



SENATE BILL 2473

By Bailey

**AN ACT to amend Tennessee Code Annotated, Title 4;
Title 7 and Title 42, relative to airport authorities.**

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

SECTION 1. Tennessee Code Annotated, Section 42-4-106(d)(1), is amended by deleting the following language:

The president shall prepare annually the operating budget of the authority and submit the budget to the board for approval at least sixty (60) days prior to the beginning of the fiscal year.

and substituting instead the following:

The president shall prepare annually the operating budget of the authority and submit the budget to the board for approval at least seventy-five (75) days prior to the beginning of the fiscal year.

SECTION 2. This act takes effect July 1, 2026, the public welfare requiring it.

Amendment No. 1 to SB2473

Massey
Signature of Sponsor

AMEND Senate Bill No. 2473*

House Bill No. 2507

by deleting all language after the caption and substituting:

WHEREAS, the State's regional and metropolitan airports and the governance thereof are important matters of statewide concern; and

WHEREAS, the governance and composition of metropolitan airport authorities and regional airport authorities has a direct relationship with the direction, success, safety, and security of regional and metropolitan airports; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 42-4-105, is amended by deleting the section and substituting instead:

(a) The board of commissioners of each existing authority is vacated and reconstituted pursuant to this section.

(b) The governing body of an authority in this state is a board of commissioners of nine (9) persons appointed as follows:

(1) Two (2) persons to be appointed by the speaker of the house of representatives, one (1) of whom is a resident of the county in which the airport is located and one (1) of whom is a resident of a county in the region surrounding the airport;

(2) Two (2) persons to be appointed by the speaker of the senate, one (1) of whom is a resident of the county in which the airport is located and one (1) of whom is a resident of a county in the region surrounding the airport;

(3) Two (2) persons to be appointed by the governor, both of whom are residents of a county in the region surrounding the airport; and

(4) Except as provided in subsection (c), three (3) persons appointed by the executive officer of the creating municipality and approved by its governing body, all of whom are residents of the creating municipality.

(c)

(1) If there is one (1) participating municipality, then one (1) person appointed pursuant to subdivision (b)(4) must be from a list of qualified nominees submitted by the executive officer of that participating municipality.

(2) If there are two (2) or more participating municipalities, then up to two (2) persons appointed pursuant to subdivision (b)(4) must be from lists of qualified nominees submitted by each of the executive officers of the participating municipalities.

(d) Persons appointed to the board:

(1) Must have no financial interest in an airport or its concessions at the time of the commissioner's appointment and during the commissioner's tenure on the board; and

(2) Must not be an officer or employee of the creating municipality or participating municipality.

(e) In order to stagger the terms of the newly appointed board, initial appointments are made as follows:

(1) Commissioners appointed under subdivision (b)(3) serve initial two-year terms;

(2) Commissioners appointed under subdivision (b)(1) serve initial three-year terms;

(3) Commissioners appointed under subdivision (b)(2) serve initial four-year terms; and

(4) Commissioners appointed under subdivision (b)(4) serve initial five-year terms.

(f) Following the expiration of a commissioner's initial term, as prescribed in subsection (e), all terms are four (4) years, to begin on July 1 and terminate on June 30, four (4) years thereafter. The beginning of an initial term is deemed to be July 1 of the calendar year in which the appointment occurs, regardless of whether the actual appointment date occurs before or after July 1 of that year.

(g) In making the appointments to the board, the appointing authorities shall strive to ensure that the membership is representative of the geographic and demographic composition of this state or the creating municipality and at least one (1) commissioner is a female.

(h) In addition to subsection (g), in making the appointments to the board, the appointing authorities shall ensure that each commissioner is generally a person of excellent character and reputation and a person in good standing and reputation in one (1) of the following fields:

(1) Engineering or architecture, with a license to practice in the state and an active practice in such profession for the preceding five (5) years;

(2) Law, with a license to practice before the highest court in this state for a period of not less than five (5) years;

(3) Industry, business, or commerce;

(4) Public safety;

(5) Aviation; or

(6) Finance.

(i) A commissioner:

(1) Serves in such capacity until the expiration of the term to which the commissioner was appointed and until the commissioner's successor is duly appointed and qualified; and

(2) May be removed by the commissioner's appointing authority with or without cause. A vacancy created by the removal of a commissioner is filled by the appointing authority in the same manner as the original appointment.

(j) In addition to the reporting requirements under § 42-4-106(d) and (e), the authority shall submit quarterly reports or briefings of the activities, plans, and conditions of the authority, and any proposals for capital expansion or improvements to members of the governing body of the creating municipality, the governor, the speaker of the house of representatives, and the speaker of the senate prior to the expansion or improvements.

(k) The authority shall maintain its books and prepare its financial statements in a timely manner satisfactory to the state and pay the state for all costs the state incurs in reviewing and auditing the authority's finances.

(l) The board shall elect from among its members a chair, vice chair, and secretary, each of whom shall continue to be voting members, and shall adopt its own bylaws and rules of procedure. A majority of the commissioners constitutes a quorum for the transaction of business. Except as expressly otherwise specified in this chapter, all powers granted to an authority by this chapter must be exercised by the board.

(m) Commissioners do not receive a salary but must be reimbursed for necessary expenses incurred in the performance of their official duties.

SECTION 2. Tennessee Code Annotated, Section 42-3-104, is amended by deleting the last two sentences of subdivision (a)(3) and adding the following as a new subsection:

(f) Notwithstanding this section to the contrary:

(1) The governing body of an existing regional airport authority created pursuant to subdivision (a)(3) is vacated and reconstituted pursuant to this subsection (f).

(2) The governing body of a regional airport authority created pursuant to subdivision (a)(3) is a board of commissioners of twelve (12) persons appointed as follows:

(A) Two (2) persons to be appointed by the speaker of the house of representatives, one (1) of whom is a resident of a participating political subdivision of another state, and one (1) of whom is a resident of the participating county in which the airport is located;

(B) Two (2) persons to be appointed by the speaker of the senate, one (1) of whom is a resident of a participating municipality located in the county in which the airport is located and that does not border the participating political subdivision of another state, and one (1) of whom is a resident of the participating municipality located in the county in which the airport is not located;

(C) Three (3) persons to be appointed by the governor, two (2) of whom are residents of a participating county in which the airport is not located, and one (1) of whom is a resident of a participating municipality located in a county in which the airport is not located;

(D) One (1) person appointed by the executive officer of the participating county in which the airport is located and approved by its governing body;

(E) One (1) person appointed by the executive officer of the participating municipality located in the county in which the airport is located and that does not border a participating political subdivision of another state and approved by its governing body;

(F) One (1) person appointed by the executive officer of a participating municipality located in the county in which the airport is

located and that borders a participating political subdivision of another state and approved by its governing body;

(G) One (1) person appointed by the executive officer of a participating county in which the airport is not located and approved by its governing body; and

(H) One (1) person appointed by the executive officer of a participating municipality located in the county in which the airport is not located and approved by its governing body.

(3) Persons appointed to the board must have no financial interest in an airport or its concessions at the time of the commissioner's appointment and during the commissioner's tenure on the board.

(4) In order to stagger the terms of the newly appointed board, initial appointments are made as follows:

(A) Commissioners appointed under subdivision (f)(2)(C) serve initial two-year terms;

(B) Commissioners appointed under subdivision (f)(2)(A) serve initial three-year terms;

(C) Commissioners appointed under subdivision (f)(2)(B) serve initial four-year terms; and

(D) Commissioners appointed under subdivisions (f)(2)(D)-(H) serve initial five-year terms;

(5) Following the expiration of a commissioner's initial term, as prescribed in subdivision (f)(4), all terms are four (4) years, to begin on July 1 and terminate on June 30, four (4) years thereafter. The beginning of an initial term is deemed to be July 1 of the calendar year in which the appointment occurs, regardless of whether the actual appointment date occurs before or after July 1 of that year;

(6) In making the appointments to the board, the appointing authorities shall strive to ensure that the membership is representative of the geographic and demographic composition of this state, the participating municipalities and counties of this state, or the political subdivisions of another state, and that at least one (1) commissioner is a female;

(7) In addition to subdivision (f)(6), in making the appointments to the board, the appointing authorities shall ensure that each commissioner is generally a person of excellent character and reputation. It is the legislative intent that each commissioner be a person in good standing and reputation in one (1) of the following fields:

(A) Engineering or architecture, with a license to practice in the state and an active practice in such profession for the preceding five (5) years;

(B) Law, with a license to practice before the highest court in this state for a period of not less than five (5) years;

(C) Industry, business, or commerce;

(D) Public safety;

(E) Aviation; or

(F) Finance;

(8) A commissioner:

(A) Serves in such capacity until the expiration of the term to which the commissioner was appointed and until the commissioner's successor is duly appointed and qualified; and

(B) May be removed by the commissioner's appointing authority with or without cause. A vacancy created by the removal of a commissioner is filled by the appointing authority in the same manner as the original appointment;

(9) The authority shall submit quarterly reports or briefings of the activities, plans, and conditions of the authority, and any proposals for capital expansion or improvements to members of the legislative body of each participating municipality and county of this state and political subdivision of another state; the governor; the speaker of the house of representatives; and the speaker of the senate prior to the expansion or improvements;

(10) The authority shall maintain its books and prepare its financial statements in a timely manner satisfactory to the state and pay the state for all costs the state incurs in reviewing and auditing the authority's finances; and

(11) The authority is subject to all other provisions of this chapter to the extent otherwise applicable, except as provided by this subsection (f).

SECTION 3. Tennessee Code Annotated, Section 42-3-104(a), is amended by deleting the language "subdivision (a)(1), (a)(2) or (a)(3)" in subdivision (4)(C) and substituting instead the language "subdivision (a)(1) or (a)(2)" and deleting the language "political subdivision of another state" in subdivisions (4)(C) and (D) wherever it appears.

SECTION 4. Tennessee Code Annotated, Section 42-3-108(b), is amended by deleting the language "membership is appointed by the legislative bodies of five (5) or more local governments" and substituting instead the language "membership includes five (5) or more local governments".

SECTION 5.

(a) This act does not impair, diminish, or otherwise adversely affect any retirement, pension, insurance, leave, or other fringe benefit rights or benefits of any employee of an airport authority that are vested or accrued as of the effective date of this act.

(b) Vested or accrued rights and benefits of an employee of an airport authority affected by this act remain enforceable in accordance with the terms of the applicable plan, policy, contract, or agreement.

SECTION 6. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 7. For purposes of appointing commissioners to the new airport authority boards, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, including the vacation and reconstitution of any board, this act takes effect July 1, 2026, the public welfare requiring it.