

BILL ANALYSIS

Senate Research Center
77R8988 JAT-D

C.S.S.B. 569
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Intergovernmental Relations
4/11/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, the City of Grapevine, which encompasses nearly 8,000 acres of the Dallas/Fort Worth International Airport (DFW Airport), receives and has received since the airport opened in 1974 all the tax revenues generated from activities on the airport's property within its city limits. The property was purchased and is owned by the cities of Fort Worth and Dallas, which provide all municipal services, including police, fire, ambulance, water, sewer, roadway repair, mowing, and permitting, on airport property located within Grapevine's city limits at no cost to Grapevine. In 1995, expenses for these services in Grapevine topped more than \$32 million. Latest estimates show that Grapevine receives, in taxes alone, approximately \$11 million annually from activities at DFW Airport, and the estimated annual economic impact on the city totals more than \$350 million. Two neighboring cities that also receive revenue from DFW Airport, Euless and Irving, have signed revenue-sharing agreements with Dallas and Fort Worth in order to remedy tax inequities. However, numerous efforts made by airport officials to secure a similar agreement with Grapevine have proved unfruitful. C.S.S.B. 569 institutes a financial sharing system by which airport revenues are shared according to certain stated ratios.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 22D, Transportation Code, to add Section 22.089, as follows:

Sec. 22.089. AIRPORT REVENUE OF NON-CONSTITUENT MUNICIPALITIES. (a) Defines "airport revenue."

(b) Requires each non-constituent municipality, not later than March 31 of each year, to pay to the constituent agencies two-thirds of the non-constituent municipality's excess airport revenues for the preceding calendar year. Requires the constituent agencies to divide the payment according to their respective ownership interests in the airport to which the revenue was attributable.

(c) Requires each non-constituent municipality each year to retain an independent auditor to verify the non-constituent municipality's excess airport revenue. Requires the constituent agencies to reimburse each non-constituent municipality for two-thirds the cost of the verification. Requires a portion of the reimbursement paid by each constituent agency to be based on the respective ownership interests in the airport to which the increased revenues were attributable. Authorizes each constituent agency, once each calendar year, to audit a non-constituent municipality's records relating to the excess airport revenue at the sole expense of the constituent agency.

(d) Requires each non-constituent municipality to determine the amount of the municipality's airport revenue according to certain data.

SECTION 2. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Amends As Filed S.B. 569 as follows:

SECTION 1. Omits original proposed Section 22.089, Transportation Code, and adds a new Section 22.089.

SECTION 2. Changes the effective date from January 1, 2002, to September 1, 2001.