

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-2672/1	Introduction Number SB-205	
Description The creation of regional transit authorities and making appropriations		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect		
<input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<input type="checkbox"/> Decrease Costs	
Local:		
<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	
<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input checked="" type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected		
<input checked="" type="checkbox"/> Towns	<input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities	
<input checked="" type="checkbox"/> Counties	<input checked="" type="checkbox"/> Others RTAs	
<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		
Affected Ch. 20 Appropriations		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By	Authorized Signature	Date
DOR/ Paul Ziegler (608) 266-5773	Paul Ziegler (608) 266-5773	7/29/2009

Fiscal Estimate Narratives

DOR 7/29/2009

LRB Number	09-2672/1	Introduction Number	SB-205	Estimate Type	Original
Description The creation of regional transit authorities and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

The bill allows most cities, towns, villages, and counties to create regional transit authorities (RTAs) to establish or acquire a comprehensive unified local transit system for transit of passengers by bus, rail, or other form of mass transit. An RTA may operate the system or provide for its operation by another organization. An RTA may also provide or coordinate specialized transportation services for disabled persons or persons aged 60 or older.

To join or create an RTA, a city, town, village, or county must adopt a resolution by a majority vote of the locality's governing body. The governing body of the locality may require that the resolution to join or create an RTA be approved by the electors by a referendum. A locality may join only one RTA, whether created under the bill or by another statute, except that a county may also be a member of the Kenosha-Racine-Milwaukee RTA, and except that a county may join more than one RTA under this bill (but no portion of a city, village, or town may be included in more than one RTA).

The jurisdictional area of an RTA is the area of the participating localities except that for counties, the RTA jurisdictional area is one of three areas: 1) the portion of the county within participating cities, towns, and villages; 2) the entire county; or 3) the combined territories of each of the cities, towns, and villages with at least 75% of their populations residing within a metropolitan planning area. For the county jurisdictional area to be either the entire county or the combined municipal territories meeting the 75% threshold (options 2 or 3), the county must have approval of each participating city, town, and village within the proposed jurisdictional area and the approval of every city, village, town, or tribal government within the proposed area that is the owner, operator, or controlling authority of a transit system in the county that serves at least 10% of the passengers served by all transit systems in the county over the preceding three years.

An RTA may adopt a sales and use tax of up to 0.5% in the RTA's jurisdictional area if adopted as part of the authorizing resolutions of the participating localities. The tax rate is required to be uniform among the cities, villages, and towns that are within the same county in an RTA's jurisdiction. The bill provides 1.5% of RTA tax collections to the Department of Revenue for the department's costs to administer RTA taxes.

Since the maximum RTA sales tax rate is equal to the rate that counties may impose as a county sales tax, county sales tax collections provide an upper bound for estimated RTA sales tax collections under the bill. For the 60 counties that imposed this 0.5% tax during 2008, the attached table provides information on calendar year 2008 county sales tax distributions (including the 0.5% Football Stadium tax in Brown County). To the degree that not all municipalities in a county join an RTA, the county jurisdictional boundary of an RTA is only a portion of the county, or the RTA sales tax rate is less than the maximum rate of 0.5%, the county sales tax collections as provided on the attachment overstate the amounts that could be generated under the bill. Since retailers do not report sales by municipality, or by county for those counties with no county sales tax, no accurate projections are available of potential RTA sales tax collections by municipality or for counties not imposing the county sales tax.

Total local government expenditures on mass transit may increase under the bill if RTA sales tax collections are used to provide additional funding for transit beyond current revenues. Costs for counties and municipalities may decrease if transit functions are shifted from these local governments to RTAs.

DOR would incur costs to develop and maintain the databases necessary to administer RTA taxes. These costs would vary depending on the number and characteristics of localities that join RTAs and impose RTA taxes. If RTA taxes become widespread, these costs could be substantial. In addition, DOR would incur one-time costs each time RTA taxes require mailings to all state sales tax filers to inform them of changes in RTA taxes. Additional costs would also be incurred to develop forms and audit additional lines on sales tax returns.

Depending on the rates at which RTA sales taxes are imposed and the localities involved, Department of

Revenue costs to administer RTA sales taxes may exceed the 1.5% of collections that the bill provides for the department's expenses for this purpose.

Long-Range Fiscal Implications

County Sales Tax Distributions -- 2008

Adams	\$1,142,236	Lincoln	\$1,564,202
Ashland	1,209,183	Marathon	10,729,421
Barron	3,396,057	Marinette	2,864,399
Bayfield	928,329	Marquette	736,287
Brown*	21,089,094	Milwaukee	66,669,025
Buffalo	617,966	Monroe	2,775,228
Burnett	874,195	Oconto	1,487,666
Chippewa	3,866,225	Oneida	3,825,247
Clark**	effective 1/1/09	Ozaukee	6,261,471
Columbia	3,547,728	Pepin	385,905
Crawford	1,324,362	Pierce	1,556,521
Dane	43,804,100	Polk	2,412,585
Dodge	5,078,713	Portage	5,034,512
Door	3,147,547	Price	743,882
Douglas	3,173,321	Richland	964,036
Dunn	2,301,944	Rock	10,392,552
Eau Claire	7,976,495	Rusk	781,547
Florence	228,447	Saint Croix	5,342,619
Forest	416,351	Sauk	7,085,994
Grant	2,698,457	Sawyer	1,502,936
Green	1,999,064	Shawano	2,142,336
Green Lake	1,083,926	Taylor	986,983
Iowa	1,434,867	Trempealeau	1,372,755
Iron	417,124	Vernon	1,355,882
Jackson	1,129,614	Vilas	2,092,699
Jefferson	5,041,675	Walworth	7,844,203
Juneau	1,359,072	Washburn	975,867
Kenosha	10,324,102	Washington	9,499,809
La Crosse	9,861,708	Waupaca	2,893,094
Lafayette	680,472	Waushara	1,045,712
Langlade	1,380,084	Wood	4,858,051
		Total**	\$141,532,457

*Brown County figure represents distributions under the 0.5% Professional Football Stadium Tax.

**Clark County adopted the county sales tax effective January 1, 2009.

***Total includes Brown County Football Stadium Tax.

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description The creation of regional transit authorities and making appropriations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$		\$see text
NET CHANGE IN REVENUE	\$		\$see text
Agency/Prepared By		Authorized Signature	
DOR/ Paul Ziegler (608) 266-5773		Paul Ziegler (608) 266-5773	
		Date	
		7/29/2009	