



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2013 Senate Bill 259

Senate Amendment 1

Memo published: February 10, 2014

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2013 Senate Bill 259

2013 Senate Bill 259 authorizes the creation of a Fox Cities regional transit authority that may impose a sales tax to operate a transit system ("the RTA"). Under the bill, the RTA is created if the governing body of any two or more municipalities located within the urbanized Fox Cities metropolitan planning area adopt a resolution authorizing the municipality to become a member of the RTA and each resolution is ratified by the electors at a referendum held in the municipality. Each resolution must include an identical provision specifying the number and composition of the RTA's board of directors. All directors must be elected officials of one or more of the RTA's participating political subdivisions. Furthermore, the RTA may not impose a sales tax unless the authorizing resolutions, as well as the question on the referendum ballots, each clearly identify the maximum rate of the taxes that may be imposed by the RTA. The jurisdictional area of the RTA is the geographic area encompassing the combined territorial boundaries of all municipalities creating or joining the RTA.

Under the bill, the RTA's authority is vested in its board of directors and its bylaws govern its management, operations, and administration. The bill grants the RTA several powers, including that the RTA may do any of the following:

- 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, in 1/10th increments, not exceeding 0.5% of the sales price if certain conditions are satisfied. If the RTA imposes a sales tax, municipalities that are members of the RTA may not levy property taxes for transit purposes in excess of the amount of property taxes that were levied for transit purposes in the year before the RTA imposed the sales tax.

- Acquire property by condemnation.
- Issue tax-exempt revenue bonds.

Senate Amendment 1

Senate Amendment 1 provides that if at the end of any fiscal year the RTA's fund balance exceeds 25% of its annual operating costs, the RTA must return the excess amount to the participating municipalities based on the amount of property taxes provided to the RTA from each participating municipality. No later than October 15, the RTA must notify each participating municipality of the amounts to be distributed to the municipality in the subsequent calendar year. If a municipality receives money from the RTA, the municipality must reduce its property tax levy by the amount it receives, up to the amount levied for transit purposes.

In addition, the amendment eliminates the restriction in the bill that a sales tax imposed by an RTA may only be made in 1/10th of a percent increments. Furthermore, the amendment caps the maximum sales tax rate that the RTA may impose at 0.25%, instead of 0.5%.

Bill History

On January 23, 2014, the Senate Committee on Transportation, Public Safety, and Veterans and Military Affairs voted to introduce and recommend adoption of Senate Amendment 1 to Senate Bill 259, on a vote of Ayes, 5; Noes, 0. On the same day, the committee voted to recommend passage of the bill, as amended, on a vote of Ayes, 4; Noes, 1.

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