

1999 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB(LRBx4836/1))

Received: 03/28/2000

Received By: jkreye

Wanted: Today

Identical to LRB:

For: Jeffrey Plale (608) 266-0610

By/Representing: traci

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - property

Extra Copies: PEN

Pre Topic:

No specific pre topic given

Topic:

Property tax exemption for hub facility

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>Reauired</u>
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FE Sent For:

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Received By: jkreyc

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By/Representing: traci

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I?	jkreyc	1-3-28 kmf	7/6/28	6/1/28 Self			

FE Sent For:

<END>

2-28-2000

Rep. Blale

sub to his new bill — indirect expenses

— property tax  
exemptions.

sub to 99-4836/1

50507/1

**ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 1999 ASSEMBLY BILL (LRB-4836/1)**

4836

in 3-28-2000

Today

WPO:  
check  
auto  
ref.

Gen. Act.

1 **AN ACT to repeal 20.395 (2) (dq); to amend 26.395 (4) (aq), 20.395 (9) (rd), 20.395**  
2 **(9) (td), 76.02 (1) and 78.55 (1); and to create 20.395 (2) (dr), 25.40 (1) (cd), 70.11**  
3 **(40) and 77.65 of the statutes; relating to:** a property tax exemption for an air  
4 carrier that operates from a hub facility, creating an airport financing  
5 committee, granting rule-making authority and making appropriations.

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

6 **SECTION 1. 20.395 (2) (dq)** of the statutes, as affected by 1999 Wisconsin Act 9,  
7 is repealed.

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

9 **20.395 (2) (dr) Aeronautical activities, state funds.** All moneys received from  
10 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.  
11 114.20, from general aviation fuel taxes under **subch. III** of ch. 78, from sales and use  
12 taxes on noncommercial aircraft as determined under s. 77.65 and from any other

1 tax or fee received from an aeronautical activity and deposited in the transportation  
2 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (es), and all  
3 moneys transferred under 1999 Wisconsin Act . . . . (this act), section 12 (1), for the  
4 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for  
5 developing air marking and other air navigational facilities; for administration of the  
6 powers and duties of the secretary of transportation under s. 114.31; for costs  
7 associated with aeronautical activities under s. 114.31, except for the program under  
8 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except  
9 aircraft registration under s. 114.20, authorized by law.

10 **SECTION 3.** 20.395 (4) (aq) of the statutes is amended to read:

11 *20.395 (4) (aq) Departmental management and operations, state funds.* The  
12 amounts in the schedule for departmental planning and administrative activities  
13 and the administration and management of departmental programs except those  
14 programs under subs. (2) (bq), (cq) and ~~(dq)~~ (dr) and (3) (iq), including those activities  
15 in s. 85.07 and including not less than \$220,000 in each fiscal year to reimburse the  
16 department of justice for legal services provided the department under s. 165.25 (4)  
17 (a) and including activities related to the demand management and ride-sharing  
18 program under s. 85.24 that are not funded from the appropriation under sub. (1)  
19 (bs), (bv) or (bx), the minority civil engineer scholarship and loan repayment  
20 incentive grant program under s. 85.107, the Type 1 motorcycle, moped and motor  
21 bicycle safety program under s. 85.30 and to match federal funds for mass transit  
22 planning.

23 **SECTION 4.** 20.395 (9) (rd) of the statutes is amended to read:

24 *20.395 (9) (rd) Airport construction major cost carry-over.* When an airport  
25 development project is approved by the governor under s. 114.33 (3), the moneys

1 allocated for the project from sub. (2) ~~(dq)~~ (dr) shall be considered encumbered and  
2 carried-over to subsequent years to meet the state's share of the project.

3 **SECTION 5.** 20.395 (9) (td) of the statutes, as affected by 1999 Wisconsin Act 9,  
4 is amended to read:

5 *20.395 (9) (td) Real estate major cost carry-over.* Subject to s. 86.255, when a  
6 highway, airport or railroad land acquisition project is approved by the secretary  
7 under s. 84.09, 85.09 or 114.33, the moneys allocated for the project from subs. (2)  
8 (bq), ~~(dq)~~ (dr) and (eq) and (3) (bq), (cq) and (eq) may be considered encumbered.

9 **SECTION 6.** 25.40 (1) (cd) of the statutes is created to read:

10 25.40 (1) (cd) Taxes on the sale and use of noncommercial aircraft under ch. 77  
11 as determined under s. 77.65.

12 **SECTION 7.** 70.11 (40) of the statutes is created to read:

13 70.11 (40) HUB FACILITY, (a) In this subsection:

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

17 2. "Hub facility" means ~~any of the following~~

18 ~~any~~ facility at an airport from which an air carrier company operated at least  
19 45 common carrier departing flights each weekday in the prior year and from which  
20 it transported passengers to at least 15 nonstop destinations, as defined by rule by  
21 the department of revenue, or transported cargo to nonstop destinations, as defined  
22 by rule by the department of revenue.

23 b. ~~An airport or any combination of airports in this state from which an air~~  
24 ~~carrier company cumulatively operated at least 20 common carrier departing flights~~

1 each weekday in the prior year, if the air carrier company's headquarters, as defined  
2 by rule by the department of revenue, is in this state.

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

5 SECTION 8. 76.02 (1) of the statutes is amended to read:

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

12 SECTION 9. 77.65 of the statutes is created to read:

13 **77.65 Determination of sales and use tax receipts for aeronautical**  
14 **activities.** By July 1, 2003, and every July 1 thereafter, for purposes of determining  
15 an amount for funding aeronautical activities under s. 20.395 (2) (dr) for the next  
16 fiscal year, the department shall determine, and deposit in the transportation fund,  
17 the total amount of the sales tax and use tax, as imposed under ss. 77.52 and 77.53,  
18 paid in the immediately preceding calendar year on the sale and use of  
19 noncommercial aircraft.

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

21 78.55 (1) "Air carrier company" has the meaning given in s. ~~76.02(1)~~ 70.11(40)  
22 (a).

23 SECTION 11. **Nonstatutory provisions.**

24 (1) **AIRPORT FINANCING COMMITTEE.** There is created an airport financing  
25 committee consisting of members appointed by the governor. The governor shall

1 appoint members representing the department of transportation, the department of  
2 commerce, airport managers, airlines serving this state, the general aviation  
3 community, the people of this state, and private businesses having an interest in  
4 transportation policy and financing. The committee shall review and evaluate this  
5 state's airport system needs and the current system of funding those needs and shall  
6 recommend changes, if any, to better meet those needs. The committee shall  
7 evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees;  
8 allocation of sales tax receipts from the sale of aircraft, parts and services to the  
9 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this  
10 act, and allocation of other moneys to that appropriation account. The committee's  
11 recommendations, if any, should, if enacted, generate revenue in amounts equal to  
12 or greater than the sum of moneys appropriated for aeronautical activities in fiscal  
13 year 2001. Not later than December 31, 2000, the committee shall submit a report  
14 containing the committee's evaluation, findings and recommendations to the  
15 governor, and to the legislature in the manner provided under section 13.172 (2) of  
16 the statutes.

17 **SECTION 12. Appropriation changes.**

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

22 **SECTION 13. Initial applicability.**

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



