

2009 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB282)

Received: **04/16/2010**

Received By: **agary**

Wanted: **As time permits**

Companion to LRB:

For: **Tamara Grigsby (608) 266-0645**

By/Representing: **Kevin Benish**

May Contact:

Drafter: **agary**

Subject: **Transportation - mass trnst/rail**

Addl. Drafters: **jkreye**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Grigsby@legis.wisconsin.gov**

Carbon copy (CC:) to: **aaron.gary@legis.wisconsin.gov**
joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Changes relating to regional transit authorities

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/P1	agary 04/16/2010 jkreye 04/17/2010	nmatzke 04/19/2010	mduchek 04/19/2010	_____	lparisi 04/19/2010		
/1	agary 04/20/2010	bkraft 04/20/2010	jfrantze 04/20/2010	_____	lparisi 04/20/2010	lparisi 04/20/2010	

FE Sent For:

<END>

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		1bjk 4/20		4/20			

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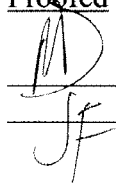
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Changes relating to regional transit authorities

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See attached

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/?	agary	/p1 nwn 4/19	 4/19				

FE Sent For: **<END>**

From Al Rundo - LFB

- 1) Fox Cities federal capital funding issue (both bills). Add the word operating on page 30 line 5 before the purpose for ASA 1 to 282, and on page 5, line 10 before purposes.
- 2) Bonds of s.1039 RTAs. Make the restriction on bonds in Section 50 on page 31 only apply to Leg Council RTAs (same limitation as section 51).
- 3) DOT Transit Assistance Program. Specify that SERTA would be an eligible applicant under for mass transit aids under DOT mass transit operating assistance program (s. 85.20). Also, may want to specify that a Tier A-3 system created under Act 28 could receive funds for planning (KRM) and eligible commuter rail or enumerated project, under the program
- 4) DOR Taxation Authority. Add Fox Cities, and maybe IRTAs, to lower rate restriction in section 61 (s. 77.708 (1)).
- 5) DOR Technical changes. See DOR email.
- 6) Chequamegon Bay RTA -- county restriction. Make limitation in 1039 2g) 1 apply only to counties that join RTAs created under 1039 (2).

Policy Concerns

- ✓ -- Do we want Leg Council RTAs to have to take entire resolution to referendum?
- ✓ -- Do we want counties to have the authority to put in place a sales and use tax in a county defined jurisdictional area that includes ~~and~~ municipality where the authorizing resolution failed?
- ✓ -- Neither bill places the Fox Cities in a separate tier of system under DOT's transit aid program, which leaves the impact on Valley Transit losing its federal operating revenue (in the next decade) on other systems in that tier to still be an issue.
- ✓ -- Do we want to require SERTA to provide a set amount of Car Rental fees or DOT funding to an IRTA that includes Milwaukee County.
- ✓ -- Do we want to add non-state revenues sources to IRTA's resolution and revenue requirement language?

Yes
all

Yes

DIVISION ANALYSIS OF LEGISLATION (Form 1)

email completed copies to:
Sherrie Gates-Hendrix (Sec Office)
Rpfsn@dor.state.wi.us

Fiscal Note Analysis? Yes
No

Division: IS&E

For Division Use:

Assigned to: Bob Kennedy	Date: 04/14/2010	Due Date: 04/14/2010
Prepared by: Bob Kennedy	Date: 04/14/2010	<i>(analysis should generally be prepared within 1 week of assignment)</i>
Reviewed by: Lili Crane	Date: 04/14/2010	

1. Bill and/or LRB Number: ASA1 to 2009 AB282

2. Type of Taxes Affected: Regional Transit Authority Sales and Use Taxes

3. Description of the Bill:

(a) The bill provides the authorization to create the Fox Cities Regional Transit Authority and the authorization for such authority to impose a sales and use tax of up to 0.5% within its jurisdictional area.

(b) The bill authorizes municipalities to join together to form regional transit authorities and impose a sales and use tax within the transit authority's jurisdictional area, provided that the municipalities are not eligible to join an interim regional transit authority that may be created under sec. 66.1041, as created under the bill, or are eligible to join a transit authority that may be created under sec. 66.1039 currently in effect and as proposed under the bill.

(c) The bill authorizes the creation of "interim regional transit authorities in Southeast Wisconsin and that will have the authority to impose up to 0.5% sales and use tax within the interim regional transit authority's jurisdictional area."

(d) The bill authorizes the Southeast Regional Transit Authority (SERTA) to impose a sales and use tax at a rate of up to 0.5% within the jurisdictional areas of those interim regional transit authorities that imposed a sales and use tax and for which for which SERTA becomes the successor for that authority.

4. Statutory language problems, if any: X Yes No

Page 22, Line 23 – Strike the words "that are within the same county" - Reason: Under the provisions of the Streamlined Sales and Use Tax Agreement, a taxing authority may only have a single rate for sales and use tax purposes that may apply throughout its entire jurisdictional area.

Page 33, Lines 5-8. Under the provisions of the Streamlined Sales and Use Tax Agreement, (SSUTA) a taxing authority may only have a single rate for sales and use tax purposes that applies throughout its entire jurisdictional area. The tax rate must be a single uniform rate throughout the RTA's taxing jurisdiction. Allowing an RTA to have more than one tax rate in effect within its jurisdictional violates the terms of the SSUTA. The solution is to allow for only one uniform rate. Recommendation: Delete the language. See attached Page 33 of the bill.

Page 48, Line 22 - The references to "66.1041 (6) (a) 2. or (e) 1." should be "66.1041 (6) (a) 1. or (e) 2."

5. Effective date problems, if any, including transitional problems: Yes X No

4/14

ASHI # AB282

- single
- Rep. Grigsby

A1

3) 85.20

for the purpose of ^{the} A-3,

an eligible applicant includes the entity responsible for operation of a project enumerated

s 85.062 (3)

[eg. downtown connector]

(under)

Kreye, Joseph

From: Gary, Aaron
Sent: Friday, April 16, 2010 9:12 PM
Cc: Kreye, Joseph
Subject: RE: Amendment to ASA1 to AB282

When you are reviewing the draft I left for you, can you consider Scott's comment? If his point is valid, you'll have to change what I've done a little bit.

Thanks. Aaron

From: Grosz, Scott
Sent: Fri 4/16/2010 5:18 PM
To: Gary, Aaron; Runde, Al
Cc: Kreye, Joseph
Subject: RE: Amendment to ASA1 to AB282

On this point, I think it might be useful to look at what current law s. 66.1039 does. Under current law, it is possible for certain political subdivisions to join an authority, and then later withdraw under s. 66.1039 (13). Section 66.1039 (13) (c) appears to contemplate instructions to DOR that would carve the departing political subdivision out of the taxation area. Section 66.1039 (13) (b) simply specifies that the obligations must be paid prior to withdrawal.

Created s. 66.1039 (13m) has these provisions, plus the others that DOR is concerned about. I believe their concern with Streamlined sales tax is that RTAs that allow varying tax rates over incomplete portions of the RTA area will be a problem for SST compliance. Accordingly, I believe that to fully address the SST compliance issue, you would need to delete the material starting on p. 32, line 14. and ending with page 33, line 8. After that, the remaining portion of the draft would appear to me to look a lot like current law in s. 66.1039 (13). Under that scenario, the tax would end upon withdrawal, but prior to withdrawal the departing political subdivision would have to make some sort of payment to the RTA to cover its share of obligations that would have been supported by sales tax revenues in that political subdivision.

My recollection is that the effect on streamlined sales tax was not discussed as an issue when the Leg. Council Study committee considered the relevant portion of the draft.

Scott

Scott Grosz
Staff Attorney
Wisconsin Legislative Council
ph. (608) 266-1307

From: Gary, Aaron
Sent: Friday, April 16, 2010 5:02 PM
To: Runde, Al
Cc: Grosz, Scott; Kreye, Joseph

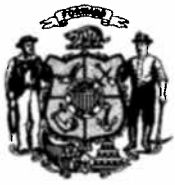
4/17/2010

Subject: Amendment to ASA1 to AB282

Al,

I am reviewing the comments from DOR that you provided at the meeting today. The comments refer to an attached page showing changes to p. 33. I don't have the attached page. I am guessing that the only change is to remove the complete sentence starting on p. 33, line 5 that begins: "The remaining political subdivisions may choose" and ends on line 8. Can you let me know if the change is actually more involved than this? Thanks.
Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT ,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2009 ASSEMBLY BILL 282

in fact 4-17

due Monday 4-19

- 1 At the locations indicated, amend the substitute amendment as follows: ✓
- 2 **1.** Page 22, line 23: delete "that are within the same county". ✓
- 3 **2.** Page 23, line 20: delete "eligible to be". ✓
- 4 **3.** Page 23, line 23: delete "subsection" and substitute "section". ✓
- 5 **4.** Page 33, line 5: delete the material beginning with "The" and ending with
6 line 8.
- 7 **5.** Page 30, line 3: after "are" insert "initially". ✓
- 8 **6.** Page 30, line 4: after "taxes" insert "initially". ✓
- 9 **7.** Page 30, line 4: after "federal" insert "operating". ✓

* Page 32, line 14: delete lines 14 to 25.
 * Page 33, line 1: delete lines 1 to 8.

1 **8.** Page 31, line 10: after "(10)," insert "for an authority created under sub.
 2 (2g)."

3 **9.** Page 37, line 4: after "All" insert "local".

4 **10.** Page 37, line 4: after "sources" insert ", other than passenger fare
 5 revenues,".

6 **11.** Page 37, line 5: after "of" insert "local".

7 **12.** Page 48, line 13: after "66.1039" insert "(2) (d) or".

8 **13.** Page 48, line 13: after "established" insert ", respectively".

9 **14.** Page 48, line 14: delete "10" and substitute "10. or (4) (s) 5".

10 **15.** Page 48, line 22: delete "2. or (e) 1." and substitute "1. or (e) 2.".

11 **16.** Page 50, line 13: after that line insert:

12 "**SECTION 66m.** 85.20 (1) (b) of the statutes is amended to read:

13 85.20 (1) (b) "Eligible applicant" means a local public body in an urban area
 14 which is served by an urban mass transit system incurring an operating deficit, the
 15 southeastern regional transit authority under s. 59.58 (7), or, for purposes of ss.
 16 20.395 (1) (hw) and 85.20 (4m) (a) 6. e., an entity responsible for a project enumerated
 17 under s. 85.062 (3)."

History: 1973 c. 90, 333; 1975 c. 39; 1977 c. 29; 1979 c. 34 ss. 911p, 911r, 2102 (52) (a); 1979 c. 110 s. 60 (11); 1981 c. 20 ss. 1202 to 1207, 1232 to 1233; Stats. 1981 s. 85.20; 1983 a. 27; 1985 a. 29; 1987 a. 27, 399; 1989 a. 31; 1991 a. 39, 239; 1993 a. 16, 279; 1995 a. 113, 201; 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 626, 672; 2001 a. 4, 16, 38; 2003 a. 33; 2005 a. 25; 2007 a. 20; 2009 a. 28.

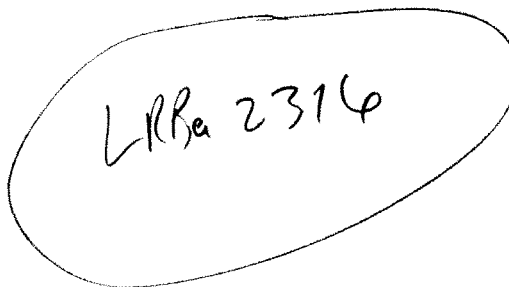
Gary, Aaron

From: Benish, Kevin
Sent: Tuesday, April 20, 2010 4:18 PM
To: Gary, Aaron
Subject: RE: Grigsby RTA Amendment

Can I get the /1 ASAP?

Thanks!

Kevin



LRBa 2314

Kevin D. Benish
Office of Representative Tamara Grigsby
18th Assembly District
kevin.benish@legis.wi.gov
(608) 266.0645
1-888-534-0018 (toll free)

From: Gary, Aaron
Sent: Tuesday, April 20, 2010 4:01 PM
To: Benish, Kevin
Subject: RE: Grigsby RTA Amendment

Kevin,

Does this mean you want an introducible "1" of this? Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Benish, Kevin
Sent: Tuesday, April 20, 2010 3:47 PM
To: Wilson, Stephanie; Bernard Schaber, Penny; Packnett, Greg
Cc: Runde, Al; Grosz, Scott; Kreye, Joseph; Gary, Aaron
Subject: Grigsby RTA Amendment

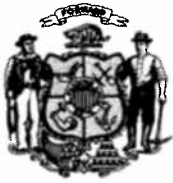
Dear Stephanie,

Attached is the amendment that we're hoping to introduce. The amendment includes the important fixes that Leg. Council, LFB, and LRB recommended. Please feel free to call me if you have any questions. Scott at Leg. Council and Al at LFB would also be helpful in explaining this. Feel free to contact them as well.

04/20/2010

Please let me know if you have questions,
Kevin

Kevin D. Benish
Office of Representative Tamara Grigsby
18th Assembly District
kevin.benish@legis.wi.gov
(608) 266.0645
1-888-534-0018 (toll free)



now

LRBa2316/PT
ARG:nwn:md

stays

RAM

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

**ASSEMBLY AMENDMENT ,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2009 ASSEMBLY BILL 282**

SA-

No changes

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- 7 **6.** Page 30, line 4: after “federal” insert “operating”.
- 8 **7.** Page 31, line 10: after “(10),” insert “for an authority created under sub.
- 9 (2g),”.
- 10 **8.** Page 32, line 14: delete lines 14 to 25.

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15 20.395 (1) (hw) and 85.20 (4m) (a) 6. e., an entity responsible for a project enumerated
16 under s. 85.062 (3).”.

17

(END)