subsection (4), ~~that for~~

21 (4) For the purpose of establishing a reserve fund to
22 resurface, overlay, or improve existing runways, taxiways,
23 and ramps, ~~said the~~ governing bodies may set up annual
24 reserve funds in their annual budget. ~~if provided said~~

25 (a) ~~the~~ reserve is approved by the governing bodies

1 during the normal budgeting procedure. ~~Provided further~~
2 ~~that~~

3 (b) the necessity to resurface or improve said runways
4 by overlays or similar methods every so many years is based
5 upon competent engineering estimates. ~~and provided that~~
6 ~~said~~

7 (c) ~~the~~ funds are expended at least within each
8 10-year period.

9 ~~Said~~ (5) ~~The reserve~~ fund shall ~~may~~ not exceed at any
10 time a competent engineering estimate of the cost of
11 resurfacing or overlaying the existing runways, taxiways,
12 and ramps of any one airport for each ~~said~~ fund. The
13 governing body of ~~said the~~ airport, if in its judgment it
14 ~~deems~~ considers it advantageous, may invest the fund in any
15 interest-bearing deposits in a state or national bank
16 insured by the FDIC or obligations of the United States of
17 America, either short-term or long-term. Interest earned
18 from such investments shall ~~must~~ be credited to the
19 operations and maintenance budget of ~~said the~~ airport
20 governing body. The above provisions, notwithstanding other
21 budget control measures and due to the uniqueness of the
22 subject matter, are declared necessary in the interests of
23 the public health and safety."

24 Section 15. Section 67-10-404, MCA, is amended to
25 read:

1 "67-10-404. Airport revenues and sale proceeds. The
2 revenues obtained by a municipality from the ownership,
3 control, or operation of any airport or air navigation
4 facility, including proceeds from the sale of any airport or
5 portion thereof or air navigation facility property, ~~shall~~
6 must be deposited in a special fund to be designated the
7 ".... airport fund", which revenues ~~shall~~ must be
8 appropriated solely to, and used by the municipality for the
9 purposes authorized by this ~~[sect]~~ chapter."

10 Section 16. Section 67-10-405, MCA, is amended to
11 read:

12 "67-10-405. Federal and state moneys ~~money~~. (1) A
13 municipality may accept, receive, receipt for, disburse, and
14 spend federal and state moneys ~~money~~ and other moneys ~~money~~,
15 public or private, made available by grant or loan or both
16 to accomplish any of the purposes of this ~~[sect]~~ chapter. All
17 federal moneys ~~money~~ accepted under this section ~~shall~~ must
18 be accepted and spent by the municipality upon terms and
19 conditions prescribed by the United States and consistent
20 with state law. All state moneys ~~money~~ accepted under this
21 section ~~shall~~ must be accepted and spent by the municipality
22 upon terms and conditions prescribed by the state. Unless
23 otherwise prescribed by the agency from which the moneys
24 ~~money~~ were is received, the chief financial officer of the
25 municipality shall on its behalf deposit and keep all moneys

1 ~~money~~ received pursuant to this section in separate funds,
2 designated according to the purposes for which the moneys
3 were ~~money~~ is made available, in trust for those purposes.

4 (2) o application may be made by a municipality for
5 federal aid, as provided in this section, unless the
6 "project application", as defined in the Federal Airport Act
7 of 1946 and regulations of the administrator of civil
8 aeronautics, is first approved by the department.

9 (3) A municipality may, with the approval and consent
10 of the department, designate the department as its agent to
11 accept, receive, receipt for, and disburse federal and state
12 moneys ~~money~~ and other moneys ~~money~~, public or private, made
13 available by grant or loan or both to accomplish any of the
14 purposes of ~~[1-808 through 1-820]~~ this chapter. A
15 municipality may, with the consent of the department,
16 designate the department as its agent in contracting for and
17 supervising the planning, acquisition, development,
18 construction, improvement, or equipment of an airport or
19 other air navigation facility. All contracts made, let, or
20 awarded by the department acting as agent of a municipality
21 under this section ~~shall~~ must be made, let, or awarded
22 pursuant to the laws governing the making of contracts by or
23 on behalf of the state. The municipality may enter into an
24 agreement with the department providing for payment to the
25 department for services rendered as agent and prescribing

1 the terms and conditions of the agency, in accordance with
 2 terms and conditions prescribed by the United States, if
 3 federal money is involved and in accordance with applicable
 4 state law. All federal moneys ~~money~~ accepted under this
 5 section by the department ~~shall~~ **must** be accepted and
 6 transferred or spent by the department upon terms and
 7 conditions prescribed by the United States. All moneys ~~money~~
 8 received by the department under this subsection ~~shall~~ **must**
 9 be deposited in the state treasury and, unless otherwise
 10 prescribed by the agency from which the moneys ~~money~~ were ~~is~~
 11 received, ~~shall~~ **must** be kept in separate funds designated
 12 according to the purposes for which the moneys ~~money~~ were ~~is~~
 13 made available and held by the state in trust for those
 14 purposes."

15 Section 17. Section 67-10-406, MCA, is amended to
 16 read:

17 "67-10-406. Tax exemption. Any property in this state
 18 acquired by a municipality for airport purposes pursuant to
 19 the provisions of this ~~part~~ ~~chapter~~ and any income derived
 20 by such municipality from the ownership, operation, or
 21 control thereof ~~shall be~~ ~~is~~ exempt from taxation to the same
 22 extent as other property used for public purposes. Any
 23 municipality is authorized to exempt from municipal taxation
 24 any property acquired within its boundaries by a public
 25 agency of another state for airport purposes and any income

1 derived from such property to the extent that such other
 2 states authorize similar exemptions from taxation to
 3 municipalities of this state."

4 Section 18. Section 67-11-211, MCA, is amended to
 5 read:

6 "67-11-211. Granting of operation and use privileges.
 7 (1) In connection with the operation of an airport or air
 8 navigation facility owned or controlled by an authority, the
 9 authority may enter into contracts, leases, and other
 10 arrangements for terms not to exceed 30 years with any
 11 persons:

12 (a) granting the privilege of using or improving the
 13 airport or air navigation facility or any portion or
 14 facility thereof or space therein for commercial purposes;

15 (b) conferring the privilege of supplying goods,
 16 commodities, things, services, or facilities at the airport
 17 or air navigation facility; and

18 (c) making available services to be furnished by the
 19 authority or its agents at the airport or air navigation
 20 facility.

21 (2) In each case the authority may establish the terms
 22 and conditions and fix the charges, rentals, or fees for the
 23 privileges or services, which ~~shall~~ **must** be reasonable and
 24 uniform for the same class of privilege or service and ~~shall~~
 25 **must** be established with due regard to the property and

1 improvements used and the expenses of operation to the
2 authority; provided that in no case shall ~~may~~ the public be
3 deprived of its rightful, equal, and uniform use of the
4 airport, air navigation facility, or portion of facility
5 thereof.

6 (3) Except as may be limited by the terms and
7 conditions of any grant, loan, or agreement authorized by
8 ~~67-11-185 67-11-305~~, an authority may by contract, lease, or
9 other ~~arrangements~~ ~~arrangement~~, upon a consideration fixed
10 by it, grant to any qualified person for a term not to
11 exceed 30 years the privilege of operating, as agent of the
12 authority or otherwise, any airport owned or controlled by
13 the authority; provided that no person shall ~~may~~ be granted
14 any authority to operate an airport other than as a public
15 airport or to enter into any contracts, leases, or other
16 arrangements in connection with the operation of the airport
17 which the authority might not have undertaken under
18 subsections (1) and (2) of this section."

19 Section 19. Section 67-11-303, MCA, is amended to
20 read:

21 "67-11-303. Bonds and obligations. (1) An authority
22 may borrow money for any of its corporate purposes and issue
23 its bonds therefor, including refunding bonds, in such form
24 and upon such terms as it may determine, payable out of any
25 revenues of the authority, including revenues derived from:

- 1 (a) an airport or air navigation facility or
- 2 facilities;
- 3 (b) taxes levied pursuant to 67-11-301 or other law
- 4 for airport purposes;
- 5 (c) grants or contributions from the federal
- 6 government; or
- 7 (d) other sources.

8 (2) The bonds may be issued by resolution of the
9 authority, without an election and without any limitation of
10 amount, except that no such bonds may be issued at any time
11 if the total amount of principal and interest to become due
12 in any year on such bonds and on any then outstanding bonds
13 for which revenues from the same source or sources are
14 pledged exceeds the amount of such revenues to be received
15 in that year as estimated in the resolution authorizing the
16 issuance of the bonds. The authority shall take all action
17 necessary and possible to impose, maintain, and collect
18 rates, charges, rentals, and taxes, if any are pledged,
19 sufficient to make the revenues from the pledged source in
20 such year at least equal to the amount of such principal and
21 interest due in that year.

22 (3) The bonds may be sold at public or private sale
23 and may bear interest at a rate not exceeding 10% a year.
24 Except as otherwise provided herein, any bonds issued
25 pursuant to this chapter by an authority may be payable as

1 to principal and interest solely from revenues of the
2 authority and shall state on their face the applicable
3 limitations or restrictions regarding the source from which
4 such principal and interest are payable.

5 (4) Bonds issued by an authority or municipality
6 pursuant to the provisions of this chapter are declared to
7 be issued for an essential public and governmental purpose
8 by a political subdivision within the meaning of
9 15-30-111(2)(a).

10 (5) For the security of any such bonds, the authority
11 or municipality may by resolution make and enter into any
12 covenant, agreement, or indenture and may exercise any
13 additional powers authorized to be exercised by a
14 municipality under Title 7, chapter 7, parts 44 and 45. The
15 sums required from time to time to pay principal and
16 interest and to create and maintain a reserve for the bonds
17 may be paid from any revenues referred to in this chapter,
18 prior to the payment of current costs of operation and
19 maintenance of the facilities.

20 (6) Subject to the conditions stated in this
21 subsection (6), the governing body of any municipality
22 having a population in excess of 10,000, with respect to
23 bonds issued pursuant to this chapter by the municipality or
24 by an authority in which the municipality is included, may
25 by resolution covenant that in the event that at any time

1 all revenues, including taxes, appropriated and collected
2 for such bonds are insufficient to pay principal or interest
3 then due, it will levy a general tax upon all of the taxable
4 property in the municipality for the payment of such
5 deficiency; and may further covenant that at any time a
6 deficiency is likely to occur within 1 year for the payment
7 of principal and interest due on such bonds, it will levy a
8 general tax upon all the taxable property in the
9 municipality for the payment of such deficiency, and such
10 taxes are not subject to any limitation of rate or amount
11 applicable to other municipal taxes but shall be ~~are~~ limited
12 to a rate estimated to be sufficient to produce the amount
13 of the deficiency. In the event more than one municipality
14 having a population in excess of 10,000 is included in an
15 authority issuing bonds pursuant to this chapter, the
16 municipalities may apportion the obligation to levy taxes
17 for the payment of, or in anticipation of, a deficiency in
18 the revenues appropriated for such bonds in such manner as
19 the municipalities may determine. The resolution shall state
20 the principal amount and purpose of the bonds and the
21 substance of the covenant respecting deficiencies. No such
22 resolution becomes effective until the question of its
23 approval has been submitted to the qualified electors of the
24 municipality at a special election called for that purpose
25 by the governing body of the municipality and a majority of

1 the electors voting on the question have voted in favor
2 thereof. The notice and conduct of the election ~~shall be~~ is
3 governed, to the extent applicable, by 7-7-4227 through
4 ~~7-7-4232~~ 7-7-4234 for an election called by cities and
5 towns, and 7-7-2229 through ~~7-7-2234~~ 7-7-2236 for an
6 election called by counties. If a majority of the electors
7 voting thereon vote against approval of the resolution, the
8 municipality has no authority to make the covenant or to
9 levy a tax for the payment of deficiencies pursuant to this
10 section, but such municipality or authority may nevertheless
11 issue bonds under this chapter payable solely from the
12 sources referred to in subsection (1) above."

-End-

1 SENATE BILL NO. 119
 2 INTRODUCED BY GOODOVER
 3 BY REQUEST OF THE CODE COMMISSIONER
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
 6 CLARIFY THE LAWS RELATING TO AERONAUTICS; AMENDING SECTIONS
 7 67-1-105, 67-10-101, 67-10-103, 67-10-104, 67-10-201,
 8 67-10-203, 67-10-204, 67-10-207, 67-10-221, 67-10-222,
 9 67-10-231, 67-10-303, 67-10-401, 67-10-402, 67-10-404
 10 THROUGH 67-10-406, 67-11-211, AND 67-11-303, MCA."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 67-1-105, MCA, is amended to read:
 13 "67-1-105. Penalties. Any Unless otherwise provided,
 14 any person violating any of the provisions of ~~[this act]~~
 15 ~~chapters 1 through 3~~ or any of the rules or orders issued
 16 pursuant thereto ~~shall be~~ is guilty of a misdemeanor and
 17 punishable by a fine of not more than \$500 or by
 18 imprisonment in a county jail for not more than 90 days, or
 19 both."
 20

21 Section 2. Section 67-10-101, MCA, is amended to read:
 22 "67-10-101. Short title. This ~~act~~ chapter may be
 23 cited as the "Municipal Airports Act"."

24 Section 3. Section 67-10-103, MCA, is amended to read:
 25 "67-10-103. Public purpose. (1) Any lands acquired,

1 owned, controlled, or occupied by any county, city, or town,
 2 individually or pursuant to joint action as herein provided
 3 for the purposes enumerated in 67-10-102, ~~shall~~ and are
 4 ~~hereby declared to be~~ acquired, owned, controlled, and
 5 occupied for a public use and as a matter of public
 6 necessity, and such counties, cities, and towns, whether
 7 acting individually or jointly, ~~shall~~ have the right to
 8 acquire property for such purposes under the power of
 9 eminent domain as and for a public use or necessity.

10 (2) The acquisition of any land or interest therein
 11 pursuant to this ~~act~~ chapter; the planning, acquisition,
 12 establishment, development, construction, improvement,
 13 maintenance, equipment, operation, regulation, protection,
 14 and policing of airports and air navigation facilities,
 15 including the acquisition or elimination of airport hazards;
 16 and the exercise of any other powers herein granted to
 17 municipalities and other public agencies, to be severally or
 18 jointly exercised, are ~~hereby declared to be~~ public and
 19 governmental functions, exercised for a public purpose and
 20 matters of public necessity and, in the case of any county,
 21 are ~~declared to be~~ county functions and purposes as well as
 22 public and governmental and, in the case of any municipality
 23 other than a county, are ~~declared to be~~ municipal functions
 24 and purposes as well as public and governmental. All land
 25 and other property and privileges acquired and used by or on

1 behalf of any municipality or other public agency in the
 2 manner and for the purposes enumerated in this ~~[act]~~ ~~chapter~~
 3 ~~shall--and~~ are hereby ~~declared-to-be~~ acquired and used for
 4 public and governmental purposes and as a matter of public
 5 necessity and, in the case of a county or municipality, for
 6 county or municipal purposes, respectively."

7 Section 4. Section 67-10-104, MCA, is amended to read:

8 "67-10-104. Construction. This ~~[act]~~ ~~chapter~~ shall be
 9 so interpreted and construed as to make uniform so far as
 10 possible the laws and regulations of this state and other
 11 states and of the government of the United States having to
 12 do with the subject of municipal airports."

13 Section 5. Section 67-10-201, MCA, is amended to read:

14 "67-10-201. General municipal powers. (1) Every
 15 municipality ~~is-authorized~~ ~~may~~, out of any appropriations or
 16 other ~~moneys~~ ~~money~~ made available for such purposes, to
 17 plan, establish, develop, construct, enlarge, improve,
 18 maintain, equip, operate, regulate, protect, and police
 19 airports and air navigation facilities, either within or
 20 without the territorial limits of such municipality and
 21 within or without the territorial boundaries of this state,
 22 including the construction, installation, equipment,
 23 maintenance, and operation at such airports of buildings and
 24 other facilities for the servicing of aircraft or for the
 25 comfort and accommodation of air travelers and the purchase

1 and sale of supplies, goods, and commodities as an incident
 2 to the operation of its airport properties. For such
 3 purposes the municipality may use any available property
 4 that it may now or hereafter own or control and may, by
 5 purchase, gift, devise, lease, eminent domain proceedings,
 6 or otherwise, acquire property, real or personal, or any
 7 interest therein, including easements, in airport hazards or
 8 land outside the boundaries of an airport or airport site,
 9 as is necessary to permit safe and efficient operation of
 10 the airport; to permit the removal, elimination,
 11 obstruction-marking, or obstruction-lighting of airport
 12 hazards; or to prevent the establishment of airport hazards.

13 (2) The municipality may, by purchase, gift, devise,
 14 lease, eminent domain proceedings, or otherwise, acquire
 15 existing airports and air navigation facilities, provided
 16 however it ~~shall~~ ~~may~~ not acquire or take over any airport or
 17 air navigation facility owned or controlled by another
 18 municipality or public agency of this or any other state
 19 without the consent of such municipality or public agency.

20 (3) For the purposes of this ~~[act]~~ ~~chapter~~, a
 21 municipality may establish or acquire and maintain, within
 22 or bordering upon the territorial limits of the
 23 municipality, airports in, over, and upon any public waters
 24 of this state, any submerged lands under such public waters
 25 and any artificial or reclaimed lands which before the

1 artificial making or reclamation thereof constituted a
 2 portion of the submerged lands under such public waters, and
 3 may construct and maintain terminal buildings, landing
 4 floats, causeways, roadways, and bridges for approaches to
 5 or connecting with any such airport, and landing floats and
 6 breakwaters for the protection thereof.

7 (4) All air navigation facilities established or
 8 operated by municipalities shall be supplementary to and
 9 coordinated in design and operation with those established
 10 and operated by the federal and state governments.

11 (5) A municipality may enter into any contracts
 12 necessary to for the execution of the powers granted it and
 13 for the purposes provided by this ~~act~~ chapter."

14 Section 6. Section 67-10-203, MCA, is amended to read:

15 "67-10-203. Mutual assistance. If any municipality
 16 determines that the public interest and the interests of the
 17 municipality will be served by assisting any other
 18 municipality or municipalities in exercising the powers and
 19 authority granted by this ~~act~~ chapter, such municipality
 20 may furnish assistance by gift of real or personal property
 21 or lease or loan thereof with or without charge or interest.
 22 In appropriating such property or money and providing for
 23 such assistance by taxation, the issuance of bonds, or other
 24 means, the municipality may exercise all of its powers as
 25 though used for its own direct purposes as provided in this

1 ~~act~~ chapter."

2 Section 7. Section 67-10-204, MCA, is amended to read:

3 "67-10-204. Joint exercise of powers. (1) For the
 4 purposes of 67-10-204 through 67-10-206, unless otherwise
 5 qualified, the term "public agency" includes municipality,
 6 as defined in this title; any agency of the state government
 7 and of the United States; and any municipality, political
 8 subdivision, and agency of another state; and the term
 9 "governing body" means the governing body of a county or
 10 municipality and the head of the agency if the public agency
 11 is other than a county or municipality.

12 (2) All powers, privileges, and authority granted to
 13 any municipality by this ~~act~~ chapter may be exercised and
 14 enjoyed jointly with any public agency of this state and
 15 jointly with any public agency of any other state or of the
 16 United States to the extent that the laws of such other
 17 state or of the United States permit such joint exercise or
 18 enjoyment. If not otherwise authorized by law, any agency of
 19 the state government when acting jointly with any
 20 municipality may exercise and enjoy all of the powers,
 21 privileges, and authority conferred by this ~~act~~ chapter
 22 upon a municipality.

23 (3) Any two or more public agencies may enter into
 24 agreements with each other for joint action pursuant to the
 25 provisions of 67-10-204 through 67-10-206. Concurrent action

1 by ordinance, resolution, or otherwise of the governing
 2 bodies of the participating public agencies ~~shall constitute~~
 3 ~~constitutes~~ joint action. Each such agreement shall specify
 4 its duration; the proportionate interest which each public
 5 agency ~~shall have~~ ~~has~~ in the property, facilities, and
 6 privileges involved; the proportion to be borne by each
 7 public agency of preliminary costs and costs of acquisition,
 8 establishment, construction, enlargement, improvement, and
 9 equipment of the airport or air navigation facility; the
 10 proportion of the expenses of maintenance, operation,
 11 regulation, and protection thereof to be borne by each; and
 12 such other terms as are required by the provisions of
 13 67-10-204 through 67-10-206. The agreement may also provide
 14 for amendments thereof and conditions and methods of
 15 termination of the agreement; the disposal of all or any of
 16 the property, facilities, and privileges jointly owned,
 17 prior to or upon said property, facilities, and privileges,
 18 or any part thereof, ceasing to be used for the purposes
 19 provided in this ~~[act] chapter~~ or upon termination of the
 20 agreement; the distribution of the proceeds received upon
 21 any such disposal and of any funds or other property jointly
 22 owned and undisposed of; the assumption or payment of any
 23 indebtedness arising from the joint venture which remains
 24 unpaid upon the disposal of all assets or upon a termination
 25 of the agreement; and such other provisions as may be

1 necessary or convenient."

2 Section 8. Section 67-10-207, MCA, is amended to read:
 3 "67-10-207. Supplementary powers. In addition to the
 4 general and special powers conferred by this ~~[act]~~ ~~chapter~~,
 5 every municipality is authorized to exercise such powers as
 6 are necessarily incidental to the exercise of such general
 7 and special powers."

8 Section 9. Section 67-10-221, MCA, is amended to read:
 9 "67-10-221. Airport property -- acquisition by eminent
 10 domain. In the acquisition of property by eminent domain
 11 proceedings authorized by this ~~[act]~~ ~~chapter~~, the
 12 municipality shall proceed in the manner provided by the
 13 laws governing eminent domain of the state of Montana. The
 14 municipality ~~shall~~ ~~is~~ not be precluded from abandoning such
 15 proceedings in any case where possession of the property has
 16 not been taken."

17 Section 10. Section 67-10-222, MCA, is amended to
 18 read:

19 "67-10-222. Airport property -- disposal. Except as
 20 may be limited by the terms and conditions of any grant,
 21 loan, or agreement pursuant to 67-10-405, every municipality
 22 may by sale, lease, or otherwise dispose of any airport, air
 23 navigation facility, or other property or portion thereof or
 24 interest therein acquired pursuant to this ~~[act]~~ ~~chapter~~.
 25 Such disposal by sale, lease, or otherwise shall be in

1 accordance with the laws of this state or provisions of the
 2 charter of the municipality governing the disposition of
 3 other property of the municipality or agency of the state or
 4 federal government for aeronautical purposes incident
 5 thereto. The sale, lease, or other disposal may be effected
 6 in such manner and upon such terms as the governing body of
 7 the municipality may deem consider in the best interest of
 8 the municipality."

9 Section 11. Section 67-10-231, MCA, is amended to
 10 read:

11 "67-10-231. No limitation on airport hazard zoning.
 12 Nothing contained in this ~~act~~ chapter shall be construed
 13 to limit any right, power, or authority of a municipality to
 14 regulate airport hazards by zoning."

15 Section 12. Section 67-10-303, MCA, is amended to
 16 read:

17 "67-10-303. Delegation of authority. Any authority
 18 vested by this ~~act~~ chapter in a municipality or in the
 19 governing body thereof for the planning, establishment,
 20 development, construction, enlargement, improvement,
 21 maintenance, equipment, operation, regulation, protection,
 22 and policing of airports or other air navigation facilities
 23 established, owned, or controlled or to be established,
 24 owned, or controlled by the municipality may be vested by
 25 resolution of the governing body of the municipality in an

1 officer or board or other municipal agency whose powers and
 2 duties shall ~~must~~ be prescribed in the resolution,
 3 provided,--however ~~however~~, that the expense of such
 4 planning, establishment, development, construction,
 5 enlargement, improvement, maintenance, equipment, operation,
 6 regulation, protection, and policing shall---be is a
 7 responsibility of the municipality."

8 Section 13. Section 67-10-401, MCA, is amended to
 9 read:

10 "67-10-401. Appropriations -- taxation. The governing
 11 body of any municipality having power to appropriate and
 12 raise money is hereby authorized to appropriate, and to
 13 raise by taxation or otherwise, sufficient ~~moneys~~ money to
 14 carry out the provisions and purposes of this ~~act~~ chapter,
 15 within the limitations prescribed by law."

16 Section 14. Section 67-10-402, MCA, is amended to
 17 read:

18 "67-10-402. Tax levy. ~~11~~ For the purpose of
 19 establishing, constructing, equipping, maintaining, and
 20 operating airports and landing fields under the provisions
 21 of this ~~act~~ chapter, the county commissioners or the city
 22 or town council may each year assess and levy, in addition
 23 to the annual levy for general administrative purposes or
 24 the all-purpose levy authorized by 7-6-4451 and 7-6-4452, a
 25 tax of not to exceed 2 mills on the dollar of taxable value

1 of the property of said county, city, or town.

2 121 In the event of a jointly established airport or
 3 landing field, the county commissioners and the council or
 4 councils involved shall determine in advance the levy
 5 necessary for such purposes and the proportion each
 6 political subdivision joining in the venture shall ~~must~~
 7 pay, ~~provided that no 131~~ No property within any political
 8 subdivision shall ~~may~~ be subject to a tax pursuant to this
 9 section at an annual rate in excess of 2 mills. ~~Provided~~
 10 that ~~if unless~~ it be ~~is~~ found that the levy hereby
 11 authorized ~~will be~~ ~~is~~ insufficient for the purposes
 12 enumerated, In such a case the commissioners and councils
 13 acting are hereby authorized and empowered to contract an
 14 indebtedness on behalf of such county, city, or town, as the
 15 case may be, upon the credit thereof by borrowing money or
 16 issuing bonds for such purposes, provided that no money may
 17 be borrowed and no bonds may be issued for such purpose
 18 until the proposition has been submitted to the qualified
 19 electors and a majority vote ~~to be~~ cast therefor, except ~~as~~
 20 provided in subsection 131, ~~that for~~

21 131 For the purpose of establishing a reserve fund to
 22 resurface, overlay, or improve existing runways, taxiways,
 23 and ramps, ~~said the~~ governing bodies may set up annual
 24 reserve funds in their annual budget ~~if provided said~~

25 1a1 ~~the~~ reserve is approved by the governing bodies

1 during the normal budgeting procedure. ~~Provided further~~
 2 that

3 1b1 the necessity to resurface or improve said runways
 4 by overlays or similar methods every so many years is based
 5 upon competent engineering estimates, ~~and provided that~~
 6 ~~said~~

7 1c1 the funds are expended at least within each
 8 10-year period.

9 Said 131 ~~The reserve~~ fund shall ~~may~~ not exceed at any
 10 time a competent engineering estimate of the cost of
 11 resurfacing or overlaying the existing runways, taxiways,
 12 and ramps of any one airport for each ~~said~~ fund. The
 13 governing body of ~~said the~~ airport, if in its judgment it
 14 ~~deems~~ considers it advantageous, may invest the fund in any
 15 interest-bearing deposits in a state or national bank
 16 insured by the FDIC or obligations of the United States of
 17 America, either short-term or long-term. Interest earned
 18 from such investments shall ~~must~~ be credited to the
 19 operations and maintenance budget of ~~said the~~ airport
 20 governing body. The above provisions, notwithstanding other
 21 budget control measures and due to the uniqueness of the
 22 subject matter, are declared necessary in the interests of
 23 the public health and safety."

24 Section 15. Section 67-10-404, MCA, is amended to
 25 read:

1 "67-10-404. Airport revenues and sale proceeds. The
 2 revenues obtained by a municipality from the ownership,
 3 control, or operation of any airport or air navigation
 4 facility, including proceeds from the sale of any airport or
 5 portion thereof or air navigation facility property, shall
 6 must be deposited in a special fund to be designated the
 7 ".... airport fund", which revenues shall must be
 8 appropriated solely to, and used by the municipality for the
 9 purposes authorized by this [sect] chapter."

10 Section 16. Section 67-10-405, MCA, is amended to
 11 read:

12 "67-10-405. Federal and state moneys money. (1) A
 13 municipality may accept, receive, receipt for, disburse, and
 14 spend federal and state moneys money and other moneys money,
 15 public or private, made available by grant or loan or both
 16 to accomplish any of the purposes of this [sect] chapter. All
 17 federal moneys money accepted under this section shall must
 18 be accepted and spent by the municipality upon terms and
 19 conditions prescribed by the United States and consistent
 20 with state law. All state moneys money accepted under this
 21 section shall must be accepted and spent by the municipality
 22 upon terms and conditions prescribed by the state. Unless
 23 otherwise prescribed by the agency from which the moneys
 24 money were is received, the chief financial officer of the
 25 municipality shall on its behalf deposit and keep all moneys

1 money received pursuant to this section in separate funds,
 2 designated according to the purposes for which the moneys
 3 were money is made available, in trust for those purposes.

4 (2) No application may be made by a municipality for
 5 federal aid, as provided in this section, unless the
 6 "project application", as defined in the Federal Airport Act
 7 of 1946 and regulations of the administrator of civil
 8 aeronautics, is first approved by the department.

9 (3) A municipality may, with the approval and consent
 10 of the department, designate the department as its agent to
 11 accept, receive, receipt for, and disburse federal and state
 12 moneys money and other moneys money, public or private, made
 13 available by grant or loan or both to accomplish any of the
 14 purposes of [1-800--through---1-820] this chapter. A
 15 municipality may, with the consent of the department,
 16 designate the department as its agent in contracting for and
 17 supervising the planning, acquisition, development,
 18 construction, improvement, or equipment of an airport or
 19 other air navigation facility. All contracts made, let, or
 20 awarded by the department acting as agent of a municipality
 21 under this section shall must be made, let, or awarded
 22 pursuant to the laws governing the making of contracts by or
 23 on behalf of the state. The municipality may enter into an
 24 agreement with the department providing for payment to the
 25 department for services rendered as agent and prescribing

1 the terms and conditions of the agency, in accordance with
 2 terms and conditions prescribed by the United States, if
 3 federal money is involved and in accordance with applicable
 4 state law. All federal moneys ~~money~~ accepted under this
 5 section by the department shall ~~must~~ be accepted and
 6 transferred or spent by the department upon terms and
 7 conditions prescribed by the United States. All moneys ~~money~~
 8 received by the department under this subsection shall ~~must~~
 9 be deposited in the state treasury and, unless otherwise
 10 prescribed by the agency from which the moneys ~~money~~ were ~~is~~
 11 received, shall ~~must~~ be kept in separate funds designated
 12 according to the purposes for which the moneys ~~money~~ were ~~is~~
 13 made available and held by the state in trust for those
 14 purposes."

15 Section 17. Section 67-10-406, MCA, is amended to
 16 read:

17 "67-10-406. Tax exemption. Any property in this state
 18 acquired by a municipality for airport purposes pursuant to
 19 the provisions of this ~~[act]~~ chapter and any income derived
 20 by such municipality from the ownership, operation, or
 21 control thereof shall ~~be~~ ~~is~~ exempt from taxation to the same
 22 extent as other property used for public purposes. Any
 23 municipality is authorized to exempt from municipal taxation
 24 any property acquired within its boundaries by a public
 25 agency of another state for airport purposes and any income

1 derived from such property to the extent that such other
 2 states authorize similar exemptions from taxation to
 3 municipalities of this state."

4 Section 18. Section 67-11-211, MCA, is amended to
 5 read:

6 "67-11-211. Granting of operation and use privileges.
 7 (1) In connection with the operation of an airport or air
 8 navigation facility owned or controlled by an authority, the
 9 authority may enter into contracts, leases, and other
 10 arrangements for terms not to exceed 30 years with any
 11 persons:

12 (a) granting the privilege of using or improving the
 13 airport or air navigation facility or any portion or
 14 facility thereof or space therein for commercial purposes;

15 (b) conferring the privilege of supplying goods,
 16 commodities, things, services, or facilities at the airport
 17 or air navigation facility; and

18 (c) making available services to be furnished by the
 19 authority or its agents at the airport or air navigation
 20 facility.

21 (2) In each case the authority may establish the terms
 22 and conditions and fix the charges, rentals, or fees for the
 23 privileges or services, which shall ~~must~~ be reasonable and
 24 uniform for the same class of privilege or service and shall
 25 ~~must~~ be established with due regard to the property and

1 improvements used and the expenses of operation to the
2 authority; provided that in no case shall ~~may~~ the public be
3 deprived of its rightful, equal, and uniform use of the
4 airport, air navigation facility, or portion of facility
5 thereof.

6 (3) Except as may be limited by the terms and
7 conditions of any grant, loan, or agreement authorized by
8 ~~67-11-105 67-11-305~~, an authority may by contract, lease, or
9 other arrangements ~~arrangement~~, upon a consideration fixed
10 by it, grant to any qualified person for a term not to
11 exceed 30 years the privilege of operating, as agent of the
12 authority or otherwise, any airport owned or controlled by
13 the authority; provided that no person shall ~~may~~ be granted
14 any authority to operate an airport other than as a public
15 airport or to enter into any contracts, leases, or other
16 arrangements in connection with the operation of the airport
17 which the authority might not have undertaken under
18 subsections (1) and (2) of this section."

19 Section 19. Section 67-11-303, MCA, is amended to
20 read:

21 "67-11-303. Bonds and obligations. (1) An authority
22 may borrow money for any of its corporate purposes and issue
23 its bonds therefor, including refunding bonds, in such form
24 and upon such terms as it may determine, payable out of any
25 revenues of the authority, including revenues derived from:

1 (a) an airport or air navigation facility or
2 facilities;

3 (b) taxes levied pursuant to 67-11-301 or other law
4 for airport purposes;

5 (c) grants or contributions from the federal
6 government; or

7 (d) other sources.

8 (2) The bonds may be issued by resolution of the
9 authority, without an election and without any limitation of
10 amount, except that no such bonds may be issued at any time
11 if the total amount of principal and interest to become due
12 in any year on such bonds and on any then outstanding bonds
13 for which revenues from the same source or sources are
14 pledged exceeds the amount of such revenues to be received
15 in that year as estimated in the resolution authorizing the
16 issuance of the bonds. The authority shall take all action
17 necessary and possible to impose, maintain, and collect
18 rates, charges, rentals, and taxes, if any are pledged,
19 sufficient to make the revenues from the pledged source in
20 such year at least equal to the amount of such principal and
21 interest due in that year.

22 (3) The bonds may be sold at public or private sale
23 and may bear interest at a rate not exceeding 10% a year.
24 Except as otherwise provided herein, any bonds issued
25 pursuant to this chapter by an authority may be payable as

1 to principal and interest solely from revenues of the
2 authority and shall state on their face the applicable
3 limitations or restrictions regarding the source from which
4 such principal and interest are payable.

5 (4) Bonds issued by an authority or municipality
6 pursuant to the provisions of this chapter are declared to
7 be issued for an essential public and governmental purpose
8 by a political subdivision within the meaning of
9 15-30-111(2)(a).

10 (5) For the security of any such bonds, the authority
11 or municipality may by resolution make and enter into any
12 covenant, agreement, or indenture and may exercise any
13 additional powers authorized to be exercised by a
14 municipality under Title 7, chapter 7, parts 44 and 45. The
15 sums required from time to time to pay principal and
16 interest and to create and maintain a reserve for the bonds
17 may be paid from any revenues referred to in this chapter,
18 prior to the payment of current costs of operation and
19 maintenance of the facilities.

20 (6) Subject to the conditions stated in this
21 subsection (6), the governing body of any municipality
22 having a population in excess of 10,000, with respect to
23 bonds issued pursuant to this chapter by the municipality or
24 by an authority in which the municipality is included, may
25 by resolution covenant that in the event that at any time

1 all revenues, including taxes, appropriated and collected
2 for such bonds are insufficient to pay principal or interest
3 then due, it will levy a general tax upon all of the taxable
4 property in the municipality for the payment of such
5 deficiency; and may further covenant that at any time a
6 deficiency is likely to occur within 1 year for the payment
7 of principal and interest due on such bonds, it will levy a
8 general tax upon all the taxable property in the
9 municipality for the payment of such deficiency, and such
10 taxes are not subject to any limitation of rate or amount
11 applicable to other municipal taxes but shall be ~~are~~ limited
12 to a rate estimated to be sufficient to produce the amount
13 of the deficiency. In the event more than one municipality
14 having a population in excess of 10,000 is included in an
15 authority issuing bonds pursuant to this chapter, the
16 municipalities may apportion the obligation to levy taxes
17 for the payment of, or in anticipation of, a deficiency in
18 the revenues appropriated for such bonds in such manner as
19 the municipalities may determine. The resolution shall state
20 the principal amount and purpose of the bonds and the
21 substance of the covenant respecting deficiencies. No such
22 resolution becomes effective until the question of its
23 approval has been submitted to the qualified electors of the
24 municipality at a special election called for that purpose
25 by the governing body of the municipality and a majority of

1 the electors voting on the question have voted in favor
2 thereof. The notice and conduct of the election shall be is
3 governed, to the extent applicable, by 7-7-4227 through
4 7-7-4232 I-I-4234 for an election called by cities and
5 towns, and 7-7-2229 through 7-7-2234 I-I-2236 for an
6 election called by counties. If a majority of the electors
7 voting thereon vote against approval of the resolution, the
8 municipality has no authority to make the covenant or to
9 levy a tax for the payment of deficiencies pursuant to this
10 section, but such municipality or authority may nevertheless
11 issue bonds under this chapter payable solely from the
12 sources referred to in subsection (1) above."

-End-