

1999 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB941)

Received: 03/29/2000

Received By: nilsepe

Wanted: Today

Identical to LRB:

For: Jeff Stone (608) 266-8590

By/Representing:

This file may be shown to any legislator: NO

Drafter: nilsepe

May Contact:

Alt. Drafters: jkreya

Subject: Transportation - airports  
Tax - property

Extra Copies: TNF

Pre Topic:

No specific pre topic given

Topic:

Property tax exemption for air carrier; airplane sales taxes; SEG and GPR contribution to aviation

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Requaired</u>
/?	nilsepe 03/29/2000			_____			
/1			hhagen 03/29/2000	_____	lrb-docadmin 03/29/2000	lrb-docadmin 03/29/2000	

FE Sent For:

<END>

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1?	nilsepe	1 cy 3/28/00	nh 3/29	nh 3/29			

FE Sent For:

<END>

*NOW*

*PEND JK*

*50511/1*

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 1999 ASSEMBLY BILL 801**

*ASA - AB 941*

March 23, 2000 - Offered by Representatives ~~STONE, PLALE, RILEY, JENSEN and GARD.~~

*WPO:  
Convert all  
SECTION #s to  
auto numbers*

*inserts*

*D-note*

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) and 70.11 (40) of the statutes; relating to:** a property tax  
4 exemption for an air carrier ~~that~~ <sup>that operates from</sup> a hub ~~terminal~~ facility, creating an airport  
5 financing committee, granting rule-making authority and making  
6 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: A  
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 \$<sub>1</sub> 650,000, whichever is less, for the purposes of the  
12 state's share of airport projects under ss. 114.34 and 114.35; for developing air

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

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

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

13 **20.395 (2) (dr) Aeronautical activities, state funds.** All moneys received from  
 14 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.  
 15 114.20, from general aviation fuel taxes under subch. III of ch. 78 and from any other  
 16 tax or fee received from an aeronautical activity and deposited in the transportation  
 17 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (es), and all  
 18 moneys transferred under 1999 Wisconsin Act . . . . (this act), section 12 (1), for the  
 19 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for  
 20 developing air marking and other air navigational facilities; for administration of the  
 21 powers and duties of the secretary of transportation under s. 114.31; for costs  
 22 associated with aeronautical activities under s. 114.31, except for the program under  
 23 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except  
 24 aircraft registration under s. 114.20, authorized by law.

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

↓ from sales and use  
 taxes on noncommercial  
 aircraft as determined  
 under  
 s. 77.65

use auto  
 ref "A"  
 on p. 6

use  
 auto-ref  
 "B" on  
 p. 6

1           20.395 (2) (dt) *Aeronautical activities supplement, state finds.* A sum sufficient  
2 in each fiscal year equal to one-half of the difference between \$11,800,000 and the  
3 amounts received under par. (dr) during the preceding fiscal year, or equal to  
4 \$650,000, whichever is less, for the purposes of the state's share of airport projects  
5 under ss. 114.34 and 114.35; for developing air marking and other air navigational  
6 facilities; for administration of the powers and "duties of the secretary of  
7 transportation under s. 114.31; for costs associated with aeronautical activities  
8 under s. 114.31, except for the program under s. 114.31 (3) (b); and for the  
9 administration of other aeronautical activities, except aircraft registration under s.  
10 114.20, authorized by law. No moneys may be encumbered from this appropriation  
11 for any fiscal year in excess of the amounts encumbered from the appropriation  
12 under par. (dc) for that fiscal year. No moneys may be encumbered from this  
13 appropriation for any fiscal year if the amounts received under par. (dr) during the  
14 previous fiscal year are equal to or greater than \$11,800,000.

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

16           20.395 (4) (aq) *Departmental management and operations, state finds.* The  
17 amounts in the schedule for departmental planning and administrative activities  
18 and the administration and management of departmental programs except those  
19 programs under subs. (2) (bq), (cq) ~~and (dq), (dc), (dr) and (dt)~~ and (3) (iq), including  
20 those activities in s. 85.07 and including not less than \$220,000 in each fiscal year  
21 to reimburse the department of justice for legal services provided the department  
22 under s. 165.25 (4) (a) and including activities related to the demand management  
23 and ride-sharing program under s. 85.24 that are not funded from the appropriation  
24 under sub. (1) (bs), (bv) or (bx), the minority civil engineer scholarship and loan  
25 repayment incentive grant program under s. 85.107, the Type 1 motorcycle, moped

1 and motor bicycle safety program under s. 85.30 and to match federal funds for mass  
2 transit planning.

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

4 **20.395 (9) (rd) Airport construction major cost carry-over.** When an airport  
5 development project is approved by the governor under s. 114.33 (3), the moneys  
6 allocated for the project from sub. (2) (~~dq~~) (dc), (dr) and (dt) shall be considered  
7 encumbered and carried-over to subsequent years to meet the state's share of the  
8 project.

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

11 **20.395 (9) (td) Real estate major cost carry-over.** Subject to s. 86.255, when a  
12 highway, airport or railroad land acquisition project is approved by the secretary  
13 under s. 84.09, 85.09 or 114.33, the moneys allocated for the project from subs. (2)  
14 (bq), (~~dq~~) (dc), (dr), (dt) and (eq) and (3) (bq), (cq) and (eq) may be considered  
15 encumbered.

16 **SECTION 8.** 70.11 (40) of the statutes is created to read:

17 **70.11 (40) HUB TERMINAL FACILITY.** (a) In this subsection:

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

21 2. "Hub terminal facility" means a facility at which an air carrier company  
22 operated at least 45 common carrier departing flights each weekday in the prior year  
23 and from which it transported passengers to at least 15 nonstop destinations or  
24 transported cargo to nonstop destinations. In this subdivision, "nonstop destination"  
25 means a nonstop destination as defined by rule by the department of revenue.

✓  
145  
4-18

insert  
4-25

✓

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

3 SECTION 9. 76.02 (1) of the statutes is amended to read:

4 76.02 (1) "Air carrier company" means any person engaged in the business of  
5 transportation in aircraft of persons or property for hire on regularly scheduled  
6 flights, except an air carrier company whose property is exempt from taxation under  
7 s. 70.11(40)(b). In this subsection, "aircraft" means a completely equipped operating  
8 unit, including spare flight equipment, used as a means of conveyance in air  
9 commerce. ✓

ih5  
5-9

10 SECTION 10. 78.55 (1) of the statutes is amended to read:

11 78.55 (1) "Air carrier company" has the meaning given in s. ~~76.02(1)~~ 70.11(40)  
12 (a)1.

13 SECTION 11. **Nonstatutory provisions.**

14 (1) **AIRPORT FINANCING COMMITTEE.** There is created an airport financing  
15 committee consisting of members appointed by the governor. The governor shall  
16 appoint members representing the department of transportation, the department of  
17 commerce, airport managers, airlines serving this state, the general aviation  
18 community, the people of this state, and private businesses having an interest in  
19 transportation policy and financing. The committee shall review and evaluate this  
20 state's airport system needs and the current system of funding those needs and shall  
21 recommend changes, if any, to better meet those needs. The committee shall  
22 evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees;  
23 allocation of sales tax receipts from the sale of aircraft, parts and services to the  
24 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this  
25 act, and allocation of other moneys to that appropriation account. The committee's

1 recommendations, if any, should, if enacted, generate revenue in amounts equal to  
2 or greater than the sum of moneys appropriated for aeronautical activities in fiscal  
3 year 2001. Not later than December 31, 2000, the committee shall submit a report  
4 containing the committee's evaluation, findings and recommendations to the  
5 governor, and to the legislature in the manner provided under section 13.172 (2) of  
6 the statutes.

auto-ref "A"

7 **SECTION 12. Appropriation changes.**

auto-ref "B"

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

12 **SECTION 13. Initial applicability.**

13 (1) ~~HUB AIRPORT FACILITY.~~ The treatment of sections 70.11 (40), 76.02 (1) and  
14 78.55 (1) of the statutes first applies to the property tax assessments as of January  
15 1, 2001.

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

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

✓ ✓ ✓ ✓

21 (1) The ~~treatment~~ of section 20.395 (2) (dc), (dq), (dr) and (dt) of the statutes  
22 and SECTION 12 (1) of this act take effect on July 1, 2003.

23 (END)



1 ~~6.~~ Page 4, line 6: delete “(dc), (dr) and (dt)” and substitute “(dr)”.

2 ~~7.~~ Page 4, line 14: delete “(dc), (dr), (dt)” and substitute “(dr)”.

3 8. Page 4, line 15: after that line insert:

4 ~~SECTION 77.~~ <sup>auto-number</sup> 25.40 (1) (cd) of the statutes is created to read:

5 25.40 (1) (cd) Taxes on the sale and use of noncommercial aircraft under ch. 77  
6 as determined under s. 77.6 <sup>5.7</sup>

*inset  
4-15*

7 ~~9.~~ Page 4, line 17: delete lines 17 to 25 and substitute:

8 ~~70.11~~ (40) HUB FACILITY. (a) In this subsection:

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

*ins  
4-25*

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

13 a. A facility at an airport from which an air carrier company operated at least  
14 45 common carrier departing flights each weekday in the prior year and from which  
15 it transported passengers to at least 15 nonstop destinations, as defined by rule by  
16 the department of revenue, or transported cargo to nonstop destinations, as defined  
17 by rule by the department of revenue.

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

22 ~~10.~~ Page 5, line 1: delete “terminal”.

23 ~~11.~~ Page 5, line 9: after that line insert:

24 ~~SECTION 77.~~ 77.65 of the statutes is created to read:

*↑  
auto  
number  
↓*

*inset  
5-9*

ins.  
5-9  
(cont.)

1           **77.65 Determination of sales and use tax receipts for aeronautical**  
 2 **activities.** By July 1, 2003, and every July 1 thereafter, for purposes of determining  
 3 an amount for funding aeronautical activities under s. 20.395 (2) (dr) for the next  
 4 fiscal year, the department shall determine, and deposit in the transportation fund,  
 5 the total amount of the sales tax and use tax, as imposed under ss. 77.52 and 77.53,  
 6 paid in the immediately preceding calendar year on the sale and use of  
 7 noncommercial aircraft.

8           ~~12. Page 6, line 13: delete "TERMINAL".~~

9           **13.** Page 6, line 21: delete "section 20.395 (2) (dc), (dq), (dr) and (dt)" and  
 10 substitute "sections 20.395 (2) (dq) and (dr), (4) (aq) and (9) (rd) and (td) and 25.40  
 11 (1) (cd)"

12           (END)

(end inserts)

50511/1

¶ This substitute amendment is identical to 9950462/4, with additional material from 99a1992/2. The spending limits of s. 20.395 (2) (dc) and (de) are reduced to \$650,000 from each appropriation.

-PEN

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBs0511/1dn  
PEN:cjs:hmh

March 29, 2000

This substitute amendment is identical to 99s0462/4, with additional material from 99a1992/2. The spending limits of s. 20.395 (2) (dc) and (dt) are reduced to \$650,000 from each appropriation.

Paul E. Nilsen  
Legislative Attorney  
Phone: (608) 261-6926

50511/1

Mike Premises; Rep Stone 3/29

new sub.

include deduction of sales tax revenue

AND - "hold harmless" using 2 sm sufficient  
appropriations, capped at \$650,000 each

(total SEB/GPR contribution of \$1,300,000)

50462 + 61982

201-

2

3

5

Jan. 1, '66

(after Dec. 31, 2005)