

**ASSEMBLY SUBSTITUTE AMENDMENT 2,
TO 1999 ASSEMBLY BILL 941**

March 29, 2000 – Offered by Representatives STONE and JENSEN.

1 **AN ACT** *to repeal* 20.395 (2) (dq); *to amend* 20.395 (4) (aq), 20.395 (9) (rd), 20.395
2 (9) (td), 76.02 (1) and 78.55 (1); and *to create* 20.395 (2) (dc), 20.395 (2) (dr),
3 20.395 (2) (dt), 25.40 (1) (cd), 70.11 (40) and 77.65 of the statutes; **relating to:**
4 a property tax exemption for an air carrier that operates from a hub facility,
5 creating an airport financing committee, granting rule-making authority and
6 making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

7 **SECTION 1.** 20.395 (2) (dc) of the statutes is created to read:
8 20.395 (2) (dc) *Aeronautical activities matching supplement, state funds.* From
9 the general fund, a sum sufficient in each fiscal year equal to one-half of the
10 difference between \$11,800,000 and the amounts received under par. (dr) during the
11 preceding fiscal year, or equal to \$650,000, whichever is less, for the purposes of the

1 state's share of airport projects under ss. 114.34 and 114.35; for developing air
2 marking and other air navigational facilities; for administration of the powers and
3 duties of the secretary of transportation under s. 114.31; for costs associated with
4 aeronautical activities under s. 114.31, except for the program under s. 114.31 (3) (b);
5 and for the administration of other aeronautical activities, except aircraft
6 registration under s. 114.20, authorized by law. No moneys may be encumbered from
7 this appropriation for any fiscal year in excess of the amounts encumbered from the
8 appropriation under par. (dt) for that fiscal year. No moneys may be encumbered
9 from this appropriation for any fiscal year if the amounts received under par. (dr)
10 during the previous fiscal year are equal to or greater than \$11,800,000.

11 **SECTION 2.** 20.395 (2) (dq) of the statutes, as affected by 1999 Wisconsin Act 9,
12 is repealed.

13 **SECTION 3.** 20.395 (2) (dr) of the statutes is created to read:

14 20.395 (2) (dr) *Aeronautical activities, state funds.* All moneys received from
15 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.
16 114.20, from general aviation fuel taxes under subch. III of ch. 78, from sales and use
17 taxes on noncommercial aircraft as determined under s. 77.65 and from any other
18 tax or fee received from an aeronautical activity and deposited in the transportation
19 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (es), and all
20 moneys transferred under 1999 Wisconsin Act (this act), section 14 (1), for the
21 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for
22 developing air marking and other air navigational facilities; for administration of the
23 powers and duties of the secretary of transportation under s. 114.31; for costs
24 associated with aeronautical activities under s. 114.31, except for the program under

1 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except
2 aircraft registration under s. 114.20, authorized by law.

3 **SECTION 4.** 20.395 (2) (dt) of the statutes is created to read:

4 20.395 (2) (dt) *Aeronautical activities supplement, state funds.* A sum sufficient
5 in each fiscal year equal to one-half of the difference between \$11,800,000 and the
6 amounts received under par. (dr) during the preceding fiscal year, or equal to
7 \$650,000, whichever is less, for the purposes of the state's share of airport projects
8 under ss. 114.34 and 114.35; for developing air marking and other air navigational
9 facilities; for administration of the powers and duties of the secretary of
10 transportation under s. 114.31; for costs associated with aeronautical activities
11 under s. 114.31, except for the program under s. 114.31 (3) (b); and for the
12 administration of other aeronautical activities, except aircraft registration under s.
13 114.20, authorized by law. No moneys may be encumbered from this appropriation
14 for any fiscal year in excess of the amounts encumbered from the appropriation
15 under par. (dc) for that fiscal year. No moneys may be encumbered from this
16 appropriation for any fiscal year if the amounts received under par. (dr) during the
17 previous fiscal year are equal to or greater than \$11,800,000.

18 **SECTION 5.** 20.395 (4) (aq) of the statutes is amended to read:

19 20.395 (4) (aq) *Departmental management and operations, state funds.* The
20 amounts in the schedule for departmental planning and administrative activities
21 and the administration and management of departmental programs except those
22 programs under subs. (2) (bq), (cq) ~~and (dq), (dc), (dr) and (dt)~~ and (3) (iq), including
23 those activities in s. 85.07 and including not less than \$220,000 in each fiscal year
24 to reimburse the department of justice for legal services provided the department
25 under s. 165.25 (4) (a) and including activities related to the demand management

1 and ride-sharing program under s. 85.24 that are not funded from the appropriation
2 under sub. (1) (bs), (bv) or (bx), the minority civil engineer scholarship and loan
3 repayment incentive grant program under s. 85.107, the Type 1 motorcycle, moped
4 and motor bicycle safety program under s. 85.30 and to match federal funds for mass
5 transit planning.

6 **SECTION 6.** 20.395 (9) (rd) of the statutes is amended to read:

7 20.395 (9) (rd) *Airport construction major cost carry-over.* When an airport
8 development project is approved by the governor under s. 114.33 (3), the moneys
9 allocated for the project from sub. (2) ~~(dq)~~ (dc), (dr) and (dt) shall be considered
10 encumbered and carried-over to subsequent years to meet the state's share of the
11 project.

12 **SECTION 7.** 20.395 (9) (td) of the statutes, as affected by 1999 Wisconsin Act 9,
13 is amended to read:

14 20.395 (9) (td) *Real estate major cost carry-over.* Subject to s. 86.255, when a
15 highway, airport or railroad land acquisition project is approved by the secretary
16 under s. 84.09, 85.09 or 114.33, the moneys allocated for the project from subs. (2)
17 (bq), ~~(dq)~~ (dc), (dr), (dt) and (eq) and (3) (bq), (cq) and (eq) may be considered
18 encumbered.

19 **SECTION 8.** 25.40 (1) (cd) of the statutes is created to read:

20 25.40 (1) (cd) Taxes on the sale and use of noncommercial aircraft under ch. 77
21 as determined under s. 77.65.

22 **SECTION 9.** 70.11 (40) of the statutes is created to read:

23 70.11 (40) HUB FACILITY. (a) In this subsection:

1 1. “Air carrier company” means any person engaged in the business of
2 transportation in aircraft of persons or property for hire on regularly scheduled
3 flights. In this subdivision, “aircraft” has the meaning given in s. 76.02 (1).

4 2. “Hub facility” means any of the following:

5 a. A facility at an airport from which an air carrier company operated at least
6 45 common carrier departing flights each weekday in the prior year and from which
7 it transported passengers to at least 15 nonstop destinations, as defined by rule by
8 the department of revenue, or transported cargo to nonstop destinations, as defined
9 by rule by the department of revenue.

10 b. An airport or any combination of airports in this state from which an air
11 carrier company cumulatively operated at least 20 common carrier departing flights
12 each weekday in the prior year, if the air carrier company’s headquarters, as defined
13 by rule by the department of revenue, is in this state.

14 (b) Property owned by an air carrier company that operates a hub facility in this
15 state, if the property is used in the operation of the air carrier company.

16 **SECTION 10.** 76.02 (1) of the statutes is amended to read:

17 76.02 (1) “Air carrier company” means any person engaged in the business of
18 transportation in aircraft of persons or property for hire on regularly scheduled
19 flights, except an air carrier company whose property is exempt from taxation under
20 s. 70.11 (40) (b). In this subsection, “aircraft” means a completely equipped operating
21 unit, including spare flight equipment, used as a means of conveyance in air
22 commerce.

23 **SECTION 11.** 77.65 of the statutes is created to read:

24 **77.65 Determination of sales and use tax receipts for aeronautical**
25 **activities.** By July 1, 2003, and every July 1 thereafter, for purposes of determining

1 an amount for funding aeronautical activities under s. 20.395 (2) (dr) for the next
2 fiscal year, the department shall determine, and deposit in the transportation fund,
3 the total amount of the sales tax and use tax, as imposed under ss. 77.52 and 77.53,
4 paid in the immediately preceding calendar year on the sale and use of
5 noncommercial aircraft.

6 **SECTION 12.** 78.55 (1) of the statutes is amended to read:

7 78.55 (1) “Air carrier company” has the meaning given in s. ~~76.02 (1)~~ 70.11 (40)
8 (a) 1.

9 **SECTION 13. Nonstatutory provisions.**

10 (1) AIRPORT FINANCING COMMITTEE. There is created an airport financing
11 committee consisting of members appointed by the governor. The governor shall
12 appoint members representing the department of transportation, the department of
13 commerce, airport managers, airlines serving this state, the general aviation
14 community, the people of this state, and private businesses having an interest in
15 transportation policy and financing. The committee shall review and evaluate this
16 state’s airport system needs and the current system of funding those needs and shall
17 recommend changes, if any, to better meet those needs. The committee shall
18 evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees;
19 allocation of sales tax receipts from the sale of aircraft, parts and services to the
20 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this
21 act, and allocation of other moneys to that appropriation account. The committee’s
22 recommendations, if any, should, if enacted, generate revenue in amounts equal to
23 or greater than the sum of moneys appropriated for aeronautical activities in fiscal
24 year 2001. Not later than December 31, 2000, the committee shall submit a report
25 containing the committee’s evaluation, findings and recommendations to the

1 governor, and to the legislature in the manner provided under section 13.172 (2) of
2 the statutes.

3 **SECTION 14. Appropriation changes.**

4 (1) The unencumbered balance of the appropriation to the department of
5 transportation under section 20.395 (2) (dq) of the statutes immediately before the
6 effective date of this subsection is transferred to the appropriation account under
7 section 20.395 (2) (dr) of the statutes, as created by this act.

8 **SECTION 15. Initial applicability.**

9 (1) HUB FACILITY. The treatment of sections 70.11 (40), 76.02 (1) and 78.55 (1)
10 of the statutes first applies to the property tax assessments as of January 1, 2001.

11 (2) REVENUES RECEIVED FROM AD VALOREM TAX ON AIR CARRIERS. The treatment of
12 section 20.395 (2) (dr) of the statutes first applies to moneys received from taxes and
13 fees on July 1, 2003.

14 **SECTION 16. Effective dates.** This act takes effect on the day after publication,
15 except as follows:

16 (1) The treatment of section 20.395 (2) (dc), (dq), (dr) and (dt) of the statutes
17 and SECTION 14 (1) of this act take effect on July 1, 2003.

18 (END)