



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

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Governing of Airports

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Governing of Airports

Reference Number: MTAS-78

Airport Officer or Board

Authority for planning, constructing, and operating an airport may be transferred by resolution of a city's governing body to an airport officer or board. However, the facility remains the city's responsibility. T.C.A. § 42-5-112.

Joint Operations

One city may help another city or group of cities develop or operate an airport through a gift of land or personal property, or by a lease or loan with or without interest. T.C.A. § 42-5-121. Any two or more public agencies (including cities) may agree to jointly develop and operate an airport facility. An ordinance or resolution should specify the agreement's duration, the proportionate interest each agency has in the airport property, the proportionate cost to be borne by each agency, conditions for terminating an agreement, methods for disposing of jointly owned property, and liability for unpaid indebtedness.

A board may be established with members appointed by the participating public agencies. The board's size and the members' terms and compensation should be prescribed in the joint agreement. The board has the power to develop, operate, and police the airport facilities in the names of the participating agencies. The board's budget is subject to approval by the cooperating governing bodies, and the cooperating governing bodies must give their approval before the board can exceed its budget, dispose of any property, or adopt any policing regulations. Eminent domain proceedings may be instituted only by authority of the cooperating governing bodies. T.C.A. §§ 42-5-201–205.

Airport Authorities

Any city may establish a municipal airport authority by ordinance and appoint between five and 11 commissioners. Before the authority can become operative, it must apply for and be granted a certificate of incorporation by the secretary of state. A regional authority may be created by resolutions passed by two or more cities, provided a public hearing is held in each municipality. Each city and county appoints two members, and the airport commissioners appoint an extra member. If they cannot agree on the additional member, that member is named by the governor.

City participation in the authority may be increased or decreased with consent from the authority commissioners and holders of at least 60 percent of any outstanding bonds. An amended certificate must be obtained from the secretary of state for any change in an authority.

Authority commissioners may receive no compensation for service, but they are entitled to be reimbursed for expenses they incur. An executive director and other technical and supporting personnel may be employed. For legal services, the authority may either use the city's attorney or employ its own counsel.

An airport authority has all the powers that could be exercised by a municipality operating an airport except levying and collecting taxes or special assessments. T.C.A. §§ 42-3-101–119.

Alternatively, three or more municipalities and counties and at least one political division of another state who jointly create and participate in a regional airport commission are authorized to create a regional airport authority by the passage of a resolution and subsequently entering into an interlocal agreement. T.C.A. § 42-3-104.

T.C.A. §§ 42-4-101, *et seq.*, create and govern metropolitan airport authorities.

Funding of Airport Development and Operation

A municipality is authorized to levy and appropriate taxes or other funds for airport development and operation. If the amount is in excess of any charter limitation, the tax levy must be approved by a majority of the city's voters unless the levy is for retiring bonds.

Airport costs may be partially or fully funded from the proceeds of bonds issued by the city. Any fees, rents, or other revenues pledged as security for bonds and fixed by the terms of a contract or lease may not be revised during the term of the lease or contract except as provided in that document. T.C.A. §§ 42-5-114–115.

Revenues received by the city from operating or selling an airport may be used for any municipal purpose. T.C.A. § 42-5-118.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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