



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 223

**Assembly Amendments 2, 3,
and 4**

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2005 Assembly Bill 223 creates an airport development zone program, administered by the Department of Commerce (Commerce), under which certified businesses located in areas designated as airport development zones are eligible for certain tax credits. In addition, the bill creates an airport development zone loan program, administered by the Wisconsin Housing and Economic Development Authority (WHEDA), to provide loans for the construction or expansion of an airport in an airport development zone.

Assembly Amendment 2 (as Amended by Assembly Amendment 1 to the Amendment)

1. Revises the definition of “airport development project” for purposes of the airport development zone program. (See item 1. of the amendment.) Under the amendment, “airport development project” means a business that locates or expands in an area designated as an airport development zone. In the original bill, the term is defined as the construction or expansion of an airport.

2. Revises the determinations Commerce must make in order to designate an area as an airport development zone, as follows:

- a. Requires a determination that an airport development project is desired for the area as evidenced by, among other things, a resolution of the governing body of each county in which territory of the zone will be located. (See item 2. of the amendment.) In the original bill, only a resolution of each city, village, and town in the territory is required.
- b. Requires a determination that an airport is located in the area designated as an airport development zone, that the airport has at least two runways at the time of the designation, and that the airport’s primary runway is at least 5,000 feet in

length and its secondary runway is at least 3,000 feet in length. (See item 3. of the amendment.)

3. Requires Commerce to notify each county in an airport development zone of the designation of the zone and of the expiration date of the zone and any change in that date. (See items 4. and 6. of the amendment.)

4. Provides that the total tax benefits applicable to all airport development zones may not exceed \$9,000,000. (See item 5. of the amendment.) In addition, Commerce may, after 48 months from the month of designation, evaluate the area designated as an airport development zone and reallocate the amount of available tax benefits. (Under the proposed airport development zone program, Commerce establishes limits, not to exceed \$3,000,000, for tax benefits applicable to a particular zone.)

5. Revises the general initial applicability of tax credits for airport development zones to taxable years beginning January 1, 2007, rather than January 1, 2005. (See item 7. of the amendment as amended by Assembly Amendment 1 to the amendment.)

Assembly Amendment 3

Clarifies the definition of "Tax benefits," for purposes of the airport development zone program, by providing a more precise definition. The definition in the original bill, which cross-references the definition in current s. 560.70 (7), Stats., is potentially misleading because it is not readily apparent which of the benefits in that definition apply to the airport development zone program.

Assembly Amendment 4

1. Revises Department of Transportation (DOT) review of areas designated as airport development zones by Commerce. The bill requires Commerce to give DOT the opportunity to review and comment on any proposed designation of an airport development zone. The amendment authorizes DOT to deny a designation if DOT determines that the designation would compromise the airport's safety or utility. DOT is also given authority to review and comment on any land use or compatibility issues related to a proposed airport development zone designation.

2. Requires a proposed airport development zone designation to comply with all relevant local ordinances.

Legislative History

Assembly Amendments 2, 3, and 4 were offered by Representative Underheim. Assembly Amendments 2 and 3 were recommended for adoption by the Assembly Committee on Urban and Local Affairs by a vote of Ayes, 8; Noes, 0. The Joint Committee on Finance offered Assembly Amendment 1 to Assembly Amendment 2 and recommended adoption of that amendment by a vote of Ayes, 12; Noes, 4 and recommended adoption of Assembly Amendment 2, as amended, by the same vote. The Joint Finance Committee also recommended adoption of Assembly Amendments 3 and 4 by a vote of Ayes, 12; Noes, 4.

The Assembly Committee on Urban and Local Affairs recommended passage of Assembly Bill 223, as amended by Assembly Amendments 2 and 3, by a vote of Ayes, 8; Noes, 0. The Joint Finance Committee recommended passage of the proposal, as amended by Assembly Amendments 2 (as amended), 3, and 4, by a vote of Ayes, 11; Noes, 5.

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