



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-3451/11 /
ARG/JK/MES:kjf:rs

RMNR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

WANTED;
THURS.
if poss.

gen

1 AN ACT *to repeal* 59.58 (6); *to renumber* 66.0615 (1) (a); *to amend* 20.395 (5)
2 (iv), 32.02 (11), 32.05 (1) (a), 32.07 (2), 40.02 (28), 59.58 (7) (a) 1., 59.58 (7) (b),
3 59.58 (7) (c) 1. (intro.), 59.58 (7) (d), 59.58 (7) (e) 2., 59.58 (7) (f) 2., 59.58 (7) (f)
4 4., 59.58 (7) (g), 59.58 (7) (i), 66.0301 (1) (a), 66.0615 (1m) (a), 66.0903 (1) (d),
5 70.11 (2), 71.26 (1) (b), 77.54 (9a) (er), 77.708 (1), 77.708 (2), 77.9971 (1), 79.03
6 (3) (b) 4. a., 85.063 (3) (b) 1., 85.064 (1) (b), 85.11 (1) (a), 85.20 (4m) (a) 6. e.,
7 111.70 (1) (j), 341.35 (title), 341.35 (1), 341.35 (2) (intro.), 341.35 (3m), 341.35
8 (4), 341.35 (5), 341.35 (6), 341.35 (6r), 341.35 (7), 345.05 (1) (ag) and 611.11 (4)
9 (a); and *to create* 59.58 (7) (a) 2m., 59.58 (7) (a) 4., 5. and 6., 59.58 (7) (c) 1. h.
10 and i., 59.58 (7) (e) 3., 59.58 (7) (k), 59.58 (7) (L), 59.58 (7) (m), 59.58 (7) (n),
11 66.0615 (1) (ad), 66.0615 (1) (ge), 66.0615 (1m) (ee), 66.0615 (1m) (em), 66.1041
12 and 341.35 (9) of the statutes; **relating to:** the southeastern regional transit

1 authority, the creation of interim regional transit authorities in southeast
2 Wisconsin, and requiring the exercise of rule-making authority.

Analysis by the Legislative Reference Bureau

~~This is a preliminary draft. An analysis will be provided in a later version.~~

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:

3 **SECTION 1.** 20.395 (5) (iv) of the statutes is amended to read:

4 20.395 (5) (iv) ~~Municipal and county~~ Local vehicle registration fee, local funds.

5 All moneys received under s. 341.35, less the portion of the fee attributable to the
6 department's administrative costs, for the purpose of remitting the ~~municipal or~~
7 ~~county~~ local vehicle registration fee to the municipality ~~or~~, county, transit
8 authority under s. 341.35 (6).

9 **SECTION 2.** 32.02 (11) of the statutes, as affected by 2009 Wisconsin Act 28, is
10 amended to read:

11 32.02 (11) Any housing authority created under ss. 66.1201 to 66.1211;
12 redevelopment authority created under s. 66.1333; community development
13 authority created under s. 66.1335; local cultural arts district created under subch.
14 V of ch. 229, subject to s. 229.844 (4) (c); local exposition district created under subch.
15 II of ch. 229; or transit authority created under s. 66.1039 or 66.1041 and the
16 southeastern regional transit authority under s. 59.58 (7) to the extent it is the
17 successor under s. 66.1041 (7) (b) to a transit authority created under s. 66.1041.

18 **SECTION 3.** 32.05 (1) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
19 is amended to read:

1 32.05 (1) (a) Except as provided under par. (b), a county board of supervisors
2 or a county highway committee when so authorized by the county board of
3 supervisors, a city council, a village board, a town board, a sewerage commission
4 governing a metropolitan sewerage district created by ss. 200.05 or 200.21 to 200.65,
5 the secretary of transportation, a commission created by contract under s. 66.0301,
6 a joint local water authority created by contract under s. 66.0823, a transit authority
7 created under s. 66.1039 or 66.1041 and the southeastern regional transit authority
8 under s. 59.58 (7) to the extent it is the successor under s. 66.1041 (7) (b) to a transit
9 authority created under s. 66.1041, a housing authority under ss. 66.1201 to 66.1211,
10 a local exposition district created under subch. II of ch. 229, a local cultural arts
11 district created under subch. V of ch. 229, a redevelopment authority under s.
12 66.1333 or a community development authority under s. 66.1335 shall make an order
13 providing for the laying out, relocation and improvement of the public highway,
14 street, alley, storm and sanitary sewers, watercourses, water transmission and
15 distribution facilities, mass transit facilities, airport, or other transportation
16 facilities, gas or leachate extraction systems to remedy environmental pollution from
17 a solid waste disposal facility, housing project, redevelopment project, cultural arts
18 facilities, exposition center or exposition center facilities which shall be known as the
19 relocation order. This order shall include a map or plat showing the old and new
20 locations and the lands and interests required. A copy of the order shall, within 20
21 days after its issue, be filed with the county clerk of the county wherein the lands are
22 located or, in lieu of filing a copy of the order, a plat may be filed or recorded in
23 accordance with s. 84.095.

24 **SECTION 4.** 32.07 (2) of the statutes, as affected by 2009 Wisconsin Act 28, is
25 amended to read:

SECTION 4

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 or 66.1041 and the
6 southeastern regional transit authority under s. 59.58 (7) to the extent it is the
7 successor under s. 66.1041 (7) (b) to a transit authority created under s. 66.1041,
8 redevelopment authority created under s. 66.1333, local exposition district created
9 under subch. II of ch. 229, local cultural arts district created under subch. V of ch.
10 229, housing authority created under ss. 66.1201 to 66.1211 or for the right-of-way
11 of a railroad up to 100 feet in width, for a telegraph, telephone or other electric line,
12 for the right-of-way for a gas pipeline, main or service or for easements for the
13 construction of any elevated structure or subway for railroad purposes.

14 **SECTION 5.** 40.02 (28) of the statutes, as affected by 2009 Wisconsin Act 28,
15 section 779, is amended to read:

16 40.02 (28) "Employer" means the state, including each state agency, any
17 county, city, village, town, school district, other governmental unit or
18 instrumentality of 2 or more units of government now existing or hereafter created
19 within the state, any federated public library system established under s. 43.19
20 whose territory lies within a single county with a population of 500,000 or more, a
21 local exposition district created under subch. II of ch. 229, a transit authority created
22 under s. 66.1039 or 66.1041 and the southeastern regional transit authority under
23 s. 59.58 (7) to the extent it is the successor under s. 66.1041 (7) (b) to a transit
24 authority created under s. 66.1041, and a long-term care district created under s.
25 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3). "Employer" does not

1 include a local cultural arts district created under subch. V of ch. 229. Each employer
2 shall be a separate legal jurisdiction for OASDHI purposes.

3 **SECTION 6.** 59.58 (6) of the statutes, as affected by 2009 Wisconsin Act 28, is
4 repealed.

5 **SECTION 7.** 59.58 (7) (a) 1. of the statutes, as created by 2009 Wisconsin Act 28,
6 is amended to read:

7 59.58 (7) (a) 1. “Authority” Except as used in subd. 2m., “authority” means the
8 southeastern regional transit authority created under this subsection.

9 **SECTION 8.** 59.58 (7) (a) 2m. of the statutes is created to read:

10 59.58 (7) (a) 2m. “Interim regional transit authority” means an authority
11 created under s. 66.1041.

12 **SECTION 9.** 59.58 (7) (a) 4., 5. and 6. of the statutes are created to read:

13 59.58 (7) (a) 4. “Participating political subdivision” means a political
14 subdivision that has adopted a resolution creating an interim regional transit
15 authority or joining an established interim regional transit authority.

16 5. “Political subdivision” has the meaning given in s. 66.1041 (1) (f).

17 6. “Southeast Wisconsin” has the meaning given in s. 66.1041 (1) (h).

18 **SECTION 10.** 59.58 (7) (b) of the statutes, as created by 2009 Wisconsin Act 28,
19 is amended to read:

20 59.58 (7) (b) There is created the southeastern regional transit authority, a
21 public body corporate and politic and a separate governmental entity, ~~consisting~~
22 that, except as provided in par. (n) 4., consists of the counties and cities of Kenosha,
23 Racine, and Milwaukee. This authority may transact business and exercise any
24 powers granted to it under this subsection. ~~The~~ Except as provided in par. (n) 3., the

SECTION 10

1 jurisdictional area of this authority is the geographic area formed by the combined
2 territorial boundaries of the counties of Kenosha, Racine, and Milwaukee.

3 **SECTION 11.** 59.58 (7) (c) 1. (intro.) of the statutes, as created by 2009 Wisconsin
4 Act 28, is amended to read:

5 59.58 (7) (c) 1. (intro.) The powers of the authority shall be vested in its board
6 of directors, ~~consisting which, except as provided in par. (n) 5., shall consist~~ of the
7 following members:

8 **SECTION 12.** 59.58 (7) (c) 1. h. and i. of the statutes are created to read:

9 59.58 (7) (c) 1. h. One member from any city with a population of more than
10 60,000, other than a city identified in subd. 1. b., 1. d., or 1. f., that is a participating
11 political subdivision in an interim regional transit authority, appointed by the mayor
12 of the city.

13 i. One member from any county, other than a county identified in subd. 1. a.,
14 1. c., or 1. e., that is a participating political subdivision in an interim regional transit
15 authority, appointed by the chairperson of the county board.

16 **SECTION 13.** 59.58 (7) (d) of the statutes, as created by 2009 Wisconsin Act 28,
17 is amended to read:

18 59.58 (7) (d) The authority shall have all powers necessary and convenient to
19 plan, create, construct, operate, and manage a KRM commuter rail line. The
20 authority may operate the KRM commuter rail line itself or may contract for a rail
21 service to operate the KRM commuter rail line.

22 **SECTION 14.** 59.58 (7) (e) 2. of the statutes, as created by 2009 Wisconsin Act
23 28, is amended to read:

24 59.58 (7) (e) 2. ~~Retain~~ Except as provided in subd. 3., retain the difference
25 between the amount of the fees imposed under subch. XIII of ch. 77 and the amount

1 of those fees retained under subd. 1. for expenditures related to the KRM commuter
2 rail line, including planning, construction, maintenance, operations, and
3 engineering expenditures.

4 SECTION 15. 59.58 (7) (e) 3. of the statutes is created to read:

5 59.58 (7) (e) 3. Provide incentive funds to any interim regional transit authority
6 in compliance with the requirements specified in par. (L). No incentive funds may
7 be provided under this subdivision after December 31, 2011.

8 SECTION 16. 59.58 (7) (f) 2. of the statutes, as created by 2009 Wisconsin Act
9 28, is amended to read:

10 59.58 (7) (f) 2. The Except as provided in par. (n) 6., the authority may issue
11 bonds in an aggregate principal amount not to exceed \$50,000,000, excluding bonds
12 issued to refund outstanding bonds issued under this subdivision, for the purpose of
13 providing funds for the anticipated local funding share required for initiating KRM
14 commuter rail line service.

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15 SECTION 17. 59.58 (7) (f) 4. of the statutes, as created by 2009 Wisconsin Act
16 28, is amended to read:

17 59.58 (7) (f) 4. The bonds of the authority are not a debt of the counties or cities
18 that comprise the authority. Neither these counties, nor cities, nor the state are
19 liable for the payment of the bonds. The bonds of the authority shall be payable only
20 out of funds or properties of the authority. The bonds of the authority shall state the
21 restrictions contained in this subdivision on the face of the bonds.

22 SECTION 18. 59.58 (7) (g) of the statutes, as created by 2009 Wisconsin Act 28,
23 is amended to read:

1 59.58 (7) (g) All moneys transferred under s. 59.58 (6) (cg), 2007 stats., shall
2 be used by the authority to assist in the planning of the KRM commuter rail line
3 project.

4 **SECTION 19.** 59.58 (7) (i) of the statutes, as created by 2009 Wisconsin Act 28,
5 is amended to read:

6 59.58 (7) (i) The authority is the only entity in ~~the counties of Milwaukee,~~
7 ~~Racine, and Kenosha~~ southeast Wisconsin that may submit an application for
8 funding to the federal transit administration in the U.S. department of
9 transportation under the federal new starts grant program ~~for funding for the KRM~~
10 ~~commuter rail line.~~ Upon receiving any application for federal funds described in s.
11 66.1041 (5), the authority shall promptly submit the application to the appropriate
12 federal agency for consideration.

13 **SECTION 20.** 59.58 (7) (k) of the statutes is created to read:

14 59.58 (7) (k) 1. The authority may provide nonfinancial transit assistance to
15 any interim regional transit authority, including reviewing the transit plans of the
16 interim regional transit authority.

17 2. If the authority receives federal or state funding intended to ultimately be
18 received by any interim regional transit authority, the authority shall forward this
19 funding to the intended recipient.

20 3. Upon request from any municipality or county considering the creation of an
21 interim regional transit authority, the authority shall assist the municipality or
22 county in determining the amount of incentive funds under par. (L) that the interim
23 regional transit authority would likely receive after its creation.

24 **SECTION 21.** 59.58 (7) (L) of the statutes is created to read:

1 59.58 (7) (L) 1. From the fees identified in par. (e), the authority may provide
2 incentive funds to interim regional transit authorities. Upon application for
3 incentive funds by an interim regional transit authority, the board of directors of the
4 southeastern regional transit authority shall evaluate the application and provide
5 incentive funding in compliance with the provisions of this subsection and the bylaws
6 of the southeastern regional transit authority.

7 2. The board of directors of the southeastern regional transit authority may not
8 provide incentive funds to an interim regional transit authority in an amount in
9 excess of the total amount of revenue generated by the interim regional transit
10 authority from all sources identified in s. 66.1041 (2) (c) 2. or \$5,000,000, whichever
11 is less.

12 3. In evaluating and awarding incentive funding under this paragraph, the
13 board of directors of the southeastern regional transit authority shall apply uniform
14 criteria to all applicants. The board shall consider all of the following factors in
15 evaluating applications by interim regional transit authorities for incentive funds:

16 a. The number of participating political subdivisions in the interim regional
17 transit authority.

18 b. All funding sources providing revenue to the interim regional transit
19 authority.

20 c. The long-term transit goals for the interim regional transit authority.

21 d. Whether the interim regional transit authority has satisfied any of the
22 requirements under s. 66.1041 (6) (c) and (d) ahead of schedule.

23 4. The bylaws of the southeastern regional transit authority shall specify a
24 minimum amount of revenue that must be generated by an interim regional transit

1 authority from all sources identified in s. 66.1041 (2) (c) 2. in order to obtain incentive
2 funding under this paragraph.

3 **SECTION 22.** 59.58 (7) (m) of the statutes is created to read:

4 59.58 (7) (m) 1. Beginning on July 1, 2011, from the aids received by the
5 authority under s. 85.20 (4m) (a) 6. e., the authority shall provide incentive funds to
6 interim regional transit authorities to assist interim regional transit authorities in
7 meeting the minimum revenue requirement specified in par. (L) 4.

8 2. The bylaws of the southeastern regional transit authority shall specify a
9 method, which must be uniformly applicable to all interim regional transit
10 authorities, for determining the amount of incentive funding provided under this
11 paragraph. For each interim regional transit authority receiving incentive funding
12 under both this paragraph and par. (L), the proportion of incentive funding under
13 this paragraph to the incentive funding under par. (L) must be uniform in
14 comparison to all other interim regional transit authorities receiving such incentive
15 funding.

16 **SECTION 23.** 59.58 (7) (n) of the statutes is created to read:

17 59.58 (7) (n) 1. After the department of transportation provides a notice
18 specified in s. 66.1041 (7) (a), the authority shall assist each interim regional transit
19 authority identified in the notice in the winding down process described in s. 66.1041
20 (7) (b), including assisting in the orderly transfer of assets and property to the
21 southeastern regional transit authority.

22 2. a. Within 120 days after the department of transportation provides a notice
23 specified in s. 66.1041 (7) (a), the southeastern regional transit authority shall
24 assume responsibility for providing transit service and transit planning within the
25 jurisdictional area of each interim regional transit authority identified in the notice.

1 In assuming this responsibility, the southeastern regional transit authority shall
2 have available all options for providing transit service that were formerly available
3 to the interim regional transit authority, including those described in s. 66.1041 (4)
4 (a) 1. and (b) 1., and shall impose the taxes under s. 77.708 (1), if the interim regional
5 transit authority identified in the notice imposed the taxes and if the southeastern
6 regional transit authority adopts a resolution to establish the tax rate. The
7 southeastern regional transit authority shall have all powers necessary and
8 convenient to carry out its responsibilities under this subdivision.

9 b. Each time the southeastern regional transit authority adopts a resolution
10 to establish the tax rate, as described in subd. 2. a., it shall deliver a certified copy
11 of the resolution to the department of revenue at least 120 days before its effective
12 date. The authority may, by adoption of a resolution by the board of directors, repeal
13 the imposition of the taxes under s. 77.708 and shall deliver a certified copy of the
14 repeal resolution to the department of revenue at least 120 days before its effective
15 date.

16 c. Each time the southeastern regional transit authority adopts a resolution as
17 provided in subd. 2. a., it shall specify to the department of revenue the exact
18 boundaries of the authority's jurisdictional area. If the boundaries are other than
19 a county line on any side of the authority's jurisdictional area, the authority shall
20 provide the department with a complete list of all of the 9-digit zip codes that are
21 entirely within the authority's jurisdictional area and a complete list of all the street
22 addresses that are within the authority's jurisdictional area and not included in any
23 9-digit zip code that is entirely within the authority's jurisdictional area. The
24 authority shall provide a certified copy of the information required under this subd.
25 2. c. to the department, in the manner, format, and layout prescribed by the

1 department, at least 120 days prior to the resolution's effective date. If the
2 boundaries of the authority's jurisdictional area subsequently change, the authority
3 shall submit a certified copy of the information required under this subd. 2. c. to the
4 department, in the manner, format, and layout prescribed by the department, at
5 least 120 days prior to the change's effective date.

6 3. a. For all purposes except those specified in subds. 3. b. and c., upon assuming
7 responsibility for transit as provided in subd. 2., the jurisdictional area of the
8 authority shall be the combined jurisdictional areas of all interim regional transit
9 authorities identified in all notices provided by the department of transportation
10 under s. 66.1041 (7) (a).

11 b. For purposes of s. 77.9971 (1), if part but not all of Racine County is included
12 in the jurisdictional area described in subd. 3. a., the authority's jurisdictional area
13 shall include, in addition to the area in subd. 3. a., all of Racine County unless the
14 board of the authority votes to not impose the fees under subch. XIII of ch. 77 in the
15 part of Racine County that did not become a participating political subdivision in an
16 interim regional transit authority.

17 c. For purposes of imposing the taxes under s. 77.708 (1), the southeastern
18 regional transit authority's jurisdictional area shall not include the jurisdictional
19 area of any interim regional transit authority that did not impose the taxes under
20 s. 77.708 (1) before the department of transportation provided the notice specified in
21 s. 66.1041 (7) (a) identifying that interim regional transit authority.

22 4. After the department of transportation provides any notice specified in s.
23 66.1041 (7) (a), the southeastern regional transit authority consists of the
24 participating political subdivisions of all interim regional transit authorities
25 identified in that notice and identified in any prior notice provided by the department

1 under s. 66.1041 (7) (a). If Racine County was not a participating political
2 subdivision of an interim regional transit authority at the time that the department
3 of transportation provided the notice specified in s. 66.1041 (7) (a) identifying an
4 interim regional transit authority with participating political subdivisions located
5 in Racine County, Racine County may subsequently join the southeastern regional
6 transit authority if the governing body of Racine County adopts a resolution to join
7 the authority and the board of directors of the authority approves. The bylaws of the
8 authority shall specify the necessary contents of such a resolution.

9 5. After the department of transportation provides the first notice specified in
10 s. 66.1041 (7) (a), all of the following apply with respect to the authority's board of
11 directors:

12 a. If any member of the board of directors described in par. (c) 1. a. to g. is from
13 a political subdivision that is not a participating political subdivision in an interim
14 regional transit authority, the board of directors may vote to remove that member.

15 b. Any member of the board of directors described in par. (c) 1. a. to g. that is
16 from a political subdivision which is not a participating political subdivision in an
17 interim regional transit authority, and that has not been removed under subd. 5. a.,
18 is limited to voting on issues directly related to the KRM commuter rail line.

19 6. After the department of transportation provides the first notice specified in
20 s. 66.1041 (7) (a), in addition to the authorization under par. (f) 2., the authority may
21 use bond proceeds from the bonds issued under par. (f) for the construction of new
22 capital improvements to the authority's transit system or for the acquisition of
23 existing transit systems.

24 **SECTION 24.** 66.0301 (1) (a) of the statutes, as affected by 2009 Wisconsin Act
25 28, is amended to read:

1 66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section
2 “municipality” means the state or any department or agency thereof, or any city,
3 village, town, county, school district, public library system, public inland lake
4 protection and rehabilitation district, sanitary district, farm drainage district,
5 metropolitan sewerage district, sewer utility district, solid waste management
6 system created under s. 59.70 (2), local exposition district created under subch. II of
7 ch. 229, local professional baseball park district created under subch. III of ch. 229,
8 local professional football stadium district created under subch. IV of ch. 229, local
9 cultural arts district created under subch. V of ch. 229, transit authority created
10 under s. 66.1039 or 66.1041 and the southeastern regional transit authority under
11 s. 59.58 (7) to the extent it is the successor under s. 66.1041 (7) (b) to a transit
12 authority created under s. 66.1041, long-term care district under s. 46.2895, water
13 utility district, mosquito control district, municipal electric company, county or city
14 transit commission, commission created by contract under this section, taxation
15 district, regional planning commission, or city-county health department.

16 **SECTION 25.** 66.0615 (1) (a) of the statutes is renumbered 66.0615 (1) (ah).

17 **SECTION 26.** 66.0615 (1) (ad) of the statutes is created to read:

18 66.0615 (1) (ad) “Authority” has the meaning given in s. 66.1041 (1) (a) for an
19 interim regional transit authority.

20 **SECTION 27.** 66.0615 (1) (ge) of the statutes is created to read:

21 66.0615 (1) (ge) “Transit authority” has the meaning given in s. 59.58 (7) (a)
22 1. for the southeastern regional transit authority.

23 **SECTION 28.** 66.0615 (1m) (a) of the statutes is amended to read:

24 66.0615 (1m) (a) The governing body of a municipality may enact an
25 ordinance,; and a district, under par. (e), an authority under par. (ee), and a transit

1 authority under par. (em), may adopt a resolution,; imposing a tax on the privilege
2 of furnishing, at retail, except sales for resale, rooms or lodging to transients by
3 hotelkeepers, motel operators and other persons furnishing accommodations that
4 are available to the public, irrespective of whether membership is required for use
5 of the accommodations. A tax imposed under this paragraph is not subject to the
6 selective sales tax imposed by s. 77.52 (2) (a) 1. and may not be imposed on sales to
7 the federal government and persons listed under s. 77.54 (9a). A tax imposed under
8 this paragraph by a municipality shall be paid to the municipality and may be
9 forwarded to a commission if one is created under par. (c), as provided in par. (d).
10 Except as provided in par. (am), a tax imposed under this paragraph by a
11 municipality may not exceed ~~8%~~ 8 percent. Except as provided in par. (am), if a tax
12 greater than ~~8%~~ 8 percent under this paragraph is in effect on May 13, 1994, the
13 municipality imposing the tax shall reduce the tax to ~~8%~~ 8 percent, effective on
14 June 1, 1994.

15 **SECTION 29.** 66.0615 (1m) (ee) of the statutes is created to read:

16 66.0615 (1m) (ee) 1. An authority may adopt a resolution imposing a room tax
17 under par. (a) in an amount not to exceed 8 percent of total room charges. A room
18 tax imposed by an authority under this subdivision applies within the authority's
19 jurisdiction, as specified in s. 66.1041 (2) (d), and the proceeds of the tax may be used
20 for any lawful purpose of the authority.

21 2. An authority adopting a resolution to impose the taxes under subd. 1. shall
22 deliver a certified copy of the resolution to the secretary of revenue at least 120 days
23 before its effective date.

24 3. The department of revenue shall administer the tax that is imposed under
25 par. (a) by an authority and may take any action, conduct any proceeding, and impose

SECTION 29

1 interest and penalties. Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (3),
2 (4), (13), (14), (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60,
3 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
4 subch. III of ch. 77, apply to the tax described under subd. 1.

5 4. From the appropriation under s. 20.835 (4) (gg), the department of revenue
6 shall distribute 97.45 percent of the taxes collected under this paragraph for each
7 authority to that authority and shall indicate to the authority the taxes reported by
8 each taxpayer in that authority, no later than the end of the month following the end
9 of the calendar quarter in which the amounts were collected. The taxes distributed
10 shall be increased or decreased to reflect subsequent refunds, audit adjustments,
11 and all other adjustments. Interest paid on refunds of the tax under this paragraph
12 shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60
13 (1) (a). Any authority that receives a report along with a payment under this
14 subdivision or subd. 3. is subject to the duties of confidentiality to which the
15 department of revenue is subject under s. 77.61 (5).

16 **SECTION 30.** 66.0615 (1m) (em) of the statutes is created to read:

17 66.0615 (1m) (em) 1. Following the completion of a winding down, dissolution,
18 and transition process described in s. 66.1041 (7), and a transit authority becoming
19 the successor to the authorities that were created under s. 66.1041 and that have
20 been identified in a notice under s. 66.1041 (7) (a), and following a transit authority's
21 assumption of responsibility for providing transit service and transit planning as
22 described in s. 59.58 (7) (n) 2., a transit authority may adopt a resolution imposing
23 a room tax under par. (a) in an amount not to exceed 8 percent of total room charges.
24 A room tax imposed by a transit authority under this subdivision applies within the

1 authority's jurisdiction, as specified in subd. 2., and the proceeds of the tax may be
2 used for any lawful purpose of the transit authority.

3 2. a. For all purposes except those specified in subd. 2. b., upon assuming
4 responsibility for transit service and transit planning as described in subd. 1., the
5 jurisdictional area of the transit authority shall be the combined jurisdictional areas
6 of all authorities identified in any notice provided by the department of
7 transportation under s. 66.1041 (7) (a).

8 b. For purposes of imposing the taxes under this paragraph, the transit
9 authority's jurisdictional area shall not include the jurisdictional area of any
10 authority that did not impose the taxes under par. (ee) before the department of
11 transportation provided the notice specified in s. 66.1041 (7) (a) identifying that
12 authority.

13 3. Each time the transit authority adopts a resolution to impose the taxes under
14 subd. 1., it shall deliver a certified copy of the resolution to the secretary of revenue
15 at least 120 days before its effective date. Each time the transit authority adopts a
16 resolution as provided in subd. 1., it shall specify to the department of revenue the
17 exact boundaries of the transit authority's jurisdictional area. If the boundaries are
18 other than a county line on any side of the transit authority's jurisdictional area, the
19 transit authority shall provide the department with a complete list of all of the
20 9-digit zip codes that are entirely within the transit authority's jurisdictional area
21 and a complete list of all the street addresses that are within the transit authority's
22 jurisdictional area and not included in any 9-digit zip code that is entirely within the
23 transit authority's jurisdictional area. The transit authority shall provide a certified
24 copy of the information required under this subdivision to the department, in the
25 manner, format, and layout prescribed by the department, at least 120 days prior to

1 the resolution's effective date. If the boundaries of the transit authority's
2 jurisdictional area subsequently change, the transit authority shall submit a
3 certified copy of the information required under this subdivision to the department,
4 in the manner, format, and layout prescribed by the department, at least 120 days
5 prior to the change's effective date.

6 4. Paragraph (ee) 3. and 4., to the extent that it applies to the tax under that
7 paragraph, applies to the tax under this paragraph.

8 **SECTION 31.** 66.0903 (1) (d) of the statutes, as affected by 2009 Wisconsin Act
9 28, is amended to read:

10 66.0903 (1) (d) "Local governmental unit" means a political subdivision of this
11 state, a special purpose district in this state, an instrumentality or corporation of
12 such a political subdivision or special purpose district, a combination or subunit of
13 any of the foregoing or an instrumentality of the state and any of the foregoing.
14 "Local governmental unit" includes a regional transit authority created under s.
15 66.1039, an interim regional transit authority created under s. 66.1041, and the
16 southeastern regional transit authority created under s. 59.58 (7).

17 **SECTION 32.** 66.1041 of the statutes is created to read:

18 **66.1041 Interim regional transit authorities.** (1) DEFINITIONS. In this
19 section:

20 (a) Except as used in par. (g), "authority" means an interim regional transit
21 authority created under this section.

22 (b) "Comprehensive unified local transit system" means a transit system that
23 is comprised of motor bus lines and any other local public transit facilities, the major
24 portion of which is located within, or the major portion of the service of which is
25 supplied to the inhabitants of, the jurisdictional area of the authority.

1 (c) "Department" means the department of transportation.

2 (d) "Municipality" means any city, village, or town.

3 (e) "Participating political subdivision" means a political subdivision that has
4 adopted a resolution creating an authority or joining an established authority under
5 this section.

6 (f) "Political subdivision" means a municipality or county.

7 (g) "Southeastern regional transit authority" means the southeastern regional
8 transit authority created under s. 59.58 (7).

9 (h) "Southeast Wisconsin" means the geographical area comprising the
10 counties of Kenosha, Milwaukee, Ozaukee, Washington, Racine, and Waukesha.

11 (i) "Transit system" means all land, shops, structures, equipment, property,
12 franchises, and rights of whatever nature required for transit of passengers within
13 the jurisdictional area of the authority and outside the jurisdictional area of the
14 authority. "Transit system" includes motor buses, fixed guideway transit,
15 ridesharing, specialized transportation, motor vehicles, elevated railroads,
16 subways, underground railroads, and any combination thereof, and any other form
17 of mass transit, but does not include transportation excluded from the definition of
18 "common motor carrier" under s. 194.01 (1), charter or contract operations to, from,
19 or between points that are outside the jurisdictional area of the authority, or travel
20 by aircraft flight.

21 **(2) CREATION OF AUTHORITY.** (a) Subject to pars. (e) and (f), the governing body
22 of a political subdivision in southeast Wisconsin may, by resolution, create an
23 authority consisting of the political subdivision or may join together with one or more
24 other political subdivisions to jointly create, by adopting identical resolutions, an
25 authority. An authority created under this section is a public body corporate and

1 politic and shall be known as an "interim regional transit authority." The authority
2 may transact business and exercise any powers granted to it under this section.

3 (b) 1. Subject to par. (e) and (f), and except as provided in subd. 2., if an
4 authority has been created under par. (a), a political subdivision may join the
5 authority if the governing body of the political subdivision adopts a resolution
6 identical to the existing resolutions of the authority's participating political
7 subdivisions or, if the authority is created by a single political subdivision, identical
8 to the existing resolution of the authority's participating political subdivision, and
9 if the authority's board of directors adopts a resolution allowing the political
10 subdivision to join the authority. For purposes of determining whether a resolution
11 adopted under this subdivision is identical to an existing resolution of the authority,
12 both the resolutions adopted under par. (a) to create the authority and any
13 modifications to those resolutions under par. (g) shall be considered.

14 2. The resolution of a political subdivision adopted under subd. 1. may differ
15 from each existing resolution by specifying what the composition of the authority's
16 board of directors will be after the political subdivision has joined the authority, but
17 this resolution must be consistent with the authority's bylaws as described in sub.

18 (3) (b) 3. If the authority's board of directors thereafter adopts a resolution allowing
19 the political subdivision to join the authority, the board of directors thereby agrees
20 to the new composition of the authority's board of directors specified in the resolution
21 of the joining political subdivision and any existing resolution is considered modified
22 under par. (g) 2. to reflect this new board composition.

23 (c) Any resolution creating an authority under par. (a) or joining an authority
24 under par. (b) shall specify all of the following:

1 1. Subject to sub. (3) (b), the composition of the authority's board of directors
2 and other matters relating to the selection, terms, and duties of the board of
3 directors.

4 2. All revenue sources on which the authority will rely for funding and the
5 minimum amount of revenue that the authority will commit to satisfy the revenue
6 requirements for the authority specified in this section.

7 (d) ~~1. Except as provided in subd. 1.,~~ the jurisdictional area of an authority is
8 the geographic area formed by the combined territorial boundaries of all
9 participating political subdivisions of the authority.

10 ~~2. If the authority includes a county as a participating political subdivision, the~~
11 jurisdictional area of the authority ~~includes only that portion of the county that is~~
12 ~~within the territorial boundaries of municipalities in the county that are also~~
13 ~~participating political subdivisions except that, for Milwaukee County, the~~
14 jurisdictional area includes all of Milwaukee County.

15 (e) An authority may be created under par. (a) only if all of the following apply:

16 1. At least one of the political subdivisions creating the authority operated a
17 transit system receiving funding under s. 85.20 on the effective date of this
18 subdivision [LRB inserts date].

19 2. The political subdivision or political subdivisions creating the authority
20 commit to provide funding for the authority, upon creation, in an amount of at least
21 the political subdivision's property tax levy contribution to transit as of one year prior
22 to the effective date of this subdivision [LRB inserts date], and also make a
23 commitment that the authority, after creation, will meet the revenue requirements
24 specified in sub. (6) through one or more of the revenue sources identified in par. (c)

25 2.

1 (f) An authority may not include more than one county. An authority may not
2 include municipalities located in different counties.

3 (g) 1. Subject to subds. 2. and 3., if an authority has been created under this
4 subsection, the participating political subdivisions of the authority may amend or
5 modify their resolutions creating or joining the authority if, after any amendment or
6 modification, the resolutions of all participating political subdivisions of the
7 authority remain identical and continue to satisfy the requirements under this
8 subsection.

9 2. If a political subdivision joins an authority under par. (b), the participating
10 political subdivisions of the authority may amend or modify their existing
11 resolutions to accomplish any changes necessary to reflect the addition of the new
12 political subdivision to the authority, including any changes to the composition of the
13 authority's board of directors. In lieu of expressly amending or modifying their
14 existing resolutions, the participating political subdivisions of the authority may
15 also effect changes to the composition of the authority's board of directors, in
16 connection with the addition of a new political subdivision to the authority, by means
17 of the approval process specified in par. (b) 2., in which case the existing resolutions
18 of the participating political subdivisions are considered modified to reflect the new
19 composition of the authority's board of directors.

20 3. In lieu of expressly amending or modifying the existing resolutions of the
21 participating political subdivisions of an authority to reflect changes to the revenue
22 sources specified in par. (c) 2., these changes to the revenue sources relied upon may
23 be made by a vote of the authority's board of directors if, after the changes, the
24 authority continues to satisfy the revenue requirements specified in sub. (6). After

1 such a vote, the existing resolutions of the participating political subdivisions are
2 considered modified to reflect the change in revenue sources.

3 **(3) GOVERNANCE OF AUTHORITY.** (a) The powers of an authority shall be vested
4 in its board of directors. A majority of the board of directors' full authorized
5 membership constitutes a quorum for the purpose of conducting the authority's
6 business and exercising its powers. Action may be taken by the board of directors
7 upon a vote of a majority of the directors present and voting, unless the bylaws of the
8 authority require a larger number.

9 (b) The board of directors of an authority shall be determined as provided in
10 resolutions creating the authority under sub. (2) (a) or joining an existing authority
11 under sub. (2) (b) except that all of the following shall apply:

12 1. The board of directors shall consist of at least 5 members and not more than
13 9 members.

14 2. The board of directors shall include at least one member from the authority's
15 jurisdictional area, appointed by the governor.

16 3. Subject to subds. 1. and 2., the bylaws of the authority shall specify a
17 procedure and guidelines for changing board membership upon the joinder of a
18 political subdivision under sub. (2) (b).

19 4. Notwithstanding subds. 1. to 3., the board of directors of an authority that
20 includes Milwaukee County shall consist of the following members:

21 a. Two members from the authority's jurisdictional area, appointed by the
22 Milwaukee County board chairperson.

23 b. One member from that portion of the authority's jurisdictional area that is
24 outside the city of Milwaukee, appointed by the Milwaukee County board
25 chairperson.

1 c. One member, appointed by the mayor of the city of Milwaukee.

2 d. One member from the authority's jurisdictional area, appointed by the
3 governor.

4 **(4) AUTHORITY POWERS AND DUTIES.** (a) Notwithstanding s. 59.84 (2) and any
5 other provision of this chapter or ch. 59 or 85, an authority shall do all of the
6 following:

7 1. Provide, or contract with existing transit providers for the provision of,
8 transit service within the authority's jurisdictional area, except that an authority
9 that includes Milwaukee County shall contract with the Milwaukee County board
10 for the authority to provide transit service in Milwaukee County.

11 2. Provide transit planning within the authority's jurisdictional area. Each
12 transit plan of the authority shall be submitted to the southeastern regional transit
13 authority.

14 (b) Notwithstanding s. 59.84 (2) and any other provision of this chapter or ch.
15 59 or 85, in addition to the duties specified in par. (a), an authority may do any of the
16 following:

17 1. Acquire a comprehensive unified local transit system by entering into a
18 transfer agreement with the owner of the system.

19 2. Subject to sub. (5), apply for and utilize state and federal funds.

20 **(5) FEDERAL AND STATE AID; INCENTIVE FUNDS.** Any application by an authority
21 for federal or state funding shall first be submitted to the southeastern regional
22 transit authority, which shall then provide the application to the appropriate federal
23 or state agency. If the application results in the receipt of any federal or state funds,
24 those federal or state funds shall first be received by the southeastern regional

1 transit authority, which shall then forward the funds to the authority that provided
2 the application.

3 (6) AUTHORITY REVENUE REQUIREMENTS. (a) An authority may generate revenue
4 by doing any of the following:

5 1. Imposing a local vehicle registration fee under s. 341.35.

6 2. Levying a hotel tax.

7 3. a. Imposing, by the adoption of a resolution by the board of directors, the
8 taxes under s. 77.708, except that no authority may adopt such a resolution until a
9 referendum is held in the authority's jurisdictional area on the question of whether
10 the authority may impose the taxes under s. 77.708 and the referendum is decided
11 in the affirmative. For purposes of an authority that has Milwaukee County as the
12 boundaries of its jurisdictional area, the referendum for imposing sales and use taxes
13 for transit purposes that was approved in 2009 in Milwaukee County satisfies the
14 referendum requirement of this subd. 3. a. If an authority adopts a resolution to
15 impose the taxes, it shall deliver a certified copy of the resolution to the department
16 of revenue at least 120 days before its effective date. The authority may, by adoption
17 of a resolution by the board of directors, repeal the imposition of the taxes under s.
18 77.708 and shall deliver a certified copy of the repeal resolution to the department
19 of revenue at least 120 days before its effective date.

20 b. If the authority adopts a resolution as provided in subd. 3. a., it shall specify
21 to the department of revenue the exact boundaries of the authority's jurisdictional
22 area. If the boundaries are the same as the county lines on all sides of the authority's
23 jurisdictional area, the resolution shall specify the county or counties that comprise
24 the authority's entire jurisdictional area. If the boundaries are other than a county
25 line on any side of the authority's jurisdictional area, the authority shall provide the

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1 department with a complete list of all the 9-digit zip codes that are entirely within
2 the authority's jurisdictional area and a complete list of all the street addresses that
3 are within the authority's jurisdictional area and not included in any 9-digit zip code
4 that is entirely within the authority's jurisdictional area. The authority shall
5 provide a certified copy of the information required under this subd. 3. b. to the
6 department, in the manner, format, and layout prescribed by the department, at
7 least 120 days prior to the resolution's effective date. If the boundaries of the
8 authority's jurisdictional area subsequently change, the authority shall submit a
9 certified copy of the information required under this subd. 3. b. to the department,
10 in the manner, format, and layout prescribed by the department, at least 120 days
11 prior to the change's effective date.

12 4. Charging a membership fee to the participating political subdivisions of the
13 authority.

14 (b) An authority shall generate revenue equal to the amount required by pars.
15 (c) and (d). This minimum revenue requirement may be met through funding from
16 one or a combination of revenue sources identified by resolution under sub. (2) (c) 2.,
17 including any revenue option under par. (a).

18 (c) 1. Within 2 years after the creation of an authority, the authority shall
19 generate revenue sufficient to offset a 30 percent reduction in passenger fare
20 revenues resulting from transit operations or to provide a 2 percent increase in
21 transit service, or a combination of both, as compared with passenger fare revenues
22 and transit service as of the time that the authority was created.

23 2. Within 4 years after the creation of an authority, the authority shall generate
24 revenue sufficient to offset a 60 percent reduction in passenger fare revenues
25 resulting from transit operations or to provide a 4 percent increase in transit service,

1 or a combination of both, as compared with passenger fare revenues and transit
2 service as of the time that the authority was created.

3 3. For purposes of this paragraph, a 15 percent reduction in passenger fare
4 revenues is equivalent to a 1 percent increase in transit service, and increases in
5 transit service may be calculated by the increase in either transit service miles or
6 transit service hours.

7 4. Every 2 years after an authority is created under this section, the
8 department shall determine and certify whether the authority has met the
9 requirements specified in this paragraph. In making this determination, the
10 department shall calculate, and make publicly available, the dollar amount of the
11 passenger fare revenue reductions and the transit service mile or hour increases that
12 would be necessary for the authority to satisfy the requirements under subs. 1. and
13 2. In making its calculation and determination under this subdivision, the
14 department shall consider whether, and make allowances for the fact that, any
15 municipality or county joined the authority under sub. (2) (a) after its initial creation.

16 (d) 1. Within 6 years after the creation of an authority, in addition to continuing
17 to satisfy the requirements specified in par. (c), the authority shall improve the
18 interconnectivity of its transit system by linking with other modes of transportation
19 and improving cross-county links.

20 2. The department shall, by rule, establish criteria for determining whether an
21 authority has satisfied the requirement under subd. 1.

22 3. The department shall determine and certify whether an authority has
23 satisfied the requirement specified in subd. 1.

24 (e) 1. Subject to subd. 3., if an authority does not meet the requirements
25 specified in pars. (c) 1. and 2. and (d) within the time limits specified in those

1 provisions, the authority is not eligible for incentive funding provided under s. 59.58
2 (7) (L) or (m).

3 2. Subject to subd. 3., if an authority does not meet the requirements specified
4 in pars. (c) 1. and 2. and (d) within 2 years after the time limits specified in those
5 provisions, the authority shall be dissolved and responsibility for providing transit
6 service and transit planning, as well as all assets, liabilities, rights, and obligations
7 of the authority, shall revert to the participating political subdivisions of the
8 authority.

9 3. If any municipality or county joins an authority under sub. (2) (b) after its
10 initial creation, the department may make allowances for this fact, including
11 delaying or suspending the penalties under subds. 1. and 2. for failure to meet the
12 requirements specified in pars. (c) 1. and 2. and (d).

13 (7) SUNSET AND TRANSITION. (a) When 3 authorities created under this section
14 have been certified by the department under sub. (6) (d) 3. as having satisfied the
15 requirement specified in sub. (6) (d) 1., the department shall provide notice of this
16 fact to every authority created under this section, specifically identifying these 3
17 authorities, and this notice shall be considered the department's first notice under
18 this paragraph. If any authority created under this section is subsequently certified
19 by the department under sub. (6) (d) 3. as having satisfied the requirement specified
20 in subd. (6) (d) 1., the department shall provide notice of this fact to the southeastern
21 regional transit authority and to every authority created under this section,
22 specifically identifying the authority that has been subsequently certified.

23 (b) Upon receiving a notice specified in par. (a), each authority identified in the
24 notice shall begin the process of winding down and dissolving, including taking those
25 actions specified in this subsection, and shall complete this process no later than 120

1 days after receiving the notice. Notwithstanding sub. (4), upon receiving a notice
2 specified in par. (a), the duties of each authority identified in the notice shall be
3 limited to winding down and dissolving the authority and facilitating the transition
4 described in this paragraph. The board of directors of the authority shall assist in
5 good faith in the transition from the authority to the southeastern regional transit
6 authority. The southeastern regional transit authority shall be considered the
7 successor to an authority created under this section and wound down under this
8 paragraph. As part of the authority's winding down process, all of the following shall
9 occur:

10 1. The assets and liabilities of the authority shall become the assets and
11 liabilities of the southeastern regional transit authority.

12 2. All tangible personal property, including records, of the authority shall be
13 transferred to the southeastern regional transit authority.

14 3. All contracts entered into by the authority, in effect at the time of winding
15 down the authority, remain in effect and are transferred to the southeastern regional
16 transit authority. The southeastern regional transit authority shall carry out any
17 obligations under such a contract until the contract is modified or rescinded by the
18 southeastern regional transit authority to the extent allowed under the contract.

19 (c) Any authority identified in a notice under par. (a) terminates on the 120th
20 day after the authority receives that notice.

21 **SECTION 33.** 70.11 (2) of the statutes, as affected by 2009 Wisconsin Act 28, is
22 amended to read:

23 **70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.**
24 Property owned by any county, city, village, town, school district, technical college
25 district, public inland lake protection and rehabilitation district, metropolitan

SECTION 33

1 sewerage district, municipal water district created under s. 198.22, joint local water
2 authority created under s. 66.0823, transit authority created under s. 59.58 (7) ~~or~~,
3 66.1039, or 66.1041, long-term care district under s. 46.2895 or town sanitary
4 district; lands belonging to cities of any other state used for public parks; land
5 tax-deeded to any county or city before January 2; but any residence located upon
6 property owned by the county for park purposes that is rented out by the county for
7 a nonpark purpose shall not be exempt from taxation. Except as to land acquired
8 under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after
9 August 17, 1961, to any such governmental unit or for its benefit while the grantor
10 or others for his or her benefit are permitted to occupy the land or part thereof in
11 consideration for the conveyance. Leasing the property exempt under this
12 subsection, regardless of the lessee and the use of the leasehold income, does not
13 render that property taxable.

14 **SECTION 34.** 71.26 (1) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
15 is amended to read:

16 71.26 (1) (b) *Political units.* Income received by the United States, the state
17 and all counties, cities, villages, towns, school districts, technical college districts,
18 joint local water authorities created under s. 66.0823, transit authorities created
19 under s. 59.58 (7) ~~or~~, 66.1039, or 66.1041, long-term care districts under s. 46.2895
20 or other political units of this state.

21 **SECTION 35.** 77.54 (9a) (er) of the statutes, as created by 2009 Wisconsin Act
22 28, is amended to read:

23 77.54 (9a) (er) Any transit authority created under s. 59.58 (7) ~~or~~, 66.1039, or
24 66.1041.

1 **SECTION 36.** 77.708 (1) of the statutes, as affected by 2009 Wisconsin Act 28,
2 is amended to read:

3 77.708 (1) A transit authority created under s. 59.58, 66.1039, or 66.1041, by
4 resolution under s. 59.58 (7) (n) 2., 66.1039 (4) (s), or 66.1041 (6) (a) 3., respectively,
5 may impose a sales tax and a use tax under this subchapter at a rate not to exceed
6 0.5 percent of the sales price or purchase price. Those taxes may be imposed only in
7 their entirety. The resolution shall be effective on the first day of the first calendar
8 quarter that begins at least 120 days after the adoption of the resolution.

9 **SECTION 37.** 77.708 (2) of the statutes, as created by 2009 Wisconsin Act 28, is
10 amended to read:

11 77.708 (2) Retailers and the department of revenue may not collect a tax under
12 sub. (1) for any transit authority created under s. 59.58, 66.1039, or 66.1041, after
13 the calendar quarter during which the transit authority adopts a repeal resolution
14 under s. 59.58 (7) (n) 2., 66.1039 (4) (s), or 66.1041 (6) (a) 3., respectively, except that
15 the department of revenue may collect from retailers taxes that accrued before such
16 calendar quarter and fees, interest, and penalties that relate to those taxes.

17 **SECTION 38.** 77.9971 (1) of the statutes, as affected by 2009 Wisconsin Act 28,
18 is amended to read:

19 77.9971 (1) The southeastern regional transit authority under s. 59.58 (7) may
20 impose a fee at a rate not to exceed \$18, as adjusted under sub. (2), for each
21 transaction in the authority's jurisdictional area, as described in s. 59.58 (7) (b) and
22 (n) 3., on the rental, but not for rereental and not for rental as a service or repair
23 replacement vehicle, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by
24 establishments primarily engaged in short-term rental of passenger cars without
25 drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax

1 under s. 77.54 (1), (4), (7) (a), (7m), (9), or (9a). The fee imposed under this subchapter
2 shall be effective on the first day of the first month that begins at least 90 days after
3 the board of directors of the southeastern regional transit authority approves the
4 imposition of the fee and notifies the department of revenue. The board of directors
5 shall notify the department of a repeal of the fee imposed under this subchapter at
6 least 60 days before the effective date of the repeal.

7 **SECTION 39.** 79.03 (3) (b) 4. a. of the statutes is amended to read:

8 79.03 (3) (b) 4. a. "Local general purpose taxes" means the portion of tax
9 increments collected for payment to a municipality under s. 66.1105 which is
10 attributable to that municipality's own levy, the portion of environmental
11 remediation tax increments collected for payment to a municipality or county under
12 s. 66.1106 that is attributable to that municipality's or county's own levy, general
13 property taxes, excluding taxes for a county children with disabilities education
14 board, collected to finance the general purpose government unit, property taxes
15 collected for sewage and sanitary districts, monthly municipal permit fees under s.
16 66.0435 (3), the proceeds of county sales and use taxes, and ~~municipal and county~~
17 local vehicle registration fees under s. 341.35 (1).

18 **SECTION 40.** 85.063 (3) (b) 1. of the statutes, as affected by 2009 Wisconsin Act
19 28, is amended to read:

20 85.063 (3) (b) 1. Upon completion of a planning study under sub. (2), or, to the
21 satisfaction of the department, of a study under s. 85.022, a political subdivision in
22 a county, or a transit authority created under s. 66.1039 or 66.1041 and the
23 southeastern regional transit authority under s. 59.58 (7) to the extent it is the
24 successor under s. 66.1041 (7) (b) to a transit authority created under s. 66.1041, that

1 includes the urban area may apply to the department for a grant for property
2 acquisition for an urban rail transit system.

3 **SECTION 41.** 85.064 (1) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
4 is amended to read:

5 85.064 (1) (b) "Political subdivision" means any city, village, town, county,
6 transit commission organized under s. 59.58 (2) or 66.1021 or recognized under s.
7 66.0301, or transit authority created under s. 66.1039 or 66.1041 within this state
8 or the southeastern regional transit authority under s. 59.58 (7).

9 **SECTION 42.** 85.11 (1) (a) of the statutes, as created by 2009 Wisconsin Act 28,
10 is amended to read:

11 85.11 (1) (a) "Eligible applicant" means the southeastern regional transit
12 authority under s. 59.58 (7) or an interim regional transit authority created under
13 s. 66.1041.

14 **SECTION 43.** 85.20 (4m) (a) 6. e. of the statutes, as created by 2009 Wisconsin
15 Act 28, is amended to read:

16 85.20 (4m) (a) 6. e. From the appropriation under s. 20.395 (1) (hw), the
17 department may pay the uniform percentage for each eligible applicant for a planned
18 commuter or light rail system that has been enumerated under s. 85.062 (3) and for
19 making payments under s. 59.58 (7) (m). An eligible applicant may not receive aid
20 under subd. 6. cm. or d., 7., or 8. for a commuter rail or light rail transit system.

21 **SECTION 44.** 111.70 (1) (j) of the statutes, as affected by 2009 Wisconsin Act 28,
22 is amended to read:

23 111.70 (1) (j) "Municipal employer" means any city, county, village, town,
24 metropolitan sewerage district, school district, long-term care district, transit
25 authority under s. 59.58 (7) ~~or~~, 66.1039, or 66.1041, or any other political subdivision

1 of the state, or instrumentality of one or more political subdivisions of the state, that
2 engages the services of an employee and includes any person acting on behalf of a
3 municipal employer within the scope of the person's authority, express or implied,
4 but specifically does not include a local cultural arts district created under subch. V
5 of ch. 229.

6 **SECTION 45.** 341.35 (title) of the statutes is amended to read:

7 **341.35** (title) ~~Municipal or county~~ Local vehicle registration fee.

8 **SECTION 46.** 341.35 (1) of the statutes is amended to read:

9 341.35 (1) ANNUAL REGISTRATION FEE. In this section "municipality" means a
10 town, village or city and "motor vehicle" means an automobile or motor truck
11 registered under s. 341.25 (1) (c) at a gross weight of not more than 8,000 pounds.
12 Subject to sub. (9), in this section "authority" means an interim regional transit
13 authority created under s. 66.1041. The governing body of a municipality or county
14 may enact an ordinance imposing an annual flat municipal or county registration fee
15 on all motor vehicles registered in this state which are customarily kept in the
16 municipality or county. The board of directors of an authority may adopt a resolution
17 imposing an annual flat registration fee on all motor vehicles registered in this state
18 which are customarily kept in the jurisdictional area of the authority. A registration
19 fee imposed under this section shall be in addition to state registration fees.

20 **SECTION 47.** 341.35 (2) (intro.) of the statutes is amended to read:

21 341.35 (2) EXEMPTIONS. (intro.) The following vehicles are exempt from any
22 ~~municipal or county~~ local vehicle registration fee under this section:

23 **SECTION 48.** 341.35 (3m) of the statutes is amended to read:

24 341.35 (3m) ~~COUNTY AND MUNICIPAL~~ MULTIPLE LOCAL FEES. If a municipality and
25 the county in which the municipality is located enact ordinances under this section,

1 a motor vehicle customarily kept in the municipality shall be subject to a municipal
2 registration fee and a county registration fee. If an authority imposes a local
3 registration fee under this section, this fee is in addition to any local registration fee
4 imposed by a municipality or county under this section.

5 **SECTION 49.** 341.35 (4) of the statutes is amended to read:

6 341.35 (4) NOTICE OF FEES. The governing body of a municipality or county
7 which enacts a municipal or county, and the board of directors of an authority, that
8 imposes a local vehicle registration fee under this section shall notify the department
9 that it has so elected and report the amount of such fee. The municipality ~~or~~, county,
10 or authority shall report any change in such amount to the department. The
11 notification shall be made at the time and in the form prescribed by the department.

12 **SECTION 50.** 341.35 (5) of the statutes is amended to read:

13 341.35 (5) PAYMENT OF FEES. At the time a motor vehicle is first registered or
14 at the time of registration renewal, the applicant shall pay to the department any fee
15 imposed by a county ~~or~~, municipality, or authority under this section in addition to
16 fees required under this chapter.

17 **SECTION 51.** 341.35 (6) of the statutes is amended to read:

18 341.35 (6) DEPARTMENT TO REMIT FEES TO ~~MUNICIPALITIES AND COUNTIES.~~
19 Beginning July 1, 1984, and annually thereafter, the department shall remit those
20 moneys collected under this section, less administrative costs under sub. (6m), to any
21 municipality ~~or~~, county ~~which~~, or authority that has imposed a fee under this section.
22 The department may by rule provide that the moneys be remitted at more frequent
23 intervals if the department deems it advisable.

24 **SECTION 52.** 341.35 (6r) of the statutes is amended to read:

1 341.35 (6r) USE OF FEE PROCEEDS. Any municipality ~~or~~, county, or authority
2 receiving moneys under sub. (6) shall use the moneys only for transportation related
3 purposes.

4 **SECTION 53.** 341.35 (7) of the statutes is amended to read:

5 341.35 (7) REPLACEMENTS. No ~~municipal or county~~ local vehicle registration fee
6 may be imposed on a motor vehicle which is a replacement for a motor vehicle for
7 which a current ~~municipal or county~~ local vehicle registration fee has been paid.

8 **SECTION 54.** 341.35 (9) of the statutes is created to read:

9 341.35 (9) REGIONAL TRANSIT AUTHORITY TRANSITION. If the department provides
10 any notice specified in s. 66.1041 (7) (a), all of the following apply:

11 (a) "Authority" in this section shall mean the southeastern regional transit
12 authority under s. 59.58 (7) instead of an interim regional transit authority
13 identified in any notice provided by the department under s. 66.1041 (7) (a).

14 (b) If an interim regional transit authority created under s. 66.1041 imposed
15 a local registration fee under this section prior to the department's notice under s.
16 66.1041 (7) (a) identifying the interim regional transit authority, that fee shall
17 continue to be imposed, and the southeastern regional transit authority under s.
18 59.58 (7) shall be the successor to the fee, unless the board of directors of the
19 southeastern regional transit authority votes to modify or terminate the fee.

20 **SECTION 55.** 345.05 (1) (ag) of the statutes, as created by 2009 Wisconsin Act
21 28, is amended to read:

22 345.05 (1) (ag) "Authority" means a transit authority created under s. 66.1039
23 or 66.1041 and the southeastern regional transit authority under s. 59.58 (7) to the
24 extent it is the successor under s. 66.1041 (7) (b) to a transit authority created under
25 s. 66.1041.

ANALYSIS INSERT

Prior to the Biennial Budget Act, 2009 Wisconsin Act 28 (Act 28), the counties of Kenosha, Racine, and Milwaukee were required to create a Regional Transit Authority (the KRM authority). The KRM authority was responsible for the coordination of transit and commuter rail programs within these three counties but had no authority to manage or operate any transit system. The KRM authority was authorized to impose a rental car transaction fee within these three counties, which fee was to be used to hire staff, conduct studies, and prepare a report to the legislature and the governor, due by November 15, 2008.

Act 28 terminated the KRM authority as of October 1, 2009, and created a successor entity, the Southeastern Regional Transit Authority (SERTA). The SERTA is a public body corporate and politic and a separate governmental entity; it consists of the counties of Kenosha, Racine, and Milwaukee. The jurisdictional area of the SERTA is the geographic area formed by the combined territorial boundaries of the counties of Kenosha, Racine, and Milwaukee. The powers of the SERTA are vested in its board of directors. The SERTA's powers are limited but include all powers necessary and convenient to create, construct, and manage a commuter rail transit system connecting the cities of Kenosha, Racine, and Milwaukee (KRM commuter rail line).

Under current law, upon approval by its board of directors, the SERTA may impose a rental car transaction fee, in the counties of Kenosha, Racine, and Milwaukee, of not more than \$18 per transaction, except that the SERTA's board of directors may have this fee annually adjusted for inflation. From each rental car transaction fee, the SERTA may retain not more than \$2 per transaction for administration of the SERTA and may retain the remainder for expenditures related to the KRM commuter rail line, including planning, construction, maintenance, operations, and engineering expenditures. The SERTA is the only entity in the counties of Milwaukee, Racine, and Kenosha that may submit an application to the Federal Transit Administration under the federal New Starts Grant Program (New Starts application) for funding for the KRM commuter rail line. By July 1, 2010, the SERTA must submit a New Starts application to enter the preliminary engineering phase for the KRM commuter rail line. Transit system operators in Kenosha County and Racine County receiving state transit aids must provide copies of all of their annual and long-term transit plans to the SERTA as these plans become available.

Act 28 also authorized the creation of several new regional transit authorities (RTAs): the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA. Each RTA, once created, is a public body corporate and politic and a separate governmental entity. Act 28 also specified the powers and duties of these three RTAs. In brief, for each, the RTA's authority is vested in its board of directors and its bylaws govern its management, operations, and administration. An RTA may: operate a transportation system or provide for its operation by contracting with

→ a public or private organization; impose, by its board 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 gross receipts or 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.

This bill authorizes the creation of a new type of RTA known as an Interim Regional Transit Authority (IRTA), which is a public body corporate and politic. The bill also makes significant changes relating to the SERTA.

Under the bill, the governing body of a municipality or county (political subdivision) within the area comprising the counties of Kenosha, Milwaukee, Ozaukee, Washington, Racine, and Waukesha (southeast Wisconsin) may, by resolution, create an IRTA consisting of the political subdivision or may join together with one or more other political subdivisions to jointly create, by adopting identical resolutions, an IRTA. An IRTA may be created only if at least one of the political subdivisions creating the IRTA operated a transit system receiving state transit aids as of the effective date of the bill and each political subdivision creating the IRTA commits to provide certain levels of funding for the IRTA. An IRTA may include no more than one county and all municipalities included in the IRTA must be located within the same county. After an IRTA has been created, a political subdivision within the same county may join the IRTA if the governing body of the political subdivision adopts a resolution identical to the existing resolutions of the IRTA's members (participating political subdivisions) and if the IRTA's board of directors adopts a resolution allowing the political subdivision to join the IRTA. However, the resolution of the joining political subdivision may specify what the composition of the IRTA's board of directors will be after the political subdivision has joined the IRTA and, if the IRTA's board of directors approves the joinder, the IRTA's board of directors thereby agrees to the new composition of the IRTA's board of directors after the joinder.

The jurisdictional area of an IRTA is the geographic area formed by the combined territorial boundaries of all participating political subdivisions of the IRTA. If the IRTA includes a county, the jurisdictional area of the IRTA is the county territorial boundaries. Any resolution creating an IRTA or joining an IRTA must include provisions relating to the IRTA's board of directors and must specify all revenue sources on which the IRTA will rely for funding and the minimum amount of revenue that the IRTA will commit to satisfy the revenue requirements applicable to the IRTA. After an IRTA is created, the participating political subdivisions of the IRTA may amend or modify their resolutions creating or joining the IRTA if they remain identical, although a few changes can be made without the need for formal amendment or modification of the resolutions creating or joining the IRTA.

Under the bill, an IRTA's powers are vested in its board of directors. With certain limitations, an IRTA's board of directors is determined in the resolutions

of up to 8 percent on the privilege of furnishing
hotel and motel rooms to transients, similar to
the current law room tax that a municipality may impose

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ARG:.....

creating or joining the IRTA. However, the board of directors of an IRTA that includes Milwaukee County is established by statute.

X

The bill requires an IRTA to do all of the following: 1) provide, or contract with existing transit providers for the provision of, transit service within the IRTA's jurisdictional area, except that a Milwaukee County IRTA must contract with the Milwaukee County board for the IRTA to provide transit service in Milwaukee County; and 2) provide transit planning within the IRTA's jurisdictional area. An IRTA's transit plans must be submitted to SERTA. An IRTA is also authorized to do any of the following: 1) acquire a local transit system by entering into a transfer agreement with the owner of the system; and 2) apply for and utilize state and federal funds. If an IRTA applies for federal or state funding, the application must first be submitted to the SERTA, which must then provide the application to the appropriate federal or state agency. If the application results in the receipt of any federal or state funds, those funds must first be received by the SERTA, which must then forward the funds to the IRTA.

Under the bill, an IRTA may generate revenue by doing any of the following: 1) imposing a local motor vehicle registration fee; 2) levying a ~~hotel~~ ^{room} tax; 3) imposing, by the adoption of a resolution by the IRTA's board of directors, a sales and use tax if approved in a referendum in the IRTA's jurisdictional area; or 4) charging a membership fee to the participating political subdivisions of the IRTA. An IRTA must generate specified amounts of revenue, from any one or a combination of revenue sources. Within two years after the creation of an IRTA, the IRTA must generate revenue sufficient to offset a 30 percent reduction in passenger fare revenues resulting from transit operations or to provide a 2 percent increase in transit service, or a combination of both, as compared with passenger fare revenues and transit service as of the time that the IRTA was created (phase 2 revenue threshold). Within four years after the creation of the IRTA, the IRTA must generate revenue sufficient to offset a 60 percent reduction in passenger fare revenues resulting from transit operations or to provide a 4 percent increase in transit service, or a combination of both, as compared with passenger fare revenues and transit service as of the time that the IRTA was created (phase 3 revenue threshold). Within six years after its creation, the IRTA, in addition to continuing to meet the phase 2 and phase 3 revenue thresholds, must improve the interconnectivity of its transit system by linking with other modes of transportation and improving cross-county links (phase 4 revenue threshold).

The bill requires the Department of Transportation (DOT) to determine and certify whether each IRTA has met these revenue thresholds, but, in doing so, DOT must make allowances if a municipality or county has joined an IRTA after its initial creation. Subject to the allowances made by DOT, if an IRTA does not meet these revenue thresholds within the applicable time limits, the IRTA is not eligible for incentive funding provided by SERTA (discussed below). Subject to the allowances made by DOT, if an IRTA does not meet these revenue thresholds within two years after the applicable time limits, the IRTA must be dissolved and responsibility for providing transit service and transit planning, as well as all assets, liabilities, rights,

and obligations of the IRTA, must revert to the participating political subdivisions of the IRTA.

Under the bill, when three IRTAs have been certified by DOT as meeting the phase 4 revenue threshold, DOT must provide notice of this fact to every IRTA created, specifically identifying these three IRTAs. If DOT subsequently certifies any additional IRTA as meeting the phase 4 revenue threshold, DOT must provide notice of this fact to the SERTA and to every IRTA created, specifically identifying the additional IRTA certified as meeting the phase 4 revenue threshold. After DOT provides one of these notices identifying an IRTA, each IRTA identified in the notice must begin the process of winding down and dissolving and must complete this process no later than 120 days after receiving the notice. As part of the IRTA's winding down process, all of the following must occur: 1) the assets and liabilities of the IRTA must become the assets and liabilities of the SERTA; 2) all tangible personal property, including records, of the IRTA must be transferred to the SERTA; and 3) all contracts entered into by the IRTA, in effect at the time of the winding down, are transferred to the SERTA. The SERTA is the successor to the IRTA. The IRTA terminates on the 120th day after the IRTA receives the DOT notice.

The bill makes some modifications relating to the SERTA regardless of whether the SERTA becomes the successor to IRTAs, and it also makes significant changes to the form and function of the SERTA if the SERTA becomes the successor to IRTAs.

The bill makes the following changes to the SERTA, regardless of whether the SERTA becomes the successor to IRTAs:

1. The SERTA consists of both the counties and cities of Kenosha, Racine, and Milwaukee, not just the counties.

2. The SERTA's board of directors must include certain members from IRTAs, if they are created, regardless of whether these IRTAs reach their phase 4 revenue thresholds and merge into the SERTA.

3. The SERTA may use a portion of the rental car transaction fee it imposes to provide, until December 31, 2011, incentive funds to IRTAs. There are limits on the amount of incentive funds that may be awarded, as well as other criteria and restrictions related to the SERTA's providing these incentive funds.

4. Beginning on July 1, 2011, the SERTA may also provide, from state transit aids, incentive funds to IRTAs to assist them in meeting any minimum revenue requirement necessary to receive the incentive funds provided by the SERTA from the rental car transaction fee. The SERTA's bylaws must specify a method for providing these incentive funds, subject to certain restrictions.

5. The SERTA may provide nonfinancial transit assistance to any IRTA, including reviewing the transit plans of the IRTA.

6. The SERTA may issue revenue bonds in any amount, eliminating the \$50,000,000 bonding limit.

7. The SERTA is the only entity in southeast Wisconsin that may submit a New Starts application for funding for any purpose.

8. The bill clarifies that SERTA may operate the KRM commuter rail line itself or may contract for a rail service to operate the KRM commuter rail line.

and may impose a room tax,

Under the bill, after at least three IRTAs have been certified by DOT as reaching their phase 4 revenue thresholds, these IRTAs merge into SERTA. As the successor entity to these IRTAs and to any subsequent IRTA that DOT certifies as having reached its phase 4 revenue threshold, the SERTA changes in all of the following ways:

1. As discussed above, the IRTAs' assets and liabilities, personal property, records, and contracts are transferred to the SERTA as the SERTA becomes the IRTAs' successor. The SERTA must assist each IRTA in an orderly transfer.

2. Within 120 days after DOT certifies an IRTA as having reached its phase 4 revenue threshold, the SERTA must assume responsibility for providing transit service and transit planning within the old jurisdictional area of the IRTA. In assuming this responsibility, the SERTA has all options for providing transit service that were formerly available to the IRTA and the SERTA must impose sales and use taxes in the IRTA's old jurisdictional area if the IRTA imposed these taxes and if the SERTA adopts a resolution to establish the tax rate. The SERTA has all powers necessary and convenient to carry out these responsibilities.

or impose the room tax

3. After the SERTA has assumed responsibility for transit as described in item 2. immediately above, the SERTA's jurisdictional area changes to cover only the old jurisdictional areas of all IRTAs to which the SERTA has become the successor. However, for purposes of the rental car transaction fee, if the IRTA included any of Racine County, the SERTA's jurisdictional area includes all of Racine County unless the SERTA's board of directors votes otherwise. Also, for purposes of imposing sales and use taxes, the SERTA's jurisdictional area does not include the old jurisdictional area of an IRTA that did not impose sales and use taxes.

for a room tax

4. After DOT certifies that the first three IRTAs have reached their phase 4 revenue thresholds, and with each certification of an additional IRTA thereafter, the membership of the SERTA changes. Instead of the counties and cities of Kenosha, Racine, and Milwaukee, the members of SERTA are the political subdivisions that were participating political subdivisions in the IRTAs certified by DOT. However, if Racine County was not a participating political subdivision in an IRTA consisting of municipalities located in Racine County, Racine County may still subsequently join the SERTA. The SERTA's board of directors also changes; a director who is not from a political subdivision that was a member of an IRTA may be removed from the board and, if not removed, has limited voting rights.

5. After DOT certifies that the first three IRTAs have reached their phase 4 revenue thresholds, the SERTA may use proceeds of its revenue bonds for the additional purposes of constructing new capital improvements to the SERTA's transit system and for acquiring existing transit systems.

The bill authorizes IRTAs to impose a local motor vehicle registration fee and makes IRTAs eligible to receive grants under DOT's Southeast Wisconsin Transit Capital Assistance Program, created in Act 28. If the SERTA becomes the successor to an IRTA, the SERTA also succeeds to any local motor vehicle registration fee imposed by the IRTA. The SERTA is already eligible, under current law, for DOT's Southeast Wisconsin Transit Capital Assistance Program.

and the room tax

Under the bill, certain provisions of current law that apply to the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA also apply to IRTAs, including the following:

1. An IRTA has authority to acquire property by condemnation.
 2. Employees of an IRTA are participatory employees under the Wisconsin Retirement System (WRS) if the IRTA elects to join the WRS.
 3. Employees of an IRTA are covered by the the Municipal Employment Relations Act, under which all matters relating to wages, hours, and conditions of employment are subject to collective bargaining and all municipal employees are expressly granted the right to self-organize and to bargain collectively through a representative of their choice.
 4. An IRTA is a "local governmental unit" for purposes of the prevailing wage and hour law. Under current law, certain workers employed on a public works project contracted by a local governmental unit must be paid at the rate paid for a majority of the hours worked in the person's trade or occupation in the county in which the project is located, as determined by the Department of Workforce Development, and may not be required or permitted to work more than ten hours per day and 40 hours per week, unless they are paid 1.5 times their basic rate of pay for all hours worked in excess of those hours.
 5. An IRTA is treated like municipalities, counties, and other political subdivisions for purposes of claims and liability resulting from the negligent operation of a motor vehicle and may participate in organizing municipal insurance mutuels to provide insurance and risk management services.
 6. An IRTA may enter into intergovernmental cooperation contracts with other governmental units.
 7. IRTA property is not subject to state property taxes *and local* [JK - /P2 bill sections 33, 34, 35.]
 8. An IRTA is eligible for urban rail transit system grants and commuter rail transit system development grants from DOT.
- If the SERTA becomes the successor to an IRTA, these provisions also apply to the SERTA.

X

33, 34, 35.]

and local [JK - /P2 bill sections]

Insert 26 - 11 JK

1 c. If the authority adopts a resolution as provided in subd. 3. a., beginning with
2 the year in which the resolution is adopted, no participating political subdivision
3 may levy property taxes for transit in an amount exceeding 50 percent of the amount
4 of the taxes under s. 77.708 that the authority allocates to the participating political
5 subdivision for the year for which the property taxes are levied, based on the amount
6 of the taxes under s. 77.708 that the department of revenue estimates it will collect
7 for the authority for that year. This subd. 3. c. does not apply to the year in which
8 the resolution is adopted if the resolution is adopted after the participating political
9 subdivision establishes its property tax levy for transit.