

**2003 DRAFTING REQUEST**

**Bill**

Received: **03/04/2004**

Received By: **phurley**

Wanted: **As time permits**

Identical to LRB:

For: **Alberta Darling (608) 266-5830**

By/Representing:

This file may be shown to any legislator: **NO**

Drafter: **phurley**

May Contact:

Addl. Drafters:

Subject: **Transportation - airports**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Darling@legis.state.wi.us**

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Incentive payments to hub airlines

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**Instructions:**

Companion bill to 03-4357

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	phurley 03/04/2004	chanaman 03/05/2004		_____			State
/1		kfollett 03/05/2004	pgreensl 03/05/2004	_____	mbarman 03/05/2004		State
/2			jfrantze	_____	sbasford	sbasford	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			03/05/2004 _____		03/05/2004	03/05/2004	

FE Sent For:

*at intro*  
*3/8*

<END>

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*J 3/5*      *Self*  
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/?	phurley	12/15/03	3/15/04	3/15/04			
		3/15/04	ph	self			

FE Sent For:

<END>

2003 BILL

Friday  
10 am

new  
cat

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.

**BILL**

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.

**BILL**

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 6.** 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 3. 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 4. Effective dates.** This act takes effect on the day after publication,  
23 except as follows:

24 (1) SECTION 3 (1) of this act takes effect on October 1, 2005.







State of Wisconsin  
2003 - 2004 LEGISLATURE

2  
LRB-4427/1  
PJH:wlj&kjf:pe

2003 BILL

Now

Regen

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Handwritten note: LPS: should be 4

Handwritten note: Hawk

Handwritten note: (the approx change)





# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 264-6948

STEPHEN R. MILLER  
CHIEF

March 11, 2004

## MEMORANDUM

**To:** Senator Darling

Peggy J. Hurley, Legislative Attorney, (608) 266-8906

**Subject:** Technical Memorandum to **SB-533** (LRB 03-4427/2)

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## Technical Memo to AB933/SB533 Fiscal Estimate

While the bill(s) itself does not address the hub airline ad valorem property tax exemption, the relation between the two affects the overall fiscal impact:

If the ruling that the hub airline ad valorem property tax exemption is unconstitutional is upheld and, therefore, the exempted airlines would be required to resume paying the tax, the net annualized fiscal impact of the bill(s) on overall state funding would be decreased by \$2,500,000, the amount of ad valorem property tax payments by the exempted airlines the last year those airlines were required to pay the tax (Calendar Year 2000):

Annualized increase in Costs	\$6,200,000
Annualized increase in Revenues	<u>(2,500,000)</u>
Net Annualized increase in Costs	\$3,700,000.