



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 338** HLS 21RS 471
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 16, 2021 11:44 AM	Author: MCCORMICK
Dept./Agy.: Vivian Municipal Airport	Analyst: Sarah Futch
Subject: Applicability of Certain Lease Terms	

AIRCRAFT/AIRPORTS OR SEE FISC NOTE LF RV Page 1 of 1
 Provides relative to the applicability of certain lease terms to the Vivian Municipal Airport

Purpose of Bill: This measure **removes** for Vivian Municipal Airport the requirements that limit airport facility leases to: (1) a primary period of 10 years with an option to extend by an additional 10 years based on the monetary improvements added or contracted to be added and (2) optionally extend by an additional 10 years when certain improvements will become the property of the lessor at no additional cost to the lessor, not to exceed a maximum term of 100 years.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
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Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Local Fund revenues may increase by an indeterminable amount as a result of this bill.

Based on information from a local airport official, the expectation is that the removal of lease term limits and stipulations would make airport property leases more appealing to private aircraft owners and businesses. There are no current leases at Vivian Municipal Airport. It is estimated that there is 350,000 square feet available for lease at the airport. A lease price per square foot has not been determined, but an airport similar to Vivian Municipal Airport has a current lease rate of \$0.2254 per square foot. Based on the information provided, the airport could increase annual revenues by \$78,890 (350,000 square feet x \$0.2254 per square foot), if the removal of limits/restrictions resulted in leases.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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