

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-2808/1	Introduction Number AB-0415
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Description
 authorizing the creation of a Chippewa Valley regional transit authority and making appropriations

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input checked="" type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Regional Transit Authority</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(1)(gc) and 20.835(4)(gc)	

Agency/Prepared By DOR/ Travis Arthur (608) 266-8565	Authorized Signature Robert Schmidt (608) 266-5773	Date 6/30/2017
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Fiscal Estimate Narratives

DOR 6/30/2017

LRB Number	17-2808/1	Introduction Number	AB-0415	Estimate Type	Original
Description authorizing the creation of a Chippewa Valley regional transit authority and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

2009 Wisconsin Act 28 authorized certain counties and municipalities to create Regional Transit Authorities (RTAs) and impose a sales tax of up to 0.5% within the authority's jurisdiction to fund transit systems. 2011 Wisconsin Act 32 removed the authority for municipalities to create RTAs and dissolved the existing transit authorities.

The bill authorizes the creation of a Chippewa Valley RTA with the same powers and authorities as provided to RTAs under 2009 Wisconsin Act 28. Under the bill, Eau Claire County may create an RTA by adopting a resolution that is ratified by referendum at a general election. After the Chippewa Valley RTA is created, Chippewa County may join the RTA if the county adopts a resolution that is ratified at a referendum and the RTA board approves the expansion of the RTA. The jurisdictional area of an RTA created under the bill is the territorial boundaries of the political subdivision (municipalities and counties) that make up the authority.

Under the bill, the RTA may adopt a sales tax of up to 0.5% (0.1%, 0.2%, 0.3%, 0.4% or 0.5%) that would be imposed in the authority's jurisdictional area. The Department of Revenue (DOR) would retain 1.5% of the collections to cover the department's costs of administering the tax.

Under the bill, political subdivisions that are part of the RTA may not levy property taxes for transit purposes in excess of the amount of property taxes levied for transit purposes in the year before the year in which the RTA tax is imposed.

The fiscal effect of the bill depends on the size of the RTA created and the sales tax rate adopted by the authority.

County sales tax collections for Eau Claire County and Chippewa County totaled \$14.04 million in FY 2016. Assuming the Chippewa Valley RTA is created with a jurisdictional area covering both counties, a 0.5% RTA sales tax would generate approximately \$13.83 million on an annual basis ($\$14.04 \times 98.5\%$). Under such a scenario, state administrative fee revenue would increase by approximately \$210,700 ($\$14.04 \text{ million} \times 1.5\%$) on an annual basis.

The administrative cost of the bill itself is minimal as it simply provides authority for the creation of the RTA. The creation of a Chippewa Valley RTA would require one-time programming costs of approximately \$40,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One-time cost of \$40,000 to make programming changes to WINPAS			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$see text	\$see text
	NET CHANGE IN REVENUE	\$see text	\$see text
Agency/Prepared By		Authorized Signature	Date
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