



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-1388/1  
ARG:kjf:rs

DOA:.....Byrnes, BB0337 - Regional Transit Authority referendum requirements

**FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**TRANSPORTATION**

**OTHER TRANSPORTATION**

The 2009 Biennial Budget Act (Act 28) 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. An RTA's authority is vested in its board of directors, and its bylaws govern its management, operations, and administration. Among its powers, 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 gross receipts or 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 requires that an RTA hold a referendum in the RTA's jurisdictional area, in which imposition of the sales and use tax is approved, before the RTA may impose a sales and use tax within its jurisdictional area.

Act 28 also created the Southeastern Regional Transit Authority (SERTA) as a successor entity to what was often referred to as the KRM authority. 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 SERTA is the geographic area formed by the combined territorial boundaries of the counties of Kenosha, Racine, and Milwaukee. The powers of SERTA are vested in its board of directors. 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). Upon approval by its board of directors, SERTA may impose a rental car transaction fee in the counties of Kenosha, Racine, and Milwaukee.

This bill requires that SERTA hold a referendum in the counties of Kenosha, Racine, and Milwaukee, in which imposition of the rental car transaction fee is approved in each county, before SERTA may impose the rental car transaction fee in these counties.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

**SECTION 1.** 59.58 (7) (e) (intro.) of the statutes is amended to read:

59.58 (7) (e) (intro.) The Subject to par. (em), the authority may impose the fees under subch. XIII of ch. 77. From the fees, the authority may do all of the following:

**SECTION 2.** 59.58 (7) (em) of the statutes is created to read:

59.58 (7) (em) 1. The authority may not impose the fees specified in par. (e) unless a referendum is held in the counties of Kenosha, Racine, and Milwaukee on the question of whether the authority may impose these fees and, in each county, the referendum is decided in the affirmative. The authority's board of directors, in conjunction with the appropriate official in each county, shall be responsible for calling the referendum in each county.

2. If, on the effective date of this subdivision .... [LRB inserts date], the fees specified in par. (e) have already been imposed by the authority, those fees shall be suspended on the first day of the 13th month beginning after the effective date of this subdivision .... [LRB inserts date], and shall remain suspended until the referendum requirement in subd. 1. is thereafter satisfied.

3. If a referendum is held under this paragraph, the authority shall promptly provide the department of revenue with the results of the referendum.

**SECTION 3.** 66.1039 (4) (s) 1. of the statutes is amended to read:

66.1039 (4) (s) 1. ~~Impose~~ Subject to subd. 5., impose, by the adoption of a resolution by the board of directors, the taxes under subch. V of ch. 77 in the authority's jurisdictional area. If an authority adopts a resolution to impose the taxes, it shall deliver a certified copy of the resolution to the department of revenue at least 120 days before its effective date. The authority may, by adoption of a resolution by the board of directors, repeal the imposition of taxes under subch. V of ch. 77 and shall deliver a certified copy of the repeal resolution to the department of revenue at least 120 days before its effective date.

**SECTION 4.** 66.1039 (4) (s) 5. of the statutes is created to read:

66.1039 (4) (s) 5. The authority may not impose the taxes specified in subd. 1., and the department of revenue may not collect such taxes, unless after the adoption of the board of directors' resolution to impose these taxes a referendum is held in the authority's jurisdictional area on the question of whether the authority may impose these taxes and the referendum is decided in the affirmative. The authority's board of directors, in conjunction with the appropriate officials of the counties or municipalities in which the referendum will be held, shall be responsible for calling the referendum. If, on the effective date of this subdivision .... [LRB inserts date],

the authority has already imposed the taxes specified in subd. 1., these taxes shall be suspended on the first day of the 13th month beginning after the effective date of this subdivision ... [LRB inserts date], and shall remain suspended until the referendum requirement in this subdivision is thereafter satisfied. If a referendum is held under this subdivision, the authority shall promptly provide the department of revenue with the results of the referendum.

**SECTION 5.** 77.708 (1) of the statutes is amended to read:

77.708 (1) A transit authority created under s. 66.1039, by resolution and referendum under s. 66.1039 (4) (s), may impose a sales tax and a use tax under this subchapter at a rate not to exceed 0.5 percent of the sales price or purchase price. Those taxes may be imposed only in their entirety. The resolution and referendum shall be effective on the first day of the first calendar quarter that begins at least 120 days after the adoption of the resolution and affirmative result of the referendum.

(END)