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# Airport Authority

Governance Options

Governance Benefits/Issues

Airport Authority Defined

Airport Authorities Act (MT)

Transition Process



# Airport Authority

## Airport Governance Options

Airports owned and operated by:

- Government departments
  - Independent airport authorities
- 
- 100% government-owned corporations
  - Mixed enterprises with government majority ownership
  - Mixed enterprises with private majority ownership



# Airport Authority

Definition: An **airport authority** is an independent entity charged with the operation and oversight of an airport or group of airports. Airport authorities are often governed by a group of airport commissioners, who are appointed to lead the authority by a government official. When the authority of an entity encompasses more than just the airports in an area, harbor, rail, and/or transit facilities for example, the entity may be referred to as a **port authority**.



# Airport Authority

Some Benefits:

## Government Owned & Operated

Reach back for resources

Government contracts/purchasing

Access to restricted grants

Job security for executive leadership

## Airport Authority

Functions more efficiently

Can form business-business relationships

More responsive to industry changes

Flexibility to reward employees for performance

# Airport Authority

Some Issue:

Government Owned & Operated

Slower decision-making

Limited flexibility with employee compensation and rewards

Airport Authority

Must staff or contract for all organizational needs

No organizational depth

# Airport Authority

## Transition Process:

- 1) Engage a consultant
  - Draft a resolution establishing authority
  - Conduct public meetings
  - Prepare a transition plan
- 2) Public meetings on forming authority
- 3) Adoption of a resolution creating an airport or port authority
- 4) Appoint not less than five persons as commissioners of the authority
- 5) Transition employees, infrastructure, and equipment to authority
- 6) Create new airline agreements and other required documents

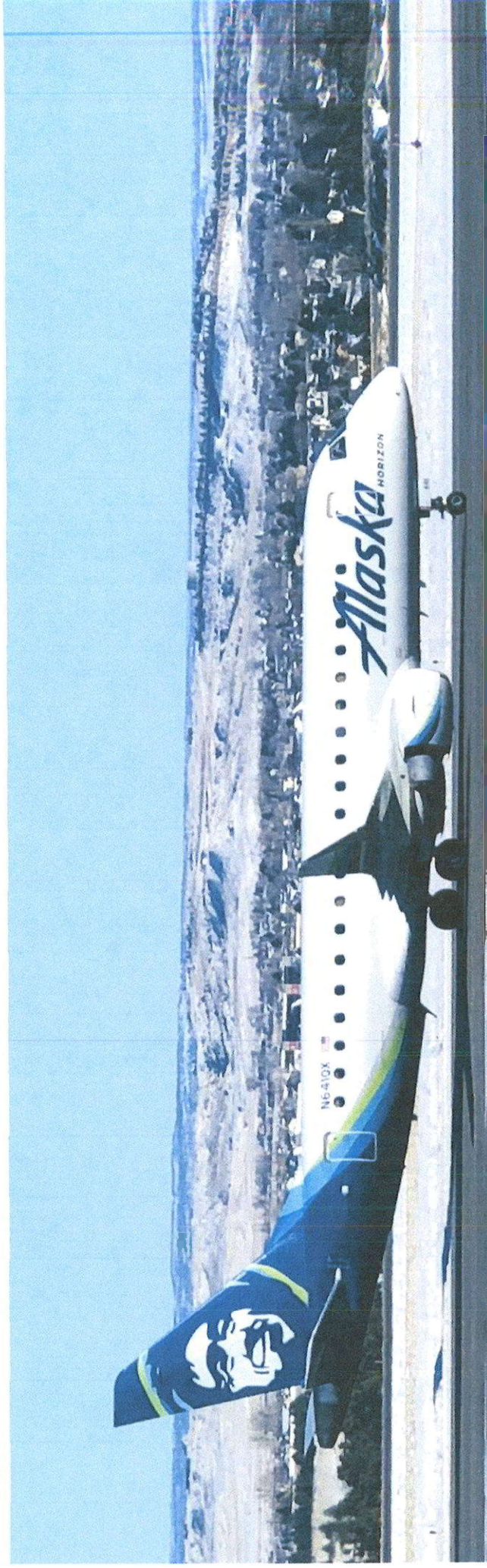
# Airport Authorities Act (Montana)

Montana Code Annotated 2023

TITLE 67. AERONAUTICS

CHAPTER 11. AIRPORT AUTHORITIES

- Part 1. Organization and General Provisions
- Part 2. Powers
- Part 3. Finance
- Part 4. Extraterritorial Airports



# Airport Authority

**67-11-102. Municipal airport authority.** Any municipality may, by resolution of its governing body, create a public body, corporate and politic, to be known as a municipal airport authority which shall be authorized to exercise its functions upon the appointment and qualification of the first commissioners thereof; or the governing body may by resolution determine to exercise any or all powers granted to such authorities in this chapter until or unless such powers are or have been conferred upon a municipal or regional airport authority. Upon the adoption of a resolution creating a municipal airport authority, the governing body of the municipality shall, pursuant to the resolution, appoint not less than five persons as commissioners of the authority. The commissioners who are first appointed shall be designated to serve for terms of 1, 2, 3, 4, and 5 years, respectively, but thereafter each commissioner shall be appointed for a term of 5 years, except that vacancies occurring otherwise than by expiration of the term shall be filled for the unexpired term by the governing body.

# Airport Authority

## 67-11-103. Regional airport authority.

- (1) Two or more municipalities may by joint resolution create a public body, corporate and politic, to be known as a regional airport authority. The resolution creating a regional airport authority must create a board of not less than five commissioners; the number to be appointed, their term and compensation, if any, must be provided for in the resolution. Each regional airport authority shall organize, select officers for terms to be fixed by agreement, and adopt and amend from time to time rules for its own procedure consistent with [67-11-104](#).
- (2) A regional airport authority may be increased to serve one or more additional municipalities if each additional municipality and each of the municipalities then included in the regional authority and the commissioners of the regional authority, respectively, adopt a joint resolution consenting to the increase. If a municipal airport authority for any municipality seeking to be included in the regional authority is then in existence, the commissioners of the municipal authority shall consent to the inclusion of the municipality in the regional authority. Upon the inclusion of any municipality in the regional authority, all rights, contracts, obligations, and property, real and personal, of the municipal authority must be in the name of and vest in the regional authority.
- (3) A regional airport authority may be decreased if each of the municipalities then included in the regional authority and the commissioners of the regional authority consent to the decrease and make provisions for the retention or disposition of its assets and liabilities.
- (4) A municipality may not adopt any resolution authorized by this section without a public hearing on the resolution. Notice of the hearing must be given at least 10 days prior to the hearing in a newspaper published in the municipality or, if there is no newspaper published in the municipality, in a newspaper having general circulation in the municipality.
- (5) For the purpose of this chapter, a regional airport authority has the same powers as all other political subdivisions in the adoption and enforcement of airport affected area regulations as provided for in this title.

# Airport Authority

## 67-11-104. Commissioners.

- (1) The powers of each authority are vested in the commissioners of the authority. A majority of the commissioners of an authority constitutes a quorum for the purpose of conducting business of the authority and exercising its powers and for all other purposes. Action may be taken by the authority upon a vote of not less than a majority of the commissioners present.
- (2) There must be elected a presiding officer and vice presiding officer from among the commissioners. An authority may employ an executive director, secretary, technical experts, and other officers, agents, and employees, permanent and temporary, that it may require and shall determine their qualifications, duties, and compensation. An authority may delegate to one or more of its agents or employees powers or duties that it considers proper.
- (3) A commissioner of an authority is entitled to the necessary expenses, including travel expenses, as provided for in [2-18-501](#) through [2-18-503](#), incurred in the discharge of the commissioner's duties. Each commissioner shall hold office until a successor has been appointed and has qualified by law to serve. The certificates of the appointment and reappointment of commissioners must be filed with the authority.

# Airport Authority

## **67-11-105. Functions -- public and governmental.**

The acquisition of any land or interest therein, pursuant to this chapter; the planning, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, and protection of airports and air navigation facilities, including the acquisition or elimination of airport hazards, and the exercise of any powers herein granted to authorities 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. All land and other property and privileges acquired and used by or on behalf of any authority or other public agency in the manner and for the purposes enumerated in this chapter shall and are hereby declared to be acquired and used for public and governmental purposes and as a matter of public necessity.

# Airport Authority

**67-11-106. Cooperation of municipality.** For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of airports and air navigation facilities pursuant to the provisions of this chapter, any municipality for which an authority has been created upon such terms, with or without consideration, as it may determine, may:

- (1) lend or donate money to the authority;
- (2) provide that all or a portion of the taxes or funds available or to become available to or required by law to be used by the municipality for airport purposes be transferred or paid directly to the airport authority as such funds become available to the municipality;
- (3) cause water, sewer, or drainage facilities or any other facilities which it is empowered to provide to be furnished adjacent to or in connection with such airports or air navigation facilities;
- (4) dedicate, sell, convey, or lease any of its interest in any property or grant easements, licenses, or any other rights or privileges therein to the authority;
- (5) furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, and walks from established streets or roads to such airports or air navigation facilities;
- (6) do any and all things, whether or not specifically authorized in this section and not otherwise prohibited by law, that are necessary or convenient to aid and cooperate with the authority in the planning, undertaking, construction, or operation of airports and air navigation facilities; and
- (7) enter into agreements with the authority respecting action to be taken by the municipality pursuant to the provisions of this section.