



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4755/1
EVM&JK:jld

2017 ASSEMBLY BILL 922

February 8, 2018 - Introduced by Representatives BARCA, SINICKI, NEUBAUER, CROWLEY, OHNSTAD, FIELDS, ZAMARRIPA, ZEPNICK, YOUNG, WACHS, BERCEAU, SPREITZER and BROSTOFF, cosponsored by Senators CARPENTER, LARSON and L. TAYLOR. Referred to Committee on Transportation.

1 **AN ACT** *to amend* 32.02 (11), 32.05 (1) (a), 32.07 (2), 40.02 (28), 66.0301 (1) (a),
2 66.0903 (1) (d), 67.01 (5), 70.11 (2), 71.26 (1) (b), chapter 77 (title), subchapter
3 V (title) of chapter 77 [precedes 77.70], 77.71, 77.73 (2), 77.73 (2m), 77.73 (3),
4 77.75, 77.76 (1), 77.76 (2), 77.76 (4), 77.77 (1), 77.77 (3), 77.78, 85.064 (1) (b),
5 345.05 (2) and 611.11 (4) (a); and *to create* 20.566 (1) (gc), 20.835 (4) (gc),
6 66.1039, 77.54 (9a) (er), 77.708, 77.76 (3r) and 345.05 (1) (ag) of the statutes;
7 **relating to:** authorizing the creation of a Southeast Regional Transit
8 Authority and making appropriations.

Analysis by the Legislative Reference Bureau

This bill authorizes the creation of a regional transit authority (RTA) in southeastern Wisconsin.

The 2009 Biennial Budget Act (2009 Act 28) authorized the creation of several RTAs: the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA. Under 2009 Act 28, each RTA, once created, is a public body corporate and politic and a separate governmental entity. An RTA's authority is vested in its board of directors, and its bylaws govern its management, operations, and administration. Among its powers, an RTA may operate a transportation system or provide for its operation by contracting with a public or private organization; impose, by its board

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of directors adopting a resolution, a sales and use tax in the RTA's jurisdictional area at a rate not exceeding 0.5 percent of the sales price if certain conditions are satisfied; acquire property by condemnation; and issue tax-exempt revenue bonds. An RTA has a duty to provide, or contract for the provision of, transit service within the RTA's jurisdictional area. Rates and other charges received by an RTA must be used only for the general expenses and capital expenditures of the RTA, to pay interest, amortization, and retirement charges on the RTA's revenue bonds, and for specific purposes of the RTA and may not be transferred to any political subdivision.

The 2011 Biennial Budget Act (2011 Act 32) eliminated authorization to create an RTA and dissolved the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA to the extent previously created.

This bill authorizes the creation of a Southeast RTA, with the same powers and authority as provided to RTAs under 2009 Act 28. Under the bill, the counties of Kenosha, Racine, and Milwaukee may join together to jointly create the Southeast RTA if the governing body of each county adopts a resolution authorizing the county to become a member of the RTA, each resolution is ratified by the electors at a referendum held in the county, and the resolutions of all of these counties are identical. Resolutions creating the Southeast RTA must include provisions specifying the number and composition of the RTA's board of directors. The jurisdictional area of the RTA is the geographic area formed by the combined territorial boundaries of the counties of Kenosha, Racine, and Milwaukee.

This bill recreates the provisions of 2009 Act 28 to establish the powers and duties of the Southeast RTA. In brief, the RTA's authority is vested in its board of directors and its bylaws govern its management, operations, and administration. The RTA may 1) operate a transportation system or provide for its operation by contracting with a public or private organization; 2) impose, by its board of directors adopting a resolution, a sales and use tax in the RTA's jurisdictional area at a rate, in one-tenth increments, not exceeding 0.5 percent of the sales price if certain conditions are satisfied; 3) acquire property by condemnation; and 4) issue tax-exempt revenue bonds. The Southeast RTA has a duty to provide, or contract for the provision of, transit service within the RTA's jurisdictional area. Rates and other charges received by the Southeast RTA must be used only for the general expenses and capital expenditures of the RTA, to pay interest, amortization, and retirement charges on the RTA's revenue bonds, and for specific purposes of the RTA and may not be transferred to any county.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

ASSEMBLY BILL 922**2017-18 2018-19****1 20.566 Revenue, department of**

2 (1) COLLECTION OF TAXES

3 (gc) Administration of transit author-

4 ity taxes

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5 **SECTION 2.** 20.566 (1) (gc) of the statutes is created to read:

6 20.566 (1) (gc) *Administration of transit authority taxes.* From the moneys
7 received from the appropriation account under s. 20.835 (4) (gc), the amounts in the
8 schedule for the purpose of administering the transit authority taxes imposed under
9 s. 77.708. Notwithstanding s. 20.001 (3) (a), at the end of the fiscal year the
10 unencumbered balance in this appropriation account shall be transferred to the
11 appropriation account under s. 20.835 (4) (gc).

12 **SECTION 3.** 20.835 (4) (gc) of the statutes is created to read:

13 20.835 (4) (gc) *Transit authority taxes.* All moneys received from the taxes
14 imposed under s. 77.708, and from the appropriation account under s. 20.566 (1) (gc),
15 for the purpose of distribution to the transit authorities that adopt a resolution
16 imposing taxes under subch. V of ch. 77 which is affirmed by referendum, except that
17 1.5 percent of those tax revenues collected under subch. V of ch. 77 shall be credited
18 to the appropriation account under s. 20.566 (1) (gc).

19 **SECTION 4.** 32.02 (11) of the statutes is amended to read:

20 32.02 (11) Any housing authority created under ss. 66.1201 to 66.1211;
21 redevelopment authority created under s. 66.1333; community development
22 authority created under s. 66.1335; local cultural arts district created under subch.

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1 V of ch. 229, subject to s. 229.844 (4) (c); ~~or~~ local exposition district created under
2 subch. II of ch. 229; or transit authority created under s. 66.1039.

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

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

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

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1 32.07 (2) The petitioner shall determine necessity if application is by the state
2 or any commission, department, board or other branch of state government or by a
3 city, village, town, county, school district, board, commission, public officer,
4 commission created by contract under s. 66.0301, joint local water authority under
5 s. 66.0823, transit authority created under s. 66.1039, redevelopment authority
6 created under s. 66.1333, local exposition district created under subch. II of ch. 229,
7 local cultural arts district created under subch. V of ch. 229, housing authority
8 created under ss. 66.1201 to 66.1211 or for the right-of-way of a railroad up to 100
9 feet in width, for a telegraph, telephone or other electric line, for the right-of-way
10 for a gas pipeline, main or service or for easements for the construction of any
11 elevated structure or subway for railroad purposes.

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

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

23 **SECTION 8.** 66.0301 (1) (a) of the statutes is amended to read:

24 66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section
25 “municipality” means the state or any department or agency thereof, or any city,

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1 village, town, county, or school district, the opportunity schools and partnership
2 programs under subch. IX of ch. 115 and subch. II of ch. 119, the superintendent of
3 schools opportunity schools and partnership program under s. 119.33, or any public
4 library system, public inland lake protection and rehabilitation district, sanitary
5 district, farm drainage district, metropolitan sewerage district, sewer utility district,
6 solid waste management system created under s. 59.70 (2), local exposition district
7 created under subch. II of ch. 229, local professional baseball park district created
8 under subch. III of ch. 229, local professional football stadium district created under
9 subch. IV of ch. 229, local cultural arts district created under subch. V of ch. 229,
10 transit authority created under s. 66.1039, long-term care district under s. 46.2895,
11 water utility district, mosquito control district, municipal electric company, county
12 or city transit commission, commission created by contract under this section,
13 taxation district, regional planning commission, housing authority created under s.
14 66.1201, redevelopment authority created under s. 66.1333, community
15 development authority created under s. 66.1335, or city-county health department.

16 **SECTION 9.** 66.0903 (1) (d) of the statutes is amended to read:

17 66.0903 (1) (d) “Local governmental unit” means a political subdivision of this
18 state, a special purpose district in this state, an instrumentality or corporation of
19 such a political subdivision or special purpose district, a combination or subunit of
20 any of the foregoing or an instrumentality of the state and any of the foregoing.
21 “Local governmental unit” includes a transit authority created under s. 66.1039.

22 **SECTION 10.** 66.1039 of the statutes is created to read:

23 **66.1039 Transit authorities. (1) DEFINITIONS.** In this section:

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

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1 (b) "Bonds" means any bonds, interim certificates, notes, debentures, or other
2 obligations of an authority issued under this section.

3 (c) "Common carrier" means any of the following:

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

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

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

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

8 (d) "Comprehensive unified local transportation system" means a
9 transportation system that is comprised of motor bus lines and any other local public
10 transportation facilities, the major portion of which is located within, or the major
11 portion of the service of which is supplied to the inhabitants of, the jurisdictional area
12 of the authority.

13 (f) "Participating political subdivision" means a political subdivision that is a
14 member of an authority.

15 (g) "Political subdivision" means a county.

16 (h) "Transportation system" means all land, shops, structures, equipment,
17 property, franchises, and rights of whatever nature required for transportation of
18 passengers within the jurisdictional area of the authority and, only to the extent
19 specifically authorized under this section, outside the jurisdictional area of the
20 authority. "Transportation system" includes elevated railroads, subways,
21 underground railroads, motor vehicles, motor buses, and any combination thereof,
22 and any other form of mass transportation, but does not include transportation
23 excluded from the definition of "common motor carrier" under s. 194.01 (1) or charter
24 or contract operations to, from, or between points that are outside the jurisdictional
25 area of the authority.

ASSEMBLY BILL 922**(2) CREATION OF TRANSIT AUTHORITIES.** (d) *Southeast regional transit authority.*

1. The counties of Kenosha, Racine, and Milwaukee may join together to jointly create a public body corporate and politic and a separate governmental entity, known as the "Southeast Regional Transit Authority," if the governing body of each such county adopts a resolution authorizing the county to become a member of the authority, each resolution is ratified by the electors at a referendum held in the county, and all such resolutions are identical to each other. Once created, the members of the authority shall consist of the counties of Kenosha, Racine, and Milwaukee. Once created, the authority may transact business and exercise any powers granted to it under this section.

3. The jurisdictional area of an authority created under this paragraph is the geographic area formed by the combined territorial boundaries of the counties of Kenosha, Racine, and Milwaukee.

(3) TRANSIT AUTHORITY GOVERNANCE. (a) The powers of an authority shall be vested in its board of directors. Directors shall be appointed for 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.

(e) If an authority is created under sub. (2) (d), the resolutions creating the authority under sub. (2) (d) 1. shall include identical provisions specifying the number and composition of the authority's board of directors.

(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:

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

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

3 (e) Apply for federal aids to purchase transportation facilities considered
4 essential for the authority's operation.

5 (f) Coordinate specialized transportation services, as defined in s. 85.21 (2) (g),
6 for residents who reside within the jurisdictional area and who are disabled or aged
7 60 or older, including services funded under 42 USC 3001 to 3057n, 42 USC 5001, and
8 42 USC 5011 (b), under ss. 49.43 to 49.499 and 85.21, and under other public funds
9 administered by the county. An authority may contract with a county that is a
10 participating political subdivision for the authority to provide specialized
11 transportation services, but an authority is not an eligible applicant under s. 85.21
12 (2) (e) and may not receive payments directly from the department of transportation
13 under s. 85.21.

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

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

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

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

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

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

6 (m) Have and use a corporate seal.

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

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

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

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

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

21 (s) 1. Impose, by the adoption of a resolution by the board of directors, the taxes
22 under subch. V of ch. 77 in the authority's jurisdictional area. If an authority adopts
23 a resolution to impose the taxes, it shall deliver a certified copy of the resolution to
24 the department of revenue at least 120 days before its effective date. The authority
25 may, by adoption of a resolution by the board of directors, repeal the imposition of

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

3 2. If an authority adopts a resolution to impose the tax, as provided in subd.
4 1., an authority shall specify to the department of revenue, as provided in this
5 subdivision, the boundaries of the authority's jurisdictional area by specifying the
6 counties that comprise the authority's entire jurisdictional area. The authority shall
7 provide a certified copy of the information required under this subdivision to the
8 department, in the manner, format, and layout prescribed by the department, at
9 least 120 days prior to the first day of the calendar quarter before the effective date
10 of the tax imposed under subd. 1.

11 3. Notwithstanding subd. 1., an authority created under sub. (2) (d) may not
12 impose the taxes authorized under subd. 1. unless the authorizing resolutions under
13 sub. (2) (d) 1., as well as the referendum question on the referendum ballot specified
14 in sub. (2) (d) 1., each clearly identify the maximum rate of the taxes that may be
15 imposed by the authority under subd. 1.

16 **(5) LIMITATIONS ON AUTHORITY POWERS.** (a) Notwithstanding sub. (4) (a), (b), (c),
17 (d), (q), and (r), no authority, and no public or private organization with which an
18 authority has contracted for service, may provide service outside the jurisdictional
19 area of the authority unless the authority receives financial support for the service
20 under a contract with a public or other private organization for the service or unless
21 it is necessary in order to provide service to connect residents within the authority's
22 jurisdictional area to transit systems in adjacent counties.

23 (b) Whenever the proposed operations of an authority would be competitive
24 with the operations of a common carrier in existence prior to the time the authority
25 commences operations, the authority shall coordinate proposed operations with the

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

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

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

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

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

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

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

10 (c) 1. Neither the members of the board of directors of an authority nor any
11 person executing the bonds is personally liable on the bonds by reason of the issuance
12 of the bonds.

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

18 **(8) ISSUANCE OF BONDS.** (a) Bonds of an authority shall be authorized by
19 resolution of the board of directors. The bonds may be issued under such a resolution
20 or under a trust indenture or other security instrument. The bonds may be issued
21 in one or more series and may be in the form of coupon bonds or registered bonds
22 under s. 67.09. The bonds shall bear the dates, mature at the times, bear interest
23 at the rates, be in the denominations, have the rank or priority, be executed in the
24 manner, be payable in the medium of payment and at the places, and be subject to
25 the terms of redemption, with or without premium, as the resolution, trust

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1 indenture, or other security instrument provides. Bonds of an authority are issued
2 for an essential public and governmental purpose and are public instrumentalities
3 and, together with interest and income, are exempt from taxes.

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

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

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

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

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

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

22 (d) Covenant as to the events of default on the bonds and the terms and
23 conditions upon which the bonds shall become or may be declared due before
24 maturity, as to the terms and conditions upon which this declaration and its

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1 consequences may be waived, and as to the consequences of default and the remedies
2 of bondholders.

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

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

9 (g) Covenant as to the purposes to which the proceeds from the sale of any bonds
10 may be applied, and as to the pledge of such proceeds to secure the payment of the
11 bonds.

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

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

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

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

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

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

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

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

14 **(10) REFUNDING BONDS.** An authority may issue refunding bonds for the
15 purpose of paying any of its bonds at or prior to maturity or upon acceleration or
16 redemption. An authority may issue refunding bonds at such time prior to the
17 maturity or redemption of the refunded bonds as the authority deems to be in the
18 public interest. The refunding bonds may be issued in sufficient amounts to pay or
19 provide the principal of the bonds being refunded, together with any redemption
20 premium on the bonds, any interest accrued or to accrue to the date of payment of
21 the bonds, the expenses of issue of the refunding bonds, the expenses of redeeming
22 the bonds being refunded, and such reserves for debt service or other capital or
23 current expenses from the proceeds of such refunding bonds as may be required by
24 the resolution, trust indenture, or other security instruments. To the extent
25 applicable, refunding bonds are subject to subs. (8) and (9).

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

- 3 1. Public officers and agencies of the state.
- 4 2. Local governmental units, as defined in s. 19.42 (7u).
- 5 3. Insurance companies.
- 6 4. Trust companies.
- 7 5. Banks.
- 8 6. Savings banks.
- 9 7. Savings and loan associations.
- 10 8. Investment companies.
- 11 9. Personal representatives.
- 12 10. Trustees.
- 13 11. Other fiduciaries not listed in this paragraph.

14 (b) The authority's bonds are securities that may be deposited with and
15 received by any officer or agency of the state or any local governmental unit, as
16 defined in s. 19.42 (7u), for any purpose for which the deposit of bonds or obligations
17 of the state or any local governmental unit is authorized by law.

18 **(12) BUDGETS; RATES AND CHARGES; AUDIT.** The board of directors of an authority
19 shall annually prepare a budget for the authority. Rates and other charges received
20 by an authority shall be used only for the general expenses and capital expenditures
21 of the authority, to pay interest, amortization, and retirement charges on bonds, and
22 for specific purposes of the authority and may not be transferred to any political
23 subdivision. The authority shall maintain an accounting system in accordance with
24 generally accepted accounting principles and shall have its financial statements and
25 debt covenants audited annually by an independent certified public accountant.

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1 **(14) DUTY TO PROVIDE TRANSIT SERVICE.** An authority shall provide, or contract
2 for the provision of, transit service within the authority's jurisdictional area.

3 **(17) OTHER STATUTES.** This section does not limit the powers of political
4 subdivisions to enter into intergovernmental cooperation or contracts or to establish
5 separate legal entities under s. 66.0301 or 66.1021 or any other applicable law, or
6 otherwise to carry out their powers under applicable statutory provisions. Section
7 66.0803 (2) does not apply to an authority.

8 **SECTION 11.** 67.01 (5) of the statutes is amended to read:

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

17 **SECTION 12.** 70.11 (2) of the statutes is amended to read:

18 **70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.**
19 Property owned by any county, city, village, town, school district, technical college
20 district, public inland lake protection and rehabilitation district, metropolitan
21 sewerage district, municipal water district created under s. 198.22, joint local water
22 authority created under s. 66.0823, transit authority created under s. 66.1039,
23 long-term care district under s. 46.2895 or town sanitary district; lands belonging
24 to cities of any other state used for public parks; land tax-deeded to any county or
25 city before January 2; but any residence located upon property owned by the county

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1 for park purposes that is rented out by the county for a nonpark purpose shall not
2 be exempt from taxation. Except as to land acquired under s. 59.84 (2) (d), this
3 exemption shall not apply to land conveyed after August 17, 1961, to any such
4 governmental unit or for its benefit while the grantor or others for his or her benefit
5 are permitted to occupy the land or part thereof in consideration for the conveyance.
6 Leasing the property exempt under this subsection, regardless of the lessee and the
7 use of the leasehold income, does not render that property taxable.

8 **SECTION 13.** 71.26 (1) (b) of the statutes is amended to read:

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

14 **SECTION 14.** Chapter 77 (title) of the statutes is amended to read:

CHAPTER 77**TAXATION OF FOREST CROPLANDS;****REAL ESTATE TRANSFER FEES;****SALES AND USE TAXES; COUNTY,****TRANSIT AUTHORITY, AND SPECIAL****DISTRICT SALES AND USE TAXES;****MANAGED FOREST LAND; ECONOMIC****DEVELOPMENT SURCHARGE; LOCAL FOOD****AND BEVERAGE TAX; LOCAL RENTAL****CAR TAX; PREMIER RESORT AREA**

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1 **TAXES; STATE RENTAL VEHICLE FEE;**
2 **DRY CLEANING FEES**

3 **SECTION 15.** 77.54 (9a) (er) of the statutes is created to read:

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

5 **SECTION 16.** Subchapter V (title) of chapter 77 [precedes 77.70] of the statutes
6 is amended to read:

7 **CHAPTER 77**

8 SUBCHAPTER V

9 COUNTRY, TRANSIT AUTHORITY, AND

10 SPECIAL DISTRICT SALES AND USE

11 TAXES

12 **SECTION 17.** 77.708 of the statutes is created to read:

13 **77.708 Adoption by resolution and referendum; transit authority. (1)**

14 A transit authority created under s. 66.1039, by resolution and referendum under s.
15 66.1039 (4) (s), may impose a sales tax and a use tax under this subchapter at a rate
16 of 0.1, 0.2, 0.3, 0.4, or 0.5 percent of the sales price or purchase price. Those taxes
17 may be imposed only in their entirety. The resolution and referendum shall be
18 effective on the first day of the first calendar quarter that begins at least 120 days
19 after a certified copy of the resolution and affirmative result of the referendum are
20 delivered to the department of revenue.

21 **(2)** Retailers and the department of revenue may not collect a tax under sub.
22 (1) for any transit authority created under s. 66.1039 beginning on the first day of
23 the calendar quarter that is at least 120 days after a certified copy of the repeal
24 resolution under s. 66.1039 (4) (s) is delivered to the department of revenue, except

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1 that the department of revenue may collect from retailers taxes that accrued before
2 such calendar quarter and fees, interest, and penalties that relate to those taxes.

3 **SECTION 18.** 77.71 of the statutes is amended to read:

4 **77.71 Imposition of county, transit authority, and special district sales**
5 **and use taxes.** Whenever a county sales and use tax ordinance is adopted under
6 s. 77.70, a transit authority resolution is adopted under s. 77.708 and affirmed by
7 referendum, or a special district resolution is adopted under s. 77.705 or 77.706, the
8 following taxes are imposed:

9 (1) For the privilege of selling, licensing, leasing, or renting tangible personal
10 property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and
11 (d), and for the privilege of selling, licensing, performing, or furnishing services a
12 sales tax is imposed upon retailers at the rates under s. 77.70 in the case of a county
13 tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate
14 under s. 77.705 or 77.706 in the case of a special district tax of the sales price from
15 the sale, license, lease, or rental of tangible personal property and the items,
16 property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property taxed
17 under sub. (4), sold, licensed, leased, or rented at retail in the county ~~or~~, special
18 district, or transit authority's jurisdictional area, or from selling, licensing,
19 performing, or furnishing services described under s. 77.52 (2) in the county ~~or~~,
20 special district, or transit authority's jurisdictional area.

21 (2) An excise tax is imposed at the rates under s. 77.70 in the case of a county
22 tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate
23 under s. 77.705 or 77.706 in the case of a special district tax of the purchase price
24 upon every person storing, using, or otherwise consuming in the county ~~or~~, special
25 district, or transit authority's jurisdictional area tangible personal property, or

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1 items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the
2 tangible personal property, item, property, good, or service is subject to the state use
3 tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3),
4 (4), or (5) has been paid relieves the buyer of liability for the tax under this subsection
5 and except that if the buyer has paid a similar local tax in another state on a purchase
6 of the same tangible personal property, item, property, good, or service that tax shall
7 be credited against the tax under this subsection and except that for motor vehicles
8 that are used for a purpose in addition to retention, demonstration, or display while
9 held for sale in the regular course of business by a dealer the tax under this
10 subsection is imposed not on the purchase price but on the amount under s. 77.53
11 (1m).

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

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1 (4) An excise tax is imposed at the rates under s. 77.70 in the case of a county
2 tax, at the rate under s. 77.708 in the case of a transit authority tax, or at the rate
3 under s. 77.705 or 77.706 in the case of a special district tax of the purchase price
4 upon every person storing, using, or otherwise consuming a motor vehicle, boat,
5 recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be
6 registered or titled with this state and if that property is to be customarily kept in
7 a county that has in effect an ordinance under s. 77.70, the jurisdictional area of a
8 transit authority that has in effect a resolution under s. 77.708, or in a special district
9 that has in effect a resolution under s. 77.705 or 77.706, except that if the buyer has
10 paid a similar local sales tax in another state on a purchase of the same property, that
11 tax shall be credited against the tax under this subsection. The lease or rental of a
12 motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft is
13 not taxed under this subsection if the lease or rental does not require recurring
14 periodic payments.

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

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1 state on the same lease or rental of such motor vehicle, boat, recreational vehicle, as
2 defined in s. 340.01 (48r), or aircraft, that tax shall be credited against the tax under
3 this subsection.

4 **SECTION 19.** 77.73 (2) of the statutes is amended to read:

5 77.73 (2) Counties ~~and, special districts, and transit authorities~~ do not have
6 jurisdiction to impose the tax under s. 77.71 (2) in regard to items, property, and
7 goods under s. 77.52 (1) (b), (c), and (d), and tangible personal property, except
8 snowmobiles, trailers, semitrailers, limited use off-highway motorcycles, as defined
9 in s. 23.335 (1) (o), all-terrain vehicles, and utility terrain vehicles, purchased in a
10 sale that is consummated in another county or special district in this state, or in
11 another transit authority's jurisdictional area, that does not have in effect an
12 ordinance or resolution imposing the taxes under this subchapter and later brought
13 by the buyer into the county ~~or, special district, or jurisdictional area of the transit~~
14 authority that has imposed a tax under s. 77.71 (2).

15 **SECTION 20.** 77.73 (2m) of the statutes is amended to read:

16 77.73 (2m) Counties ~~and, special districts, and transit authorities~~ do not have
17 jurisdiction to impose the tax under s. 77.71 (5) with regard to the lease or rental of
18 a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft
19 if the lease or rental does not require recurring periodic payments and if the
20 purchaser received the property in another county or special district in this state, or
21 in another transit authority's jurisdictional area, and then brings the property into
22 a county ~~or, special district, or jurisdictional area of a transit authority~~ that imposes
23 the tax under s. 77.71 (5).

24 **SECTION 21.** 77.73 (3) of the statutes is amended to read:

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1 77.73 (3) Counties ~~and~~, special districts, and transit authorities have
2 jurisdiction to impose the taxes under this subchapter on retailers who file, or who
3 are required to file, an application under s. 77.52 (7) or who register, or who are
4 required to register, under s. 77.53 (9) or (9m), regardless of whether such retailers
5 are engaged in business in the county ~~or~~, special district, or transit authority's
6 jurisdictional area, as provided in s. 77.51 (13g). A retailer who files, or is required
7 to file, an application under s. 77.52 (7) or who registers, or is required to register,
8 under s. 77.53 (9) or (9m) shall collect, report, and remit to the department the taxes
9 imposed under this subchapter for all counties ~~or~~, special districts, and transit
10 authorities that have an ordinance or resolution imposing the taxes under this
11 subchapter.

12 **SECTION 22.** 77.75 of the statutes is amended to read:

13 **77.75 Reports.** Every person subject to county, transit authority, or special
14 district sales and use taxes shall, for each reporting period, record that person's sales
15 made in the county ~~or~~, special district, or jurisdictional area of a transit authority
16 that has imposed those taxes separately from sales made elsewhere in this state and
17 file a report as prescribed by the department of revenue.

18 **SECTION 23.** 77.76 (1) of the statutes is amended to read:

19 77.76 (1) The department of revenue shall have full power to levy, enforce, and
20 collect county, transit authority, and special district sales and use taxes and may take
21 any action, conduct any proceeding, impose interest and penalties, and in all respects
22 proceed as it is authorized to proceed for the taxes imposed by subch. III. The
23 department of transportation and the department of natural resources may
24 administer the county, transit authority, and special district sales and use taxes in
25 regard to items under s. 77.61 (1).

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1 **SECTION 24.** 77.76 (2) of the statutes is amended to read:

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

6 **SECTION 25.** 77.76 (3r) of the statutes is created to read:

7 77.76 (3r) From the appropriation under s. 20.835 (4) (gc) the department of
8 revenue shall distribute 98.5 percent of the taxes reported for each transit authority
9 that has imposed taxes under this subchapter, minus the transit authority portion
10 of the retailers' discount, to the transit authority no later than the end of the 3rd
11 month following the end of the calendar quarter in which such amounts were
12 reported. At the time of distribution the department of revenue shall indicate the
13 taxes reported by each taxpayer. In this subsection, the "transit authority portion
14 of the retailers' discount" is the amount determined by multiplying the total
15 retailers' discount by a fraction the numerator of which is the gross transit authority
16 sales and use taxes payable and the denominator of which is the sum of the gross
17 state and transit authority sales and use taxes payable. The transit authority taxes
18 distributed shall be increased or decreased to reflect subsequent refunds, audit
19 adjustments, and all other adjustments of the transit authority taxes previously
20 distributed. Interest paid on refunds of transit authority sales and use taxes shall
21 be paid from the appropriation under s. 20.835 (4) (gc) at the rate paid by this state
22 under s. 77.60 (1) (a). Any transit authority receiving a report under this subsection
23 is subject to the duties of confidentiality to which the department of revenue is
24 subject under s. 77.61 (5).

25 **SECTION 26.** 77.76 (4) of the statutes is amended to read:

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1 77.76 (4) There shall be retained by the state 1.5 percent of the taxes collected
2 for taxes imposed by special districts under ss. 77.705 and 77.706 and transit
3 authorities under s. 77.708 and 1.75 percent of the taxes collected for taxes imposed
4 by counties under s. 77.70 to cover costs incurred by the state in administering,
5 enforcing, and collecting the tax. All interest and penalties collected shall be
6 deposited and retained by this state in the general fund.

7 **SECTION 27.** 77.77 (1) of the statutes is amended to read:

8 77.77 (1) (a) The sales price from services subject to the tax under s. 77.52 (2)
9 or the lease, rental, or license of tangible personal property and property, items, and
10 goods specified under s. 77.52 (1) (b), (c), and (d), is subject to the taxes under this
11 subchapter, and the incremental amount of tax caused by a rate increase applicable
12 to those services, leases, rentals, or licenses is due, beginning with the first billing
13 period starting on or after the effective date of the county ordinance, special district
14 resolution, transit authority resolution, or rate increase, regardless of whether the
15 service is furnished or the property, item, or good is leased, rented, or licensed to the
16 customer before or after that date.

17 (b) The sales price from services subject to the tax under s. 77.52 (2) or the lease,
18 rental, or license of tangible personal property and property, items, and goods
19 specified under s. 77.52 (1) (b), (c), and (d), is not subject to the taxes under this
20 subchapter, and a decrease in the tax rate imposed under this subchapter on those
21 services first applies, beginning with bills rendered on or after the effective date of
22 the repeal or sunset of a county ordinance ~~or~~, special district resolution, or transit
23 authority resolution imposing the tax or other rate decrease, regardless of whether
24 the service is furnished or the property, item, or good is leased, rented, or licensed
25 to the customer before or after that date.

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1 **SECTION 28.** 77.77 (3) of the statutes is amended to read:

2 77.77 (3) The sale of building materials to contractors engaged in the business
3 of constructing, altering, repairing or improving real estate for others is not subject
4 to the taxes under this subchapter, and the incremental amount of tax caused by the
5 rate increase applicable to those materials is not due, if the materials are affixed and
6 made a structural part of real estate, and the amount payable to the contractor is
7 fixed without regard to the costs incurred in performing a written contract that was
8 irrevocably entered into prior to the effective date of the county ordinance, special
9 district resolution, transit authority resolution, or rate increase or that resulted from
10 the acceptance of a formal written bid accompanied by a bond or other performance
11 guaranty that was irrevocably submitted before that date.

12 **SECTION 29.** 77.78 of the statutes, as affected by 2017 Wisconsin Act 59, is
13 amended to read:

14 **77.78 Registration.** No motor vehicle, boat, snowmobile, recreational vehicle,
15 as defined in s. 340.01 (48r), trailer, semitrailer, all-terrain vehicle, utility terrain
16 vehicle, off-highway motorcycle, as defined in s. 23.335 (1) (q), or aircraft that is
17 required to be registered by this state may be registered or titled by this state unless
18 the registrant files a sales and use tax report and pays the county tax, transit
19 authority tax, and special district tax at the time of registering or titling to the state
20 agency that registers or titles the property. That state agency shall transmit those
21 tax revenues to the department of revenue.

22 **SECTION 30.** 85.064 (1) (b) of the statutes is amended to read:

23 85.064 (1) (b) "Political subdivision" means any city, village, town, county, or
24 transit commission organized under s. 59.58 (2) or 66.1021 or recognized under s.
25 66.0301, or transit authority created under s. 66.1039 within this state.

