

HOUSE BILL 28

By Hill T

AN ACT to amend Tennessee Code Annotated, Title 9;
Title 42, Chapter 4 and Title 42, Chapter 3, relative
to regional airport authorities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 42-3-111, is amended by adding the following new subsections (e) and (f):

(e)

(1) As used in this subsection (e), "airport" has the same meaning as defined in § 42-3-102 and includes:

(A) Any one (1) or more airports or heliports and related facilities, including land and interests in land, facilities for storage of air and space craft, navigation and landing aids, taxiways, pads, aprons, control towers, passenger and cargo terminal buildings, hangars, administration and office buildings, garages, parking lots, and such other structures, facilities, and improvements necessary or convenient to the development and maintenance of airports and heliports, and for the promotion and accommodation of air and space travel, commerce, and navigation; and

(B) Any projects or improvements, or both, for which a regional airport authority formed pursuant to § 42-3-104(a)(3) would be eligible to receive grant funds from the federal aviation administration, or any comparable federal or state agency.

(2) In addition to subsections (a)-(d), any regional airport authority formed pursuant to § 42-3-104(a)(3) has the power to borrow money for any

corporate purposes and issue revenue bonds for any corporate purposes, including revenue refunding bonds, in such form and upon such terms as the authority may determine, payable out of any revenues of the authority, including grants or contributions from the federal government or other sources. The bonds may be sold at public or private sale. Revenue bonds may be issued for any corporate purposes and the authority may pledge as security for the bonds all or any portion of concessions, fees, rents, charges, or any other revenues derived from the operation of an airport or air navigation facility. The payment or purchase of the revenue bonds may be additionally secured, in whole or in part, in the manner provided in this section, by a pledge of the full faith and credit and unlimited taxing powers of all or any of the participating municipalities and counties with respect to which the authority has been created. The revenue bonds or revenue refunding bonds shall be issued in the manner provided for revenue bonds issued by a local government in the Local Government Public Obligations Act of 1986, compiled in title 9, chapter 21; provided, that any such fees, rents, or charges so pledged that are fixed and established pursuant to a lease or contract are not subject to revision or change except in such manner as is provided in the lease or contract. Any bonds of any authority issued pursuant to this chapter that are payable, as to principal and interest, solely from revenues of an airport or air navigation facility, which the bonds shall state on their face, shall not constitute a debt of any municipality, the state, or any other political subdivision of the state, other than the authority or any participating municipality or county, or both, guaranteeing the payment or purchase of the bonds in the manner provided in this chapter, and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of any authority nor any person executing the bonds shall be personally liable on the bonds by reason of the issuance of the bonds.

(f)

(1) The governing bodies of the participating municipalities or counties, or both, with respect to which a regional airport authority has been formed pursuant to § 42-3-104(a)(3), may, by resolution, pledge the full faith and credit and unlimited taxing power of the participating municipalities or counties, or both, as guarantors to the payment of the principal or premium, if any, and interest on bonds of an authority, the purchase price of any such bonds subject to optional or mandatory tender for purchase, or the reimbursement or repayment to any bank or financial institution under any agreement providing for any draw, borrowing, advance, or payment to be made for the payment of the principal, premium, interest, or purchase price.

(2) Prior to any meeting where the guarantee will be considered by any governing body of a participating municipality or a county, or both, a notice shall be published at least five (5) days in advance of the meeting in a newspaper of general circulation within the participating municipality or county, or both, as applicable, describing the matter to be considered and containing an estimate of the dollar amount of any contingent liability proposed to be undertaken by the participating municipality or county, or both.

(3) In the event of any such pledge of the full faith and credit and unlimited taxing power of the participating municipalities or counties, or both, any holder of the bonds, including a trustee for holders of the bonds or any financial institution providing any agreement on the payment of principal, premium, interest, or purchase price on the bonds shall have the right, in addition to all other rights, by mandamus or other suit, action, or proceeding in any court of competent jurisdiction, to enforce the holder's rights against the participating municipalities or counties, or both, so pledging, and the participating

municipalities or counties, or both, and any officer, agent, or employee of the participating municipalities or counties, or both, including the right to require the participating municipalities or counties, or both, and governing bodies and any proper officer, agent, or employee of the participating municipalities or counties, or both, levy, and collect taxes and other revenues and charges adequate to carry out any agreement as to, or pledge of, the taxes, revenues, and charges. The taxes authorized to be pledged in this subdivision (f)(3) shall be levied without limit as to rate or amount upon all taxable property within the participating municipalities or counties, or both, providing the guaranty, and all such taxes to be levied are hereby declared to have been levied for county and corporation purposes, respectively, within the meaning of the Constitution of Tennessee, Article II, § 29.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.