

BILL ANALYSIS

Senate Research Center
88R12623 MZM-F

S.B. 1716
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Transportation
3/20/2023
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law limits the term of leases for operating airports and associated air navigation facilities to 40 years. This often does not provide enough time for private entities to recoup their investment in the development of airport infrastructure and businesses. As a result, airports may not have access to the capital required to expand or upgrade their facilities, which could limit the number of passengers and cargo they can handle. This ultimately affects the potential revenue that could be generated by airports.

S.B. 1716 would increase the maximum term limit for leasing airport operation and associated air navigation facilities from 40 to 99 years. This change would encourage private entities to develop airports, which can provide jobs, stimulate economic growth, and improve air transportation service quality.

As proposed, S.B. 1716 amends current law relating to term limits for certain contracts regarding airports and associated air navigation facilities operated by or on behalf of a local government.

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 Section 22.020(a), Transportation Code, as follows:

- (a) Authorizes a local government, by contract, lease, or other arrangement, on a consideration fixed by the local government and for a term not to exceed 99 years, rather than 40 years, to authorize a qualified person to operate, as the agent of the local government or otherwise, an airport owned or controlled by the local government.

SECTION 2. Amends Sections 22.021(a) and (d), Transportation Code, as follows:

- (a) Authorizes a local government, in operating an airport or air navigation facility that it owns, leases, or controls, to enter into a contract, lease, or other arrangement for a term not exceeding 99 years, rather than 40 years, with certain persons.
- (d) Makes a conforming change to this subsection.

SECTION 3. Amends Sections 22.022(a) and (b), Transportation Code, as follows:

- (a) Prohibits a lease of real property from exceeding 99 years, rather than 40 years, if certain criteria are met.
- (b) Prohibits a renewal or extension of a lease under Subsection (a) from exceeding 99 years, rather than 40 years. Prohibits the renewals or extensions, if the lease provides for more than one renewal or extension, from in the aggregate exceeding 99 years, rather than 40 years.

SECTION 4. Effective date: September 1, 2023.