

HB0367S01 compared with HB0367

~~text~~ shows text that was in HB0367 but was deleted in HB0367S01.

inserted text shows text that was not in HB0367 but was inserted into HB0367S01.

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Representative Katy Hall proposes the following substitute bill:

LOCAL GOVERNMENT AIRPORT ORDINANCES

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Katy Hall

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the rights of municipal airports with respect to ground leases with private parties.

Highlighted Provisions:

This bill:

- ▶ in certain circumstances, requires a municipal airport that enters into a ground lease with a private party lessee to pay the private party lessee fair market value for the private party lessee's improvements, including hangars, installed on the leased property.

Money Appropriated in this Bill:

None

Other Special Clauses:

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None

Utah Code Sections Affected:

AMENDS:

72-10-207, as last amended by Laws of Utah 2020, Chapter 377

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **72-10-207** is amended to read:

72-10-207. Powers of department and political subdivisions over airports -- Security unit.

(1) The department, and counties, municipalities, or other political subdivisions of this state that have established or may establish airports or that acquire, lease, or set apart real property for those purposes, may:

(a) construct, equip, improve, maintain, and operate the airports or may vest the authority for their construction, equipment, improvement, maintenance, and operation in an officer of the department or in an officer, board, or body of the political subdivision;

(b) adopt rules, establish charges, fees, and tolls for the use of airports and landing fields, fix penalties for the violation of the rules, and establish liens to enforce payment of the charges, fees, and tolls, subject to approval by the commission;

(c) lease the airports to private parties for operation for a term not exceeding 50 years, as long as the public is not deprived of its rightful, equal, and uniform use of the facility;

(d) lease or assign space, area, improvements, equipment, buildings, and facilities on the airports to private parties for operation for a term not exceeding 50 years;

(e) subject to Subsection (2), lease or assign real property comprising all or any part of the airports to private parties for the construction and operation of hangars, shop buildings, or office buildings for a term not exceeding 50 years, if the projected construction cost of the hangar, shop building, or office building is \$100,000 or more; and

(f) establish, maintain, operate, and staff a security unit for the purpose of enforcing state and local laws at any airport that is subject to federal airport security regulations.

(2) (a) ~~fA~~ Subject to Subsection (2)(b), a municipal airport in a county of the second through sixth class that enters into a ground lease with a private party lessee shall, upon termination of the ground lease, pay the private party lessee the fair market value of the

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improvements, including hangars, that the private party lessee installed on the leased property
if:

(i) (A) the ground lease allowed the private party lessee's installation of the
improvements on the leased property;

(B) the private party lessee is current on the lease payments; and

(C) the municipal airport does not offer the private party lessee the right of first refusal
to renew the ground lease or enter into a new ground lease at the current market rate ~~for the~~
ground lease}; or

(ii) (A) the ground lease incorporates a municipal code or ordinance into the ground
lease by reference;

(B) after the private party lessee installs improvements on the leased property, the
municipality amends the municipal code or ordinance that is incorporated into the ground lease
by reference; and

(C) the amendment to the municipal code or ordinance deprives the private party lessee
of the value of the private party lessee's investment in the improvements that the private party
lessee installed.

(b) Fair market value under Subsection (2)(a) shall not be discounted based on the
termination of the ground lease on which the improvements were installed.

~~[(2)]~~ (3) The department or political subdivision shall pay the construction, equipment,
improvement, maintenance, and operations expenses of any airport established by them under
Subsection (1).

~~[(3)]~~ (4) (a) If the department or political subdivision establishes a security unit under
Subsection (1)(f), the department head or the governing body of the political subdivision shall
appoint persons qualified as peace officers under Title 53, Chapter 13, Peace Officer
Classifications, to staff the security unit.

(b) A security unit appointed by the department or political subdivision is exempt from
civil service regulations.

(c) If the department or political subdivision establishes a security unit under
Subsection (1)(f), the department head or the governing body of the political subdivision:

(i) may allow peace officers or other workers to assist with airport operations and
vehicle and traffic flow; and

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- (ii) may not allow peace officers or other workers to:
 - (A) unreasonably impede or obstruct traffic;
 - (B) create unsafe traffic situations; or
 - (C) intimidate vehicle drivers or airport passengers.