

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

| | |
|-----------------------------|-----------------------------------|
| LRB Number 15-0787/2 | Introduction Number SB-442 |
|-----------------------------|-----------------------------------|

Description
 Authorizing the creation of a Chippewa Valley regional transit authority and making appropriations

Fiscal Effect

State:

- | | | |
|---|--|---|
| <input type="checkbox"/> No State Fiscal Effect | <input checked="" type="checkbox"/> Increase Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget |
| <input type="checkbox"/> Indeterminate | <input type="checkbox"/> Decrease Existing Revenues | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Increase Existing Appropriations | | <input type="checkbox"/> Decrease Costs |
| <input type="checkbox"/> Decrease Existing Appropriations | | |
| <input checked="" type="checkbox"/> Create New Appropriations | | |

Local:

- | | | |
|---|--|--|
| <input type="checkbox"/> No Local Government Costs | 5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Regional Transit Authority</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts | |
| <input type="checkbox"/> Indeterminate | | |
| 1. <input checked="" type="checkbox"/> Increase Costs | 3. <input checked="" type="checkbox"/> Increase Revenue | |
| <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenue | |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |

| | |
|--|---------------------------------------|
| Fund Sources Affected | Affected Ch. 20 Appropriations |
| <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) and 20.835(4)(gc) | |

| | | |
|-----------------------------------|-------------------------------|-------------|
| Agency/Prepared By | Authorized Signature | Date |
| DOR/ Travis Arthur (608) 266-8565 | Robert Schmidt (608) 266-5773 | 12/14/2015 |

Fiscal Estimate Narratives

DOR 12/14/2015

| | | | | | |
|--|-----------|---------------------|--------|---------------|----------|
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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 \$14.93 million in FY 2015. Assuming the Chippewa Valley RTA is created with a jurisdictional area covering both counties, a 0.5% RTA sales tax would generate approximately \$14.71 million on an annual basis (\$14.93 x 98.5%). Under such a scenario, state administrative fee revenue would increase by approximately \$224,000 (\$14.93 million x 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 - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | |
| II. Annualized Costs: | | |
| Annualized Fiscal Impact on funds from: | | |
| | Increased Costs | Decreased Costs |
| A. State Costs by Category | | |
| State Operations - Salaries and Fringes | \$ | \$ |
| (FTE Position Changes) | | |
| State Operations - Other Costs | | |
| Local Assistance | | |
| Aids to Individuals or Organizations | | |
| TOTAL State Costs by Category | \$ | \$ |
| B. State Costs by Source of Funds | | |
| GPR | | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | |
| | Increased Rev | Decreased Rev |
| GPR Taxes | \$ | \$ |
| GPR Earned | | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | | |
| TOTAL State Revenues | \$ | \$ |
| NET ANNUALIZED FISCAL IMPACT | | |
| | <u>State</u> | <u>Local</u> |
| NET CHANGE IN COSTS | \$see text | \$see text |
| NET CHANGE IN REVENUE | \$see text | \$see text |
| Agency/Prepared By | | |
| Authorized Signature | | Date |
| DOR/ Travis Arthur (608) 266-8565 | | 12/14/2015 |
| Robert Schmidt (608) 266-5773 | | |