



State of Wisconsin
1999 - 2000 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 3,
TO 1999 ASSEMBLY BILL 941**

March 29, 2000 – Offered by Representatives PLALE, RILEY, KRUG, SINICKI and BOCK.

1 **AN ACT** *to repeal* 20.395 (2) (dq); *to amend* 20.395 (4) (aq), 20.395 (9) (rd), 20.395
2 (9) (td), 76.02 (1) and 78.55 (1); and *to create* 20.395 (2) (dr), 25.40 (1) (cd), 70.11
3 (40) and 77.65 of the statutes; **relating to:** a property tax exemption for an air
4 carrier that operates from a hub facility, creating an airport financing
5 committee, granting rule-making authority and making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

6 **SECTION 1.** 20.395 (2) (dq) of the statutes, as affected by 1999 Wisconsin Act 9,
7 is repealed.

8 **SECTION 2.** 20.395 (2) (dr) of the statutes is created to read:

9 20.395 (2) (dr) *Aeronautical activities, state funds.* All moneys received from
10 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.
11 114.20, from general aviation fuel taxes under subch. III of ch. 78, from sales and use

1 taxes on noncommercial aircraft as determined under s. 77.65 and from any other
2 tax or fee received from an aeronautical activity and deposited in the transportation
3 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (es), and all
4 moneys transferred under 1999 Wisconsin Act (this act), section 12 (1), for the
5 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for
6 developing air marking and other air navigational facilities; for administration of the
7 powers and duties of the secretary of transportation under s. 114.31; for costs
8 associated with aeronautical activities under s. 114.31, except for the program under
9 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except
10 aircraft registration under s. 114.20, authorized by law.

11 **SECTION 3.** 20.395 (4) (aq) of the statutes is amended to read:

12 20.395 (4) (aq) *Departmental management and operations, state funds.* The
13 amounts in the schedule for departmental planning and administrative activities
14 and the administration and management of departmental programs except those
15 programs under subs. (2) (bq), (cq) and ~~(dq)~~ (dr) and (3) (iq), including those activities
16 in s. 85.07 and including not less than \$220,000 in each fiscal year to reimburse the
17 department of justice for legal services provided the department under s. 165.25 (4)
18 (a) and including activities related to the demand management and ride-sharing
19 program under s. 85.24 that are not funded from the appropriation under sub. (1)
20 (bs), (bv) or (bx), the minority civil engineer scholarship and loan repayment
21 incentive grant program under s. 85.107, the Type 1 motorcycle, moped and motor
22 bicycle safety program under s. 85.30 and to match federal funds for mass transit
23 planning.

24 **SECTION 4.** 20.395 (9) (rd) of the statutes is amended to read:

1 20.395 (9) (rd) *Airport construction major cost carry-over.* When an airport
2 development project is approved by the governor under s. 114.33 (3), the moneys
3 allocated for the project from sub. (2) (~~dq~~) (dr) shall be considered encumbered and
4 carried-over to subsequent years to meet the state's share of the project.

5 **SECTION 5.** 20.395 (9) (td) of the statutes, as affected by 1999 Wisconsin Act 9,
6 is amended to read:

7 20.395 (9) (td) *Real estate major cost carry-over.* Subject to s. 86.255, when a
8 highway, airport or railroad land acquisition project is approved by the secretary
9 under s. 84.09, 85.09 or 114.33, the moneys allocated for the project from subs. (2)
10 (bq), (~~dq~~) (dr) and (eq) and (3) (bq), (cq) and (eq) may be considered encumbered.

11 **SECTION 6.** 25.40 (1) (cd) of the statutes is created to read:

12 25.40 (1) (cd) Taxes on the sale and use of noncommercial aircraft under ch. 77
13 as determined under s. 77.65.

14 **SECTION 7.** 70.11 (40) of the statutes is created to read:

15 70.11 (40) HUB FACILITY. (a) In this subsection:

16 1. "Air carrier company" means any person engaged in the business of
17 transportation in aircraft of persons or property for hire on regularly scheduled
18 flights. In this subdivision, "aircraft" has the meaning given in s. 76.02 (1).

19 2. "Hub facility" means a facility at an airport from which an air carrier
20 company operated at least 45 common carrier departing flights each weekday in the
21 prior year and from which it transported passengers to at least 15 nonstop
22 destinations, as defined by rule by the department of revenue, or transported cargo
23 to nonstop destinations, as defined by rule by the department of revenue.

24 (b) Property owned by an air carrier company that operates a hub facility in this
25 state, if the property is used in the operation of the air carrier company.

1 **SECTION 8.** 76.02 (1) of the statutes is amended to read:

2 76.02 (1) “Air carrier company” means any person engaged in the business of
3 transportation in aircraft of persons or property for hire on regularly scheduled
4 flights, except an air carrier company whose property is exempt from taxation under
5 s. 70.11 (40) (b). In this subsection, “aircraft” means a completely equipped operating
6 unit, including spare flight equipment, used as a means of conveyance in air
7 commerce.

8 **SECTION 9.** 77.65 of the statutes is created to read:

9 **77.65 Determination of sales and use tax receipts for aeronautical**
10 **activities.** By July 1, 2003, and every July 1 thereafter, for purposes of determining
11 an amount for funding aeronautical activities under s. 20.395 (2) (dr) for the next
12 fiscal year, the department shall determine, and deposit in the transportation fund,
13 the total amount of the sales tax and use tax, as imposed under ss. 77.52 and 77.53,
14 paid in the immediately preceding calendar year on the sale and use of
15 noncommercial aircraft.

16 **SECTION 10.** 78.55 (1) of the statutes is amended to read:

17 78.55 (1) “Air carrier company” has the meaning given in s. ~~76.02 (1)~~ 70.11 (40)
18 (a) 1.

19 **SECTION 11. Nonstatutory provisions.**

20 (1) AIRPORT FINANCING COMMITTEE. There is created an airport financing
21 committee consisting of members appointed by the governor. The governor shall
22 appoint members representing the department of transportation, the department of
23 commerce, airport managers, airlines serving this state, the general aviation
24 community, the people of this state, and private businesses having an interest in
25 transportation policy and financing. The committee shall review and evaluate this

1 state's airport system needs and the current system of funding those needs and shall
2 recommend changes, if any, to better meet those needs. The committee shall
3 evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees;
4 allocation of sales tax receipts from the sale of aircraft, parts and services to the
5 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this
6 act, and allocation of other moneys to that appropriation account. The committee's
7 recommendations, if any, should, if enacted, generate revenue in amounts equal to
8 or greater than the sum of moneys appropriated for aeronautical activities in fiscal
9 year 2001. Not later than December 31, 2000, the committee shall submit a report
10 containing the committee's evaluation, findings and recommendations to the
11 governor, and to the legislature in the manner provided under section 13.172 (2) of
12 the statutes.

13 **SECTION 12. Appropriation changes.**

14 (1) The unencumbered balance of the appropriation to the department of
15 transportation under section 20.395 (2) (dq) of the statutes immediately before the
16 effective date of this subsection is transferred to the appropriation account under
17 section 20.395 (2) (dr) of the statutes, as created by this act.

18 **SECTION 13. Initial applicability.**

19 (1) HUB FACILITY. The treatment of sections 70.11 (40), 76.02 (1) and 78.55 (1)
20 of the statutes first applies to the property tax assessments as of January 1, 2001.

21 (2) REVENUES RECEIVED FROM AD VALOREM TAX ON AIR CARRIERS. The treatment of
22 section 20.395 (2) (dr) of the statutes first applies to moneys received from taxes and
23 fees on July 1, 2003.

24 **SECTION 14. Effective dates.** This act takes effect on the day after publication,
25 except as follows:

