

# State of Misconsin 2017 - 2018 LEGISLATURE

## **August 2017 Special Session**

LRBa1021/1 ZDW:ahe&wlj

# ASSEMBLY AMENDMENT 20, TO ASSEMBLY SUBSTITUTE AMENDMENT 1, TO ASSEMBLY BILL 1

August 14, 2017 - Offered by Representatives Crowley, Ohnstad, Stuck and Sinicki.

At the locations indicated, amend the substitute amendment as follows:

| 2  | 1. Page 2, line 7: after "process;  | ;" insert "aut | horizing     | the creation of a | regional |
|----|-------------------------------------|----------------|--------------|-------------------|----------|
| 3  | transit authority;".                |                |              |                   |          |
| 4  | 2. Page 11, line 4: after that lin  | ne insert:     |              |                   |          |
| 5  | "20.566 Revenue, department of      |                |              |                   |          |
| 6  | (1) COLLECTION OF TAXES             |                |              |                   |          |
| 7  | (gc) Administration of transit auth | nor-           |              |                   |          |
| 8  | ity taxes                           | PR-S           | A            | -0-               | -0-      |
| 9  | 20.835 Shared revenue and tax r     | elief          |              |                   |          |
| 10 | (4) COUNTY AND LOCAL TAXES          |                |              |                   |          |
| 11 | (gc) Transit authority taxes        | PR             | $\mathbf{C}$ | -0-               | -0-".    |

**3.** Page 11, line 20: after that line insert:

**"Section 5m.** 20.566 (1) (gc) of the statutes is created to read:

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

**4.** Page 12, line 3: after that line insert:

**"Section 6m.** 20.835 (4) (gc) of the statutes is created to read:

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

**5.** Page 13, line 18: after that line insert:

**"Section 14m.** 32.02 (11) of the statutes is amended to read:

32.02 (11) Any housing authority created under ss. 66.1201 to 66.1211; redevelopment authority created under s. 66.1333; community development authority created under s. 66.1335; local cultural arts district created under subch. V of ch. 229, subject to s. 229.844 (4) (c); or local exposition district created under subch. II of ch. 229; or transit authority created under s. 66.1039.

**Section 14n.** 32.05 (1) (a) of the statutes is amended to read:

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

**Section 140.** 32.07 (2) of the statutes is amended to read:

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

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

**Section 14p.** 40.02 (28) of the statutes is amended to read:

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

**6.** Page 15, line 24: after that line insert:

**"Section 18m.** 66.0301 (1) (a) of the statutes is amended to read:

66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section "municipality" means the state or any department or agency thereof, or any city, village, town, county, or school district, the opportunity schools and partnership

programs under subch. IX of ch. 115 and subch. II of ch. 119, the superintendent of schools opportunity schools and partnership program under s. 119.33, or any public library system, public inland lake protection and rehabilitation district, sanitary district, farm drainage district, metropolitan sewerage district, sewer utility district, solid waste management system created under s. 59.70 (2), local exposition district created under subch. II of ch. 229, local professional baseball park district created under subch. IV of ch. 229, local professional football stadium district created under subch. IV of ch. 229, local cultural arts district created under subch. V of ch. 229, transit authority created under s. 66.1039, long-term care district under s. 46.2895, water utility district, mosquito control district, municipal electric company, county or city transit commission, commission created by contract under this section, taxation district, regional planning commission, housing authority created under s. 66.1201, redevelopment authority created under s. 66.1335, or city-county health department.

**Section 18n.** 66.0903 (1) (d) of the statutes is amended to read:

66.0903 (1) (d) "Local governmental unit" means a political subdivision of this state, a special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district, a combination or subunit of any of the foregoing or an instrumentality of the state and any of the foregoing. "Local governmental unit" includes a regional transit authority created under s. 66.1039.

**Section 180.** 66.1039 of the statutes is created to read:

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

(a) "Authority" means a transit authority created under this section.

- (b) "Bonds" means any bonds, interim certificates, notes, debentures, or other obligations of an authority issued under this section.
  - (c) "Common carrier" means any of the following:
- 1. A common motor carrier, as defined in s. 194.01 (1).
  - 2. A contract motor carrier, as defined in s. 194.01 (2).
- 3. A railroad subject to ch. 195, as described in s. 195.02 (1) and (3).
  - 4. A water carrier, as defined in s. 195.02 (5).
  - (d) "Comprehensive unified local transportation system" means a transportation system that is comprised of motor bus lines and any other local public transportation facilities, the major portion of which is located within, or the major portion of the service of which is supplied to the inhabitants of, the jurisdictional area of the authority.
    - (e) "Municipality" means any city, village, or town.
  - (f) "Participating political subdivision" means a political subdivision that is a member of an authority, either from the time of creation of the authority or by later joining the authority.
    - (g) "Political subdivision" means a municipality or county.
  - (h) "Transportation system" means all land, shops, structures, equipment, property, franchises, and rights of whatever nature required for transportation of passengers within the jurisdictional area of the authority and, only to the extent specifically authorized under this section, outside the jurisdictional area of the authority. "Transportation system" includes elevated railroads, subways, underground railroads, motor vehicles, motor buses, and any combination thereof, and any other form of mass transportation, but does not include transportation excluded from the definition of "common motor carrier" under s. 194.01 (1) or charter

or contract operations to, from, or between points that are outside the jurisdictional area of the authority.

- (2) CREATION OF TRANSIT AUTHORITIES. (k) Regional transit authority in Kenosha, Racine, Milwaukee, and Waukesha Counties. 1. Except as provided in subds. 5. and 6., any 2 or more political subdivisions located in whole or in part within Kenosha, Racine, Milwaukee, and Waukesha Counties may join together to jointly create a public body corporate and politic and a separate governmental entity, known as a "regional transit authority," if the governing body of each such political subdivision adopts a resolution authorizing the political subdivision to become a member of the authority and all such resolutions are identical to each other. However, Milwaukee County may create an authority if the governing body of Milwaukee County adopts a resolution authorizing the creation of the authority. Except as provided in subd. 2. and sub. (13), once created, the members of the authority shall consist of all political subdivisions that adopt resolutions, as provided in this subdivision. Once created, the authority may transact business and exercise any powers granted to it under this section.
- 2. Except as provided in subds. 5. and 6., after an authority is created under subd. 1., any political subdivision located in whole or in part within Kenosha, Racine, Milwaukee, or Waukesha County may join the authority if the governing body of the political subdivision adopts a resolution identical to the existing resolutions of the authority's participating political subdivisions or, if Milwaukee County is the only member of the authority, identical to the Milwaukee County board's existing resolution, and the authority's board of directors adopts a resolution allowing the political subdivision to join the authority.

- 3. a. Except as provided in subd. 3. b. and c., the jurisdictional area of an authority created under this paragraph is the geographic area formed by the combined territorial boundaries of all participating political subdivisions of the authority.
- b. If the authority includes a county other than Milwaukee County as a participating political subdivision, the jurisdictional area of the authority includes only that portion of the county that is within the territorial boundaries of municipalities in the county that are also participating political subdivisions.
- c. If a municipality that is a participating political subdivision of the authority is located in more than one county, the resolutions creating or joining the authority and the authority's bylaws may declare that, for purposes of the authority's jurisdictional area, the municipality's territorial boundaries are limited to only one of those counties.
- 4. If a political subdivision joins an authority under subd. 2. after it is created, the authority shall provide the department of revenue with a certified copy of the resolution that approves the joining and the resolution of the authority's board of directors allowing the political subdivision to join the authority. The political subdivision's joining of the authority shall take effect on the first day of the calendar quarter that begins at least 120 days after the department receives this information. The authority shall also provide the department with a description of the new boundaries of the authority's jurisdictional area, as provided under sub. (4) (s) 2.
- 5. A political subdivision may not create or join more than one authority under this paragraph.

- 6. A county other than Milwaukee County may not create or join an authority under this paragraph unless a municipality located in whole or in part within the county is a participating political subdivision in the authority.
- (3) Transit authority governance. (a) The powers of an authority shall be vested in its board of directors. Directors shall be elected to 4-year terms. A majority of the board of directors' full authorized membership constitutes a quorum for the purpose of conducting the authority's business and exercising its powers. Action may be taken by the board of directors upon a vote of a majority of the directors present and voting, unless the bylaws of the authority require a larger number.
- (fg) If an authority is created under sub. (2) (k), the resolutions creating the authority under sub. (2) (k) 1. shall include identical provisions specifying the number and composition of the authority's board of directors. However, if Milwaukee County is the only member of the authority, the Milwaukee County board's resolution shall specify the number and composition of the authority's board of directors. If a political subdivision joins an authority after its creation, the resolution joining the authority under sub. (2) (k) 2. shall specify what the number and composition of the authority's board of directors will be after the political subdivision's joinder, and all political subdivisions that are participating political subdivisions of the authority at the time of the new political subdivision's joinder shall amend or modify their resolutions creating or joining the authority to make them identical to the resolution of the newly joining municipality.
- (g) The bylaws of an authority shall govern its management, operations, and administration, consistent with the provisions of this section, and shall include provisions specifying all of the following:
  - 1. The functions or services to be provided by the authority.

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- 1 2. The powers, duties, and limitations of the authority.
- 3. The maximum rate of the taxes that may be imposed by the authority under sub. (4) (s), not to exceed the maximum rate specified in s. 77.708 (1).
  - 4. The composition of the board of directors of the authority, as determined under par. (fg).
    - 5. For an authority created under sub. (2) (k), the name of the authority.
  - (4) POWERS. Notwithstanding s. 59.84 (2) and any other provision of this chapter or ch. 59 or 85, an authority may do all of the following, to the extent authorized in the authority's bylaws:
  - (a) Establish, maintain, and operate a comprehensive unified local transportation system primarily for the transportation of persons.
  - (b) Acquire a comprehensive unified local transportation system and provide funds for the operation and maintenance of the system. Upon the acquisition of a comprehensive unified local transportation system, the authority may:
  - 1. Operate and maintain it or lease it to an operator or contract for its use by an operator.
  - 2. Contract for superintendence of the system with an organization that has personnel with the requisite experience and skill.
  - 3. Delegate responsibility for the operation and maintenance of the system to an appropriate administrative officer, board, or commission of a participating political subdivision.
  - 4. Maintain and improve railroad rights-of-way and improvements on these rights-of-way for future use.
  - (c) Contract with a public or private organization to provide transportation services in lieu of directly providing these services.

- (d) Purchase and lease transportation facilities to public or private transit companies that operate within and outside the jurisdictional area.
- (e) Apply for federal aids to purchase transportation facilities considered essential for the authority's operation.
- (f) Coordinate specialized transportation services, as defined in s. 85.21 (2) (g), for residents who reside within the jurisdictional area and who are disabled or aged 60 or older, including services funded under 42 USC 3001 to 3057n, 42 USC 5001, and 42 USC 5011 (b), under ss. 49.43 to 49.499 and 85.21, and under other public funds administered by the county. An authority may contract with a county that is a participating political subdivision for the authority to provide specialized transportation services, but an authority is not an eligible applicant under s. 85.21 (2) (e) and may not receive payments directly from the department of transportation under s. 85.21.
- (g) Acquire, own, hold, use, lease as lessor or lessee, sell or otherwise dispose of, mortgage, pledge, or grant a security interest in any real or personal property or service.
- (h) Acquire property by condemnation using the procedure under s. 32.05 for the purposes set forth in this section.
- (i) Enter upon any state, county, or municipal street, road, or alley, or any public highway for the purpose of installing, maintaining, and operating the authority's facilities. Whenever the work is to be done in a state, county, or municipal highway, street, road, or alley, the public authority having control thereof shall be duly notified, and the highway, street, road, or alley shall be restored to as good a condition as existed before the commencement of the work with all costs incident to the work to be borne by the authority.

- (j) Fix, maintain, and revise fees, rates, rents, and charges for functions, facilities, and services provided by the authority.
  - (k) Make, and from time to time amend and repeal, bylaws, rules, and regulations to carry into effect the powers and purposes of the authority.
    - (L) Sue and be sued in its own name.
    - (m) Have and use a corporate seal.
  - (n) Employ agents, consultants, and employees, engage professional services, and purchase such furniture, stationery, and other supplies and materials as are reasonably necessary to perform its duties and exercise its powers.
  - (o) Incur debts, liabilities, or obligations including the borrowing of money and the issuance of bonds under subs. (7) and (10).
  - (p) Invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, including the proceeds from the sale of any bonds, in such obligations, securities, and other investments as the authority deems proper in accordance with s. 66.0603 (1m).
  - (q) Do and perform any acts and things authorized by this section under, through, or by means of an agent or by contracts with any person.
  - (r) Exercise any other powers that the board of directors considers necessary and convenient to effectuate the purposes of the authority, including providing for passenger safety.
- (s) 1. Impose, by the adoption of a resolution by the board of directors, the taxes under subch. V of ch. 77 in the authority's jurisdictional area. If an authority adopts a resolution to impose the taxes, it shall deliver a certified copy of the resolution to the department of revenue at least 120 days before its effective date. The authority may, by adoption of a resolution by the board of directors, repeal the imposition of

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taxes under subch. V of ch. 77 and shall deliver a certified copy of the repeal resolution to the department of revenue at least 120 days before its effective date.

- 2. If an authority adopts a resolution to impose the tax, as provided in subd. 1., an authority shall specify to the department of revenue, as provided in this subdivision, the exact boundaries of the authority's jurisdictional area. If the boundaries are the same as the county lines on all sides of the authority's jurisdictional area, the resolution shall specify the county or counties that comprise the authority's entire jurisdictional area. If the boundaries are other than a county line on any side of the authority's jurisdictional area, the authority shall provide the department with a complete list of all the 9-digit zip codes that are entirely within the authority's jurisdictional area and a complete list of all the street addresses that are within the authority's jurisdictional area and not included in any 9-digit zip code that is entirely within the authority's jurisdictional area. The authority shall provide a certified copy of the information required under this subdivision to the department, in the manner, format, and layout prescribed by the department, at least 120 days prior to the first day of the calendar quarter before the effective date of the tax imposed under subd. 1. If the boundaries of the authority's jurisdictional area subsequently change, the authority shall submit a certified copy of the information required under this subdivision to the department at least 120 days prior to the first day of the calendar quarter before the effective date of such change, in the manner, format, and layout prescribed by the department.
- 3. Notwithstanding subd. 1., an authority created under sub. (2) (k) may not impose the taxes authorized under subd. 1. unless the authorizing resolution or resolutions under sub. (2) (k) 1. and, if applicable, sub. (2) (k) 2., each clearly

identifies the maximum rate of the taxes that may be imposed by the authority under subd. 1.

- 4. If an authority created under sub. (2) (k) adopts a resolution to impose the taxes under subd. 1., no political subdivision that is a member of the authority may 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 taxes are imposed under subd. 1.
- (5) Limitations on authority powers. (a) Notwithstanding sub. (4) (a), (b), (c), (d), (q), and (r), no authority, and no public or private organization with which an authority has contracted for service, may provide service outside the jurisdictional area of the authority unless the authority receives financial support for the service under a contract with a public or other private organization for the service or unless it is necessary in order to provide service to connect residents within the authority's jurisdictional area to transit systems in adjacent counties.
- (b) Whenever the proposed operations of an authority would be competitive with the operations of a common carrier in existence prior to the time the authority commences operations, the authority shall coordinate proposed operations with the common carrier to eliminate adverse financial impact for the carrier. This coordination may include route overlapping, transfers, transfer points, schedule coordination, joint use of facilities, lease of route service, and acquisition of route and corollary equipment. If this coordination does not result in mutual agreement, the proposals of the authority and the common carrier shall be submitted to the department of transportation for arbitration.

- (c) In exercising its powers under sub. (4), an authority shall consider any plan of a metropolitan planning organization under 23 USC 134 that covers any portion of the authority's jurisdictional area.
- (6) Authority obligations to employees of mass transportation systems. (a) An authority acquiring a comprehensive unified local transportation system for the purpose of the authority's operation of the system shall assume all of the employer's obligations under any contract between the employees and management of the system to the extent allowed by law.
- (b) An authority acquiring, constructing, controlling, or operating a comprehensive unified local transportation system shall negotiate an agreement with the representative of the labor organization that covers the employees affected by the acquisition, construction, control, or operation to protect the interests of employees affected. This agreement shall include all of the provisions identified in s. 59.58 (4) (b) 1. to 8. and may include provisions identified in s. 59.58 (4) (c). An affected employee has all the rights and the same status under subch. IV of ch. 111 that he or she enjoyed immediately before the acquisition, construction, control, or operation and may not be required to serve a probationary period if he or she attained permanent status before the acquisition, construction, control, or operation.
- (c) In all negotiations under this subsection, a senior executive officer of the authority shall be a member of the authority's negotiating body.
- (7) Bonds; Generally. (a) An authority may issue bonds, the principal and interest on which are payable exclusively from all or a portion of any revenues received by the authority. The authority may secure its bonds by a pledge of any income or revenues from any operations, rent, aids, grants, subsidies, contributions, or other source of moneys whatsoever.

- (b) An authority may issue bonds in such principal amounts as the authority deems necessary.
- (c) 1. Neither the members of the board of directors of an authority nor any person executing the bonds is personally liable on the bonds by reason of the issuance of the bonds.
- 2. The bonds of an authority are not a debt of the participating political subdivisions. Neither the participating political subdivisions nor the state are liable for the payment of the bonds. The bonds of any authority shall be payable only out of funds or properties of the authority. The bonds of the authority shall state the restrictions contained in this paragraph on the face of the bonds.
- (8) ISSUANCE OF BONDS. (a) Bonds of an authority shall be authorized by resolution of the board of directors. The bonds may be issued under such a resolution or under a trust indenture or other security instrument. The bonds may be issued in one or more series and may be in the form of coupon bonds or registered bonds under s. 67.09. The bonds shall bear the dates, mature at the times, bear interest at the rates, be in the denominations, have the rank or priority, be executed in the manner, be payable in the medium of payment and at the places, and be subject to the terms of redemption, with or without premium, as the resolution, trust indenture, or other security instrument provides. Bonds of an authority are issued for an essential public and governmental purpose and are public instrumentalities and, together with interest and income, are exempt from taxes.
- (b) The authority may sell the bonds at public or private sales at the price or prices determined by the authority.
- (c) If an officer whose signatures appear on any bonds or coupons ceases to be an officer of the authority before the delivery of the bonds or coupons, the officer's

- signature shall, nevertheless, be valid for all purposes as if the officer had remained in office until delivery of the bonds or coupons.
- **(9)** COVENANTS. An authority may do all of the following in connection with the issuance of bonds:
  - (a) Covenant as to the use of any or all of its property, real or personal.
- (b) Redeem the bonds, or covenant for the redemption of the bonds, and provide the terms and conditions of the redemption.
- (c) Covenant as to charge fees, rates, rents, and charges sufficient to meet operating and maintenance expenses, renewals, and replacements of any transportation system, principal and debt service on bonds creation and maintenance of any reserves required by a bond resolution, trust indenture, or other security instrument and to provide for any margins or coverages over and above debt service on the bonds that the board of directors considers desirable for the marketability of the bonds.
- (d) Covenant as to the events of default on the bonds and the terms and conditions upon which the bonds shall become or may be declared due before maturity, as to the terms and conditions upon which this declaration and its consequences may be waived, and as to the consequences of default and the remedies of bondholders.
- (e) Covenant as to the mortgage or pledge of, or the grant of a security interest in, any real or personal property and all or any part of the revenues of the authority to secure the payment of bonds, subject to any agreements with the bondholders.
- (f) Covenant as to the custody, collection, securing, investment, and payment of any revenues, assets, moneys, funds, or property with respect to which the authority may have any rights or interest.

- (g) Covenant as to the purposes to which the proceeds from the sale of any bonds may be applied, and as to the pledge of such proceeds to secure the payment of the bonds.
- (h) Covenant as to limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.
- (i) Covenant as to the rank or priority of any bonds with respect to any lien or security.
- (j) Covenant as to the procedure by which the terms of any contract with or for the benefit of the holders of bonds may be amended or abrogated, the amount of bonds, the holders of which must consent thereto, and the manner in which such consent may be given.
- (k) Covenant as to the custody and safekeeping of any of its properties or investments, the insurance to be carried on the property or investments, and the use and disposition of insurance proceeds.
- (L) Covenant as to the vesting in one or more trustees, within or outside the state, of those properties, rights, powers, and duties in trust as the authority determines.
- (m) Covenant as to the appointing of, and providing for the duties and obligations of, one or more paying agent or other fiduciaries within or outside the state.
- (n) Make all other covenants and do any act that may be necessary or convenient or desirable in order to secure its bonds or, in the absolute discretion of the authority, tend to make the bonds more marketable.

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- (o) Execute all instruments necessary or convenient in the exercise of the powers granted under this section or in the performance of covenants or duties, which may contain such covenants and provisions as a purchaser of the bonds of the authority may reasonably require.
- (10) Refunding bonds. An authority may issue refunding bonds for the purpose of paying any of its bonds at or prior to maturity or upon acceleration or redemption. An authority may issue refunding bonds at such time prior to the maturity or redemption of the refunded bonds as the authority deems to be in the public interest. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium on the bonds, any interest accrued or to accrue to the date of payment of the bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by the resolution, trust indenture, or other security instruments. To the extent applicable, refunding bonds are subject to subs. (8) and (9).
- (11) Bonds eligible for investment. (a) Any of the following may invest funds, including capital in their control or belonging to them, in bonds of the authority:
  - 1. Public officers and agencies of the state.
- 2. Local governmental units, as defined in s. 19.42 (7u).
  - 3. Insurance companies.
- 4. Trust companies.
- 23 5. Banks.
- 24 6. Savings banks.
- 25 7. Savings and loan associations.

- 1 8. Investment companies.
  - 9. Personal representatives.
    - 10. Trustees.

- 11. Other fiduciaries not listed in this paragraph.
- (b) The authority's bonds are securities that may be deposited with and received by any officer or agency of the state or any local governmental unit, as defined in s. 19.42 (7u), for any purpose for which the deposit of bonds or obligations of the state or any local governmental unit is authorized by law.
- (12) BUDGETS; RATES AND CHARGES; AUDIT. The board of directors of an authority shall annually prepare a budget for the authority. Rates and other charges received by an authority shall be used only for the general expenses and capital expenditures of the authority, to pay interest, amortization, and retirement charges on bonds, and for specific purposes of the authority and may not be transferred to any political subdivision. The authority shall maintain an accounting system in accordance with generally accepted accounting principles and shall have its financial statements and debt covenants audited annually by an independent certified public accountant.
- (13) WITHDRAWAL FROM AUTHORITY. (a) A participating political subdivision that joined an authority under sub. (2) (k) 2. may withdraw from an authority if all of the following conditions are met:
- 1. The governing body of the political subdivision adopts a resolution requesting withdrawal of the political subdivision from the authority.
- 2. The political subdivision has paid, or made provision for the payment of, all obligations of the political subdivision to the authority.
- (b) If a participating political subdivision withdraws from an authority, the authority shall provide the department of revenue with a certified copy of the

resolution that approves the withdrawal. The withdrawal is effective on the first day of the calendar quarter that begins at least 120 days after the department receives the certified copy of the resolution approving the withdrawal. If the authority in which the withdrawing political subdivision continues to exist after the withdrawal, the authority shall provide information describing the exact boundaries of its jurisdictional area, as provided in sub. (4) (s) 2.

- (14) Duty to provide transit service. An authority shall provide, or contract for the provision of, transit service within the authority's jurisdictional area.
- (17) Other statutes. This section does not limit the powers of political subdivisions to enter into intergovernmental cooperation or contracts or to establish separate legal entities under s. 66.0301 or 66.1021 or any other applicable law, or otherwise to carry out their powers under applicable statutory provisions. Section 66.0803 (2) does not apply to an authority.".
  - **7.** Page 19, line 21: after that line insert:
- **"Section 21g.** 67.01 (5) of the statutes is amended to read:
- 67.01 (5) "Municipality" means any of the following which is authorized to levy a tax: a county, city, village, town, school district, board of park commissioners, technical college district, metropolitan sewerage district created under ss. 200.01 to 200.15 or 200.21 to 200.65, town sanitary district under subch. IX of ch. 60, transit authority created under s. 66.1039, public inland lake protection and rehabilitation district established under s. 33.23, 33.235, or 33.24, and any other public body empowered to borrow money and issue obligations to repay the money out of public funds or revenues. "Municipality" does not include the state.".
  - **8.** Page 21, line 2: after that line insert:

"Section 21s. 70.11 (2) of the statutes is amended to read:

70.11 (2) Municipal property and property of certain districts, exception. Property owned by any county, city, village, town, school district, technical college district, public inland lake protection and rehabilitation district, metropolitan sewerage district, municipal water district created under s. 198.22, joint local water authority created under s. 66.0823, transit authority created under s. 66.1039, long-term care district under s. 46.2895 or town sanitary district; lands belonging to cities of any other state used for public parks; land tax-deeded to any county or city before January 2; but any residence located upon property owned by the county for park purposes that is rented out by the county for a nonpark purpose shall not be exempt from taxation. Except as to land acquired under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after August 17, 1961, to any such governmental unit or for its benefit while the grantor or others for his or her benefit are permitted to occupy the land or part thereof in consideration for the conveyance. Leasing the property exempt under this subsection, regardless of the lessee and the use of the leasehold income, does not render that property taxable."

**9.** Page 25, line 7: after that line insert:

**"Section 27m.** 71.26 (1) (b) of the statutes is amended to read:

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

**10.** Page 29, line 5: after that line insert:

| T         | SECTION 33m. Chapter 11 (title) of the statutes is amended to read:      |
|-----------|--|
| 2         | CHAPTER 77   |
| 3         | TAXATION OF FOREST CROPLANDS;  |
| 4         | REAL ESTATE TRANSFER FEES;   |
| 5         | SALES AND USE TAXES; COUNTY,   |
| 6         | TRANSIT AUTHORITY, AND SPECIAL   |
| 7         | DISTRICT SALES AND USE TAXES;  |
| 8         | MANAGED FOREST LAND; ECONOMIC  |
| 9         | DEVELOPMENT SURCHARGE; LOCAL FOOD  |
| 10        | AND BEVERAGE TAX; LOCAL RENTAL   |
| 11        | CAR TAX; PREMIER RESORT AREA   |
| 12        | TAXES; STATE RENTAL VEHICLE FEE;   |
| 13        | DRY CLEANING FEES  |
| <b>L4</b> | <b>Section 33n.</b> 77.54 (9a) (er) of the statutes is created to read:  |
| 15        | 77.54 (9a) (er) Any transit authority created under s. 66.1039.".        |
| 16        | 11. Page 29, line 15: after that line insert:                            |
| L7        | "Section 34a. Subchapter V (title) of chapter 77 [precedes 77.70] of the |
| 18        | statutes is amended to read:   |
| 19        | CHAPTER 77   |
| 20        | SUBCHAPTER V   |
| 21        | COUNTY, TRANSIT AUTHORITY, AND   |
| 22        | SPECIAL DISTRICT SALES AND USE   |
| 23        | TAXES".  |
| 24        | 12. Page 30, line 8: after that line insert:                             |

**"Section 34f.** 77.708 of the statutes is created to read:

77.708 Adoption by resolution; transit authority. (1) A transit authority created under s. 66.1039, by resolution under s. 66.1039 (4) (s), may impose a sales tax and a use tax under this subchapter at a rate not to exceed 0.5 percent of the sales price or purchase price. Those taxes may be imposed only in their entirety. The resolution shall be effective on the first day of the first calendar quarter that begins at least 120 days after the adoption of the resolution.

- (2) Retailers and the department of revenue may not collect a tax under sub.

  (1) for any transit authority created under s. 66.1039 beginning after the calendar quarter during which the transit authority adopts a repeal resolution under s. 66.1039 (4) (s), except that the department of revenue may collect from retailers taxes that accrued before such calendar quarter and fees, interest, and penalties that relate to those taxes.
  - **Section 34g.** 77.71 (intro.) of the statutes is amended to read:
- **77.71 Imposition of county, transit authority, and special district sales** and use taxes. (intro.) Whenever a county sales and use tax ordinance is adopted under s. 77.70, a transit authority resolution is adopted under s. 77.708, or a special district resolution is adopted under s. 77.705 or 77.706, the following taxes are imposed:
  - **Section 34h.** 77.71 (1) of the statutes is amended to read:
- 77.71 (1) For the privilege of selling, licensing, leasing, or renting tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), and for the privilege of selling, licensing, performing, or furnishing services a sales tax is imposed upon retailers at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 (1) in the case of a transit authority tax,

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or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price from the sale, license, lease, or rental of tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property taxed under sub. (4), sold, licensed, leased, or rented at retail in the county or, special district, or transit authority's jurisdictional area, or from selling, licensing, performing, or furnishing services described under s. 77.52 (2) in the county or, special district, or transit authority's jurisdictional area.

**Section 34i.** 77.71 (2) of the statutes is amended to read:

77.71 (2) An excise tax is imposed at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 (1) in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming in the county or, special district, or transit authority's jurisdictional area tangible personal property. or items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property, item, property, good, or service is subject to the state use tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3), (4), or (5) has been paid relieves the buyer of liability for the tax under this subsection and except that if the buyer has paid a similar local tax in another state on a purchase of the same tangible personal property, item, property, good, or service that tax shall be credited against the tax under this subsection and except that for motor vehicles that are used for a purpose in addition to retention, demonstration, or display while held for sale in the regular course of business by a dealer the tax under this subsection is imposed not on the purchase price but on the amount under s. 77.53 (1m).

**Section 34j.** 77.71 (3) of the statutes is amended to read:

77.71 (3) An excise tax is imposed upon a contractor engaged in construction activities within the county of, special district, or transit authority's jurisdictional area, at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 (1) in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) that are used in constructing, altering, repairing, or improving real property and that became a component part of real property in that county or special district or in the transit authority's jurisdictional area, except that if the contractor has paid the sales tax of a county, transit authority, or special district in this state on that tangible personal property, item, property, or good, or has paid a similar local sales tax in another state on a purchase of the same tangible personal property, item, property, or good, that tax shall be credited against the tax under this subsection.

**Section 34k.** 77.71 (4) of the statutes is amended to read:

77.71 (4) An excise tax is imposed at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 (1) in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be registered or titled with this state and if that property is to be customarily kept in a county that has in effect an ordinance under s. 77.70, in the jurisdictional area of a transit authority that has in effect a resolution under s. 77.708, or in a special district that has in effect a resolution under s. 77.706 except that if the buyer has paid a similar local sales tax in another state on a purchase of the same property, that tax shall be credited against the tax under this subsection. The lease

or rental of a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft is not taxed under this subsection if the lease or rental does not require recurring periodic payments.

**Section 34L.** 77.71 (5) of the statutes is amended to read:

77.71 (5) An excise tax is imposed on the purchase price for the lease or rental of a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.708 (1) in the case of a transit authority tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax upon every person storing, using, or otherwise consuming in the county or, special district, or transit authority's jurisdictional area the motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be registered or titled with this state and if the lease or rental does not require recurring periodic payments, except that a receipt indicating that the tax under sub. (1) had been paid relieves the purchaser of liability for the tax under this subsection and except that if the purchaser has paid a similar local tax in another state on the same lease or rental of such motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft, that tax shall be credited against the tax under this subsection.

**Section 34m.** 77.73 (2) of the statutes is amended to read:

77.73 (2) Counties and, special districts, and transit authorities do not have jurisdiction to impose the tax under s. 77.71 (2) in regard to items, property, and goods under s. 77.52 (1) (b), (c), and (d), and tangible personal property, except snowmobiles, trailers, semitrailers, limited use off-highway motorcycles, as defined in s. 23.335 (1) (o), all-terrain vehicles, and utility terrain vehicles, purchased in a sale that is consummated in another county or special district in this state, or in

another transit authority's jurisdictional area, that does not have in effect an ordinance or resolution imposing the taxes under this subchapter and later brought by the buyer into the county or, special district, or jurisdictional area of the transit authority that has imposed a tax under s. 77.71 (2).

**Section 34n.** 77.73 (3) of the statutes is amended to read:

77.73 (3) Counties and, special districts, and transit authorities have jurisdiction to impose the taxes under this subchapter on retailers who file, or who are required to file, an application under s. 77.52 (7) or who register, or who are required to register, under s. 77.53 (9) or (9m), regardless of whether such retailers are engaged in business in the county or, special district, or transit authority's jurisdictional area, as provided in s. 77.51 (13g). A retailer who files, or is required to file, an application under s. 77.52 (7) or who registers, or is required to register, under s. 77.53 (9) or (9m) shall collect, report, and remit to the department the taxes imposed under this subchapter for all counties or, special districts, and transit authorities that have an ordinance or resolution imposing the taxes under this subchapter.

**Section 340.** 77.75 of the statutes is amended to read:

77.75 Reports. Every person subject to county, transit authority, or special district sales and use taxes shall, for each reporting period, record that person's sales made in the county or, special district, or jurisdictional area of a transit authority that has imposed those taxes separately from sales made elsewhere in this state and file a report as prescribed by the department of revenue.

**Section 34p.** 77.76 (1) of the statutes is amended to read:

77.76 (1) The department of revenue shall have full power to levy, enforce, and collect county, transit authority, and special district sales and use taxes and may take

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any action, conduct any proceeding, impose interest and penalties, and in all respects proceed as it is authorized to proceed for the taxes imposed by subch. III. The department of transportation and the department of natural resources may administer the county, transit authority, and special district sales and use taxes in regard to items under s. 77.61 (1).

**Section 34q.** 77.76 (2) of the statutes is amended to read:

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

**Section 34r.** 77.76 (3r) of the statutes is created to read:

77.76 (3r) From the appropriation under s. 20.835 (4) (gc), the department of revenue shall distribute 98.5 percent of the taxes reported for each transit authority that has imposed taxes under this subchapter, minus the transit authority portion of the retailers' discount, to the transit authority no later than the end of the 3rd month following the end of the calendar quarter in which such amounts were reported. At the time of distribution, the department of revenue shall indicate the taxes reported by each taxpayer. In this subsection, the "transit authority portion of the retailers' discount" is the amount determined by multiplying the total retailers' discount by a fraction the numerator of which is the gross transit authority sales and use taxes payable and the denominator of which is the sum of the gross state and transit authority sales and use taxes payable. The transit authority taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments of the transit authority taxes previously distributed. Interest paid on refunds of transit authority sales and use taxes shall

be paid from the appropriation under s. 20.835 (4) (gc) at the rate paid by this state under s. 77.60 (1) (a). Any transit authority receiving a report under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

**Section 34s.** 77.76 (4) of the statutes is amended to read:

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

#### **SECTION 34t.** 77.77 (1) of the statutes is amended to read:

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

(b) The sales price from services subject to the tax under s. 77.52 (2) or the lease, rental, or license of tangible personal property and property, items, and goods specified under s. 77.52 (1) (b), (c), and (d), is not subject to the taxes under this subchapter, and a decrease in the tax rate imposed under this subchapter on those

services first applies, beginning with bills rendered on or after the effective date of the repeal or sunset of a county ordinance or, special district resolution, or transit authority resolution imposing the tax or other rate decrease, regardless of whether the service is furnished or the property, item, or good is leased, rented, or licensed to the customer before or after that date.

**Section 34u.** 77.77 (3) of the statutes is amended to read:

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

**Section 34v.** 77.78 of the statutes is amended to read:

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

| 13. | Page 30,  | line 17:  | after | that | line  | insert |
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**"Section 36e.** 85.064 (1) (b) of the statutes is amended to read:

85.064 (1) (b) "Political subdivision" means any city, village, town, county, or transit commission organized under s. 59.58 (2) or 66.1021 or recognized under s. 66.0301, or transit authority created under s. 66.1039 within this state.".

**"Section 36s.** 111.70 (1) (j) of the statutes is repealed and recreated to read:

### **14.** Page 31, line 12: after that line insert:

111.70 (1) (j) "Municipal employer" means any city, county, village, town, metropolitan sewerage district, school district, long-term care district, transit authority under s. 66.1039, local cultural arts district created under subch. V of ch. 229, or any other political subdivision of the state, or instrumentality of one or more political subdivisions of the state, that engages the services of an employee and includes any person acting on behalf of a municipal employer within the scope of the

# **15.** Page 40, line 14: after that line insert:

person's authority, express or implied.".

**"Section 59m.** 345.05 (1) (ag) of the statutes is created to read:

345.05 (1) (ag) "Authority" means a transit authority created under s. 66.1039.

**Section 59n.** 345.05 (2) of the statutes is amended to read:

345.05 (2) A person suffering any damage proximately resulting from the negligent operation of a motor vehicle owned and operated by a municipality or authority, which damage was occasioned by the operation of the motor vehicle in the course of its business, may file a claim for damages against the municipality or authority concerned and the governing body of the municipality, or the board of directors of the authority, may allow, compromise, settle and pay the claim. In this

| 7 | (END)  |
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| 6 | 345.05 (1) (c), but also includes any transit authority created under s. 66.1039.".    |
| 5 | 611.11 (4) (a) In this subsection, "municipality" has the meaning given in s.          |
| 4 | <b>Section 590.</b> 611.11 (4) (a) of the statutes is amended to read:                 |
| 3 | a contract whereby the municipality <u>or authority</u> will acquire title.            |
| 2 | authority if the vehicle is either being rented or leased, or is being purchased under |
| 1 | subsection, a motor vehicle is deemed owned and operated by a municipality or          |