



State of Wisconsin  
2015 - 2016 LEGISLATURE

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ASSEMBLY SUBSTITUTE AMENDMENT 2,  
TO ASSEMBLY BILL 210

June 10, 2015 - Offered by Representative KNUDSON.

1     **AN ACT** *to renumber and amend* 77.70; and *to create* 77.70 (2) of the statutes;  
2             **relating to:** an additional local sales and use tax for maintenance of streets and  
3             highways.

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***Analysis by the Legislative Reference Bureau***

Under current law, a county may impose a sales and use tax at the rate of 0.5 percent of the sales price of tangible personal property, goods, and services sold or used in the county. The county sales and use tax may be imposed only for the purpose of reducing the county's property tax levy.

Under this substitute amendment, with the approval of the electors in the county at a referendum, a county may impose an additional sales and use tax at the rate of 0.5 percent of the sales price of tangible personal property, goods, and services sold or used in the county for maintenance of streets and highways. The county may impose the tax for four years. If the county wishes to extend the tax, it must be approved again at a referendum. The substitute amendment requires the county to retain a portion of the tax revenue and distribute the remainder to the towns, cities, and villages in the county to maintain, repair, and construct streets and roads. The county distributes the revenue using a formula based on road miles and population. Finally, for each year in which a county imposes the tax, the county and each municipality that receives the tax revenue must expend on highway or street maintenance and repair an amount equal to the average of the amount it spent for

such purposes in the previous five years from sources other than the tax, plus the average amount of the tax revenues it received in the previous five years.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 77.70 of the statutes is renumbered 77.70 (1) and amended to read:

2           77.70 (1) Any county desiring to impose county sales and use taxes under this  
3 subchapter may do so by the adoption of an ordinance, stating its purpose and  
4 referring to this subchapter. The rate of the tax imposed under this section  
5 subsection is 0.5 percent of the sales price or purchase price. The Except as provided  
6 in sub. (2), the county sales and use taxes may be imposed only for the purpose of  
7 directly reducing the property tax levy and only in their entirety as provided in this  
8 subchapter. That ordinance shall be effective on ~~the first day of January, the first day~~  
9 ~~of April, the first day of July or the first day of October~~ January 1, April 1, July 1, or  
10 October 1. A certified copy of that ordinance shall be delivered to the secretary of  
11 revenue at least 120 days prior to its effective date. The repeal of any such ordinance  
12 shall be effective on December 31. A certified copy of a repeal ordinance shall be  
13 delivered to the secretary of revenue at least 120 days before the effective date of the  
14 repeal.

15           **SECTION 2.** 77.70 (2) of the statutes is created to read:

16           77.70 (2) (a) In addition to the taxes imposed under sub. (1), if the electors of  
17 the county approve the ordinance at a referendum at the spring election or general  
18 election, a county may adopt an ordinance to impose a sales and use tax under this  
19 subchapter at the rate of 0.5 percent of the sales price or purchase price in order to  
20 maintain and repair highways in the county and to ensure that all county roads are  
21 all-weather roads. The taxes may be imposed only in their entirety. An ordinance

1 adopted under this paragraph shall be effective on January 1, April 1, July 1, or  
2 October 1. A certified copy of the ordinance shall be delivered to the secretary of  
3 revenue at least 120 days prior to its effective date. The repeal of any such ordinance  
4 shall be effective on December 31. A certified copy of a repeal ordinance shall be  
5 delivered to the secretary of revenue at least 120 days before the effective date of the  
6 repeal. An ordinance adopted to impose the tax under this paragraph is valid for 4  
7 years but may be renewed by the approval of the electors of the county at a  
8 referendum at the spring election or general election. The county shall provide a  
9 certified copy of the renewal ordinance to the secretary of revenue at least 120 days  
10 prior to its effective date. If the county holds a referendum during the 4-year period  
11 when the tax is imposed in order to renew the ordinance for another 4 years and the  
12 referendum is not approved, the county may not hold another referendum to renew  
13 the ordinance until one year after the previous period for imposing the tax has  
14 expired.

15 (b) If a county holds a referendum under par. (a), the question appearing on the  
16 ballot shall be “Shall .... (name of the county) impose a local sales and use tax for ....  
17 (4 years) (an additional 4 years) at the rate of one-half of one percent to provide for  
18 the maintenance and repair of county highways and municipal streets?”.

19 (c) The county shall distribute 50 percent of the revenue it received in the  
20 previous calendar year from the taxes imposed under par. (a) to each town, city, and  
21 village in the county, and retain for the county, to use for maintaining and repairing  
22 streets, roads, and highways, an amount determined as follows:

23 1. Compute the total center line road miles of the county as follows:

24 a. Determine the number of miles for urban arterial roads and multiply that  
25 number by 1.51.

1           b. Determine the number of miles for rural arterial roads and multiply that  
2 number by 1.51.

3           c. Determine the number of miles for urban collector roads and multiply that  
4 number by 1.26.

5           d. Determine the number of miles for rural collector roads and multiply that  
6 number by 1.23.

7           e. Determine the number of miles for urban local roads and multiply that  
8 number by 1.01.

9           f. Determine the number of miles for rural local roads.

10          2. Sum the numbers determined under subd. 1. a. to f.

11          3. Compute the total road miles for each town, city, and village in the county,  
12 not including county roads, and the total road miles of county roads, as provided  
13 under subd. 1. a. to f.

14          4. Divide the number determined under subd. 3. for each town, city, and village  
15 and for the county by the number determined under subd. 2.

16          5. For each town, city, and village and for the county, multiply the amount equal  
17 to 50 percent of the revenue the county received from the taxes imposed under par.  
18 (a) in the previous calendar year by the number determined for the town, city, village,  
19 or county under subd. 4.

20          (d) The county shall distribute 25 percent of the revenue it received in the  
21 previous calendar year from the taxes imposed under par. (a) to each town, city, and  
22 village in the county to use for maintaining and repairing streets and roads an  
23 amount determined as follows:

24           1. Determine the population of the county.

25           2. Determine the population of each town, city, or village.

1           3. Divide the number determined for each town, city, or village under subd. 2.  
2 by the number determined under subd. 1.

3           4. For each town, city, and village, multiply the amount equal to 25 percent of  
4 the revenue the county received from the taxes imposed under par. (a) in the previous  
5 calendar year by the number determined for the town, city, or village under subd. 3.

6           (e) In addition to the amount the county receives under par. (c), the county shall  
7 retain 25 percent of the revenue it receives from the taxes imposed under par. (a) in  
8 each calendar year to maintain and repair roads and highways.

9           (f) For each year in which a county imposes the tax under par. (a), the county  
10 and each town, city, or village in the county that receives revenue under par. (c), (d),  
11 or (e) shall expend for the purposes of maintaining and repairing roads, streets, and  
12 highways no less than an amount equal to the average of the amount it spent for such  
13 purposes in the previous 5 years from all sources other than from the tax imposed  
14 under par. (a), plus the average of the amounts received under par. (c), (d), or (e) in  
15 the previous 5 years.

16           (g) No county, town, city, or village that receives revenue under par. (c), (d), or  
17 (e) may use such revenue in order to receive matching federal funds or to secure  
18 federal funds.

19           (h) Notwithstanding s. 86.30, revenue received under this subsection shall not  
20 be included as transportation revenues nor as transportation expenditures for  
21 purposes of calculating general transportation aids.

22           (i) All counties and municipalities that receive revenue under this subsection  
23 shall deposit the revenue into a segregated fund called the "local transportation sales  
24 tax revenue fund." Any project of highway improvement, as defined in s. 84.06 (1)

1 (a) 1., that is financed in whole or in part from such a fund, and that has an estimated  
2 cost exceeding \$100,000, shall be let by contract to the lowest responsible bidder.

3 (END)