

**Subject** Airport property tax exemption

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**Date** March 15, 2022

## Summary

Makes a number of changes to how certain airport property is taxed. Under current law, when exempt property is leased by a private individual, association, or corporation in connection with a business conducted for profit, the property becomes taxable. This bill would provide an exemption from this taxation for property of an airport owned by a local unit of government that is leased to a person or entity and used as a hangar in which aircraft are manufactured.

The bill also provides for a 50 percent reduction in net tax capacity for certain property at airports owned or operated by a city with a population over 50,001 but less than 150,000. This reduction does not apply to airports owned or operated by the Metropolitan Airports Commission. Under current law, this property would be taxable if the airport was owned or operated by a city with a population over 50,000.