Paper #897 Bonding Policy — Moore 2, Coggs - 2, everyone else ok

Alternative 3

Notes: Best to maintain current law and not hamstring the next legislature, especially with Marquette Interchange project on the horizon.

Paper #898 Driver's License & Vehicle Registration Fees

Alternative (approve modification to base)

Notes:

Paper #899 Midwest Express Tax Exemption - Coggs - 1 or 2

Alternative 2

Notes: Alt 2 is the retroactive tax break. However alt 4(a) is an interesting incentive package idea, but probably not viable given the poison waters around this issue.

Paper #900 Aeronautics Funding - ok but Moore, Huber want 3 or 4

Alternative 5

Notes: Maintain current law here. These airports got a huge federal funding increase recently. Also, don't need to start going down this road of GPR funding for transportation related items.

Paper #901 Local Roads for Job Preservation Debt Service ok

Alternative 3 (or 4(b))

Notes: This was originally created for the Janesville project, and transportation fund is in a better position to pay these debt service costs right now (than the general fund).

Paper #905 General Transportation Aid ok

Alternative 5(d)

Notes: A 4% annual increase is fair. It's a little less than the gov in the first year and a couple of million more in the second - mostly because DOA screwed up their fiscal years and calendar years. Could also go lower with GTA if you want to give the munies their gas tax exemption, or give more money to highway rehab or maintenance.

899 - 2 & 3 together OK

motion - status quo
no retroactivity

Plache, Huber - A-4
B-3

Shibilski - A-3
Moore B-2

Paper #906 (Lambeau Field Grant)
Alternative 2 (Part A)
2 (Part B)

Notes: Under Part A, the gov proposes to give them a blank check - alt 2 at least limits it to the originally intended transportation projects. In Part B, alt 2 helps the state get about $400,000 in interest for the transportation fund - since the stadium board doesn't need this money till next year anyway.

Paper #907 Mass Transit Operating Assistance ok
Alternative 4(4) Part A
2 Part B

Notes: 4% a year increase is just above inflation and needed because of high gas prices and high para-transit costs. Under Part B, DOT wants to make this change to reflect new census data.

Paper #908 Supplemental Mass Transit Aids ok
Alternative 3 (maintain current law)

Notes: This is unnecessary, plus the $3.3 million can be better used elsewhere. The transit systems of this state have been studied to death. They are among the tops in the country and DOT says they are efficient too. As a possible fallback, if someone really wants to push this, under alt 2 could go to 20% on shared ride and 30% on bus systems (but that would hit Racine).

Paper #909 Lift Bridge Aid ok
Alternative 2

Notes: This is a big deal for Racine. The gov underfunded lift bridge aids and we should increase them.

Paper #910 (TEA Program Funding) ok
Alternative 4 (Part A)
2 (Part B)

Notes: The increased funding for this program could be better used elsewhere, plus should create the revolving loan fund envisioned in alt 2 of part B.

Paper #911 (LRIP & MRIP) ok

Alternative 5

Notes: The gov screwed up in drafting the funding for this program. Alt 5 is a more realistic budget, and is the same as last session's funding levels.

Paper #912 LRIP - Basic Allocation ok

Alternative 2(d)

Notes: FB's paper seems to direct you to this alt.

Paper #913 Freight Rail Infrastructure Program Shibilski - 1 ok

Alternative 2

Notes: Keep the program at its current size.

Paper #914 Kenosha Transit Parking Facility ok

Alternative 1

Notes: Approve the gov as amended to reflect the real agreement between the state and the county and give Kenosha this sweet deal.

Paper #922 State Highway Rehab Funding ok

Alternative 2(d)

Notes: 4% increase per year - at a minimum. Just makes sense to keep existing roads in good repair.

Paper #923 Park East Freeway

Alternative (Approve Modification)

Notes:

Paper #924 Major Highway Development ok

Alternative 2(d)

Notes: 4% a year increase.

Paper #925 State Highway Maintenance ok except Moore

Alternative 3(h) & 4

Notes: Give them the money to purchase salt before the prices go up, but since we just gave them $8.5 million maybe an inflationary increase is enough.

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May 29, 2001 Joint Committee on Finance Paper #897

Revenue Bonding Increases -- Bonding Policy (DOT -- Transportation Finance)

[LFB 2001-03 Budget Summary: Page 650, #3]

CURRENT LAW

Transportation revenue bonds have been used as a funding source for transportation administrative facilities and major highway development projects since 1984. Prior to that time, general obligation bonds were used for these purposes, although all but $5.8 million of these bonds have been retired. Of the total amount of revenue bond proceeds appropriated in 2000-01, 97.7% was appropriated for the major highway development program and the remaining 2.3% was appropriated for administrative facilities. As of the end of 2000, slightly over $1.0 billion in revenue bonds were outstanding and payments on that debt, totaling $1.6 billion, were scheduled through 2022. Debt service on revenue bonds is paid with revenue generated from vehicle registration fees, which is deposited in a trust account separate from the state treasury. The trustee deducts an amount for the debt service payments and the administrative expenses associated with the issuance and payment of the bonds and remits the remaining registration fee revenue to the state for deposit in the transportation fund. Transportation fund-supported general obligation bonds are currently issued for rail improvements under the freight rail preservation program and for harbor improvements under the harbor assistance program. Debt service on these and previously issued general obligation bonds is paid from two sum sufficient, SEG appropriations.

GOVERNOR

Specify that the amount of revenue bond proceeds used in the major highway development program may not exceed 53% of the total funds expended in each fiscal year, beginning in 2002-03.

DISCUSSION POINTS

1. Although the bill restricts the percentage of the total expenditures in the major highway development program that may be funded with revenue bond proceeds to 53%, beginning in 2002-03, the bill would provide 53.9% of the program's funding with revenue bond proceeds in that year. DOA indicates that the Governor intended to provide $125,406,800 in revenue bond proceeds for the program in 2002-03, instead of the amount that would actually be provided, which is $129,935,900. If the lower amount is used, then bonding proceeds would provide 53% of the program's funding in 2002-03. However, at the Committee's May 23 executive session, the Committee decided to move bonding of $2,264,300 in 2001-03 and $4,732,300 in 2002-03 to the major highway development program from the Marquette Interchange appropriations and make the reverse transfer of SEG funds. Based on the Governor's intended funding level, this would fund 55% of the program in both years with revenue bonds. The proposal limit in the bill could be set at 55% to reflect this decision.

2. Prior to 1996, Wisconsin's disclosure report on state debt included a general policy statement indicating that revenue bond proceeds would be used for 55% of the funding for the major highway development program. This statement was discontinued because the bonding percentage was generally above 60% during the 1990s. A large increase in federal highway aid beginning in 1997-98 permitted an increase in the size of the program that reduced the percentage funded with bonding without actually reducing the amount of bonding used. The Legislature provided 54.5% of the program's funding with bond proceeds in both years of the 1999-01 biennium.

3. DOA indicates that the intent of placing a limit on the use of revenue bond proceeds in the major highway development program is to ensure that bonding is not used in excess of what the transportation fund can support over the long run. However, a future Legislature could eliminate the bill's proposed limit on expenditures.

4. Although a future Legislature could modify or eliminate any limits placed on the use of bonding, creating such a statutory limit may be effective in establishing a long-term policy if future Legislatures are hesitant to change the limit. The proposed limit may be more likely to be retained if it is modified to be easier to administer. For instance, the limit could apply to encumbrances in the major highway development program instead of expenditures. Funds are encumbered in the major highway development program when the Governor signs a construction contract. Expenditures in the program, however, sometimes occur in a different year than when the funds were encumbered. For this reason, the amount of expenditures in a given year may be difficult to predict or control. DOT can more easily control the amount of contracts that are bid in a given year.

5. Another change that could be made to the proposed bonding limit would be to have the limit apply over a three-year period instead of to only one year. Since DOT changes the mix of funding sources from year to year in the major highway development program to manage such things as the timing of bond issuance and the receipt of federal aid, applying the limit to a three-year period would allow DOT to retain much of this flexibility, but still accomplish the goal of limiting the use of bonds.

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendation to specify that the amount of revenue bond proceeds used in the major highway development program may not exceed 53% of the total funds expended in each fiscal year, beginning in 2002-03.

2. Modify the Governor's recommendation to limit the use of bonding in the major highway development program, but set the limit at 55% and specify that the limit would apply to encumbrances over any consecutive three years, beginning with the three-year period between 2002-03 and 2004-05.

3. Maintain current law.

Prepared by: Jon Dyck

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May 29, 2001 Joint Committee on Finance Paper #898

Driver's License and Vehicle Registration Abstract Fees (DOT -- Transportation Finance)

[LFB 2001-03 Budget Summary: Page 651, #5]

CURRENT LAW

The Department of Transportation maintains records of drivers and vehicles in the state (abstracts) and provides those records to certain persons upon the payment of a fee, which is generally $3.

GOVERNOR

Increase the fee for driver record abstracts from $3 to $5 for each file search and each computerized search and from $4 to $6 for each search requested by telephone. Increase the amount that DOT must charge for copies of the operating record data base, or a portion of the data base, on a computer tape or other electronic media, from $3 to $5 for each file of vehicle operators' records contained in the tape or other electronic media. Increase the limit on the fee that DOT must charge for each file of uniform traffic citations or motor vehicle accidents contained in the tape or media from not more than $3 to not more than $5. Increase the fee for a notification under the employer notification program (for employers of commercial truck drivers) of any conviction or suspension, revocation, cancellation, disqualification or out-of-service order entered onto an employee's driver record file from $3 to $5. Specify that these increases would become effective on the first day of the seventh month beginning after the effective date of the bill. Increase estimated transportation fund revenue by $2,283,200 in 2001-02 and $4,600,200 in 2002-03 to reflect these fee increases and to reflect a planned increase in the fee for vehicle registration abstracts, which is established by administrative rule, from $3 to $5.

MODIFICATION TO BILL

Specify that the fee increases for driver abstract fees are effective on the first day of the sixth month beginning after the effective date of the bill, instead of the first day of the seventh month beginning after the effective date of the bill.

Explanation: DOT's budget request included the requested change to the abstract fees and specified an effective date of January 1, 2002. The bill included an effective date that varies depending upon the general effective date of the bill to allow for a fixed amount of time to implement the provision. If the bill becomes effective in July, the increase would generate five months of additional revenue in 2001-02, but the revenue estimates in the bill are based on six months of additional revenue in that year. This modification reduces the amount of time to implement the fee increase to six months, which would be consistent with the estimated revenues. DOT indicates that six months is enough time to implement this provision.

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May 29, 2001 Joint Committee on Finance Paper #899

Tax Exemption for Air Carriers with Hub Terminal Facilities (DOT -- Transportation Finance)

[LFB 2001-03 Budget Summary: Page 651, #6 (part)]

CURRENT LAW

Commercial airlines are exempt from local property taxes and, instead, are taxed under the state's ad valorem tax authorized by Chapter 76 of the statutes. Proceeds from taxes paid by airlines are deposited in the state's transportation fund. The property of airlines is valued on a systemwide basis, and a portion of that value is allocated to Wisconsin based on a statutory formula intended to reflect the airline's activity in the state. The resulting value is taxed at the statewide average tax rate for property subject to local property taxes, net of state tax credits.

The formula used to apportion airline values to Wisconsin consists of three, equally weighted factors that include: (a) transport and transport-related revenues; (b) tons of revenue passengers and cargo; and (c) depreciated cost. For each factor, activity in Wisconsin is divided by activity in the system as a whole, and the result is multiplied by one-third. Each company's allocation percentage equals the sum of the three factors. In 2000, the total Wisconsin valuation of airline property was $431,097,728 and the statewide average property rate was $21.464 per $1,000 of property. The ad valorem tax on airline property generated $9,253,100 in transportation fund revenue in that year. Aircraft registration fees and general aviation fuel tax collections are also deposited in the transportation fund. Commercial air carriers are exempt from both aircraft registration fees and the aviation fuel tax.

GOVERNOR

Provide an exemption from Chapter 70 property taxes and from Chapter 76 state ad valorem taxes for all property owned by an air carrier company that operates a hub facility in

Wisconsin, if the property is used in the operation of the air carrier company, effective with property assessed as of January 1, 2002.

Define an air carrier company as any person engaged in the business of transporting persons or property in aircraft for hire on regularly scheduled flights. Define a hub facility as either one of the following: (a) a facility from which an air carrier company operated at least 45 common carrier departing flights each weekday in the prior year and from which it transported passengers to at least 15 nonstop destinations or transported cargo to nonstop destinations; or (b) an airport or any combination of airports in Wisconsin from which an air carrier company cumulatively operated at least 20 common carrier departing flights each weekday in the prior year, if the air carrier company's headquarters is in the state. Require the Department of Revenue to promulgate an administrative rule defining "nonstop destinations" and "company headquarters" for the purposes of this provision.

Reduce estimated transportation fund revenue by $1,250,000 in 2001-02 and $2,500,000 in 2002-03 to reflect the ad valorem tax exemption.

DISCUSSION POINTS

1. The Governor's recommendations summarized under the Fiscal Bureau summary item entitled "Tax Exemption for Air Carriers with Hub Terminal Facilities" involve both a tax exemption for certain commercial air carriers, which would take effect during the 2001-03 biennium, and changes to the funding for DOT's aeronautics assistance program, which would take effect during the 2003-05 biennium. This paper discusses the proposed ad valorem tax exemption, while LFB Paper #900 discusses the proposed changes to the funding for the aeronautics assistance program.

2. Proponents of the proposed tax exemption have cited the positive economic impact that a hub airline has on the region in which it is located. The airline hub may allow residents of the region to fly to more nonstop destinations than would be the case without an airline hub. This is important to many business travelers and, therefore, may help attract businesses to the region. In addition, the hub airline generates jobs, both directly and indirectly, that have an impact on economic growth in the state as well as on state and local tax collections.

3. The proposed ad valorem tax exemption for airlines operating a hub facility in Wisconsin would currently only apply to Midwest Express (including Skyway Airlines, the operating name of Astral, Inc., a wholly-owned subsidiary of Midwest Express) and Air Wisconsin Airlines (a United Express carrier). In calendar year 2000, Midwest Express paid $1,953,300 under the ad valorem tax while Air Wisconsin Airlines paid $577,100, for a total of $2,530,400. These payments may go up or down depending upon the airlines' activity in the state and, because the assessment is based on market value, their profitability.

4. Ad valorem tax payments are made in May and November of the year for which the assessments are made. Therefore, the tax collections associated with a single calendar year are

collected in two different fiscal years. The exemption would be effective with property assessed as of January 1, 2002, which would reduce revenues in 2001-02 by about half of what would otherwise be collected in calendar year 2002 (the May payment). In 2002-03, revenues would be reduced by an amount equal to about half of what would otherwise be collected in calendar year 2002 (the November payment) plus about half of what would otherwise be collected in calendar year 2003 (the May payment). Under the bill, estimated transportation fund revenues would be reduced by $1,250,000 in 2001-02 and $2,500,000 in 2002-03, implying combined, estimated tax collections from these two airlines of $2,500,000 annually in calendar years 2002 and 2003.

5. Other legislation has been introduced during the current session (Assembly Substitute Amendment 1 to AB 100 and SB 158) that contains provisions that are substantially similar to the ad valorem tax exemption provision in the bill. However, in this other legislation the exemption would be effective with property assessed as of January 1, 2001, instead of January 1, 2002. One alternative would be to modify the bill to make the effective date consistent with the effective dates in the other legislation. In this case, instead of making a payment in November, 2001, for their 2001 taxes, the exempt airlines would not make this payment and would receive a refund of their May, 2001, payment. This would reduce transportation fund revenue by a total of $2,500,000 in 2001-02, relative to the bill, or by $3,750,000 in 2001-02 and $2,500,000 in 2002-03, relative to the base.

6. The proposed exemption would currently apply to only two airlines. However, other airlines could qualify if they expand their operations in Wisconsin or move their headquarters to the state to meet the bill's definition of a hub facility. In this respect, the exemption could help to increase airline service in the state.

7. Although the proposed exemption may encourage other airlines to expand service in the state, the exemption may also apply to some airline industry reorganization that does not actually result in a benefit to the state. Such a reorganization could increase the proportion of airline property subject to the exemption, resulting in a larger reduction in transportation fund revenue. For instance, if another airline were to purchase Midwest Express and subsume its operations, all of the purchasing airline's Wisconsin value plus Midwest Express's value would be exempt from the ad valorem tax. Similarly, either Midwest Express or Air Wisconsin could acquire the operations of another airline, without actually affecting the Wisconsin service of that airline, thereby increasing the amount of Wisconsin value exempt from taxation. Another possibility is that either one of the exempt airlines could increase their market share at Wisconsin airports at the expense of another airline, which would also reduce ad valorem tax collections.

8. In addition to creating an incentive for other airlines to expand their operations in Wisconsin in order to meet the definition of a hub facility, the proposed exemption may create an incentive for the two airlines that would currently qualify for the exemption to expand their operations in Wisconsin as opposed to elsewhere. This would provide both service and employment benefits to the state.

9. Midwest Express (including Skyway) has recently purchased an additional 40

aircraft to be delivered over a five-year period between 2002 and 2006. Some of these aircraft will replace aircraft in the company's current fleet, but the company indicates that others will be used to expand service. The company has indicated that the new aircraft will be serviced in Milwaukee, but a determination has not yet been made on where additional service will be based.

10. In testimony before the Assembly Transportation Committee on a bill similar to the Governor's recommendations related to the hub exemption (AB 101), a representative of Midwest Express indicated that the proposed exemption may have an impact on how the company expands. The airline's current hub is Milwaukee, but it has two other bases of operations, in Omaha and Kansas City. According to the testimony, the company believes that there are unmet demands for the type of service that the company offers in both Kansas City and Milwaukee, and the airline will likely look to expand in both places. However, the company indicated that, while decisions on where to base flights are based on many factors including demand for the service and competition, the proposed tax exemption would increase the likelihood that the company would base particular flights in Milwaukee rather than in Kansas City.

11. Air Wisconsin has recently announced the purchase of 51 jets, to be delivered between 2001 and 2003. Some of the new jets will replace existing aircraft in the company's fleet, but they would also be used to expand service. Air Wisconsin, operating as a United Express regional carrier, feeds passengers into United Airlines' two major hubs, in Chicago and Denver. The company indicates that the additional planes would be used to expand service from the Denver and Chicago hubs, which may also affect service to Wisconsin airports. The proposed exemption may have an impact on where the company builds a maintenance facility to service the new aircraft. Madison and Milwaukee have been suggested as possible locations for a new Air Wisconsin maintenance facility, as well as cities in other midwestern states.

12. For a bill drafted during the 1999-01 session that would have provided an exemption that is similar to the exemption in the budget bill, the Legislative Reference Bureau (LRB) indicated that the proposed exemption may violate the Wisconsin Constitution's uniformity clause and the U.S. Constitution's commerce clause. The state uniformity clause requires that the taxation of all property within a particular class be uniform. That is, within a class, all property must be either completely exempt or assessed and taxed at 100% of its market value. A court may find that the distinction between property owned by an air carrier that operates a hub facility, as defined in the bill, and the property of any other airline creates an unreasonable classification. In this case, the exemption provided by the bill would not treat airline property uniformly and would, therefore, be unconstitutional.

13. The U.S. Constitution's commerce clause prohibits states from enacting laws that discriminate against interstate commerce. The LRB noted that a court could find that the proposed exemption violates this principal because it gives tax preferences to in-state businesses, but not to out-of-state businesses.

14. The bill's two distinct definitions of an airline hub facility may be treated separately by a court in any challenge of the constitutionality of the exemption. Under the first definition,

which applies to the operations of Midwest Express, a hub facility is determined by the number of nonstop flights and different destinations originating from a single airport. Under the second definition, which applies to the operations of Air Wisconsin, a hub facility is determined by the number of flights originating from any airport in the state, but only applies if the airline operating those flights has its headquarters in the state. While the first definition reflects a common understanding of an airline hub in the airline industry and among airline passengers, the second definition is not typical of a hub since it involves more than one airport. Therefore, a state court may be more likely to view the second definition as constituting an unreasonable classification of property for the purposes of property taxation. Furthermore, since this definition includes the requirement that the airport have its headquarters in the state, a court may be more likely to view this exemption as discriminatory against out-of-state businesses, and therefore, in violation of the commerce clause.

15. The LRB noted that it is unclear how a court would rule on these constitutional issues. In reviewing acts of the Legislature, the courts begin with a strong presumption that legislation is constitutional. A party challenging a law has to overcome this presumption.

16. A concern has been expressed that a court, if it rules that the proposed exemption is unconstitutional, could void the remaining airline ad valorem taxes. In this case, the total annualized loss to the transportation fund would be about $9 million to $10 million. If the Committee adopts the airline hub exemption, one alternative that may reduce the likelihood that the remaining airline ad valorem taxes are voided would be to include a provision that requires DOR to resume assessing and taxing the exempt property if a court rules the exemption unconstitutional. This would signal the Legislature's intention to the court that the tax shall remain if the exemption is disallowed.

17. Midwest Express has cited relatively high property taxes compared to other states as a reason that a hub exemption may be needed to induce an expansion of service in the state. However, property taxes are only part of the tax and fee environment that an airline must consider when deciding where to base flights. Corporate income taxes, excise or sales taxes on aviation fuel, aircraft registration fees, passenger facility charges (a ticket surcharge levied by the airport within federally-established limits) and other fees may affect an airline's costs. For instance, because of the manner in which Wisconsin assesses airline property and apportions that value to the state, property taxes in Wisconsin are higher than in some other states. However, taxes on fuel in Wisconsin are lower than many other states. Wisconsin exempts commercial airlines from the state's six cents per gallon excise tax on fuel and exempts fuel from the sales tax. Wisconsin does require commercial airlines to pay the three cents per gallon petroleum inspection fee on fuel, but airlines are eligible to receive a refund equal to two cents per gallon for every gallon in excess of 1,000,000 gallons purchased in a month. Since Midwest Express is currently purchasing about 3.5 million gallons per month in Wisconsin, the airline pays a net excise tax of one cent per gallon, after the refund, for each additional gallon purchased in the state. Midwest Express is the only airline currently receiving such a refund.

18. Missouri has a 4.225% sales tax on jet fuel in addition to a property tax on aircraft.

Commercial airlines operating in Illinois and Michigan are not subject to a personal property tax, but in Illinois there is a 6.25% sales tax on jet fuel and in Michigan there is a 6.0% sales tax on jet fuel plus a 1.5 cent-per-gallon excise tax. The tax on fuel for an additional gallon of fuel that Midwest Express would pay in Michigan, Missouri or Illinois will vary depending upon the price of fuel, but will be higher than in Wisconsin.

19. Whether higher fuel costs in other states, or higher costs associated with other taxes and fees in those states, will outweigh higher property taxes in Wisconsin for a particular flight will depend on many factors that are particular to the route in question. In order to get a sense of the magnitude of the total cost to the airline of a sales tax on fuel, it may be useful to compare what Midwest Express would have paid in other states had the company purchased as much fuel in those states as it does in Wisconsin. If, for instance, Midwest Express had purchased as much fuel in Missouri as the company purchased in Wisconsin in 1999-00, the company would have paid about $1.5 million in sales tax on that fuel. Similarly, the company would have paid about $2.5 million in Michigan and $2.2 million in Illinois if it bought the same amount of fuel in those states. By comparison, Midwest Express paid $655,000 in petroleum inspection fees in Wisconsin in 1999-00, net of the refund. These estimates assume a fuel price of 85 cents per gallon, which was the average cost of jet fuel in January, 2001, according to the U.S. Department of Transportation. The sales tax figures would increase or decrease depending upon the price of fuel.

20. The course of action the Committee decides to take on the proposed exemption may depend upon whether the goal is to provide the maximum inducement possible within the confines of the ad valorem tax or whether the goal is to create incentives to approximately equalize the tax burden in Wisconsin relative to other states, such as Missouri. If the goal is to provide the maximum inducement possible, then the proposed exemption may be appropriate. If the goal is to equalize the tax environment, considering both fuel taxes and property taxes, providing a benefit for hub airlines that is smaller than the revenue loss associated with the exemption may be sufficient. It is possible, however, that even with the full ad valorem tax exemption, market factors would override tax considerations and the airlines would base flights or maintenance facilities in other states.

21. If the Committee determines that a benefit should be provided to airlines with hubs in the state in an attempt to equalize the tax environment between Wisconsin and other states, but that the revenue loss associated with the proposed exemption is too great to justify providing the exemption, one alternative would be to provide the assistance to hub airlines in the form of a grant made by DOT. The amount that would be needed to "equalize" the fuel and property tax environment is difficult to determine since it depends upon many variable factors, such as the price of fuel, an airline's transport-related revenue and the particular flights that are offered. Therefore, the grant level may be based on an assessment of what is affordable, while still trying to create a reasonable benefit to the participating airlines.

22. Instead of the ad valorem tax exemption, a grant could be made to airlines that operate a hub facility in the state, using the definitions in the bill, based on the number of passengers that the airline carries that enplane or deplane in the state. The following formula assumptions

would produce a grant to each qualifying airline that would equal about one-half of the amount that each airline paid in ad valorem taxes in 2000: (a) $0.42 would be paid for every passenger enplaned or deplaned in the state by an airline that operates a hub facility in the state using the first definition of a hub facility (traditional understanding of a hub); and (b) $0.28 would be paid for every passenger enplaned or deplaned in the state by an airline that operates a hub facility in the state using the second definition of a hub facility (requiring headquarters in Wisconsin). Using this formula, the grant would be apportioned to the two companies in about the same proportion as their 2000 ad valorem tax payments. Under this alternative, $1,250,000 SEG could be provided for making the grant in 2002-03.

23. If the Committee determines that providing a benefit to the two airlines equal to the airlines' current ad valorem tax payment is important, an alternative to the tax exemption would be to provide a grant that approximates the amount that the airlines paid in taxes in 2000. The formula outlined in the previous point could be modified to provide $0.84 for every passenger carried by an airline that operates a hub facility in the state using the first definition of a hub facility and $0.56 for every passenger carried by an airline that operates a hub facility in the state using the second definition of a hub facility. Under this alternative, $2,500,000 SEG could be provided for making the grant in 2002-03. Since a grant would not involve modifications to the tax code, concerns about the constitutionality of the hub airline exemption may be avoided.

24. The appropriation for providing the grants under either of these grant alternatives could be a sum sufficient appropriation, which would allow the grant amount to increase or decrease if the number of passengers carried by the airlines increases or decreases. This may increase the incentive for the qualifying airlines to increase service in Wisconsin. The fiscal impact estimates are based on the number of passengers carried by the qualifying airlines in calendar year 2000.

25. If either an exemption or a grant is approved, the Committee could choose to create a six-year sunset for these provisions in order to require a future Legislature to review the extent to which they are effective or necessary for inducing airlines to expand their service or locate their operations in the state.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide an exemption from Chapter 70 property taxes and from Chapter 76 state ad valorem taxes for all property owned by an air carrier company that operates a hub facility in Wisconsin, if the property is used in the operation of the air carrier company, effective with property assessed as of January 1, 2002. Reduce estimated transportation fund revenues by $1,250,000 in 2001-02 and $2,500,000 in 2002-03.

2. Modify the Governor's recommendation to provide an ad valorem tax exemption by changing the effective date from property assessed as of January 1, 2002, to property assessed as of January 1, 2001. Reduce estimated transportation fund revenue by an additional $2,500,000 in 2001-02.

Alternative 2	SEG
2001-03 REVENUE (Change to Bill)	- $2,500,000

3. Modify the Governor's recommendation by specifying that DOR is required to assess the property exempted by the proposed exemption and collect taxes for that property, if a court determines that the proposed ad valorem tax exemption is unconstitutional.

4. Delete the Governor's recommendation to provide an ad valorem tax exemption for airlines operating a hub facility in Wisconsin and instead adopt one of the following:

a. Provide $1,250,000 SEG in 2002-03 in a sum sufficient appropriation for making grants to air carrier companies that operate a hub facility in Wisconsin. Require DOT to make grants on or before July 31 of each fiscal year starting with 2002-03 for all qualifying airlines as follows: (a) $0.42 for every passenger enplaned or deplaned in the state during the prior calendar year by an airline that operates a hub facility in the state, defined as a facility from which the air carrier company operated at least 45 common carrier departing flights each weekday in the prior year and from which it transported passengers to at least 15 nonstop destinations or transported cargo to nonstop destinations; and (b) $0.28 for every passenger enplaned or deplaned in the state during the prior calendar year by an airline that operates a hub facility in the state, defined as an airport or any combination of airports in Wisconsin from which the air carrier company cumulatively operated at least 20 common carrier departing flights each weekday in the prior year, if the air carrier company's headquarters is in the state. Require DOT to promulgate rules to administer the grant program, including a definition of the terms "nonstop destinations" and "company headquarters."

Alternative 4a	SEG
2001-03 REVENUE (Change to Bill)	$3,750,000
2002-03 FUNDING (Change to Bill)	$1,250,000

b. Provide $2,500,000 SEG in 2002-03 in a sum sufficient appropriation for making grants to air carrier companies that operate a hub facility in Wisconsin. Require DOT to make grants on or before July 31 of each fiscal year starting with 2002-03 to all qualifying airlines as follows: (a) $0.84 for every passenger enplaned or deplaned in the state in the prior calendar year by an airline that operates a hub facility in the state, defined as a facility from which the air carrier company operated at least 45 common carrier departing flights each weekday in the prior year and from which it transported passengers to at least 15 nonstop destinations or transported cargo to nonstop destinations; and (b) $0.56 for every passenger enplaned or deplaned in the state in the prior calendar year by an airline that operates a hub facility in the state, defined as an airport or any combination of airports in Wisconsin from which the air carrier company cumulatively operated at least 20 common carrier departing flights each weekday in the prior year, if the air carrier company's headquarters is in the state. Require DOT to promulgate rules to administer the grant program, including a definition of the terms "nonstop destinations" and "company headquarters."

Alternative 4b	SEG
2001-03 REVENUE (Change to Bill)	$3,750,000
2002-03 FUNDING (Change to Bill)	$2,500,000

5. Specify that the provisions adopted under this paper do not apply after December 31, 2007. [This alternative may be adopted in addition to any of the previous alternatives.]

6. Maintain current law.

Alternative 6	SEG
2001-03 REVENUE (Change to Bill)	$3,750,000

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May 29, 2001 Joint Committee on Finance Paper #900

Tax Exemption for Air Carriers with Hub Terminal Facilities -- Aeronautics Funding (DOT -- Transportation Finance)

[LFB 2001-03 Budget Summary: Page 651, #6 (part)]

CURRENT LAW

The state aeronautics assistance program funds airport improvements through a combination of federal, state and local funds. The state funds are provided from the transportation fund through a sum certain, continuing appropriation. Federal aid is provided in the form of formula funds and discretionary grants. Federal formula funds may be restricted to a particular airport or may be available for any airport in a certain class of airports. Local funds are provided through local general revenues or airport fees. Base funding for the program is $11,924,100 SEG, $8,430,700 SEG-L and $48,900,000 FED.

GOVERNOR

Repeal the existing, sum certain aeronautics assistance SEG appropriation and replace it with the following aeronautics activities appropriations, effective July 1, 2004: (a) a SEG appropriation of all moneys received from aeronautics taxes and fees; (b) a sum sufficient, SEG appropriation of not more than $650,000 to supplement the funding under the all-moneys-received appropriation; and (c) a sum sufficient, GPR appropriation of not more than $650,000 to supplement the funding under the all-moneys-received appropriation. Specify that revenue generated by the following taxes and fees would be credited to the all-moneys-received appropriation, effective July 1, 2004: (a) the ad valorem tax on air carriers; (b) aircraft registration fees; (c) the general aviation fuel tax; (d) sales and use taxes on noncommercial aircraft; and (e) any other tax or fee received from an aeronautical activity and deposited in the transportation fund. Specify that this appropriation would exclude those amounts appropriated from the following: (a) aeronautical assistance funds provided to the state by local units of government or other sources; (b) federal aeronautical assistance funds; and (c) funds received by DOT as payment for services associated with the Department's aircraft fleet. Transfer any unencumbered amounts in the current, sum certain appropriation for aeronautics assistance to the all-moneys-received appropriation immediately before July 1, 2004.

Require DOR, beginning by July 1, 2004, and every July 1 thereafter, to determine the total amount of sales and use taxes on noncommercial aircraft paid in the preceding calendar year and transfer that amount to the transportation fund. Currently, tax collections on the sale and use of noncommercial aircraft are deposited in the general fund.

Specify that an equal amount shall be appropriated in each of the two sum sufficient, supplemental aeronautical activities appropriations and that the sum of these amounts shall be equal to the difference between $11.8 million and the amount of aeronautical taxes and fees credited to the all-moneys-received appropriation during the previous fiscal year, if the amount credited to the all-moneys-received appropriation was not more than $11.8 million. In total, no more than $1.3 million could be provided in any fiscal year ($650,000 GPR and $650,000 SEG) to supplement the all-moneys-received appropriation.

Create an Airport Financing Committee, with members appointed by the Governor representing: (a) the Department of Transportation; (b) the Department of Commerce; (c) airport managers; (d) airlines serving Wisconsin; (e) the general aviation community; (f) the people of Wisconsin; and (g) private businesses having an interest in transportation policy and financing. Specify that the Committee shall select its officers and that the person appointed chairperson shall call the Committee's first meeting. Require the Committee to review and evaluate the state's airport system needs and the current system of funding those needs and to recommend changes, if any, to better meet those needs. Require the Committee to review, among other things: (a) aircraft registration fees; (b) aviation fuel taxes and fees; (c) allocation of sales tax receipts from the sale of aircraft, parts and services to the aeronautical activities appropriation created by the bill; and (d) the allocation of other moneys to this appropriation. Specify that the Committee's recommendations would be required, if enacted, to generate revenue in amounts equal to or greater than the sum of moneys appropriated for aeronautical activities in 2001-02. Require the Committee to submit a report containing its evaluation, findings and recommendations to the Governor and Legislature not later than December 31, 2002.

DISCUSSION POINTS

1. The Governor's recommendations summarized under the Fiscal Bureau summary item entitled "Tax Exemption for Air Carriers with Hub Terminal Facilities" involve both a tax exemption for certain commercial air carriers, which would take effect during the 2001-03 biennium, and changes to the funding for DOT's aeronautics assistance program, which would take effect during the 2003-05 biennium. This paper discusses the proposed changes to the funding for the aeronautics assistance program, while LFB Paper #899 discusses the proposed ad valorem tax exemption.

2. To summarize the proposed changes, the current sum certain, SEG appropriation for

aeronautics assistance would be eliminated and replaced with an appropriation of all moneys received from aeronautics taxes and fees (the "all-moneys-received appropriation"). Because this amount may fall below the current level of SEG funding for the aeronautics assistance program, two other, sum sufficient appropriations would be created to supplement the amounts in the all-moneys-received appropriation (the "supplemental appropriations"). One of the supplemental appropriations would be from the transportation fund and one would be from the general fund.

3. Although the supplemental appropriations would be created as sum sufficient appropriations to provide the difference between $11,800,000 and the amount credited to the all-moneys-received appropriation in the prior year, the amount provided in each of the supplemental appropriations would be capped at $650,000, so the maximum amount of the supplement would be $1,300,000. This mechanism is intended to provide about the same amount of state funds that is currently provided for aeronautics assistance, although $11,800,000 is slightly lower than the amount of base funding for the program, which is $11,924,100.

4. The current transportation fund aeronautics-related revenue sources are estimated to generate $9,040,300 in 2002-03, the first full fiscal year that the proposed airline hub exemption would be in effect. The corresponding amount in the future would be credited to the all-moneys-received appropriation, beginning in 2004-05. In addition, the bill would transfer revenue generated by the sales and use taxes on noncommercial aircraft from the general fund to the transportation fund and credit this amount to the all-moneys-received appropriation, also beginning in 2004-05 (a change to the language in the bill should be made to clarify this effective date). The sales and use taxes on noncommercial aircraft are currently estimated to generate about $4.0 million per year. If these amounts are representative of what would be transferred to the all-moneys-received appropriation, a total of $13.0 million per year would be credited to that appropriation. In this case, no ongoing funding would be provided in the supplemental appropriations.

5. In the first year this funding mechanism is in place (2004-05), $650,000 GPR and $650,000 SEG would be appropriated in the supplemental appropriations, since no moneys would have been deposited in the all-moneys-received appropriation in 2003-04. To avoid this situation, one alternative would be to base the amount in the supplemental appropriations in 2004-05 on the amounts that would have been credited to the all-moneys-received appropriation if it had been in place in 2003-04.

6. Under the proposed funding mechanism, annual funding for the aeronautics assistance program could fall below $11.8 million under certain circumstances. If the total amount credited to the all-moneys-received appropriation declines from the previous year and is below $11.8 million, the total amount provided in the three appropriations would be less than $11.8 million. For instance, if, in 2004-05, the amount credited to the all-moneys-received appropriation is $11.0 million, the amount in the two supplemental appropriations in 2005-06 would be $800,000 ($400,000 SEG and $400,000 GPR). If the amount credited to the all-moneys-received appropriation in 2005-06 is $10.8 million, then total spending on aeronautics assistance in that year would be $11.6 million. Both revenue from the sales tax on aircraft and revenue from other aeronautics taxes and fees vary somewhat from year to year and are sensitive to economic

conditions, so a decline in revenue from these sources from one year to the next may occasionally occur. In addition, if the amount credited to the all-moneys-received appropriation in any year falls below $10.5 million, the total funding for aeronautics assistance in that year will fall below $11.8 million.

7. The aeronautics assistance funding mechanism that is included in the bill was included in similar legislative proposals last session. At the time of its inclusion in these other bills, there was some uncertainty regarding federal airport aid, since the federal airport aid authorizing act had expired and the provisions of the new reauthorization act were unknown. Since that time, the federal airport program has been reauthorized in a manner that significantly increases federal airport spending and airport aid for the state. In federal fiscal year 2000, before the reauthorization, the state received $28.4 million, while in 2001, the first year of the new act, it is estimated the state will receive $50.3 million, which is a 77% increase. It is expected that federal airport aid in subsequent years will remain at, or increase above, the 2001 level.

8. The dedication of sales and use tax revenue from the sale of noncommercial aircraft is a significant component of the Governor's proposal to fund aeronautics assistance. Proponents of this policy argue that sales tax revenue collected on noncommercial aircraft should be used to help pay for the airport infrastructure that these aircraft use.

9. The dedication of sales tax revenue on aircraft to airport improvements may create a precedent that leads to the dedication of the sales tax revenue from the sale of other products to particular purposes. For instance, the sales tax revenue generated on the sale of boats, snowmobiles or motor vehicles could be dedicated to programs that benefit users of these products. This policy may be difficult to sustain, since in all of these cases, it would involve the transfer of general fund revenue to other funds. Consequently, other potential uses of general fund money, such as education, health programs, shared revenue or tax reductions would ultimately be impacted.

10. A case may also be made that it is not appropriate to dedicate general sales tax revenue on a particular product to programs that primarily benefit the users of that product, even if general fund revenues were sufficient to support such a policy. While purchasers of aircraft, for instance, would be supporting the cost of airport improvements through the payment of sales taxes, this would be made possible only by relieving these purchasers from the responsibility of supporting all the programs that are funded with general fund dollars. The additional funds provided for airport improvements, therefore, would come at no additional cost to the aircraft user. In contrast, the purchasers of any other products that are subject to the sales tax would not enjoy the privilege of capturing the exclusive benefits of their sales tax payments.

11. Some other states support aviation programs with general fund dollars and so it may be appropriate for Wisconsin to do so also. It could be argued, however, that Wisconsin's general fund already indirectly supports the aviation programs and other transportation fund programs by exempting motor vehicle and aviation fuel and commercial aircraft from the sales tax. The sales tax exemptions result in a loss of potential revenue to the general fund that allows excise taxes on motor vehicle fuel and general aviation fuel and the ad valorem tax on commercial aircraft to be higher

than could be sustained if these items were not exempt from the sales tax.

12. In addition to the dedication of general fund sales and use tax revenue to the transportation fund, the bill's mechanism for funding aeronautics assistance would also depart from past practice by dedicating revenue from particular transportation fund taxes and fees to a particular program. The revenue deposited in the segregated transportation fund is generated from taxes and fees that are all generally related to the use of transportation facilities or DOT programs. Current law does not tie particular transportation programs to particular fund revenues, which may be because it has been assumed that transportation users benefit from all types of transportation improvements and programs, even if they do not use particular types of transportation facilities. For instance, harbor, rail and airport improvements hold some benefit to motorists who use highways, since quality water, rail and air transportation infrastructure may allow more freight and passengers to be transported by these modes instead of on the highway, thereby reducing highway congestion.

13. There may be disadvantages to dedicating particular transportation fund revenues to particular programs. For instance, it may limit the Legislature's flexibility to fund programs based on a consideration of the relative priority of transportation programs. Assuming that a future Legislature retains this practice, the aeronautics assistance program may be funded at a higher or lower level than the Legislature would otherwise determine to be appropriate, depending upon the fluctuations in aeronautics-related revenue. Under current practice, each Legislature can make a determination on funding all transportation programs based upon a consideration of the relative priorities of those programs. Earmarking particular revenues for specific programs could create a situation in which short-term revenue fluctuations interfere with a sensible long-term program of improvements.

14. The mechanism for funding aeronautics assistance in the Governor's bill and in other airline hub exemption bills in the current and past legislative sessions has been proposed out of a concern that the transportation fund be "held harmless" from the proposed airline hub exemption. Beginning in the 2003-05 biennium, the general fund would reimburse the transportation fund through the dedication of the sales tax on noncommercial aircraft to the transportation fund and the use of a GPR supplemental appropriation for aeronautics assistance. A case may be made, however, that the general fund is not currently in a better position to absorb the effect of the exemption than is the transportation fund, and, therefore, it may be appropriate for the transportation fund to absorb the revenue loss associated with the exemption.

15. If current sales tax and airline ad valorem tax collections are reflective of what those collections will be in 2004-05, when the aeronautics assistance funding mechanism would become effective, general fund transfers and appropriations for aeronautics assistance would exceed the amount of the airline hub exemption by about $1.5 million. The following table illustrates the revenue impacts for 2004-05, assuming that: (a) the sales and use tax on aircraft will generate $4.0 million per year; (b) the proposed ad valorem tax exemption would result in a reduction of transportation fund revenue of $2.5 million per year; and (c) no supplemental appropriations are required to fund aeronautics assistance at $11.8 million.

Revenue Change Resulting From Ad Valorem Tax Exemption and Sales Tax Exemption (In Millions)

	Transportation Fund	General Fund
Ad Valorem Tax Exemption	-$2.5	$0.0
Aircraft Sales Tax Transfer	4.0	-4.0
Net Change	$1.5	-$4.0

16. If the Committee determines that the general fund should absorb the full cost of the proposed exemption beginning in 2004-05, but not more than the cost of the exemption, one alternative (if the exemption is approved) would be to annually transfer, from the general fund to the transportation fund, the amount of revenue loss associated with the exemption, beginning on July 1, 2004. Since the exempt airlines' property would no longer be assessed after the exemption takes effect, the amount of the transfer could be fixed at the amount that the exempt airlines paid in ad valorem taxes in the final year that they are subject to the tax.

17. The bill's mechanism to fund aeronautics assistance would not begin until the second year of the 2003-05 biennium. Until that time, the current method of funding airport improvements would be maintained. If the Committee has concerns about the dedication of sales tax revenue or particular transportation fund revenues to aeronautics assistance, one alternative would be to maintain current law with respect to the funding of aeronautics assistance and reconsider at a future date whether changes like those proposed in the bill should be made. The bill would create an Airport Financing Committee to study the issue of how airport improvements are financed. If the creation of this Committee is approved, the Legislature could use the information and recommendations developed by this Committee to make a decision on whether any changes are needed to the mechanism used to fund aeronautics assistance. Since the statutory charge to this Committee is, in part, tied to the proposed changes to the funding mechanism, the wording of the charge may need to be modified to reflect the decisions the Legislature makes with respect to the funding mechanism.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation related to the mechanism used to fund the aeronautics assistance program, beginning on July 1, 2004, including the repeal of the current, sum certain appropriation for aeronautics assistance, the creation of three new appropriations for aeronautics assistance and the transfer of sales and use tax revenue from the sale of noncommercial aircraft to the transportation fund. Also, approve the Governor's recommendation to create an Airport Financing Study Committee. In addition, clarify that the first transfer of revenue from the general fund to the transportation fund would occur on July 1, 2004.

2. Approve the Governor's recommendations related to the mechanism used to fund the aeronautics assistance program and the Airport Financing Study Committee, but modify the mechanism for establishing the amount in the supplemental appropriations by specifying that in 2004-05 the amount would be based on the difference between $11.8 million and the amount that would have been credited to the all-moneys-received appropriation in the prior year had that appropriation been in effect in that year. In addition, clarify that the first transfer of revenue from the general fund to the transportation fund would occur on July 1, 2004.

3. Delete the Governor's recommendation with respect to the funding mechanism for aeronautics assistance. Instead, require a transfer from the general fund to the transportation fund, beginning on July 1, 2004, and annually thereafter, of the amount that the airlines that qualify for the exemption paid in ad valorem taxes in the last year in which they paid those taxes, which would require the general fund to absorb the approximate amount of the revenue loss associated with the exemption, beginning in 2004-05, but not more than that amount. This alternative would only be relevant if the proposed exemption is approved. Modify the Governor's recommendation with respect to the Airport Financing Study Committee to reflect the decision on the aeronautics assistance funding mechanism.

4. Delete the Governor's recommendation with respect to the funding mechanism for aeronautics assistance. Modify the Governor's recommendation with respect to the Airport Financing Study Committee to reflect the decision on the aeronautics assistance funding mechanism.

5. Maintain current law.

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May 29, 2001 Joint Committee on Finance Paper #901

Local Roads for Job Preservation Debt Service (DOT -- Transportation Finance)

[LFB 2001-03 Budget Summary: Page 653, #7]

CURRENT LAW

DOT is authorized to make a total of $10,000,000 in grants for the development, construction, repair or improvement of a local road that DOT determines, subject to certain criteria, is necessary to support business and retain jobs in the vicinity of the local road. The program has GPR and FED appropriations for the program and a total of $10,000,000 in general fund-supported general obligation bonds is authorized for the program. DOT has made a grant of $8,000,000 using federal highway funds to the City of Janesville for road improvements in the vicinity of a General Motors plant.

GOVERNOR

Estimate debt service on bonds issued under the local roads for job preservation program at $389,500 GPR in 2001-02 and $876,800 GPR in 2002-03.

DISCUSSION POINTS

1. The estimated debt service for the local roads for job preservation program in the bill was based on an assumption that $10,000,000 in bonds would be issued. However, since DOT has made a grant totaling $8,000,000 using non-bond funds, the most that can be made in additional grants under the program is $2,000,000. The Building Commission has approved the issuance of $2,000,000 of the $10,000,000 in bonds authorized for the program and DOT expects to make a grant to the City of Beloit of this amount for the expansion of local roads to improve the connection from an industrial park in the city to interstates 90 and 43. It is estimated that debt service payments

on this amount would be $59,700 GPR in 2001-02 and $173,900 GPR in 2002-03, which would be less than the amount estimated in the bill by $329,800 GPR in 2001-02 and $702,900 GPR in 2002-03.

2. If DOT issues the full $2,000,000 that the Building Commission has approved, a total of $8,000,000 in general fund bonding authority would remain unused. However, the $10,000,000 cap on the total amount of grants that can be made under the program would prevent DOT from making additional grants using the bonding authorization. One alternative would be to increase the cap to $18,000,000, which would allow all of the bonds that have been authorized to be used for making grants. In this case, future debt service payments would increase if DOT awards additional grants. However, the extent to which this would occur during the 2001-03 biennium is unknown.

3. Another alternative would be to eliminate the $8,000,000 in unused bonding authorization. DOT indicates that no other project applications have been received for the program, in part, the Department believes, because the program was not advertised to local governments. It is generally understood that the program was created for the Janesville road improvements.

4. A case could be made that the transportation fund is in a better position to absorb the debt service payments on the local roads for job preservation bonds than the general fund and that it may be appropriate for these payments to be made from the transportation fund instead of the general fund since the grants are made for transportation improvements. Converting the funding source of the debt service appropriation from the general fund to the transportation fund would reduce GPR funding by an additional $59,700 GPR in 2001-02 and $173,900 GPR in 2002-03, relative to the above reestimate, and increase SEG funding by corresponding amounts.

ALTERNATIVES TO BILL

1. Modify the Governor's recommendation by reducing funding by $329,800 GPR in 2001-02 and $702,900 GPR in 2002-03 to reflect a reestimate of debt service payments for bonds issued under the local roads for job preservation program.

Alternative 1	GPR
2001-03 FUNDING (Change to Bill)	- $1,032,700

2. Modify the Governor's recommendation by reducing funding by $329,800 GPR in 2001-02 and $702,900 GPR in 2002-03 to reflect a reestimate of debt service payments and increase the cap on the total amount of grants that can be made under the program to $18,000,000. Under this alternative, DOT could issue an additional $8,000,000 in grants using the remaining, unused bonding authorization for the program. The fiscal effect of this alternative assumes that no additional debt service would be incurred in the 2001-03 biennium since no additional projects have yet been identified or evaluated under the program.

Alternative 2	GPR
2001-03 FUNDING (Change to Bill)	- $1,032,700

3. Modify the Governor's recommendation by reducing funding by $329,800 GPR in 2001-02 and $702,900 GPR in 2002-03 to reflect a reestimate of debt service payments and delete $8,000,000 in bonding authorization for the program. Under this alternative, the cap on the amount of grants that can be made would be retained and the unused bonding authorization would be eliminated.

Alternative 3	GPR	BR	TOTAL
2001-03 FUNDING (Change to Bill)	- $1,032,700	- $8,000,000	- $9,032,700

4. Modify the Governor's recommendation by converting the funding source for debt service payments on bonds issued under the local roads for job preservation program from the general fund to the transportation fund. Reduce funding by $389,500 GPR in 2001-02 and $876,800 GPR in 2002-03 and increase funding by $59,700 SEG in 2001-02 and $173,900 SEG in 2002-03. In addition, adopt one of the following alternatives:

a. Increase the cap on the total amount of grants that can be made under the program to $18,000,000.

Alternative 4a	GPR	SEG	TOTAL
2001-03 FUNDING (Change to Bill)	- $1,266,300	$233,600	- $1,032,700

b. Delete $8,000,000 in bonding authorization for the program.

Alternative 4b	GPR	BR	SEG	TOTAL
2001-03 FUNDING (Change to Bill)	- $1,266,300	- $8,000,000	$233,600	- $9,032,700

Prepared by: Jon Dyck

TRANSPORTATION

Transportation Finance

Bill Agency

LFB Summary Items Addressed at Previous Committee Executive Sessions

Item #	Title
1	Transportation Fund Condition Statement (Paper #895)
2	Federal Highway Formula Aid (Paper #896)
4	Transportation Fund Debt Service Reestimate (Paper #895)

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May 29, 2001 Joint Committee on Finance Paper #905

General Transportation Aid -- Funding Level (DOT -- Local Transportation Aid)

[LFB 2001-03 Budget Summary: Page 653, #1]

CURRENT LAW

Base funding for general transportation aid is $348,521,000 SEG ($264,461,500 for municipalities and $84,059,500 for counties). Municipalities receive the greater of the amounts calculated under the share of costs and mileage aid rate formulas. The mileage aid rate is set at $1,704 for 2000 and thereafter. Counties receive aid based on the share of costs formula.

GOVERNOR

Increase funding for general transportation aids as follows:

County Aid. Provide $2,269,600 SEG in 2001-02 and $4,859,500 SEG in 2002-03 to provide a total of $86,329,100 in 2001-02 and $88,919,000 in 2002-03. Set the calendar year distribution at $88,598,700 for calendar year 2002 and $89,239,300 for calendar year 2003 and thereafter. This represents a 5.4% increase for calendar year 2002 and a 0.7% increase for calendar year 2003.

Municipal Aid. Provide $6,611,500 SEG in 2001-02 and $13,334,400 SEG in 2002-03 to provide a total of $271,073,000 in 2001-02 and $277,795,900 in 2002-03. Set the calendar year distribution at $277,684,500 for calendar year 2002 and $277,907,200 for calendar year 2003 and thereafter. This represents a 5.0% increase for calendar year 2002 and a 0.1% increase for calendar year 2003.

Establish the mileage aid rate at $1,747 for calendar year 2001 and $1,790 for calendar year 2002 and thereafter. The calendar year 2002 mileage aid rate represents a 5.0% increase over the current law mileage aid rate of $1,704. Repeal the statutory references to previous calendar year mileage aid rate amounts.

DISCUSSION POINTS

1. General transportation aids are paid to local governments to assist in the maintenance, improvement and construction of local roads. The current transportation aid formula was created in 1988. Through 1993, all municipalities and counties were paid from the same appropriation. Effective in 1994, separate appropriations were created for counties and municipalities.

2. Under the 1999-01 biennial budget, the general transportation aid formula was suspended for calendar year 2001 aid payments. Rather, each municipality will receive a 2001 aid payment that is equal to the amount received under the transportation aid formula for calendar year 2000. Under current law, transportation aid payments would again be based on the formula amount for each county and municipality for calendar year 2002 and thereafter.

3. General transportation aid is calculated and paid on a calendar year basis, with quarterly payments on the first Monday of January, April, July and October. The bill would fully fund the last half of the calendar year 2001 payments and provide a 5.4% increase for calendar year 2002 and a 0.7% increase for calendar year 2003 for counties and a 5.0% increase in calendar year 2002 and a 0.1% increase in calendar year 2003 for municipalities.

4. In the past, the same percentage increase has been provided to both counties and municipalities. The Governor's Executive Budget Book indicates that the difference in the percentage increases in aid between counties and municipalities reflects an intent to provide a portion of the percentage increase in funding that would have otherwise been provided for municipal transportation aids ($529,000 in 2001-02 and $1,954,200 in 2002-03) to the local road improvement program for discretionary grants to towns, cities and villages.

5. DOA indicates that additional funding was provided for LRIP discretionary projects, as opposed to general transportation aid, in order to target funds for capital improvements. The shift from general transportation aid to LRIP was done for municipalities, but not counties, because counties have received smaller increases in general transportation aid over the last 13 years. Between 1988 and 2001, county general transportation aid payments increased by 52%, while municipal general transportation aid payments increased by 91%. Since 1995, however, aid to both municipalities and counties has increased by 26%.

6. Despite the fact that calendar year 2001 aid payment amounts have been established based on the funding levels enacted in the 1999-01 biennial budget, the bill would adjust the calendar year 2001 mileage aid amount. Because the general transportation aid formula would continue to be suspended for calendar year 2001, with aid payments equaling the amounts received under the transportation aid formula for calendar year 2000, an increase in the 2001 mileage aid rate would have no effect on calendar year 2001 aid payments. In addition, in order to provide an equal increase to municipal aid recipients on the rate per mile and share of cost components of the

formula, the mileage aid rate is generally increased by same percentage that the total municipal aid funding amount is increased. Under the bill, the calendar year 2002 mileage aid rate would increase to $1,790, which is 5.0% greater than the current law mileage aid rate of $1,704. This equals the increase proposed for total municipal aid. However, despite providing a 0.1% increase in general transportation aid funding for municipalities in 2003, the bill would not provide an increase in the mileage aid rate in 2003. Adjusting the increases to the mileage aid rates so that the increases begin in 2002, rather than 2001, and providing a 0.1% increase in the rate to $1,791 per mile in 2003, would make the increases consistent with prior decisions regarding the mileage aid rate.

7. On March 26, the Department of Transportation indicated a number of changes to the Governor's biennial budget bill that could be made to more accurately reflect the Department's original funding goals for the general transportation aid program. In preparing the Department's budget request, funding for the general transportation aid program was calculated on a fiscal year basis, rather than a calendar year basis, which results in counties and municipalities receiving the bulk of the proposed increase in funding in the first calendar year of the biennium with only a small increase in the second calendar year. The Department indicates that local governments prefer a more equal or steady increase in calendar year aid amounts because such increases provide stability and predictability of state aid for local road systems, which assists local units of government in budgeting and planning their work.

8. The Department's intent, modified to reflect the Governor's recommendation to provide lower increases for municipal aid, would provide a 2.7% increase in calendar year 2002 and a 3.0% increase in calendar year 2003 for counties and a 2.5% increase in each calendar year for municipalities, along with a mileage aid rate increase of 2.5% each year. Such increases would set the calendar year distribution amounts at $86,329,100 in 2002 and $88,919,000 in 2003 for counties and at $271,073,000 in 2002 and $277,849,900 in 2003 for municipalities. The mileage aid rate would increase to $1,747 in 2002 and $1,790 in 2003. The amount of above base funding necessary under DOT's intended increases in the calendar year distributions for both counties and municipalities is $4,440,600 in 2001-02 and $13,564,600 in 2002-03. Compared to the bill, this would represent decreases of $4,440,500 in 2001-02 and $4,629,300 in 2002-03.

9. Based on a forecast of the economy by Standard and Poor's DRI, general inflation is projected to be 2.1% in 2002 and 1.7% in 2003. The amount of above base funding necessary to provide inflationary increases in the calendar year distributions for both counties and municipalities is $3,659,500 in 2001-02 and $10,343,600 in 2002-03. Compared to the bill, this would represent decreases of $5,221,600 in 2001-02 and $7,850,300 in 2002-03. The mileage aid rate would increase to $1,740 in 2002 and $1,770 in 2003 under this alternative.

10. During 2000, the most recent year the formula was used, counties received aid at 27.8% of eligible costs and municipalities received aid at 22.0% of eligible costs. Under the bill, it is estimated that counties' cost-based aid rate would decrease to 26.8% in 2002 and 25.1% in 2003, while municipalities' cost-based aid rate would decrease to 21.5% in 2002 and 21.0% in 2003. The following table shows the estimated share of costs for calendar year 2002 at various percentage increases in funding and mileage aid rates.

Percentage Increase in Aid	Estimated Cost-Based Aid Rate in 2002 Counties	Municipalities
1%	24.5%	20.1%
2	25.1	20.5
3	25.7	20.8
4	26.1	21.2
5	26.6	21.5
6	27.0	21.8

11. The share of costs funded under the cost-based aid rate has been relatively stable since 1994, ranging from 26.6% to 28.2% for counties and 20.8% to 22.5% for municipalities. The following table lists the cost-base aid rates for counties and municipalities from 1994 through 2000, the last year the formula was used.

Calendar Year	Annual Cost-Based Aid Rate Counties	Municipalities
1994	27.7%	22.2%
1995	27.6	22.2
1996	27.0	21.4
1997	26.6	20.8
1998	28.2	22.5
1999	27.0	21.3
2000	27.8	22.0

12. One issue to consider when selecting a funding policy is whether a cost-sharing percentage should control appropriation decisions or whether appropriation decisions should be made based on overall budgetary goals, with the cost-sharing percentage changing from year to year based on these goals.

13. General transportation aid funds are provided on a calendar year basis, with quarterly aid payments made in January, April, July and October. Therefore, only one half of any calendar year 2003 increase would be paid in 2002-03. The remaining portion of the calendar year 2003 increase would be funded in the next biennium. The following table indicates the annual funding commitment in the next biennium under various increases in the combined county and municipal calendar year distributions.

Future Year General Transportation Aid Commitments
Under Various Percentage Increases for Counties and Municipalities

Calendar Year Distribution Increase 2002/2003	Future Funding Commitment
1%/1%	$1,760,000
2.1%/1.7% (Inflation)	3,024,600
2%/2%	3,554,900
DOT's Recommendation	4,683,300
3%/3%	5,384,600
4%/4%	7,249,200
5%/5%	9,148,600
6%/6%	11,083,000

14. State and federal funding increases for local road aid programs to assist local governments in the maintenance, improvement and construction of local roads have outpaced increases in inflation in recent years. However, local road program funding has not kept pace with the funding increases provided for the major highway development, state highway rehabilitation and mass transit programs, due in large part to substantial increases in federal funding that the state has dedicated to these programs. The following table compares the percentage increases in state and federal funding for various transportation programs from 1996-97 through 2002-03.

Percentage Increase in State and Federal Funding
for Various Transportation Programs
(Fiscal Years 1997-2003)

Program	Governor
Major Highway Development*	46.1%
Mass Transit Aid	45.7
State Highway Rehabilitation**	44.1
Local Road Programs***	29.8
State Highway Maintenance	23.3

* Adjusted to reflect the amount that the Governor intended to provide in 2002-03, which is less than the amount actually in the bill by $4,529,100.

** Does not include funding provided in a separate appropriation for the reconstruction of the Marquette Interchange. If this funding were included, the increase for the rehabilitation program would be 68.7%.

*** Includes general transportation and connecting highway aid, local roads improvement program and local bridge and highway improvement assistance.

15. Fuel is a significant cost component associated with providing local general transportation services. For example, fuel is needed to operate machinery and vehicles for such activities as snow removal, mowing roadsides, grading roads and shoulders, applying pavement

markings and providing for the policing of local roads. The recent increases in fuel costs have outpaced general inflation and have resulted in an increase in the costs for local governments to provide the same level of service. Providing a percentage increase in funding that is greater than forecasted inflation would assist local governments in funding these higher fuel costs.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide $2,269,600 SEG in 2001-02 and $4,859,500 SEG in 2002-03 to fund a 5.4% increase for calendar year 2002 and a 0.7% increase for calendar year 2003 for counties and $6,611,500 SEG in 2001-02 and $13,334,400 SEG in 2002-03 to provide a 5.0% increase for calendar year 2002 and a 0.1% increase for calendar year 2003 for municipalities. Set the calendar year distribution at $88,598,700 for 2002 and $89,239,300 for 2003 and thereafter for counties and $277,684,500 for 2002 and $277,907,200 for 2003 and thereafter for municipalities. Establish the mileage aid rate at $1,747 for calendar year 2001 and $1,790 for calendar year 2002 and thereafter.

2. Modify the Governor's recommendation by establishing the mileage aid rate at $1,790 (a 5.0% increase) for calendar year 2002 and $1,791 (a 0.1% increase) for calendar year 2003 and thereafter.

3. Modify the Governor's recommendation by deleting $5,221,600 SEG in 2001-02 and $7,850,300 SEG in 2002-03 to fund increases in the calendar year distributions for both counties and municipalities equal to 2.1% in 2002 and 1.7% in 2003 (the projected increases in the consumer price index). In addition, set the calendar year distribution for counties at $85,824,700 for 2002 and $87,283,700 for 2003 and thereafter and for municipalities at $270,015,200 for 2002 and $274,605,500 for 2003 and thereafter. Establish the mileage aid rate at $1,740 for calendar year 2002 and $1,770 for calendar year 2003 and thereafter.

Alternative 3	SEG
2001-03 FUNDING (Change to Bill)	- $13,071,900

4. Modify the Governor's recommendation by deleting $4,440,500 SEG in 2001-02 and $4,629,300 SEG in 2002-03 to fund increases in the calendar year distributions of 2.7% in 2002 and 3.0% in 2003 for counties and 2.5% in both 2002 and 2003 for municipalities. In addition, set the calendar year distribution for counties at $86,329,100 for 2002 and $88,919,000 for 2003 and thereafter and for municipalities at $271,073,000 for 2002 and $277,849,900 for 2003 and thereafter. Establish the mileage aid rate at $1,747 for calendar year 2002 and $1,790 for calendar year 2003 and thereafter.

Alternative 4	SEG
2001-03 FUNDING (Change to Bill)	- $9,069,800

5. Modify the Governor's recommendation by providing annual general transportation aid increases (SEG) for 2002 and 2003 at one of the following percentages. Set the county and municipal distributions, establish the mileage aid rate and change the general transportation aid appropriations as shown below:

	% Annual Increase in Aid	Calendar Year County Distribution 2002	Calendar Year County Distribution 2003	SEG Change to Bill 2001-02	SEG Change to Bill 2002-03
a.	1.0%	$84,900,100	$85,749,100	-$1,849,300	-$3,594,400
b.	2.0	85,740,700	87,455,500	-1,429,000	-2,320,900
c.	3.0	86,581,300	89,178,700	-1,008,700	-1,039,000
d.	4.0	87,421,900	90,918,800	-588,400	251,400
e.	5.0	88,262,500	92,675,600	-168,100	1,550,100
f.	6.0	89,103,100	94,449,300	252,200	2,857,200

	% Annual Increase in Aid	Calendar Year Municipal Distribution 2002	Calendar Year Municipal Distribution 2003	Calendar Year Rate Per Mile 2002	Calendar Year Rate Per Mile 2003	SEG Change to Bill 2001-02	SEG Change to Bill 2002-03
g.	1.0%	$267,106,100	$269,777,200	$1,721	$1,738	-$5,289,200	-$9,354,200
h.	2.0	269,750,700	275,145,700	1,738	1,773	-3,966,900	-5,347,700
i.	3.0	272,395,300	280,567,200	1,755	1,808	-2,644,600	-1,314,600
j.	4.0	275,040,000	286,041,600	1,772	1,843	-1,322,200	2,744,900
k.	5.0	277,684,600	291,568,800	1,789	1,878	100	6,830,800
l.	6.0	280,329,200	297,149,000	1,806	1,914	1,322,400	10,943,200

6. Maintain current law. Base level funding would be provided in the 2001-03 biennium.

Alternative 6	**SEG**
2001-03 FUNDING (Change to Bill)	- $27,075,000

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May 29, 2001 Joint Committee on Finance Paper #906

Grants to Local Professional Football Stadium Districts (DOT-- Local Transportation Aid)

[LFB 2001-03 Budget Summary: Page 654, #2]

CURRENT LAW

A local professional football stadium district for the construction and maintenance of a renovated football stadium for the Green Bay Packers was created by 1999 Act 167. The Green Bay-Brown County Professional Football Stadium District is contiguous with Brown County and is governed by a seven-member board. The District, as approved by the electors of the District at referendum in September, 2000, has imposed 0.5% sales and use taxes for purposes related to football stadium facilities.

The District also has authority to issue up to $160 million in revenue bonds, or take out up to a $160 million loan from Brown County, using proceeds from a loan to the county from the state Board of Commissioners of Public Lands, to acquire, construct or renovate its professional football stadium facilities. To date, the District has issued $149.5 million in bonds for the redevelopment project.

GOVERNOR

Provide $9,100,000 SEG in 2001-02 for the purpose of awarding grants to a local professional football stadium district. Create an annual appropriation for the purpose of awarding the grants. Specify that the appropriation would be repealed effective July 1, 2002. Provide DOT the authority to award grants to a local professional football stadium district and specify that this authority would not apply after June 30, 2002.

DISCUSSION POINTS

1. As introduced, the bill to fund the renovation of Lambeau Field (1999 Assembly Bill 892) contained language that would have created a continuing appropriation from the transportation fund for the purpose of making aid payments for transportation-related infrastructure. However, no funding for stadium district aid payments would have been appropriated under the original bill. The bill would have authorized DOT to make aid payments to a local professional football stadium district for the development, construction, reconstruction or improvement of bridges, highways, parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures associated with a football stadium. All the provisions relating to the funding of transportation-related infrastructure were subsequently deleted from the bill.

2. The Joint Committee on Finance, in an action at the December, 2000, quarterly meeting under s. 13.10 of the statutes, directed DOT to hold $9,100,000 in reserve in the transportation fund for future appropriation by the Legislature for infrastructure improvements associated with the redevelopment of Lambeau Field.

3. During legislative deliberations on Assembly Bill 892, Green Bay Packers' officials and their project managers indicated that the funds would be used as indicated in the following table. The Packers indicate that the anticipated use of the funds has not changed since the original proposal:

Transportation Infrastructure

Project Activity	Amount
Site Acquisition and Improvements	
Demolition and Remediation	$75,000
Site Utilities and Improvements	4,822,000
Transportation Sitework	3,003,150
Fixtures and Equipment	
Graphics and Signage	300,000
Parking Equipment	260,000
Waste Handling Equipment	25,000
Development Costs	
Geotechnical and Soil Analysis	61,850
Testing and Inspection	160,000
Taxes, Insurance and Bonding	293,000
Permits and Regulatory Costs	100,000
Total	$9,100,000

4. City of Green Bay and Village of Ashwaubenon officials indicate that they have no plans to develop or construct any government-operated, public parking facilities in the Lambeau Field area. Village of Ashwaubenon officials have indicated that additional parking could be provided for Lambeau Field through a shared parking arrangement with businesses locating in the Village's nearby tax incremental financing district.

5. Unlike the language relating to state funding for transportation-related infrastructure at Lambeau Field that was deliberated by the Legislature last year, the Governor's recommendation would not restrict the use of the $9,100,000 by the District. Under the bill, it is possible that the state transportation funding could be used for purposes that are not transportation-related. DOA indicates that the broader language would provide the District with greater flexibility in determining how the funds are to be used. However, under the Governor's recommendation, once the funds are appropriated by state, the final determination on the use of the funds would be made by the Stadium District Board.

6. Representatives of the Green Bay Packers indicate that the Packers would prefer to have the allowable uses of the funds be specified in a manner similar to Assembly Bill 892, as introduced but be limited to improvements to the existing parking lot facility. They indicate that they would prefer that DOT be provided the authority to make aid payments to a local professional football stadium district for the development, construction, reconstruction or improvement of parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures on the existing parking lot facility of a professional football stadium.

7. District Board officials have indicated their support for the broader language recommended by the Governor, which does not specify any allowable use for the state funds. The Board officials indicate that the Governor's recommendation would provide the District Board with the most flexibility in determining how funds would be used.

8. Proponents of providing state funding for transportation infrastructure related to the Lambeau Field redevelopment project have argued that the state has already provided infrastructure funding for the construction of Miller Park for the Milwaukee Brewers. The following table indicates the infrastructure funding provided by the DOT for Miller Park.

State Funding for Miller Park
(In Millions)

State Segregated Funds	Amount
Freeway relocation	$14.6
Preliminary engineering/environmental impact statement	2.8
Aid to Baseball Park District	12.0
Total	$29.4
Federal Funding	
Freeway relocation project	9.1
Grand Total	$38.5

9. The statutory language identifying the allowable uses of the $12,000,000 in aid to the Baseball Park District was the same language included in the Lambeau Field redevelopment bill, as introduced. The District indicates that the funding was used for the construction of parking lots and storm sewers at the stadium.

10. At the time of the legislative deliberations on the proposal to renovate Lambeau Field, the project manager indicated that it is likely that the funding would not be needed until the last six months of project construction. The project manager now indicates that, under the current construction schedule, the funding may be needed in the fall of 2002 (fiscal year 2002-03).

11. The bill would provide the Green Bay-Brown County Professional Football Stadium District $9,100,000 in state transportation funding in 2001-02. Because the funding would not likely be needed until the second year of the biennium, the Committee could provide the funding in 2002-03, which would allow the transportation fund to earn the interest on the funds for an additional year. It is estimated that if the funds were allowed to remain in the transportation fund for an additional year, approximately $410,000 in investment earnings would accumulate to the transportation fund in the biennium.

12. Under the Lambeau Field redevelopment, the District is expected to use its authority to provide $160 million toward the project costs, with the remaining $135 million, including the $9.1 million for transportation-related infrastructure costs, to be funded from non-District revenue sources. If the state does not provide the $9.1 million, the Packers indicate that the project would likely be modified to lower the overall cost.

13. One possible way in which not providing the $9.1 million in state funding could impact the costs to District taxpayers involves whether or not the $10.0 million construction reserve

fund created under 1999 Act 167 would be used to replace the funding. The reserve was funded with revenues from the Packers associated with the one time user fees assessed season ticket holders for Packer games at Lambeau field. The earnings on the fund are to be applied to the costs of constructing football stadium facilities. The principal amount of the reserve would be applied to the final costs of completing the stadium as contemplated in the construction agreement between the District and the Packers. Any balance in the construction reserve fund that remains following final completion and payment for the football stadium facilities must be applied to the early retirement of bonds backed by the District sales and use taxes. Therefore, any use of the $10 million construction reserve for project costs would result in higher taxpayer costs than would occur if the reserve would not be used for the project.

ALTERNATIVES TO BILL

A. DOT Authority to Make Grants

1. Approve the Governor's recommendation to provide DOT the authority to award grants to a local professional football stadium district (no restrictions would be placed on the use of the funds).

2. Modify the Governor's recommendation by specifying that the grants to a local professional football stadium district could only be used for the development, construction, reconstruction or improvement of bridges, highways, parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures associated with a football stadium.

3. Modify the Governor's recommendation by specifying that the grants to a local professional football stadium district could only be used for the development, construction, reconstruction or improvement of parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures on the existing parking lot facility of a professional football stadium.

4. Maintain current law. (DOT would not be provided authority to award grants to a local professional football stadium district.)

B. Grant Funding

1. Approve the Governor's recommendation to provide $9,100,000 SEG in 2001-02 for the purpose of awarding grants to a local professional football stadium district. Create an annual appropriation for the purpose of awarding the grants. Specify that the appropriation would be repealed effective July 1, 2002. Specify that DOT's authority to award grants to a local professional football stadium district would not apply after June 30, 2002.

2. Modify the Governor's recommendation by providing $9,100,000 SEG in 2002-03, rather than 2001-02, for the purpose of awarding grants to a local professional football stadium district Specify that the appropriation would be repealed effective July 1, 2003, rather than July 1,

2002. Specify that DOT's authority to award grants to a local professional football stadium district would not apply after June 30, 2003, rather than June 30, 2002. Increase estimated transportation fund revenue by $410,000 in 2001-02 to reflect additional investment earnings due to the delayed payment.

Alternative B2	SEG
2001-03 REVENUE (Change to Bill)	$410,000

3. Maintain current law. (No funding would be provided to the local professional football stadium district for transportation-related infrastructure.)

Alternative B3	SEG
2001-03 FUNDING (Change to Bill)	- $9,100,000

Prepared by: Al Runde