



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0832/2
JK&TNF:cjs:km

3

DOA:.....Holden – Property tax exemption for air carrier’s hub facility
FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

in 12-4-00

SOON

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

This bill creates a property tax exemption for a hub facility operated by an air carrier. The bill defines “hub facility” as: a facility at an airport 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 an airport or any combination of airports in this state 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 are in this state. The bill defines “air carrier” as any person engaged in the business of transportation in aircraft of persons or property for hire on regularly scheduled flights.

Under current law, revenues derived from aeronautics activities in this state, including moneys received from taxes on air carrier companies, from aircraft registration fees, and from general aviation fuel taxes, are deposited in the segregated transportation fund. Aeronautics activities are funded from a sum certain appropriation in the segregated transportation fund.

→ Beginning on July 1, ~~2003~~, this bill directs all revenues derived from aeronautics activities that are currently deposited in the transportation fund to a new appropriation. Aeronautics activities are funded from these receipts, instead of

2004

from a sum certain appropriation. However, if the amounts received for aeronautics activities under the new appropriation are less than \$11,800,000, the aeronautics activities may be funded with equal amounts from the general fund and the transportation fund not exceeding \$650,000 from each fund.

Finally, the bill creates an airport financing committee consisting of members appointed by the governor. The bill requires the committee to review and evaluate this state's airport system needs and the current system of funding those needs and to recommend changes, if any, to better meet those needs. The bill requires the committee to submit a report not later than December 31, ~~2001~~²⁰⁰², to the legislature and to the governor containing the committee's evaluation, findings, and recommendations. The committee's recommendations, if any, should, if enacted, generate revenue in amounts equal to or greater than the sum of moneys appropriated for aeronautical activities in fiscal year ~~2001~~²⁰⁰².

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 20.395 (2) (dc) of the statutes is created to read:

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

1 from this appropriation for any fiscal year if the amounts received under par. (dr)
2 during the previous fiscal year are equal to or greater than \$11,800,000.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

3 **SECTION 2.** 20.395 (2) (dq) of the statutes is repealed.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

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

5 20.395 (2) (dr) *Aeronautical activities, state funds.* All moneys received from
6 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.
7 114.20, from general aviation fuel taxes under subch. III of ch. 78, from sales and use
8 taxes on noncommercial aircraft as determined under s. 77.65, and from any other
9 tax or fee received from an aeronautical activity and deposited in the transportation
10 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (cs), and all
11 moneys transferred under 2001 Wisconsin Act ... (this act), section 9252 (1), for the
12 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for
13 developing air marking and other air navigational facilities; for administration of the
14 powers and duties of the secretary of transportation under s. 114.31; for costs
15 associated with aeronautical activities under s. 114.31, except for the program under
16 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except
17 aircraft registration under s. 114.20, authorized by law.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

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

19 20.395 (2) (dt) *Aeronautical activities supplement, state funds.* A sum sufficient
20 in each fiscal year equal to one-half of the difference between \$11,800,000 and the
21 amounts received under par. (dr) during the preceding fiscal year, or equal to

SECTION 4

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

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

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

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

10 20.395 (9) (td) *Real estate major cost carry-over.* Subject to s. 86.255, when a
11 highway, airport or railroad land acquisition project is approved by the secretary
12 under s. 84.09, 85.09 or 114.33, the moneys allocated for the project from subs. (2)
13 (bq), (~~dq~~) (dc), (dr), (dt), and (eq) and (3) (bq), (cq) and (eq) may be considered
14 encumbered.

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

16 25.40 (1) (cd) *Taxes on the sale and use of noncommercial aircraft under ch. 77*
17 *as determined under s. 77.65.*

18 **SECTION 9.** 70.11 (41) of the statutes is created to read:

19 70.11 (41) HUB FACILITY. (a) In this subsection:

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

23 2. "Hub facility" means any of the following:

24 a. A facility at an airport from which an air carrier company operated at least
25 45 common carrier departing flights each weekday in the prior year and from which

SECTION 9

1 it transported passengers to at least 15 nonstop destinations, as defined by rule by
2 the department of revenue, or transported cargo to nonstop destinations, as defined
3 by rule by the department of revenue.

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

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

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

11 76.02 (1) "Air carrier company" means any person engaged in the business of
12 transportation in aircraft of persons or property for hire on regularly scheduled
13 flights, except an air carrier company whose property is exempt from taxation under
14 s. 70.11 (41) (b). In this subsection, "aircraft" means a completely equipped operating
15 unit, including spare flight equipment, used as a means of conveyance in air
16 commerce.

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

18 **77.65 Determination of sales and use tax receipts for aeronautical**
19 **activities.** By July 1, 200⁴~~3~~, and every July 1 thereafter, the department shall
20 determine, and deposit in the transportation fund, the total amount of the sales tax
21 and use tax, as imposed under ss. 77.52 and 77.53, paid in the immediately preceding
22 calendar year on the sale and use of noncommercial aircraft.

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

24 78.55 (1) "Air carrier company" has the meaning given in s. ~~76.02(1)~~ 70.11 (41)

25 (a) 1.

1 **SECTION 9152. Nonstatutory provisions; transportation.**

2 (1) AIRPORT FINANCING COMMITTEE. There is created an airport financing
3 committee consisting of members appointed by the governor. The governor shall
4 appoint members representing the department of transportation, the department of
5 commerce, airport managers, airlines serving this state, the general aviation
6 community, the people of this state, and private businesses having an interest in
7 transportation policy and financing. The committee shall review and evaluate this
8 state's airport system needs and the current system of funding those needs and shall
9 recommend changes, if any, to better meet those needs. The committee shall
10 evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees;
11 allocation of sales tax receipts from the sale of aircraft, parts, and services to the
12 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this
13 act, and allocation of other moneys to that appropriation account. The committee's
14 recommendations, if any, should, if enacted, generate revenue in amounts equal to
15 or greater than the sum of moneys appropriated for aeronautical activities in fiscal
16 year 2001². Not later than December 31, 2001², the committee shall submit a report
17 containing the committee's evaluation, findings, and recommendations to the
18 governor, and to the legislature in the manner provided under section 13.172 (2) of
19 the statutes.

20 **SECTION 9252. Appropriation changes; transportation.**

21 (1) TRANSFER OF FUNDS FOR AERONAUTICAL ACTIVITIES. The unencumbered
22 balance in the appropriation account under section 20.395 (2) (dq), 1999 stats.,
23 immediately before the effective date of this subsection is transferred to the
24 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this
25 act.

1 **SECTION 9344. Initial applicability; revenue.**

2 (1) HUB FACILITY. The treatment of sections 70.11 (41), 76.02 (1), and 78.55 (1)
3 of the statutes first applies to the property tax assessments as of January 1, 2001. ²

4 (2) REVENUES RECEIVED FROM AD VALOREM TAX ON AIR CARRIERS. The treatment of
5 section 20.395 (2) (dr) of the statutes first applies to moneys received from taxes and
6 fees on July 1, 2003. ⁴

7 **SECTION 9452. Effective dates; transportation.**

8 (1) AERONAUTICAL ACTIVITIES. The treatment of section 20.395 (2) (dc), (dq), (dr),
9 and (dt) of the statutes and SECTION 9252 (1) of this act take effect on July 1, 2003. ⁴

10

(END)



State of Wisconsin
2001 - 2002 LEGISLATURE

4 (Redraft
LRB-0832/8 makes has
JK&TNF (cjs:km been run)

D-NOTE
WANTED SOON
turned in 1/29/01

DOA:.....Holden – Property tax exemption for air carrier’s hub facility
FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

Do not gen
1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

This bill creates a property tax exemption for a hub facility operated by an air carrier. The bill defines “hub facility” as: a facility at an airport 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 an airport or any combination of airports in this state 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 are in this state. The bill defines “air carrier” as any person engaged in the business of transportation in aircraft of persons or property for hire on regularly scheduled flights.

Under current law, revenues derived from aeronautics activities in this state, including moneys received from taxes on air carrier companies, from aircraft registration fees, and from general aviation fuel taxes, are deposited in the segregated transportation fund. Aeronautics activities are funded from a sum certain appropriation in the segregated transportation fund.

Beginning on July 1, 2004, this bill directs all revenues derived from aeronautics activities that are currently deposited in the transportation fund to a new appropriation. Aeronautics activities are funded from these receipts, instead of

from a sum certain appropriation. However, if the amounts received for aeronautics activities under the new appropriation are less than \$11,800,000, the aeronautics activities may be funded with equal amounts from the general fund and the transportation fund not exceeding \$650,000 from each fund.

Finally, the bill creates an airport financing committee consisting of members appointed by the governor. The bill requires the committee to review and evaluate this state's airport system needs and the current system of funding those needs and to recommend changes, if any, to better meet those needs. The bill requires the committee to submit a report not later than December 31, 2002, to the legislature and to the governor containing the committee's evaluation, findings, and recommendations. The committee's recommendations, if any, should, if enacted, generate revenue in amounts equal to or greater than the sum of moneys appropriated for aeronautical activities in fiscal year 2002.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

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

note: delay

1 from this appropriation for any fiscal year if the amounts received under par. (dr)
2 during the previous fiscal year are equal to or greater than \$11,800,000.

~~***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.~~

3 **SECTION 2.** 20.395 (2) (dq) of the statutes is repealed.

~~***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.~~

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

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6 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.
7 114.20, from general aviation fuel taxes under subch. III of ch. 78, from sales and use
8 taxes on noncommercial aircraft as determined under s. 77.65, and from any other
9 tax or fee received from an aeronautical activity and deposited in the transportation
10 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (es), and all
11 moneys transferred under 2001 Wisconsin Act ... (this act), section 9252 (1), for the
12 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for
13 developing air marking and other air navigational facilities; for administration of the
14 powers and duties of the secretary of transportation under s. 114.31; for costs
15 associated with aeronautical activities under s. 114.31, except for the program under
16 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except
17 aircraft registration under s. 114.20, authorized by law.

~~***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.~~

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

19 20.395 (2) (dt) *Aeronautical activities supplement, state funds.* A sum sufficient
20 in each fiscal year equal to one-half of the difference between \$11,800,000 and the
21 amounts received under par. (dr) during the preceding fiscal year, or equal to

note: delay

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

~~***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.~~

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

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

10 20.395 (9) (td) *Real estate major cost carry-over.* Subject to s. 86.255, when a
11 highway, airport or railroad land acquisition project is approved by the secretary
12 under s. 84.09, 85.09 or 114.33, the moneys allocated for the project from subs. (2)
13 (bq), ~~(dq)~~ (dc), (dr), (dt), and (eq) and (3) (bq), (cq) and (eq) may be considered
14 encumbered.

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

16 25.40 (1) (cd) Taxes on the sale and use of noncommercial aircraft under ch. 77
17 as determined under s. 77.65.

18 **SECTION 9.** 70.11 (41) of the statutes is created to read:

19 70.11 (41) HUB FACILITY. (a) In this subsection:

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

23 2. "Hub facility" means any of the following:

24 a. A facility at an airport from which an air carrier company operated at least
25 45 common carrier departing flights each weckday in the prior year and from which

SECTION 9

1 it transported passengers to at least 15 nonstop destinations, as defined by rule by
2 the department of revenue, or transported cargo to nonstop destinations, as defined
3 by rule by the department of revenue.

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

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

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

11 76.02 (1) "Air carrier company" means any person engaged in the business of
12 transportation in aircraft of persons or property for hire on regularly scheduled
13 flights, except an air carrier company whose property is exempt from taxation under
14 s. 70.11 (41) (b). In this subsection, "aircraft" means a completely equipped operating
15 unit, including spare flight equipment, used as a means of conveyance in air
16 commerce.

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

18 **77.65 Determination of sales and use tax receipts for aeronautical**
19 **activities.** By July 1, 2004, and every July 1 thereafter, the department shall
20 determine, and deposit in the transportation fund, the total amount of the sales tax
21 and use tax, as imposed under ss. 77.52 and 77.53, paid in the immediately preceding
22 calendar year on the sale and use of noncommercial aircraft.

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

24 78.55 (1) "Air carrier company" has the meaning given in s. ~~76.02 (1)~~ 70.11 (41)

25 (a) 1.

SECTION 9152. Nonstatutory provisions; transportation.

(1) AIRPORT FINANCING COMMITTEE. There is created an airport financing committee consisting of members appointed by the governor. The governor shall appoint members representing the department of transportation, the department of commerce, airport managers, airlines serving this state, the general aviation community, the people of this state, and private businesses having an interest in transportation policy and financing. The committee shall review and evaluate this state's airport system needs and the current system of funding those needs and shall recommend changes, if any, to better meet those needs. The committee shall evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees; allocation of sales tax receipts from the sale of aircraft, parts, and services to the appropriation account under section 20.395 (2) (dr) of the statutes, as created by this act, and allocation of other moneys to that appropriation account. The committee's recommendations, if any, should, if enacted, generate revenue in amounts equal to or greater than the sum of moneys appropriated for aeronautical activities in fiscal year 2002. Not later than December 31, 2002, the committee shall submit a report containing the committee's evaluation, findings, and recommendations to the governor, and to the legislature in the manner provided under section 13.172 (2) of the statutes.

SECTION 9252. Appropriation changes; transportation.

(1) TRANSFER OF FUNDS FOR AERONAUTICAL ACTIVITIES. The unencumbered balance in the appropriation account under section 20.395 (2) (dq), 1999 stats., immediately before the effective date of this subsection is transferred to the appropriation account under section 20.395 (2) (dr) of the statutes, as created by this act.

1 **SECTION 9344. Initial applicability; revenue.**

2 (1) HUB FACILITY. The treatment of sections 70.11 (41), 76.02 (1), and 78.55 (1)
3 of the statutes first applies to the property tax assessments as of January 1, 2002.

4 (2) REVENUES RECEIVED FROM AD VALOREM TAX ON AIR CARRIERS. The treatment of
5 section 20.395 (2) (dr) of the statutes first applies to moneys received from taxes and
6 fees on July 1, 2004.

7 **SECTION 9452. Effective dates; transportation.**

8 (1) AERONAUTICAL ACTIVITIES. The treatment of section 20.395 (2) (dc), (dq), (dr),
9 and (dt) of the statutes and SECTION 9252 (1) of this act take effect on July 1, 2004.

10

(END)

D-NOTE

, (4)(ag)✓, and (9)(rd) and (td)✓

LRB-0832/4dn
TNF: jld

ATTN: Kerry Holden

This draft is identical to LRB-0832/3, except

for the following:

1. The appropriation schedule notes after the treatment of s. 20.395 (2) (dc), (dg), (dr), and (dt) have been changed because the effective date for those appropriations is later than the 2001-03 fiscal biennium (July 1, 2004).

2. the treatment of s. 20.395 (4) (ag) and (9) (rd) and (td).

A delayed effective date of July 1, 2004, has been provided for (NO #)

TNF

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0832/4dn
TNF:cjs:rs

January 30, 2001

ATTN: Kerry Holden

This draft is identical to LRB-0832/3, except for the following:

1. The appropriation schedule notes after the treatment of s. 20.395 (2) (dc), (dq), (dr), and (dt) have been changed because the effective date for those appropriations (July 1, 2004) is later than the 2001-03 fiscal biennium.
2. A delayed effective date of July 1, 2004, has been provided for the treatment of s. 20.395 (4) (aq) and (9) (rd) and (td).

Timothy N. Fast
Senior Legislative Attorney
Phone: (608) 266-9739
E-mail: tim.fast@legis.state.wi.us



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0832/A

JK&TNF:cjs

1/10/01

DOA:.....Holden - Property tax exemption for air carrier's hub facility

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

W 2-6-01

D-N

TODAY

DO NOT GEN

1

AN ACT ...; relating to: the budget.

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PROPERTY TAXATION

This bill creates a property tax exemption for a hub facility operated by an air carrier. The bill defines "hub facility" as: a facility at an airport 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 an airport or any combination of airports in this state 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 are in this state. The bill defines "air carrier" as any person engaged in the business of transportation in aircraft of persons or property for hire on regularly scheduled flights.

Under current law, revenues derived from aeronautics activities in this state, including moneys received from taxes on air carrier companies, from aircraft registration fees, and from general aviation fuel taxes, are deposited in the segregated transportation fund. Aeronautics activities are funded from a sum certain appropriation in the segregated transportation fund.

Beginning on July 1, 2004, this bill directs all revenues derived from aeronautics activities that are currently deposited in the transportation fund to a new appropriation. Aeronautics activities are funded from these receipts, instead of

from a sum certain appropriation. However, if the amounts received for aeronautics activities under the new appropriation are less than \$11,800,000, the aeronautics activities may be funded with equal amounts from the general fund and the transportation fund not exceeding \$650,000 from each fund.

Finally, the bill creates an airport financing committee consisting of members appointed by the governor. The bill requires the committee to review and evaluate this state's airport system needs and the current system of funding those needs and to recommend changes, if any, to better meet those needs. The bill requires the committee to submit a report not later than December 31, 2002, to the legislature and to the governor containing the committee's evaluation, findings, and recommendations. The committee's recommendations, if any, should, if enacted, generate revenue in amounts equal to or greater than the sum of moneys appropriated for aeronautical activities in fiscal year 2002.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 20.395 (2) (dc) of the statutes is created to read:

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

1 from this appropriation for any fiscal year if the amounts received under par. (dr)
2 during the previous fiscal year are equal to or greater than \$11,800,000.

****NOTE: This SECTION involves a change in an appropriation, but should not be reflected in the revised schedule in s. 20.005, stats., because of a delayed effective date.

3 **SECTION 2.** 20.395 (2) (dq) of the statutes is repealed.

****NOTE: This SECTION involves a change in an appropriation, but should not be reflected in the revised schedule in s. 20.005, stats., because of a delayed effective date.

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

5 20.395 (2) (dr) *Aeronautical activities, state funds.* All moneys received from
6 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.
7 114.20, from general aviation fuel taxes under subch. III of ch. 78, from sales and use
8 taxes on noncommercial aircraft as determined under s. 77.65, and from any other
9 tax or fee received from an aeronautical activity and deposited in the transportation
10 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (es), and all
11 moneys transferred under 2001 Wisconsin Act ... (this act), section 9252 (1), for the
12 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for
13 developing air marking and other air navigational facilities; for administration of the
14 powers and duties of the secretary of transportation under s. 114.31; for costs
15 associated with aeronautical activities under s. 114.31, except for the program under
16 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except
17 aircraft registration under s. 114.20, authorized by law.

****NOTE: This SECTION involves a change in an appropriation, but should not be reflected in the revised schedule in s. 20.005, stats., because of a delayed effective date.

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

19 20.395 (2) (dt) *Aeronautical activities supplement, state funds.* A sum sufficient
20 in each fiscal year equal to one-half of the difference between \$11,800,000 and the
21 amounts received under par. (dr) during the preceding fiscal year, or equal to

, as affected by 2001 Wisconsin Act... (this act),

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

****NOTE: This SECTION involves a change in an appropriation, but should not be reflected in the revised schedule in s. 20.005, stats., because of a delayed effective date.

12 *LP5: Please Fix Component* SECTION 5. 20.395 (4) (aq) of the statutes is ~~amended~~ *repealed and recreated* to read:

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

transportation employment and mobility

INSERT A ↓

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. *as affected by 2001 Wisconsin Act.... (this act), repealed and recreated*

9 SECTION 7. 20.395 (9) (td) of the statutes ~~is amended~~ to read:

10 20.395 (9) (td) *Real estate major cost carry-over.* Subject to s. 86.255, when a
11 highway, airport, or railroad land acquisition project is approved by the secretary
12 under s. 84.09, 85.09, or 114.33, the moneys allocated for the project from subs. (2)
13 (bq), ~~(dq)~~ ~~(dc)~~, ~~(dr)~~, ~~(dt)~~, and ~~(eq)~~ and (3) (bq), (cq), and (eq) may be considered
14 encumbered. *plain delete (fq)*

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

16 25.40 (1) (cd) Taxes on the sale and use of noncommercial aircraft under ch. 77
17 as determined under s. 77.65. *42*

18 SECTION 9. 70.11 ~~(41)~~ of the statutes is created to read:

19 70.11 ~~(41)~~ *42* HUB FACILITY. (a) In this subsection:

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

23 2. "Hub facility" means any of the following:

24 a. A facility at an airport from which an air carrier company operated at least
25 45 common carrier departing flights each weekday in the prior year and from which

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INSERT B ↓

1 it transported passengers to at least 15 nonstop destinations, as defined by rule by
2 the department of revenue, or transported cargo to nonstop destinations, as defined
3 by rule by the department of revenue.

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

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

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

11 76.02 (1) "Air carrier company" means any person engaged in the business of
12 transportation in aircraft of persons or property for hire on regularly scheduled
13 flights, except an air carrier company whose property is exempt from taxation under
14 s. 70.11 (41) (b). In this subsection, "aircraft" means a completely equipped operating
15 unit, including spare flight equipment, used as a means of conveyance in air
16 commerce.

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

18 77.65 Determination of sales and use tax receipts for aeronautical
19 activities. By July 1, 2004, and every July 1 thereafter, the department shall
20 determine, and deposit in the transportation fund, the total amount of the sales tax
21 and use tax, as imposed under ss. 77.52 and 77.53, paid in the immediately preceding
22 calendar year on the sale and use of noncommercial aircraft.

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

24 78.55 (1) "Air carrier company" has the meaning given in s. 76.02 (1) 70.11 (41)

25 (a) 1.

42

SECTION 9152. Nonstatutory provisions; transportation.

(1) AIRPORT FINANCING COMMITTEE. There is created an airport financing committee consisting of members appointed by the governor. The governor shall appoint members representing the department of transportation, the department of commerce, airport managers, airlines serving this state, the general aviation community, the people of this state, and private businesses having an interest in transportation policy and financing. The committee shall review and evaluate this state's airport system needs and the current system of funding those needs and shall recommend changes, if any, to better meet those needs. The committee shall evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees; allocation of sales tax receipts from the sale of aircraft, parts, and services to the appropriation account under section 20.395 (2) (dr) of the statutes, as created by this act, and allocation of other moneys to that appropriation account. The committee's recommendations, if any, should, if enacted, generate revenue in amounts equal to or greater than the sum of moneys appropriated for aeronautical activities in fiscal year 2002. Not later than December 31, 2002, the committee shall submit a report containing the committee's evaluation, findings, and recommendations to the governor, and to the legislature in the manner provided under section 13.172 (2) of the statutes.

SECTION 9252. Appropriation changes; transportation.

(1) TRANSFER OF FUNDS FOR AERONAUTICAL ACTIVITIES. The unencumbered balance in the appropriation account under section 20.395 (2) (dq), 1999 stats., immediately before the effective date of this subsection is transferred to the appropriation account under section 20.395 (2) (dr) of the statutes, as created by this act.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0832/4⁵ins
JK&TNF:cjs:rs

INSERT A

****NOTE: This is reconciled s. 20.395 (4) (aq). This SECTION has been affected by drafts with the following LRB numbers: 0284 and 0832.

INSERT B

****NOTE: This is reconciled s. 20.395 (9) (td). This SECTION has been affected by drafts with the following LRB numbers: 0099 and 0832.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0832/Adn
JK&TNE

5
WJ

Kerry Holden:

This draft reconciles LRB-0099, LRB-0284 and LRB-0832. All of these drafts should continue to appear in the compiled bill. ↗

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

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

LRB-0832/5dn
JK:wlj:cmh

February 7, 2001

Kerry Holden:

This draft reconciles LRB-0099, LRB-0284, and LRB-0832. All of these drafts should continue to appear in the compiled bill.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0832/5
JK&TNF:cjs&wlj:cmh

DOA:.....Holden – Property tax exemption for air carrier’s hub facility

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

This bill creates a property tax exemption for a hub facility operated by an air carrier. The bill defines “hub facility” as: a facility at an airport 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 an airport or any combination of airports in this state 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 are in this state. The bill defines “air carrier” as any person engaged in the business of transportation in aircraft of persons or property for hire on regularly scheduled flights.

Under current law, revenues derived from aeronautics activities in this state, including moneys received from taxes on air carrier companies, from aircraft registration fees, and from general aviation fuel taxes, are deposited in the segregated transportation fund. Aeronautics activities are funded from a sum certain appropriation in the segregated transportation fund.

Beginning on July 1, 2004, this bill directs all revenues derived from aeronautics activities that are currently deposited in the transportation fund to a new appropriation. Aeronautics activities are funded from these receipts, instead of

from a sum certain appropriation. However, if the amounts received for aeronautics activities under the new appropriation are less than \$11,800,000, the aeronautics activities may be funded with equal amounts from the general fund and the transportation fund not exceeding \$650,000 from each fund.

Finally, the bill creates an airport financing committee consisting of members appointed by the governor. The bill requires the committee to review and evaluate this state's airport system needs and the current system of funding those needs and to recommend changes, if any, to better meet those needs. The bill requires the committee to submit a report not later than December 31, 2002, to the legislature and to the governor containing the committee's evaluation, findings, and recommendations. The committee's recommendations, if any, should, if enacted, generate revenue in amounts equal to or greater than the sum of moneys appropriated for aeronautical activities in fiscal year 2002.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 20.395 (2) (dc) of the statutes is created to read:

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

1 from this appropriation for any fiscal year if the amounts received under par. (dr)
2 during the previous fiscal year are equal to or greater than \$11,800,000.

****NOTE: This SECTION involves a change in an appropriation, but should not be reflected in the revised schedule in s. 20.005, stats., because of a delayed effective date.

3 **SECTION 2.** 20.395 (2) (dq) of the statutes is repealed.

****NOTE: This SECTION involves a change in an appropriation, but should not be reflected in the revised schedule in s. 20.005, stats., because of a delayed effective date.

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

5 20.395 (2) (dr) *Aeronautical activities, state funds.* All moneys received from
6 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.
7 114.20, from general aviation fuel taxes under subch. III of ch. 78, from sales and use
8 taxes on noncommercial aircraft as determined under s. 77.65, and from any other
9 tax or fee received from an aeronautical activity and deposited in the transportation
10 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (es), and all
11 moneys transferred under 2001 Wisconsin Act ... (this act), section 9252 (1), for the
12 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for
13 developing air marking and other air navigational facilities; for administration of the
14 powers and duties of the secretary of transportation under s. 114.31; for costs
15 associated with aeronautical activities under s. 114.31, except for the program under
16 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except
17 aircraft registration under s. 114.20, authorized by law.

****NOTE: This SECTION involves a change in an appropriation, but should not be reflected in the revised schedule in s. 20.005, stats., because of a delayed effective date.

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

19 20.395 (2) (dt) *Aeronautical activities supplement, state funds.* A sum sufficient
20 in each fiscal year equal to one-half of the difference between \$11,800,000 and the
21 amounts received under par. (dr) during the preceding fiscal year, or equal to

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

****NOTE: This SECTION involves a change in an appropriation, but should not be reflected in the revised schedule in s. 20.005, stats., because of a delayed effective date.

12 SECTION 5. 20.395 (4) (aq) of the statutes, as affected by 2001 Wisconsin Act
13 (this act), is repealed and recreated to read:

14 20.395 (4) (aq) *Departmental management and operations, state funds.* The
15 amounts in the schedule for departmental planning and administrative activities
16 and the administration and management of departmental programs except those
17 programs under subs. (2) (bq), (cq), (dc), (dr), and (dt) and (3) (iq), including those
18 activities in s. 85.07 and including not less than \$220,000 in each fiscal year to
19 reimburse the department of justice for legal services provided the department
20 under s. 165.25 (4) (a) and including activities related to the transportation
21 employment and mobility program under s. 85.24 that are not funded from the
22 appropriation under sub. (1) (bs), (bv), or (bx), the minority civil engineer scholarship
23 and loan repayment incentive grant program under s. 85.107, the Type 1 motorcycle,

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

****NOTE: This is reconciled s. 20.395 (4) (aq). This SECTION has been affected by
drafts with the following LRB numbers: LRB-0284 and LRB-0832.

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 2001 Wisconsin Act
10 (this act), is repealed and recreated 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), (dc), (dr), (dt), and (fq) and (3) (bq), (cq), and (eq) may be considered encumbered.

****Note: This is reconciled s. 20.395 (9) (td). This SECTION has been affected by
drafts with the following LRB numbers: LRB-0099 and LRB-0832.

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

16 25.40 (1) (cd) Taxes on the sale and use of noncommercial aircraft under ch. 77
17 as determined under s. 77.65.

18 **SECTION 9.** 70.11 (42) of the statutes is created to read:

19 70.11 (42) HUB FACILITY. (a) In this subsection:

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

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

2 a. A facility at an airport from which an air carrier company operated at least
3 45 common carrier departing flights each weekday in the prior year and from which
4 it transported passengers to at least 15 nonstop destinations, as defined by rule by
5 the department of revenue, or transported cargo to nonstop destinations, as defined
6 by rule by the department of revenue.

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

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

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

14 76.02 (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, except an air carrier company whose property is exempt from taxation under
17 s. 70.11 (42) (b). In this subsection, “aircraft” means a completely equipped operating
18 unit, including spare flight equipment, used as a means of conveyance in air
19 commerce.

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

21 **77.65 Determination of sales and use tax receipts for aeronautical**
22 **activities.** By July 1, 2004, and every July 1 thereafter, the department shall
23 determine, and deposit in the transportation fund, the total amount of the sales tax
24 and use tax, as imposed under ss. 77.52 and 77.53, paid in the immediately preceding
25 calendar year on the sale and use of noncommercial aircraft.

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

2 78.55 (1) "Air carrier company" has the meaning given in s. ~~76.02 (1)~~ 70.11 (42)

3 (a) 1.

4 **SECTION 9152. Nonstatutory provisions; transportation.**

5 (1) AIRPORT FINANCING COMMITTEE. There is created an airport financing
6 committee consisting of members appointed by the governor. The governor shall
7 appoint members representing the department of transportation, the department of
8 commerce, airport managers, airlines serving this state, the general aviation
9 community, the people of this state, and private businesses having an interest in
10 transportation policy and financing. The committee shall review and evaluate this
11 state's airport system needs and the current system of funding those needs and shall
12 recommend changes, if any, to better meet those needs. The committee shall
13 evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees;
14 allocation of sales tax receipts from the sale of aircraft, parts, and services to the
15 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this
16 act, and allocation of other moneys to that appropriation account. The committee's
17 recommendations, if any, should, if enacted, generate revenue in amounts equal to
18 or greater than the sum of moneys appropriated for aeronautical activities in fiscal
19 year 2002. Not later than December 31, 2002, the committee shall submit a report
20 containing the committee's evaluation, findings, and recommendations to the
21 governor, and to the legislature in the manner provided under section 13.172 (2) of
22 the statutes.

23 **SECTION 9252. Appropriation changes; transportation.**

24 (1) TRANSFER OF FUNDS FOR AERONAUTICAL ACTIVITIES. The unencumbered
25 balance in the appropriation account under section 20.395 (2) (dq), 1999 stats.,

SECTION 9252

1 immediately before the effective date of this subsection is transferred to the
2 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this
3 act.

SECTION 9344. Initial applicability; revenue.

4
5 (1) HUB FACILITY. The treatment of sections 70.11 (42), 76.02 (1), and 78.55 (1)
6 of the statutes first applies to the property tax assessments as of January 1, 2002.

7 (2) REVENUES RECEIVED FROM AD VALOREM TAX ON AIR CARRIERS. The treatment of
8 section 20.395 (2) (dr) of the statutes first applies to moneys received from taxes and
9 fees on July 1, 2004.

SECTION 9452. Effective dates; transportation.

10
11 (1) AERONAUTICAL ACTIVITIES. The treatment of section 20.395 (2) (dc), (dq), (dr),
12 and (dt) and (9) (rd) of the statutes, the repeal and recreation of section 20.395 (4)
13 (aq) and (9) (td) of the statutes, and SECTION 9252 (1) of this act take effect on July
14 1, 2004.

15 (END)