

AMENDED IN SENATE MAY 10, 2011

AMENDED IN SENATE APRIL 7, 2011

SENATE BILL

No. 446

Introduced by Senator Dutton
(Principal coauthor: Senator Negrete McLeod)
(Coauthor: Senator Huff)

(Coauthors: Assembly Members Carter, Donnelly, Hagman, Jeffries,
Knight, Nestande, and Torres)

February 16, 2011

An act to add Division 17.5 (commencing with Section 175000) to the Public Utilities Code, relating to airports.

LEGISLATIVE COUNSEL'S DIGEST

SB 446, as amended, Dutton. Ontario International Airport.

Existing law provides for creation of airport districts. Existing law provides for transfer of the San Diego International Airport from the San Diego Unified Port District to the San Diego County Regional Airport Authority.

This bill would establish the Ontario International Airport Authority as a local entity of regional government. The bill would establish the membership of the board of directors of the authority and set forth the powers of the authority. The bill would authorize the authority to enter into an agreement with the City of Los Angeles to facilitate *the sale of, or the transfer of management and operational control of, the Ontario International Airport from the City of Los Angeles* to the authority. The bill would require the authority, in cooperation with the City of Los Angeles and the City of Ontario, to develop a transition plan to facilitate *the sale of, or the transfer of management and operational control of, the Ontario International Airport* to the authority. The bill would also

require the authority, the City of Los Angeles, the City of Ontario, the County of San Bernardino, other local and regional agencies, and the Department of Transportation to cooperate to develop effective surface transportation access to the Ontario International Airport.

To the extent these provisions would impose additional duties on entities of local government, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Division 17.5 (commencing with Section 175000)
2 is added to the Public Utilities Code, to read:

3
4 DIVISION 17.5. ONTARIO INTERNATIONAL AIRPORT
5 AUTHORITY
6

7 175000. This division shall be known and may be cited as the
8 Ontario International Airport Authority Act.

9 175001. The Legislature finds and declares all of the following:

10 (a) Airports help to link local, regional, statewide, national, and
11 global economic activities. Airports are also essential features of
12 comprehensive transportation systems that include streets and
13 highways, rail transit, transit over water, and mass transit.

14 (b) It is essential to the public health, safety, and welfare that
15 local and regional government officials jointly plan, develop, and
16 operate the Ontario International Airport so as to promote economic
17 development, protect environmental quality, and enhance social
18 equity.

19 (c) The significant local and regional consequences of airport
20 planning, development, and operations require the creation of a
21 regional airport authority.

1 175002. (a) There is hereby established the Ontario
2 International Airport Authority, as a local governmental entity of
3 regional government.

4 (b) *The area of jurisdiction of the Ontario International Airport*
5 *is the area described in the "Agreement between the City of Los*
6 *Angeles and the City of Ontario for the Acquisition of the Ontario*
7 *International Airport by the City of Los Angeles dated June 19,*
8 *1985."*

9 175003. (a) The Ontario International Airport Authority shall
10 be governed by a board of seven directors, appointed as follows:

11 (1) The City Council of the City of Ontario shall appoint four
12 directors.

13 (2) The Board of Supervisors of the County of San Bernardino
14 shall appoint three directors.

15 (b) The term of office of a member of the board of directors
16 appointed pursuant to subdivision (a) is three years or until his or
17 her successor qualifies and takes office, whichever date occurs
18 last; provided, however, that the initial term of one of the initial
19 directors appointed by the City Council of the City of Ontario and
20 one of the initial directors appointed by the Board of Supervisors
21 of the County of San Bernardino shall each be one year, and the
22 initial term of another of the initial directors appointed by the City
23 Council of the City of Ontario and another of the initial directors
24 appointed by the Board of Supervisors of the County of San
25 Bernardino shall each be two years.

26 (c) If a member of the board of directors is appointed to be a
27 member as a result of holding another public office, as indicated
28 by resolution adopted at the time of appointment, and that person
29 no longer holds that other public office, then that person shall no
30 longer serve on the board of directors and a vacancy shall exist.

31 (d) A director shall hold membership on the board during the
32 term for which he or she was appointed and until his or her
33 successor has been appointed and qualified; provided, however,
34 that a director may resign voluntarily or may be removed by and
35 at the pleasure of the authority that appointed him or her.

36 (e) In case of a vacancy in membership on the board, the
37 vacancy shall be promptly filled by the authority that appointed
38 the vacating member. An appointment to fill a vacancy during an
39 unexpired term shall be for the period of the unexpired term.

1 175004. (a) At the first meeting of the board of directors, and
2 at the first meeting of the board on or after the first Monday in
3 July of each even-numbered year thereafter, the board of directors
4 shall meet and elect its officers.

5 (b) The officers of the board of directors are a chair, a vice chair,
6 and those additional officers created by the board of directors
7 pursuant to subdivision (c). The chair shall preside over meetings
8 of the board of directors, and the vice chair shall serve during the
9 chair's absence or inability to serve.

10 (c) The board of directors may create additional offices and
11 elect members to those offices, provided that no member of the
12 board of directors shall hold more than one office.

13 (d) *The board shall appoint a general manager, a chief counsel,*
14 *and a chief financial officer. The general manager may enter into*
15 *contracts on behalf of the board, consistent with policies adopted*
16 *by the board.*

17 175005. (a) Meetings of the board of directors are subject to
18 the provisions of the Ralph M. Brown Act (Chapter 9 (commencing
19 with Section 54950) of Part 1 of Division 2 of Title 5 of the
20 Government Code).

21 (b) A majority of the total voting membership of the board of
22 directors shall constitute a quorum for the transaction of business.
23 In the absence of a quorum at any meeting of the board, a majority
24 of the members present may adjourn the meeting from time to time
25 without further notice, but no other business may be transacted.

26 (c) Any action taken by the board at a meeting shall require the
27 affirmative vote of a majority of the members of the board.

28 175006. (a) The authority may enter into an agreement with
29 the City of Los Angeles to facilitate *the acquisition of the Ontario*
30 *International Airport by the authority, or* the transfer of
31 management and operational control of the Ontario International
32 Airport from the City of Los Angeles to the authority, upon the
33 approval of the Federal Aviation Administration and the federal
34 Transportation Security Administration. ~~The~~ *Upon the agreement*
35 *of the City of Los Angeles, the* authority, in cooperation with the
36 City of Los Angeles and the City of Ontario, shall develop a
37 transition plan to facilitate *either the sale of, or* the transfer of
38 management and operational control of, the Ontario International
39 Airport to the authority, including appropriate amendments to the
40 existing contract between the City of Los Angeles and the City of

1 Ontario for the joint exercise of powers in relation to the Ontario
2 International Airport.

3 (b) The authority, the City of Ontario, the County of San
4 Bernardino, the City of Los Angeles, other local and regional
5 agencies, and the Department of Transportation shall cooperate to
6 develop effective surface transportation access to the Ontario
7 International Airport.

8 175007. (a) Upon the completion of the transfer pursuant to
9 Section 175006, the authority shall assume all revenue streams
10 from the operation of the Ontario International Airport to fund its
11 activities, operations, and investments consistent with its purposes.

12 (b) To the extent practicable, the authority shall endeavor to
13 maximize the revenues generated from enterprises located on the
14 property of the authority.

15 (c) The authority may receive state and federal grants for
16 purposes of planning, constructing, and operating an airport and
17 for providing ground access to airports under its control.

18 (d) *The transfer of the Ontario International Airport to the*
19 *authority shall not in any way relieve the authority from all*
20 *liabilities and obligations that are secured by revenues generated*
21 *from airport activities.*

22 175008. (a) The authority may sue and be sued in all actions
23 and proceedings, in all courts and tribunals of competent
24 jurisdiction.

25 (b) All claims for money or damages against the authority shall
26 be governed by Part 3 (commencing with Section 900) and Part 4
27 (commencing with Section 940) of Division 3.6 of Title 1 of the
28 Government Code.

29 175009. The authority may take by grant, purchase, devise, or
30 lease, or otherwise acquire, hold, enjoy, lease, and dispose of, real
31 and personal property ~~within or outside of~~ its area of jurisdiction
32 in order to further its purposes. *The authority may acquire property*
33 *outside of its area of jurisdiction for the purpose of installing*
34 *equipment related to the safe operation of the airport and the*
35 *aircraft using the airport, environmental mitigation, or*
36 *environmental remediation.*

37 175010. The authority may contract with any department or
38 agency of the United States, with any state or local governmental
39 agency, or with any person upon those terms and conditions that
40 the authority finds are in its best interests.

1 175011. (a) The authority may issue bonds, from time to time,
2 payable from revenue of any facility or enterprise operated,
3 acquired, or constructed by the authority, for any of the purposes
4 authorized by this division in accordance with the Revenue Bond
5 Law of 1941 (Chapter 6 (commencing with Section 54300) of Part
6 1 of Division 2 of Title 5 of the Government Code), excluding
7 Article 3 (commencing with Section 54380) of Chapter 6 of Part
8 1 of Division 2 of Title 5 of the Government Code ~~and the~~
9 ~~limitations set forth in subdivision (b) of Section 54402 of the~~
10 ~~Government Code which shall not apply to the issuance and sale~~
11 ~~of bonds pursuant to this section.~~

12 ~~(b) The authority is a local agency within the meaning of Section~~
13 ~~54307 of the Government Code. The airport system or any or all~~
14 ~~facilities and all additions and improvements that the authority's~~
15 ~~governing board authorizes to be acquired or constructed and any~~
16 ~~purpose, operation, facility, system, improvement, or undertaking~~
17 ~~of the authority from which revenues are derived or otherwise~~
18 ~~allocable, which revenues are, or may, by resolution or ordinance,~~
19 ~~be required to be separately accounted for from other revenues of~~
20 ~~the authority, shall constitute an enterprise within the meaning of~~
21 ~~Section 54309 of the Government Code.~~

22 ~~(c) The authority's governing board shall authorize the issuance~~
23 ~~of bonds pursuant to this section by resolution. Each resolution~~
24 ~~shall provide for the issuance of bonds in the amounts as may be~~
25 ~~necessary, until the full amount of bonds authorized has been~~
26 ~~issued.~~

27 ~~(d) The authority may issue refunding bonds to redeem or retire~~
28 ~~any bonds issued by the authority upon the terms, at the times, and~~
29 ~~in the manner which the authority's governing body determines~~
30 ~~by resolution.~~

31 ~~(e) This section provides a complete, additional, and alternative~~
32 ~~method of performing the acts authorized by this section, and the~~
33 ~~issuance of bonds, including refunding bonds, need not comply~~
34 ~~with any other law applicable to borrowing or the issuance of~~
35 ~~bonds. Any provision of the Revenue Bond Law of 1941 that is~~
36 ~~inconsistent with this section or this division shall not be~~
37 ~~applicable.~~

38 ~~(f) Nothing in this section prohibits the authority from availing~~
39 ~~itself of any procedure provided in this chapter for the issuance of~~
40 ~~bonds of any type or character for any of the authorized airport~~

1 facilities. All bond proceedings may be carried on simultaneously
2 or, in the alternative, as the authority may determine.

3 175012. The authority may levy special benefit assessments
4 consistent with the requirements of Article XIID of the California
5 Constitution to finance capital improvements.

6 175013. The authority may borrow money in accordance with
7 Article 7 (commencing with Section 53820) of, Article 7.6
8 (commencing with Section 53850) of, or Article 7.7 (commencing
9 with Section 53859) of, Chapter 4 of Part 1 of Division 2 of Title
10 5 of the Government Code.

11 175014. The authority may bring an action to determine the
12 validity of any of its bonds, equipment trust certificates, warrants,
13 notes, or other evidences of indebtedness or any of its revenues,
14 rates, or charges pursuant to Chapter 9 (commencing with Section
15 860) of Title 10 of Part 2 of the Code of Civil Procedure.

16 SEC. 2. If the Commission on State Mandates determines that
17 this act contains costs mandated by the state, reimbursement to
18 local agencies and school districts for those costs shall be made
19 pursuant to Part 7 (commencing with Section 17500) of Division
20 4 of Title 2 of the Government Code.