



1999 ASSEMBLY BILL 801

February 25, 2000 - Introduced by Representatives STONE, PLALE, JENSEN, GARD, RILEY, DUFF, SINICKI, JESKEWITZ, VRAKAS, STASKUNAS, WASSERMAN, MORRIS-TATUM, ZIEGELBAUER, BOCK, YOUNG and COGGS, cosponsored by Senators GROBSCHMIDT, FARROW, BURKE, GEORGE, MOORE, DARLING, WELCH, PANZER, ROSENZWEIG and SHIBILSKI. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to repeal** 20.395 (2) (dq); **to amend** 76.02 (1) and 78.55 (1); and **to create**
2 20.395 (2) (dr) and 70.11 (40) of the statutes; **relating to:** a property tax
3 exemption for an air carrier with a hub terminal facility and making an
4 appropriation.

Analysis by the Legislative Reference Bureau

Under current law, an air carrier company pays a tax to the state based on the value of the company's property in this state. The tax is called an ad valorem tax. An air carrier company pays the ad valorem tax in lieu of paying local general property taxes.

Under this bill, an air carrier company that operates a hub terminal facility in this state is exempt from the ad valorem tax and is also exempt from paying local general property taxes.

The bill appropriates all taxes and fees received from aeronautical activities (including ad valorem taxes on air carrier companies, general aviation fuel taxes and aircraft registration fees) for aeronautical activities. This appropriation substitutes for the current appropriation of segregated revenues for these same activities. The bill transfers the unencumbered balance of the current appropriation of segregated revenues to the new appropriation.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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For further information see the *state and local* 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.** 20.395 (2) (dq) of the statutes, as affected by 1999 Wisconsin Act 9,
2 is repealed.

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

4 20.395 (2) (dr) *Aeronautical activities, state funds.* All moneys received from
5 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.
6 114.20, from general aviation fuel taxes under subch. III of ch. 78 and from any other
7 tax or fee received from an aeronautical activity, except moneys appropriated under
8 pars. (dv) and (dx) and sub. (4) (es), and all moneys transferred under 1999 Wisconsin
9 Act (this act), section 5 (1), for the purposes of the state’s share of airport projects
10 under ss. 114.34 and 114.35; for developing air marking and other air navigational
11 facilities; for administration of the powers and duties of the secretary of
12 transportation under s. 114.31; for costs associated with aeronautical activities
13 under s. 114.31, except for the program under s. 114.31 (3) (b); and for the
14 administration of other aeronautical activities, except aircraft registration under s.
15 114.20, authorized by law.

16 **SECTION 2.** 70.11 (40) of the statutes is created to read:

17 70.11 (40) HUB TERMINAL FACILITY. (a) In this subsection:

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

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1 2. “Hub terminal facility” means a facility at which an air carrier company
2 operated at least 45 common carrier departing flights each weekday in the prior year
3 and from which it transported passengers to at least 15 nonstop destinations or
4 transported cargo to nonstop destinations. In this subdivision, “nonstop destination”
5 means a nonstop destination as defined by rule by the department of revenue.

6 (b) Property owned by an air carrier company that operates a hub terminal
7 facility in this state.

8 **SECTION 3.** 76.02 (1) of the statutes is amended to read:

9 76.02 (1) “Air carrier company” means any person engaged in the business of
10 transportation in aircraft of persons or property for hire on regularly scheduled
11 flights, except an air carrier company whose property is exempt from taxation under
12 s. 70.11 (40) (b). In this subsection, “aircraft” means a completely equipped operating
13 unit, including spare flight equipment, used as a means of conveyance in air
14 commerce.

15 **SECTION 4.** 78.55 (1) of the statutes is amended to read:

16 78.55 (1) “Air carrier company” has the meaning given in s. ~~76.02 (1)~~ 70.11 (40)
17 (a) 1.

18 **SECTION 5. Appropriation changes.**

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

23 **SECTION 6. Initial applicability.**

24 (1) HUB TERMINAL FACILITY. This act first applies to the property tax assessments
25 as of January 1, 2001.

