



2009 SENATE BILL 205

May 18, 2009 – Introduced by JOINT LEGISLATIVE COUNCIL. Referred to Committee on Transportation, Tourism, Forestry, and Natural Resources.

1 **AN ACT** *to repeal* 77.77 (2); *to renumber* 345.05 (1) (a); *to amend* 32.05 (1) (a),
2 32.07 (2), 40.02 (28), 59.58 (6) (title) and (a) 1., 66.0301 (1) (a), 67.01 (5), 70.11
3 (2), 71.26 (1) (b), chapter 77 (title), subchapter V (title) of chapter 77 [precedes
4 77.70], 77.71 (intro.), 77.71 (1), 77.71 (2), 77.71 (3), 77.71 (4), 77.73, 77.75, 77.76
5 (1), 77.76 (2), 77.76 (4), 77.77 (1), 77.77 (2), 77.77 (3), 77.78, 345.05 (2) and
6 611.11 (4) (a); *to repeal and recreate* 40.02 (28) and 77.77 (1); and *to create*
7 19.42 (7w) (e), 20.566 (1) (gc), 20.835 (4) (gc), 66.1039, 77.54 (9a) (er), 77.708,
8 77.76 (3r), 77.76 (5) and 345.05 (1) (ag) of the statutes; **relating to:** the creation
9 of regional transit authorities and making appropriations.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

For further information see the *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:

SENATE BILL 205

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the Joint Legislative Council's Special Committee on Regional Transportation Authority.

This bill allows most cities, towns, villages, and counties (political subdivisions) to create regional transit authorities (RTAs), which are public bodies corporate and politic. Generally, the governing bodies of two or more political subdivisions may join together (participating political subdivisions) to jointly create an RTA by adopting identical resolutions (authorizing resolutions). The bill also permits a county, under certain circumstances, to unilaterally create an RTA. The bill allows a county to prevent the creation or joining of an RTA by a municipality within the county if the county adopts a resolution stating that it intends to create an RTA that will include the municipality in its jurisdictional area and initiating a study relating to this RTA. The municipality may create or join the RTA despite denial of approval by the county if the county does not complete the study relating to creation of its RTA within 18 months of denial of approval by the county or if the municipality is not included in the jurisdictional area of another RTA within 24 months of denial of approval by the county.

If an RTA has already been formed, additional political subdivisions may join the RTA by adopting authorizing resolutions identical to the authorizing resolutions if the RTA also adopts a resolution allowing the additional political subdivisions to join the RTA. Participating political subdivisions may generally amend or modify their authorizing resolutions, including to allow a new political subdivision to join the RTA, if, after any amendment or modification, the authorizing resolutions of all participating political subdivisions remain identical. Any RTA authorizing resolution must contain certain information, including all of the following:

1. The name of the RTA and a description or map of its jurisdictional area. "Jurisdictional area" is defined as the geographic area formed by the combined territorial boundaries of all participating political subdivisions except that for a county, it includes the portion of the county that is within the "county jurisdictional area". A county that is a participating political subdivision determines the county jurisdictional area as one of the following:

- a. The portion of the county that is within the combined territorial boundaries of each of the cities, villages, and towns in the county that are also participating political subdivisions of the RTA.

- b. The territorial boundaries of the county.

- c. The combined territorial boundaries of each of the cities, villages, and towns in the county with at least 75 percent of their populations residing within a metropolitan planning area at the time of designation by the county.

To designate a county jurisdictional area under b. or c. above, a county must receive the approval of: (1) each political subdivision within the proposed county jurisdictional area that is a participating political subdivision in an RTA; and (2) each city, village, town, or tribal government within the proposed county jurisdictional area that is the owner, operator, or controlling authority of a transit system that serves, on average, at least 10 percent of the passengers served by all transit systems in the county over the 3 years preceding creation of the RTA.

2. The purpose of the RTA and the functions or services to be provided by the RTA.

3. The powers, duties, and limitations of the RTA.

4. The establishment and organization of a board of directors, in which all powers of the RTA are vested, the voting requirements for action by the board of directors, and the duties of the board of directors.

5. The manner of selection, powers, and duties of the RTA's officers.

6. The method of financing the formation and operation of the RTA.

7. If authorized, the maximum rate and initial limits, if any, of the sales and use tax, not exceeding the statutory limit, that may be imposed by the RTA. The resolution must also include or refer to a transit plan for the RTA or refer to a previously approved transit plan. An authority must revise its transit plan at least once every 5 years.

SENATE BILL 205

8. A procedure by which a participating political subdivision may withdraw from the RTA and provisions for the disposition or distribution of any property, assets, and obligations of the RTA on withdrawal of a participating political subdivision from the RTA or on dissolution of the RTA.

The governing body of a political subdivision must approve by at least a majority vote the authorizing resolution creating or joining an RTA and, upon such approval, the governing body of the political subdivision may also require that the authorizing resolution be ratified by the electors at a referendum held in the political subdivision. Also, at least 30 days before approving an authorizing resolution, the governing body of a political subdivision must hold a public hearing on the resolution. Generally, a political subdivision may not participate in more than one RTA, whether created under this section or any other statute, except s. 59.58 (6) (a) 1., stats. However, a county may be a participating political subdivision in more than one authority created under this section.

An RTA may do all of the following:

1. Establish or acquire a comprehensive unified local transit system, which is a transit system comprised of bus lines and other public transit facilities generally within the jurisdictional area of the RTA. “Transit system” is defined to include land, structures, equipment, and other property for transit of passengers, including by bus, rail, or other form of mass transit. The RTA may operate this transit system or provide for its operation by another. The RTA may contract with a public or private organization to provide transit services in lieu of directly providing these services and may purchase and lease transit facilities to public or private transit companies.

2. Coordinate, provide, or assist in providing specialized transportation services for persons who are disabled or aged 60 or older.

3. Own or lease real or personal property.

4. Acquire property by condemnation.

5. Enter upon highways to install, maintain, and operate the RTA’s facilities.

6. Impose, by the adoption of a resolution by the board of directors, a sales and use tax in the jurisdictional area of the RTA’s participating political subdivisions at a rate of not more than 0.5 percent of the gross receipts or sales price or, if lower, not to exceed the maximum rate established by the authorizing resolution. This sales and use tax may be imposed in any city, town, or village within a county that is a participating political subdivision of an RTA or is within the “county jurisdictional area”, as defined by the bill. The tax shall be uniform among the cities, villages, and towns that are within the same county.

7. Incur debts and obligations. An RTA may issue tax-exempt revenue bonds, secured by a pledge of any income or revenues from any operations or other source of moneys for the RTA. The bonds of an RTA are not a debt of its participating political subdivisions and neither the participating political subdivisions nor the state are liable for the payment of the bonds. Bond proceeds, except those derived from refunding bonds, may be used only for capital expenditures related to the acquisition of transit system equipment having a useful life of at least five years. The useful life limitation does not apply to expenditures made for the acquisition of all or part of an existing transit system.

8. Set fees and charges for functions, facilities, and services provided by the RTA.

9. Adopt bylaws and rules to carry out the powers and purposes of the RTA.

10. Sue and be sued in its own name.

11. Employ agents, consultants, and employees, engage professional services, and purchase furniture, supplies, and materials reasonably necessary to perform its duties and exercise its powers.

12. Invest funds not required for immediate disbursement.

13. Do and perform any authorized acts by means of an agent or by contracts with any person.

SENATE BILL 205

14. Exercise any other powers that the board of directors considers necessary and convenient to effectuate the purposes of the RTA, including providing for passenger safety.

The board of directors of an RTA must annually prepare a budget for the RTA. Rates and other charges received by the 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. The RTA must maintain an accounting system in accordance with generally accepted accounting principles and must have its financial statements and debt covenants audited annually by an independent certified public accountant. For purposes of subch. III of ch. 19, stats., the board of directors of an RTA are considered local public officials, and as such are subject to the code of ethics for local public officials.

An RTA that acquires a transit system must assume all of the employer's obligations under any contract between the employees and management of the system to the extent allowed by law. An RTA that acquires, constructs, operates, or contracts for the operation of a transit system must negotiate an agreement with the representative of the labor organization that covers the employees affected by the acquisition, construction, or operation to protect the interests of employees affected, and that agreement must include specified provisions. Employees of the RTA are participatory employees under the Wisconsin Retirement System (WRS) if the RTA elects to join the WRS.

A participating political subdivision may withdraw from an RTA if: (1) the governing body of the political subdivision adopts a resolution requesting withdrawal from the RTA; (2) the political subdivision has paid, or made provision for the payment of, all obligations of the political subdivision to the RTA; and (3) any authorized sales and use tax that is levied by the RTA within the political subdivision continues to be levied for the period of time for which the tax is authorized. Unless otherwise agreed upon, if a political subdivision withdraws from an RTA, the political subdivision continues to receive services from the RTA for so long as the sales and use tax continues to be levied in the political subdivision.

An RTA may be dissolved if the authority adopts a resolution dissolving the RTA. Dissolution of an RTA may not occur until adequate provision has been made for payment of the RTA's outstanding indebtedness, including outstanding revenue bonds. Dissolution of an RTA, and withdrawal of a political subdivision from an RTA, is subject to provisions of the authorizing resolutions relating to, respectively, dissolution or withdrawal.

Current law provides limited immunity for cities, villages, towns, counties, and other political corporations and governmental subdivisions, and for officers, officials, agents, and employees of these entities, for acts done in an official capacity or in the course of employment. Claimants must generally follow a specified claims procedure and liability for damages is generally limited to \$50,000 except that no liability may be imposed for performance of a discretionary duty or for punitive damages. If a person suffers damage resulting from the negligent operation of a motor vehicle owned and operated by a county, city, village, town, school district, sewer district, or other political subdivision of the state in the course of its business, the person may file a claim for damages following this claims procedure and the amount of damages recoverable is limited to \$250,000. This bill specifies that this provision related to claims and liability for negligent operation of a motor vehicle by a political subdivision applies to an RTA.

The bill also allows RTAs to participate in organizing municipal insurance mutuals to provide insurance and risk management services.

1 **SECTION 1.** 19.42 (7w) (e) of the statutes is created to read:

SENATE BILL 205

1 19.42 (7w) (e) The members of the board of directors of a transit authority
 2 created under s. 66.1039.

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

	2009-10	2010-11
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6 **20.566 Revenue, department of**

7 (1) COLLECTION OF TAXES

8 (gc) Administration of transit author-				
9 ity taxes	PR	A	-0-	-0-

10 **SECTION 3.** 20.566 (1) (gc) of the statutes is created to read:

11 20.566 (1) (gc) *Administration of transit authority taxes.* From the moneys
 12 received from the appropriation account under s. 20.835 (4) (gc), the amounts in the
 13 schedule for the purpose of administering the transit authority taxes imposed under
 14 s. 77.708. Notwithstanding s. 20.001 (3) (a), at the end of each fiscal year the
 15 unencumbered balance in this appropriation account shall be transferred to the
 16 appropriation account under s. 20.835 (4) (gc).

17 **SECTION 4.** 20.835 (4) (gc) of the statutes is created to read:

18 20.835 (4) (gc) *Transit authority taxes.* All moneys received from the taxes
 19 imposed under s. 77.708, and from the appropriation account under s. 20.566 (1) (gc),
 20 for the purpose of distribution to the transit authorities that adopt a resolution
 21 imposing taxes under subch. V of ch. 77, except that 1.5 percent of those tax revenues
 22 collected under subch. V of ch. 77 shall be credited to the appropriation account under
 23 s. 20.566 (1) (gc).

24 **SECTION 5.** 32.05 (1) (a) of the statutes is amended to read:

SENATE BILL 205**SECTION 5**

1 32.05 (1) (a) Except as provided under par. (b), a county board of supervisors
2 or a county highway committee when so authorized by the county board of
3 supervisors, a city council, a village board, a town board, a sewerage commission
4 governing a metropolitan sewerage district created by ss. 200.05 or 200.21 to 200.65,
5 the secretary of transportation, a commission created by contract under s. 66.0301,
6 a joint local water authority created by contract under s. 66.0823, a transit authority
7 created under s. 66.1039, a housing authority under ss. 66.1201 to 66.1211, a local
8 exposition district created under subch. II of ch. 229, a local cultural arts district
9 created under subch. V of ch. 229, a redevelopment authority under s. 66.1333 or a
10 community development authority under s. 66.1335 shall make an order providing
11 for the laying out, relocation and improvement of the public highway, street, alley,
12 storm and sanitary sewers, watercourses, water transmission and distribution
13 facilities, mass transit facilities, airport, or other transportation facilities, gas or
14 leachate extraction systems to remedy environmental pollution from a solid waste
15 disposal facility, housing project, redevelopment project, cultural arts facilities,
16 exposition center or exposition center facilities which shall be known as the
17 relocation order. This order shall include a map or plat showing the old and new
18 locations and the lands and interests required. A copy of the order shall, within 20
19 days after its issue, be filed with the county clerk of the county wherein the lands are
20 located or, in lieu of filing a copy of the order, a plat may be filed or recorded in
21 accordance with s. 84.095.

22 **SECTION 6.** 32.07 (2) of the statutes is amended to read:

23 32.07 (2) The petitioner shall determine necessity if application is by the state
24 or any commission, department, board or other branch of state government or by a
25 city, village, town, county, school district, board, commission, public officer,

SENATE BILL 205

1 commission created by contract under s. 66.0301, joint local water authority under
2 s. 66.0823, transit authority created under s. 66.1039, redevelopment authority
3 created under s. 66.1333, local exposition district created under subch. II of ch. 229,
4 local cultural arts district created under subch. V of ch. 229, housing authority
5 created under ss. 66.1201 to 66.1211 or for the right-of-way of a railroad up to 100
6 feet in width, for a telegraph, telephone or other electric line, for the right-of-way
7 for a gas pipeline, main or service or for easements for the construction of any
8 elevated structure or subway for railroad purposes.

9 **SECTION 7.** 40.02 (28) of the statutes is amended to read:

10 40.02 (28) "Employer" means the state, including each state agency, any
11 county, city, village, town, school district, other governmental unit or
12 instrumentality of 2 or more units of government now existing or hereafter created
13 within the state, any federated public library system established under s. 43.19
14 whose territory lies within a single county with a population of 500,000 or more, a
15 local exposition district created under subch. II of ch. 229, a transit authority created
16 under s. 66.1039, and a long-term care district created under s. 46.2895, except as
17 provided under ss. 40.51 (7) and 40.61 (3) and subch. X. "Employer" does not include
18 a local cultural arts district created under subch. V of ch. 229. Each employer shall
19 be a separate legal jurisdiction for OASDHI purposes.

20 **SECTION 8.** 40.02 (28) of the statutes, as affected by 2007 Wisconsin Act 20 and
21 2009 Wisconsin Act (this act), is repealed and recreated to read:

22 40.02 (28) "Employer" means the state, including each state agency, any
23 county, city, village, town, school district, other governmental unit or
24 instrumentality of 2 or more units of government now existing or hereafter created
25 within the state, any federated public library system established under s. 43.19

SENATE BILL 205**SECTION 8**

1 whose territory lies within a single county with a population of 500,000 or more, a
2 local exposition district created under subch. II of ch. 229, a transit authority created
3 under s. 66.1039, and a long-term care district created under s. 46.2895, except as
4 provided under ss. 40.51 (7) and 40.61 (3). “Employer” does not include a local
5 cultural arts district created under subch. V of ch. 229. Each employer shall be a
6 separate legal jurisdiction for OASDHI purposes.

7 **SECTION 9.** 59.58 (6) (title) and (a) 1. of the statutes are amended to read:

8 59.58 (6) (title) ~~REGIONAL~~ KENOSHA-RACINE-MILWAUKEE REGIONAL TRANSIT
9 AUTHORITY.

10 (a) 1. “Authority” means the Kenosha-Racine-Milwaukee regional transit
11 authority.

12 **SECTION 10.** 66.0301 (1) (a) of the statutes is amended to read:

13 66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section
14 “municipality” means the state or any department or agency thereof, or any city,
15 village, town, county, school district, public library system, public inland lake
16 protection and rehabilitation district, sanitary district, farm drainage district,
17 metropolitan sewerage district, sewer utility district, solid waste management
18 system created under s. 59.70 (2), local exposition district created under subch. II of
19 ch. 229, local professional baseball park district created under subch. III of ch. 229,
20 local professional football stadium district created under subch. IV of ch. 229, a local
21 cultural arts district created under subch. V of ch. 229, transit authority created
22 under s. 66.1039, long-term care district under s. 46.2895, water utility district,
23 mosquito control district, municipal electric company, county or city transit
24 commission, commission created by contract under this section, taxation district,
25 regional planning commission, or city-county health department.

SENATE BILL 205

1 **SECTION 11.** 66.1039 of the statutes is created to read:

2 **66.1039 Transit authorities. (1) DEFINITIONS.** In this section:

3 (a) “Authority” means a transit authority created under this section.

4 (b) “Bonds” means any bonds, interim certificates, notes, debentures, or other
5 obligations of an authority issued under this section.

6 (c) “Common carrier” means any of the following:

7 1. A common motor carrier, as defined in s. 194.01 (1).

8 2. A contract motor carrier, as defined in s. 194.01 (2).

9 3. A railroad subject to ch. 195, as described in s. 195.02 (1) and (3).

10 4. A water carrier, as defined in s. 195.02 (5).

11 (d) “Comprehensive unified local transit system” means a transit system that
12 is comprised of motor bus lines and any other local public transit facilities, the major
13 portion of which is located within, or the major portion of the service of which is
14 supplied to the inhabitants of, the jurisdictional area of the authority.

15 (e) “County jurisdictional area” means the geographical area designated by a
16 county under sub. (3) (a).

17 (f) 1. Except as provided in subd. 2., “jurisdictional area” means the geographic
18 area formed by the combined territorial boundaries of all participating political
19 subdivisions.

20 2. For a participating political subdivision that is a county, “jurisdictional area”
21 includes the county jurisdictional area.

22 (g) “Municipality” means any city, village, or town except any portion of a city,
23 village, or town within a county jurisdictional area under sub. (3) (a) 2. or 3.

SENATE BILL 205**SECTION 11**

1 (h) “Participating political subdivision” means a political subdivision that has
2 adopted a resolution creating an authority or joining an established authority under
3 this section.

4 (i) “Political subdivision” means a municipality or county.

5 (j) “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 TRANSIT AUTHORITIES.** (a) Subject to pars. (g), (i), and (j), the
16 governing body of a political subdivision may, by resolution, declare the need for an
17 authority to function in the political subdivision and may join together with one or
18 more other political subdivisions to jointly create, by adopting identical resolutions,
19 a public body corporate and politic in these political subdivisions. This public body
20 shall be a separate governmental entity and shall be known as a “regional transit
21 authority.” The authority may transact business and exercise any powers granted
22 to it under this section.

23 (b) Subject to pars. (g) and (i), if an authority has been created under par. (a),
24 a political subdivision may join this authority if the governing body of this political
25 subdivision adopts a resolution identical to the existing identical resolutions of the

SENATE BILL 205

1 participating political subdivisions of the authority and the authority adopts a
2 resolution allowing this political subdivision to join the authority.

3 (c) Any resolution under pars. (a) and (b) creating or joining an authority shall
4 specify all of the following:

5 1. The name of the authority and a description or map of its jurisdictional area.

6 2. The purpose of the authority and the functions or services to be provided by
7 the authority.

8 3. The powers, duties, and limitations of the authority.

9 4. The establishment and organization of a board of directors, in which all
10 powers of the authority shall be vested. The resolution may permit the board of
11 directors to create an executive committee of the board of directors to assist the board
12 of directors in exercising its powers and duties, but these powers and duties may be
13 carried out only by action of the board in compliance with subd. 7.

14 5. The number of directors, the manner of their appointment, the required
15 representation, if any, for each participating political subdivision and city, village, or
16 town within a county jurisdictional area designated under sub. (3) (a) 2. or 3., the
17 terms of their office, their compensation, if any, and the procedure for filling
18 vacancies on the board of directors.

19 6. The manner of selection of the officers of the authority and their powers,
20 duties, and limitations.

21 7. The voting requirements for action by the board of directors. At least a
22 majority vote of the authorized directors is necessary for any action to be taken by
23 the board of directors.

SENATE BILL 205**SECTION 11**

1 8. The duties of the board of directors, including the obligation to comply with
2 this section and the laws of this state and with the terms of the resolutions adopted
3 under this section.

4 9. The method of financing the formation and operation of the authority.

5 10. If taxes may be imposed by the authority under sub. (4) (s), the maximum
6 rate of the taxes that may be imposed by the authority under sub. (4) (s), including
7 the initial limit on the rate of taxes that may be imposed by the authority, if any, not
8 to exceed the maximum rate specified in s. 77.708 (1). The rate of the taxes that may
9 be imposed by the authority under sub. (4) (s) shall be uniform among all cities,
10 villages, and towns within the authority's jurisdictional area that are within the
11 same county. For purposes of this subdivision, an authority may declare a
12 participating political subdivision with territory in the jurisdictional area of the
13 authority and in more than one county to be wholly within one of those counties.

14 11. A transit plan or previously approved transit plan for the authority or
15 reference to a transit plan or previously approved transit plan set forth in detail
16 elsewhere. A transit plan under this subdivision shall provide opportunity for public
17 involvement in the transit plan development process.

18 12. Subject to sub. (13), a procedure by which a participating political
19 subdivision may withdraw from the authority and provisions for the disposition,
20 division, or distribution of any property, assets, and obligations of the authority on
21 withdrawal of a participating political subdivision or on dissolution of the authority.

22 (d) Subject to par. (e), a resolution under par. (a) or (b) shall be approved by at
23 least a majority vote of the members of the governing body of the political
24 subdivision. The governing body of the political subdivision may also require that
25 the resolution be ratified by the electors at a referendum held in the area of the

SENATE BILL 205

1 political subdivision that would be within the jurisdictional area of the authority
2 under the resolution.

3 (e) At least 30 days before approving a resolution under par. (a) or (b), the
4 governing body of a political subdivision shall hold a public hearing on the resolution.
5 Notice of the hearing shall be published as a class 3 notice under ch. 985. At the
6 public hearing, the governing body of the political subdivision shall solicit comments
7 and recommendations on the preferred method under par. (d) for approving the
8 resolution.

9 (f) 1. A county may not be a participating political subdivision in an authority
10 under this section if it is a participating political subdivision of an authority
11 authorized under any other statute, except an authority created under s. 59.58 (6)
12 (a) 1.

13 2. Subject to subd. 3., a county may be a participating political subdivision in
14 more than one authority under this section.

15 3. No portion of a city, village, or town may be included in the jurisdictional area
16 of more than one authority.

17 (g) If an authority created under par. (a) includes as a participating political
18 subdivision a county that has designated a county jurisdictional area under sub. (3)
19 (a) 1., the authority shall also include at least one municipality within that county.

20 (h) If an authority has been created under this subsection, the participating
21 political subdivisions of the authority may amend or modify their original
22 resolutions creating or joining the authority if, after any amendment or modification,
23 the resolutions of all participating political subdivisions of the authority remain
24 identical and continue to satisfy the requirements under this section for the creation
25 of an authority, except the requirement under par. (e). Any such amendment or

SENATE BILL 205**SECTION 11**

1 modification of the original resolutions creating or joining the authority does not
2 create a new authority unless specifically provided otherwise in the amendment or
3 modification, even if the amendment or modification is undertaken for the purpose
4 of including additional participating political subdivisions in the authority.

5 (i) 1. Subject to subd. 2., an identical resolution under par. (a) or (b) that is
6 approved by a municipality under par. (d) is not effective unless approved by the
7 county that contains the geographical area of the municipality to be included in the
8 authority within 45 days of submission of the resolution to that county for approval.
9 For a county to withhold its approval under this paragraph, the county must adopt
10 a resolution by which the county declares its intention to create an authority that will
11 include the municipality in the authority's jurisdictional area, and declares that it
12 will commence, or has commenced, a study relating to the creation of the authority.

13 2. An identical resolution that is not approved by a county under subd. 1. may
14 go into effect, without county approval, unless each of the following occurs:

15 a. The county that withheld approval completes its study relating to the
16 creation of the authority under subd. 1. within 18 months after the county first
17 withheld its approval of the resolution.

18 b. All of the geographic area of the municipality that is within the county that
19 withheld approval is included within the jurisdictional area of an authority within
20 24 months after the county first withheld its approval of the resolution.

21 (j) A county that has designated a county jurisdictional area under sub. (3) (a)
22 2. or 3. may create an authority without joining together with one or more other
23 political subdivisions to create the authority.

24 **(3) COUNTY JURISDICTIONAL AREA.** (a) Subject to par. (c), a county that is a
25 participating political subdivision in an authority must designate, by resolution, the

SENATE BILL 205

1 county jurisdictional area of the authority. The county jurisdictional area shall be
2 one of the following:

3 1. The portion of the county that is within the combined territorial boundaries
4 of each of the cities, villages, and towns in the county that are also participating
5 political subdivisions of the authority.

6 2. The territorial boundaries of the county.

7 3. The combined territorial boundaries of each of the cities, villages, and towns
8 in the county with at least 75 percent of their populations residing within a
9 metropolitan planning area, as defined in 23 USC 134 (b) (1), at the time of
10 designation by the county.

11 (b) Under par. (a) 3., counties that contain all or a part of more than one
12 metropolitan planning area may designate a county jurisdictional area for one or
13 more of the metropolitan planning areas for inclusion in the same authority or
14 different authorities.

15 (c) A county may not designate a county jurisdictional area under par. (a) 2. or
16 3. without prior approval, by resolution, by each city, village, town, or tribal
17 government wholly or partially within the proposed county jurisdictional area that
18 is any of the following:

19 1. The owner, operator, or controlling authority of a transit system that serves
20 at least 10 percent of the passengers, as expressed in unlinked trips, served by all
21 transit systems in the county on average over the 3 years preceding creation of the
22 authority, as determined by the department of transportation.

23 2. A participating political subdivision in an authority.

24 (4) **POWERS.** Notwithstanding s. 59.84 (2) and any other provision of this
25 chapter or ch. 59 or 85, an authority may do all of the following:

SENATE BILL 205**SECTION 11**

1 (a) Establish, maintain, and operate a comprehensive unified local transit
2 system primarily for the transportation of persons.

3 (b) Acquire a comprehensive unified local transit system by purchase,
4 condemnation under s. 32.05, or otherwise and provide funds for the operation and
5 maintenance of the system. Upon the acquisition of a comprehensive unified local
6 transit system, the authority may:

7 1. Operate and maintain it or lease it to an operator or contract for its use by
8 an operator.

9 2. Contract for superintendence of the system with an organization that has
10 personnel with the requisite experience and skill.

11 3. Delegate responsibility for the operation and maintenance of the system to
12 an appropriate administrative officer, board, or commission of a participating
13 political subdivision.

14 4. Work with the department of transportation to maintain and improve
15 railroad rights-of-way and improvements on these rights-of-way for future transit
16 use.

17 (c) Contract with a public or private organization to provide transit services in
18 lieu of directly providing these services.

19 (d) Purchase and lease transit facilities to public or private transit companies
20 that operate within and outside the jurisdictional area.

21 (e) Apply for federal or other aids to purchase transit facilities or operate a
22 transit system.

23 (f) Coordinate, provide, or assist in providing specialized transportation
24 services, as defined in s. 85.21 (2) (g), for individuals who are disabled or aged 60 or
25 older, including services funded under 42 USC 3001 to 3057n, 42 USC 5001, and 42

SENATE BILL 205

1 USC 5011 (b), under ss. 49.43 to 49.499 and 85.21, and under other public funds
2 administered by the county. An authority may contract with a county that is a
3 participating political subdivision for the authority to provide specialized
4 transportation services, but an authority is not an eligible applicant under s. 85.21
5 (2) (e) and may not receive payments directly from the department of transportation
6 under s. 85.21.

7 (g) Acquire, own, hold, use, lease as lessor or lessee, sell or otherwise dispose
8 of, mortgage, pledge, or grant a security interest in any real or personal property or
9 service.

10 (h) Acquire property by condemnation using the procedure under s. 32.05 for
11 the purposes set forth in this section.

12 (i) Enter upon any state, county, or municipal street, road, or alley, or any public
13 highway for the purpose of installing, maintaining, and operating the authority's
14 facilities. Whenever the work is to be done in a state, county, or municipal highway,
15 street, road, or alley, the public authority having control thereof shall be duly
16 notified, and the highway, street, road, or alley shall be restored to as good a condition
17 as existed before the commencement of the work with all costs incident to the work
18 to be borne by the authority.

19 (j) Fix, maintain, and revise fees, rates, rents, and charges for functions,
20 facilities, and services provided by the authority.

21 (k) Make, and from time to time amend and repeal, bylaws, rules, and
22 regulations to carry into effect the powers and purposes of the authority.

23 (L) Sue and be sued in its own name.

24 (m) Have and use a corporate seal.

SENATE BILL 205**SECTION 11**

1 (n) Employ agents, consultants, and employees, engage professional services,
2 and purchase such furniture, stationery, and other supplies and materials as are
3 reasonably necessary to perform its duties and exercise its powers.

4 (o) Incur debts, liabilities, or obligations including the borrowing of money and
5 the issuance of bonds under subs. (7) and (10).

6 (p) Invest any funds held in reserve or sinking funds, or any funds not required
7 for immediate disbursement, including the proceeds from the sale of any bonds, in
8 such obligations, securities, and other investments as the authority deems proper in
9 accordance with s. 66.0603 (1m).

10 (q) Do and perform any acts and things authorized by this section under,
11 through, or by means of an agent or by contracts with any person.

12 (r) Exercise any other powers that the board of directors considers necessary
13 and convenient to effectuate the purposes of the authority, including providing for
14 passenger safety.

15 (s) Impose, by the adoption of a resolution by the board of directors, the taxes
16 under subch. V of ch. 77 in the authority's jurisdictional area. If an authority adopts
17 a resolution to impose the taxes, it shall deliver a certified copy of the resolution to
18 the department of revenue at least 120 days before its effective date. The authority
19 may, by adoption of a resolution by the board of directors, repeal the imposition of
20 taxes under subch. V of ch. 77 and shall deliver a certified copy of the repeal
21 resolution to the department of revenue at least 120 days before its effective date.

22 **(5) LIMITATIONS ON AUTHORITY POWERS.** (a) Whenever the proposed operations
23 of an authority would be competitive with the operations of a common carrier in
24 existence prior to the time the authority commences operations, the authority shall
25 coordinate proposed operations with the common carrier to eliminate adverse

SENATE BILL 205

1 financial impact for the carrier. This coordination may include route overlapping,
2 transfers, transfer points, schedule coordination, joint use of facilities, lease of route
3 service, and acquisition of route and corollary equipment. If this coordination does
4 not result in mutual agreement, the proposals of the authority and the common
5 carrier shall be submitted to the department of transportation for arbitration.

6 (b) In exercising its powers under sub. (4), an authority shall consider any plan
7 of a metropolitan planning organization under 23 USC 134 that covers any portion
8 of the authority's jurisdictional area.

9 (c) An authority must revise its transit plan under sub. (2) (c) 11. at least once
10 every 5 years.

11 **(6) AUTHORITY OBLIGATIONS TO EMPLOYEES OF MASS TRANSIT SYSTEMS.** (a) An
12 authority acquiring a comprehensive unified local transit system shall assume all of
13 the employer's obligations under any contract between the employees and
14 management of the system to the extent allowed by law.

15 (b) An authority acquiring, constructing, controlling, operating, or contracting
16 for the superintendence of or operation of a comprehensive unified local transit
17 system shall negotiate an agreement with the representative of the labor
18 organization, notwithstanding s. 111.70 (2), (3), and (6), that covers the employees
19 affected by the acquisition, construction, control, or operation to protect the interests
20 of employees affected. This agreement shall include all of the provisions identified
21 in s. 59.58 (4) (b) 1. to 8. and may include provisions identified in s. 59.58 (4) (c). An
22 affected employee has all the rights and the same status under subch. IV of ch. 111
23 that he or she enjoyed immediately before the acquisition, construction, control, or
24 operation and may not be required to serve a probationary period if he or she attained
25 permanent status before the acquisition, construction, control, or operation.

SENATE BILL 205

SECTION 11

1 (c) In all negotiations under this subsection, a senior executive officer of the
2 authority shall be a member of the authority’s negotiating body.

3 (7) BONDS; GENERALLY. (a) An authority may issue bonds, the principal and
4 interest on which are payable exclusively from all or a portion of any revenues
5 received by the authority. The authority may secure its bonds by a pledge of any
6 income or revenues from any operations, rent, aids, grants, subsidies, contributions,
7 or other source of moneys whatsoever.

8 (b) An authority may issue bonds in such principal amounts as the authority
9 deems necessary.

10 (c) Except with respect to refunding bonds under sub. (10), bond proceeds may
11 be used only for capital expenditures related to the acquisition of transit system
12 equipment having a useful life of at least 5 years. This paragraph does not apply to
13 expenditures made for the acquisition of all or part of an existing transit system.

14 (d) 1. Neither the members of the board of directors of an authority nor any
15 person executing the bonds is personally liable on the bonds by reason of the issuance
16 of the bonds.

17 2. The bonds of an authority are not a debt of the participating political
18 subdivisions. Neither the participating political subdivisions nor the state is liable
19 for the payment of the bonds. The bonds of any authority shall be payable only out
20 of funds or properties of the authority. The bonds of the authority shall state the
21 restrictions contained in this paragraph on the face of the bonds.

22 (8) ISSUANCE OF BONDS. (a) Bonds of an authority shall be authorized by
23 resolution of the board of directors. The bonds may be issued under such a resolution
24 or under a trust indenture or other security instrument. The bonds may be issued
25 in one or more series and may be in the form of coupon bonds or registered bonds

SENATE BILL 205

1 under s. 67.09. The bonds shall bear the dates, mature at the times, bear interest
2 at the rates, be in the denominations, have the rank or priority, be executed in the
3 manner, be payable in the medium of payment and at the places, and be subject to
4 the terms of redemption, with or without premium, as the resolution, trust
5 indenture, or other security instrument provides. Bonds of an authority are issued
6 for an essential public and governmental purpose and are public instrumentalities
7 and, together with interest and income, are exempt from taxes.

8 (b) The authority may sell the bonds at public or private sales at the price or
9 prices determined by the authority.

10 (c) If an officer whose signatures appear on any bonds or coupons ceases to be
11 an officer of the authority before the delivery of the bonds or coupons, the officer's
12 signature shall, nevertheless, be valid for all purposes as if the officer had remained
13 in office until delivery of the bonds or coupons.

14 **(9) COVENANTS.** An authority may do all of the following in connection with the
15 issuance of bonds:

16 (a) Covenant as to the use of any or all of its property, real or personal.

17 (b) Redeem the bonds, or covenant for the redemption of the bonds, and provide
18 the terms and conditions of the redemption.

19 (c) Covenant as to charge fees, rates, rents, and charges sufficient to meet
20 operating and maintenance expenses, renewals, and replacements of any transit
21 system, principal and debt service on bonds, creation and maintenance of any
22 reserves required by a bond resolution, trust indenture, or other security instrument
23 and to provide for any margins or coverages over and above debt service on the bonds
24 that the board of directors considers desirable for the marketability of the bonds.

SENATE BILL 205**SECTION 11**

1 (d) Covenant as to the events of default on the bonds and the terms and
2 conditions upon which the bonds shall become or may be declared due before
3 maturity, as to the terms and conditions upon which this declaration and its
4 consequences may be waived, and as to the consequences of default and the remedies
5 of bondholders.

6 (e) Covenant as to the mortgage or pledge of, or the grant of a security interest
7 in, any real or personal property and all or any part of the revenues of the authority
8 to secure the payment of bonds, subject to any agreements with the bondholders.

9 (f) Covenant as to the custody, collection, securing, investment, and payment
10 of any revenues, assets, moneys, funds, or property with respect to which the
11 authority may have any rights or interest.

12 (g) Subject to sub. (7) (c), covenant as to the purposes to which the proceeds from
13 the sale of any bonds may be applied, and as to the pledge of such proceeds to secure
14 the payment of the bonds.

15 (h) Covenant as to limitations on the issuance of any additional bonds, the
16 terms upon which additional bonds may be issued and secured, and the refunding
17 of outstanding bonds.

18 (i) Covenant as to the rank or priority of any bonds with respect to any lien or
19 security.

20 (j) Covenant as to the procedure by which the terms of any contract with or for
21 the benefit of the holders of bonds may be amended or abrogated, the amount of
22 bonds, the holders of which must consent thereto, and the manner in which such
23 consent may be given.

SENATE BILL 205

1 (k) Covenant as to the custody and safekeeping of any of its properties or
2 investments, the insurance to be carried on the property or investments and the use
3 and disposition of insurance proceeds.

4 (L) Covenant as to the vesting in one or more trustees, within or outside the
5 state, of those properties, rights, powers, and duties in trust as the authority
6 determines.

7 (m) Covenant as to the appointing of, and providing for the duties and
8 obligations of, one or more paying agent or other fiduciaries within or outside the
9 state.

10 (n) Make all other covenants and do any act that may be necessary or
11 convenient or desirable in order to secure its bonds or, in the absolute discretion of
12 the authority, tend to make the bonds more marketable.

13 (o) Execute all instruments necessary or convenient in the exercise of the
14 powers granted under this section or in the performance of covenants or duties,
15 which may contain such covenants and provisions as a purchaser of the bonds of the
16 authority may reasonably require.

17 **(10) REFUNDING BONDS.** An authority may issue refunding bonds for the
18 purpose of paying any of its bonds at or prior to maturity or upon acceleration or
19 redemption. An authority may issue refunding bonds at such time prior to the
20 maturity or redemption of the refunded bonds as the authority deems to be in the
21 public interest. The refunding bonds may be issued in sufficient amounts to pay or
22 provide the principal of the bonds being refunded, together with any redemption
23 premium on the bonds, any interest accrued or to accrue to the date of payment of
24 the bonds, the expenses of issue of the refunding bonds, the expenses of redeeming
25 the bonds being refunded, and such reserves for debt service or other capital or

SENATE BILL 205**SECTION 11**

1 current expenses from the proceeds of such refunding bonds as may be required by
2 the resolution, trust indenture, or other security instruments. To the extent
3 applicable, refunding bonds are subject to subs. (8) and (9).

4 **(11) BONDS ELIGIBLE FOR INVESTMENT.** (a) Any of the following may invest funds,
5 including capital in their control or belonging to them, in bonds of the authority:

- 6 1. Public officers and agencies of the state.
- 7 2. Political subdivisions.
- 8 3. Insurance companies.
- 9 4. Trust companies.
- 10 5. Banks.
- 11 6. Savings banks.
- 12 7. Savings and loan associations.
- 13 8. Investment companies.
- 14 9. Personal representatives.
- 15 10. Trustees.
- 16 11. Other fiduciaries not listed in this paragraph.

17 (b) The authority's bonds are securities that may be deposited with and
18 received by any officer or agency of the state or any political subdivision for any
19 purpose for which the deposit of bonds or obligations of the state or any political
20 subdivision is authorized by law.

21 **(12) BUDGETS; RATES AND CHARGES; AUDIT.** The board of directors of an authority
22 shall annually prepare a budget for the authority. Rates and other charges received
23 by the authority shall be used only for the general expenses and capital expenditures
24 of the authority, to pay interest, amortization, and retirement charges on bonds, and
25 for specific purposes of the authority and may not be transferred to any political

SENATE BILL 205

1 subdivision. The authority shall maintain an accounting system in accordance with
2 generally accepted accounting principles and shall have its financial statements and
3 debt covenants audited annually by an independent certified public accountant.

4 **(13) WITHDRAWAL FROM AUTHORITY.** (a) A participating political subdivision may
5 withdraw from an authority if all of the following conditions are met:

6 1. The governing body of the political subdivision adopts a resolution by a
7 majority vote of the members of the governing body requesting withdrawal of the
8 political subdivision from the authority.

9 2. The political subdivision has paid, or made provision for the payment of, all
10 obligations of the political subdivision to the authority, including its obligations
11 relative to any outstanding bonds issued by the authority.

12 3. Any tax authorized under sub. (4) (s) that is levied by the authority within
13 the political subdivision continues to be levied for the period of time for which the
14 authority has authorized the tax in a resolution imposing the tax under sub. (4) (s)
15 if such a resolution specifies a time period for the tax or until the effective date of a
16 tax repeal resolution under sub. (4) (s), whichever occurs first.

17 (b) Unless an earlier date for the termination of the provision of transit services
18 has been agreed upon by the withdrawing political subdivision and the authority, if
19 a political subdivision has withdrawn from an authority as provided in par. (a), the
20 political subdivision shall continue to receive services from the authority, in the same
21 manner and to the same extent as those provided to the remaining participating
22 political subdivisions, for so long as the tax continues to be levied as provided in par.

23 (a) 3. Nothing in this paragraph prohibits an authority from changing the manner
24 and extent to which it provides services, including in the withdrawing political
25 subdivision, as long as the services provided in the withdrawing political subdivision

SENATE BILL 205**SECTION 11**

1 remain comparable to those provided in the remaining political subdivisions while
2 the tax continues to be levied in the withdrawing political subdivision. The
3 remaining political subdivisions may choose to increase the tax under sub. (4) (s) and
4 are not required to extend the additional services provided by such additional tax to
5 the withdrawing political subdivision if the additional tax is not also collected in the
6 withdrawing political subdivision.

7 (c) If a political subdivision has withdrawn from an authority as provided in
8 par. (a), the articles of incorporation of the authority shall be amended to reflect the
9 withdrawal of the political subdivision and this amendment shall be filed and
10 published, in the same manner as a resolution, by the withdrawing political
11 subdivision and each participating political subdivision.

12 (d) Withdrawal of a political subdivision from an authority is subject to the
13 resolution provisions specified in sub. (2) (c) 12.

14 **(14) DISSOLUTION OF AUTHORITY.** An authority may be dissolved if the authority
15 adopts a resolution dissolving the authority. Dissolution of an authority is subject
16 to the resolution provisions specified in sub. (2) (c) 12. Dissolution of an authority
17 may not occur until all outstanding indebtedness of the authority has been paid and
18 all unexpended funds returned to the participating political subdivisions that
19 supplied them, or until adequate provision has been made for the outstanding
20 indebtedness or unexpended funds. An authority may not be dissolved so long as it
21 has bonds outstanding, unless provision for full payment of such bonds, by escrow
22 or otherwise, has been made pursuant to the terms of the bonds or the resolution,
23 trust indenture, or security instrument securing the bonds. The authority shall
24 notify the department of revenue of the authority's dissolution at least 120 days
25 before the dissolution's effective date.

SENATE BILL 205

1 **(15) OTHER STATUTES.** This section does not limit the powers of political
2 subdivisions to enter into intergovernmental cooperation or contracts or to establish
3 separate legal entities under s. 66.0301 or 66.1021 or any other applicable law, or
4 otherwise to carry out their powers under applicable statutory provisions. Section
5 66.0803 (2) does not apply to an authority.

6 **SECTION 12.** 67.01 (5) of the statutes is amended to read:

7 67.01 **(5)** "Municipality" means any of the following which is authorized to levy
8 a tax: a county, city, village, town, school district, board of park commissioners,
9 technical college district, metropolitan sewerage district created under ss. 200.01 to
10 200.15 or 200.21 to 200.65, town sanitary district under subch. IX of ch. 60, transit
11 authority created under s. 66.1039, public inland lake protection and rehabilitation
12 district established under s. 33.23, 33.235, or 33.24, and any other public body
13 empowered to borrow money and issue obligations to repay the money out of public
14 funds or revenues. "Municipality" does not include the state.

15 **SECTION 13.** 70.11 (2) of the statutes is amended to read:

16 70.11 **(2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.**
17 Property owned by any county, city, village, town, school district, technical college
18 district, public inland lake protection and rehabilitation district, metropolitan
19 sewerage district, municipal water district created under s. 198.22, joint local water
20 authority created under s. 66.0823, transit authority created under s. 66.1039,
21 long-term care district under s. 46.2895 or town sanitary district; lands belonging
22 to cities of any other state used for public parks; land tax-deeded to any county or
23 city before January 2; but any residence located upon property owned by the county
24 for park purposes that is rented out by the county for a nonpark purpose shall not
25 be exempt from taxation. Except as to land acquired under s. 59.84 (2) (d), this

SENATE BILL 205

SECTION 13

1 exemption shall not apply to land conveyed after August 17, 1961, to any such
 2 governmental unit or for its benefit while the grantor or others for his or her benefit
 3 are permitted to occupy the land or part thereof in consideration for the conveyance.
 4 Leasing the property exempt under this subsection, regardless of the lessee and the
 5 use of the leasehold income, does not render that property taxable.

6 **SECTION 14.** 71.26 (1) (b) of the statutes is amended to read:

7 71.26 (1) (b) *Political units.* Income received by the United States, the state
 8 and all counties, cities, villages, towns, school districts, technical college districts,
 9 joint local water authorities created under s. 66.0823, transit authorities created
 10 under s. 66.1039, long-term care districts under s. 46.2895 or other political units
 11 of this state.

12 **SECTION 15.** Chapter 77 (title) of the statutes is amended to read:

13 **CHAPTER 77**

14 **TAXATION OF FOREST CROPLANDS;**

15 **REAL ESTATE TRANSFER FEES;**

16 **SALES AND USE TAXES;**

17 **COUNTY, TRANSIT AUTHORITY,**

18 **AND SPECIAL DISTRICT SALES AND**

19 **USE TAXES; MANAGED FOREST LAND;**

20 **RECYCLING SURCHARGE;**

21 **LOCAL FOOD AND BEVERAGE TAX;**

22 **LOCAL RENTAL CAR TAX;**

23 **PREMIER RESORT AREA TAXES;**

24 **STATE RENTAL VEHICLE FEE;**

SENATE BILL 205

1 **DRY CLEANING FEES;**
2 **REGIONAL TRANSIT AUTHORITY FEE**

3 **SECTION 16.** 77.54 (9a) (er) of the statutes is created to read:

4 77.54 **(9a)** (er) Any transit authority created under s. 66.1039.

5 **SECTION 17.** Subchapter V (title) of chapter 77 [precedes 77.70] of the statutes
6 is amended to read:

7 **CHAPTER 77**

8 **SUBCHAPTER V**

9 **COUNTY, TRANSIT**

10 **AUTHORITY, AND SPECIAL DISTRICT**

11 **SALES AND USE TAXES**

12 **SECTION 18.** 77.708 of the statutes is created to read:

13 **77.708 Adoption by resolution; transit authority.** (1) A transit authority
14 created under s. 66.1039, by resolution under s. 66.1039 (4) (s), may impose a sales
15 tax and a use tax under this subchapter at a rate not to exceed 0.5 percent of the gross
16 receipts or sales price or, if lower, not to exceed the maximum rate established by
17 resolution under s. 66.1039 (2) (c) 10. Those taxes may be imposed only in their
18 entirety. The resolution shall be effective on the first day of the first calendar quarter
19 that begins at least 120 days after the adoption of the resolution.

20 (2) Retailers and the department of revenue may not collect a tax under sub.
21 (1) for any transit authority created under s. 66.1039 after the calendar quarter
22 during which the transit authority adopts a repeal resolution under s. 66.1039 (4) (s)
23 or dissolves as provided under s. 66.1039 (14), except that the department of revenue
24 may collect from retailers taxes that accrued before such calendar quarter and fees,
25 interest, and penalties that relate to those taxes.

SENATE BILL 205**SECTION 19**

1 **SECTION 19.** 77.71 (intro.) of the statutes is amended to read:

2 **77.71 Imposition of county, transit authority, and special district sales**
3 **and use taxes.** (intro.) Whenever a county sales and use tax ordinance is adopted
4 under s. 77.70, a transit authority resolution is adopted under s. 77.708, or a special
5 district resolution is adopted under s. 77.705 or 77.706, the following taxes are
6 imposed:

7 **SECTION 20.** 77.71 (1) of the statutes is amended to read:

8 77.71 (1) For the privilege of selling, leasing, or renting tangible personal
9 property and for the privilege of selling, performing, or furnishing services a sales
10 tax is imposed upon retailers at the rate of 0.5% in the case of a county tax, at the
11 rate under s. 77.708 in the case of a transit authority tax, or at the rate under s.
12 77.705 or 77.706 in the case of a special district tax of the gross receipts from the sale,
13 lease, or rental of tangible personal property, except property taxed under sub. (4),
14 sold, leased, or rented at retail in the county ~~or~~, special district, or transit authority's
15 jurisdictional area, or from selling, performing, or furnishing services described
16 under s. 77.52 (2) in the county ~~or~~, special district, or transit authority's jurisdictional
17 area.

18 **SECTION 21.** 77.71 (2) of the statutes is amended to read:

19 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax,
20 at the rate under s. 77.708 in the case of a transit authority tax, or at the rate under
21 s. 77.705 or 77.706 in the case of a special district tax of the sales price upon every
22 person storing, using, or otherwise consuming in the county ~~or~~, special district, or
23 transit authority's jurisdictional area tangible personal property or services if the
24 property or service is subject to the state use tax under s. 77.53, except that a receipt
25 indicating that the tax under sub. (1), (3), or (4) has been paid relieves the buyer of

SENATE BILL 205

1 liability for the tax under this subsection and except that if the buyer has paid a
2 similar local tax in another state on a purchase of the same property or services that
3 tax shall be credited against the tax under this subsection and except that for motor
4 vehicles that are used for a purpose in addition to retention, demonstration, or
5 display while held for sale in the regular course of business by a dealer the tax under
6 this subsection is imposed not on the sales price but on the amount under s. 77.53
7 (1m).

8 **SECTION 22.** 77.71 (3) of the statutes is amended to read:

9 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
10 activities within the county ~~or, special district,~~ or transit authority's jurisdictional
11 area, at the rate of 0.5% in the case of a county tax, at the rate under s. 77.708 in the
12 case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of
13 a special district tax of the sales price of tangible personal property that is used in
14 constructing, altering, repairing, or improving real property and that becomes a
15 component part of real property in that county or special district or in the transit
16 authority's jurisdictional area, except that if the contractor has paid the sales tax of
17 a county ~~in the case of a county tax,~~ transit authority, or of a special district ~~in the~~
18 ~~case of a special district tax~~ in this state on that property, or has paid a similar local
19 sales tax in another state on a purchase of the same property, that tax shall be
20 credited against the tax under this subsection.

21 **SECTION 23.** 77.71 (4) of the statutes is amended to read:

22 77.71 (4) An excise tax is imposed at the rate of 0.5 percent in the case of a
23 county tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the
24 rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price
25 upon every person storing, using or otherwise consuming a motor vehicle, boat,

SENATE BILL 205**SECTION 23**

1 snowmobile, recreational vehicle, as defined in s. 340.01 (48r), trailer, semitrailer,
2 all-terrain vehicle or aircraft, if that property must be registered or titled with this
3 state and if that property is to be customarily kept in a county that has in effect an
4 ordinance under s. 77.70, the jurisdictional area of a transit authority that has in
5 effect a resolution under s. 77.708, or in a special district that has in effect a
6 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local
7 sales tax in another state on a purchase of the same property that tax shall be
8 credited against the tax under this subsection.

9 **SECTION 24.** 77.73 of the statutes is amended to read:

10 **77.73 Jurisdiction to tax.** (1) Retailers making deliveries in their
11 company-operated vehicles of tangible personal property, or of property on which
12 taxable services were performed, to purchasers in a county ~~or~~, special district, or
13 transit authority's jurisdictional area are doing business in that county ~~or~~, special
14 district, or jurisdictional area, and that county ~~or~~, special district, or transit
15 authority has jurisdiction to impose the taxes under this subchapter on them.

16 (2) Counties ~~and~~, special districts, and transit authorities do not have
17 jurisdiction to impose the tax under s. 77.71 (2) in regard to tangible personal
18 property purchased in a sale that is consummated in another county or special
19 district in this state, or in another transit authority's jurisdictional area, that does
20 not have in effect an ordinance or resolution imposing the taxes under this
21 subchapter and later brought by the buyer into the county ~~or~~, special district, or
22 jurisdictional area of the transit authority that has imposed a tax under s. 77.71 (2).

23 **SECTION 25.** 77.75 of the statutes is amended to read:

24 **77.75 Reports.** Every person subject to county, transit authority, or special
25 district sales and use taxes shall, for each reporting period, record that person's sales

SENATE BILL 205

1 made in the county or special district, or jurisdictional area of a transit authority,
2 that has imposed those taxes separately from sales made elsewhere in this state and
3 file a report of the measure of the county or special district sales and use taxes and
4 the tax due thereon separately.

5 **SECTION 26.** 77.76 (1) of the statutes is amended to read:

6 77.76 (1) The department of revenue shall have full power to levy, enforce, and
7 collect county, transit authority, and special district sales and use taxes and may take
8 any action, conduct any proceeding, impose interest and penalties, and in all respects
9 proceed as it is authorized to proceed for the taxes imposed by subch. III. The
10 department of transportation and the department of natural resources may
11 administer the county, transit authority, and special district sales and use taxes in
12 regard to items under s. 77.61 (1).

13 **SECTION 27.** 77.76 (2) of the statutes is amended to read:

14 77.76 (2) Judicial and administrative review of departmental determinations
15 shall be as provided in subch. III for state sales and use taxes, and no county, transit
16 authority, or special district may intervene in any matter related to the levy,
17 enforcement, and collection of the taxes under this subchapter.

18 **SECTION 28.** 77.76 (3r) of the statutes is created to read:

19 77.76 (3r) From the appropriation under s. 20.835 (4) (gc) the department of
20 revenue shall distribute 98.5 percent of the taxes reported for each transit authority
21 that has imposed taxes under this subchapter, minus the transit authority portion
22 of the retailers' discount, to the transit authority no later than the end of the 3rd
23 month following the end of the calendar quarter in which such amounts were
24 reported. At the time of distribution the department of revenue shall indicate the
25 taxes reported by each taxpayer. In this subsection, the "transit authority portion

SENATE BILL 205**SECTION 28**

1 of the retailers' discount" is the amount determined by multiplying the total
2 retailers' discount by a fraction the numerator of which is the gross transit authority
3 sales and use taxes payable and the denominator of which is the sum of the gross
4 state and transit authority sales and use taxes payable. The transit authority taxes
5 distributed shall be increased or decreased to reflect subsequent refunds, audit
6 adjustments, and all other adjustments of the transit authority taxes previously
7 distributed. Interest paid on refunds of transit authority sales and use taxes shall
8 be paid from the appropriation under s. 20.835 (4) (gc) at the rate paid by this state
9 under s. 77.60 (1) (a). Any transit authority receiving a report under this subsection
10 is subject to the duties of confidentiality to which the department of revenue is
11 subject under s. 77.61 (5).

12 **SECTION 29.** 77.76 (4) of the statutes is amended to read:

13 77.76 (4) There shall be retained by the state 1.5% of the taxes collected for
14 taxes imposed by special districts under ss. 77.705 and 77.706 and transit authorities
15 under s. 77.708 and 1.75% of the taxes collected for taxes imposed by counties under
16 s. 77.70 to cover costs incurred by the state in administering, enforcing, and
17 collecting the tax. All interest and penalties collected shall be deposited and retained
18 by this state in the general fund.

19 **SECTION 30.** 77.76 (5) of the statutes is created to read:

20 77.76 (5) If a retailer receives notice from the department of revenue that the
21 retailer is required to collect and remit the taxes imposed under s. 77.708, but the
22 retailer believes that the retailer is not required to collect such taxes because the
23 retailer is not doing business within the transit authority's jurisdiction, the retailer
24 shall notify the department of revenue no later than 30 days after receiving notice

SENATE BILL 205

1 from the department. The department of revenue shall affirm or revise its original
2 determination no later than 30 days after receiving the retailer's notice.

3 **SECTION 31.** 77.77 (1) of the statutes is amended to read:

4 77.77 (1) The gross receipts from services subject to the tax under s. 77.52 (2)
5 are not subject to the taxes under this subchapter, and the incremental amount of
6 tax caused by a rate increase applicable to those services is not due, if those services
7 are billed to the customer and paid for before the effective date of the county
8 ordinance, special district resolution, transit authority resolution, or rate increase,
9 whether the service is furnished to the customer before or after that date.

10 **SECTION 32.** 77.77 (1) of the statutes, as affected by 2009 Wisconsin Acts 2 and
11 (this act), is repealed and recreated to read:

12 77.77 (1) (a) The sales price from services subject to the tax under s. 77.52 (2)
13 or the lease, rental, or license of tangible personal property and property, items, and
14 goods specified under s. 77.52 (1) (b), (c), and (d), is subject to the taxes under this
15 subchapter, and the incremental amount of tax caused by a rate increase applicable
16 to those services, leases, rentals, or licenses is due, beginning with the first billing
17 period starting on or after the effective date of the county ordinance, special district
18 resolution, transit authority resolution, or rate increase, regardless of whether the
19 service is furnished or the property, item, or good is leased, rented, or licensed to the
20 customer before or after that date.

21 (b) The sales price from services subject to the tax under s. 77.52 (2) or the lease,
22 rental, or license of tangible personal property and property, items, and goods
23 specified under s. 77.52 (1) (b), (c), and (d), is not subject to the taxes under this
24 subchapter, and a decrease in the tax rate imposed under this subchapter on those
25 services first applies, beginning with bills rendered on or after the effective date of

SENATE BILL 205**SECTION 32**

1 the repeal or sunset of a county ordinance, transit authority resolution, or special
2 district resolution imposing the tax or other rate decrease, regardless of whether the
3 service is furnished or the property, item, or good is leased, rented, or licensed to the
4 customer before or after that date.

5 **SECTION 33.** 77.77 (2) of the statutes is amended to read:

6 77.77 (2) Lease or rental receipts from tangible personal property that the
7 lessor is obligated to furnish at a fixed price under a contract entered into before the
8 effective date of a county ordinance, transit authority resolution, or special district
9 resolution are subject to the taxes under this subchapter on the effective date of the
10 ordinance or resolution, as provided for the state sales tax under s. 77.54 (18).

11 **SECTION 34.** 77.77 (2) of the statutes, as affected by 2009 Wisconsin Act (this
12 act), is repealed.

13 **SECTION 35.** 77.77 (3) of the statutes is amended to read:

14 77.77 (3) The sale of building materials to contractors engaged in the business
15 of constructing, altering, repairing or improving real estate for others is not subject
16 to the taxes under this subchapter, and the incremental amount of tax caused by the
17 rate increase applicable to those materials is not due, if the materials are affixed and
18 made a structural part of real estate, and the amount payable to the contractor is
19 fixed without regard to the costs incurred in performing a written contract that was
20 irrevocably entered into prior to the effective date of the county ordinance, special
21 district resolution, transit authority resolution, or rate increase or that resulted from
22 the acceptance of a formal written bid accompanied by a bond or other performance
23 guaranty that was irrevocably submitted before that date.

24 **SECTION 36.** 77.78 of the statutes is amended to read:

SENATE BILL 205

1 **77.78 Registration.** No motor vehicle, boat, snowmobile, recreational vehicle,
2 as defined in s. 340.01 (48r), trailer, semitrailer, all-terrain vehicle or aircraft that
3 is required to be registered by this state may be registered or titled by this state
4 unless the registrant files a sales and use tax report and pays the county tax, transit
5 authority tax, and special district tax at the time of registering or titling to the state
6 agency that registers or titles the property. That state agency shall transmit those
7 tax revenues to the department of revenue.

8 **SECTION 37.** 345.05 (1) (a) of the statutes is renumbered 345.05 (1) (am).

9 **SECTION 38.** 345.05 (1) (ag) of the statutes is created to read:

10 345.05 (1) (ag) “Authority” means a transit authority created under s. 66.1039.

11 **SECTION 39.** 345.05 (2) of the statutes is amended to read:

12 345.05 (2) A person suffering any damage proximately resulting from the
13 negligent operation of a motor vehicle owned and operated by a municipality or
14 authority, which damage was occasioned by the operation of the motor vehicle in the
15 course of its business, may file a claim for damages against the municipality or
16 authority concerned and the governing body thereof of the municipality, or the board
17 of directors of the authority, may allow, compromise, settle and pay the claim. In this
18 subsection, a motor vehicle is deemed owned and operated by a municipality or
19 authority if the vehicle is either being rented or leased, or is being purchased under
20 a contract whereby the municipality or authority will acquire title.

21 **SECTION 40.** 611.11 (4) (a) of the statutes is amended to read:

22 611.11 (4) (a) In this subsection, “municipality” has the meaning given in s.
23 345.05 (1) (c), but also includes any transit authority created under s. 66.1039.

24 **SECTION 41. Effective dates.** This act takes effect on the day after publication,
25 except as follows:

