

AN ACT

relating to the ad valorem taxation of certain property that is part of certain public transportation facilities or part of certain rail facilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 25.07(b), Tax Code, is amended to read as follows:

(b) Except as provided by Sections 11.11(b) [~~Subsections (b)~~] and (c) [~~of Section 11.11 of this code~~], a leasehold or other possessory interest in exempt property may not be listed if:

(1) the property is permanent university fund land;

(2) the property is county public school fund agricultural land;

(3) the property is a part of a public transportation facility owned by a municipality or county [~~an incorporated city or town~~] and:

(A) is an airport passenger terminal building or a building used primarily for maintenance of aircraft or other aircraft services, for aircraft equipment storage, or for air cargo;

(B) is an airport fueling system facility;

(C) is in a foreign-trade zone:

(i) that has been granted to a joint airport board under Chapter 129, Acts of the 65th Legislature, Regular

1 Session, 1977 (Article 1446.8, Vernon's Texas Civil Statutes);

2 (ii) the area of which in the portion of the  
3 zone located in the airport operated by the joint airport board does  
4 not exceed 2,500 acres; and

5 (iii) that is established and operating  
6 pursuant to federal law; or

7 (D)(i) is in a foreign trade zone established  
8 pursuant to federal law after June 1, 1991, which operates pursuant  
9 to federal law;

10 (ii) is contiguous to or has access via a  
11 taxiway to an airport located in two counties, one of which has a  
12 population of 500,000 or more according to the federal decennial  
13 census most recently preceding the establishment of the foreign  
14 trade zone; and

15 (iii) is owned, directly or through a  
16 corporation organized under the Development Corporation Act of 1979  
17 (Article 5190.6, Vernon's Texas Civil Statutes), by the same  
18 municipality [~~incorporated city or town~~] which owns the airport;

19 (4) the interest is in a part of:

20 (A) a park, market, fairground, or similar public  
21 facility that is owned by a municipality [~~an incorporated city or~~  
22 ~~town~~]; or

23 (B) a convention center, visitor center, sports  
24 facility with permanent seating, concert hall, arena, or stadium  
25 that is owned by a municipality [~~an incorporated city or town~~] as  
26 such leasehold or possessory interest serves a governmental,  
27 municipal, or public purpose or function when the facility is open

1 to the public, regardless of whether a fee is charged for admission;

2 (5) the interest involves only the right to use the  
3 property for grazing or other agricultural purposes;

4 (6) the property is owned by the Texas National  
5 Research Laboratory Commission or by a corporation formed by the  
6 Texas National Research Laboratory Commission under Section  
7 465.008(g), Government Code, and is used or is useful in connection  
8 with an eligible undertaking as defined by Section 465.021,  
9 Government Code; ~~or~~

10 (7) the property is:

11 (A) owned by a municipality, a public port, or a  
12 navigation district created or operating under Section 59, Article  
13 XVI, Texas Constitution, or under a statute enacted under Section  
14 59, Article XVI, Texas Constitution; and

15 (B) used as an aid or facility incidental to or  
16 useful in the operation or development of a port or waterway or in  
17 aid of navigation-related commerce; or

18 (8) the property is part of a rail facility owned by a  
19 rural rail transportation district created or operating under  
20 Chapter 623, Acts of the 67th Legislature, Regular Session, 1981  
21 (Article 6550c, Vernon's Texas Civil Statutes).

22 SECTION 2. This Act takes effect January 1, 2008.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 316 was passed by the House on March 13, 2007, by the following vote: Yeas 140, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 316 was passed by the Senate on May 22, 2007, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor