



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Senate Bill 352

**Senate Substitute
Amendment 1**

Memo published: December 13, 2005 (revised March 30, 2006)

Contact: Laura Rose, Deputy Director
(266-9791)

Senate Substitute Amendment 1 to 2005 Senate Bill 352 (hereafter, the “Substitute Amendment”) creates the Wisconsin Aerospace Authority (WAA). The WAA is authorized to develop spaceports, spacecraft, and other aerospace facilities, provide spaceport and aerospace services, and allow use of spaceport and aerospace facilities by others, to promote the aerospace industry, and provide public-private coordination for the aerospace industry.

The nine-member WAA board consists of six members appointed by the Governor with advice and consent of the Senate; one member appointed by the President of the Senate; and one member appointed by the Speaker of the Assembly. These members serve three-year terms. The ninth member is the Director of the Wisconsin Space Grant Consortium. Board members are exempt from liability for acts or omissions in the performance of board duties, unless the act or omission constitutes willful misconduct.

The WAA has numerous powers, including the following:

1. Design, develop, and operate spaceports, aerospace facilities, and spacecraft, including establishing a spaceport in the City of Sheboygan.
2. Design, develop, and operate programs and projects, and provide services, related to spaceports, aerospace facilities, and spacecraft.
3. Acquire and dispose of real property, personal property, and intangible property rights and enter into contracts.
4. Issue bonds to fund any spaceport, facility, or service of WAA.
5. Exercise the right of eminent domain.

6. Maintain exclusive jurisdiction (except where federal or state law provides otherwise) over WAA spaceports.
7. Cooperate with other governmental units in furnishing any facility or service, including fire and police protection at a spaceport.

The WAA has the following duties:

1. Promote the aerospace industry in this state, including advertising and promotion of WAA facilities and services and development, promotion, and attraction of space-related business in this state.
2. Provide and promote aerospace services, information, and business opportunities in this state.
3. Coordinate efforts of various governmental units and private parties interested in the promotion of space-related industry.
4. Develop a business plan to promote and facilitate spaceport-related educational and commercial development and to stimulate and improve aerospace science, design, technology, and research.
5. Report annually to the Governor and Legislature; submit an audited financial statement annually to the Department of Administration (DOA); and submit once to DOA, and as DOA requests thereafter, a business plan.

The substitute amendment creates a new segregated fund, into which is deposited all moneys received by the state from the federal government, any local unit of government, or other source, for spaceports. Any project to acquire, construct, or improve a spaceport or spaceport facility must be funded from these appropriations. DOT and WAA must share the cost of the project, except that the DOT's share of costs is limited to a maximum of \$10,000,000 per project and is limited to 80% of the total project cost if federal aid is not available for the project, or 50% of the project cost in excess of federal aid if federal aid is available for the project. For each project, DOT determines the percentage of costs borne by DOT based on the relative importance of the project to any state spaceport development program as a whole. The bill also expands an existing loan program administered by DOT to facilitate acquisition by local governments of airport owners of land for airport projects to include spaceport projects, but with a maximum total outstanding balance of loans for spaceport projects of \$10,000,000 rather than \$6,500,000 for airport projects.

The Substitute Amendment authorizes WAA to use bonds to carry out its functions if WAA submits a bond resolution to the Governor and Legislature and the Joint Committee on Finance. The bonds are not state debt. The WAA is authorized to have no more than \$100,000,000 in outstanding bonds at any one time. The bill also creates an individual and corporate income tax exemption for interest on bonds issued by WAA.

The Substitute Amendment differs from the original bill in the following respects:

- The WAA is subject to audits by the Legislative Audit Bureau, and the board members are subject to the Code of Ethics for Public Officials.

- Bonds that are issued to fund or refund existing or outstanding bonds are subject to the individual and corporation income tax exemption created under the bill.
- It removes the provision that the WAA and its officers, agents, and employees have the same with limited immunity that is available under current law for volunteer fire companies, political corporations, governmental subdivisions and agencies thereof, and for officers, officials, agents, or employees of these entities, for acts done in an official capacity or in the course of employment.
- The funding provisions for the WAA from the Department of Transportation's (DOT) appropriation for airports and air navigation are changed. Instead of funds coming from three existing appropriations for federal, state, and local funds for aeronautics assistance, the bill deletes references to these appropriations, and creates a new segregated appropriation for the state's share of spaceport projects. However, no funding is provided for the appropriation. It also creates two other appropriations into which are deposited all moneys received from the federal government, any local unit of government, or other source for spaceports.
- The business plan that must be prepared by the WAA must include proposed funding sources for capital expenditures by the WAA, based upon a feasibility study of potential funding sources conducted by the WAA.
- The director and designated employees of the Legislative Fiscal Bureau have access to the WAA's records relating to their expenditures, revenues, and structure.
- The WAA is authorized, rather than required, to establish a spaceport in the City of Sheboygan.

Legislative History

The Senate Committee on Job Creation, Economic Development and Consumer Affairs took executive action on the bill on November 29, 2005. The committee recommended adoption of Senate Amendments 1, 2, and 3 by votes of Ayes, 5; Noes, 0; and recommended passage of the bill, as amended, by a vote of Ayes, 3; Noes, 2.

The Joint Committee on Finance took executive action on the bill on December 7, 2005. The committee recommended introduction and adoption of Senate Substitute Amendment 1 by a vote of Ayes, 13; Noes, 2; and recommended passage of the bill, as amended, by a vote of Ayes, 13; Noes, 2.

LR:jal