

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-2987/1</b>	<b>Introduction Number</b> <b>SB-352</b>
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**Subject**  
 Creating Wisconsin Aerospace Authority

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

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

**Local:**

No Local Government Costs  
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5.Types of Local Government Units Affected</b> <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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

<b>Agency/Prepared By</b> DOT/ Jim Donlin (608) 266-9546	<b>Authorized Signature</b> Julie Johnson (608) 267-3703	<b>Date</b> 10/11/2005
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## Fiscal Estimate Narratives

DOT 10/11/2005

LRB Number	05-2987/1	Introduction Number	SB-352	Estimate Type	Original
<b>Subject</b>					
Creating Wisconsin Aerospace Authority					

### Assumptions Used in Arriving at Fiscal Estimate

The bill language provides funding for the Wisconsin Aerospace Authority (WAA) from the federal, state, and local aeronautics improvement program appropriations in the Department of Transportation (Department) without any increase in funding for those appropriations. The bill also creates an advanced land acquisition program for spaceports similar to the program of the same name for airports.

Due to the lack of experience, knowledge, and feasibility of such a program being created in Wisconsin, it is not possible to estimate the fiscal impact of this bill. In the short-term, it is believed that there will be no fiscal impact. However, over the long-term, the fiscal impacts may be significant for the following reasons:

Federal funding for the activities described is limited and, currently, none of the federal funding Wisconsin receives could be used for the activities described.

The result would be that related activities would be entirely funded from state and local funds. Per the bill, state airport funding would be required to pay 80% of the costs of WAA projects, or 50% of the non-federal portion if federal funds are received, up to a maximum of \$10,000,000 per project. The bill also provides that the Department would provide up to \$10,000,000 in loans for acquisition of lands for spaceport projects. In the current biennium, state funding for the airport improvement program is set at \$12,363,100 for FY 2006 and \$12,612,300 for FY 2007. 2005 Wisconsin Act 25 provided 2% increases for the program which were the first program increases in six biennia. It is estimated that 90% or more of the SEG funding for the program is utilized to provide the required non-federal match to federal airport improvement program funding the state receives.

Given the lack of federal funding available and the current feasibility of undertaking any of the activities included in this bill, the short-term fiscal impact is zero.

### Long-Range Fiscal Implications

Given the assumptions and facts above, the long-term impact of the bill is reduced state funding of the traditional state airport assistance program, reduced funding for non-federal aid eligible airports, potential for returning federal airport improvement program funding due to lack of non-federal match, and potential for increased local property taxes or other taxes in order for local airport authorities to utilize federal funding.