

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-4157/1</b>	<b>Introduction Number</b> <b>AB-881</b>
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**Subject**  
 Airport development zones

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	<b>5. Types of Local Government Units Affected</b>	
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> DOR/ Pamela Walgren (608) 266-7817	<b>Authorized Signature</b> Dennis Collier (608) 266-5773	<b>Date</b> 2/25/2004
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## Fiscal Estimate Narratives

DOR 2/25/2004

LRB Number 03-4157/1	Introduction Number AB-881	Estimate Type Original
<b>Subject</b> Airport development zones		

### Assumptions Used in Arriving at Fiscal Estimate

The bill would create a airport development zone program. The Department of Commerce would designate areas as airport zones for a period not to exceed 7 years. Businesses in a zone could be certified by Commerce to claim income and franchise tax credits that could not exceed \$3 million of credits per zone.

To be designated as an airport development zone, Commerce must determine that the project is desired in the area, as evidenced by a resolution of the local governing body, that it serves a public purpose, will likely retain or increase employment in the state, would not likely occur or continue without the area being designated as an airport zone and will likely have a positive effect in the area. In making this determination, Commerce should consider poverty, unemployment and economic hardship in the area, prospects for new investment, the number of full-time jobs likely to be created, and jobs available to the target population, the competitive effect of the designation, the needs of other areas of the state and any other factors Commerce considers relevant. An area that is designated as a development zone, development opportunity zone or enterprise development zone may not be designated as an airport zone.

Information on the number of airport areas that would be designated as airport zones and the amount of credits certified for them is not available to estimate the fiscal effect of the bill. Based on information from the Department of Transportation, there are more than 130 airports in the state. If each existing airport were certified for the full \$3 million, credits would total \$390 million. The bill would also allow credits for the development of new airport areas.

### Long-Range Fiscal Implications