

State of Arkansas

94th General Assembly

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A Bill

SENATE BILL 414

By: Senators J. Petty, J. English, Gilmore, K. Hammer, G. Leding, D. Wallace

By: Representatives McAlindon, Beaty Jr., Clowney, D. Garner, Hawk, L. Johnson, Lundstrum,

Pilkington, Puryear, D. Whitaker

For An Act To Be Entitled

AN ACT TO AMEND THE REGIONAL AIRPORT ACT; TO CREATE A
PROCEDURE FOR ANNEXATION AND DETACHMENT; TO LEVY A
TAX ON RETAIL SALES ON PROPERTY OF AN AUTHORITY; TO
CREATE A REGIONAL AIRPORT INFRASTRUCTURE AND
DEVELOPMENT COMMISSION; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE REGIONAL AIRPORT ACT; TO
CREATE A PROCEDURE FOR ANNEXATION AND
DETACHMENT; TO LEVY A TAX ON RETAIL SALES
ON PROPERTY OF AN AUTHORITY; AND CREATE A
REGIONAL AIRPORT INFRASTRUCTURE AND
DEVELOPMENT COMMISSION.

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

SECTION 1. Arkansas Code § 14-362-103(a)(2), concerning the
establishment of an airport authority, is amended to read as follows:

(2)(A) ~~No~~ A county or municipality shall not participate in ~~such~~
the creation and establishment of an authority ~~unless and~~ until:

(i) ~~its~~ The governing body ~~so~~ of the county or
municipality provides for the creation and establishment by ordinance; and

(ii) The county or municipality enters into an
agreement with the other participating governmental units ~~establishing that~~
establishes the terms and conditions for the operation of the authority.



1 (B) The terms and conditions established under subdivision
 2 (a)(2)(A)(ii) of this section shall be within the limitations provided in
 3 this chapter and ~~such~~ other laws of the State of Arkansas as may be
 4 applicable.

5
 6 SECTION 2. Arkansas Code § 14-362-104(b), concerning the creation of
 7 an authority as a public corporation, is amended to read as follows:

8 (b) The exercise of the powers and performance of duties provided for
 9 in this chapter by each authority and its officers, agents, and employees
 10 are:

11 (1) ~~declared to be public~~ Public and governmental functions;
 12 and

13 (2) ~~exercised~~ Exercised for a public purpose and matters of
 14 public necessity, ~~conferring upon each authority governmental immunity from~~
 15 ~~suit in tort.~~

16
 17 SECTION 3. Arkansas Code § 14-362-104, concerning the creation of an
 18 authority as a public corporation, is amended to add an additional subsection
 19 to read as follows:

20 (c)(1) It is the public policy of the State of Arkansas that an
 21 authority created under this chapter and the directors and employees of the
 22 authority are immune from liability and from suit for damages except to the
 23 extent that the damages may be covered by liability insurance.

24 (2) An authority created under this chapter is immune from a
 25 tort action resulting from an act or omission of its directors, employees, or
 26 agents.

27
 28 SECTION 4. Arkansas Code § 14-362-105 is amended to read as follows:
 29 14-362-105. Appointment of board.

30 (a) ~~Subject to such limitations as may be contained in the agreement~~
 31 ~~provided for in § 14-362-103, the~~ The management and control of each
 32 authority and its property, operations, business, and affairs shall be lodged
 33 in a board of directors of not less than six (6) nor more than twenty-four
 34 (24) persons who shall be appointed for terms of six (6) years each as
 35 ~~hereinafter~~ provided in this section.

36 (b)(1) The number of members of the board that each of the

participating governmental units is entitled to appoint to the board shall be ~~set forth~~ provided in the agreement ~~provided for in~~ under § 14-362-103.

(2) However, each of the participating governmental units shall be entitled to appoint at least one (1) member to the board and, if the state is a participant in the authority, the state shall be entitled to appoint a majority of the members of the board.

~~Appointments~~ A member of the board shall be ~~made~~ appointed by the mayor of each participating municipality, the county judge of each participating county, and the Governor.

(c)(1) The members of the board of an authority shall have staggered terms, ~~as provided in the agreement establishing the authority,~~ as follows:

(A) One-third ($\frac{1}{3}$) of the members for six-year terms;

(B) ~~one-third~~ One-third ($\frac{1}{3}$) of the members for four-year terms; and

(C) ~~one-third~~ One-third ($\frac{1}{3}$) of the members for two-year terms.

(2) Thereafter, all appointments shall be for six-year terms.

(d)(1) All members of the board appointed by the participating municipalities and counties shall be bona fide residents and qualified electors of the county or municipality which the members represent.

(2) All members of the board appointed by the state shall be bona fide residents of the state.

(e)(1) Except as provided under subdivision (e)(2) of this section, a member of the board shall not:

(A) Participate in, vote on, influence, or attempt to influence an official decision of the board of directors if he or she has a pecuniary interest in the matter under consideration by the board of directors; or

(B) Be a part of any discussion or vote on any matter that may exclusively benefit the member of the board.

(2) A member of the board may participate in, vote on, influence, or attempt to influence an official decision of the board of directors if the only pecuniary interest that he or she accrues is:

(A) Incidental to his or her position as a member of the board; or

(B) As a member of a profession, occupation, or large

1 class to no greater extent than the pecuniary interest could reasonably be
2 foreseen to accrue to all other members of the profession, occupation, or
3 large class.

4 (3) The provisions in this subsection supersedes any conflicts
5 in any provisions contained in an existing regional airport agreement.
6

7 SECTION 5. Arkansas Code § 14-362-109(12), concerning the powers of an
8 authority is, repealed.

9 ~~(12)(A) To constitute the authority or a committee of the~~
10 ~~authority as improvement district commissioners and to create and operate an~~
11 ~~improvement district composed of the area encompassed within the~~
12 ~~jurisdictions of the participating governing bodies upon the petition of~~
13 ~~persons claiming to be two-thirds (2/3) in value of the owners of real property~~
14 ~~in the area, as shown by the last county assessment.~~

15 ~~(B) The improvement district shall be for the purpose of~~
16 ~~financing the construction, reconstruction, or repair of the regional airport~~
17 ~~and its facilities.~~

18 ~~(C) The creation and operation of an improvement district~~
19 ~~shall be, to the extent consistent with this chapter, in accordance with the~~
20 ~~procedures established by the laws of this state for the creation and~~
21 ~~operation of municipal improvement districts.~~
22

23 SECTION 6. Arkansas Code § 14-362-109, concerning the powers of an
24 authority, is amended to add an additional subdivision to read as follows:

25 (25) To levy and collect a gross receipts tax and establish a
26 Regional Airport Infrastructure and Development Commission under the Regional
27 Airport Infrastructure and Development Commission Act § 14-362-401 et seq.;
28

29 SECTION 7. Arkansas Code § 14-362-115(c), concerning the issuance of
30 revenue bonds and the obligation of an authority, is amended to read as
31 follows:

32 (c) The principal of and interest on the bonds may be secured,
33 to the extent set forth in the resolution or indenture securing the bonds, by
34 a pledge of and payable from all or any part of revenues derived from the use
35 of the facilities of the authority, including, without limitation:

36 (1) Revenues derived from rates and charges imposed and

1 maintained for the use of the facilities of the authority;

2 (2) Revenues derived from taxes levied under § 14-362-109(14),
3 ~~and § 14-362-109(20), and § 14-362-109(25);~~

4 (3) Lease rentals under leases or payments under security
5 agreements or other instruments entered into under this chapter; and

6 (4) Revenues derived from tolls imposed upon vehicles utilizing
7 intermodal access roads providing service to the airport and revenues derived
8 from related auxiliary services and facilities.

9
10 SECTION 8. Arkansas Code § 14-362-132(b) and (c), concerning an
11 authority's exemption from annexation and municipal regulation, are amended
12 to read as follows:

13 (b)(1) The property and operations of an authority shall be exempt
14 from the enactment of any rules, regulations, ordinances, permit
15 requirements, and enforcement by a municipality.

16 (2) A municipality may enact and collect a sales tax, a liquor
17 tax, and a hotel, motel, and restaurant tax on the operations located on the
18 property of the authority that is located within the municipality, but other
19 taxes or fees enacted by a municipality pertaining to the property or
20 operations of the authority shall require the approval of a majority vote of
21 the board of directors of the authority.

22 (c) ~~If a municipality in which the property of an authority is located~~
23 ~~merges with or is annexed or consolidated by another municipality, an An~~
24 ~~authority may de-annex detach from the a~~ municipality upon:

25 (1) ~~a~~ A majority vote of the board of directors of the
26 authority; and

27 (2) Compliance with the detachment requirements under § 14-362-
28 301 et seq.

29
30 SECTION 9. Arkansas Code Title 14, Chapter 362, is amended to add
31 additional subchapters to read as follows:

32
33 Subchapter 3 – Annexation and Detachment

34
35 14-362-301. Legislative findings.

36 (a) The General Assembly finds that:

1 (1) The public and governmental functions of an authority
2 required under this chapter are best achieved by giving the authority the
3 discretion to determine whether it is in the best interest of the authority
4 to achieve its mission in conjunction with or separate from a municipality;

5 (2) The requirements of this subchapter are:

6 (A) Supplemental to constitutional or statutory provisions
7 now existing or later adopted which may provide for an authority's annexation
8 or detachment from a municipality; and

9 (B) Intended to:

10 (i) Provide for the orderly detachment of an
11 authority from one (1) or more municipalities in a manner that protects the
12 interests of the authority and the municipality; and

13 (ii) Ensure to the extent a municipality may have
14 issued bonds or other evidences of indebtedness secured by or payable from a
15 tax or other revenue relating to the operations of the authority, that the
16 bonds or other evidences of indebtedness are protected so that the contract
17 for repayment between a municipality and any third party is not impaired.

18
19 14-362-302. Involuntary annexation prohibited.

20 Property owned by an authority that is not within the corporate limits
21 of a municipality at the time the authority acquires ownership of the
22 property shall not be annexed by a municipality without a two-thirds (2/3)
23 vote of approval by the members of the board of directors of the authority.

24
25 14-362-303. Coordination with Arkansas Geographic Information Systems
26 Office to annex or detach.

27 Before an authority begins an annexation or detachment proceeding under
28 this subchapter, the authority shall coordinate with the Arkansas Geographic
29 Information Systems Office for preparation of legal descriptions and digital
30 mapping for the annexation or detachment areas.

31
32 14-362-304. Petition for Annexation – Definition.

33 (a) As used in this section, "enclave" means an unincorporated
34 improved or developed area that is enclosed within and bounded on all sides
35 by a single city or incorporated town.

36 (b) Except as provided in subsection (c) of this section, an authority

1 may petition a municipality for voluntary annexation in the same manner
2 provided in § 14-40-609.

3 (c)(1) The creation of an enclave owned by an authority is not
4 prohibited under this section.

5 (2) An authority petitioning a municipality to annex land
6 containing an enclave under subdivision (c)(1) of this section shall include
7 the following in the petition:

8 (i) The reason the authority's continued ownership
9 of the enclave is necessary; and

10 (ii) The authority's intended use of the enclave.

11
12 14-362-305. Petition for detachment.

13 (a) An authority may petition for detachment under this section upon
14 the passing of a resolution by the board of directors of the authority:

15 (1) Recommending the detachment of property owned by the
16 authority from one (1) or more municipalities in which the authority's
17 property is located; and

18 (2) Approved by a vote of at least two-thirds (2/3) of the
19 members of the board.

20 (b)(1) An authority shall file a petition for detachment in the county
21 in which the property the authority is petitioning for detachment is located
22 with the:

23 (A) County court;

24 (B) County assessor; and

25 (C) County clerk.

26 (2) A petition filed under subdivision (b)(1) of this section
27 shall:

28 (A) Be in writing;

29 (B) Name the persons authorized to act on behalf of the
30 authority;

31 (C) Contain an attestation signed before a notary or
32 notaries by a person authorized to sign for the authority as the owner of the
33 property or an agent of the authority confirming the desire to be detached;

34 (D) Contain an accurate description of the relevant
35 property;

36 (E) Contain a letter or title opinion from a certified

1 abstractor or title company verifying that the authority is the owner of
2 record of the relevant property;

3 (F) Contain a letter or verification from a certified
4 surveyor or engineer verifying that an enclave that is not owned by the
5 authority will not be created;

6 (G) Include a schedule of services that are currently
7 provided by the municipality to the property being detached; and

8 (H) Identify any special considerations or factors that
9 the authority and municipality should agree to before the detachment is
10 finalized, including without limitation:

11 (i) The negotiation of outstanding debt obligations;
12 and

13 (ii) A determination of all financial matters
14 pertaining to the schedule of services provided by the municipality under
15 subdivision (b)(2)(G) of this section.

16 (c)(1) Within fifteen (15) days from the date the petition is filed
17 under subdivision (b)(1) of this section, the county assessor and the county
18 clerk shall:

19 (A) Determine whether the petition meets the requirements
20 of subdivision (b)(2) of this section; and

21 (B) Report the determination required under subdivision
22 (b)(2) of this section to the county court.

23 (2)(A) If it is determined that the petition does not meet the
24 requirements of subdivision (b)(2) of this section, the county court shall
25 enter a court order identifying the deficiencies in the petition within five
26 (5) business days from the date the determination was reported to the county
27 court under subdivision (c)(1)(B) of this section.

28 (B)(i) An authority may file an amended petition at any
29 time after the county court enters the court order required under subdivision
30 (c)(2)(A) of this section.

31 (ii) The amended petition is required to meet the
32 requirements of subdivision (b)(2) of this section.

33 (3) If a county assessor and a county clerk report that the
34 petition meets the requirements of subdivision (b)(2) of this section, the
35 county court has fifteen (15) business days from the date the determination
36 was reported to:

1 (A) Review the petition and records for completeness and
2 accuracy;

3 (B) Determine that the detachment does not create an
4 enclave that is not owned by the authority;

5 (C) Confirm the petition contains the schedule of services
6 required by subdivision (b)(2)(G) of this section;

7 (D) At the discretion of the county judge, determine
8 whether the county will be responsible for the maintenance of dedicated
9 public roads and rights-of-way abutting or traversing the property that is
10 being detached; and

11 (E) Issue an order stating the findings required under
12 this subdivision (c)(3) and provide the:

13 (i) Order to the authority; and

14 (ii) Petition and order to the municipality to which
15 the authority is petitioning for detachment.

16 (d)(1) An order issued under subdivision (c)(3)(E) of this section
17 shall require the municipality being petitioned for detachment to file a
18 response with the county court:

19 (A) Within fifteen (15) business days from the date the
20 court order was received; and

21 (B) That states whether the municipality agrees or does
22 not agree with the special considerations or factors to be addressed before
23 the detachment is finalized under subdivision (b)(2)(H) of this section.

24 (2) A municipality that does not agree with the special
25 considerations or factors stated in the petition under subdivision (b)(2)(H)
26 of this section shall file a response with the county court that:

27 (A) States the reason the municipality disagrees with the
28 special consideration or factors stated in the petition under subdivision
29 (b)(2)(H) of this section; and

30 (B) Includes any additional special considerations or
31 factors the municipality may have.

32 (e)(1) An authority has five (5) business days from the date the
33 municipality files the response required under subdivision (d)(2) of this
34 section to respond to the municipality's additional special considerations or
35 factors under subdivision (d)(2)(B) of this section.

36 (2)(A) If the authority does not agree with the additional

1 special considerations or factors, the county court clerk shall set a hearing
2 date to determine the special considerations or factors to be addressed
3 before detachment.

4 (B) The hearing under subdivision (e)(2)(A) of this
5 section shall be set on a date of earliest convenience for both parties but
6 no later than sixty (60) calendar days after the filing of the authority's
7 response under subdivision (e)(1) of this section.

8 (3)(A) If a municipality agrees with the special considerations
9 or factors in the petition required under subdivision (b)(2)(H) of this
10 section, then the county court shall enter an order providing a timeline for
11 the authority and the municipality to negotiate in good faith and to reach an
12 agreement with respect to the special considerations or factors required
13 before detachment is finalized.

14 (B) Unless a different period of time is mutually agreed
15 to by the municipality and the authority, the county court shall require the
16 municipality and the authority to report their agreement to the county court
17 not later than ninety (90) calendar days from the date the order was filed.

18 (C)(i) If an authority and a municipality cannot reach an
19 agreement by the deadline provided under this subdivision (e)(3), the county
20 court shall order the municipality and authority to participate in mediation.

21 (ii) The mediation shall take place not later than
22 sixty (60) calendar days from the date of the order requiring mediation.

23 (iii)(a) The mediator shall file a mediation report
24 with the county court no later than thirty (30) calendar days after the date
25 of the mediation required under subdivision (e)(3)(C)(i) of this section.

26 (b) The mediator's report shall:

27 (1) Contain the agreed upon terms
28 relating to the special considerations and factors, but only if the mediation
29 is successful; or

30 (2) If the mediation is unsuccessful,
31 state that the parties were unable to come to an agreement relating to the
32 special considerations and factors.

33 (iv)(a) The county court shall enter an order
34 confirming the detachment, and no later than thirty (30) calendar days from
35 the date the mediation report is filed, the county clerk shall forward a copy
36 of the order to the county assessor and to the Secretary of State.

1 (b) The order shall contain:

2 (1) The final terms relating to the
3 special considerations and factors, but only if the mediation is successful;
4 or

5 (2) If the mediation is unsuccessful,
6 the order shall only address the matters required under § 14-36-306.

7 (f) The property shall be detached from the municipality on the date
8 the county court enters the order confirming the detachment and the county
9 clerk forwards a copy of the order as required under subdivision
10 (e)(3)(C)(iv) of this section.

11 (g)(1) This section shall not prevent the municipality and the
12 authority from presenting a joint agreement confirming their mutually agreed
13 resolution of special considerations or factors that should be addressed
14 before detachment at any time after the petition for detachment is filed by
15 the authority.

16 (2) Absent a determination by the county court that the mutually
17 agreed resolution under subdivision (g)(1) of this section violates Arkansas
18 law, the county court shall accept the mutually agreed resolution and include
19 it in the order approving detachment.

20
21 14-362-306. Special considerations relating to existing municipal debt
22 obligations.

23 (a) If an authority detaches from a municipality that has previously
24 issued and currently has outstanding bonds or other evidences of indebtedness
25 that are secured by or payable from taxes or other revenues relating to the
26 operations of the authority, then the detachment shall not be effective until
27 the authority and the municipality mutually have attempted to agree in
28 writing to a lump sum payment or recurring or periodic payments in an amount
29 sufficient to avoid impairing the municipality's contractual obligations to
30 the persons or entities to which payment is due.

31 (b) In reaching the agreement required under subsection (a) of this
32 section, an authority and the municipality may engage with and rely on the
33 opinions and reports of legal and financial professionals to ensure that the
34 agreement reached by the authority and the municipality does not diminish the
35 prospects of, or adversely interfere with, expected payments to be received
36 by the persons or entities to which payment is due; and therefore, does not

1 unconstitutionally impair the contract between the municipality and the
2 persons or entities to which payment is due.

3 (c)(1) If an authority and a municipality cannot reach an agreement,
4 any taxes or other revenues relating to the operations of the authority shall
5 be collected in the same manner and amounts as if the land had not been
6 detached.

7 (2) However, after a petition for detachment has been filed by
8 the authority, the municipality:

9 (A) Shall not take any action to:

10 (i) Increase the taxes assessed or levied;

11 (ii) Lengthen the maturity date of the debt
12 obligations;

13 (iii) Decrease amounts paid by other persons or
14 entities that are contributing to amounts used by the municipality to pay the
15 debt obligations; or

16 (iv) Reallocate available revenues to the detriment
17 of the authority beyond those in existence as of the date of the filing of
18 the petition with the county court; and

19 (B) Shall use or escrow all pledged taxes and revenues to
20 pay off or prepay the debt obligations as soon as is permitted by the
21 documents relating to the debt obligations and shall not use the pledged
22 taxes and revenues for any other purpose.

23 (d)(1) An authority and a municipality shall enter into a payment in
24 lieu of taxes agreement, interlocal cooperative agreement, or similar
25 agreement documenting the agreement reached by the authority and the
26 municipality with respect to any taxes collected or payments made by the
27 authority while debt obligations are outstanding.

28 (2) The agreement required under subdivision (d)(1) of this
29 section shall contain terms and conditions permitting the renegotiation or
30 revision of payments in the event of unforeseen force majeure events,
31 including without limitation a global pandemic or population or retail
32 growth, that significantly modify the facts known or assumptions made in
33 calculating the payments agreed upon.

34 (3) The municipality shall provide the certificates and
35 directions to the Department of Finance and Administration that are necessary
36 to effect the agreement between the authority and the municipality.

1 (e) A municipality may refinance existing debt obligations after an
2 authority has filed a petition for detachment to achieve debt service savings
3 so long as the refinancing does not increase annual debt service payments,
4 extend the maturity date, or increase the aggregate amount of principal due
5 with respect to the debt obligation.

6 (f) Upon the payment in full at maturity or optional redemption, other
7 than in connection with a refunding permitted under subsection (e) of this
8 section, the authority's property and operations shall be released and exempt
9 from future tax collections or payments, as applicable.

10 (g) A municipality shall not initiate litigation alleging impairment
11 of contract if the authority and the municipality have entered into a written
12 agreement under subsection (d) of this section or if the county court has
13 entered an order for detachment under § 14-362-305(e) that is consistent with
14 subsection (c) of this section.

15
16 Subchapter 4 – Regional Airport Infrastructure and Development Commission Act
17

18 14-362-401. Title.

19 This subchapter shall be known and may be cited as the “Regional
20 Airport Infrastructure and Development Commission Act”.
21

22 14-362-402. Regional airport infrastructure and development commission.

23 An authority levying a tax under this subchapter shall create by
24 resolution a regional airport infrastructure and development commission, to
25 be composed of seven (7) members selected by the authority's board of
26 directors and shall serve at the will of the authority.
27

28 14-362-403. Gross receipts taxes authorized.

29 An authority by resolution of the authority's board may levy a tax not
30 to exceed three percent (3%) upon the gross receipts or gross proceeds from
31 the retail sales or other operations made within or upon any property owned
32 or operated by the authority that are subject to taxation under the Arkansas
33 Gross Receipts Act of 1941, § 26-52-101 et seq.
34

35 14-362-404. Payment.

36 (a) From the effective date of the levying resolution, the tax levied

1 shall be paid by the persons, firms, and corporations liable for the tax and
2 shall be collected by the regional airport infrastructure and development
3 commission established by the levying authority or by a designated agent of
4 the commission in the same manner and at the same time as the tax levied by
5 the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

6 (b)(1) A person or entity paying the tax levied under this subchapter
7 shall report and remit the tax upon forms provided by the commission and as
8 directed by the commission.

9 (2) The rules, forms of notice, assessment procedures, and
10 enforcement and collection of the tax under the Arkansas Tax Procedure Act, §
11 26-18-101 et seq., and the Arkansas Gross Receipts Act of 1941, § 26-52-101
12 et seq., so far as practicable, shall be applicable with respect to the
13 enforcement and collection of the tax levied under this subchapter.

14 (3)(A) However, the administration and enforcement and all
15 actions shall be by and in the name of the commission through the proper
16 commission officials or agents.

17 (B) The commission may sue and be sued in its name.

18 (4) The Department of Finance and Administration shall have no
19 authority to enforce or collect the tax levied under this subchapter.

20 (c)(1) A levying authority is authorized to adopt a resolution and
21 regulations consistent with and in similar form to the Arkansas Tax Procedure
22 Act, § 26-18-101 et seq., to enable the commission or its agent to enforce
23 the tax through examination of records, notices of proposed and final
24 assessment, and administrative hearings on proposed assessments.

25 (2) The levying authority may adopt resolutions that enable the
26 commission to:

27 (A)(i) Assess penalties and interest against taxpayers who
28 fail to timely report or pay the tax levied under this subchapter.

29 (ii)(a) The penalty under subdivision (c)(2)(A)(i)
30 of this section is equal to five percent (5%) of the unpaid tax amount per
31 month, not to exceed a total assessment of thirty-five percent (35%) of the
32 unpaid tax.

33 (b) Simple interest on unpaid taxes shall be
34 assessed at the rate of ten percent (10%) per annum;

35 (B) Assess unpaid or unreported tax within three (3) years
36 of the date the tax is due;

1 (C) Provide for judicial relief from proposed assessments
2 in a manner consistent with and similar to the procedures provided in § 26-
3 75-603(d) and (e); and

4 (D) Issue certificates of indebtedness in accordance with
5 subdivision (c)(3) of this section.

6
7 14-362-405. Fund deposits and disbursement.

8 (a) All taxes, interest, penalties, and costs collected pursuant to a
9 tax levied by an authority under this subchapter shall be credited to the
10 infrastructure and development fund that shall be created by the resolution
11 levying the tax by the authority.

12 (b) When an authority levies a gross receipts tax under this
13 subchapter and has pledged some or all of the proceeds of the tax to the
14 repayment of bonds as set forth in § 14-362-115(c)(2), the proceeds so
15 pledged shall be deposited into the infrastructure and development fund and
16 distributed by a regional airport infrastructure and development commission
17 in accordance with the pledge and enactment of the authority.

18 (c) For purposes of subdivision (b) of this section, the individual
19 members of the board of an authority shall be deemed to be the electors of
20 the authority for purposes of approving the pledge of the proceeds of a gross
21 receipts tax to the repayment of bonds.

22
23 14-362-406. Use of funds collected.

24 (a)(1)(A) In the manner as shall be determined by a regional airport
25 infrastructure and development commission, all funds credited to the
26 infrastructure and development fund under this subchapter shall be used for
27 the:

28 (i) Economic development, community development,
29 advertising, and promoting of the authority's airport and its environs;

30 (ii) Construction, reconstruction, extension,
31 equipment, improvement, maintenance, repair, and operation of an airport,
32 economic development projects, community projects, ancillary facilities that
33 support or enhance airport operations, economic development projects,
34 community projects, or infrastructure supportive of any of these; and

35 (iii) Payment of the principal of, interest on, and
36 fees and expenses in connection with bonds issued under § 14-362-111.

1 (B) The commission may engage such personnel and agencies
2 and incur such administrative costs as it deems necessary to conduct its
3 business.

4 (2) The commission shall determine the use of the infrastructure
5 and development fund.

6 (3)(A) The commission may purchase, own, operate, sell, lease,
7 contract, or otherwise deal in or dispose of real property, buildings,
8 improvements, or facilities of any nature in accordance with this subchapter.

9 (B) If the commission is dissolved, the authority shall
10 assume the powers granted under subdivision (a)(3)(A) of this section.

11 (b)(1)(A) Any authority that levies a tax under this subchapter may
12 use or pledge all or any part of the revenues derived from the tax for the
13 purposes prescribed in this subchapter, including the operation of an
14 airport, or for the retirement of bonds issued under this chapter.

15 (B) The revenues derived from a tax levied under
16 this subchapter shall be used or pledged for the purposes authorized in this
17 subsection only upon approval of the commission.

18 (2) In addition to the other purposes prescribed in this
19 subchapter, moneys credited to the infrastructure and development fund under
20 this subchapter may be used, spent, or pledged by the commission for the:

21 (A) Construction, reconstruction, repair, maintenance,
22 improvement, equipping, and operation of airport facilities of an authority;
23 and

24 (B) Payment of the principal of, interest on, and fees and
25 expenses in connection with bonds as provided in this subchapter in the
26 manner as shall be determined by the commission for the purpose of the
27 payment.