☞ 07hr_SC-CUR_Misc_pt04

Details: Notes, email, report—all found in SB 107 box

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Commerce, Utilities, and Rail (SC-CUR)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
  (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Gigi Godwin (LRB) (November/2011)

AB 89

AB 26 - register in fall 07

a little more +

Bev Greenberg

Board - additional issues on ETF issue - something get done

CRule(s)

06 - 107
06 - 112
06 - 120
07 - 020
07 - 063
06 - 139
~~07 - 100~~

08 - 030
08 - 047
08 - 027
08 - 056
08 - 039

2007
-34061/3
SB 343

07s0231/2
sub to

Relating to: arbitration in situations involving cable and satellite television system operators and creators of video programming

?

SCC?

SB 5441 (AB 8819) Uniform local regulations of wind turbines by PSC
(4108/4) (4107/4)

SB 554 - Residential elevators
(bldg code)

SB 525 - Fire suppression equipment in mobile kitchens

SB 524 - Utility aid pymts based on 1990 depreciated net book values
(411312)

(AB 365)

AB 6454 Eliminate DCR study re: utility license fees
3418

AB - vetoed
AB 207
AB 347

SB - 72

SB - 285

SB - 273

220

229 / AB 4662

152

223

167 / AB 294

81

266

343 / AB 604 Arbitration between cable & networks

Plate
Video Franchises 107 / AB Montgomery 207

SB 107 = 2192/1
AB 207 = 1914/3
enrolled = 2725/1
/en

179

122

17

36 / AB 79

~~43~~

473 / AB 560

436

330

334

293

448

Pretty soon
I start talking
about makin' out
w/ Esbeck


FORWARD

(d) *Application.* An applicant for a Video Service Franchise or a modified Video Service Franchise area shall submit an application to the department, in the form and manner prescribed by the department that consists of all of the following:

1. The location and telephone number of the applicant's principal place of business, the names of the principal executive officers of the applicant, and the names of any persons authorized to represent the applicant before the department.

2. A description of the area or areas of the state in which the applicant intends to provide video service.

3. The date on which the applicant intends to begin providing video service in the video franchise area.

4. An affidavit signed by an officer or general partner of the applicant that affirms all of the following:

a. That the applicant has filed with the FCC all forms required by the FCC in advance of offering video service.

b. That the applicant agrees to comply with all state and federal laws and regulations.

c. That the applicant possesses the legal, technical and financial qualifications to provide the service proposed together with one of the following as determined by the applicant:

(i). A written opinion by an independent certified public accountant that the applicant has the financial and, legal capacity, as of the date of the application, to construct, maintain and operate the network necessary to provide the services proposed together with a written opinion by a qualified independent engineering firm that the applicant has the technical capacity to provide such services;

(ii). A performance bond in the amount of $500,000 per franchise area to be maintained until such time as the applicant certifies to the department that construction of the proposed system is substantially complete at which time the performance bond shall be reduced to $50,000 for municipalities of 50,000 or more residents and to $25,000 for municipalities with less than 50,000 residents;

(iii) A certification by an authorized officer of the applicant affirming that the applicant, or an affiliate thereof, has been providing video service in Wisconsin for at least three (3) years and that no franchise has been revoked, suspended or terminated for cause during such period;

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(iv) A certification by an authorized officer that the applicant has a minimum of 500,000 basic telephone access lines in Wisconsin;

(v) A certification by an authorized officer of the applicant that the applicant or its parent is, as of the date of the application, one of the ten (10) largest video service providers in the United States; or

(vi) A guaranty from the parent of the applicant together with an opinion from an independent certified public accountant that the parent has a net worth of not less than _____.

5. A description of the proposed services to be provided.

6.

8. An application fee of $1,000 per applicant, unless the application only modifies information described in (3)(d)l. If the application only modifies information required in (3)(d)l, the fee shall be $100.

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Deleted: A written opinion by an independent certified public accountant that the applicant has the financial and, legal capacity to construct, maintain and operate the necessary installations, lines and equipment to provide the services proposed as of the date of application.¶
¶
7. A written opinion by a qualified independent engineering firm that the applicant has the technical capacity to provide the proposed service to industry standards and in a safe and proper manner. The opinion shall be based on a comparison to either.¶
¶
a. An industry standard provided by the department in consultation with industry service providers.

Deleted: b). An equivalent standard based upon accepted industry practices or written criteria established by other states.

(j) 1. "Gross receipts" means all revenues received by and paid to a video service provider for video service, including all of the following:

a. Recurring charges for video service.

b. Event-based charges for video service, including pay-per-view and video-on-demand charges.

c. Rental of set top boxes and other video service equipment.

d. Service charges related to the provision of video service, including activation, installation, repair, and maintenance charges.

e. Administrative charges related to the provision of video service, including service order and service termination charges.

f. Revenues received from the provision of home shopping or similar programming.

g. Revnues received from the provision of advertising.

2. Notwithstanding subd. 1., "gross receipts" does not include any of the following:

a. Discounts, refunds, and other price adjustments that reduce the amount of compensation received by a video service provider.

b. Uncollectible fees, except that any uncollectible fees that are written off as bad debt but subsequently collected shall be included as gross receipts in the period collected, less the expenses of collection.

c. Late payment charges.

d. Maintenance charges.

e. Amounts billed to video service subscribers to recover taxes, fees, surcharges or assessments of general applicability or otherwise collected by a video service provider from video service subscribers for pass through to any federal, state, or local government agency, including video service provider fees and regulatory fees paid to the FCC under 47 USC 159.

f. Revenue from the sale of capital assets or surplus equipment not used by the purchaser to receive video service from the seller of those assets or surplus equipment.

g. Charges, other than those described in subd. 1., that are aggregated or bundled with amounts described in subd. 1, including but not limited to any revenues received by a video service provider or its affiliates for telecommunications services, information services, or the provision of directory or Internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing, if a video service provider can reasonably identify such charges on books and records kept in the regular course of business or by other reasonable means.

h. Reimbursement by programmers of marketing costs actually incurred by a video service provider.

Deleted: by subscribers residing within a municipality

Deleted: g

Inserted: g. Revenues received from the provision of home shopping or similar programming.¶

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Inserted: h. Revnues received from the provision of advertising.¶

Deleted: and billed to video service subscribers

(i) Expiration and revocation of a video service franchise. / no expiration

/. A video service franchise issued to a video service provider does not expire, unless the video service provider gives 30 days' advance notice to the department that the video service provider intends to terminate the video service franchise. If a video service provider gives such notice, the video service franchise shall expire on the termination date stated in the notice.

2. A video service franchise issued to a video service provider may be revoked by the department if the department determines that the video service provider, has repeatedly failed to meet a material requirement imposed upon it by this section; provided, however, the department must provide the video service provider written notice of its intention to revoke the franchise (including the reason therefore) and afford the video service provider a reasonable opportunity to cure any alleged violation before any revocation proceeding is commenced. The department must, before revoking any video service franchise, afford a video service provider full due process which, at a minimum, must include a proceeding before a hearing officer during which the video service provider must be afforded the opportunity for full participation, including the right to be represented by counsel, to introduce evidence, to require the production of evidence, and to question or cross-examine witnesses under oath. A transcript shall be made of any such hearing. A video service provider may appeal the decision of the department to any court of competent jurisdiction. Notwithstanding anything to the contrary, no franchise may be revoked where the alleged violation was beyond the reasonable control of the video service provider.

Deleted: is no longer legally, financially or technically qualified to provide video¶ service or

Deleted: ny

does not include
Build-out; discrimination; franchise fee payment; FCC standards; substantially utilized/ PEG channel capacity

Comments on the rates:

I don't think this rate debate has been around long enough. This study only touches on a year in time, and only studies cable prices, not video.

However, the Wisconsin Department of Revenue recently released a fiscal note on the bill saying that the state would lose out on $5 Million in tax dollars if this bill were to pass, indicating that the cable prices are anticipated to be cheaper.

Price is not the only issue though, we need to look at the bigger picture here. No one said this bill was just about cost.

In addition to increasing competition, this bill…

- Will create new jobs for the state of Wisconsin. In fact, 209 jobs were created in anticipation of this bill.
- Also, we have worked hard to make sure that Wisconsin's consumer's and local governments are protected.
- We are able to guarantee that no municipality will see a loss of revenue under the statewide franchise
- We are also extending funding for PEG channels.


FORWARD

Hodgson, Amber

From: Sen.Jauch
Sent: Monday, April 09, 2007 11:52 AM
To: *Legislative Assembly Democrats; *Legislative Assembly Republicans; *Legislative Senate Democrats; *Legislative Senate Republicans
Subject: Cosponsorship of LRB 2387 Relating to: lightweight utility vehicles, granting rule-making authority, and providing a penalty.

Attachments: 07-23871.pdf

TO: Legislative Colleagues

became SB 58

FROM: Senator Bob Jauch

RE: Cosponsorship of LRB 2387 Relating to: lightweight utility vehicles, granting rule-making authority, and providing a penalty.

DATE: April 9, 2007

******SHORT DEADLINE – MONDAY, APRIL 16, 2007******

At the request of several farmers, landowners and other mutual residents of our districts, I am introducing companion legislation to Rep. Mary Hubler's LRB 0845. This legislation is identical to 2005 Assembly Bill 219, which was introduced by Rep. John Ainsworth. 2005 AB 219 passed the full Assembly and the Senate Committee on Transportation unanimously, but expired before being brought to a vote on the Senate floor.

Under current law, lightweight utility vehicles – such as Gators which are often used on farms for hauling equipment and feed – are not allowed to be driven on public roads. Unfortunately, because many farmers' land is bisected by a road, they are precluded from crossing it in a Gator or other lightweight utility vehicle to get from one side of their property to another. As a result, many farmers are unable to legally perform the day-to-day farm operations required of them.

This legislation allows for limited operation of lightweight utility vehicles on public roadways, such as for crossing the road from one side of a property to another and official emergency operations by local government units. Under this legislation, lightweight utility vehicles are subject to the standard rules of the road.

If you would like to cosponsor this legislation, please contact my office at 6-3510 by 5 p.m. on Monday, April 16. Unless otherwise requested, your name will be added to both the Senate and Assembly versions of the legislation.

Analysis by the Legislative Reference Bureau

This bill creates a new classification of vehicles called "lightweight utility vehicle." A lightweight utility vehicle is an engine-driven device that has a gross weight of more than 700 pounds but not more than 1,999 pounds that is designed to travel on four or more low-pressure tires, is equipped with a cargo area, and is used primarily off a highway. The bill applies many of the same rules of the road to operators of lightweight utility vehicles that are applicable to the operators of other motor vehicles, including obedience to traffic signs and signals, rules regarding making turns, parking, and approaching other vehicles, and the prohibition against operating a vehicle while intoxicated or with a prohibited alcohol or other drug concentration.

The bill places restrictions on the operation of a lightweight utility vehicle that are similar to the restrictions placed on operating an all−terrain vehicle. Under the bill, no person may operate a lightweight utility vehicle on any part of a freeway, unless the freeway is not part of the federal system of interstate highways, and the Department of Transportation (DOT) specifically authorizes the use of a lightweight utility vehicle on that freeway.

Further, no one may operate a lightweight utility vehicle on any highway, unless authorized by DOT, except under the following circumstances:

1. The lightweight utility vehicle is owned by a municipality, state agency, or public utility and the operator is performing emergency or official functions in a manner that does not jeopardize safety.
2. The operator is performing a land surveying operation in a manner that does not jeopardize safety.
3. The operator is at least 16 years old, and he or she is crossing a roadway, bridge, culvert, or railway.
4. The operator is at least 16 years old, and he or she is operating the lightweight utility vehicle on a roadway that is seasonally not maintained for motor vehicle traffic, or he or she is operating on a roadway that is designated as a route for all−terrain vehicles or lightweight utility vehicles.

This bill requires lightweight utility vehicles during hours of darkness or on a highway right−of−way during daylight hours to have a white headlamp able to illuminate up to 200 feet ahead and a tail lamp visible from at least 500 feet behind the vehicle. Lightweight utility vehicles must also have at least one hand or foot break, a noise−suppressing muffler and a spark arrester.

The bill distinguishes lightweight utility vehicles from golf carts or low speed vehicles. It establishes the definition for "golf cart" as a vehicle that will not exceed 20 miles per hour and is designed to carry one or more persons and their equipment on a golf course. It establishes the definition for "low−speed vehicle" as the definition for a "low−speed vehicle" under federal law.

The bill prohibits odometer tampering with lightweight utility vehicles.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

07-23871.pdf (46 KB)

Legislative Fiscal Bureau
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

September 13, 2007

TO: [redacted]

FROM: [redacted], Fiscal Analyst

SUBJECT: Southeastern Wisconsin Regional Transit Authority Proposal

As you requested, this memorandum summarizes a proposal related to the creation of a new southeastern Wisconsin regional transit authority.

Southeastern Wisconsin Regional Transit Authority District

The proposal would repeal the current law provisions that establish a southeastern Wisconsin regional transit authority under the statutes relating to the authority of counties (Chapter 59 of the statutes). Rather, the proposal would create a regional transit district that would be a special district (under Chapter 229 of the statutes) and that would be required to have as part of its name the phrase "Southeastern Wisconsin Regional Transit Authority District". The District would be a local unit of government, a body corporate and politic that would be separate, distinct, and independent from the state and the political subdivisions within its jurisdiction.

Organization of the District

Jurisdiction of the District. The District would be made up of the areas of Kenosha, Milwaukee, Racine, and Waukesha counties. On a majority vote of the county boards of each county, Ozaukee, Walworth, or Washington counties could also petition the District board to be included in the District.

Composition of the Board of Directors. The District would be governed by a board. The District board would consist of nine members, unless Ozaukee, Washington, or Walworth counties are part of the District. If any of these counties are included in the District, the size of the Board would increase by two members for each county added to the District. The District board members would be appointed as follows, with the requirement that the initial appointments be made within 30 days after the creation of the District:

a. Two persons each from Kenosha, Milwaukee, Racine, and Waukesha counties. One person would be appointed by the chief elected official of the most populous city located wholly or partly within the county, subject to confirmation by a majority of the members-elect of the Common Council of the municipality, and a second person would be appointed by the chief elected official in each county, subject to confirmation by a majority of the members-elect of the county board.

b. One person appointed by the Governor from the largest municipality in the District.

c. If Ozaukee, Walworth, or Washington counties are included in the District, each county would have two persons appointed to the board by the chief elected official in each county, subject to confirmation by a majority of the members-elect of the county board.

The District board would be required to elect a chairperson, vice-chairperson, secretary, and treasurer from its membership. The board secretary would serve as clerk of the District. Each person appointed to the board could take his or her seat immediately upon appointment and qualification, subject to confirmation by the confirming authority. The appointing authorities would be required to confer with one another regarding their appointments with a view toward achieving diversity on the District board. Upon appointment, the appointing authorities would be required to certify the appointees to the Secretary of the Department of Administration (DOA).

Terms of Office. The board members would serve two-year terms expiring on July 1, except that the initial terms of the person from each member county appointed by the county's chief elected official would expire on July 1 of the fourth year beginning after the creation of the District. The appointees to the District board would serve at the pleasure of their appointing authority and could be removed prior to the expiration of their terms. Any vacancies on the board would be filled by the vacant member's appointing authority. Any person appointed to fill a vacancy would serve the remainder of the unexpired term to which he or she is appointed.

Ethics Requirements. District officials would be subject to the current statutory code of ethics required for local public officials.

Operations of the Board. Upon appointment and qualification of a majority of its members, the District board would be allowed to exercise the powers and duties provided the District board. The District board would be required to name the District. A majority of the current membership of the District board would constitute a quorum to do business. The District could take action based on an affirmative vote of a majority of those members of the District board who are present at a meeting of the board. The members of the District board would be reimbursed for their actual and necessary expenses incurred in the performance of their duties.

District Sales and Use Taxes

Imposition of the Taxes. The proposal would allow the District to impose 0.375% sales and use taxes on purchases in Milwaukee County and up to 0.25% sales and use taxes on purchases

in Kenosha, Racine, or Waukesha counties. These rates could be exceeded if approved by a vote of the electors of that county at referendum. If Ozaukee, Walworth, or Washington counties petition to be included in the District, the District would be allowed to impose sales and use taxes on purchases in those counties at a rate of up to 0.25%. The actual rate in these counties would be dependent on the amount of ongoing transit costs to be removed from the property tax in these counties and funded instead from the District sales and use taxes. Upon making a determination that the proposed sales and use tax rates in a petitioning county would generate sufficient revenues to meet the ongoing costs of mass transit services to be provided in that county, the District Board would be required to accept a petition from that county to be included in the District.

The District could only increase the existing sales and use tax rates in a county upon an affirmative majority vote of the electors of that county at referendum. Any referendum to increase the sales and use tax rates for District purposes would be required to specify in the referendum question: (a) the current tax rates; (b) the rates to which the taxes would be increased; and (c) the purposes for which the revenue from the taxes would be used. Any such referendum would have to be held on the date of a statewide general election.

The sales and use taxes would be applied to the same base of items as the state sales and use taxes. The sales tax would apply to the gross receipts from the sale, lease, or rental of tangible personal property, or from the selling, performing, or furnishing of services within the District's jurisdiction. The use tax would apply to goods and services, including construction materials and registered vehicles, that are purchased outside the District, but consumed, used, or stored in the District. The sales and use tax imposition, jurisdiction, reporting, transition, and motor vehicle registration provisions that apply to the county and local professional baseball park and football stadium district sales and use taxes would also apply to the District's sales and use taxes. Any special district sales taxes paid in one county on construction materials to be used in another county with special district taxes would have to be credited against the use taxes owed the second special district.

With regards to any reporting of sales and use taxes paid by each taxpayer, the District would be subject to the same duties of confidentiality to which the Department of Revenue (DOR) is subject under current law.

Use of Sales and Use Tax Revenues. The District board would be required to maintain a special fund into which all of the revenues generated by the counties' transit-related sales and use taxes would be deposited. Within this special fund, the District would be required to maintain separate accounts for the sale and use tax revenue generated in each county included in the District. Revenues to each account of the special fund would be required to first be used to pay the annual debt service on revenue obligations (bonds) issued under s. 66.066 owed under that account. The special fund would be allowed to contain only these revenues, except that any earnings on the revenues in the fund would also have to be credited to the fund. Any excess revenues in any account of the fund not needed to retire outstanding bonds in a given year could be used by the District to carry out its duties and responsibilities related to managing transit operations in the District.

Restrictions on the Use of Sales and Use Tax Revenues. The District could not expend sales and use tax revenues from an account of the special fund in an amount greater than the costs of District transit services provided to the county for which the account is held. In making determinations relative to overhead costs of the District and for the cost of transit services that extend across several counties, the District would be required to calculate each county's share of those costs. This calculation would be allowed to include any sunk costs to the District, District-wide debt obligations, and administrative, or overhead costs of the District. Each county's share of these District-wide and multi-county service costs would be allowed to be paid from each affected county's sales and use tax revenue account of the special fund.

Property Tax Relief. Revenues from the sales and use taxes would have to be used to provide property tax relief to property owners in the District equal to the aggregate amount paid by those property owners who currently support public transit services in each county of the District. Any transit service costs formerly paid from a county or municipal property tax levy that would now be paid for by the District under the proposal would be treated as a transferred service for the purposes of the county and municipal levy limits. As a result, the transferring municipality's levy limit would be adjusted downward to reflect the cost of those transit services.

DOR Administration of the Tax. DOR would be required to administer the sales and use taxes on behalf of the District. DOR would be required to determine the amount of sales and use taxes generated in each county imposing the taxes, and report this collection information to the District board on a quarterly basis. DOR would be provided all the powers necessary to levy, enforce, and collect the taxes as under current law for the county and local professional baseball park and football stadium district sales and use taxes and make distributions to the District. Under these provisions, DOR would be allowed to take any action, conduct proceedings, and impose interest and penalties. The proposal would allow judicial and administrative review of DOR determinations. A DOR program revenue appropriation would be created to receive monies generated from the taxes.

DOR would be required to distribute 98.2% of the taxes reported for the District, minus the District's share of the retailer's discount. DOR would be required to distribute the taxes to the District no later than the end of the third month following the end of the calendar quarter in which the amounts were reported. At the time of distribution, DOR would have to indicate the taxes reported by each taxpayer. The distribution would be adjusted to reflect subsequent refunds, audit adjustments, and all other adjustments for taxes previously distributed. Interest on refunds would have to be paid, from the appropriation established to receive the tax revenues, at the 9% rate established for other sales and use tax refunds. After distributions are made, the remaining 1.5% of the revenues would be transferred to a new, sum certain DOR program revenue appropriation for administration of the taxes. DOR would be appropriated expenditure authority based on the estimated level of District sales and use taxes to be collected in 2007-08 and 2008-09.

Rental Car Fee Authority

Under the proposal, the District would retain the authority currently provided the southeastern Wisconsin regional transit authority to impose a $2 fee on each automobile rental transaction in the District. This authority would be extended to rental transactions in any county to be included in the proposed district. The District would be required to maintain these revenues in a separate fund and would be allowed to continue to use these funds for the administration of the District.

Powers of the District

The proposal would provide that a District has all the powers necessary or convenient to carry out the purposes and provisions of the law creating the District. In addition, the following specified powers would be granted to the District.

Transit Responsibilities. The District would be required to assume the operational and management responsibilities of all existing public mass transit operations within the District. The assumption of these responsibilities could occur over the course of several years. The current statutory definition of mass transit would apply. This would not include current program efforts directed at the elderly and disabled or other specialized transit activities.

Transit facilities would include the tangible and intangible property and equipment of the transit agencies that exist within the District on the effective date of the proposal, and any improvements to these facilities made, constructed, or purchased by the District after the effective date of the proposal. Types of property include bus and rail stations, equipment, and vehicles; transit-related parking facilities and structures, garages, or auxiliary facilities or structures; and property rights-of-way.

The District and those jurisdictions that provide mass transit service within the District prior to the effective date of the proposal would be required to come to an agreement on the transfer of property, assets, and liabilities associated with the transit services that would be managed by the District under the proposal. The District would be required to assume all liabilities associated with the mass transit operations and facilities of any jurisdiction in the District, but would not be required to compensate any jurisdiction for any amount of assets associated with any jurisdiction's transit operations that would be assumed by the District. The same provisions would apply to the transit assets and liabilities of Ozaukee, Walworth, and Washington counties that exist on the date a petition to be included in the District from any of those counties is approved by the District.

Transit-Related Authority. In connection with mass transit-related facilities and providing mass transit service in the District, the District would have the authority to:

a. Establish and collect fees or other charges for the use of the transit services derived from transit facilities;

b. Set standards governing the use of, and the conduct within, its transit facilities in order to promote public safety and convenience and to maintain order, including hiring or contracting for security staff;

c. Acquire, construct, equip, maintain, improve, operate, and manage the transit facilities as a revenue-generating enterprise, or engage other persons to do so;

d. Acquire, lease (as lessor or lessee), use, transfer, or accept transfers of property;

e. Improve, maintain, and repair property, and fund reserves for maintenance, depreciation, and capital improvements (reserves for depreciation and capital improvements could not be created in the special fund that contains receipts from the District sales and use taxes);

f. Enter into contracts, subject to such standards as established by the District board. The board could enter into contracts for any combination or division of work it designates and could consider any factors in awarding a contract, including price, time for completion of work, and qualifications and past performance of a contractor; and

g. Sell or otherwise dispose of unneeded or unwanted property.

Other District Powers. In relation to the general operation of the District, the proposal would provide the District the authority to:

a. Adopt bylaws to govern the District's activities;

b. Sue and be sued in its own name and plead and be impleaded;

c. Maintain an office;

d. Employ personnel, and fix and regulate their compensation, and provide, either directly or subject to an agreement with another governmental entity, any employee benefits, including an employee pension plan;

e. Purchase insurance, establish and administer a plan of self-insurance or, subject to an agreement with another governmental entity, participate in a governmental plan of insurance or self-insurance;

f. Establish and collect fees or other charges for services rendered by the District;

g. Enter into partnerships, joint ventures, common ownership, or other arrangements with other persons to further the District's purposes;

h. Direct its agents, or employees, if properly identified in writing, to enter upon real property within the District board's jurisdiction;

i. Enter into intergovernmental agreements as allowed under current law for municipalities;

j. Accept gifts, loans, and other aid;

k. Mortgage, pledge, or otherwise encumber the District's property or funds;

l. Adopt and alter an official seal; and

m. Grant concessions.

Issuance of Revenue Bonds

Type and Purpose of Revenue Bonds. For the purposes of constructing, improving, acquiring, or maintaining equipment, facilities, and infrastructure related to mass transit service in the District, the District would be provided the authority to issue revenue bonds, including refunding bonds, and enter into agreements related to the issuance of the bonds, including liquidity and credit facilities, remarketing agreements, insurance policies, guaranty agreements, letter of credit or reimbursement agreements, indexing agreements, interest exchange agreements, and currency exchange agreements. The District would be allowed to issue up to $100,000,000 in revenue bonds for these purposes. The District would also have the power to administer the receipt of revenues and oversee the payment of bonds issued by the District.

For the purpose of the District, a bond would be defined as any bond, note, or other obligation issued under current law governing municipal revenue obligations. All bonds issued by the District would be negotiable for all purposes, notwithstanding their payment from a limited source. Neither District board members nor any person executing the bonds could be held personally liable or accountable for the bonds, unless the personal liability or accountability is the result of willful misconduct.

Limitation on Revenue Bonds. The total principal amount of all original revenue obligation bonds, other than refunding bonds, the District could issue would be limited to $100,000,000. The principal amount of any bonds used for the following purposes would not be subject to the limit on the principal amount of bonds: (a) issuance costs of the bonds; (b) original issue discounts; (c) to make a deposit into any debt service reserve fund; and (d) to pay costs of credit enhancement.

General "Special Redemption Fund" Requirements for District Revenue Bonds. The District would be provided the same authority to issue revenue obligations (bonds) for District-owned, revenue-producing facilities that is provided municipalities of the state, including the

procedures for sale and repayment of such bonds. Under these provisions governing municipal revenue obligations, the District would be required to create a "special redemption fund" into which it pays the amounts set aside for the payment of principal and interest on any outstanding bonds, and must create and maintain any reserves required by bond ordinance or resolution to secure those payments. The current statutory requirement that a system of funds and accounts be created to provide for sufficient revenues to maintain and operate the professional football stadium facilities as a revenue-producing facility would also apply to the District.

Bonds Not Public Debt. The state and the counties and municipalities located wholly or partly within the District's jurisdiction would not be liable for the bonds issued by the District and the bonds would not be debt of the state or such counties or municipalities. All bonds would be required to contain a statement to this effect. A District bond issue would not directly or indirectly obligate the state or a political subdivision to levy a tax or make an appropriation for payment of the bonds. The District would not be allowed to create a debt of the state or of any county or municipality located in whole or in part within the District. Bonds issued by the District would be payable, and would have to state that they are payable, solely from the funds pledged for their payment under the bond resolution or in any trust indenture, mortgage, or deed of trust executed as security for the bonds. The state or any such county or municipality would not be liable for the payment of principal or interest or for the performance of any pledge, mortgage, obligation, or agreement undertaken by a District. A breach of any obligation by the District would not impose pecuniary liability on the state or any county or municipality within the District or a charge upon their general credit or against their taxing power.

Bonds issued by a District could be secured only by: (a) the District's interest in any District facilities and equipment; (b) income from these facilities and equipment; (c) proceeds of bonds issued by the District; (d) other amounts placed in a special redemption fund and investment earnings on those amounts; and (e) taxes imposed by the District. The District would not be allowed to pledge its full faith and credit on the bonds and the bonds would not be a general obligation liability of the District.

State Pledge. Under the proposal, the would state pledge to bondholders and persons that enter into contracts with the District that the state will not limit or alter the rights and powers of the District, including the right and power to impose sales and use taxes, before the District has paid its bonds, including interest, and has performed its contracts, unless adequate protection for those adversely affected is provided by law.

Trust Funds. All bond proceeds or other monies received by the District would be considered trust funds to be held and applied only as specified under the proposal. Officers or bank and trust companies with which monies are to be deposited would be considered trustees, holding and applying the funds for the purposes of the District, subject to the required provisions and the bond resolution.

Provision of Financial Information. Within two months after a District bond issue, the District would be required to provide the Co-chairpersons of the Joint Committee on Finance

information concerning the District's projected cashflows and security features underlying each bond issue.

Requirements of the District

Contracting Requirements. The proposal would apply the current performance bond requirements to any contract entered into by the District. Under the statutes, if a local government public works contract exceeds $100,000 in price, as indexed biennially by the Department of Workforce Development, the contract must require the prime contractor to obtain a performance bond. For public works contracts between $50,000 and $100,000 (as indexed), the local government entering into the contract can allow the prime contractor to substitute another payment assurance vehicle for a performance bond.

The proposal would specify that any work or services purchased or contracted for by the District would not be considered an undertaking of the state. However, the District would be subject to the purchasing, contracting, and bidding procedures required of state contracts.

Minority Contracting Goals. The proposal would establish minority contracting goals for the District as well as contractors (defined as any other person who enters into a contract for construction work or professional services contracts that relate to the construction, improvement, or acquisition of transit facilities that are financed by District-issued bonds or any other District revenues). The District would be required to have a goal to ensure that at least 15% of the aggregate dollar value of contracts that relate to the construction, improvement, or acquisition of transit facilities be awarded to minority businesses and at least 5% of the aggregate value of such contracts be awarded to women's businesses. Further, the District would be required to ensure that any person awarded a contract by the District, or by a contractor, for construction, improvement, or acquisition of transit facilities or the performance of professional services, agrees as a condition of receiving the contract, that it is his or her goal that at least 15% of the employees hired because of the contract would be minority group members and at least 5% of the employees hired because of the contract would be women.

Further, if the District or contractor is unable to meet the minority contracting goals, they would be required to make a good faith effort to contract with the technical college district board of a technical college to develop appropriate training programs that are designed to increase the pool of minority group members and women who are qualified to perform the contract work or professional services.

The proposal would require that the District hire an independent person to monitor, and a project coordinator to satisfy, the District's and the contractors' compliance with the required minority contracting goals. The person hired would be required to have previous experience working with minority group members. The District would also be required to develop a mechanism to receive regular reports from the person hired regarding the results of the person's studies of compliance with minority contracting goals. These reports would have to be submitted to the chief elected officer and county board of each county included in the District and the chief

executive and common council of the of the largest municipality in the District. If the District or contractor is unable to meet its goals, the monitor would assess whether good faith efforts were made to reach the stated goals. In making this assessment, the monitor would have to consider the following: (a) the supply of eligible minority and women's businesses that have the financial capacity, technical capacity, and previous experience in the areas in which contracts were awarded; (b) the competing demands for the services provided by such firms; and (c) the extent to which the District or contractors advertised for, and aggressively solicited bids from, minority and women's businesses and the extent to which such businesses submitted bids. These assessments would have to be included in the regular reports submitted by the independent monitor.

The proposal would specify that these minority contracting goals apply to the following: (a) any insurance-funded repair work on District facilities; and (b) any contractor, subcontractor, or any other person, including any subcontractor to such a person, who is awarded or enters into a contract that relates to the construction, improvement, or acquisition of transit facilities that are financed by the proceeds of District-issued revenue bonds or any other District revenues.

Prevailing Wage and Hours of Labor. The District would not be allowed to enter into a contract for the construction, improvement, or acquisition of transit facilities unless the contractor, or a related party, agrees to meet the statutory prevailing wage and hours of labor requirements for local public works projects. This provision would first apply to any such contract that the District enters into, extends, modifies, or renews on the effective date of the proposal.

Budget and Accounting. The District would be required to adopt the calendar year as its fiscal year for accounting purposes. The District board would have to prepare an annual budget for the District. Rates and other charges received by the District would have to be used for general expenses and capital expenditures of the District and to pay interest, amortization, and retirement charges on bonds. The District would be required to maintain an accounting system in accordance with generally accepted accounting principles and have its financial statements and debt covenants audited annually by an independent certified public accountant.

The District would be required to submit its annual financial report each year to the Governor, both houses of the Legislature, the chief elected officer and county board of each county included in the District, and the chief executive and common council of the largest municipality in the District.

Specific County and Municipal Powers

In addition to any existing powers, the proposal would specifically grant a county or a municipality (defined as a city, village or town) located wholly or partly within a District's jurisdiction the authority to do the following:

a. Make grants or loans to the District upon terms that the county or municipality considers appropriate;

b. Expend public funds to subsidize the District;

c. Borrow money, by issuing bonds or promissory notes, for District facilities or to fund grants, loans, or subsidies to the District; and

d. Lease or transfer property to the District upon terms that the county or municipality considers appropriate.

Current Municipal Law that Applies to a District

The proposal would make the following modifications to reflect the creation of the District as a local unit of government:

a. A District would be defined as a municipality as it relates to revenue obligations and intergovernmental cooperation (this allows cooperation with other units of government, such as cities, villages, towns, counties, school districts, special purpose districts, and Indian tribes and bands);

b. Revenues, for the purposes of revenue obligations, would be defined, as they relate to the District, to include tax revenues deposited into a special fund and payments into a special debt service reserve fund;

c. Revenue bonds issued by a District would be subject to the procedures specified under the proposal, in addition to the procedures established in statute for revenue obligations;

d. For financing purposes, the District's facilities, equipment, and operations would be considered a public utility, which would mean that on a legal basis the District's bonds would not be subject to the Wisconsin Constitution's limitation on municipal debt; and

e. The statute granting eminent domain powers to any public board or commission to would specify that the District would not be allowed to acquire property by condemnation.

Many other statutory provisions would apply to the District because of its status as a local governmental unit. Some of these include: (a) worker's compensation, unemployment insurance, and state minimum wage laws; (b) the law requiring the payment of prevailing wages on local public works projects; (c) laws governing buildings and safety; (d) the tort and antitrust liability limitation that applies to actions brought against local governmental units; and (e) laws related to participation in the Wisconsin Retirement System and plans for other employee benefits.

Income Tax Exemptions

The proposal would provide an exemption from the state individual income tax and corporate income tax for any interest earned on bonds issued by a the District. Under current law,

these exemptions also apply to interest income on bonds issued by a local professional baseball park or football stadium district and local exposition center districts.

These exemptions would first apply to a tax year beginning in the year in which District bonds would be issued.

Other Provisions

District Bonds as Investments. State law limits the types of investments that may be made by certain governmental bodies and financial institutions. The proposal would authorize the following persons or governmental units or funds to invest in bonds issued by a District: (a) the Board of Commissioners of Public Lands; (b) the State of Wisconsin Investment Board; (c) any county, city, village, town, school district, drainage district, or technical college district and governing boards of other governmental entities; and (d) a bank, trust company, savings bank or institution, savings and loan association, credit union, or investment company or a personal representative, guardian, trustee, or other fiduciary.

Investment of District Funds. The District would be allowed to invest its monies in the local government investment pool that is managed by the State of Wisconsin Investment Board. Current law governing authorized investments by governmental units would not apply to the District. Instead, the District would be allowed to invest funds in any investment that the District board considers appropriate.

I hope this information is helpful. Please contact me if you have further questions.

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Transportation (DOT) officials, the City of Racine contributed 35% of the local share of costs for the Racine Commuter system, while Racine County contributed 30%, the City of Kenosha contributed 20%, and Kenosha County contributed 15%.

The proposal would replace the local property tax amounts currently levied for the operation and capital purchases of the mass transit systems in Kenosha, Milwaukee, Racine, and Waukesha counties by allowing the District to impose 0.375% sales and use taxes in Milwaukee County and up to 0.025% sales and use taxes in Kenosha, Racine, and Waukesha counties. The revenues from these sales and use taxes would be dedicated to funding the existing mass transit-related expenses in each of the four counties. Remaining revenues would be available to fund expanded transit operations and capital improvements in each county or regional projects and improvements in the District.

The following table compares the estimated revenue from sales and use taxes in each county, if the taxes had been imposed in 2007, with the 2007 mass transit operating expenditures paid from property taxes for transit system services in each of the four counties. Under the proposal, DOR would receive 1.75% of the revenue from the District sales and use taxes for administering the taxes. Therefore, the amount of revenue from the District sales and use taxes shown for each county is reduced by 1.75% of estimated revenues to produce the net amounts shown in the table. The existing transit operating expenditure amounts in the table include estimates of the current annual amount that would be necessary to restore recent service cuts in Milwaukee County. These estimates were identified by the Joint Legislative Committee on Transportation Needs and Financing (the "Road to the Future Committee").

Comparison of 2007 Potential Sales and Use Tax Revenue Under the Proposal and 2007 Transit Expenditures Paid From Property Taxes

	Kenosha	Milwaukee	Racine	Waukesha
Sales and Use Tax Rate	0.25%	0.375%	0.25%	0.25%
Estimated Sales and Use Tax Revenues	$4,800,000	$46,700,000	$6,150,000	$16,900,000
Less DOR Administration	-84,000	-817,250	-107,625	-295,750
Net Revenue	$4,716,000	$45,882,750	$6,042,375	$16,604,250
Tax-Supported Transit Operating Expenditures*	$1,705,700	$23,961,900	$1,742,900	$1,832,400
Reinstatement of Recent Service Cuts**	0	8,400,000	0	0
Total Operating Expenditure	$1,705,700	$32,361,900	$1,742,900	$1,832,400
Remaining Tax Revenues***	$3,010,300	$13,520,850	$4,299,475	$14,771,850

* Projected 2007 system operating costs submitted to DOT. Does not include any existing local funding for transit capital improvements in each county.

** "Road to the Future Committee" estimates.

*** Excess revenues could be used for expanded transit services in the county or region. Alternately, the District board could set the tax rate at a lower level (except in Milwaukee County).

Impact of Proposal on Local Taxpayers. You also requested information on the impact of the proposal on property taxpayers and an estimate of the amount of sales and use taxes that would be paid per household in each of the counties, if the taxes were imposed at the highest allowable rates. The following table lists the impact on property taxes for the median value home owner in four taxing jurisdictions if the property tax levy used to fund their transit operating expenditures were removed from the levy.

Estimated Impact of the Proposal on Local Property Taxes in 2006(07)*

	Actual	Estimated	Change
Milwaukee County			
Median Home Value	$164,777		
Gross Taxes	$3,361	$3,297	-$64
Percent Change			-1.9%
City of Kenosha			
Median Home Value	$160,579		
Gross Taxes	$3,188	$3,132	-$56
Percent Change			-1.8%
City of Racine			
Median Home Value	$127,652		
Gross Taxes	$2,636	$2,576	-$60
Percent Change			-2.3%
City of Waukesha			
Median Home Value	$207,954		
Gross Taxes	$3,565	$3,513	-$52
Percent Change			-1.5%

*Does not include any existing transit capital expenditures.

An estimate of the impact of the proposal on households in each county first has to determine the amount sales and use taxes that would be paid by consumers who are residents of each of the counties. A recent Department of Revenue study, Wisconsin Tax Incidence Study, (December, 2004), estimates that 67% percent of the sales and use taxes paid in the state are paid by consumers and 33% are paid by businesses. In addition, of the portion of sales and use taxes paid by consumers, the study found that 2% of these taxes (or approximately 1.3% of the total sales and use taxes) are paid by out-of-state consumers. Similarly, for the purposes of this estimate, it is assumed that 1.3% of consumer purchases would be made by persons who do not reside in the county in which the tax is paid. However, given the fact that Milwaukee County contains the City of Milwaukee, which is a major city, tourist draw, and shopping center, this estimate assumes that nonresidents of that county account for 5% of the sales and use taxes paid by consumers in that county (or approximately 3.4% of total sales and use taxes in the county).

The following table indicates the estimated amount of the proposed sales and use taxes allocated to the residents of each county under the assumptions indicated above and an estimate of the amount paid per household in each of the four counties where the taxes would be imposed.

Estimated Amount of Sales Taxes Paid Per Household Under the Proposal

	Kenosha	Milwaukee	Racine	Waukesha
Sales and Use Tax Rate	0.25%	0.375%	0.25%	0.25%
Estimated Sales Tax Revenues	$4,800,000	$46,700,000	$6,150,000	$16,900,000
Percent of Sales and Use Taxes Paid by Consumers				
DOR Study Estimate	67.0%	67.0%	67.0%	67.0%
Nonresidents of the County	-1.3	-3.4	-1.3	-1.3
Net Percentage Paid by Residents	65.7%	63.6%	65.7%	65.7%
Sales and Use Taxes Paid by Consumers	$3,153,600	$29,701,200	$4,040,550	$11,103,300
Amount Paid per Household*	$52.73	$78.94	$53.76	$75.89

*Based on U.S. Census Bureau 2006 estimates of the number of households in each county.

These estimates do not take into account the extent to which businesses may pass on the cost of their sales and use taxes to consumers. To the extent that businesses are able to pass on a portion of the cost of their sales and use tax burden, the consumer share of the total taxes paid would increase, both for residents of each county and nonresidents.

It should be noted that making any estimate of the sales and use tax incidence for certain geographic areas or population groups is difficult. The estimates of sales and use tax incidence presented in this memorandum could vary depending on how the demographics and spending patterns in each of the counties vary from the statewide estimates used to derive these estimates. Further, the taxes paid by individual residents or households could vary significantly from the average amounts based on individual income and spending patterns.

I hope this information is helpful. Please contact me if you have any further questions.

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