

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-1061/1	Introduction Number SB-576	
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 type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <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 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		
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 DOR/ Travis Arthur (608) 266-8565	Authorized Signature Jamie Adams (608) 266-6785	Date 12/6/2019

Fiscal Estimate Narratives

DOR 12/6/2019

LRB Number	19-1061/1	Introduction Number	SB-576	Estimate Type	Original
Description authorizing the creation of a Chippewa Valley regional transit authority and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

The bill authorizes the creation of a Chippewa Valley RTA. 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 \$15.98 million in FY 2019. Assuming the Chippewa Valley RTA is created with a jurisdictional area covering both counties, a 0.5% RTA sales tax would generate approximately \$15.74 million on an annual basis ($\$15.98 \times 98.5\%$). Under such a scenario, state administrative fee revenue would increase by approximately \$239,700 ($\$15.98 \text{ million} \times 1.5\%$) on an annual basis.

Administrative Costs

The administrative cost of the bill itself is minimal as it simply provides authority for the creation of the RTA. The creation of a Chippewa Valley RTA would require one-time programming costs of approximately \$8,000.

Ongoing administrative expenses would be covered by the 1.5% administrative fee.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description authorizing the creation of a Chippewa Valley regional transit authority and making appropriations		
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	\$	\$
NET CHANGE IN REVENUE	\$see text	\$see text
Agency/Prepared By	Authorized Signature	Date
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