

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4755/1	Introduction Number AB-0922
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Description
 authorizing the creation of a Southeast Regional Transit Authority and making appropriations

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<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	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>RTA</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	
<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 type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.566(1)(gc), 20.835(4)(gc)

Agency/Prepared By DOR/ Travis Arthur (608) 266-8565	Authorized Signature Jamie Adams (608) 266-6785	Date 2/15/2018
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Fiscal Estimate Narratives

DOR 2/15/2018

LRB Number 17-4755/1	Introduction Number AB-0922	Estimate Type Original
Description authorizing the creation of a Southeast 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 Southeast RTA with the same powers and authorities as provided to RTAs under 2009 Wisconsin Act 28. Under the bill, the counties of Kenosha, Racine and Milwaukee may join together to jointly create the Southeast RTA if each county adopts a resolution that is ratified by referendum at a general election authorizing the county to become a member of the RTA. The jurisdictional area of an RTA created under the bill is the geographic area formed by the combined territorial boundaries of the counties of Kenosha, Racine and Milwaukee.

Under the bill, the RTA may adopt a sales tax of up to 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.

County sales tax collections for Milwaukee County and Kenosha County totaled \$82.17 million in FY 2017. Racine County does not impose the county sales tax. Based on retail sales data, as reported by the Census Bureau, the department estimates that Racine County would generate \$13.32 million from a 0.5% county sales tax. Assuming the Southeast RTA is created with a jurisdictional area covering all three counties, a 0.5% RTA sales tax would generate approximately \$94.06 million on an annual basis (\$95.5 x 98.5%). Under such a scenario, state administrative fee revenue would increase by approximately \$1.43 million (\$95.5 million x 1.5%) on an annual basis.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description authorizing the creation of a Southeast Regional Transit Authority and making appropriations		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
If the RTA is eventually created and decides to impose a sales tax then there would be an impact on WINPAS of approximately \$37,000.		
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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