

2003 SENATE BILL 533

March 5, 2004 – Introduced by Senators DARLING, PLALE, KANAVAS and LEIBHAM, cosponsored by Representatives STONE, HONADEL, KAUFERT, KREUSER, WIECKERT, SINICKI, JENSEN, STASKUNAS, TOWNSEND, GIELOW, WARD and KREIBICH. Referred to Joint Committee on Finance.

1 **AN ACT to repeal and recreate** 560.075 (3); and **to create** 20.143 (1) (ft) and
2 560.075 of the statutes; **relating to:** incentive payments for an air carrier that
3 operates from a hub facility and making an appropriation.

Analysis by the Legislative Reference Bureau

Current law defines a hub facility as either:

1. 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 transported cargo to nonstop destinations.

2. 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 is in this state.

This bill requires the Department of Commerce (DOC) to make an incentive payment to an air carrier company that operates from either type of hub facility. The payment amount is based on the number of passengers boarded at each hub facility and starts, for an air carrier that meets the first definition, at \$1.70 per passenger for the year ending December 31, 2003, with annual increases up to \$4.40 per passenger for the year ending December 31, 2012. The payment amount for an air carrier that meets the second definition is \$3.60 per passenger. DOC makes the first payments on October 1, 2005, and makes semiannual payments on April 1 and October 1 of every year thereafter.

SENATE BILL 533

The bill also requires a transfer of funds from the transportation fund to the general fund in fiscal year 2004–05.

For further information see the *state* 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.** 20.143 (1) (ft) of the statutes is created to read:

2 20.143 (1) (ft) *Aeronautical activities incentive payments; state funds.* From the
3 general fund, a sum sufficient in each fiscal year to make payments under s. 560.075
4 for the purpose of providing an incentive to any air carrier that operates a hub
5 facility.

6 **SECTION 2.** 560.075 of the statutes is created to read:

7 **560.075 Aeronautical activities incentive payments. (1)** The department
8 shall pay from the appropriation under s. 20.143 (1) (ft) to an air carrier that operates
9 a hub facility, as defined in s. 70.11 (42) (a) 2. a., a grant equal to the following
10 amounts per passenger boarding as reported by the air carrier and all subsidiaries
11 of the air carrier to the federal aviation administration:

12 (a) For the year ending December 31, 2003, \$1.70.

13 (b) For the year ending December 31, 2004, \$1.90

14 (c) For the year ending December 31, 2005, \$2.50.

15 (d) For the year ending December 31, 2006, \$3.00.

16 (e) For the year ending December 31, 2007, \$3.40.

17 (f) For the year ending December 31, 2008, \$3.70.

18 (g) For the year ending December 31, 2009, \$4.00.

19 (h) For the year ending December 31, 2010, \$4.20.

20 (i) For the year ending December 31, 2011, \$4.30.

SENATE BILL 533

1 (j) For the year ending December 31, 2012, and thereafter, \$4.40.

2 **(2)** The department shall pay from the appropriation under s. 20.143 (1) (ft) to
3 an air carrier that operates a hub facility, as defined in s. 70.11 (42) (a) 2. b., a grant
4 equal to \$3.60 per passenger boarding as reported by the air carrier to the federal
5 aviation administration.

6 **(3)** The department shall make one payment on October 1, 2005 to an air
7 carrier that submits an application to the department for payment and shall base its
8 payment on the number of passenger boardings reported to the federal aviation
9 administration by the air carrier and its subsidiaries for the 2003 calendar year and
10 the 2004 calendar year.

11 **SECTION 3.** 560.075 (3) of the statutes, as affected by 2003 Wisconsin Act ...
12 (this act), is repealed and recreated to read:

13 560.075 **(3)** The department shall make semiannual payments under this
14 section on the first day of April and the first day of October of each year to an air
15 carrier that submits an application to the department for payment and shall base its
16 payment on the number of passenger boardings reported to the federal aviation
17 administration by the air carrier and its subsidiaries for the calendar year before the
18 payment is made.

19 **SECTION 4. Appropriation changes.**

20 (1) There is transferred from the transportation fund to the general fund
21 \$8,325,000 in fiscal year 2004–05.

22 **SECTION 5. Effective dates.** This act takes effect on the day after publication,
23 except as follows:

24 (1) SECTION 4 (1) of this act takes effect on October 1, 2005.

