



State of Wisconsin
2009 – 2010 LEGISLATURE

LRB-3451/1
ARG/JK/MES:kjf:rs

2009 BILL

1 **AN ACT** *to repeal* 59.58 (6); *to renumber* 66.0615 (1) (a); *to amend* 20.395 (5)
2 (iv), 32.02 (11), 32.05 (1) (a), 32.07 (2), 40.02 (28), 59.58 (7) (a) 1., 59.58 (7) (b),
3 59.58 (7) (c) 1. (intro.), 59.58 (7) (d), 59.58 (7) (e) 2., 59.58 (7) (f) 2., 59.58 (7) (f)
4 4., 59.58 (7) (g), 59.58 (7) (i), 66.0301 (1) (a), 66.0615 (1m) (a), 66.0903 (1) (d),
5 70.11 (2), 71.26 (1) (b), 77.54 (9a) (er), 77.708 (1), 77.708 (2), 77.9971 (1), 79.03
6 (3) (b) 4. a., 85.063 (3) (b) 1., 85.064 (1) (b), 85.11 (1) (a), 85.20 (4m) (a) 6. e.,
7 111.70 (1) (j), 341.35 (title), 341.35 (1), 341.35 (2) (intro.), 341.35 (3m), 341.35
8 (4), 341.35 (5), 341.35 (6), 341.35 (6r), 341.35 (7), 345.05 (1) (ag) and 611.11 (4)
9 (a); and *to create* 59.58 (7) (a) 2m., 59.58 (7) (a) 4., 5. and 6., 59.58 (7) (c) 1. h.
10 and i., 59.58 (7) (e) 3., 59.58 (7) (k), 59.58 (7) (L), 59.58 (7) (m), 59.58 (7) (n),
11 66.0615 (1) (ad), 66.0615 (1) (ge), 66.0615 (1m) (ee), 66.0615 (1m) (em), 66.1041
12 and 341.35 (9) of the statutes; **relating to:** the southeastern regional transit

BILL

- 1 authority, the creation of interim regional transit authorities in southeast
2 Wisconsin, and requiring the exercise of rule-making authority.
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Analysis by the Legislative Reference Bureau

Prior to the Biennial Budget Act, 2009 Wisconsin Act 28 (Act 28), the counties of Kenosha, Racine, and Milwaukee were required to create a Regional Transit Authority (the KRM authority). The KRM authority was responsible for the coordination of transit and commuter rail programs within these three counties but had no authority to manage or operate any transit system. The KRM authority was authorized to impose a rental car transaction fee within these three counties, which fee was to be used to hire staff, conduct studies, and prepare a report to the legislature and the governor, due by November 15, 2008.

Act 28 terminated the KRM authority as of October 1, 2009, and created a successor entity, the Southeastern Regional Transit Authority (SERTA). The SERTA is a public body corporate and politic and a separate governmental entity; it consists of the counties of Kenosha, Racine, and Milwaukee. The jurisdictional area of the SERTA is the geographic area formed by the combined territorial boundaries of the counties of Kenosha, Racine, and Milwaukee. The powers of the SERTA are vested in its board of directors. The SERTA's powers are limited but include all powers necessary and convenient to create, construct, and manage a commuter rail transit system connecting the cities of Kenosha, Racine, and Milwaukee (KRM commuter rail line).

Under current law, upon approval by its board of directors, the SERTA may impose a rental car transaction fee, in the counties of Kenosha, Racine, and Milwaukee, of not more than \$18 per transaction, except that the SERTA's board of directors may have this fee annually adjusted for inflation. From each rental car transaction fee, the SERTA may retain not more than \$2 per transaction for administration of the SERTA and may retain the remainder for expenditures related to the KRM commuter rail line, including planning, construction, maintenance, operations, and engineering expenditures. The SERTA is the only entity in the counties of Milwaukee, Racine, and Kenosha that may submit an application to the Federal Transit Administration under the federal New Starts Grant Program (New Starts application) for funding for the KRM commuter rail line. By July 1, 2010, the SERTA must submit a New Starts application to enter the preliminary engineering phase for the KRM commuter rail line. Transit system operators in Kenosha County and Racine County receiving state transit aids must provide copies of all of their annual and long-term transit plans to the SERTA as these plans become available.

Act 28 also authorized the creation of several new regional transit authorities (RTAs): the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA. Each RTA, once created, is a public body corporate and politic and a separate governmental entity. Act 28 also specified the powers and duties of these three RTAs. In brief, for each, the RTA's authority is vested in its board of directors and its bylaws govern its management, operations, and administration. An RTA

BILL

may: operate a transportation system or provide for its operation by contracting with a public or private organization; impose, by its board of directors adopting a resolution, a sales and use tax in the RTA's jurisdictional area at a rate not exceeding 0.5 percent of the sales price if certain conditions are satisfied; acquire property by condemnation; and issue tax-exempt revenue bonds. An RTA has a duty to provide, or contract for the provision of, transit service within the RTA's jurisdictional area. Rates and other charges received by an RTA must be used only for the general expenses and capital expenditures of the RTA, to pay interest, amortization, and retirement charges on the RTA's revenue bonds, and for specific purposes of the RTA and may not be transferred to any political subdivision.

This bill authorizes the creation of a new type of RTA known as an Interim Regional Transit Authority (IRTA), which is a public body corporate and politic. The bill also makes significant changes relating to the SERTA.

Under the bill, the governing body of a municipality or county (political subdivision) within the area comprising the counties of Kenosha, Milwaukee, Ozaukee, Washington, Racine, and Waukesha (southeast Wisconsin) may, by resolution, create an IRTA consisting of the political subdivision or may join together with one or more other political subdivisions to jointly create, by adopting identical resolutions, an IRTA. An IRTA may be created only if at least one of the political subdivisions creating the IRTA operated a transit system receiving state transit aids as of the effective date of the bill and each political subdivision creating the IRTA commits to provide certain levels of funding for the IRTA. An IRTA may include no more than one county and all municipalities included in the IRTA must be located within the same county. After an IRTA has been created, a political subdivision within the same county may join the IRTA if the governing body of the political subdivision adopts a resolution identical to the existing resolutions of the IRTA's members (participating political subdivisions) and if the IRTA's board of directors adopts a resolution allowing the political subdivision to join the IRTA. However, the resolution of the joining political subdivision may specify what the composition of the IRTA's board of directors will be after the political subdivision has joined the IRTA and, if the IRTA's board of directors approves the joinder, the IRTA's board of directors thereby agrees to the new composition of the IRTA's board of directors after the joinder.

The jurisdictional area of an IRTA is the geographic area formed by the combined territorial boundaries of all participating political subdivisions of the IRTA. If the IRTA includes a county, the jurisdictional area of the IRTA is the county territorial boundaries. Any resolution creating an IRTA or joining an IRTA must include provisions relating to the IRTA's board of directors and must specify all revenue sources on which the IRTA will rely for funding and the minimum amount of revenue that the IRTA will commit to satisfy the revenue requirements applicable to the IRTA. After an IRTA is created, the participating political subdivisions of the IRTA may amend or modify their resolutions creating or joining the IRTA if they remain identical, although a few changes can be made without the need for formal amendment or modification of the resolutions creating or joining the IRTA.

BILL

Under the bill, an IRTA's powers are vested in its board of directors. With certain limitations, an IRTA's board of directors is determined in the resolutions creating or joining the IRTA. However, the board of directors of an IRTA that includes Milwaukee County is established by statute.

The bill requires an IRTA to do all of the following: 1) provide, or contract with existing transit providers for the provision of, transit service within the IRTA's jurisdictional area, except that a Milwaukee County IRTA must contract with the Milwaukee County board for the IRTA to provide transit service in Milwaukee County; and 2) provide transit planning within the IRTA's jurisdictional area. An IRTA's transit plans must be submitted to SERTA. An IRTA is also authorized to do any of the following: 1) acquire a local transit system by entering into a transfer agreement with the owner of the system; and 2) apply for and utilize state and federal funds. If an IRTA applies for federal or state funding, the application must first be submitted to the SERTA, which must then provide the application to the appropriate federal or state agency. If the application results in the receipt of any federal or state funds, those funds must first be received by the SERTA, which must then forward the funds to the IRTA.

Under the bill, an IRTA may generate revenue by doing any of the following: 1) imposing a local motor vehicle registration fee; 2) levying a room tax of up to 8 percent on the privilege of furnishing hotel and motel rooms to transients, similar to the current law room tax that a municipality may impose; 3) imposing, by the adoption of a resolution by the IRTA's board of directors, a sales and use tax if approved in a referendum in the IRTA's jurisdictional area; or 4) charging a membership fee to the participating political subdivisions of the IRTA. An IRTA must generate specified amounts of revenue, from any one or a combination of revenue sources. Within two years after the creation of an IRTA, the IRTA must generate revenue sufficient to offset a 30 percent reduction in passenger fare revenues resulting from transit operations or to provide a 2 percent increase in transit service, or a combination of both, as compared with passenger fare revenues and transit service as of the time that the IRTA was created (phase 2 revenue threshold). Within four years after the creation of the IRTA, the IRTA must generate revenue sufficient to offset a 60 percent reduction in passenger fare revenues resulting from transit operations or to provide a 4 percent increase in transit service, or a combination of both, as compared with passenger fare revenues and transit service as of the time that the IRTA was created (phase 3 revenue threshold). Within six years after its creation, the IRTA, in addition to continuing to meet the phase 2 and phase 3 revenue thresholds, must improve the interconnectivity of its transit system by linking with other modes of transportation and improving cross-county links (phase 4 revenue threshold).

The bill requires the Department of Transportation (DOT) to determine and certify whether each IRTA has met these revenue thresholds, but, in doing so, DOT must make allowances if a municipality or county has joined an IRTA after its initial creation. Subject to the allowances made by DOT, if an IRTA does not meet these revenue thresholds within the applicable time limits, the IRTA is not eligible for incentive funding provided by SERTA (discussed below). Subject to the allowances

BILL

made by DOT, if an IRTA does not meet these revenue thresholds within two years after the applicable time limits, the IRTA must be dissolved and responsibility for providing transit service and transit planning, as well as all assets, liabilities, rights, and obligations of the IRTA, must revert to the participating political subdivisions of the IRTA.

Under the bill, when three IRTAs have been certified by DOT as meeting the phase 4 revenue threshold, DOT must provide notice of this fact to every IRTA created, specifically identifying these three IRTAs. If DOT subsequently certifies any additional IRTA as meeting the phase 4 revenue threshold, DOT must provide notice of this fact to the SERTA and to every IRTA created, specifically identifying the additional IRTA certified as meeting the phase 4 revenue threshold. After DOT provides one of these notices identifying an IRTA, each IRTA identified in the notice must begin the process of winding down and dissolving and must complete this process no later than 120 days after receiving the notice. As part of the IRTA's winding down process, all of the following must occur: 1) the assets and liabilities of the IRTA must become the assets and liabilities of the SERTA; 2) all tangible personal property, including records, of the IRTA must be transferred to the SERTA; and 3) all contracts entered into by the IRTA, in effect at the time of the winding down, are transferred to the SERTA. The SERTA is the successor to the IRTA. The IRTA terminates on the 120th day after the IRTA receives the DOT notice.

The bill makes some modifications relating to the SERTA regardless of whether the SERTA becomes the successor to IRTAs, and it also makes significant changes to the form and function of the SERTA if the SERTA becomes the successor to IRTAs.

The bill makes the following changes to the SERTA, regardless of whether the SERTA becomes the successor to IRTAs:

1. The SERTA consists of both the counties and cities of Kenosha, Racine, and Milwaukee, not just the counties.

2. The SERTA's board of directors must include certain members from IRTAs, if they are created, regardless of whether these IRTAs reach their phase 4 revenue thresholds and merge into the SERTA.

3. The SERTA may use a portion of the rental car transaction fee it imposes to provide, until December 31, 2011, incentive funds to IRTAs. There are limits on the amount of incentive funds that may be awarded, as well as other criteria and restrictions related to the SERTA's providing these incentive funds.

4. Beginning on July 1, 2011, the SERTA may also provide, from state transit aids, incentive funds to IRTAs to assist them in meeting any minimum revenue requirement necessary to receive the incentive funds provided by the SERTA from the rental car transaction fee. The SERTA's bylaws must specify a method for providing these incentive funds, subject to certain restrictions.

5. The SERTA may provide nonfinancial transit assistance to any IRTA, including reviewing the transit plans of the IRTA.

6. The SERTA may issue revenue bonds in any amount, eliminating the \$50,000,000 bonding limit.

7. The SERTA is the only entity in southeast Wisconsin that may submit a New Starts application for funding for any purpose.

BILL

8. The bill clarifies that SERTA may operate the KRM commuter rail line itself or may contract for a rail service to operate the KRM commuter rail line.

Under the bill, after at least three IRTAs have been certified by DOT as reaching their phase 4 revenue thresholds, these IRTAs merge into SERTA. As the successor entity to these IRTAs and to any subsequent IRTA that DOT certifies as having reached its phase 4 revenue threshold, the SERTA changes in all of the following ways:

1. As discussed above, the IRTAs' assets and liabilities, personal property, records, and contracts are transferred to the SERTA as the SERTA becomes the IRTAs' successor. The SERTA must assist each IRTA in an orderly transfer.

2. Within 120 days after DOT certifies an IRTA as having reached its phase 4 revenue threshold, the SERTA must assume responsibility for providing transit service and transit planning within the old jurisdictional area of the IRTA. In assuming this responsibility, the SERTA has all options for providing transit service that were formerly available to the IRTA and the SERTA must impose sales and use taxes, and may impose a room tax, in the IRTA's old jurisdictional area if the IRTA imposed these taxes and if the SERTA adopts a resolution to establish the tax rate or impose the room tax. The SERTA has all powers necessary and convenient to carry out these responsibilities.

3. After the SERTA has assumed responsibility for transit as described in item 2. immediately above, the SERTA's jurisdictional area changes to cover only the old jurisdictional areas of all IRTAs to which the SERTA has become the successor. However, for purposes of the rental car transaction fee, if the IRTA included any of Racine County, the SERTA's jurisdictional area includes all of Racine County unless the SERTA's board of directors votes otherwise. Also, for purposes of imposing sales and use taxes and the room tax, the SERTA's jurisdictional area does not include the old jurisdictional area of an IRTA that did not impose sales and use taxes or a room tax.

4. After DOT certifies that the first three IRTAs have reached their phase 4 revenue thresholds, and with each certification of an additional IRTA thereafter, the membership of the SERTA changes. Instead of the counties and cities of Kenosha, Racine, and Milwaukee, the members of SERTA are the political subdivisions that were participating political subdivisions in the IRTAs certified by DOT. However, if Racine County was not a participating political subdivision in an IRTA consisting of municipalities located in Racine County, Racine County may still subsequently join the SERTA. The SERTA's board of directors also changes; a director who is not from a political subdivision that was a member of an IRTA may be removed from the board and, if not removed, has limited voting rights.

5. After DOT certifies that the first three IRTAs have reached their phase 4 revenue thresholds, the SERTA may use proceeds of its revenue bonds for the additional purposes of constructing new capital improvements to the SERTA's transit system and for acquiring existing transit systems.

The bill authorizes IRTAs to impose a local motor vehicle registration fee and makes IRTAs eligible to receive grants under DOT's Southeast Wisconsin Transit Capital Assistance Program, created in Act 28. If the SERTA becomes the successor

BILL

to an IRTA, the SERTA also succeeds to any local motor vehicle registration fee imposed by the IRTA. The SERTA is already eligible, under current law, for DOT's Southeast Wisconsin Transit Capital Assistance Program.

Under the bill, certain provisions of current law that apply to the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA also apply to IRTAs, including the following:

1. An IRTA has authority to acquire property by condemnation.
2. Employees of an IRTA are participatory employees under the Wisconsin Retirement System (WRS) if the IRTA elects to join the WRS.
3. Employees of an IRTA are covered by the the Municipal Employment Relations Act, under which all matters relating to wages, hours, and conditions of employment are subject to collective bargaining and all municipal employees are expressly granted the right to self-organize and to bargain collectively through a representative of their choice.
4. An IRTA is a "local governmental unit" for purposes of the prevailing wage and hour law. Under current law, certain workers employed on a public works project contracted by a local governmental unit must be paid at the rate paid for a majority of the hours worked in the person's trade or occupation in the county in which the project is located, as determined by the Department of Workforce Development, and may not be required or permitted to work more than ten hours per day and 40 hours per week, unless they are paid 1.5 times their basic rate of pay for all hours worked in excess of those hours.
5. An IRTA is treated like municipalities, counties, and other political subdivisions for purposes of claims and liability resulting from the negligent operation of a motor vehicle and may participate in organizing municipal insurance mutuals to provide insurance and risk management services.
6. An IRTA may enter into intergovernmental cooperation contracts with other governmental units.
7. IRTA property is not subject to state and local property taxes.
8. An IRTA is eligible for urban rail transit system grants and commuter rail transit system development grants from DOT.

If the SERTA becomes the successor to an IRTA, these provisions also apply to the SERTA.

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 (5) (iv) of the statutes is amended to read:
- 2 20.395 (5) (iv) *Municipal and county Local vehicle registration fee, local funds.*
- 3 All moneys received under s. 341.35, less the portion of the fee attributable to the

BILL**SECTION 1**

1 department's administrative costs, for the purpose of remitting the ~~municipal or~~
2 ~~county~~ local vehicle registration fee to the municipality ~~or~~, county, or transit
3 authority under s. 341.35 (6).

4 **SECTION 2.** 32.02 (11) of the statutes, as affected by 2009 Wisconsin Act 28, is
5 amended to read:

6 32.02 (11) Any housing authority created under ss. 66.1201 to 66.1211;
7 redevelopment authority created under s. 66.1333; community development
8 authority created under s. 66.1335; local cultural arts district created under subch.
9 V of ch. 229, subject to s. 229.844 (4) (c); local exposition district created under subch.
10 II of ch. 229; or transit authority created under s. 66.1039 or 66.1041 and the
11 southeastern regional transit authority under s. 59.58 (7) to the extent it is the
12 successor under s. 66.1041 (7) (b) to a transit authority created under s. 66.1041.

13 **SECTION 3.** 32.05 (1) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
14 is amended to read:

15 32.05 (1) (a) Except as provided under par. (b), a county board of supervisors
16 or a county highway committee when so authorized by the county board of
17 supervisors, a city council, a village board, a town board, a sewerage commission
18 governing a metropolitan sewerage district created by ss. 200.05 or 200.21 to 200.65,
19 the secretary of transportation, a commission created by contract under s. 66.0301,
20 a joint local water authority created by contract under s. 66.0823, a transit authority
21 created under s. 66.1039 or 66.1041 and the southeastern regional transit authority
22 under s. 59.58 (7) to the extent it is the successor under s. 66.1041 (7) (b) to a transit
23 authority created under s. 66.1041, a housing authority under ss. 66.1201 to 66.1211,
24 a local exposition district created under subch. II of ch. 229, a local cultural arts
25 district created under subch. V of ch. 229, a redevelopment authority under s.

BILL

1 66.1333 or a community development authority under s. 66.1335 shall make an order
2 providing for the laying out, relocation and improvement of the public highway,
3 street, alley, storm and sanitary sewers, watercourses, water transmission and
4 distribution facilities, mass transit facilities, airport, or other transportation
5 facilities, gas or leachate extraction systems to remedy environmental pollution from
6 a solid waste disposal facility, housing project, redevelopment project, cultural arts
7 facilities, exposition center or exposition center facilities which shall be known as the
8 relocation order. This order shall include a map or plat showing the old and new
9 locations and the lands and interests required. A copy of the order shall, within 20
10 days after its issue, be filed with the county clerk of the county wherein the lands are
11 located or, in lieu of filing a copy of the order, a plat may be filed or recorded in
12 accordance with s. 84.095.

13 **SECTION 4.** 32.07 (2) of the statutes, as affected by 2009 Wisconsin Act 28, is
14 amended to read:

15 32.07 (2) The petitioner shall determine necessity if application is by the state
16 or any commission, department, board or other branch of state government or by a
17 city, village, town, county, school district, board, commission, public officer,
18 commission created by contract under s. 66.0301, joint local water authority under
19 s. 66.0823, transit authority created under s. 66.1039 or 66.1041 and the
20 southeastern regional transit authority under s. 59.58 (7) to the extent it is the
21 successor under s. 66.1041 (7) (b) to a transit authority created under s. 66.1041,
22 redevelopment authority created under s. 66.1333, local exposition district created
23 under subch. II of ch. 229, local cultural arts district created under subch. V of ch.
24 229, housing authority created under ss. 66.1201 to 66.1211 or for the right-of-way
25 of a railroad up to 100 feet in width, for a telegraph, telephone or other electric line,

BILL**SECTION 4**

1 for the right-of-way for a gas pipeline, main or service or for easements for the
2 construction of any elevated structure or subway for railroad purposes.

3 **SECTION 5.** 40.02 (28) of the statutes, as affected by 2009 Wisconsin Act 28,
4 section 779, is amended to read:

5 40.02 (28) “Employer” means the state, including each state agency, any
6 county, city, village, town, school district, other governmental unit or
7 instrumentality of 2 or more units of government now existing or hereafter created
8 within the state, any federated public library system established under s. 43.19
9 whose territory lies within a single county with a population of 500,000 or more, a
10 local exposition district created under subch. II of ch. 229, a transit authority created
11 under s. 66.1039 or 66.1041 and the southeastern regional transit authority under
12 s. 59.58 (7) to the extent it is the successor under s. 66.1041 (7) (b) to a transit
13 authority created under s. 66.1041, and a long-term care district created under s.
14 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3). “Employer” does not
15 include a local cultural arts district created under subch. V of ch. 229. Each employer
16 shall be a separate legal jurisdiction for OASDHI purposes.

17 **SECTION 6.** 59.58 (6) of the statutes, as affected by 2009 Wisconsin Act 28, is
18 repealed.

19 **SECTION 7.** 59.58 (7) (a) 1. of the statutes, as created by 2009 Wisconsin Act 28,
20 is amended to read:

21 59.58 (7) (a) 1. “Authority” Except as used in subd. 2m., “authority” means the
22 southeastern regional transit authority created under this subsection.

23 **SECTION 8.** 59.58 (7) (a) 2m. of the statutes is created to read:

24 59.58 (7) (a) 2m. “Interim regional transit authority” means an authority
25 created under s. 66.1041.

BILL

1 **SECTION 9.** 59.58 (7) (a) 4., 5. and 6. of the statutes are created to read:

2 59.58 (7) (a) 4. “Participating political subdivision” means a political
3 subdivision that has adopted a resolution creating an interim regional transit
4 authority or joining an established interim regional transit authority.

5 5. “Political subdivision” has the meaning given in s. 66.1041 (1) (f).

6 6. “Southeast Wisconsin” has the meaning given in s. 66.1041 (1) (h).

7 **SECTION 10.** 59.58 (7) (b) of the statutes, as created by 2009 Wisconsin Act 28,
8 is amended to read:

9 59.58 (7) (b) There is created the southeastern regional transit authority, a
10 public body corporate and politic and a separate governmental entity, ~~consisting~~
11 that, except as provided in par. (n) 4., consists of the counties and cities of Kenosha,
12 Racine, and Milwaukee. This authority may transact business and exercise any
13 powers granted to it under this subsection. ~~The Except as provided in par. (n) 3., the~~
14 jurisdictional area of this authority is the geographic area formed by the combined
15 territorial boundaries of the counties of Kenosha, Racine, and Milwaukee.

16 **SECTION 11.** 59.58 (7) (c) 1. (intro.) of the statutes, as created by 2009 Wisconsin
17 Act 28, is amended to read:

18 59.58 (7) (c) 1. (intro.) The powers of the authority shall be vested in its board
19 of directors, ~~consisting~~ which, except as provided in par. (n) 5., shall consist of the
20 following members:

21 **SECTION 12.** 59.58 (7) (c) 1. h. and i. of the statutes are created to read:

22 59.58 (7) (c) 1. h. One member from any city with a population of more than
23 60,000, other than a city identified in subd. 1. b., 1. d., or 1. f., that is a participating
24 political subdivision in an interim regional transit authority, appointed by the mayor
25 of the city.

BILL

1 i. One member from any county, other than a county identified in subd. 1. a.,
2 1. c., or 1. e., that is a participating political subdivision in an interim regional transit
3 authority, appointed by the chairperson of the county board.

4 **SECTION 13.** 59.58 (7) (d) of the statutes, as created by 2009 Wisconsin Act 28,
5 is amended to read:

6 59.58 (7) (d) The authority shall have all powers necessary and convenient to
7 plan, create, construct, operate, and manage a KRM commuter rail line. The
8 authority may operate the KRM commuter rail line itself or may contract for a rail
9 service to operate the KRM commuter rail line.

10 **SECTION 14.** 59.58 (7) (e) 2. of the statutes, as created by 2009 Wisconsin Act
11 28, is amended to read:

12 59.58 (7) (e) 2. Retain Except as provided in subd. 3., retain the difference
13 between the amount of the fees imposed under subch. XIII of ch. 77 and the amount
14 of those fees retained under subd. 1. for expenditures related to the KRM commuter
15 rail line, including planning, construction, maintenance, operations, and
16 engineering expenditures.

17 **SECTION 15.** 59.58 (7) (e) 3. of the statutes is created to read:

18 59.58 (7) (e) 3. Provide incentive funds to any interim regional transit authority
19 in compliance with the requirements specified in par. (L). No incentive funds may
20 be provided under this subdivision after December 31, 2011.

21 **SECTION 16.** 59.58 (7) (f) 2. of the statutes, as created by 2009 Wisconsin Act
22 28, is amended to read:

23 59.58 (7) (f) 2. The Except as provided in par. (n) 6., the authority may issue
24 bonds in an aggregate principal amount not to exceed \$50,000,000, ~~excluding bonds~~
25 ~~issued to refund outstanding bonds issued under this subdivision,~~ for the purpose of

BILL

1 providing funds for the anticipated local funding share required for initiating KRM
2 commuter rail line service.

3 **SECTION 17.** 59.58 (7) (f) 4. of the statutes, as created by 2009 Wisconsin Act
4 28, is amended to read:

5 59.58 (7) (f) 4. The bonds of the authority are not a debt of the counties or cities
6 that comprise the authority. Neither these counties, nor cities, nor the state are
7 liable for the payment of the bonds. The bonds of the authority shall be payable only
8 out of funds or properties of the authority. The bonds of the authority shall state the
9 restrictions contained in this subdivision on the face of the bonds.

10 **SECTION 18.** 59.58 (7) (g) of the statutes, as created by 2009 Wisconsin Act 28,
11 is amended to read:

12 59.58 (7) (g) All moneys transferred under s. 59.58 (6) (cg), 2007 stats., shall
13 be used by the authority to assist in the planning of the KRM commuter rail line
14 project.

15 **SECTION 19.** 59.58 (7) (i) of the statutes, as created by 2009 Wisconsin Act 28,
16 is amended to read:

17 59.58 (7) (i) The authority is the only entity in ~~the counties of Milwaukee,~~
18 ~~Racine, and Kenosha~~ southeast Wisconsin that may submit an application for
19 funding to the federal transit administration in the U.S. department of
20 transportation under the federal new starts grant program ~~for funding for the KRM~~
21 ~~commuter rail line.~~ Upon receiving any application for federal funds described in s.
22 66.1041 (5), the authority shall promptly submit the application to the appropriate
23 federal agency for consideration.

24 **SECTION 20.** 59.58 (7) (k) of the statutes is created to read:

BILL

1 59.58 (7) (k) 1. The authority may provide nonfinancial transit assistance to
2 any interim regional transit authority, including reviewing the transit plans of the
3 interim regional transit authority.

4 2. If the authority receives federal or state funding intended to ultimately be
5 received by any interim regional transit authority, the authority shall forward this
6 funding to the intended recipient.

7 3. Upon request from any municipality or county considering the creation of an
8 interim regional transit authority, the authority shall assist the municipality or
9 county in determining the amount of incentive funds under par. (L) that the interim
10 regional transit authority would likely receive after its creation.

11 **SECTION 21.** 59.58 (7) (L) of the statutes is created to read:

12 59.58 (7) (L) 1. From the fees identified in par. (e), the authority may provide
13 incentive funds to interim regional transit authorities. Upon application for
14 incentive funds by an interim regional transit authority, the board of directors of the
15 southeastern regional transit authority shall evaluate the application and provide
16 incentive funding in compliance with the provisions of this subsection and the bylaws
17 of the southeastern regional transit authority.

18 2. The board of directors of the southeastern regional transit authority may not
19 provide incentive funds to an interim regional transit authority in an amount in
20 excess of the total amount of revenue generated by the interim regional transit
21 authority from all sources identified in s. 66.1041 (2) (c) 2. or \$5,000,000, whichever
22 is less.

23 3. In evaluating and awarding incentive funding under this paragraph, the
24 board of directors of the southeastern regional transit authority shall apply uniform

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1 criteria to all applicants. The board shall consider all of the following factors in
2 evaluating applications by interim regional transit authorities for incentive funds:

3 a. The number of participating political subdivisions in the interim regional
4 transit authority.

5 b. All funding sources providing revenue to the interim regional transit
6 authority.

7 c. The long-term transit goals for the interim regional transit authority.

8 d. Whether the interim regional transit authority has satisfied any of the
9 requirements under s. 66.1041 (6) (c) and (d) ahead of schedule.

10 4. The bylaws of the southeastern regional transit authority shall specify a
11 minimum amount of revenue that must be generated by an interim regional transit
12 authority from all sources identified in s. 66.1041 (2) (c) 2. in order to obtain incentive
13 funding under this paragraph.

14 **SECTION 22.** 59.58 (7) (m) of the statutes is created to read:

15 59.58 (7) (m) 1. Beginning on July 1, 2011, from the aids received by the
16 authority under s. 85.20 (4m) (a) 6. e., the authority shall provide incentive funds to
17 interim regional transit authorities to assist interim regional transit authorities in
18 meeting the minimum revenue requirement specified in par. (L) 4.

19 2. The bylaws of the southeastern regional transit authority shall specify a
20 method, which must be uniformly applicable to all interim regional transit
21 authorities, for determining the amount of incentive funding provided under this
22 paragraph. For each interim regional transit authority receiving incentive funding
23 under both this paragraph and par. (L), the proportion of incentive funding under
24 this paragraph to the incentive funding under par. (L) must be uniform in

BILL

1 comparison to all other interim regional transit authorities receiving such incentive
2 funding.

3 **SECTION 23.** 59.58 (7) (n) of the statutes is created to read:

4 59.58 (7) (n) 1. After the department of transportation provides a notice
5 specified in s. 66.1041 (7) (a), the authority shall assist each interim regional transit
6 authority identified in the notice in the winding down process described in s. 66.1041
7 (7) (b), including assisting in the orderly transfer of assets and property to the
8 southeastern regional transit authority.

9 2. a. Within 120 days after the department of transportation provides a notice
10 specified in s. 66.1041 (7) (a), the southeastern regional transit authority shall
11 assume responsibility for providing transit service and transit planning within the
12 jurisdictional area of each interim regional transit authority identified in the notice.
13 In assuming this responsibility, the southeastern regional transit authority shall
14 have available all options for providing transit service that were formerly available
15 to the interim regional transit authority, including those described in s. 66.1041 (4)
16 (a) 1. and (b) 1., and shall impose the taxes under s. 77.708 (1), if the interim regional
17 transit authority identified in the notice imposed the taxes and if the southeastern
18 regional transit authority adopts a resolution to establish the tax rate. The
19 southeastern regional transit authority shall have all powers necessary and
20 convenient to carry out its responsibilities under this subdivision.

21 b. Each time the southeastern regional transit authority adopts a resolution
22 to establish the tax rate, as described in subd. 2. a., it shall deliver a certified copy
23 of the resolution to the department of revenue at least 120 days before its effective
24 date. The authority may, by adoption of a resolution by the board of directors, repeal
25 the imposition of the taxes under s. 77.708 and shall deliver a certified copy of the

BILL

1 repeal resolution to the department of revenue at least 120 days before its effective
2 date.

3 c. Each time the southeastern regional transit authority adopts a resolution as
4 provided in subd. 2. a., it shall specify to the department of revenue the exact
5 boundaries of the authority's jurisdictional area. If the boundaries are other than
6 a county line on any side of the authority's jurisdictional area, the authority shall
7 provide the department with a complete list of all of the 9-digit zip codes that are
8 entirely within the authority's jurisdictional area and a complete list of all the street
9 addresses that are within the authority's jurisdictional area and not included in any
10 9-digit zip code that is entirely within the authority's jurisdictional area. The
11 authority shall provide a certified copy of the information required under this subd.
12 2. c. to the department, in the manner, format, and layout prescribed by the
13 department, at least 120 days prior to the resolution's effective date. If the
14 boundaries of the authority's jurisdictional area subsequently change, the authority
15 shall submit a certified copy of the information required under this subd. 2. c. to the
16 department, in the manner, format, and layout prescribed by the department, at
17 least 120 days prior to the change's effective date.

18 3. a. For all purposes except those specified in subds. 3. b. and c., upon assuming
19 responsibility for transit as provided in subd. 2., the jurisdictional area of the
20 authority shall be the combined jurisdictional areas of all interim regional transit
21 authorities identified in all notices provided by the department of transportation
22 under s. 66.1041 (7) (a).

23 b. For purposes of s. 77.9971 (1), if part but not all of Racine County is included
24 in the jurisdictional area described in subd. 3. a., the authority's jurisdictional area
25 shall include, in addition to the area in subd. 3. a., all of Racine County unless the

BILL

1 board of the authority votes to not impose the fees under subch. XIII of ch. 77 in the
2 part of Racine County that did not become a participating political subdivision in an
3 interim regional transit authority.

4 c. For purposes of imposing the taxes under s. 77.708 (1), the southeastern
5 regional transit authority's jurisdictional area shall not include the jurisdictional
6 area of any interim regional transit authority that did not impose the taxes under
7 s. 77.708 (1) before the department of transportation provided the notice specified in
8 s. 66.1041 (7) (a) identifying that interim regional transit authority.

9 4. After the department of transportation provides any notice specified in s.
10 66.1041 (7) (a), the southeastern regional transit authority consists of the
11 participating political subdivisions of all interim regional transit authorities
12 identified in that notice and identified in any prior notice provided by the department
13 under s. 66.1041 (7) (a). If Racine County was not a participating political
14 subdivision of an interim regional transit authority at the time that the department
15 of transportation provided the notice specified in s. 66.1041 (7) (a) identifying an
16 interim regional transit authority with participating political subdivisions located
17 in Racine County, Racine County may subsequently join the southeastern regional
18 transit authority if the governing body of Racine County adopts a resolution to join
19 the authority and the board of directors of the authority approves. The bylaws of the
20 authority shall specify the necessary contents of such a resolution.

21 5. After the department of transportation provides the first notice specified in
22 s. 66.1041 (7) (a), all of the following apply with respect to the authority's board of
23 directors:

BILL

1 a. If any member of the board of directors described in par. (c) 1. a. to g. is from
2 a political subdivision that is not a participating political subdivision in an interim
3 regional transit authority, the board of directors may vote to remove that member.

4 b. Any member of the board of directors described in par. (c) 1. a. to g. that is
5 from a political subdivision which is not a participating political subdivision in an
6 interim regional transit authority, and that has not been removed under subd. 5. a.,
7 is limited to voting on issues directly related to the KRM commuter rail line.

8 6. After the department of transportation provides the first notice specified in
9 s. 66.1041 (7) (a), in addition to the authorization under par. (f) 2., the authority may
10 use bond proceeds from the bonds issued under par. (f) for the construction of new
11 capital improvements to the authority's transit system or for the acquisition of
12 existing transit systems.

13 **SECTION 24.** 66.0301 (1) (a) of the statutes, as affected by 2009 Wisconsin Act
14 28, is amended to read:

15 66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section
16 "municipality" means the state or any department or agency thereof, or any city,
17 village, town, county, school district, public library system, public inland lake
18 protection and rehabilitation district, sanitary district, farm drainage district,
19 metropolitan sewerage district, sewer utility district, solid waste management
20 system created under s. 59.70 (2), local exposition district created under subch. II of
21 ch. 229, local professional baseball park district created under subch. III of ch. 229,
22 local professional football stadium district created under subch. IV of ch. 229, local
23 cultural arts district created under subch. V of ch. 229, transit authority created
24 under s. 66.1039 or 66.1041 and the southeastern regional transit authority under
25 s. 59.58 (7) to the extent it is the successor under s. 66.1041 (7) (b) to a transit

BILL**SECTION 24**

1 authority created under s. 66.1041, long-term care district under s. 46.2895, water
2 utility district, mosquito control district, municipal electric company, county or city
3 transit commission, commission created by contract under this section, taxation
4 district, regional planning commission, or city-county health department.

5 **SECTION 25.** 66.0615 (1) (a) of the statutes is renumbered 66.0615 (1) (ah).

6 **SECTION 26.** 66.0615 (1) (ad) of the statutes is created to read:

7 66.0615 (1) (ad) “Authority” has the meaning given in s. 66.1041 (1) (a) for an
8 interim regional transit authority.

9 **SECTION 27.** 66.0615 (1) (ge) of the statutes is created to read:

10 66.0615 (1) (ge) “Transit authority” has the meaning given in s. 59.58 (7) (a)
11 1. for the southeastern regional transit authority.

12 **SECTION 28.** 66.0615 (1m) (a) of the statutes is amended to read:

13 66.0615 (1m) (a) The governing body of a municipality may enact an
14 ordinance,; and a district, under par. (e), an authority under par. (ee), and a transit
15 authority under par. (em), may adopt a resolution,; imposing a tax on the privilege
16 of furnishing, at retail, except sales for resale, rooms or lodging to transients by
17 hotelkeepers, motel operators and other persons furnishing accommodations that
18 are available to the public, irrespective of whether membership is required for use
19 of the accommodations. A tax imposed under this paragraph is not subject to the
20 selective sales tax imposed by s. 77.52 (2) (a) 1. and may not be imposed on sales to
21 the federal government and persons listed under s. 77.54 (9a). A tax imposed under
22 this paragraph by a municipality shall be paid to the municipality and may be
23 forwarded to a commission if one is created under par. (c), as provided in par. (d).
24 Except as provided in par. (am), a tax imposed under this paragraph by a
25 municipality may not exceed ~~8%~~ 8 percent. Except as provided in par. (am), if a tax

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1 greater than ~~8%~~ 8 percent under this paragraph is in effect on May 13, 1994, the
2 municipality imposing the tax shall reduce the tax to ~~8%~~ 8 percent, effective on
3 June 1, 1994.

4 **SECTION 29.** 66.0615 (1m) (ee) of the statutes is created to read:

5 66.0615 **(1m)** (ee) 1. An authority may adopt a resolution imposing a room tax
6 under par. (a) in an amount not to exceed 8 percent of total room charges. A room
7 tax imposed by an authority under this subdivision applies within the authority's
8 jurisdiction, as specified in s. 66.1041 (2) (d), and the proceeds of the tax may be used
9 for any lawful purpose of the authority.

10 2. An authority adopting a resolution to impose the taxes under subd. 1. shall
11 deliver a certified copy of the resolution to the secretary of revenue at least 120 days
12 before its effective date.

13 3. The department of revenue shall administer the tax that is imposed under
14 par. (a) by an authority and may take any action, conduct any proceeding, and impose
15 interest and penalties. Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (3),
16 (4), (13), (14), (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60,
17 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
18 subch. III of ch. 77, apply to the tax described under subd. 1.

19 4. From the appropriation under s. 20.835 (4) (gg), the department of revenue
20 shall distribute 97.45 percent of the taxes collected under this paragraph for each
21 authority to that authority and shall indicate to the authority the taxes reported by
22 each taxpayer in that authority, no later than the end of the month following the end
23 of the calendar quarter in which the amounts were collected. The taxes distributed
24 shall be increased or decreased to reflect subsequent refunds, audit adjustments,
25 and all other adjustments. Interest paid on refunds of the tax under this paragraph

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1 shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60
2 (1) (a). Any authority that receives a report along with a payment under this
3 subdivision or subd. 3. is subject to the duties of confidentiality to which the
4 department of revenue is subject under s. 77.61 (5).

5 **SECTION 30.** 66.0615 (1m) (em) of the statutes is created to read:

6 66.0615 **(1m)** (em) 1. Following the completion of a winding down, dissolution,
7 and transition process described in s. 66.1041 (7), and a transit authority becoming
8 the successor to the authorities that were created under s. 66.1041 and that have
9 been identified in a notice under s. 66.1041 (7) (a), and following a transit authority's
10 assumption of responsibility for providing transit service and transit planning as
11 described in s. 59.58 (7) (n) 2., a transit authority may adopt a resolution imposing
12 a room tax under par. (a) in an amount not to exceed 8 percent of total room charges.
13 A room tax imposed by a transit authority under this subdivision applies within the
14 authority's jurisdiction, as specified in subd. 2., and the proceeds of the tax may be
15 used for any lawful purpose of the transit authority.

16 2. a. For all purposes except those specified in subd. 2. b., upon assuming
17 responsibility for transit service and transit planning as described in subd. 1., the
18 jurisdictional area of the transit authority shall be the combined jurisdictional areas
19 of all authorities identified in any notice provided by the department of
20 transportation under s. 66.1041 (7) (a).

21 b. For purposes of imposing the taxes under this paragraph, the transit
22 authority's jurisdictional area shall not include the jurisdictional area of any
23 authority that did not impose the taxes under par. (ee) before the department of
24 transportation provided the notice specified in s. 66.1041 (7) (a) identifying that
25 authority.

BILL

1 3. Each time the transit authority adopts a resolution to impose the taxes under
2 subd. 1., it shall deliver a certified copy of the resolution to the secretary of revenue
3 at least 120 days before its effective date. Each time the transit authority adopts a
4 resolution as provided in subd. 1., it shall specify to the department of revenue the
5 exact boundaries of the transit authority's jurisdictional area. If the boundaries are
6 other than a county line on any side of the transit authority's jurisdictional area, the
7 transit authority shall provide the department with a complete list of all of the
8 9-digit zip codes that are entirely within the transit authority's jurisdictional area
9 and a complete list of all the street addresses that are within the transit authority's
10 jurisdictional area and not included in any 9-digit zip code that is entirely within the
11 transit authority's jurisdictional area. The transit authority shall provide a certified
12 copy of the information required under this subdivision to the department, in the
13 manner, format, and layout prescribed by the department, at least 120 days prior to
14 the resolution's effective date. If the boundaries of the transit authority's
15 jurisdictional area subsequently change, the transit authority shall submit a
16 certified copy of the information required under this subdivision to the department,
17 in the manner, format, and layout prescribed by the department, at least 120 days
18 prior to the change's effective date.

19 4. Paragraph (ee) 3. and 4., to the extent that it applies to the tax under that
20 paragraph, applies to the tax under this paragraph.

21 **SECTION 31.** 66.0903 (1) (d) of the statutes, as affected by 2009 Wisconsin Act
22 28, is amended to read:

23 66.0903 (1) (d) "Local governmental unit" means a political subdivision of this
24 state, a special purpose district in this state, an instrumentality or corporation of
25 such a political subdivision or special purpose district, a combination or subunit of

BILL

1 any of the foregoing or an instrumentality of the state and any of the foregoing.
2 “Local governmental unit” includes a regional transit authority created under s.
3 66.1039, an interim regional transit authority created under s. 66.1041, and the
4 southeastern regional transit authority created under s. 59.58 (7).

5 **SECTION 32.** 66.1041 of the statutes is created to read:

6 **66.1041 Interim regional transit authorities. (1) DEFINITIONS.** In this
7 section:

8 (a) Except as used in par. (g), “authority” means an interim regional transit
9 authority created under this section.

10 (b) “Comprehensive unified local transit system” means a transit system that
11 is comprised of motor bus lines and any other local public transit facilities, the major
12 portion of which is located within, or the major portion of the service of which is
13 supplied to the inhabitants of, the jurisdictional area of the authority.

14 (c) “Department” means the department of transportation.

15 (d) “Municipality” means any city, village, or town.

16 (e) “Participating political subdivision” means a political subdivision that has
17 adopted a resolution creating an authority or joining an established authority under
18 this section.

19 (f) “Political subdivision” means a municipality or county.

20 (g) “Southeastern regional transit authority” means the southeastern regional
21 transit authority created under s. 59.58 (7).

22 (h) “Southeast Wisconsin” means the geographical area comprising the
23 counties of Kenosha, Milwaukee, Ozaukee, Washington, Racine, and Waukesha.

24 (i) “Transit system” means all land, shops, structures, equipment, property,
25 franchises, and rights of whatever nature required for transit of passengers within

BILL

1 the jurisdictional area of the authority and outside the jurisdictional area of the
2 authority. “Transit system” includes motor buses, fixed guideway transit,
3 ridesharing, specialized transportation, motor vehicles, elevated railroads,
4 subways, underground railroads, and any combination thereof, and any other form
5 of mass transit, but does not include transportation excluded from the definition of
6 “common motor carrier” under s. 194.01 (1), charter or contract operations to, from,
7 or between points that are outside the jurisdictional area of the authority, or travel
8 by aircraft flight.

9 **(2) CREATION OF AUTHORITY.** (a) Subject to pars. (e) and (f), the governing body
10 of a political subdivision in southeast Wisconsin may, by resolution, create an
11 authority consisting of the political subdivision or may join together with one or more
12 other political subdivisions to jointly create, by adopting identical resolutions, an
13 authority. An authority created under this section is a public body corporate and
14 politic and shall be known as an “interim regional transit authority.” The authority
15 may transact business and exercise any powers granted to it under this section.

16 (b) 1. Subject to par. (f), and except as provided in subd. 2., if an authority has
17 been created under par. (a), a political subdivision may join the authority if the
18 governing body of the political subdivision adopts a resolution identical to the
19 existing resolutions of the authority’s participating political subdivisions or, if the
20 authority is created by a single political subdivision, identical to the existing
21 resolution of the authority’s participating political subdivision, and if the authority’s
22 board of directors adopts a resolution allowing the political subdivision to join the
23 authority. For purposes of determining whether a resolution adopted under this
24 subdivision is identical to an existing resolution of the authority, both the resolutions

BILL

1 adopted under par. (a) to create the authority and any modifications to those
2 resolutions under par. (g) shall be considered.

3 2. The resolution of a political subdivision adopted under subd. 1. may differ
4 from each existing resolution by specifying what the composition of the authority's
5 board of directors will be after the political subdivision has joined the authority, but
6 this resolution must be consistent with the authority's bylaws as described in sub.
7 (3) (b) 3. If the authority's board of directors thereafter adopts a resolution allowing
8 the political subdivision to join the authority, the board of directors thereby agrees
9 to the new composition of the authority's board of directors specified in the resolution
10 of the joining political subdivision and any existing resolution is considered modified
11 under par. (g) 2. to reflect this new board composition.

12 (c) Any resolution creating an authority under par. (a) or joining an authority
13 under par. (b) shall specify all of the following:

14 1. Subject to sub. (3) (b), the composition of the authority's board of directors
15 and other matters relating to the selection, terms, and duties of the board of
16 directors.

17 2. All revenue sources on which the authority will rely for funding and the
18 minimum amount of revenue that the authority will commit to satisfy the revenue
19 requirements for the authority specified in this section.

20 (d) The jurisdictional area of an authority is the geographic area formed by the
21 combined territorial boundaries of all participating political subdivisions of the
22 authority. If the authority includes a county as a participating political subdivision,
23 the jurisdictional area of the authority is the territorial boundaries of the county.

24 (e) An authority may be created under par. (a) only if all of the following apply:

BILL

1 1. At least one of the political subdivisions creating the authority operated a
2 transit system receiving funding under s. 85.20 on the effective date of this
3 subdivision [LRB inserts date].

4 2. The political subdivision or political subdivisions creating the authority
5 commit to provide funding for the authority, upon creation, in an amount of at least
6 the political subdivision's property tax levy contribution to transit as of one year prior
7 to the effective date of this subdivision [LRB inserts date], and also make a
8 commitment that the authority, after creation, will meet the revenue requirements
9 specified in sub. (6) through one or more of the revenue sources identified in par. (c)
10 2.

11 (f) An authority may not include more than one county. An authority may not
12 include municipalities located in different counties.

13 (g) 1. Subject to subds. 2. and 3., if an authority has been created under this
14 subsection, the participating political subdivisions of the authority may amend or
15 modify their resolutions creating or joining the authority if, after any amendment or
16 modification, the resolutions of all participating political subdivisions of the
17 authority remain identical and continue to satisfy the requirements under this
18 subsection.

19 2. If a political subdivision joins an authority under par. (b), the participating
20 political subdivisions of the authority may amend or modify their existing
21 resolutions to accomplish any changes necessary to reflect the addition of the new
22 political subdivision to the authority, including any changes to the composition of the
23 authority's board of directors. In lieu of expressly amending or modifying their
24 existing resolutions, the participating political subdivisions of the authority may
25 also effect changes to the composition of the authority's board of directors, in

BILL

1 connection with the addition of a new political subdivision to the authority, by means
2 of the approval process specified in par. (b) 2., in which case the existing resolutions
3 of the participating political subdivisions are considered modified to reflect the new
4 composition of the authority's board of directors.

5 3. In lieu of expressly amending or modifying the existing resolutions of the
6 participating political subdivisions of an authority to reflect changes to the revenue
7 sources specified in par. (c) 2., these changes to the revenue sources relied upon may
8 be made by a vote of the authority's board of directors if, after the changes, the
9 authority continues to satisfy the revenue requirements specified in sub. (6). After
10 such a vote, the existing resolutions of the participating political subdivisions are
11 considered modified to reflect the change in revenue sources.

12 **(3) GOVERNANCE OF AUTHORITY.** (a) The powers of an authority shall be vested
13 in its board of directors. A majority of the board of directors' full authorized
14 membership constitutes a quorum for the purpose of conducting the authority's
15 business and exercising its powers. Action may be taken by the board of directors
16 upon a vote of a majority of the directors present and voting, unless the bylaws of the
17 authority require a larger number.

18 (b) The board of directors of an authority shall be determined as provided in
19 resolutions creating the authority under sub. (2) (a) or joining an existing authority
20 under sub. (2) (b) except that all of the following shall apply:

21 1. The board of directors shall consist of at least 5 members and not more than
22 9 members.

23 2. The board of directors shall include at least one member from the authority's
24 jurisdictional area, appointed by the governor.

BILL

1 3. Subject to subds. 1. and 2., the bylaws of the authority shall specify a
2 procedure and guidelines for changing board membership upon the joinder of a
3 political subdivision under sub. (2) (b).

4 4. Notwithstanding subds. 1. to 3., the board of directors of an authority that
5 includes Milwaukee County shall consist of the following members:

6 a. Two members from the authority's jurisdictional area, appointed by the
7 Milwaukee County board chairperson.

8 b. One member from that portion of the authority's jurisdictional area that is
9 outside the city of Milwaukee, appointed by the Milwaukee County board
10 chairperson.

11 c. One member, appointed by the mayor of the city of Milwaukee.

12 d. One member from the authority's jurisdictional area, appointed by the
13 governor.

14 **(4) AUTHORITY POWERS AND DUTIES.** (a) Notwithstanding s. 59.84 (2) and any
15 other provision of this chapter or ch. 59 or 85, an authority shall do all of the
16 following:

17 1. Provide, or contract with existing transit providers for the provision of,
18 transit service within the authority's jurisdictional area, except that an authority
19 that includes Milwaukee County shall contract with the Milwaukee County board
20 for the authority to provide transit service in Milwaukee County.

21 2. Provide transit planning within the authority's jurisdictional area. Each
22 transit plan of the authority shall be submitted to the southeastern regional transit
23 authority.

BILL

1 (b) Notwithstanding s. 59.84 (2) and any other provision of this chapter or ch.
2 59 or 85, in addition to the duties specified in par. (a), an authority may do any of the
3 following:

4 1. Acquire a comprehensive unified local transit system by entering into a
5 transfer agreement with the owner of the system.

6 2. Subject to sub. (5), apply for and utilize state and federal funds.

7 **(5) FEDERAL AND STATE AID; INCENTIVE FUNDS.** Any application by an authority
8 for federal or state funding shall first be submitted to the southeastern regional
9 transit authority, which shall then provide the application to the appropriate federal
10 or state agency. If the application results in the receipt of any federal or state funds,
11 those federal or state funds shall first be received by the southeastern regional
12 transit authority, which shall then forward the funds to the authority that provided
13 the application.

14 **(6) AUTHORITY REVENUE REQUIREMENTS.** (a) An authority may generate revenue
15 by doing any of the following:

16 1. Imposing a local vehicle registration fee under s. 341.35.

17 2. Levying a hotel tax.

18 3. a. Imposing, by the adoption of a resolution by the board of directors, the
19 taxes under s. 77.708, except that no authority may adopt such a resolution until a
20 referendum is held in the authority's jurisdictional area on the question of whether
21 the authority may impose the taxes under s. 77.708 and the referendum is decided
22 in the affirmative. For purposes of an authority that has Milwaukee County as the
23 boundaries of its jurisdictional area, the referendum for imposing sales and use taxes
24 for transit purposes that was approved in 2009 in Milwaukee County satisfies the
25 referendum requirement of this subd. 3. a. If an authority adopts a resolution to

BILL

1 impose the taxes, it shall deliver a certified copy of the resolution to the department
2 of revenue at least 120 days before its effective date. The authority may, by adoption
3 of a resolution by the board of directors, repeal the imposition of the taxes under s.
4 77.708 and shall deliver a certified copy of the repeal resolution to the department
5 of revenue at least 120 days before its effective date.

6 b. If the authority adopts a resolution as provided in subd. 3. a., it shall specify
7 to the department of revenue the exact boundaries of the authority's jurisdictional
8 area. If the boundaries are the same as the county lines on all sides of the authority's
9 jurisdictional area, the resolution shall specify the county or counties that comprise
10 the authority's entire jurisdictional area. If the boundaries are other than a county
11 line on any side of the authority's jurisdictional area, the authority shall provide the
12 department with a complete list of all the 9-digit zip codes that are entirely within
13 the authority's jurisdictional area and a complete list of all the street addresses that
14 are within the authority's jurisdictional area and not included in any 9-digit zip code
15 that is entirely within the authority's jurisdictional area. The authority shall
16 provide a certified copy of the information required under this subd. 3. b. to the
17 department, in the manner, format, and layout prescribed by the department, at
18 least 120 days prior to the resolution's effective date. If the boundaries of the
19 authority's jurisdictional area subsequently change, the authority shall submit a
20 certified copy of the information required under this subd. 3. b. to the department,
21 in the manner, format, and layout prescribed by the department, at least 120 days
22 prior to the change's effective date.

23 c. If the authority adopts a resolution as provided in subd. 3. a., beginning with
24 the year in which the resolution is adopted, no participating political subdivision
25 may levy property taxes for transit in an amount exceeding 50 percent of the amount

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1 of the taxes under s. 77.708 that the authority allocates to the participating political
2 subdivision for the year for which the property taxes are levied, based on the amount
3 of the taxes under s. 77.708 that the department of revenue estimates it will collect
4 for the authority for that year. This subd. 3. c. does not apply to the year in which
5 the resolution is adopted if the resolution is adopted after the participating political
6 subdivision establishes its property tax levy for transit.

7 4. Charging a membership fee to the participating political subdivisions of the
8 authority.

9 (b) An authority shall generate revenue equal to the amount required by pars.
10 (c) and (d). This minimum revenue requirement may be met through funding from
11 one or a combination of revenue sources identified by resolution under sub. (2) (c) 2.,
12 including any revenue option under par. (a).

13 (c) 1. Within 2 years after the creation of an authority, the authority shall
14 generate revenue sufficient to offset a 30 percent reduction in passenger fare
15 revenues resulting from transit operations or to provide a 2 percent increase in
16 transit service, or a combination of both, as compared with passenger fare revenues
17 and transit service as of the time that the authority was created.

18 2. Within 4 years after the creation of an authority, the authority shall generate
19 revenue sufficient to offset a 60 percent reduction in passenger fare revenues
20 resulting from transit operations or to provide a 4 percent increase in transit service,
21 or a combination of both, as compared with passenger fare revenues and transit
22 service as of the time that the authority was created.

23 3. For purposes of this paragraph, a 15 percent reduction in passenger fare
24 revenues is equivalent to a 1 percent increase in transit service, and increases in

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1 transit service may be calculated by the increase in either transit service miles or
2 transit service hours.

3 4. Every 2 years after an authority is created under this section, the
4 department shall determine and certify whether the authority has met the
5 requirements specified in this paragraph. In making this determination, the
6 department shall calculate, and make publicly available, the dollar amount of the
7 passenger fare revenue reductions and the transit service mile or hour increases that
8 would be necessary for the authority to satisfy the requirements under subds. 1. and
9 2. In making its calculation and determination under this subdivision, the
10 department shall consider whether, and make allowances for the fact that, any
11 municipality or county joined the authority under sub. (2) (a) after its initial creation.

12 (d) 1. Within 6 years after the creation of an authority, in addition to continuing
13 to satisfy the requirements specified in par. (c), the authority shall improve the
14 interconnectivity of its transit system by linking with other modes of transportation
15 and improving cross-county links.

16 2. The department shall, by rule, establish criteria for determining whether an
17 authority has satisfied the requirement under subd. 1.

18 3. The department shall determine and certify whether an authority has
19 satisfied the requirement specified in subd. 1.

20 (e) 1. Subject to subd. 3., if an authority does not meet the requirements
21 specified in pars. (c) 1. and 2. and (d) within the time limits specified in those
22 provisions, the authority is not eligible for incentive funding provided under s. 59.58
23 (7) (L) or (m).

24 2. Subject to subd. 3., if an authority does not meet the requirements specified
25 in pars. (c) 1. and 2. and (d) within 2 years after the time limits specified in those

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1 provisions, the authority shall be dissolved and responsibility for providing transit
2 service and transit planning, as well as all assets, liabilities, rights, and obligations
3 of the authority, shall revert to the participating political subdivisions of the
4 authority.

5 3. If any municipality or county joins an authority under sub. (2) (b) after its
6 initial creation, the department may make allowances for this fact, including
7 delaying or suspending the penalties under subds. 1. and 2. for failure to meet the
8 requirements specified in pars. (c) 1. and 2. and (d).

9 **(7) SUNSET AND TRANSITION.** (a) When 3 authorities created under this section
10 have been certified by the department under sub. (6) (d) 3. as having satisfied the
11 requirement specified in sub. (6) (d) 1., the department shall provide notice of this
12 fact to every authority created under this section, specifically identifying these 3
13 authorities, and this notice shall be considered the department's first notice under
14 this paragraph. If any authority created under this section is subsequently certified
15 by the department under sub. (6) (d) 3. as having satisfied the requirement specified
16 in subd. (6) (d) 1., the department shall provide notice of this fact to the southeastern
17 regional transit authority and to every authority created under this section,
18 specifically identifying the authority that has been subsequently certified.

19 (b) Upon receiving a notice specified in par. (a), each authority identified in the
20 notice shall begin the process of winding down and dissolving, including taking those
21 actions specified in this subsection, and shall complete this process no later than 120
22 days after receiving the notice. Notwithstanding sub. (4), upon receiving a notice
23 specified in par. (a), the duties of each authority identified in the notice shall be
24 limited to winding down and dissolving the authority and facilitating the transition
25 described in this paragraph. The board of directors of the authority shall assist in

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1 good faith in the transition from the authority to the southeastern regional transit
2 authority. The southeastern regional transit authority shall be considered the
3 successor to an authority created under this section and wound down under this
4 paragraph. As part of the authority's winding down process, all of the following shall
5 occur:

6 1. The assets and liabilities of the authority shall become the assets and
7 liabilities of the southeastern regional transit authority.

8 2. All tangible personal property, including records, of the authority shall be
9 transferred to the southeastern regional transit authority.

10 3. All contracts entered into by the authority, in effect at the time of winding
11 down the authority, remain in effect and are transferred to the southeastern regional
12 transit authority. The southeastern regional transit authority shall carry out any
13 obligations under such a contract until the contract is modified or rescinded by the
14 southeastern regional transit authority to the extent allowed under the contract.

15 (c) Any authority identified in a notice under par. (a) terminates on the 120th
16 day after the authority receives that notice.

17 **SECTION 33.** 70.11 (2) of the statutes, as affected by 2009 Wisconsin Act 28, is
18 amended to read:

19 70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.
20 Property owned by any county, city, village, town, school district, technical college
21 district, public inland lake protection and rehabilitation district, metropolitan
22 sewerage district, municipal water district created under s. 198.22, joint local water
23 authority created under s. 66.0823, transit authority created under s. 59.58 (7) or,
24 66.1039, or 66.1041, long-term care district under s. 46.2895 or town sanitary
25 district; lands belonging to cities of any other state used for public parks; land

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1 tax-deeded to any county or city before January 2; but any residence located upon
2 property owned by the county for park purposes that is rented out by the county for
3 a nonpark purpose shall not be exempt from taxation. Except as to land acquired
4 under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after
5 August 17, 1961, to any such governmental unit or for its benefit while the grantor
6 or others for his or her benefit are permitted to occupy the land or part thereof in
7 consideration for the conveyance. Leasing the property exempt under this
8 subsection, regardless of the lessee and the use of the leasehold income, does not
9 render that property taxable.

10 **SECTION 34.** 71.26 (1) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
11 is amended to read:

12 71.26 (1) (b) *Political units.* Income received by the United States, the state
13 and all counties, cities, villages, towns, school districts, technical college districts,
14 joint local water authorities created under s. 66.0823, transit authorities created
15 under s. 59.58 (7) ~~or~~ 66.1039, or 66.1041, long-term care districts under s. 46.2895
16 or other political units of this state.

17 **SECTION 35.** 77.54 (9a) (er) of the statutes, as created by 2009 Wisconsin Act
18 28, is amended to read:

19 77.54 (9a) (er) Any transit authority created under s. 59.58 (7) ~~or~~ 66.1039, or
20 66.1041.

21 **SECTION 36.** 77.708 (1) of the statutes, as affected by 2009 Wisconsin Act 28,
22 is amended to read:

23 77.708 (1) A transit authority created under s. 59.58, 66.1039, or 66.1041, by
24 resolution under s. 59.58 (7) (n) 2., 66.1039 (4) (s), or 66.1041 (6) (a) 3., respectively,
25 may impose a sales tax and a use tax under this subchapter at a rate not to exceed

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1 0.5 percent of the sales price or purchase price. Those taxes may be imposed only in
2 their entirety. The resolution shall be effective on the first day of the first calendar
3 quarter that begins at least 120 days after the adoption of the resolution.

4 **SECTION 37.** 77.708 (2) of the statutes, as created by 2009 Wisconsin Act 28, is
5 amended to read:

6 77.708 (2) Retailers and the department of revenue may not collect a tax under
7 sub. (1) for any transit authority created under s. 59.58, 66.1039, or 66.1041, after
8 the calendar quarter during which the transit authority adopts a repeal resolution
9 under s. 59.58 (7) (n) 2., 66.1039 (4) (s), or 66.1041 (6) (a) 3., respectively, except that
10 the department of revenue may collect from retailers taxes that accrued before such
11 calendar quarter and fees, interest, and penalties that relate to those taxes.

12 **SECTION 38.** 77.9971 (1) of the statutes, as affected by 2009 Wisconsin Act 28,
13 is amended to read:

14 77.9971 (1) The southeastern regional transit authority under s. 59.58 (7) may
15 impose a fee at a rate not to exceed \$18, as adjusted under sub. (2), for each
16 transaction in the authority's jurisdictional area, as described in s. 59.58 (7) (b) and
17 (n) 3., on the rental, but not for rental and not for rental as a service or repair
18 replacement vehicle, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by
19 establishments primarily engaged in short-term rental of passenger cars without
20 drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax
21 under s. 77.54 (1), (4), (7) (a), (7m), (9), or (9a). The fee imposed under this subchapter
22 shall be effective on the first day of the first month that begins at least 90 days after
23 the board of directors of the southeastern regional transit authority approves the
24 imposition of the fee and notifies the department of revenue. The board of directors

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1 shall notify the department of a repeal of the fee imposed under this subchapter at
2 least 60 days before the effective date of the repeal.

3 **SECTION 39.** 79.03 (3) (b) 4. a. of the statutes is amended to read:

4 79.03 (3) (b) 4. a. “Local general purpose taxes” means the portion of tax
5 increments collected for payment to a municipality under s. 66.1105 which is
6 attributable to that municipality’s own levy, the portion of environmental
7 remediation tax increments collected for payment to a municipality or county under
8 s. 66.1106 that is attributable to that municipality’s or county’s own levy, general
9 property taxes, excluding taxes for a county children with disabilities education
10 board, collected to finance the general purpose government unit, property taxes
11 collected for sewage and sanitary districts, monthly municipal permit fees under s.
12 66.0435 (3), the proceeds of county sales and use taxes, and ~~municipal and county~~
13 local vehicle registration fees under s. 341.35 (1).

14 **SECTION 40.** 85.063 (3) (b) 1. of the statutes, as affected by 2009 Wisconsin Act
15 28, is amended to read:

16 85.063 (3) (b) 1. Upon completion of a planning study under sub. (2), or, to the
17 satisfaction of the department, of a study under s. 85.022, a political subdivision in
18 a county, or a transit authority created under s. 66.1039 or 66.1041 and the
19 southeastern regional transit authority under s. 59.58 (7) to the extent it is the
20 successor under s. 66.1041 (7) (b) to a transit authority created under s. 66.1041, that
21 includes the urban area may apply to the department for a grant for property
22 acquisition for an urban rail transit system.

23 **SECTION 41.** 85.064 (1) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
24 is amended to read:

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1 85.064 (1) (b) “Political subdivision” means any city, village, town, county,
2 transit commission organized under s. 59.58 (2) or 66.1021 or recognized under s.
3 66.0301, or transit authority created under s. 66.1039 or 66.1041 within this state
4 or the southeastern regional transit authority under s. 59.58 (7).

5 **SECTION 42.** 85.11 (1) (a) of the statutes, as created by 2009 Wisconsin Act 28,
6 is amended to read:

7 85.11 (1) (a) “Eligible applicant” means the southeastern regional transit
8 authority under s. 59.58 (7) or an interim regional transit authority created under
9 s. 66.1041.

10 **SECTION 43.** 85.20 (4m) (a) 6. e. of the statutes, as created by 2009 Wisconsin
11 Act 28, is amended to read:

12 85.20 (4m) (a) 6. e. From the appropriation under s. 20.395 (1) (hw), the
13 department may pay the uniform percentage for each eligible applicant for a planned
14 commuter or light rail system that has been enumerated under s. 85.062 (3) and for
15 making payments under s. 59.58 (7) (m). An eligible applicant may not receive aid
16 under subd. 6. cm. or d., 7., or 8. for a commuter rail or light rail transit system.

17 **SECTION 44.** 111.70 (1) (j) of the statutes, as affected by 2009 Wisconsin Act 28,
18 is amended to read:

19 111.70 (1) (j) “Municipal employer” means any city, county, village, town,
20 metropolitan sewerage district, school district, long-term care district, transit
21 authority under s. 59.58 (7) ~~or~~ 66.1039, or 66.1041, or any other political subdivision
22 of the state, or instrumentality of one or more political subdivisions of the state, that
23 engages the services of an employee and includes any person acting on behalf of a
24 municipal employer within the scope of the person’s authority, express or implied,

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1 but specifically does not include a local cultural arts district created under subch. V
2 of ch. 229.

3 **SECTION 45.** 341.35 (title) of the statutes is amended to read:

4 **341.35** (title) ~~Municipal or county~~ **Local vehicle registration fee.**

5 **SECTION 46.** 341.35 (1) of the statutes is amended to read:

6 **341.35 (1)** ANNUAL REGISTRATION FEE. In this section “municipality” means a
7 town, village or city and “motor vehicle” means an automobile or motor truck
8 registered under s. 341.25 (1) (c) at a gross weight of not more than 8,000 pounds.
9 Subject to sub. (9), in this section “authority” means an interim regional transit
10 authority created under s. 66.1041. The governing body of a municipality or county
11 may enact an ordinance imposing an annual flat municipal or county registration fee
12 on all motor vehicles registered in this state which are customarily kept in the
13 municipality or county. The board of directors of an authority may adopt a resolution
14 imposing an annual flat registration fee on all motor vehicles registered in this state
15 which are customarily kept in the jurisdictional area of the authority. A registration
16 fee imposed under this section shall be in addition to state registration fees.

17 **SECTION 47.** 341.35 (2) (intro.) of the statutes is amended to read:

18 **341.35 (2)** EXEMPTIONS. (intro.) The following vehicles are exempt from any
19 ~~municipal or county~~ **local** vehicle registration fee under this section:

20 **SECTION 48.** 341.35 (3m) of the statutes is amended to read:

21 **341.35 (3m)** ~~COUNTY AND MUNICIPAL~~ **MULTIPLE LOCAL** FEES. If a municipality and
22 the county in which the municipality is located enact ordinances under this section,
23 a motor vehicle customarily kept in the municipality shall be subject to a municipal
24 registration fee and a county registration fee. If an authority imposes a local

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1 registration fee under this section, this fee is in addition to any local registration fee
2 imposed by a municipality or county under this section.

3 **SECTION 49.** 341.35 (4) of the statutes is amended to read:

4 341.35 (4) NOTICE OF FEES. The governing body of a municipality or county
5 ~~which enacts a municipal or county, and the board of directors of an authority, that~~
6 imposes a local vehicle registration fee under this section shall notify the department
7 that it has so elected and report the amount of such fee. The municipality ~~or~~ county,
8 ~~or authority~~ shall report any change in such amount to the department. The
9 notification shall be made at the time and in the form prescribed by the department.

10 **SECTION 50.** 341.35 (5) of the statutes is amended to read:

11 341.35 (5) PAYMENT OF FEES. At the time a motor vehicle is first registered or
12 at the time of registration renewal, the applicant shall pay to the department any fee
13 imposed by a county ~~or~~ municipality, or authority under this section in addition to
14 fees required under this chapter.

15 **SECTION 51.** 341.35 (6) of the statutes is amended to read:

16 341.35 (6) DEPARTMENT TO REMIT FEES TO ~~MUNICIPALITIES AND COUNTIES.~~
17 Beginning July 1, 1984, and annually thereafter, the department shall remit those
18 moneys collected under this section, less administrative costs under sub. (6m), to any
19 municipality ~~or~~ county ~~which,~~ or authority that has imposed a fee under this section.
20 The department may by rule provide that the moneys be remitted at more frequent
21 intervals if the department deems it advisable.

22 **SECTION 52.** 341.35 (6r) of the statutes is amended to read:

23 341.35 (6r) USE OF FEE PROCEEDS. Any municipality ~~or~~ county, or authority
24 receiving moneys under sub. (6) shall use the moneys only for transportation related
25 purposes.

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1 **SECTION 53.** 341.35 (7) of the statutes is amended to read:

2 341.35 (7) **REPLACEMENTS.** No ~~municipal or county~~ local vehicle registration fee
3 may be imposed on a motor vehicle which is a replacement for a motor vehicle for
4 which a current ~~municipal or county~~ local vehicle registration fee has been paid.

5 **SECTION 54.** 341.35 (9) of the statutes is created to read:

6 341.35 (9) **REGIONAL TRANSIT AUTHORITY TRANSITION.** If the department provides
7 any notice specified in s. 66.1041 (7) (a), all of the following apply:

8 (a) “Authority” in this section shall mean the southeastern regional transit
9 authority under s. 59.58 (7) instead of an interim regional transit authority
10 identified in any notice provided by the department under s. 66.1041 (7) (a).

11 (b) If an interim regional transit authority created under s. 66.1041 imposed
12 a local registration fee under this section prior to the department’s notice under s.
13 66.1041 (7) (a) identifying the interim regional transit authority, that fee shall
14 continue to be imposed, and the southeastern regional transit authority under s.
15 59.58 (7) shall be the successor to the fee, unless the board of directors of the
16 southeastern regional transit authority votes to modify or terminate the fee.

17 **SECTION 55.** 345.05 (1) (ag) of the statutes, as created by 2009 Wisconsin Act
18 28, is amended to read:

19 345.05 (1) (ag) “Authority” means a transit authority created under s. 66.1039
20 or 66.1041 and the southeastern regional transit authority under s. 59.58 (7) to the
21 extent it is the successor under s. 66.1041 (7) (b) to a transit authority created under
22 s. 66.1041.

23 **SECTION 56.** 611.11 (4) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
24 is amended to read:

