



WISCONSIN LEGISLATIVE COUNCIL
PROPOSED REPORT TO THE LEGISLATURE

SPECIAL COMMITTEE ON
AIRPORT AUTHORITIES

December 3, 2007

PRL 2007-15

Special Committee on Airport Authorities

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December 3, 2007

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PART I
KEY PROVISIONS
OF COMMITTEE RECOMMENDATION

The Special Committee on Airport Authorities recommends the following bill draft to the Joint Legislative Council for introduction in the 2007-08 Session of the Legislature.

LRB-3012/1, Relating to Authorizing the Creation of Local Airport Districts; Authorizing the Board of Commissioners of Public Lands to Make Loans to a County That Contains a 1st Class City; and Authorizing the Investment Board to Make Loans to a County That Contains a 1st Class City From the State Investment Fund

LRB-3012/1 authorizes a city, village, or county or any combination of them, to create a local airport district as a separate local unit of government. The bill also prescribes the powers, duties, and composition of a local airport district created pursuant to the authority proposed by the bill.

PART II

COMMITTEE ACTIVITY

Assignment

The Joint Legislative Council established the Special Committee on Airport Authorities and appointed the chairperson by a June 9, 2006 mail ballot. The Special Committee was directed to review the possible ownership and operation of airports in this state by independent airport authorities to ensure an efficient transportation system to foster regional and state economic growth; if desirable, the Special Committee was directed to recommend implementing legislation for independent airport authorities, including topics relating to creation, jurisdiction, governance, finance, transfer, and transition.

Membership of the Special Committee, appointed by an August 1, 2006 mail ballot, consisted of one Senator, four Representatives, and eight public members. A list of committee members is included as **Appendix 3** to this report.

Summary of Meetings

The Special Committee held five meetings in Madison and one meeting in Milwaukee on the following dates:

September 20, 2006
September 27, 2006
October 25, 2006 (Milwaukee)
December 4, 2006
January 16, 2007
July 9, 2007

At the September 20, 2006 meeting, the committee heard testimony from Keith Gerard of the Department of Transportation (DOT), on the history of aviation in Wisconsin; Scott Brummond of the DOT, on the security of Wisconsin airports; Donald Hoeft of the Outagamie Regional Airport, on the operations of that airport; and Keith Markano, on the operations of Crites Field, an airport located in Waukesha.

At the September 27, 2006 meeting, the committee heard from Lars-Oluf Nielsen of Epic Systems Corporation, on the relationship between Wisconsin air transportation and the success of Epic Systems; Charles Hoslet of the University of Wisconsin–Madison on the role of air transportation in the relationship between businesses and the University; and Pete Bietzel of the Metropolitan Milwaukee Association of Commerce, on the effect access to air travel has on businesses' decisions on location and relocation. The committee also heard testimony from Greg Lindner of Lindner Logistics on the impact of Mitchell International Airport on businesses near the airport; and Mayor Richard Bolender and Patrick DeGrave, City of Oak Creek, on the concerns of municipalities adjacent to Mitchell International Airport.

At the October 25, 2006 meeting, the committee heard testimony from Mark Colananni, GE Medical, and Kenneth Krueger, Bucyrus International, on the air transportation needs of their respective companies. Lester Robinson, of the Wayne County Airport Authority, described the operations of Detroit Metropolitan Airport under the jurisdiction of an airport authority. Tom Browne, of the Air Transportation Association, described the reaction of the nation's airlines to changes in airport governance structure. Barry Bateman provided information on the development and operations of Mitchell International Airport.

At the December 4, 2006 meeting, the committee discussed legislative choices for the organization and powers of airport authorities in legislation to be considered by the committee.

At the January 16, 2007 meeting, the committee reviewed WLC: 0032/1 and made additional choices regarding the composition, power, and obligations of future airport authorities created under the draft.

At the July 9, 2007 meeting, the committee discussed the issue of whether an airport authority should have taxation authority and decided it should not. The committee voted to recommend WLC: 0032/2 for introduction by the Joint Legislative Council.

PART III

RECOMMENDATION INTRODUCED BY THE JOINT LEGISLATIVE COUNCIL

This part of the report provides background information on, and a description of, the bill draft (LRB-3012/1) as recommended by the Special Committee on Airport Authorities.

Background

The Special Committee was directed to review the possible ownership and operation of airports in this state by independent airport authorities to ensure an efficient transportation system that will foster regional and state economic growth. In addition, if desirable, the Special Committee was directed to recommend implementing legislation for independent airport authorities, providing for the regulation of airport authority creation, jurisdiction, governance, and finance, and the regulation of airport transfer and transition.

Description

In general, the bill provides the following:

1. Authorizes a city, village, or county, or a combination of them, to create a local airport district as a separate local unit of government.
2. Provides that a district board will consist of nine members serving staggered four-year terms. Two members of the board will be appointed by the Governor; two members of the board will be appointed by the chief elected official of the creating local governmental unit; two members of the district board will be appointed by the chief elected officials of the surrounding community; two members of the board will be appointed by the chief elected officials of contiguous counties; and one member of the board will be appointed by: (a) the chief elected official of the city having the greatest population in the district, if the creating local governmental unit is a county; or (b) in addition to other appointment authority, the chief elected official of the creating local governmental unit if the creating local governmental unit is a city or village.
3. Provides that a local airport district will have general operational authority over an airport, the power to exercise eminent domain, and the power to issue revenue bonds.
4. Authorizes a local airport district to establish and enforce rules, regulations, and ordinances and establish civil penalties.
5. Authorizes a local airport district to appoint a building inspector, establish a fire department, employ police, or contract for police services with a political subdivision, and hire security personnel.
6. Authorizes a local airport district to exercise the same powers under the aeronautics statutes in ch. 114, Stats., that a city, village, town, or county currently may exercise with regard to airports, aircraft, and aeronautics facilities.
7. Authorizes a local airport district to issue revenue bonds that will be paid solely out of revenues of the district. The bonds will not be the personal liability of a district board member or a signatory to the bonds and will not be an obligation of the state or any political subdivision of the state.

8. Provides that a local airport district will not pay property taxes, income taxes, sales and use taxes, motor vehicle fuel taxes, or real estate transfer fees. Also, the income and interest from revenue bonds issued by the district will be exempt from the income and franchise tax.

9. Provides that a county containing a first-class city will receive its entire shared revenue payment in November and may borrow money, for a period not to exceed 120 days, from the board of commissioners of public lands and from the investment board in order to fund any shortfall in operating revenues during a fiscal year.

10. Subjects members of a local airport district board to the statutory code of ethics for local public officials.

11. Provides that a transfer agreement from a creating local governmental unit to a local airport district may provide for the complete assumption of liabilities and obligations of the creating local district and provides that the transfer agreement must require the district to accept an assignment of any collective bargaining agreement in force at the time of the transfer with respect to persons employed by the creating local governmental unit at a transferred airport or airport facilities. Also, the district must recognize and bargain in good faith with existing unions. Finally, the bill provides that a transfer agreement must require the district to accept an assignment of all contracts with other persons, with respect to transferred airport facilities, that are in force at the time of transfer.

Appendix 1

Committee and Joint Legislative Council Votes

WLC: 0032/2 was recommended by the Special Committee on Airport Authorities to the Joint Legislative Council for introduction in the 2007-08 Session of the Legislature.

Special Committee Vote

The Special Committee voted to recommend WLC: 0032/2 to the Joint Legislative Council for introduction in the 2007-08 Session of the Legislature. The vote on the draft was as follows:

- WLC: 0032/2, relating to authorizing the creation of local airport districts; authorizing the Board of Commissioners of Public Lands to make loans to a county that contains a 1st class city; and authorizing the Investment Board to make loans to a county that contains a 1st class city from the state investment fund: Ayes, 6 (Reps. Stone, Honadel, and Townsend; and Public Members Kurtenbach, Richards, and Wruck); Noes, 4 (Rep. Kessler; and Public Members Torres, White, and Witkowski; and Absent, 3 (Sen. Plale; and Public Members Abelson and Bittner).

Appendix 2

Joint Legislative Council

[Joint Legislative Council Members Who Selected and Appointed Committee and Its Membership]

Co-Chair

ALAN LASEE
Senate President
2259 Lasee Road
De Pere, WI 54115

Co-Chair

STEVE WIECKERT
Representative
1 Weatherstone Drive
Appleton, WI 54914

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Milwaukee, WI 53204

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Neenah, WI 54956

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5440 Willow Road
Waunakee, WI 53597

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Speaker
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ANN NISCHKE
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Waukesha, WI 53186

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees.

Joint Legislative Council

[Current Joint Legislative Council Members Who Received Committee Report]

Co-Chair

FRED RISSER

Senate President

5008 Risser Road
Madison, WI 53705

Co-Chair

STEVE WIECKERT

Representative

1 Weatherstone Drive
Appleton, WI 54914

SENATORS

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TIM CARPENTER

President Pro Tempore
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SHEILA HARSDORF

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De Pere, WI 54115

MARK MILLER

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JUDY ROBSON

Majority Leader
2411 E. Ridge Road
Beloit, WI 53511

REPRESENTATIVES

JOAN BALLWEG

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Markesan, WI 53946

TERESE BERCEAU

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JEFF FITZGERALD

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Horicon, WI 53032

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Speaker
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KITTY RHOADES

708 4th Street
Hudson, WI 54016

MARLIN SCHNEIDER

3820 Southbrook Lane
Wisconsin Rapids, WI 54494

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees.

Airport Authorities

Representative Jeff A. Stone, **Chair**
5535 Grandview Drive
Greendale, WI 53129

Representative Frederick P. Kessler
11221 West Sanctuary Drive
Milwaukee, WI 53224

Representative John F. Townsend
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Fond du Lac, WI 54935

Jason Bittner
University of Wisconsin-Madison
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Airport Commission
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La Crosse Airport Manager
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Council
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STUDY ASSIGNMENT: The committee is to review the possible ownership and operation of airports in this state by independent airport authorities to ensure an efficient transportation system to foster regional and state economic growth; if desirable, recommend implementing legislation for independent airport authorities, including creation, jurisdiction, governance, finance, transfer, and transition.

13 MEMBERS: 1 Senator, 4 Representatives, and 8 Public Members.

LEGISLATIVE COUNCIL STAFF: Ronald Sklansky, Senior Staff Attorney; Scott Grosz, Staff Attorney; and Julie Learned, Support Staff.

Appendix 4

Committee Materials List (Copies of documents are available at www.legis.state.wi.us/lc)

July 9, 2007 Meeting	Notice	Agenda	Audio	Minutes
<ul style="list-style-type: none"> • WLC: 0032/2, relating to authorizing the creation of local airport districts; authorizing the Board of Commissioners of Public Lands to make loans to a county that contains a 1st class city; and authorizing the Investment Board to make loans to a county that contains a 1st class city from the state investment fund. • WLC: 0089/1, and amendment to WLC: 0032/2, relating to taxation powers. • Memo No. 6, <i>Summary of Changes in WLC: 0032/2</i> (July 3, 2007). 				
Joint Legislative Council Meeting (June 12, 2007)				
<ul style="list-style-type: none"> • Letter to Senator Fred A. Risser and Representative Steve Wieckert, Co-Chairs, Joint Legislative Council, from Representative Jeff Stone, Chair, Special Committee on Airport Authorities, reporting the status of the Special Committee. 				
January 16, 2007 Meeting	Notice	Agenda	Audio	Minutes
<ul style="list-style-type: none"> • WLC: 0032/1, relating to authorizing the creation of local airport districts; authorizing the Board of Commissioners of Public Lands to make loans to a county that contains a 1st class city; and authorizing the Investment Board to make loans to a county that contains a 1st class city from the state investment fund. • Memo No. 5, <i>Property Tax Funding of Wisconsin Airports</i> (January 12, 2007). 				
December 4, 2006 Meeting	Notice	Agenda	Audio	Minutes
<ul style="list-style-type: none"> • Memo No. 2, <i>Airport Governance Options</i> (November 7, 2006). • Memo No. 3, <i>Comparison of Airport Authority Legislation</i> (November 7, 2006). <ul style="list-style-type: none"> ○ Table, <i>Comparison of Legislation Creating Selected Airport Authorities with Provisions of 2005 Assembly Bill 1089</i> • Memo No. 4, <i>Members of Airport Authority Boards</i> (December 1, 2006). • Memorandum, <i>Transportation Committee Action Regarding the Airport Workgroup Report</i>, from the Milwaukee County Board of Supervisors Chairman Lee Holloway, (November 29, 2006). 				
November 15, 2006 Meeting [CANCELED]	Notice	Agenda	Audio	Minutes
<ul style="list-style-type: none"> • Memo No. 2, <i>Airport Governance Options</i> (November 7, 2006). • Memo No. 3, <i>Comparison of Airport Authority Legislation</i> (November 7, 2006). <ul style="list-style-type: none"> ○ Table, <i>Comparison of Legislation Creating Selected Airport Authorities with Provisions of 2005 Assembly Bill 1089</i> 				

October 25, 2006 Meeting	Notice	Agenda	Audio	Minutes
<ul style="list-style-type: none"> • State Airport System Plan Airports by Ownership, prepared by the Department of Transportation. • Final Report, Milwaukee Airport Authority Feasibility Study, prepared for Wisconsin Department of Transportation. • Should Milwaukee Airport Be Privatized?, by Robert W. Poole, Jr. • Presentation, by Barry Bateman, Airport Director, General Mitchell International Airport. 				
September 27, 2006 Meeting	Notice	Agenda	Audio	Minutes
<ul style="list-style-type: none"> • Presentation, from Charles Hoslet, Managing Director, Corporate Relations, University of Wisconsin-Madison. • Comprehensive Annual Financial Report, June 30, 2005, submitted by the San Diego County Regional Airport Authority. 				
September 20, 2006 Meeting	Notice	Agenda	Audio	Minutes
<ul style="list-style-type: none"> • Memo No. 1, Overview of Wisconsin Law Relating to Airport Ownership and Discussion of Airport Governance Options (September 11, 2006). • Presentation, by Scott Brummond, Chief, Aeronautical and Technical Services, Bureau of Aeronautics, Department of Transportation. • PowerPoint, by Keith W. Gerard, JD System Planning, Development Programming, Finance, Real Estate, Department of Transportation. • PowerPoint, by Donald Hoeft, Outagamie Regional Airport. 				