

OPINION
64-4

August 20, 1964 (OPINION)

Mrs. Cathryn Hostler

City Auditor

Watford City, North Dakota

RE: Airport - Airport authorities - Custody of funds

In a recent letter to this office you stated that an airport authority was created by the City Council pursuant to section 2-06-02 of the North Dakota Century Code and that some of the duties and functions of the authority are not clear.

Specifically, you have a question as to who handles the moneys received from rentals of certain property, purchased for airport purposes, and from tax levies.

Section 2-06-14 of the North Dakota Century Code, as amended, reads as follows:

"TAX LEVY MAY BE CERTIFIED BY AIRPORT AUTHORITY OR MUNICIPALITY. The airport authority may certify annually to the governing bodies, the amount of tax to be levied by each municipality participating in the creation of the airport authority, and the municipality shall levy the amount certified, pursuant to provisions of law authorizing cities and other political subdivisions of this state to levy taxes for airport purposes. The levy made shall not exceed the maximum levy permitted by the laws of this state for airport purposes. The municipality shall collect the taxes certified by an airport authority in the same manner as other taxes are levied and collected and make payment to the airport authority. The proceeds of such taxes when and as paid to the airport authority shall be deposited in a special account or accounts in which other revenues of the authority are deposited and may be expended by the authority as provided for in this chapter. Prior to the issuance of bonds under section 2-06-10 the airport authority or the municipality may by resolution covenant and agree that the total amount of such taxes then authorized by law, or such portion thereof as may be specified by the resolution, will be certified, levied and deposited annually as herein provided, until the bonds and interest thereon are fully paid." (emphasis supplied)

The underlined portion of the above section should answer your first question. The money from the levy is turned over to the authority and deposited in a special account or accounts in which other revenues of the authority are deposited. In other words, the authority apparently provides its own special accounts which may be expended by the authority as provided by this chapter (2-06).

Your second question is whether it is necessary for the City to deed

the land purchased by the City for airport purposes, to the airport authority. If so, you would like the procedure outlined.

Section 2-06-19 of the North Dakota Century Code reads in part as follows:

"MUNICIPAL COOPERATION. 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 may, upon such terms, with or without consideration, as it may determine,

* * *

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;

* * *."

The authority to make such a transfer is given and the need for some sort of conveyance can be implied from the above quoted language. The proper procedure, however, is not outlined.

May we suggest that the City Council, by resolution, authorize the conveyance of the property and then a deed, signed by the mayor, be given to the Airport Authority. This procedure would provide proof of the conveyance, and since the Authority will be working closely with state and federal agencies, the need for such proof may become necessary in the future.

HELGI JOHANNESON

Attorney General