

TO: Legislative Colleagues  
FROM: Senators Lena Taylor & John Lehman  
Representatives Peter Barca, Tamara Grigsby, Robert Turner  
DATE: Tuesday, January 19, 2010  
RE: Co sponsorship of LRB 3451/8 – The Regional Transit & Jobs Investment Act

**DEADLINE: 5pm on Tuesday, January 26, 2010**

Colleagues:

We are circulating LRB 3451/8, the Regional Transit and Jobs Investment Act for co-sponsorship. With the creation of the KRM commuter rail link and significant investment in local bus transit systems Wisconsin can add thousands of jobs in Southeastern Wisconsin, improve transit access throughout Kenosha, Racine, and Milwaukee Counties, foster a more competitive business climate for industry and entrepreneurial growth, and provide direct property tax relief to local citizens.

Over the past few months, we have been meeting regularly to develop this legislation in a cooperative fashion with the Doyle administration, concerned legislators, and local elected officials. LRB 3451/8 represents the product of long compromise and cooperation that fulfills the Governor's desire for regional approaches to transit investment and the immediate needs of local communities for transit funding.

#### **JOBS & ECONOMIC GROWTH**

The transit improvements allowed in this bill provide a significant economic investment in and spur growth to Southeastern Wisconsin. A study by the University of Wisconsin at Milwaukee on the economic impact of the KRM project indicates its construction would generate **4,700 jobs and have a \$560 million impact on the local economy**. Business leaders, representing some of the region's largest employers, including Northwestern Mutual Life, SC Johnson, Roundy's, Bucyrus, AT&T and Johnson Controls have cited improved mass transit service as critical to their successful operation and new job creation efforts.

#### **STRENGTHENING THE KRM APPLICATION**

The Regional Transit and Jobs Investment Act also strengthens the application for federal aid for construction of the KRM commuter rail line. Feedback from federal officials indicated to us that the chances of receiving significant federal assistance for the project through the competitive "New Starts" grant program are **greatly improved** by the provisions of the bill that provide investment for the Milwaukee County Transit System and additional regional cooperation and connectivity between transit modes.

#### **PROPERTY TAX RELIEF & LOCAL REFERENDUMS**

The Regional Transit & Jobs Investment Act **requires that any and all increases in a sales tax for any county in the KRM service area must have approval of the voters by referendum**. The bill stipulates that Milwaukee County has met that requirement by the successful passage of the November 2008 referendum calling for a sales tax increase by the voters. In addition, the bill mandates that the Milwaukee County Transit System be **removed from the local property tax levy** as the referendum stipulated. Also, it is our intent that any room tax increase be limited to 2%, so the bill will be changed prior to introduction to reflect that change.

#### **EXPANSION OF THE SOUTHEASTERN RTA (SERTA)**

The bill **allows, but does not mandate, the inclusion of Waukesha, Ozaukee, and Washington** Counties as part of the Southeastern RTA (SERTA). If any of these counties wish to join the RTA, there is a process laid out in place for inclusion, beginning with local government approval and authorization for a dedicated funding source that meets the transit needs of the county.

#### **FRAMEWORK OF THE REGIONAL TRANSIT & JOBS INVESTMENT ACT**

The Regional Transit & Jobs Investment Act includes the following structural principles:

**It creates a two-level approach to regional transit.** The bill allows Milwaukee to move ahead immediately to improve its bus system and phases in the Kenosha and Racine areas to create an independent governing body over the coming years.

- At first, the local interim RTAs (IRTA) that exist would continue to make local transit decisions for their areas, including funding, while the umbrella RTA, Southeastern RTA

(SERTA) will continue KRM planning efforts already underway. Over time, they would form one RTA, with representation throughout the Southeast region.

2. Funding for the Milwaukee sub-RTA will come from **a transit dedicated 0.5% sales tax**, which has already been approved by referendum in that county.
3. IRTAs created in Racine and Kenosha counties may be **funded through a menu of currently authorized local revenue**. New transit revenue sources not authorized under current law are subject to referenda requirements.
4. The **maximum amount of revenue commitment** of the RTA will be based on local transit needs, including funding necessary to construct and operate the KRM commuter rail link.
5. A pool of funding will be created to provide an **incentive for local governments to create IRTAs**. The incentive pool will initially consist of rental car fee revenue, but, beginning in 2011 will also include funding from the transportation fund.
6. The Regional Transit & Jobs Investment Act is crafted with the intention of **strengthening the KRM commuter rail project New Starts grant application with Federal Transit Administration**.
7. **The construction of the KRM commuter rail line will not come at the expense of local transit service**. Revenue from local revenue sources cannot be used on KRM construction or operation if that use of revenue will result in service reductions for local transit. In addition, if local revenue from one area is used to fund KRM, local revenue from all areas must be used to fund KRM.

The complete LRB analysis of the bill is below as well as attached. Also attached is a two-page summary memo from the Legislative Council on the main provisions of the bill.

***If you would like to co-sponsor the Regional Transit & Jobs Investment Act, please reply to this email or call Senator Taylor's office at 6-5810 or Rep. Barca's office at 6-5504 by 5pm on Tuesday, January 26th, 2010.***

We hope that you will join us in this significant legislation to create jobs, build regional transit, grow our state's business advantage, and provide direct property tax relief.

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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 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.

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; 2) provide, or contract for the provision of, transit service outside the IRTA's jurisdictional area if it would benefit residents within the IRTA's jurisdictional area; and 3) 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. However, a Milwaukee County IRTA may only impose the sales and use tax, as described in item 3) above. 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 either: 1) generate revenue sufficient to offset a 30 percent reduction in passenger fare revenues resulting from transit operations or to provide an 8 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; 2) invest an amount, equivalent to the revenue that would be sufficient to provide an 8 percent increase in transit service, in either improving existing capital assets of the IRTA or making new capital purchases and improvements for the IRTA; or 3) if the IRTA includes Milwaukee County, increase transit service to a level equal to or greater than the level of transit service provided in Milwaukee County in 2001. In addition, the revenue generated must be used to implement either the specified reduction in passenger fares or the specified increase in transit service, or a combination of both, or the investment must actually be made by the expenditure or commitment of funds for the applicable purchases or improvements (phase 2 revenue threshold). Within four years after its creation, the IRTA, in addition to continuing to meet the phase 2 revenue threshold, must improve the interconnectivity of its transit system by linking with other modes of transportation and improving cross-county links (phase 3 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 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 3 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 3 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 3 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 3 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 June 30, 2011, incentive funds to IRTAs. There is a limitation on the amount of incentive funds that may be awarded, as well as other criteria and limitations related to the SERTA's providing these incentive funds.
4. Beginning on July 1, 2011, the SERTA may provide, from state transit aids, incentive funds to IRTAs to assist them in providing transit service in their jurisdictional areas. The SERTA's bylaws must specify a method for providing these incentive funds and the limitations and requirements applicable to incentive funds identified in item 3. immediately above also apply these incentive funds.
5. The SERTA may provide nonfinancial transit assistance to any IRTA, including reviewing the transit plans of the IRTA.
6. The bonding limit for revenue bonds issued by SERTA is increased from \$50,000,000 to \$250,000,000.
7. The SERTA is the only entity in southeast Wisconsin that may submit a New Starts application for funding for any purpose.
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 3 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 3 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 3 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 or unless the SERTA's board of directors does not include a member representing Racine County. 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 3 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 3 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.

6. After DOT certifies that the first three IRTAs have reached their phase 3 revenue thresholds, the SERTA is limited in its expenditures of locally derived revenues for purposes related to the KRM commuter rail line. These locally derived revenues are local motor vehicle registration fees, room taxes, sales and use taxes, and membership fees received by the SERTA within the political subdivisions of the SERTA's jurisdictional area. SERTA may expend these locally derived revenues for purposes related to the KRM commuter rail line only if these revenues are expended in proportion to ridership of the KRM commuter rail line in each political subdivision, as calculated annually by DOT. In addition, these locally derived revenues may not be expended for construction, operation, or management of the KRM commuter rail line if the expenditure would result in a reduction of transit service in the political subdivision where the revenues were generated. However, by unanimous vote of its full authorized membership, the SERTA board of directors may override either or both of these limitations.

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 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.



State of Wisconsin  
2009 – 2010 LEGISLATURE

LRB-3451/8  
ARG/JK/MES:kjf:jf

**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) (intro.),  
7           85.20 (4m) (a) 6. e., 85.20 (4s), 111.70 (1) (j), 341.35 (title), 341.35 (1), 341.35 (2)  
8           (intro.), 341.35 (3m), 341.35 (4), 341.35 (5), 341.35 (6), 341.35 (6r), 341.35 (7),  
9           345.05 (1) (ag) and 611.11 (4) (a); and *to create* 20.395 (1) (hy), 59.58 (7) (a) 2m.,  
10          59.58 (7) (a) 4., 5. and 6., 59.58 (7) (c) 1. h. and i., 59.58 (7) (e) 3., 59.58 (7) (k),  
11          59.58 (7) (L), 59.58 (7) (m), 59.58 (7) (n), 66.0615 (1) (ad), 66.0615 (1) (ge),  
12          66.0615 (1m) (ee), 66.0615 (1m) (em), 66.1041, 85.20 (4m) (a) 6. f. and 341.35 (9)  
13          of the statutes; **relating to:** the southeastern regional transit authority, the

**BILL**

- 1 creation of interim regional transit authorities in southeast Wisconsin,  
2 requiring the exercise of rule-making authority, and making an appropriation.
- 

***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).

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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.

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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.

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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 SERTTA. 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; 2) provide, or contract for the provision of, transit service outside the IRTA's jurisdictional area if it would benefit residents within the IRTA's jurisdictional area; and 3) 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 SERTTA, 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 SERTTA, 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. However, a Milwaukee County IRTA may only impose the sales and use tax, as described in item 3) above. 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 either: 1) generate revenue sufficient to offset a 30 percent reduction in passenger fare revenues resulting from transit operations or to provide an 8 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; 2) invest an amount, equivalent to the revenue that would be sufficient to provide an 8 percent increase in transit service, in either improving existing capital assets of the IRTA or making new capital purchases and improvements for the IRTA; or 3) if the IRTA includes Milwaukee County, increase transit service to a level equal to or greater than the level of transit service provided in Milwaukee County in 2001. In addition, the revenue generated must be used to implement either the specified reduction in passenger fares or the specified increase in transit service, or a combination of both, or the investment must actually be made by the expenditure or commitment of funds for the applicable purchases or improvements (phase 2 revenue threshold). Within four years after its creation, the IRTA, in addition to continuing to meet the phase 2 revenue threshold, must improve the interconnectivity of its transit system by

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linking with other modes of transportation and improving cross-county links (phase 3 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 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 3 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 3 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 3 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 3 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 June 30, 2011, incentive funds to IRTAs. There is a limitation on the amount of incentive funds that may be awarded, as well as other criteria and limitations related to the SERTA's providing these incentive funds.

4. Beginning on July 1, 2011, the SERTA may provide, from state transit aids, incentive funds to IRTAs to assist them in providing transit service in their jurisdictional areas. The SERTA's bylaws must specify a method for providing these

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incentive funds and the limitations and requirements applicable to incentive funds identified in item 3. immediately above also apply these incentive funds.

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

6. The bonding limit for revenue bonds issued by SERTA is increased from \$50,000,000 to \$250,000,000.

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

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 3 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 3 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 3 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 or unless the SERTA's board of directors does not include a member representing Racine County. 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 3 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

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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 3 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.

6. After DOT certifies that the first three IRTAs have reached their phase 3 revenue thresholds, the SERTA is limited in its expenditures of locally derived revenues for purposes related to the KRM commuter rail line. These locally derived revenues are local motor vehicle registration fees, room taxes, sales and use taxes, and membership fees received by the SERTA within the political subdivisions of the SERTA's jurisdictional area. SERTA may expend these locally derived revenues for purposes related to the KRM commuter rail line only if these revenues are expended in proportion to ridership of the KRM commuter rail line in each political subdivision, as calculated annually by DOT. In addition, these locally derived revenues may not be expended for construction, operation, or management of the KRM commuter rail line if the expenditure would result in a reduction of transit service in the political subdivision where the revenues were generated. However, by unanimous vote of its full authorized membership, the SERTA board of directors may override either or both of these limitations.

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 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.

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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.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
2 the following amounts for the purposes indicated:

3		<b>2009–10</b>	<b>2010–11</b>
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4   **20.395   Transportation, department of**

5   (1)   AIDS

6   (hy)   Tier A–4 transit operating aids,

7	state funds	SEG    A	–0–	9,000,000
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8           **SECTION 2.** 20.395 (1) (hy) of the statutes is created to read:

9           20.395 (1) (hy) *Tier A–4 transit operating aids, state funds.* The amounts in the  
10 schedule for mass transit aids under s. 85.20 (4m) (a) 6. f. No moneys may be  
11 encumbered or expended from this appropriation prior to July 1, 2011.

12           **SECTION 3.** 20.395 (5) (iv) of the statutes is amended to read:

13           20.395 (5) (iv) *Municipal and county Local vehicle registration fee, local funds.*

14           All moneys received under s. 341.35, less the portion of the fee attributable to the

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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 4.** 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 5.** 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.

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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 6.** 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,

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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 7.** 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 8.** 59.58 (6) of the statutes, as affected by 2009 Wisconsin Act 28, is  
18 repealed.

19 **SECTION 9.** 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 10.** 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.

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1           **SECTION 11.** 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 12.** 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 13.** 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 14.** 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.

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

10 **SECTION 16.** 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 17.** 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 June 30, 2011.

21 **SECTION 18.** 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 authority may issue bonds in an aggregate principal amount  
24 not to exceed ~~\$50,000,000~~ \$250,000,000, excluding bonds issued to refund  
25 outstanding bonds issued under this subdivision, for the purpose of providing funds

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1 for the anticipated local funding share required for initiating KRM commuter rail  
2 line service and, if applicable, for the purposes specified in par. (n) 6.

3 **SECTION 19.** 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 20.** 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 21.** 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 22.** 59.58 (7) (k) of the statutes is created to read:

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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 23.** 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. No incentive funds may be provided  
18 under this paragraph after June 30, 2011.

19           2. The board of directors of the southeastern regional transit authority may not  
20 provide incentive funds to an interim regional transit authority in an amount in  
21 excess of the total amount of revenue generated by the interim regional transit  
22 authority from all sources identified in s. 66.1041 (2) (c) 2.

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 24.** 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. f., the authority shall provide incentive funds to  
17 interim regional transit authorities to assist interim regional transit authorities in  
18 providing transit service in their jurisdictional areas.

19 2. The bylaws of the southeastern regional transit authority shall specify a  
20 method for determining the amount of incentive funding provided under this  
21 paragraph. Incentive funds provided under this paragraph shall be subject to the  
22 same requirements and limitations specified in par. (L) 2. and 3. for incentive funds  
23 provided under that paragraph, and the bylaws described in this subdivision shall  
24 include the same information specified in par. (L) 4. for incentive funds provided  
25 under that paragraph.

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1           **SECTION 25.** 59.58 (7) (n) of the statutes is created to read:

2           59.58 (7) (n) 1. After the department of transportation provides a notice  
3 specified in s. 66.1041 (7) (a), the authority shall assist each interim regional transit  
4 authority identified in the notice in the winding down process described in s. 66.1041  
5 (7) (b), including assisting in the orderly transfer of assets and property to the  
6 southeastern regional transit authority.

7           2. a. Within 120 days after the department of transportation provides a notice  
8 specified in s. 66.1041 (7) (a), the southeastern regional transit authority shall  
9 assume responsibility for providing transit service and transit planning within the  
10 jurisdictional area of each interim regional transit authority identified in the notice  
11 and, as applicable, within the area described in s. 66.1041 (4) (b) 3. serviced by each  
12 such interim regional transit authority. In assuming this responsibility, the  
13 southeastern regional transit authority shall have available all options for providing  
14 transit service that were formerly available to the interim regional transit authority,  
15 including those described in s. 66.1041 (4) (a) 1. and (b) 1. and 3., and shall impose  
16 the taxes under s. 77.708 (1), if the interim regional transit authority identified in  
17 the notice imposed the taxes and if the southeastern regional transit authority  
18 adopts a resolution to establish the tax rate. The southeastern regional transit  
19 authority shall have all powers necessary and convenient to carry out its  
20 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

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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

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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 or unless the board of the authority votes to  
4 remove the member of the board of directors described in par. (c) 1. c.

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

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

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

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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           7. a. Except as provided in subds. 7. c. and d., after the department of  
14 transportation provides the first notice specified in s. 66.1041 (7) (a), the authority  
15 may expend revenues generated by the authority from sources described in s.  
16 66.1041 (6) (a) for purposes related to the KRM commuter rail line only if these  
17 revenues are expended in proportion to ridership of the KRM commuter rail line in  
18 the political subdivision, as calculated under subd. 7. b.

19           b. Annually the department of transportation shall calculate ridership of the  
20 KRM commuter rail line by estimating the number of transit trips that include use  
21 of the KRM commuter rail line and that originate in each political subdivision of the  
22 authority's jurisdictional area, as well as the number of transit trips that include use  
23 of the KRM commuter rail line and that terminate in each political subdivision of the  
24 authority's jurisdictional area. For each political subdivision in the authority's  
25 jurisdictional area, the department shall provide to the authority data showing its

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1 calculations of the total number of transit trips originating or terminating in that  
2 political subdivision.

3 c. Except as provided in subd. 7. d., no revenues generated by the authority  
4 from sources described in s. 66.1041 (6) (a) may be expended for construction,  
5 operation, or management of the KRM commuter rail line if the expenditure would  
6 result in a reduction of transit service in the political subdivision where the revenues  
7 were generated, excluding transit service provided by the KRM commuter rail line.  
8 This subd. 7. c. does not prohibit the authority from expending revenues generated  
9 by the authority from sources described in s. 66.1041 (6) (a) for payment of debt  
10 service on bonds issued under par. (f).

11 d. By unanimous vote of its full authorized membership, the board of directors  
12 of the authority may expend revenues generated by the authority from sources  
13 described in s. 66.1041 (6) (a) for purposes related to the KRM commuter rail line in  
14 the manner determined by the board, notwithstanding subds. 7. a. and c.

15 **SECTION 26.** 66.0301 (1) (a) of the statutes, as affected by 2009 Wisconsin Act  
16 28, is amended to read:

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

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1 under s. 66.1039 or 66.1041 and the southeastern regional transit authority under  
2 s. 59.58 (7) to the extent it is the successor under s. 66.1041 (7) (b) to a transit  
3 authority created under s. 66.1041, long-term care district under s. 46.2895, water  
4 utility district, mosquito control district, municipal electric company, county or city  
5 transit commission, commission created by contract under this section, taxation  
6 district, regional planning commission, or city-county health department.

7 **SECTION 27.** 66.0615 (1) (a) of the statutes is renumbered 66.0615 (1) (ah).

8 **SECTION 28.** 66.0615 (1) (ad) of the statutes is created to read:

9 66.0615 (1) (ad) “Authority” has the meaning given in s. 66.1041 (1) (a) for an  
10 interim regional transit authority.

11 **SECTION 29.** 66.0615 (1) (ge) of the statutes is created to read:

12 66.0615 (1) (ge) “Transit authority” has the meaning given in s. 59.58 (7) (a)  
13 1. for the southeastern regional transit authority.

14 **SECTION 30.** 66.0615 (1m) (a) of the statutes is amended to read:

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

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1 Except as provided in par. (am), a tax imposed under this paragraph by a  
2 municipality may not exceed ~~8%~~ 8 percent. Except as provided in par. (am), if a tax  
3 greater than ~~8%~~ 8 percent under this paragraph is in effect on May 13, 1994, the  
4 municipality imposing the tax shall reduce the tax to ~~8%~~ 8 percent, effective on  
5 June 1, 1994.

6 **SECTION 31.** 66.0615 (1m) (ee) of the statutes is created to read:

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

12 2. An authority adopting a resolution to impose the taxes under subd. 1., or  
13 adopting a resolution to discontinue the collection of such taxes, shall deliver a  
14 certified copy of the resolution to the secretary of revenue at least 120 days before its  
15 effective date.

16 3. The department of revenue shall administer the tax that is imposed under  
17 par. (a) by an authority and may take any action, conduct any proceeding, and impose  
18 interest and penalties. Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (3),  
19 (4), (13), (14), (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60,  
20 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under  
21 subch. III of ch. 77, apply to the tax described under subd. 1.

22 4. From the appropriation under s. 20.835 (4) (gg), the department of revenue  
23 shall distribute 97.45 percent of the taxes collected under this paragraph for each  
24 authority to that authority and shall indicate to the authority the taxes reported by  
25 each taxpayer in that authority, no later than the end of the month following the end

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1 of the calendar quarter in which the amounts were collected. The taxes distributed  
2 shall be increased or decreased to reflect subsequent refunds, audit adjustments,  
3 and all other adjustments. Interest paid on refunds of the tax under this paragraph  
4 shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60  
5 (1) (a). Any authority that receives a report along with a payment under this  
6 subdivision or subd. 3. is subject to the duties of confidentiality to which the  
7 department of revenue is subject under s. 77.61 (5).

8 **SECTION 32.** 66.0615 (1m) (em) of the statutes is created to read:

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

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

24 b. For purposes of imposing the taxes under this paragraph, the transit  
25 authority's jurisdictional area shall not include the jurisdictional area of any

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1 authority that did not impose the taxes under par. (ee) before the department of  
2 transportation provided the notice specified in s. 66.1041 (7) (a) identifying that  
3 authority.

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

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1           **SECTION 33.** 66.0903 (1) (d) of the statutes, as affected by 2009 Wisconsin Act  
2 28, is amended to read:

3           66.0903 (1) (d) “Local governmental unit” means a political subdivision of this  
4 state, a special purpose district in this state, an instrumentality or corporation of  
5 such a political subdivision or special purpose district, a combination or subunit of  
6 any of the foregoing or an instrumentality of the state and any of the foregoing.  
7 “Local governmental unit” includes a regional transit authority created under s.  
8 66.1039, an interim regional transit authority created under s. 66.1041, and the  
9 southeastern regional transit authority created under s. 59.58 (7).

10           **SECTION 34.** 66.1041 of the statutes is created to read:

11           **66.1041 Interim regional transit authorities. (1) DEFINITIONS.** In this  
12 section:

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

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

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

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

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

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

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

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

5 (i) “Transit system” means all land, shops, structures, equipment, property,  
6 franchises, and rights of whatever nature required for transit of passengers within  
7 the jurisdictional area of the authority and outside the jurisdictional area of the  
8 authority. “Transit system” includes motor buses, fixed guideway transit,  
9 ridesharing, specialized transportation, motor vehicles, elevated railroads,  
10 subways, underground railroads, and any combination thereof, and any other form  
11 of mass transit, but does not include transportation excluded from the definition of  
12 “common motor carrier” under s. 194.01 (1), charter or contract operations to, from,  
13 or between points that are outside the jurisdictional area of the authority, or travel  
14 by aircraft flight.

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

22 (b) 1. Subject to par. (f), and except as provided in subd. 2., if an authority has  
23 been created under par. (a), a political subdivision may join the authority if the  
24 governing body of the political subdivision adopts a resolution identical to the  
25 existing resolutions of the authority’s participating political subdivisions or, if the

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1 authority is created by a single political subdivision, identical to the existing  
2 resolution of the authority's participating political subdivision, and if the authority's  
3 board of directors adopts a resolution allowing the political subdivision to join the  
4 authority. For purposes of determining whether a resolution adopted under this  
5 subdivision is identical to an existing resolution of the authority, both the resolutions  
6 adopted under par. (a) to create the authority and any modifications to those  
7 resolutions under par. (g) shall be considered.

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

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

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

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

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1 (d) The jurisdictional area of an authority is the geographic area formed by the  
2 combined territorial boundaries of all participating political subdivisions of the  
3 authority. If the authority includes a county as a participating political subdivision,  
4 the jurisdictional area of the authority is the territorial boundaries of the county.

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

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

9 2. The political subdivision or political subdivisions creating the authority  
10 commit to provide funding for the authority, upon creation, in an amount of at least  
11 the political subdivision's property tax levy contribution to transit as of one year prior  
12 to the effective date of this subdivision .... [LRB inserts date], and also make a  
13 commitment that the authority, after creation, will meet the revenue requirements  
14 specified in sub. (6) through one or more of the revenue sources identified in par. (c)  
15 2.

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

18 (g) 1. Subject to subs. 2. and 3., if an authority has been created under this  
19 subsection, the participating political subdivisions of the authority may amend or  
20 modify their resolutions creating or joining the authority if, after any amendment or  
21 modification, the resolutions of all participating political subdivisions of the  
22 authority remain identical and continue to satisfy the requirements under this  
23 subsection.

24 2. If a political subdivision joins an authority under par. (b), the participating  
25 political subdivisions of the authority may amend or modify their existing

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1 resolutions to accomplish any changes necessary to reflect the addition of the new  
2 political subdivision to the authority, including any changes to the composition of the  
3 authority's board of directors. In lieu of expressly amending or modifying their  
4 existing resolutions, the participating political subdivisions of the authority may  
5 also effect changes to the composition of the authority's board of directors, in  
6 connection with the addition of a new political subdivision to the authority, by means  
7 of the approval process specified in par. (b) 2., in which case the existing resolutions  
8 of the participating political subdivisions are considered modified to reflect the new  
9 composition of the authority's board of directors.

10 3. In lieu of expressly amending or modifying the existing resolutions of the  
11 participating political subdivisions of an authority to reflect changes in the rate of,  
12 or amount from, any revenue sources specified in par. (c) 2. or in the minimum  
13 amount of revenue specified in par. (c) 2., these changes may be made by a vote of the  
14 authority's board of directors if, after the changes, the authority continues to satisfy  
15 the revenue requirements specified in sub. (6). After such a vote, the existing  
16 resolutions of the participating political subdivisions are considered modified to  
17 reflect these changes.

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

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

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

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

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

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

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

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

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

19 d. One member from the authority's jurisdictional area, appointed by the  
20 governor.

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

24 1. Provide, or contract with existing transit providers for the provision of,  
25 transit service within the authority's jurisdictional area, except that an authority

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1 that includes Milwaukee County shall contract with the Milwaukee County board  
2 for the authority to provide transit service in Milwaukee County.

3 2. Provide transit planning within the authority's jurisdictional area. Each  
4 transit plan of the authority shall be submitted to the southeastern regional transit  
5 authority.

6 (b) Notwithstanding s. 59.84 (2) and any other provision of this chapter or ch.  
7 59 or 85, in addition to the duties specified in par. (a), an authority may do any of the  
8 following:

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

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

12 3. Subject to the provisions of par. (a) 1. relating to contracts in Milwaukee  
13 County, provide transit service, or contract for the provision of transit service,  
14 outside the authority's jurisdictional area if such transit service would benefit  
15 residents within the authority's jurisdictional area.

16 **(5) FEDERAL AND STATE AID; INCENTIVE FUNDS.** Any application by an authority  
17 for federal or state funding shall first be submitted to the southeastern regional  
18 transit authority, which shall then provide the application to the appropriate federal  
19 or state agency. If the application results in the receipt of any federal or state funds,  
20 those federal or state funds shall first be received by the southeastern regional  
21 transit authority, which shall then forward the funds to the authority that provided  
22 the application.

23 **(6) AUTHORITY REVENUE REQUIREMENTS.** (a) An authority may generate revenue  
24 by doing any of the following, except that an authority that includes Milwaukee  
25 County may generate revenue only as provided in subd. 3.:

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- 1           1. Imposing a local vehicle registration fee under s. 341.35.
- 2           2. Levying a room tax.
- 3           3. a. Imposing, by the adoption of a resolution by the board of directors, the  
4 taxes under s. 77.708, except that no authority may adopt such a resolution until a  
5 referendum is held in the authority's jurisdictional area on the question of whether  
6 the authority may impose the taxes under s. 77.708 and the referendum is decided  
7 in the affirmative. For purposes of an authority that has Milwaukee County as the  
8 boundaries of its jurisdictional area, the referendum for imposing sales and use taxes  
9 for transit purposes that was approved in 2008 in Milwaukee County satisfies the  
10 referendum requirement of this subd. 3. a. If an authority adopts a resolution to  
11 impose the taxes, it shall deliver a certified copy of the resolution to the department  
12 of revenue at least 120 days before its effective date. The authority may, by adoption  
13 of a resolution by the board of directors, repeal the imposition of the taxes under s.  
14 77.708 and shall deliver a certified copy of the repeal resolution to the department  
15 of revenue at least 120 days before its effective date.
- 16           b. If the authority adopts a resolution as provided in subd. 3. a., it shall specify  
17 to the department of revenue the exact boundaries of the authority's jurisdictional  
18 area. If the boundaries are the same as the county lines on all sides of the authority's  
19 jurisdictional area, the resolution shall specify the county or counties that comprise  
20 the authority's entire jurisdictional area. If the boundaries are other than a county  
21 line on any side of the authority's jurisdictional area, the authority shall provide the  
22 department with a complete list of all the 9-digit zip codes that are entirely within  
23 the authority's jurisdictional area and a complete list of all the street addresses that  
24 are within the authority's jurisdictional area and not included in any 9-digit zip code  
25 that is entirely within the authority's jurisdictional area. The authority shall

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1 provide a certified copy of the information required under this subd. 3. b. to the  
2 department, in the manner, format, and layout prescribed by the department, at  
3 least 120 days prior to the resolution's effective date. If the boundaries of the  
4 authority's jurisdictional area subsequently change, the authority shall submit a  
5 certified copy of the information required under this subd. 3. b. to the department,  
6 in the manner, format, and layout prescribed by the department, at least 120 days  
7 prior to the change's effective date.

8 c. If the authority adopts a resolution as provided in subd. 3. a., beginning with  
9 the year in which the resolution is adopted, no participating political subdivision  
10 may levy property taxes for transit. This subd. 3. c. does not apply to the year in  
11 which the resolution is adopted if the resolution is adopted after the participating  
12 political subdivision establishes its property tax levy for transit.

13 4. Charging a membership fee to the participating political subdivisions of the  
14 authority.

15 (b) An authority shall generate revenue equal to the amount required by pars.  
16 (c) and (d). This minimum revenue requirement may be met through funding from  
17 one or a combination of revenue sources identified by resolution under sub. (2) (c) 2.,  
18 including any revenue option under par. (a) except that an authority that includes  
19 Milwaukee County may not generate revenue as provided in par. (a) 1., 2., or 4.

20 (c) 1. Within 2 years after the creation of an authority, the authority shall do  
21 any of the following:

22 a. Generate revenue sufficient to offset a 30 percent reduction in passenger fare  
23 revenues resulting from transit operations or to provide an 8 percent increase in  
24 transit service, or a combination of both, as compared with passenger fare revenues  
25 and transit service as of the time that the authority was created. With this revenue,

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1 the authority shall implement either the specified reduction in passenger fares or the  
2 specified increase in transit service, or a combination of both.

3 b. Invest an amount, equivalent to the revenue that would be sufficient to  
4 provide an 8 percent increase in transit service, in either improving existing capital  
5 assets of the authority or making new capital purchases and improvements for the  
6 authority. An investment under this subd. 1. b. is not considered to be made until  
7 funds have actually been expended or committed for any applicable purchase or  
8 improvement.

9 c. If the authority includes Milwaukee County, increase transit service to a  
10 level equal to or greater than the level of transit service provided in Milwaukee  
11 County in 2001.

12 2. For purposes of this paragraph, a 15 percent reduction in passenger fare  
13 revenues is equivalent to a 4 percent increase in transit service. For purposes of this  
14 paragraph, increases in transit service may be calculated by the increase in either  
15 transit service miles or transit service hours regardless of whether the transit service  
16 occurs within or outside the authority's jurisdictional area, and increases in  
17 paratransit miles or paratransit hours shall be included in calculating increases in  
18 transit service miles or transit service hours.

19 3. Every 2 years after an authority is created under this section, the  
20 department shall determine and certify whether the authority has met the  
21 requirements specified in this paragraph. In making this determination, the  
22 department shall calculate, and make publicly available, the dollar amount of the  
23 passenger fare revenue reductions and the transit service mile or hour increases that  
24 would be necessary for the authority to satisfy the requirements under subd. 1. a.,  
25 the dollar amount of the investment in existing capital asset improvements or new

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1 capital purchases and improvements that would be necessary for the authority to  
2 satisfy the requirements under subd. 1. b., and the transit service mile or hour  
3 increases that would be necessary for the authority to satisfy the requirement under  
4 subd. 1. c. In making its calculation and determination under this subdivision, the  
5 department shall consider whether, and make allowances for the fact that, any  
6 municipality or county joined the authority under sub. (2) (a) after its initial creation.

7 (d) 1. Within 4 years after the creation of an authority, in addition to continuing  
8 to satisfy the requirements specified in par. (c), the authority shall improve the  
9 interconnectivity of its transit system by linking with other modes of transportation  
10 and improving cross-county links.

11 2. The department shall, by rule, establish criteria for determining whether an  
12 authority has satisfied the requirement under subd. 1. In promulgating this rule,  
13 the department shall take into account the concerns of taxpayers and the mobility  
14 concerns of employers and employees.

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

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

21 2. Subject to subd. 3., if an authority does not meet the requirements specified  
22 in pars. (c) 1. and (d) within 2 years after the time limits specified in those provisions,  
23 the authority shall be dissolved and responsibility for providing transit service and  
24 transit planning, as well as all assets, liabilities, rights, and obligations of the  
25 authority, shall revert to the participating political subdivisions of the authority. If

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1 an authority is dissolved under this subdivision, the authority shall, before  
2 dissolving, adopt a resolution by the board of directors repealing the imposition of the  
3 taxes under s. 77.708 and deliver a certified copy of the repeal resolution to the  
4 department of revenue at least 120 days before its effective date.

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 subs. 1. and 2. for failure to meet the  
8 requirements specified in pars. (c) 1. 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 35.** 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 36.** 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 37.** 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 38.** 77.708 (1) of the statutes, as affected by 2009 Wisconsin Act 28,  
22 section 1858b, 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 39.** 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. or (e) 2., respectively,  
10 except that the department of revenue may collect from retailers taxes that accrued  
11 before such calendar quarter and fees, interest, and penalties that relate to those  
12 taxes.

13 **SECTION 40.** 77.9971 (1) of the statutes, as affected by 2009 Wisconsin Act 28,  
14 is amended to read:

15 **77.9971 (1)** The southeastern regional transit authority under s. 59.58 (7) may  
16 impose a fee at a rate not to exceed \$18, as adjusted under sub. (2), for each  
17 transaction in the authority's jurisdictional area, as described in s. 59.58 (7) (b) and  
18 (n) 3., on the rental, but not for re rental and not for rental as a service or repair  
19 replacement vehicle, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by  
20 establishments primarily engaged in short-term rental of passenger cars without  
21 drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax  
22 under s. 77.54 (1), (4), (7) (a), (7m), (9), or (9a). The fee imposed under this subchapter  
23 shall be effective on the first day of the first month that begins at least 90 days after  
24 the board of directors of the southeastern regional transit authority approves the  
25 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 41.** 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 42.** 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 43.** 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 44.** 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 45.** 85.20 (4m) (a) (intro.) of the statutes, as affected by 2009 Wisconsin  
11 Act 28, is amended to read:

12          85.20 (4m) (a) (intro.) The department shall pay annually to the eligible  
13 applicant described in subd. 6. cm. the amount of aid specified in subd. 6. cm. The  
14 department shall pay annually to the eligible applicant described in subd. 6. d. the  
15 amount of aid specified in subd. 6. d. The department shall allocate an amount to  
16 each eligible applicant described in subd. 6. e., 6. f., 7., or 8. to ensure that the sum  
17 of state and federal aids for the projected operating expenses of each eligible  
18 applicant’s urban mass transit system is equal to a uniform percentage, established  
19 by the department, of the projected operating expenses of the mass transit system  
20 for the calendar year. The department shall make allocations as follows:

21          **SECTION 46.** 85.20 (4m) (a) 6. e. of the statutes, as created by 2009 Wisconsin  
22 Act 28, is amended to read:

23          85.20 (4m) (a) 6. e. From the appropriation under s. 20.395 (1) (hw), the  
24 department may pay the uniform percentage for each eligible applicant for a planned  
25 commuter or light rail system that has been enumerated under s. 85.062 (3). An

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1 eligible applicant may not receive aid under subd. 6. cm. or d., 7., or 8. for a commuter  
2 rail or light rail transit system.

3 **SECTION 47.** 85.20 (4m) (a) 6. f. of the statutes is created to read:

4 85.20 **(4m)** (a) 6. f. From the appropriation under s. 20.395 (1) (hy), the  
5 department may pay the uniform percentage for each eligible applicant for making  
6 payments under s. 59.58 (7) (m).

7 **SECTION 48.** 85.20 (4s) of the statutes, as affected by 2009 Wisconsin Act 28,  
8 is amended to read:

9 85.20 **(4s)** PAYMENT OF AIDS UNDER THE CONTRACT. The contracts executed  
10 between the department and eligible applicants under this section shall provide that  
11 the payment of the state aid allocation under sub. (4m) (a) for the last quarter of the  
12 state's fiscal year shall be provided from the following fiscal year's appropriation  
13 under s. 20.395 (1) (hr), (hs), (ht), (hu), ~~or (hw)~~, or (hy).

14 **SECTION 49.** 111.70 (1) (j) of the statutes, as affected by 2009 Wisconsin Act 28,  
15 is amended to read:

16 111.70 **(1)** (j) "Municipal employer" means any city, county, village, town,  
17 metropolitan sewerage district, school district, long-term care district, transit  
18 authority under s. 59.58 (7) ~~or~~, 66.1039, or 66.1041, or any other political subdivision  
19 of the state, or instrumentality of one or more political subdivisions of the state, that  
20 engages the services of an employee and includes any person acting on behalf of a  
21 municipal employer within the scope of the person's authority, express or implied,  
22 but specifically does not include a local cultural arts district created under subch. V  
23 of ch. 229.

24 **SECTION 50.** 341.35 (title) of the statutes is amended to read:

25 **341.35** (title) ~~Municipal or county~~ **Local** vehicle registration fee.

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1           **SECTION 51.** 341.35 (1) of the statutes is amended to read:

2           341.35 (1) ANNUAL REGISTRATION FEE. In this section “municipality” means a  
3 town, village or city and “motor vehicle” means an automobile or motor truck  
4 registered under s. 341.25 (1) (c) at a gross weight of not more than 8,000 pounds.  
5 Subject to sub. (9), in this section “authority” means an interim regional transit  
6 authority created under s. 66.1041. The governing body of a municipality or county  
7 may enact an ordinance imposing an annual flat municipal or county registration fee  
8 on all motor vehicles registered in this state which are customarily kept in the  
9 municipality or county. The board of directors of an authority may adopt a resolution  
10 imposing an annual flat registration fee on all motor vehicles registered in this state  
11 which are customarily kept in the jurisdictional area of the authority. A registration  
12 fee imposed under this section shall be in addition to state registration fees.

13           **SECTION 52.** 341.35 (2) (intro.) of the statutes is amended to read:

14           341.35 (2) EXEMPTIONS. (intro.) The following vehicles are exempt from any  
15 municipal or county local vehicle registration fee under this section:

16           **SECTION 53.** 341.35 (3m) of the statutes is amended to read:

17           341.35 (3m) ~~COUNTY AND MUNICIPAL~~ MULTIPLE LOCAL FEES. If a municipality and  
18 the county in which the municipality is located enact ordinances under this section,  
19 a motor vehicle customarily kept in the municipality shall be subject to a municipal  
20 registration fee and a county registration fee. If an authority imposes a local  
21 registration fee under this section, this fee is in addition to any local registration fee  
22 imposed by a municipality or county under this section.

23           **SECTION 54.** 341.35 (4) of the statutes is amended to read:

24           341.35 (4) NOTICE OF FEES. The governing body of a municipality or county  
25 which enacts a municipal or county, and the board of directors of an authority, that

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1 imposes a local vehicle registration fee under this section shall notify the department  
2 that it has so elected and report the amount of such fee. The municipality ~~or~~ county,  
3 or authority shall report any change in such amount to the department. The  
4 notification shall be made at the time and in the form prescribed by the department.

5 **SECTION 55.** 341.35 (5) of the statutes is amended to read:

6 341.35 (5) PAYMENT OF FEES. At the time a motor vehicle is first registered or  
7 at the time of registration renewal, the applicant shall pay to the department any fee  
8 imposed by a county ~~or~~ municipality, or authority under this section in addition to  
9 fees required under this chapter.

10 **SECTION 56.** 341.35 (6) of the statutes is amended to read:

11 341.35 (6) DEPARTMENT TO REMIT FEES TO MUNICIPALITIES AND COUNTIES.  
12 Beginning July 1, 1984, and annually thereafter, the department shall remit those  
13 moneys collected under this section, less administrative costs under sub. (6m), to any  
14 municipality ~~or~~ county ~~which~~, or authority that has imposed a fee under this section.  
15 The department may by rule provide that the moneys be remitted at more frequent  
16 intervals if the department deems it advisable.

17 **SECTION 57.** 341.35 (6r) of the statutes is amended to read:

18 341.35 (6r) USE OF FEE PROCEEDS. Any municipality ~~or~~ county, or authority  
19 receiving moneys under sub. (6) shall use the moneys only for transportation related  
20 purposes.

21 **SECTION 58.** 341.35 (7) of the statutes is amended to read:

22 341.35 (7) REPLACEMENTS. No ~~municipal or county~~ local vehicle registration fee  
23 may be imposed on a motor vehicle which is a replacement for a motor vehicle for  
24 which a current ~~municipal or county~~ local vehicle registration fee has been paid.

25 **SECTION 59.** 341.35 (9) of the statutes is created to read:

