


<b>1999 Session</b>		LRB Number LRB—4836/1
<b>FISCAL ESTIMATE</b> DOA-2048 N(R06/99)		Bill Number <b>AB 958</b>
<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		Amendment No. if Applicable
<b>Subject</b> <b>Creating an airport financing committee appointed by the Governor to make recommendations by 12/31/2000; limiting state funding for Aeronautics programs, beginning 7/1/03, to the amount received from aeronautical revenues; and creating, also beginning 7/1/03, a grant program for certain air carriers.</b>		Administrative Rule Number
<b>Fiscal Effect</b> State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Create New Appropriation		<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
Local: <input type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Villages <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others (New-stadium dist.) <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S		<b>Affected Chapter 20 Appropriations</b> <b>Repeals s.20.395 (2) (dq); creates s.20.395 (2) (dr)</b>
<b>Assumptions Used in Arriving at Fiscal Estimate</b> 1. The bill creates an airport financing committee to consist of members appointed by the Governor representing DOT, the Dept. of Commerce, airport managers, airlines, the general aviation community, private businesses having an interest in transportation policy and financing, and the people of this state. The committee is charged with evaluating this state's airport system needs and the current system of funding them, and with evaluating, "among other things," aircraft registration fees, aviation fuel taxes and fees, and "the allocation of sales tax receipts from the sale of aircraft, parts and services" to fund Aeronautics Assistance programs. If the committee chooses to make any recommendations, the recommendations "should, if enacted, generate revenue...equal to or greater than...moneys appropriated for aeronautical activities in fiscal year 2001." The committee must submit a report to the Governor and Legislature not later than December 31, 2000. It is assumed that the cost of the airport financing study committee can be funded within existing agency budgets.  2. The bill provides that beginning July 1, 2003, state funding for Aeronautics Assistance (mainly airport projects and their administration) would be funded exclusively from ad valorem property taxes on commercial air carrier companies, general aviation fuel taxes and registration fees, and "any other [state-imposed] tax or fee received from an aeronautical activity and deposited in the transportation fund." Unlike the regular motor fuels tax, the general aviation fuel tax (6 cents/gallon) is not indexed for inflation. The aviation fuel tax and registration fees combined produce about \$1.7 million annually; little growth in them is expected unless the airport financing committee recommends increases that are adopted by the next Legislature. This cannot be predicted. Legal constraints make it unlikely the airport financing committee recommendations could increase the proceeds of the ad valorem tax, although those revenues may grow if the value of commercial air carriers grows enough to offset decreases in the tax rate they pay; this tax rate is expected to fall from \$21.46/\$1,000 in 2000 to \$20.83/\$1,000 in 2002 under current law.  3. The bill would create a new program under which DOT would award grants totaling \$1.5 million annually to commercial air carriers with qualifying hub facilities in Wisconsin. Only Midwest Express would qualify for a grant.		
<b>Long-Range Fiscal Implications</b> Unless the next Legislature adopts increases in existing aviation revenue sources or creates new ones to finance Aeronautics Assistance programs, identified revenues may not equal in FY 2003-04 the current level of state Aeronautics funding. At a minimum, it is likely that state funding for airport projects would need to be reduced by at least at least \$1.5 million annually, the cost of the new grant program, which would be paid from the same revenues.		
<b>Prepared by:</b> Mark Mansfield	<b>Telephone No.</b> 266-1876	<b>Agency</b> DOT
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**FISCAL ESTIMATE WORKSHEET**

1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R06/99)

LRB Number LRB-4836/1	Amendment No. if Applicable
Bill Number AB 958	Administrative Rule Number

ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**Subject**

Creating an airport financing committee; limiting state funding for Aeronautics Assistance to the proceeds of aeronautical revenue sources; creating a grant program to provide financial assistance to air carrier companies.

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**


II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		( FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			- 1,500,000
Aids to Individuals or Organizations		+ 1,500,000	-
<b>TOTAL State Costs by Category</b>		\$ + 1,500,000	\$ - 1,500,000
<b>B. State Costs by Source of Funds</b>		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
<b>III. State Revenues</b>	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
<b>TOTAL State Revenues</b>		\$	\$ -

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS                      \$ \_\_\_\_\_                      \$ \_\_\_\_\_  
NET CHANGE IN REVENUES                      \$ \_\_\_\_\_                      \$ \_\_\_\_\_

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