

2005 ASSEMBLY BILL 223

March 16, 2005 – Introduced by Representatives UNDERHEIM, PETTIS, NASS, McCORMICK, GUNDERSON, HINES, TOWNSEND and ZEPNICK, cosponsored by Senators ROESSLER, BROWN, ERPENBACH and LASSA. Referred to Committee on Urban and Local Affairs.

1 **AN ACT to amend** 71.07 (2dm) (a) 1., 71.07 (2dm) (a) 3., 71.07 (2dm) (f) 1., 71.07
 2 (2dm) (j), 71.07 (2dm) (k), 71.07 (2dx) (a) 2., 71.07 (2dx) (b) (intro.), 71.07 (2dx)
 3 (c), 71.07 (2dx) (d), 71.28 (1dm) (a) 1., 71.28 (1dm) (a) 3., 71.28 (1dm) (f) 1., 71.28
 4 (1dm) (j), 71.28 (1dm) (k), 71.28 (1dx) (a) 2., 71.28 (1dx) (b) (intro.), 71.28 (1dx)
 5 (c), 71.28 (1dx) (d), 71.47 (1dm) (a) 1., 71.47 (1dm) (a) 3., 71.47 (1dm) (f) 1., 71.47
 6 (1dm) (j), 71.47 (1dm) (k), 71.47 (1dx) (a) 2., 71.47 (1dx) (b) (intro.), 71.47 (1dx)
 7 (c), 71.47 (1dx) (d), 234.03 (2m), 234.03 (11), 234.08 (1), 234.265 (2), 234.40 (4),
 8 234.50 (4), 234.60 (2), 234.61 (1) and 234.66 (3) (b); and **to create** 234.63 and
 9 560.799 of the statutes; **relating to:** creating income and franchise tax credits
 10 for businesses located in an airport development zone and a loan program for
 11 certain construction projects in an airport development zone.

Analysis by the Legislative Reference Bureau

This bill creates an airport development zone program which awards income and franchise tax credits to certain businesses that locate in areas designated as airport development zones. The bill also creates an airport development zone loan

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program which awards loans to finance the construction or expansion of airports in airport development zones. Significant provisions include:

Designation of airport development zones

Under the bill, the Department of Commerce (department) may designate an area in this state as an airport development zone if the department determines all of the following:

1. That a project to construct or expand an airport within the area is desired by the governing body of each city, village, and town in which territory of the airport development zone will be located.

2. That the airport development project serves a public purpose.

3. That the airport development project will likely retain or increase employment in the state.

4. That the airport development project is not likely to occur or continue without the department's designation of the area as an airport development zone.

5. That the airport development project will likely positively affect the area.

In addition, the bill requires the department to consider all of the following in making a decision concerning a designation as an airport development zone:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.

2. The prospects for new investment and economic development in the area.

3. The amount of investment that is likely to result from the airport development project.

4. The number of full-time jobs that are likely to be created as a result of the airport development project.

5. The number of full-time jobs that are likely to be available to the target population as a result of the project.

6. The competitive effect of designating the area as an airport development zone on other businesses in the area.

7. The needs of other areas of the state.

8. Any other factors that the department considers relevant.

Under the bill, the department may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone, development opportunity zone, or enterprise development zone under current law.

The bill requires the department to specify the length of time, not to exceed 84 months, that a designation is effective and requires the department to establish a limit, not to exceed \$3,000,000, for tax credits applicable to each airport development zone. In addition, the department must annually estimate the amount of forgone state revenue because of tax credits claimed by persons in each airport development zone. The designation of an area as an airport development zone expires before the date initially set by the department, if the department determines that the forgone tax revenues will equal or exceed the limit on tax credits established for the airport development zone.

ASSEMBLY BILL 223***Certification for tax credits***

The bill allows a person that intends to operate a place of business in an airport development zone to apply to the department for tax credits. The application must specify all of the following:

1. The name and address of the person's business for which tax credits will be claimed.
2. The appropriate Wisconsin tax identification number of the person.
3. The names and addresses of other locations outside of the airport development zone where the person conducts business and a description of the business activities conducted at those locations.
4. The amount that the person proposes to invest in the place of business or to spend on the construction, rehabilitation, repair, or remodeling of a building in the airport development zone.
5. The estimated total investment of the person in the airport development zone.
6. The estimated number of full-time jobs that will be created, retained, or substantially upgraded as a result of the person's place of business in the airport development zone in relation to the amount of tax credits estimated for the person.
7. The person's plans to make reasonable attempts to hire employees from a specified target population.
8. The estimated number of full-time jobs that will be filled by members of the target population.
9. Any other information required by the department or the Department of Revenue.

The bill requires the department to revoke a person's certification if the designation of the applicable airport development zone expires. In addition, a person's certification must be revoked if the person supplied false or misleading information to obtain the tax credits; leaves the airport development zone to conduct substantially the same business outside of the airport development zone; or ceases operations in the airport development zone and does not renew operation of the business or a similar business in the airport development zone within 12 months.

Tax credits

A person who is certified to claim tax credits based on the person's business activities in an airport development zone may claim the development zone's capital investment credit under current law. The amount of that credit is equal to 3 percent of the purchase price of depreciable, tangible personal property or 3 percent of the amount expended to acquire, construct, rehabilitate, remodel, or repair real property that is located in the development zone. In addition, the person may claim a development zone's credit under current law based on the number of full-time jobs created in the airport development zone.

Airport development zone loan program

The bill establishes a loan program to be known as the "Airport Development Zone Loan Program." Under the program, the Wisconsin Housing and Economic Development Authority (WHEDA) is authorized to award loans to a business for the purpose of financing the construction or expansion of an airport in an airport

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development zone, including financing activities to encourage airlines to serve the airport or to increase the number of flights to and from the airport. Under the bill, a loan's interest rate must be determined with reference to the amount required to repay the principal and interest of the bonds described below, plus the cost of issuing the bonds.

The bill provides that the program is to be funded from the proceeds of bonds issued by WHEDA in an aggregate principal amount of up to \$200,000,000. The debt service on the bonds, as well as all costs associated with the issuance of the bonds, is to be paid by the businesses granted the loans under the program.

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.** 71.07 (2dm) (a) 1. of the statutes is amended to read:

2 71.07 (**2dm**) (a) 1. "Certified" means entitled under s. 560.795 (3) (a) 4. to claim
3 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

4 **SECTION 2.** 71.07 (2dm) (a) 3. of the statutes is amended to read:

5 71.07 (**2dm**) (a) 3. "Development zone" means a development opportunity zone
6 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.
7 560.799.

8 **SECTION 3.** 71.07 (2dm) (f) 1. of the statutes is amended to read:

9 71.07 (**2dm**) (f) 1. A copy of a verification from the department of commerce that
10 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under
11 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

12 **SECTION 4.** 71.07 (2dm) (j) of the statutes is amended to read:

13 71.07 (**2dm**) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim
14 tax benefits becomes ineligible for such tax benefits, or if a person's certification
15 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim
16 no credits under this subsection for the taxable year that includes the day on which

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1 the person becomes ineligible for tax benefits, the taxable year that includes the day
2 on which the certification is revoked, or succeeding taxable years, and that person
3 may carry over no unused credits from previous years to offset tax under this chapter
4 for the taxable year that includes the day on which the person becomes ineligible for
5 tax benefits, the taxable year that includes the day on which the certification is
6 revoked, or succeeding taxable years.

7 **SECTION 5.** 71.07 (2dm) (k) of the statutes is amended to read:

8 71.07 (**2dm**) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim
9 tax benefits or certified under s. 560.795 (5) ~~or~~ 560.798 (3), or 560.799 (4) ceases
10 business operations in the development zone during any of the taxable years that
11 that zone exists, that person may not carry over to any taxable year following the
12 year during which operations cease any unused credits from the taxable year during
13 which operations cease or from previous taxable years.

14 **SECTION 6.** 71.07 (2dx) (a) 2. of the statutes is amended to read:

15 71.07 (**2dx**) (a) 2. “Development zone” means a development zone under s.
16 560.70, a development opportunity zone under s. 560.795, an enterprise
17 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.
18 560.798, or an airport development zone under s. 560.799.

19 **SECTION 7.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

20 71.07 (**2dx**) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
21 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
22 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
23 560.797 (4) ~~or~~ 560.798 (3), or 560.799 (4), any person may claim as a credit against
24 taxes imposed on the person’s income from the person’s business activities in a
25 development zone the following amounts:

ASSEMBLY BILL 223**SECTION 8**

1 **SECTION 8.** 71.07 (2dx) (c) of the statutes is amended to read:

2 71.07 **(2dx)** (c) *Credit precluded.* If the certification of a person for tax benefits
3 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the
4 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not
5 claim credits under this subsection for the taxable year that includes the day on
6 which the certification is revoked; the taxable year that includes the day on which
7 the person becomes ineligible for tax benefits; or succeeding taxable years and that
8 person may not carry over unused credits from previous years to offset tax under this
9 chapter for the taxable year that includes the day on which certification is revoked;
10 the taxable year that includes the day on which the person becomes ineligible for tax
11 benefits; or succeeding taxable years.

12 **SECTION 9.** 71.07 (2dx) (d) of the statutes is amended to read:

13 71.07 **(2dx)** (d) *Carry-over precluded.* If a person who is entitled under s.
14 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~,
15 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the
16 development zone during any of the taxable years that that zone exists, that person
17 may not carry over to any taxable year following the year during which operations
18 cease any unused credits from the taxable year during which operations cease or
19 from previous taxable years.

20 **SECTION 10.** 71.28 (1dm) (a) 1. of the statutes is amended to read:

21 71.28 **(1dm)** (a) 1. “Certified” means entitled under s. 560.795 (3) (a) 4. to claim
22 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

23 **SECTION 11.** 71.28 (1dm) (a) 3. of the statutes is amended to read:

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1 71.28 (1dm) (a) 3. “Development zone” means a development opportunity zone
2 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.
3 560.799.

4 **SECTION 12.** 71.28 (1dm) (f) 1. of the statutes is amended to read:

5 71.28 (1dm) (f) 1. A copy of a verification from the department of commerce that
6 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under
7 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

8 **SECTION 13.** 71.28 (1dm) (j) of the statutes is amended to read:

9 71.28 (1dm) (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim
10 tax benefits becomes ineligible for such tax benefits, or if a person’s certification
11 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim
12 no credits under this subsection for the taxable year that includes the day on which
13 the person becomes ineligible for tax benefits, the taxable year that includes the day
14 on which the certification is revoked, or succeeding taxable years, and that person
15 may carry over no unused credits from previous years to offset tax under this chapter
16 for the taxable year that includes the day on which the person becomes ineligible for
17 tax benefits, the taxable year that includes the day on which the certification is
18 revoked, or succeeding taxable years.

19 **SECTION 14.** 71.28 (1dm) (k) of the statutes is amended to read:

20 71.28 (1dm) (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim
21 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) ceases
22 business operations in the development zone during any of the taxable years that
23 that zone exists, that person may not carry over to any taxable year following the
24 year during which operations cease any unused credits from the taxable year during
25 which operations cease or from previous taxable years.

ASSEMBLY BILL 223**SECTION 15**

1 **SECTION 15.** 71.28 (1dx) (a) 2. of the statutes is amended to read:

2 71.28 **(1dx)** (a) 2. “Development zone” means a development zone under s.
3 560.70, a development opportunity zone under s. 560.795, an enterprise
4 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.
5 560.798, or an airport development zone under s. 560.799.

6 **SECTION 16.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

7 71.28 **(1dx)** (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
8 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
9 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
10 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4), any person may claim as a credit against
11 taxes imposed on the person’s income from the person’s business activities in a
12 development zone under this subchapter the following amounts:

13 **SECTION 17.** 71.28 (1dx) (c) of the statutes is amended to read:

14 71.28 **(1dx)** (c) *Credit precluded.* If the certification of a person for tax benefits
15 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the
16 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not
17 claim credits under this subsection for the taxable year that includes the day on
18 which the certification is revoked; the taxable year that includes the day on which
19 the person becomes ineligible for tax benefits; or succeeding taxable years and that
20 person may not carry over unused credits from previous years to offset tax under this
21 chapter for the taxable year that includes the day on which certification is revoked;
22 the taxable year that includes the day on which the person becomes ineligible for tax
23 benefits; or succeeding taxable years.

24 **SECTION 18.** 71.28 (1dx) (d) of the statutes is amended to read:

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1 71.28 **(1dx)** (d) *Carry-over precluded.* If a person who is entitled under s.
2 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~,
3 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the
4 development zone during any of the taxable years that that zone exists, that person
5 may not carry over to any taxable year following the year during which operations
6 cease any unused credits from the taxable year during which operations cease or
7 from previous taxable years.

8 **SECTION 19.** 71.47 (1dm) (a) 1. of the statutes is amended to read:

9 71.47 **(1dm)** (a) 1. “Certified” means entitled under s. 560.795 (3) (a) 4. to claim
10 tax benefits or certified under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

11 **SECTION 20.** 71.47 (1dm) (a) 3. of the statutes is amended to read:

12 71.47 **(1dm)** (a) 3. “Development zone” means a development opportunity zone
13 under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s.
14 560.799.

15 **SECTION 21.** 71.47 (1dm) (f) 1. of the statutes is amended to read:

16 71.47 **(1dm)** (f) 1. A copy of a verification from the department of commerce that
17 the claimant may claim tax benefits under s. 560.795 (3) (a) 4. or is certified under
18 s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4).

19 **SECTION 22.** 71.47 (1dm) (j) of the statutes is amended to read:

20 71.47 **(1dm)** (j) If a person who is entitled under s. 560.795 (3) (a) 4. to claim
21 tax benefits becomes ineligible for such tax benefits, or if a person’s certification
22 under s. 560.795 (5) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, that person may claim
23 no credits under this subsection for the taxable year that includes the day on which
24 the person becomes ineligible for tax benefits, the taxable year that includes the day
25 on which the certification is revoked, or succeeding taxable years, and that person

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1 may carry over no unused credits from previous years to offset tax under this chapter
2 for the taxable year that includes the day on which the person becomes ineligible for
3 tax benefits, the taxable year that includes the day on which the certification is
4 revoked, or succeeding taxable years.

5 **SECTION 23.** 71.47 (1dm) (k) of the statutes is amended to read:

6 71.47 **(1dm)** (k) If a person who is entitled under s. 560.795 (3) (a) 4. to claim
7 tax benefits or certified under s. 560.795 (5) ~~or~~ 560.798 (3), or 560.799 (4) ceases
8 business operations in the development zone during any of the taxable years that
9 that zone exists, that person may not carry over to any taxable year following the
10 year during which operations cease any unused credits from the taxable year during
11 which operations cease or from previous taxable years.

12 **SECTION 24.** 71.47 (1dx) (a) 2. of the statutes is amended to read:

13 71.47 **(1dx)** (a) 2. “Development zone” means a development zone under s.
14 560.70, a development opportunity zone under s. 560.795 or an enterprise
15 development zone under s. 560.797, ~~or~~ an agricultural development zone under s.
16 560.798, or an airport development zone under s. 560.799.

17 **SECTION 25.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

18 71.47 **(1dx)** (b) *Credit.* (intro.) Except or provided in pars. (be) and (bg) and
19 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
20 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
21 560.797 (4) ~~or~~ 560.798 (3), or 560.799 (4), any person may claim as a credit against
22 taxes imposed on the person’s income from the person’s business activities in a
23 development zone under this subchapter the following amounts:

24 **SECTION 26.** 71.47 (1dx) (c) of the statutes is amended to read:

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1 71.47 **(1dx)** (c) *Credit precluded.* If the certification of a person for tax benefits
2 under s. 560.765 (3), 560.797 (4) ~~or~~, 560.798 (3), or 560.799 (4) is revoked, or if the
3 person becomes ineligible for tax benefits under s. 560.795 (3), that person may not
4 claim credits under this subsection for the taxable year that includes the day on
5 which the certification is revoked; the taxable year that includes the day on which
6 the person becomes ineligible for tax benefits; or succeeding taxable years and that
7 person may not carry over unused credits from previous years to offset tax under this
8 chapter for the taxable year that includes the day on which certification is revoked;
9 the taxable year that includes the day on which the person becomes ineligible for tax
10 benefits; or succeeding taxable years.

11 **SECTION 27.** 71.47 (1dx) (d) of the statutes is amended to read:

12 71.47 **(1dx)** (d) *Carry-over precluded.* If a person who is entitled under s.
13 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) ~~or~~,
14 560.798 (3), or 560.799 (4) for tax benefits ceases business operations in the
15 development zone during any of the taxable years that that zone exists, that person
16 may not carry over to any taxable year following the year during which operations
17 cease any unused credits from the taxable year during which operations cease or
18 from previous taxable years.

19 **SECTION 28.** 234.03 (2m) of the statutes is amended to read:

20 234.03 **(2m)** To issue notes and bonds in accordance with ss. 234.08, 234.40,
21 234.50, 234.60, 234.61, 234.626, 234.63, 234.65, and 234.66.

22 **SECTION 29.** 234.03 (11) of the statutes is amended to read:

23 234.03 **(11)** To collect fees and charges on mortgage loans and economic
24 development loans and airport development loans under s. 234.63 (3) for the purpose

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1 of paying all or a portion of authority costs as the authority determines are
2 reasonable and as approved by the authority.

3 **SECTION 30.** 234.08 (1) of the statutes is amended to read:

4 234.08 (1) The authority may issue its negotiable notes and bonds in such
5 principal amount, as, in the opinion of the authority, is necessary to provide sufficient
6 funds for achieving its corporate purposes, including the purchase of certain
7 mortgages and securities and the making of secured loans for low- and
8 moderate-income housing, for the rehabilitation of existing structures and for the
9 construction of facilities appurtenant thereto as provided in this chapter; for the
10 making of secured loans to assist eligible elderly homeowners in paying property
11 taxes and special assessments; for the payment of interest on notes and bonds of the
12 authority during construction; for the awarding of airport development loans under
13 s. 234.63 (3); for the establishment of reserves to secure such notes and bonds; for the
14 provision of moneys for the housing development fund in order to make temporary
15 loans to sponsors of housing projects as provided in this chapter; and for all other
16 expenditures of the authority incident to and necessary or convenient to carry out its
17 corporate purposes and powers.

18 **SECTION 31.** 234.265 (2) of the statutes is amended to read:

19 234.265 (2) Records or portions of records consisting of personal or financial
20 information provided by a person seeking a grant or loan under s. 234.08, 234.49,
21 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905, 234.907, or
22 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial assistance
23 under s. 234.66, seeking investment of funds under s. 234.03 (18m) or in which the
24 authority has invested funds under s. 234.03 (18m), unless the person consents to
25 disclosure of the information.

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1 **SECTION 32.** 234.40 (4) of the statutes is amended to read:

2 234.40 (4) The limitations established in ss. 234.18 (1), 234.50, 234.60, 234.61,
3 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of
4 this section. The authority may not have outstanding at any one time bonds for
5 veterans housing loans in an aggregate principal amount exceeding \$61,945,000,
6 excluding bonds being issued to refund outstanding bonds.

7 **SECTION 33.** 234.50 (4) of the statutes is amended to read:

8 234.50 (4) The limitations established in ss. 234.18 (1), 234.40, 234.60, 234.61,
9 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of
10 this section. The authority may not have outstanding at any one time bonds for
11 housing rehabilitation loans in an aggregate principal amount exceeding
12 \$100,000,000, excluding bonds being issued to refund outstanding bonds. The
13 authority shall consult with and coordinate the issuance of bonds with the building
14 commission prior to the issuance of bonds.

15 **SECTION 34.** 234.60 (2) of the statutes is amended to read:

16 234.60 (2) The limitations in ss. 234.18 (1), 234.40, 234.50, 234.61, 234.63,
17 234.65, and 234.66 do not apply to bonds or notes issued under this section.

18 **SECTION 35.** 234.61 (1) of the statutes is amended to read:

19 234.61 (1) Upon the authorization of the department of health and family
20 services, the authority may issue bonds or notes and make loans for the financing of
21 housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the
22 development costs of those housing projects, if the department of health and family
23 services has approved the residential facilities for financing under s. 46.28 (2). The
24 limitations in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.63, 234.65, and 234.66 do not

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1 apply to bonds or notes issued under this section. The definition of “nonprofit
2 corporation” in s. 234.01 (9) does not apply to this section.

3 **SECTION 36.** 234.63 of the statutes is created to read:

4 **234.63 Airport development zone loan program. (1)** There is established
5 a loan program to be known as the “Wisconsin Airport Development Zone Loan
6 Program.”

7 **(2)** (a) For the purpose of awarding loans under sub. (3), the authority may
8 issue bonds in an aggregate principal amount not to exceed \$200,000,000, excluding
9 bonds issued to refund outstanding bonds issued under this paragraph. Bonds
10 issued under this paragraph shall be special obligations of the authority payable
11 solely out of revenues received in connection with the loan program under sub. (1),
12 including specifically repayments of the loans awarded under sub. (3) and the
13 proceeds of bonds issued under this paragraph. All assets and liabilities created
14 through the issuance of bonds under this paragraph shall be separate from all other
15 assets and liabilities of the authority.

16 (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, 234.65, and
17 234.66 do not apply to bonds issued under par. (a).

18 (c) The authority shall employ the building commission as its financial
19 consultant to assist and coordinate the issuance of bonds under par. (a).

20 **(3)** (a) The authority may award a loan to a business, including an airport, for
21 the purpose of financing the construction or expansion of an airport in an airport
22 development zone established under s. 560.799, including financing activities to
23 increase the number of flights to and from the airport or to encourage airlines that
24 do not offer flights to and from the airport to offer such flights.

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1 (b) The authority shall charge a rate of interest for each loan awarded under
2 par. (a) that reasonably approximates that portion of the amount required to repay
3 the principal and interest of the bonds issued under par. (a), plus the cost of issuing
4 the bonds, that is allocable to the loan.

5 **SECTION 37.** 234.66 (3) (b) of the statutes is amended to read:

6 234.66 (3) (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61,
7 234.63, and 234.65 do not apply to bonds or notes issued under this section.

8 **SECTION 38.** 560.799 of the statutes is created to read:

9 **560.799 Airport development zones. (1) DEFINITIONS.** In this section:

10 (a) “Airport development project” means the construction or expansion of an
11 airport in this state.

12 (b) “Full-time job” has the meaning given in s. 560.70 (2m).

13 (c) “Target population” has the meaning given in s. 560.70 (6).

14 (d) “Tax benefits” has the meaning given in s. 560.70 (7).

15 **(2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE.** (a) Subject to par. (c), the
16 department may designate an area as an airport development zone if the department
17 determines all of the following:

18 1. That an airport development project is desired for the area, as evidenced by
19 a resolution of the governing body of each city, village, and town in which territory
20 of the airport development zone will be located.

21 2. That the airport development project serves a public purpose.

22 3. That the airport development project will likely retain or increase
23 employment in the state.

24 4. That the airport development project is not likely to occur or continue
25 without the department’s designation of the area as an airport development zone.

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1 5. That the airport development project will likely positively affect the area.

2 (b) In making a determination under par. (a), the department shall consider all
3 of the following:

4 1. The extent of poverty, unemployment, or other factors contributing to
5 general economic hardship in the area.

6 2. The prospects for new investment and economic development in the area.

7 3. The amount of investment that is likely to result from the airport
8 development project.

9 4. The number of full-time jobs that are likely to be created as a result of the
10 airport development project.

11 5. The number of full-time jobs that are likely to be available to the target
12 population as a result of the project.

13 6. The competitive effect of designating the area as an airport development
14 zone on other businesses in the area.

15 7. The needs of other areas of the state.

16 8. Any other factors that the department considers relevant.

17 (c) 1. The department may not designate as an airport development zone, or as
18 any part of an airport development zone, an area that is located within the
19 boundaries of an area that is designated as a development zone under s. 560.71, as
20 a development opportunity zone under s. 560.795, or as an enterprise development
21 zone under s. 560.797.

22 2. The department shall give the department of transportation the opportunity
23 to review and comment on any proposed designation under this subsection.

24 **(3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS.** (a) When the department
25 designates an area as an airport development zone, the department shall specify the

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1 length of time, not to exceed 84 months, that the designation is effective, subject to
2 par. (d). The department shall notify each person certified for tax benefits in an
3 airport development zone, the department of revenue, the department of
4 transportation, the Wisconsin Housing and Economic Development Authority, and
5 the governing body of each city, village, town, and federally recognized American
6 Indian tribe or band in which territory of the airport development zone is located of
7 the designation of and expiration date of the airport development zone.

8 (b) When the department designates an area as an airport development zone,
9 the department shall establish a limit, not to exceed \$3,000,000, for tax benefits
10 applicable to the airport development zone.

11 (c) Annually, the department shall estimate the amount of forgone state
12 revenue because of tax benefits claimed by persons in each airport development zone.

13 (d) 1. Notwithstanding the length of time specified by the department under
14 par. (a), the designation of an area as an airport development zone shall expire 90
15 days after the day on which the department determines that the forgone tax
16 revenues estimated under par. (c) will equal or exceed the limit established for the
17 airport development zone.

18 2. The department shall immediately notify each person certified for tax
19 benefits in an airport development zone, the department of revenue, the department
20 of transportation, the Wisconsin Housing and Economic Development Authority, and
21 the governing body of each city, village, town, and federally recognized American
22 Indian tribe or band in which territory of the airport development zone is located of
23 a change in the expiration date of the airport development zone under this
24 paragraph.

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1 **(4) CERTIFICATION FOR TAX BENEFITS.** (a) A person that intends to operate a place
2 of business in an airport development zone may submit to the department an
3 application and a business plan. The business plan shall include all of the following:

4 1. The name and address of the person's business for which tax benefits will be
5 claimed.

6 2. The appropriate Wisconsin tax identification number of the person.

7 3. The names and addresses of other locations outside of the airport
8 development zone where the person conducts business and a description of the
9 business activities conducted at those locations.

10 4. The amount that the person proposes to invest in the place of business or to
11 spend on the construction, rehabilitation, repair, or remodeling of a building in the
12 airport development zone.

13 5. The estimated total investment of the person in the airport development
14 zone.

15 6. The estimated number of full-time jobs that will be created, retained, or
16 substantially upgraded as a result of the person's place of business in the airport
17 development zone in relation to the amount of tax benefits estimated for the person.

18 7. The person's plans to make reasonable attempts to hire employees from the
19 target population.

20 8. The estimated number of full-time jobs that will be filled by members of the
21 target population.

22 10. Any other information required by the department or the department of
23 revenue.

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1 (b) If the department approves a business plan under par. (a), the department
2 shall certify the person as eligible for tax benefits. The department shall notify the
3 department of revenue within 30 days of certifying a person under this paragraph.

4 (c) The department shall revoke a person's certification under par. (b) when the
5 designation of the applicable airport development zone expires or if the person does
6 any of the following:

7 1. Supplies false or misleading information to obtain the tax benefits.

8 2. Leaves the airport development zone to conduct substantially the same
9 business outside of the airport development zone.

10 3. Ceases operations in the airport development zone and does not renew
11 operation of the business or a similar business in the airport development zone
12 within 12 months.

13 (d) The department shall notify the department of revenue within 30 days after
14 revoking a certification under par. (c).

15 (e) The tax benefits for which a person is certified as eligible under par. (b) are
16 not transferable to another person, business, or location, except to the extent
17 permitted under section 383 of the Internal Revenue Code.

18 **(5) VERIFICATION OF INFORMATION.** The department annually shall verify
19 information submitted to the department under ss. 71.07 (2dm) and (2dx), 71.28
20 (1dm) and (1dx), and 71.47 (1dm) and (1dx) as it relates to airport development zones.

SECTION 39. Initial applicability.

22 (1) The treatment of sections 71.07 (2dm) (a) 1. and 3., (f) 1., (j), and (k), and
23 (2dx) (a) 2., (b) (intro.), (c), and (d), 71.28 (1dm) (a) 1. and 3., (f) 1., (j), and (k), and
24 (1dx) (a) 2., (b) (intro.), (c), and (d), and 71.47 (1dm) (a) 1. and 3., (f) 1., (j), and (k),

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SECTION 39

1 and (1dx) (a) 2., (b) (intro.), (c), and (d) of the statutes first applies to taxable years
2 beginning on January 1, 2005.

3 (END)