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SENATE BILL NO. 1508

Offered January 23, 2009

A BILL to create the Breaks Regional Airport Authority.

Patron—Puckett

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1.

BREAKS REGIONAL AIRPORT AUTHORITY ACT.

§ 1. Short title.

This act shall be known and may be cited as the Breaks Regional Airport Authority Act.

§ 2. Creation; public purpose.

If the Town of Grundy, or the governing body of Buchanan County, by resolution declare that there is a need for an airport authority to be created, and an operating agreement is developed for the purpose of establishing or operating airport facilities for any such participating political subdivisions, and that they should unite in its formation, an airport authority to be known as the Breaks Regional Airport Authority (hereinafter the "Authority") shall thereupon exist for such participating counties and town and shall exercise its powers and functions as prescribed herein. The region for which such Authority shall exist shall be coterminous with the boundaries of the participating political subdivisions.

In any suit, action, or proceeding involving the validity or enforcement of or relating to any contract of the Breaks Regional Airport Authority, such authority shall be conclusively deemed to have been created as a body corporate and to have been established and authorized to transact business and exercise its powers hereunder upon proof of the adoption of a resolution as aforesaid by the governing bodies of such counties and town declaring that there is a need for such authority and that they should unite in its formation. A copy of such resolution duly certified by the clerks of the counties and by the mayor of the town by which it is adopted shall be admissible as evidence in any suit, action or proceedings. Any political subdivision of the Commonwealth, all or part of which is located within 60 miles of an Authority facility, is authorized to join such Authority pursuant to the terms and conditions of this act.

It is hereby declared that the ownership and operation by the Authority of modern and efficient air transportation and related facilities and the exercise of powers conferred by this act are proper and essential governmental functions and public purposes and matters of public necessity for which public moneys may be spent and private property acquired through the power of eminent domain as hereinafter provided. It is also declared that contract obligations of a county or town to provide payments over a period of more than one year to the Authority shall be excluded from existing indebtedness of such county or town for purposes of calculating debt limit pursuant to Article VII, Section 10 (a) of the Constitution of Virginia. It is further declared that the Authority is a regional entity of government by or on behalf of which debt may be contracted by or on behalf of any county pursuant to Article VII, Section 10 (b) of the Constitution of Virginia.

§ 3. Definitions.

As used in this act the following words and terms have the following meanings unless a different meaning clearly appears from the context:

"Act" means this Breaks Regional Airport Authority Act.

"Authority" means the Breaks Regional Airport Authority created by this act.

"Board of Directors" means the governing body of the Authority.

"Bonds" means any bonds, notes, debentures, or other evidence of financial indebtedness issued by this Authority pursuant to this act.

"Breaks Regional Airport" means the airport facilities located at 2931 Airport Road, Vansant, Virginia, and any other facilities necessary, incidental, or convenient to the operation of the facilities.

"Commonwealth" means the Commonwealth of Virginia.

"Facility" means any and all airports, terminals, runways, hangars, loading facilities, repair shops, parking areas, facilities for the preparation of in-flight meals, restaurants and accommodations for temporary or overnight use by passengers, and other facilities functionally related to the needs or convenience of passengers, shipping companies and airlines, and industrial and commercial facilities, purchased, constructed or otherwise acquired or operated by the Authority pursuant to the provisions of this act.

Any facility may consist of or include any or all buildings or other structures, improvements,

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59 additions, extensions, replacements, machinery, or equipment, together with appurtenances, lands, rights
60 in land, avigation rights, water rights, franchises, furnishings, landscaping, utilities, approaches,
61 roadways, or other facilities necessary or desirable in connection therewith or incidental thereto.

62 "Participating political subdivision" means any of the County of Buchanan or the Town of Grundy or
63 any other political subdivision that may join or has joined the Authority pursuant to §§ 4 and 5 of this
64 act.

65 "Political subdivision" means a county, municipality or other public body of this Commonwealth.

66 § 4. Participating political subdivision.

67 Prior to becoming a participating political subdivision, each political subdivision shall enter into a
68 contract with the Authority and other participating political subdivisions setting forth the financial
69 contribution to be made by such political subdivision to the Authority.

70 No pecuniary liability of any kind shall be imposed upon any participating political subdivision
71 because of any act, omission, agreement, contract, tort, malfeasance, misfeasance, or nonfeasance by or
72 on the part of the Authority or any member thereof, or its agents, servants, or employees, except as
73 otherwise provided in this act with respect to contracts and agreements between the Authority and any
74 other political subdivision.

75 § 5. Appointment and tenure of directors.

76 The powers of the Authority shall be vested in the directors of the Authority. The governing body of
77 each participating political subdivision shall appoint two directors, and Dickenson County shall appoint
78 one director. No member of the Board of Directors may be an employee of a participating political
79 subdivision, except that the members of the governing bodies may each appoint one member to the
80 Board of Directors. Only one member of each political subdivision's governing body may be appointed
81 to the Board of Directors. The other appointments to the Board of Directors shall be limited to citizens
82 from that political subdivision. The governing body of each participating political subdivision shall
83 appoint the number of directors, set forth opposite its name below:

84 Town of Grundy: 2

85 County of Buchanan: 2

86 County of Dickenson: 1

87 The initial Board of Directors shall be appointed for the following terms: County of Buchanan: one
88 member for one year, one member for four years; Town of Grundy: one member for two years, one
89 member for three years; Dickenson County: one member for four years. Thereafter, each director shall
90 be appointed for a four-year term or until his successor is appointed and qualified.

91 The governing body of each political subdivision shall be empowered to remove at any time, without
92 cause, any director appointed by it and appoint a successor director to fill the unexpired portion of the
93 removed director's term.

94 Each director may be reimbursed by the Authority for the amount of actual expenses incurred by him
95 in the performance of his duties.

96 § 6. Organization.

97 A majority of the directors in office shall constitute a quorum. No vacancy in the membership of the
98 Board shall impair the right of a quorum to exercise all the rights and perform all the duties of the
99 Board.

100 The Board shall hold regular meetings at such times and places as may be established by its bylaws.
101 Special meetings of the Board may be called by any director or the Executive Director upon at least 48
102 hours written notice to each director served personally or left at his usual place of business or
103 residence.

104 The Board of Directors shall annually elect a chairman and a vice-chairman from their membership,
105 a secretary and a treasurer or a secretary-treasurer from their membership or not as they deem
106 appropriate, and such other officers as they may deem appropriate. The Board of Directors may appoint
107 an executive director, who shall not be a director, who shall exercise such powers and duties as may be
108 delegated to him by the Board of Directors, including powers and duties involving the exercise of
109 discretion.

110 The Board of Directors may make and from time to time amend and repeal bylaws, not inconsistent
111 with this act, governing the manner in which the Authority's business may be transacted and in which
112 the power granted to it may be enjoyed. The Board of Directors may appoint such committees as it may
113 deem advisable and fix the duties and responsibilities of such committees.

114 § 7. Powers.

115 The Authority is hereby granted all powers necessary or appropriate to carry out the purposes of
116 this act, including, for purposes of illustration, the following:

117 1. To sue and be sued in its own name;

118 2. To have perpetual succession;

119 3. To adopt a corporate seal;

120 4. To maintain offices at such places as it may designate in the Town of Grundy, the County of

121 Buchanan, or the County of Dickenson;

122 5. To acquire, establish, construct, enlarge, improve, maintain, equip, operate and regulate any
123 airport, air landing fields, structures, aviation facilities and other property incidental thereto within the
124 territorial limits of the participating political subdivisions subject to the limitation that such power shall
125 be limited to such items as may be necessary for the operation of the Breaks Regional Airport;

126 6. To construct, install, maintain and operate facilities for the servicing and storage of aircraft and
127 for the accommodation of cargo, freight, mail, express, and similar items, and for the accommodation
128 and comfort of air travelers, and for lease or sale to industrial or commercial users, and to purchase
129 and sell equipment and supplies incidental to the operation of its airport facilities;

130 7. To grant to others the privilege to operate for profit concessions, leases, and franchises, including
131 but not limited to the sale of airplanes, fuel, parts and equipment, maintenance of aircraft, the
132 accommodation and comfort of persons using its facilities and the providing of ground transportation
133 and parking facilities for such persons; such concessions, leases and franchises shall be exclusive or
134 limited when deemed by the Authority necessary to further the public safety, improve the quality of air
135 service, avoid duplication of service or conserve airport property and the airport operation;

136 8. To determine fees, rates, and charges for the use of its facilities;

137 9. To apply for and accept gifts, or grants of money or gifts, grants or loans of other property or
138 other financial assistance from the United States of America and agencies and instrumentalities thereof,
139 this Commonwealth and political subdivisions, agencies and instrumentalities thereof, or any other
140 person or entity, for or in aid of the construction, acquisition, ownership, operation, maintenance or
141 repair of the Authority's facilities or for the payment of principal of any indebtedness of the Authority,
142 interest thereon or other cost incident thereto, and to this end the Authority shall have the power to
143 render such services, comply with such conditions and execute such agreements and legal instruments as
144 may be necessary, convenient or desirable or imposed as a condition to such financial aid;

145 10. To establish, operate and maintain a foreign trade zone and otherwise to expedite and encourage
146 foreign commerce;

147 11. To appoint, employ or engage such officers, employees, architects, engineers, attorneys,
148 accountants, financial advisors, investment bankers, and other advisors, consultants, and agents as may
149 be necessary or appropriate, and to fix their duties and compensation;

150 12. To contract with a participating political subdivision for such subdivision to provide legal
151 services, engineering services, depository and investment services contemplated by § 14 hereof,
152 accounting services, including the annual independent audit required by § 12 hereof, procurement of
153 goods and services, and to act as fiscal agent for the Authority. In the event of a contract for a
154 participating political subdivision to act as fiscal agent, the Authority's employees shall be compensated,
155 shall receive the same benefits, including pensions, and shall be subject to the personnel rules of said
156 subdivision;

157 13. To establish personnel rules;

158 14. To own, purchase, lease, obtain options upon, acquire by gift, grant, or bequest or otherwise
159 acquire any property, real or personal, or any interest therein, and in connection therewith to assume or
160 take subject to any indebtedness secured by such property;

161 15. Subject to the provisions of any deed or deeds from the Town of Grundy to the Authority and
162 any agreement or agreements among or between the Authority and any participating political
163 subdivision, to sell, lease, grant options upon, exchange, transfer, assign, or otherwise dispose of any
164 property, real or personal, or any interest therein, if such disposition is in the public interest and in
165 furtherance of the purposes of this act or if such property is not necessary for the purposes of the
166 Authority;

167 16. To make, assume and enter into all contracts, leases, and arrangements necessary or incidental
168 to the exercise of its powers, including contracts for the management or operation of all or any part of
169 its facilities;

170 17. a. To borrow money, as hereinafter provided, and to borrow money for the purpose of meeting
171 casual deficits in its revenues;

172 b. The total indebtedness of the Authority at no time shall exceed the amount of \$500,000, in
173 principal, whether by purchase of encumbered property, direct loan, bonded indebtedness, or debt in
174 any other form except as agreed to by each participating political subdivision by resolution of the
175 governing body thereof, in which case the total amount of indebtedness shall be expressed in the
176 resolution of each such governing body;

177 c. Notwithstanding any other provision of law, no interest or right in the real property conveyed, in
178 any form, to the Authority by a participating political subdivision, shall be conveyed, pledged, or
179 otherwise transferred by the Authority for the purpose of obtaining or securing any indebtedness, nor
180 shall any such property be encumbered by the Authority unless and until such subdivision has approved
181 the nature of, terms of, and amount of such conveyance, pledge, transfer or encumbrance, by resolution

182 of the governing body of said subdivision;

183 18. To adopt, amend, and repeal rules and regulations for the use, maintenance, and operation of its
184 facilities and governing the conduct of persons and organizations using its facilities and to enforce such
185 rules and regulations and all other rules, regulations, ordinances, and statutes relating to its facilities,
186 all as hereinafter provided;

187 19. To pay pensions and establish pension plans, pension trusts, and other compensation plans for
188 any of its employees;

189 20. To purchase and maintain insurance or to provide indemnification on behalf of any person who
190 is or was a director, officer, employee or agent of the Authority against any liability asserted against
191 him or incurred by him in any such capacity or arising out of his status as such; and

192 21. To do all things necessary or convenient to the purposes of this act.

193 However, the powers of the Authority expressed in this act shall be limited to those powers necessary
194 for the construction and operation of the Breaks Regional Airport. To that end, property acquired,
195 owned, or conveyed to the Authority, contracts entered into, financial assistance, indebtedness, rules and
196 regulations adopted by the Authority and any other actions thereof may only pertain to said airport.

197 The grant of regulatory authority by this act, including regulations that displace, eliminate or limit
198 competition by or among persons or entities, is based on the policy of the Commonwealth to provide for
199 the safe, adequate, economical and efficient provision of air transportation and related facilities and
200 services to the public.

201 § 8. Name of airport.

202 The name of the airport operated by the Authority shall be Breaks Regional Airport.

203 § 9. Rules and regulations.

204 The Authority shall have the power to adopt, amend, and repeal rules and regulations for the use,
205 maintenance and operation of its facilities and governing the conduct of persons and organizations
206 using its facilities.

207 Unless the Authority shall by unanimous vote of the Board of Directors determine that an emergency
208 exists, the Authority shall, prior to the adoption of any rule or regulation or alteration, amendment or
209 modification thereof:

210 1. Make such rule, regulation, alteration, amendment or modification in convenient form available
211 for public inspection in the office of the Authority for at least 10 days; and

212 2. Post in a public place a notice declaring the Board of Directors' intention to consider adopting
213 such rule, regulation, alteration, amendment or modification and informing the public that the Authority
214 will at a public meeting consider the adoption of such rule or regulation or such alterations,
215 amendment, or modification, on a day and at a time to be specified in the notice, after the expiration of
216 at least 10 days from the first day of the posting of the notice thereof. The Authority's rules and
217 regulations shall be available for public inspection in the Authority's principal office.

218 The Authority's rules and regulations relating to (i) traffic, including but not limited to motor vehicle
219 speed limits and the location of and payment of public parking; (ii) access to Authority facilities,
220 including but not limited to solicitation, handbilling, and picketing; and (iii) aircraft operation and
221 maintenance shall have the force of law, as shall any other rule or regulation of the Authority that shall
222 contain a determination by the Authority that it is necessary to accord the same the force and effect of
223 law in the interest of the public safety. However, with respect to motor vehicle traffic rules and
224 regulations, the Authority shall obtain the approval of the traffic engineer or comparable official of the
225 political subdivision in which such rules or regulations are to be enforced.

226 The violation of any rule or regulation of the Authority relating to motor vehicle traffic shall be tried
227 and punished in the same manner as if it had been committed on the public roads of the participating
228 political subdivision in which such violation occurred. All other violations of the rules and regulations
229 having the force of law shall be punishable as misdemeanors.

230 All ordinances, rules and regulations duly adopted for the regulation, administration and operation
231 of Breaks Regional Airport, in force at the effective date of this act shall remain in full force insofar as
232 they or any part thereof are not inconsistent with the provisions of this act until amended or repealed in
233 accordance with this act.

234 § 10. Police powers.

235 Authority employees meeting the minimum requirements of the Department of Criminal Justice
236 Services shall be given special police power by the circuit court of any participating political
237 subdivision. The authority conferred upon such special policemen shall be exercised only upon Authority
238 facilities located within such participating political subdivision, and shall be in all terms consistent with
239 the requirements of Chapter 17 of Title 15.2 of the Code of Virginia.

240 Such special policemen shall have all powers vested in police officers under Chapter 17 of Title 15.2
241 of the Code of Virginia and shall be responsible upon Authority facilities for enforcing Authority rules
242 and regulations and all other applicable statutes, ordinances, rules, and regulations of the United States
243 of America and agencies and instrumentalities thereof and this Commonwealth and political

244 subdivisions, agencies and instrumentalities thereof.

245 Such special policemen may issue summons to appear, or arrest on view or without warrant as
246 permitted by law, and conduct before any court of competent jurisdiction any person violating any rule
247 or regulation of the Authority or other applicable statute, ordinance, rule or regulation.

248 For the purpose of enforcing such statutes, ordinances, rules and regulations, the court or courts
249 having jurisdiction for the trial of criminal offenses of the participating political subdivision wherein the
250 offense was committed shall have jurisdiction to try a person charged with the violating of any such
251 statutes, ordinances, rules or regulations.

252 § 11. Eminent domain.

253 The Authority is hereby granted full power to exercise the right of eminent domain within the
254 participating political subdivisions in the acquisition of any lands, easements, privileges or other
255 property interests that are necessary for constructing and operating an airport, including, where
256 necessary to provide unobstructed air space for the landing and taking off of aircraft utilizing its
257 airport, avigation easements over lands or water outside the boundaries of its airport, even though such
258 avigation easement may be either inconsistent with the continued use of such land for the same purposes
259 for which it had been used prior to such acquisition, or inconsistent with the maintenance, preservation
260 and renewal of any structure or any tree or other vegetation standing or growing on said land at the
261 time of such acquisition. Proceedings for the acquisition of such land, easements and privileges by
262 condemnation may be instituted and conducted in the name of the Authority in accordance with Title
263 25.1 of the Code of Virginia.

264 § 12. Reports.

265 The Authority shall keep minutes of its proceedings, which minutes shall be open to public inspection
266 during normal business hours. It shall keep suitable records of all its financial transactions and shall
267 arrange to have the same audited annually by an independent certified public accountant. Copies of
268 each such audit shall be furnished to each participating political subdivision and shall be open to public
269 inspection.

270 § 13. Procurement.

271 All contracts that the Authority may let for construction or materials shall be subject to the Virginia
272 Public Procurement Act (§ 2.2-4300 et seq.) of the Code of Virginia. Upon completion of the
273 construction of the Breaks Regional Airport, the Authority shall be subject to the same procurement
274 procedures that apply to the Town of Grundy.

275 § 14. Deposit and investment of funds.

276 Except as provided by contract with a participating political subdivision, all moneys received
277 pursuant to the authority of this act, whether as proceeds from the sale of bonds or as revenues or
278 otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this act. All
279 moneys of the Authority shall be deposited as soon as practicable in a separate account or accounts in
280 one or more banks or trust companies organized under the laws of the Commonwealth or national
281 banking associations having their principal offices in the Commonwealth. Such deposits shall be
282 continuously secured in accordance with the Virginia Security for Public Deposits Act.

283 Funds of the Authority not needed for immediate use or disbursement may, subject to the provisions
284 of any contract between the Authority and the holders of its bonds, be invested in securities that are
285 considered lawful investments for fiduciaries.

286 § 15. Authority to issue bonds.

287 The Authority shall have power and is hereby authorized to issue bonds from time to time in its
288 discretion for any of its purposes, including the payment of all or any part of the cost of any of its
289 facilities and the refunding of any bonds previously issued by it.

290 The Authority shall not issue bonds unless and until the maximum amount of such issue and the
291 general purposes thereof have been approved by the governing body of each participating political
292 subdivision. Subject to the foregoing, bonds may be issued under this act notwithstanding any debt or
293 other limitation prescribed in any other statute and without obtaining the consent of any city, town, or
294 county government or any commission, board, bureau, or agency of the Commonwealth or of any of the
295 foregoing, and without any other proceedings or the happening of other conditions or things than those
296 proceedings, conditions or things that are specifically required by this act.

297 The Authority may issue such types of bonds as it may determine, specifically bonds payable as to
298 principal and interest (i) from its revenues generally; (ii) exclusively from the income and revenues of a
299 particular project; or (iii) exclusively from the income and revenues of certain designated projects,
300 whether or not they are financed in whole or in part from the proceeds of such bonds. Subject to the
301 limitations set forth in § 7 of this act, any such bonds may be additionally secured by a pledge of any
302 grant or contribution from a participating political subdivision, the Commonwealth or any political
303 subdivision, agency or instrumentality thereof, any federal agency or any unit, private corporation,
304 copartnership, association, or individual, as such participating political subdivision, or other entities

305 *may be authorized to make under general law or by pledge of any income or revenues of the Authority,*
306 *or where such mortgage has been approved by the participating political subdivisions, a mortgage of*
307 *any facilities of the Authority.*

308 *Bonds of the Authority shall be authorized by resolution and may be issued in one or more series,*
309 *shall be dated, shall mature at such time or times not exceeding 40 years from their date or dates and*
310 *shall bear interest at such rate or rates as may be determined by the Authority, and may be made*
311 *redeemable before maturity at the option of the Authority at such price or prices and under such terms*
312 *and conditions as may be fixed by the Authority prior to the issuance of the bonds. The Authority shall*
313 *determine the form of the bonds, including any interest coupons to be attached thereto, and the manner*
314 *of execution of the bonds, and shall fix the denomination or denominations of the bonds and the place*
315 *or places of payment of principal and interest, which may be at any bank or trust company within or*
316 *without the Commonwealth. In case any officer whose signature or a facsimile of whose signature shall*
317 *appear on any bonds or coupons shall cease to be such officer before delivery of such bonds, such*
318 *signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had*
319 *remained in office until such delivery. Notwithstanding any of the other provisions of this act or any*
320 *recitals in any bonds issued under the provisions of this act, all such bonds shall be deemed to be*
321 *negotiable instruments under the laws of the Commonwealth. The bonds may be issued in coupon or*
322 *registered form or both, as the Authority may determine, and provision may be made for the registration*
323 *of any coupon bonds as to principal alone and also as to both principal and interest, and for the*
324 *conversion and reconversion into coupon bonds of any bonds registered as to both principal and*
325 *interest and vice versa.*

326 *The Authority may sell such bonds in such manner, either at public or private sale, and for such*
327 *price, as it may determine to be for the best interests of the Authority.*

328 *Prior to the preparation of definitive bonds, the Authority may, under like restrictions, issue interim*
329 *receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such*
330 *bonds shall have been executed and are available for delivery.*

331 *§ 16. Resolution or trust indenture to secure bonds.*

332 *In connection with the issuance of bonds and in order to secure the payment of such bonds, the*
333 *Authority shall have power:*

334 *1. To pledge by resolution, trust indenture, or other agreement, all or any part of its fees, rents, or*
335 *revenues;*

336 *2. To covenant to impose and maintain such schedule of fees, rents and charges as will produce*
337 *funds sufficient to pay operating costs and debt service;*

338 *3. To covenant against pledging all or any part of its fees, rents, and revenues to which its right*
339 *then exists or the right to which may thereafter come into existence or against permitting or suffering*
340 *any lien thereon;*

341 *4. To provide for the release of fees, rents, and revenues from any pledge and to reserve rights and*
342 *powers in the fees, rents and revenues that are subject to a pledge;*

343 *5. To covenant with respect to limitations on its right to sell, lease or otherwise dispose of any*
344 *facility or facilities of the Authority or any part thereof or with respect to limitations on its right to*
345 *undertake additional projects;*

346 *6. To covenant as to the bonds to be issued pursuant to any resolution, trust indenture, or other*
347 *instrument and as to the issuance of such bonds in escrow or otherwise, and as to the use and*
348 *disposition of the proceeds thereof;*

349 *7. To covenant as to what other, or additional, debt may be incurred by it;*

350 *8. To provide for the terms, forms, registration, exchange, execution, and authentication of bonds;*

351 *9. To provide for the replacement of lost, destroyed, or mutilated bonds;*

352 *10. To covenant as to the use of any or all of its property, real or personal, subject to the continued*
353 *use of such property for airport purposes;*

354 *11. To create or to authorize the creation of special funds in which there may be segregated: (i) the*
355 *proceeds of any loan or grant; (ii) all of the fees, rents and revenues of any facility or facilities or parts*
356 *thereof; (iii) any moneys held for the payment of the costs of operation and maintenance of any such*
357 *facilities or as a reserve for the meeting of contingencies in the operation and maintenance thereof; (iv)*
358 *any moneys held for the payment of the principal and interest on its bonds or the sums due under its*
359 *leases or as reserve for such payments; and (v) any moneys held for any other reserve or contingencies;*
360 *and to covenant as to the use and disposal of the moneys held in such funds;*

361 *12. To redeem its bonds, and to covenant for their redemption and to provide the terms and*
362 *conditions thereof;*

363 *13. To covenant against extending the time for the payment of its bonds or interest thereon, directly*
364 *or indirectly, by any means or in any manner;*

365 *14. To prescribe the procedure, if any, by which the terms of any contract with bondholders may be*
366 *amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner*

367 in which such consent may be given;

368 15. To covenant as to the maintenance of its facilities, the insurance to be carried thereon and the
369 use and disposition of insurance moneys;

370 16. To vest in a bondholder the right, in the event of the failure of the Authority to observe or
371 perform any covenant on its part to be kept or performed, to cure any such default, and, subject to the
372 limitation on total indebtedness expressed in this act, to advance any moneys necessary for such
373 purpose, and the moneys so advanced may be made an additional obligation of the Authority with such
374 interest, security and priority as may be provided in any trust indenture, lease or contract of the
375 Authority with reference thereto;

376 17. To covenant and prescribe as to the events of default and terms and conditions upon which any
377 or all of its bonds shall become or may be declared due before maturity and as to the terms and
378 conditions upon which such declaration and its consequences may be waived;

379 18. To covenant as to the rights, liabilities, powers, and duties arising upon the breach by it of any
380 covenant, condition or obligation;

381 19. To covenant to surrender possession of all or any part of any facility or facilities acquired or
382 constructed from bond proceeds, the revenues from which have been pledged upon the happening of any
383 event of default, as defined in the contract, and to vest in a bondholder the right without judicial
384 proceeding to take possession and to use, operate, manage, and control such facility or any part thereof,
385 and to collect and receive all fees, rents, and revenues arising therefrom in the same manner as the
386 Authority itself might do and to dispose of the moneys collected in accordance with the agreement of the
387 Authority with such obligee, subject to the continued use of such facilities for airport purposes;

388 20. To vest in a trustee or trustees the right to enforce any covenant made to secure, to pay, or in
389 relation to the bonds, to provide for the powers and duties of such trustee or trustees, to limit liabilities
390 thereof and to provide the terms and conditions upon which the trustee or trustees or the bondholders
391 or any proportion of them may enforce any such covenant;

392 21. To make covenants other than and in addition to the covenants herein expressly authorized, of
393 like or different character;

394 22. To execute all instruments necessary or convenient in the exercise of the powers herein granted
395 or in the performance of its covenants or duties, which may contain such covenants and provisions, in
396 addition to those above specified, as any purchaser of the bonds of the Authority may reasonably
397 require; and

398 23. To make such covenants and to do any and all such acts and things as may be necessary or
399 convenient or desirable in order to secure its bonds, or, in the absolute discretion of the Authority, that
400 tend to make the bonds more marketable; notwithstanding that such covenant, acts or things may not be
401 enumerated herein, it being the intention hereof to give the Authority power to do all things in the
402 issuance of bonds, and in the provisions for their security that are not inconsistent with the Constitution
403 of Virginia or this act.

404 § 17. Fees, rents and charges.

405 The Authority is hereby authorized to and shall fix, revise, charge, and collect fees, rents and other
406 charges for the use and services of any facilities. Such fees, rents, and other charges shall be so fixed
407 and adjusted as to provide a fund sufficient with other revenues to pay the cost of maintaining,
408 repairing, and operating the facilities and the principal and any interest on its bonds as the same shall
409 become due and payable, including reserves therefor. Such fees, rents, and charges shall not be subject
410 to supervision or regulation by any commission, board, bureau, or agency of the Commonwealth or any
411 participating political subdivision. The fees, rents, and other charges received by the Authority, except
412 such part thereof as may be necessary to pay the cost of maintenance, repair, and operation and to
413 provide such reserves therefor as may be provided for in any resolution authorizing the issuance of such
414 bonds or in any trust indenture or agreement securing the same, shall to the extent necessary, be set
415 aside at such regular intervals as may be provided in any such resolution or trust indenture or
416 agreement in a sinking fund or sinking funds pledged to, and charged with, the payment and the interest
417 on such bonds as the same shall become due, and the redemption price or the purchase price of such
418 bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the
419 time when the pledge is made. So long as any of its bonds are outstanding, the fees, rents, and charges
420 so pledged and thereafter received by the Authority shall immediately be subject to the lien of such
421 pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be
422 valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against
423 the Authority irrespective of whether such parties have notice thereof. Neither the resolution nor any
424 trust indenture by which a pledge is created need be filed or recorded except in the records of the
425 Authority. The use and disposition of moneys to the credit of any such sinking fund shall be subject to
426 the provisions of the resolution authorizing the issuance of such bonds or of such trust indenture or
427 agreement.

428 § 18. *Credit of Commonwealth and political subdivisions not pledged.*

429 *The bonds of the Authority shall not be a debt of the Commonwealth or any political subdivision*
430 *thereof, other than the Authority, and neither the Commonwealth nor any political subdivision thereof,*
431 *other than the Authority, shall be liable thereon, nor shall such bonds be payable out of any funds or*
432 *properties other than those of the Authority.*

433 *All bonds of the Authority shall contain on the face thereof a statement to such effect. The bonds*
434 *shall not constitute an indebtedness within the meaning of any debt limitation or restriction.*

435 § 19. *Directors and persons executing bonds not liable thereon.*

436 *Neither the Board of Directors nor any person executing the bonds shall be liable personally on the*
437 *Authority's bonds by reasons of the issuance thereof.*

438 § 20. *Remedies of bondholder.*

439 *Any holder of bonds issued under the provisions of this act or of any of the coupons appertaining*
440 *thereto, and the trustee under any trust indenture or agreement, may, either at law or in equity, by suit,*
441 *action, injunction, mandamus or other proceedings, protect and enforce any and all rights under the*
442 *laws of the Commonwealth or granted by this act or under such trust indenture agreement or the*
443 *resolution authorizing the issuance of such bonds and may enforce and compel the performance of all*
444 *duties required by this act or by such trust indenture or agreement or resolution to be performed by the*
445 *Authority or by any officer or agent thereof, including the fixing, charging and collection of fees, rents*
446 *and other charges. Any resolution authorizing the issuance of the Authority's bonds or trust indenture or*
447 *agreement securing the same may limit or abrogate the individual right of action by the holders of such*
448 *bonds or coupons appertaining thereto.*

449 § 21. *Taxation.*

450 *The exercise of the powers granted by this act shall in all respects be presumed to be for the benefit*
451 *of the inhabitants of the Commonwealth, for the increase of their commerce, and for the promotion of*
452 *their health, safety, welfare, convenience and prosperity, and as the operation and maintenance of any*
453 *project that the Authority is authorized to undertake will constitute the performance of an essential*
454 *governmental function, the Authority shall not be required to pay any taxes or assessments upon any*
455 *facilities acquired and constructed by it under the provisions of this act. The bonds issued under the*
456 *provisions of this act, their transfer and the income therefrom, including any profit made on the sale*
457 *thereof, shall at all times be free and exempt from taxation by the Commonwealth and by any political*
458 *subdivision thereof.*

459 *Persons, firms, partnerships, associations, corporations and organizations leasing property of the*
460 *Authority or doing business on property of the Authority shall be subject to and liable for payment of*
461 *all applicable taxes of the political subdivision in which such leased property lies or in which business*
462 *is conducted, including, but not limited to, any leasehold tax on real property and taxes on tangible*
463 *personal property and machinery and tools, taxes for admission, taxes on hotel and motel rooms, taxes*
464 *on the sale of tobacco products, taxes on the sale of meals and beverages, privilege taxes and local*
465 *general retail sales and use taxes, taxes to be paid on licenses in respect to any business, profession,*
466 *vocation or calling and taxes upon consumers of gas, electricity, telephone and other public utility*
467 *services.*

468 § 22. *Bonds as legal investments.*

469 *Bonds issued by the Authority under the provisions of this act are hereby made securities in which*
470 *all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance*
471 *companies, trust companies, banking associations, investment companies, executors, administrators,*
472 *trustees, and other fiduciaries may properly and legally invest funds, including capital in their control*
473 *or belonging to them. Such bonds are hereby made securities that may properly and legally be*
474 *deposited with and received by any state or municipal officer or any agency or political subdivision of*
475 *the Commonwealth for any purpose for which the deposit of bonds or obligations is now or may*
476 *hereafter be authorized by law.*

477 § 23. *Appropriation by political subdivision.*

478 *Any participating political subdivision, or other political subdivision of the Commonwealth all or a*
479 *part of which is located within 60 miles of an Authority facility, is authorized to provide services, to*
480 *donate real or personal property and to make appropriations to the Authority for the acquisition,*
481 *construction, maintenance, and operation of the Authority's facilities. Any such political subdivision is*
482 *hereby authorized to issue its bonds, including general obligation bonds, in the manner provided in the*
483 *Public Finance Act or in any applicable municipal charter for the purpose of providing funds to be*
484 *appropriated to the Authority, and such political subdivisions may enter into contracts obligating such*
485 *bond proceeds to the Authority. The Authority may agree to assume, or reimburse a participating*
486 *political subdivision for, any indebtedness incurred by such participating political subdivision with*
487 *respect to facilities conveyed by it to the Authority. With the consent of the governing body of the*
488 *participating political subdivision, any such agreement may be made subordinate to the Authority's*
489 *indebtedness to others.*

490 § 24. Authority budget.

491 A. The Authority shall annually prepare and submit to the participating political subdivisions (i) a
 492 proposed operating budget showing its estimated general fund revenues and expenses on an accrual
 493 basis for the forthcoming fiscal year, and if such estimated expenses exceed such estimated revenues, the
 494 portion of the deficit proposed to be borne by each participating political subdivision, and (ii) a
 495 proposed capital budget showing its estimated expenditures for such fiscal year for assets costing more
 496 than \$20,000 (or such higher amount as the Authority and the participating political subdivisions may
 497 determine) and having an estimated useful life of 20 years or more and the source of funds for such
 498 expenditures, including any amount requested from the participating political subdivisions. No
 499 depreciation shall be included in the Authority's operating budget with respect to assets purchased by
 500 the Authority with funds appropriated to it for such purpose by a participating political subdivision and,
 501 for this determination, it shall be assumed that any appropriation so made is for the purchase of assets
 502 set forth in the applicable Authority budget to the extent such purchase price is included in the
 503 approved budget. Assets purchased by the Authority with bond proceeds shall be depreciated over the
 504 term of the bond issue in proportion to the maturities, including sinking fund installments, of the bond
 505 issue.

506 B. If the governing body of a participating political subdivision shall approve the Authority's
 507 proposed operating budget, it shall appropriate to the Authority such political subdivision's portion of
 508 such budget, subject to the availability of funds in regard to the budget of the political subdivision.

509 C. If the governing body of a participating political subdivision shall approve the Authority's
 510 proposed capital budget, it shall appropriate to the Authority such participating political subdivision's
 511 portion of the expenditures set forth therein. Any such appropriation may be reduced by the
 512 participating political subdivision's proportionate share of any grant funds received by the Authority for
 513 the purchase of assets included in the Authority's approved capital budget in excess of the grant funds
 514 shown in such capital budget as a source of funds for such expenditure, unless prohibited by the basic
 515 provider of the grant funds.

516 D. The Authority may expend any and all moneys within its control without obtaining the approval
 517 of the participating political subdivisions, but, except as otherwise provided in this act with respect to
 518 contracts and agreements between the Authority and any political subdivision, the Authority shall not
 519 commit any participating political subdivision in an amount in excess of that appropriated to the
 520 Authority by the governing body of such political subdivision.

521 E. If at any time during any fiscal year it shall appear that the cash disbursements of the Authority
 522 will exceed its cash receipts for such fiscal year, including amounts appropriated to it by the
 523 participating political subdivisions, the Authority may request supplemental appropriations from the
 524 participating political subdivisions and any other political subdivision.

525 § 25. Allocation of deficit.

526 Any deficit budgeted by the Authority in any fiscal year, i.e., any excess of its estimated general fund
 527 expenses over its estimated general fund revenues, and the cost of any budgeted capital expenditures in
 528 excess of the amount shown as available therefor, as shown on the Authority's operating and capital
 529 budgets approved by the participating political subdivisions, shall be allocated among the participating
 530 political subdivisions as agreed upon by the participating political subdivisions and subject to the
 531 availability of funds in regard to the budgets of the political subdivisions.

532 § 26. Contracts with political subdivisions.

533 The Authority is authorized to enter into contracts with any one or more political subdivisions, which
 534 contracts may restrict the powers of the Authority otherwise granted by this act. Any participating
 535 political subdivision, or other political subdivision of the Commonwealth all or part of which is located
 536 within 60 miles of an Authority facility, is authorized to enter into contracts with the Authority, pursuant
 537 to which the Authority undertakes to provide the facilities and render the services specified therein. Any
 538 such contract or agreement may provide that the political subdivision will make payments to the
 539 Authority based on the services rendered by the Authority to the residents of such political subdivision,
 540 determined in such reasonable manner as the Authority and the political subdivision may mutually
 541 agree. Each political subdivision entering into such a service contract with the Authority is authorized
 542 to do everything necessary or proper to carry out and perform such contract and to provide for the
 543 payment or discharge of any obligation thereunder by the same means and in the same manner as any
 544 other of its obligations.

545 § 27. Retirement benefits for certain employees formerly employed by a participating political
 546 subdivision.

547 When a local political subdivision joins the Authority, any employee of such local political
 548 subdivision who then becomes an employee of the Authority, if such employee is a member of a local
 549 retirement system, may elect to and may continue to be eligible to remain a member of such local
 550 retirement system in lieu of becoming a member of any retirement system with which the Authority may

551 affiliate. Such election to remain a member of a local retirement system shall be made in writing within
552 120 days of such employee's political subdivision becoming a member of the Authority. In such event,
553 service of such employee with the Authority shall be creditable as service with the participating political
554 subdivision and shall be pursuant to all duly adopted ordinances and rules and regulations governing
555 such retirement system. Any employee so electing shall not be entitled to any benefit under the
556 Authority's retirement system, and the Authority shall pay the employer share of benefits provided the
557 Authority's employees by such political subdivision. Nothing herein shall apply to any health and
558 accident insurance plan or to the Federal Old Age and Survivors Insurance System.

559 § 28. Dissolution of Authority.

560 Whenever it shall appear to the Authority, or to any participating political subdivision that the need
561 for the Authority no longer exists, the Authority, or in the proper case, any such subdivision may
562 petition the circuit court of a participating political subdivision for the dissolution of the Authority. If
563 the court shall determine that the need for the Authority as set forth in this act no longer exists and that
564 all debts and pecuniary obligations of the Authority have been fully paid or provided for, it may enter
565 an order dissolving the Authority.

566 Upon dissolution, the court shall order any real property contributed to the Authority by a
567 participating political subdivision, together with any improvements thereon, returned to such
568 participating political subdivision. The remaining assets of the Authority shall be distributed to the
569 participating political subdivisions in proportion to their respective contributions theretofore made to the
570 Authority.

571 Each participating political subdivision and all holders of the Authority's bonds shall be made
572 parties to any such proceeding and shall be given notice as provided by law. Any party defendant may
573 reply to such petition at any time within six months after the filing of the petition. From the final
574 judgment of the court, an appeal shall lie to the Supreme Court of Virginia.

575 § 29. Agreement with Commonwealth and participating political subdivisions.

576 The Commonwealth and, by participating in the Authority, each participating political subdivision
577 pledge to and agree with the holders of any bonds issued by the Authority that neither the
578 Commonwealth nor any participating political subdivision will limit or alter the rights hereunder vested
579 in the Authority to fulfill the terms of any agreements made with said holders or in any way impair the
580 rights and remedies of said holders until such bonds are fully met and discharged. The Authority is
581 authorized to include this pledge and agreement in any contract with the holders of the Authority's
582 bonds.

583 § 30. Liberal construction.

584 Neither this act nor anything herein contained is or shall be construed as a restriction or limitation
585 upon any powers that the Authority might otherwise have under any laws of this Commonwealth, and
586 this act is cumulative to any such powers. This act does and shall be construed to provide a complete,
587 additional and alternative method for the doing of the things authorized hereby and shall be regarded
588 as supplemental and additional to powers conferred by other laws. However, the issuance of bonds
589 under the provisions of this act need not comply with the requirements of any other law applicable to
590 the issuance of bonds, notes or other obligations. No proceedings, notice or approval shall be required
591 for the issuance of any bonds or any instrument as security therefor, except as is expressly provided in
592 this act.

593 The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by
594 any court of competent jurisdiction, the decision of such court shall not affect or impair any of the other
595 provisions of this act.

596 § 31. Application of local ordinances, service charges and taxes upon leaseholds.

597 Nothing herein contained shall be construed to exempt the Authority's property from any applicable
598 zoning, subdivision, erosion and sediment control and fire prevention codes or from building regulations
599 of a political subdivision in which such property is located.

600 Nor shall anything herein contained exempt the property of the Authority from any service charge
601 authorized by the General Assembly pursuant to Article X, Section 6 (g) of the Constitution of Virginia,
602 or exempt any lessee of any of the Authority's property from any tax imposed upon his leasehold interest
603 in such property or upon the receipts derived therefrom.

604 § 32. Existing contracts, leases, franchises, not impaired.

605 No provisions of this act shall relieve, impair or affect any right, duty, liability or obligation arising
606 out of any contract, concession, lease or franchise now in existence except to the extent that such
607 contract, concession, lease or franchise may permit. Notwithstanding the foregoing provisions of this
608 section, the Authority may renegotiate, renew, extend the term of or otherwise modify at any time any
609 contract, concession, lease or franchise now in existence in such manner and on such terms and
610 conditions as it may deem appropriate, provided that the operator of or under any said contract,
611 concession, lease or franchise consents to said renegotiation, renewal, extension or modification.