



## Fiscal Estimate Narratives

DOR 4/1/2014

LRB Number	13-3548/1	Introduction Number	SB-686	Estimate Type	Original
<b>Description</b> Authorizing the creation of a Chippewa Valley regional transit authority and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

2009 Wisconsin Act 28 authorized certain counties and 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 removed the authority for municipalities to create RTAs and dissolved the existing transit authorities.

The bill authorizes the creation of a Chippewa Valley RTA with the same powers and authorities as provided to RTAs under 2009 Wisconsin Act 28. Under the bill, Eau Claire County may create an RTA by adopting a resolution that is ratified by referendum at a general election. After the Chippewa Valley RTA is created, Chippewa County may join the RTA if the county adopts a resolution that is ratified at a referendum and the RTA board approves the expansion of the RTA. The jurisdictional area of an RTA created under the bill is the territorial boundaries of the political subdivision (municipalities and counties) 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 collections to cover the department's costs of administering the tax.

Under the bill, political subdivisions that are part of the RTA 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.

County sales tax collections for Eau Claire County and Chippewa County totaled \$13.54 million in 2013. Assuming the Chippewa Valley RTA is created with a jurisdictional area covering both counties, a 0.5% RTA sales tax would generate approximately \$13.34 million on an annual basis ( $\$13.54 \times 98.5\%$ ). Under such a scenario, state administrative fee revenue would increase by approximately \$200,000 ( $\$13.54 \text{ million} \times 1.5\%$ ) on an annual basis.

The administrative cost of the bill itself is minimal as it simply provides authority for the creation of the RTA.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Authorizing the creation of a Chippewa Valley 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	\$see text
	NET CHANGE IN REVENUE	\$see text	\$see text
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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