

RECONSTITUTE AIRPORT AUTHORITY BOARD

**House Bill 5043 as introduced
First Analysis (12-2-97)**

**Sponsor: Rep. Lynne Martinez
Committee: Transportation**

THE APPARENT PROBLEM:

Under the Airport Authorities Act, a county and city can join together to operate an airport. The act has been in effect since 1970, and was used to charter one authority--the Capitol City Airport Authority--so that the then new authority might own and operate a public airport that ensures access to a state-owned airport facility. (To that end, the act authorized the State Administrative Board to transfer land and improvements, a terminal and other buildings, but reserved for state ownership and occupancy a portion of land whose description is included in the act.)

According to the act, the board of an airport authority is constituted by three members from each city having a population of over 100,000; two members from the balance of each county in which that city is located; and two members from each other county that constitutes the authority. In densely populated areas, then, the city has more votes (three) to decide board policy than does the metropolitan county (two). In the instance where one city and one county have joined to create a five-member authority (as is the case with the Capitol City Airport Authority where the City of Lansing and the County of Ingham form the local partnership) the local government representing most of the people, in this instance the county, has less voice in the policy making and operation of the authority.

Under the act, an airport authority's annual revenue and expense budget (calculated for a July 1 through June 30 fiscal year) is determined by its representative members. Following budget development, the authority board ascertains what appropriations will be necessary from the several counties to meet their respective shares. The authority board certifies to each county the amount to be raised by them, and then the counties are obliged to include that certified amount in their ensuing budget. To meet these financial obligations, a county is authorized to levy a tax that cannot exceed 3/4 mill on each dollar of assessed valuation as last equalized by the state.

In the present instance, one county (Ingham) bears the burden of raising revenue for the airport authority using its power to levy the property tax. And yet in this

county where the majority of residents live outside the City of Lansing, the county government could be out-voted by its partner, the largest city.

THE CONTENT OF THE BILL:

House Bill 5043 would amend the Airport Authority Act to require that airport authorities have three members from the balance of each county having a city with a population over 100,000, instead of two.

Current law requires that airport authorities be directed and governed by an airport authority board. The authority has a board representing units of government spanning its jurisdiction, specifically comprising three members from each city of more than 100,000 population (appointed by the mayor with the advice and consent of the city council); two members from the balance of each county having a city with a population of 100,000 or more (appointed by a majority of the county board of commissioners); and, two members from each other county constituting the authority (appointed by their respective legislative bodies). All board members must be electors in their respective appointing city or county. House Bill 5043 would increase from two to three the number of representatives from a county in which a city was located, and in doing so make equal the city and county representation.

MCL 259.802

BACKGROUND INFORMATION:

There are ten other airport authorities operating within the state. However, these are created under the Community Airports Act (MCL 259.621). At present in Michigan, then, there are 11 airports owned by airport authorities, located at: Harbor Springs, South Haven, Flint, Empire, Frankfort, Benton Harbor, Cadillac, Lansing, Mason, Oscoda, and Traverse City. These authorities also work as quasi-governmental partnerships, comprising local county, township, city and village elected officials who have a particular and shared

purpose, and who organize to provide air transportation services at a publicly owned airport. House Bill 4536, also pending before the House, would expand the membership of these airport authority boards organized under the Community Airports Act to all on the Michigan Aeronautics Commission to join together with the other public entities to form an authority.

FISCAL IMPLICATIONS:

The House Fiscal Agency notes that House Bill 5043 would increase local costs slightly to the extent that authorities provide reimbursement for expenses to any new board members. Current law prohibits any direct compensation to authority board members for their time, however. (11-13-97)

ARGUMENTS:

For:

In the case of airport authority membership, a county having a populous city (or more than one city) has fewer votes on the authority board than does the city. This is true, despite the fact that it is the county that must levy the property tax that supports the authority. In order for the county, which has taxing authority, to have a commensurate voice in policy making and most especially the authority's budget development, the members of the authority from the metropolitan county should increase, at least to equal those of the city. House Bill 5043 would do this by providing for three authority members each, both for the metropolitan county and the populous city.

When this act was first adopted and the Capitol Airport Authority was formed, the majority of Ingham County's population lived in the city of Lansing. Today, more than two decades later, the out-county's population density has increased, and as a matter of tax fairness or parity it makes sense also to shift the representational membership of the authority's board in order to parallel and reflect that change in demography.

Response:

Typically, such boards and commissions have an odd number of members, rather than an even number, so as to avoid the gridlock that could occur with repeated tie votes. Perhaps the bill should contain a method to break a tie.

POSITIONS:

The City of Lansing supports the bill. (11-3-97)

The County of Ingham supports the bill. (10-26-97)

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.