

### Fiscal Estimate - 2011 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>11-3471/2</b>	<b>Introduction Number</b> <b>AB-0574</b>	
<b>Description</b> Authorizing the creation of a Fox Cities regional transit authority and making appropriations		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
<b>Local:</b>		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>RTAs</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b>		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(1)(gc), 20.835(4)(gc)		
<b>Affected Ch. 20 Appropriations</b>		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(1)(gc), 20.835(4)(gc)		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Robert Schmidt (608) 267-9892	Paul Ziegler (608) 266-5773	3/9/2012

## Fiscal Estimate Narratives

DOR 3/9/2012

LRB Number	11-3471/2	Introduction Number	AB-0574	Estimate Type	Original
<b>Description</b> Authorizing the creation of a Fox Cities regional transit authority and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

2009 Wisconsin Act 28, the 2009-11 biennial budget, authorized certain municipalities to create Regional Transit Authorities (RTAs) and impose a sales tax of up to 0.5% within the authority's jurisdiction to fund transit systems. 2011 Wisconsin Act 32, the 2011-13 biennial budget, removed the authority for municipalities to create RTAs and dissolved the existing transit authorities.

The bill authorizes the creation of a Fox Cities RTA with the same powers and authorities as provided to RTAs under 2009 Wisconsin Act 28. Under the bill, two or more municipalities located in the Fox Cities Metropolitan Planning Area (FCMPA) may create an RTA by adopting a resolution that is ratified by referendum at a general election. After the Fox Cities RTA is created, any municipality located within the FCMPA may join the RTA if the municipality adopts a resolution that is ratified at a referendum and the Fox Cities RTA board approves the expansion of the RTA. In addition, any municipality located in whole or in part within Outagamie County, Calumet County, or Winnebago County may join the RTA through the adoption of a resolution, referendum and RTA board approval. The jurisdictional area of an RTA created under the bill is the territorial boundaries of the municipalities that make up the authority.

Under the bill, the RTA may adopt a sales tax of up to 0.5% that would be imposed in the authority's jurisdictional area. The Department of Revenue (DOR) would retain 1.5% of the amounts collected for the department's costs of administering the tax on behalf of the RTA.

Under the bill, municipalities that are part of the RTA that imposes a sales tax may not levy property taxes for transit purposes in excess of the amount of property taxes levied for transit purposes in the year before the year in which the RTA tax is imposed.

The fiscal effect of the bill depends on the size of the RTA created and the sales tax rate adopted by the authority. The administrative cost of the bill itself is minimal as it simply provides authority for the creation of the RTA. Depending on the tax rate and the jurisdictional area established, DOR administrative costs associated with the Fox Cities RTA sales tax could substantially exceed the amount collected from the administrative fee as proposed.

Assuming the Fox Cities RTA is created with a jurisdictional area covering the 14 municipalities that are currently part of the FCMPA, the RTA imposes a 0.5% sales tax, and further assuming that the sales tax generated by the Fox Cities RTA is proportional to the FCMPA's share of the state's population, it is estimated that the Fox Cities RTA sales tax would generate approximately \$15.5 million. The FCMPA currently consists of the cities of Appleton, Kaukauna, Menasha, and Neenah; the villages of Combined Locks and Kimberly; and the towns of Buchanan, Grand Chute, Greenville, Harrison, Kaukauna, Menasha, Neenah, and Vandenbroek.

The Streamlined Sales and Use Tax Agreement (SSUTA) requires that DOR notify filers of local sales tax rate changes at least 120 days prior to the effective date. Under the bill, however, the RTA sales tax could become effective within a municipality within a shorter period. As written, the bill would require DOR to provide written notification to sales tax filers at a cost of approximately \$27,000 each time the RTA sales tax effective date provides less than 120 days notice to filers. If, however, the bill is amended to ensure the required 120 days notice, the notification could be provided through existing channels at no additional cost.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 11-3471/2		<b>Introduction Number</b> AB-0574	
<b>Description</b> Authorizing the creation of a Fox Cities regional transit authority and making appropriations			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$see text
	NET CHANGE IN REVENUE	\$	\$see text
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Robert Schmidt (608) 267-9892		Paul Ziegler (608) 266-5773	3/9/2012