

2001 ASSEMBLY BILL 37

January 19, 2001 – Introduced by Representatives WIECKERT, KRAWCZYK, WOOD, OTT, LADWIG, UNDERHEIM, KREIBICH, J. LEHMAN, PETROWSKI, TURNER, VRAKAS, RICHARDS, COGGS, TOWNSEND and KAUFERT, cosponsored by Senators ROBSON, DECKER, COWLES, ELLIS, ROESSLER, HUELSMAN, BAUMGART, GROBSCHMIDT and ERPENBACH. Referred to Committee on Transportation.

1 **AN ACT to amend** 85.20 (4m) (a) (intro.) and 85.20 (4r) of the statutes; **relating**
2 **to:** basing certain urban mass transit operating assistance payments on
3 projected operating expenses.

Analysis by the Legislative Reference Bureau

Under current law, the department of transportation (DOT) provides state aid payments to local public bodies in urban areas served by mass transit systems to assist the local public bodies with the expenses of operating those systems. Aid paid for mass transit systems having annual operating expenses of \$20,000,000 or more (Tier A systems) is paid in a sum certain, while aid payable for smaller mass transit systems is determined under a formula. Under the formula, DOT makes state aid payments in amounts sufficient to ensure that the combination of state and federal aids contributed toward the operating expenses of an urban mass transit system equals the uniform percentage established by DOT for each of the two smaller classes of mass transit system. The two smaller classes are: 1) mass transit systems serving urban areas having a population of 50,000 or more but having annual operating expenses of less than \$20,000,000 (Tier B systems); and 2) mass transit systems serving urban areas having a population of less than 50,000 (Tier C systems). “Operating expenses” used in this aid formula are based on actual operating costs from the second preceding year, with adjustments for the projected expenses of new services, for which historical cost data is not available.

This bill deletes the requirement that annual transit aid payments for Tier B and Tier C systems be made based on actual operating costs from the second

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preceding year. The bill requires that annual state transit aid payments for Tier B and Tier C systems be based on estimated operating costs for that year, effective with calendar year 2001 payments. The bill also removes DOT authority to modify and adjust projected expenses of new services.

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.** 85.20 (4m) (a) (intro.) of the statutes is amended to read:

2 85.20 **(4m)** (a) (intro.) The department shall pay annually to the eligible
3 applicant described in subd. 6. cm. the amount of aid specified in subd. 6. cm. The
4 department shall pay annually to the eligible applicant described in subd. 6. d. the
5 amount of aid specified in subd. 6. d. The department shall allocate an amount to
6 each eligible applicant described in subd. 7. or 8. to ensure that the sum of state and
7 federal aids for the projected operating expenses of each eligible applicant's urban
8 mass transit system is equal to a uniform percentage, established by the department,
9 of the projected operating expenses of the mass transit system for the calendar year.
10 ~~For calendar year 1999, the operating expenses used to establish the uniform~~
11 ~~percentage shall be the projected operating expenses of an urban mass transit~~
12 ~~system. Subject to sub. (4r), for calendar year 2000 and thereafter the operating~~
13 ~~expenses used to establish the uniform percentage shall be the operating expenses~~
14 ~~incurred during the 2nd calendar year preceding the calendar year for which aid is~~
15 ~~paid under this section.~~ The department shall make allocations as follows:

16 **SECTION 2.** 85.20 (4r) of the statutes is amended to read:

17 85.20 **(4r)** EXPANSION OF SERVICE. An eligible applicant shall notify the
18 department if the eligible applicant anticipates receiving new or expanded services
19 provided by an urban mass transit system in a manner that will increase operating

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1 expenses. The eligible applicant shall provide the notice during the calendar year
2 preceding the calendar year in which the new or expanded services will first be
3 provided. The notice shall include an estimate of the projected annual operating
4 expenses of the new or expanded services. ~~The department may modify the projected~~
5 ~~annual operating expenses to an amount that the department considers reasonable.~~
6 ~~The department shall adjust the projected annual operating expenses for inflation~~
7 ~~and, for each calendar year for which actual operating costs of the new or expanded~~
8 ~~services are not known, shall add the adjusted projected annual operating expenses~~
9 ~~to the operating expenses used to determine the uniform percentage under sub. (4m)~~
10 ~~(a) (intro.).~~

SECTION 3. Initial applicability.

11 (1) This act first applies to contracts for aid payable for calendar year 2001.

12 (END)