

BILL ANALYSIS

Senate Research Center

S.B. 881
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DIGEST AND PURPOSE

Currently, the 1968 Dallas Fort Worth Regional Airport Agreement exempts land within airport boundaries from ad valorem taxation and states that the airport has “no desire to create a ‘private industrial’ park.” A commercial development project has been planned which would offer commercial enterprises exemption from property taxes, directly violating the spirit and terms of the agreement. As proposed, S.B. 881 requires the development of a land use plan for all property within airport boundaries and the divestiture of property not planned for essential airport services.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Transportation in SECTION 1 (Section 22.080, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 3, Chapter 22, Transportation Code, to add Section 22.080, as follows:

Sec. 22.080. DISPOSAL OF PROPERTY. (a) Sets forth state policy concerning the disposal of airport property.

(b) Requires an airport described in this subchapter to determine its long-term plans for all of the real property situated within its boundaries and designate the uses for the land in a report to the Texas Department of Transportation (department) no later than December 31, 2001. Requires an airport’s land use report to specify the current and planned uses of the land over the next five years, including any planned expansion that will require annexation.

(c) Requires an airport described in this subchapter to divest itself of ownership of any real property that is not designated for essential airport services in the land use report described in Subsection (b). Defines “essential airport service” for the purposes of this subsection. Sets forth instances in which improvements such as commercial buildings may be considered to be used for essential airport services. Authorizes the department to approve all designations of essential airport services made under this section. Requires an airport to sell real property not planned to be utilized for essential airport services before the fifth anniversary of the submission to the department of the land use report. Authorizes the airport, if the real property cannot be sold for fair market value as determined by an independent appraisal, to be allowed to retain ownership of the property, upon the approval of the department, providing that the municipality in which the land is located is authorized to regulate the use of the land through its zoning authority, notwithstanding any other law to the contrary.

(d) Requires the department to perform an audit of each airport that is jointly owned by two municipalities each fifth year after the effective date of this Act, and if it determines that land that remains owned by the airport is not used for essential airport

services, to issue a warning to the airport that said finding has been made. Requires the department, if the next audit finds the real property identified in the prior audit is still not used for essential airport services, to commence an action to enforce the intent of this Act and to secure the divestiture of the real property immediately.

(e) Requires an airport owned by two municipalities to reimburse the department for the costs incurred in performing the audits required in this section.

(f) Authorizes the department to adopt rules to implement the intent of this section.

Section 2. Effective date: upon passage or September 1, 2001.