

By: Creighton

S.B. No. 1260

A BILL TO BE ENTITLED

AN ACT

relating to certain contracts regarding airports and associated air navigation facilities operated by or on behalf of a local government.

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

SECTION 1. Section 22.019, Transportation Code, is amended to read as follows:

Sec. 22.019. CONTRACTS. Except as provided by Section 22.0191, a [A] local government may enter into a contract necessary to the execution of a power granted the local government and for a purpose provided by this chapter.

SECTION 2. Subchapter B, Chapter 22, Transportation Code, is amended by adding Section 22.0191 to read as follows:

Sec. 22.0191. AIRPORT INFRASTRUCTURE OR EQUIPMENT CONTRACTS. (a) In this section, "airport infrastructure or equipment contract" means a contract for the acquisition, construction, improvement, or renovation of airport infrastructure or equipment, including a terminal, security system, or passenger boarding bridge, used at an airport or an air navigation facility associated with an airport.

(b) A local government or a person operating an airport on behalf of a local government may not enter into an airport infrastructure or equipment contract with:

(1) an entity that:

1                   (A) a federal court determines has  
2 misappropriated intellectual property or trade secrets from  
3 another entity organized under federal, state, or local law; and

4                   (B) is owned wholly or partly by, is controlled  
5 by, or receives subsidies from the government of a country that:

6                   (i) is identified under Section 182, Trade  
7 Act of 1974 (19 U.S.C. Section 2242), as a priority foreign country;  
8 or

9                   (ii) is subject to monitoring by the Office  
10 of the United States Trade Representative in accordance with  
11 Section 306, Trade Act of 1974 (19 U.S.C. Section 2416); or

12                   (2) any entity that owns, controls, is owned or  
13 controlled by, is under common ownership with, or is a successor to  
14 an entity described by Subdivision (1).

15                   (c) An airport infrastructure or equipment contract for  
16 goods or services entered into by a local government or a person  
17 operating an airport on behalf of a local government must contain a  
18 written statement by the entity with which the local government or  
19 person is contracting verifying that the entity is not an entity  
20 described by Subsection (b)(1) or (2).

21                   (d) If the written statement required in an airport  
22 infrastructure or equipment contract under Subsection (c) is found  
23 to be false, the contract is voidable by the local government or  
24 person operating the airport.

25                   SECTION 3. Section 22.020(a), Transportation Code, is  
26 amended to read as follows:

27                   (a) A local government, by contract, lease, or other

1 arrangement, on a consideration fixed by the local government and  
2 for a term not to exceed 99 [40] years, may authorize a qualified  
3 person to operate, as the agent of the local government or  
4 otherwise, an airport owned or controlled by the local government.

5 SECTION 4. Sections 22.021(a) and (d), Transportation Code,  
6 are amended to read as follows:

7 (a) In operating an airport or air navigation facility that  
8 it owns, leases, or controls, a local government may enter into a  
9 contract, lease, or other arrangement for a term not exceeding 99  
10 [40] years with a person:

11 (1) granting the privilege of using or improving the  
12 airport or air navigation facility, a portion or facility of the  
13 airport or air navigation facility, or space in the airport or air  
14 navigation facility for commercial purposes;

15 (2) conferring the privilege of supplying goods,  
16 services, or facilities at the airport or air navigation facility;  
17 or

18 (3) making available services to be furnished by the  
19 local government or its agents at the airport or air navigation  
20 facility.

21 (d) The 99-year [40-year] limit on the term of a contract,  
22 lease, or other arrangement provided by Subsection (a) does not  
23 apply to a contract, lease, or other arrangement under this section  
24 between a local government and this state, the United States, or an  
25 agency or instrumentality of this state or the United States.

26 SECTION 5. Sections 22.022(a) and (b), Transportation Code,  
27 are amended to read as follows:

1           (a) A lease of real property may not exceed 99 [40] years if:

2                   (1) the lease is made under Section 22.011(c) or (d),  
3 Section 22.020, or Section 22.021; and

4                   (2) at the time of the execution of the lease, the  
5 property is used as nonaeronautical property and is located on an  
6 airport on which there are active federal governmental aircraft  
7 operations on federal government property.

8           (b) A renewal or extension of a lease under Subsection (a)  
9 may not exceed 99 [40] years. If the lease provides for more than  
10 one renewal or extension, the renewals or extensions may not in the  
11 aggregate exceed 99 [40] years.

12           SECTION 6. Section 22.0191, Transportation Code, as added  
13 by this Act, applies only to an airport infrastructure or equipment  
14 contract entered into, modified, or renewed on or after the  
15 effective date of this Act.

16           SECTION 7. This Act takes effect September 1, 2023.