



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1551/P2
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DOA:.....Aslesen, BB0346 - Regional transit authorities

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TRANSPORTATION

GENERAL TRANSPORTATION

Regional transit authorities

This bill authorizes the creation of a regional transit authority in any metropolitan statistical area in which qualifying political subdivisions agree to create one. Upon creation, each regional transit authority is a public body corporate and politic and a separate governmental entity.

An RTA is created if any two or more political subdivisions located within a metropolitan statistical area adopt resolutions authorizing the political subdivision to become members of the RTA. Once created, the members of an RTA consist of all political subdivisions that adopt resolutions authorizing participation. Any political subdivision located in whole or in part within a metropolitan statistical area located in whole or in part within an RTA's jurisdiction may join the RTA. The jurisdictional area of an authority created under this paragraph is the geographic area formed by the combined territorial boundaries of all participating political subdivisions. A member political subdivision may withdraw from an RTA if the governing body of the political subdivision adopts a resolution requesting withdrawal from the RTA and the political subdivision has paid, or made provision for the payment of, all obligations of the political subdivision to the RTA.

An RTA's authority is vested in its board of directors. Directors serve four-year terms. An RTA's bylaws govern its management, operations, and administration and must include provisions specifying all of the following:

1. The functions or services to be provided by the RTA.
2. The powers, duties, and limitations of the RTA.
3. The maximum rate of the sales and use tax, not exceeding the statutory limit, that may be imposed by the RTA.

An RTA may do all of the following:

1. Establish or acquire a comprehensive unified local transportation system, which is a transportation system comprised of bus lines and other public transportation facilities generally within the jurisdictional area of the RTA. "Transportation system" is defined to include land, structures, equipment, and

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other property for transportation of passengers, including by bus, rail, or other form of mass transportation. The RTA may operate this transportation system or provide for its operation by another. The RTA may contract with a public or private organization to provide transportation services in lieu of directly providing these services and may purchase and lease transportation facilities to public or private transit companies. With two exceptions, an RTA may not directly or by contract provide service outside the RTA's jurisdictional area.

2. Coordinate specialized transportation services for persons who are disabled or aged 60 or older.

3. Own or lease real or personal property.

4. Acquire property by condemnation.

5. Enter upon highways to install, maintain, and operate the RTA's facilities.

6. Impose, by the adoption of a resolution by the RTA's board of directors, a sales and use tax in the RTA's jurisdictional area at a rate of not more than 0.5 percent of the sales price.

7. Impose a fee of \$2 per transaction on the rental of passenger cars without drivers.

8. Incur debts and obligations. An RTA may issue tax-exempt revenue bonds, secured by a pledge of any income or revenues from any operations or other source of moneys for the RTA. The bonds of an RTA are not a debt of its member political subdivisions and neither the member political subdivisions nor the state are liable for the payment of the bonds.

9. Set fees and charges for functions, facilities, and services provided by the RTA.

10. Adopt bylaws and rules to carry out the powers and purposes of the RTA.

11. Sue and be sued in its own name.

12. Employ agents, consultants, and employees; engage professional services; and purchase furniture, supplies, and materials reasonably necessary to perform its duties and exercise its powers.

13. Invest funds not required for immediate disbursement.

14. Do and perform any authorized acts by means of an agent or by contracts with any person.

15. Exercise any other powers that the board of directors considers necessary and convenient to effectuate the purposes of the RTA, including providing for passenger safety.

The board of directors of an RTA must annually prepare a budget for the RTA. Rates and other charges received by the RTA may 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. The RTA must maintain an accounting system in accordance with generally accepted accounting principles and must have its financial statements and debt covenants audited annually by an independent certified public accountant.

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An RTA must provide, or contract for the provision of, transit service within the RTA's jurisdictional area. An RTA that acquires a transportation system for the purpose of operating the system must assume all of the employer's obligations under any contract between the employees and management of the system to the extent allowed by law. An RTA that acquires, constructs, or operates a transportation system must negotiate an agreement with the representative of the labor organization that covers the employees affected by the acquisition, construction, or operation to protect the interests of employees affected, and that agreement must include specified provisions. Employees of the RTA are participatory employees under the Wisconsin Retirement System (WRS) if the RTA elects to join the WRS.

Current law provides limited immunity for cities, villages, towns, counties, and other political corporations and governmental subdivisions, and for officers, officials, agents, and employees of these entities, for acts done in an official capacity or in the course of employment. Claimants must generally follow a specified claims procedure and liability for damages is generally limited to \$50,000 except that no liability may be imposed for performance of a discretionary duty or for punitive damages. If a person suffers damage resulting from the negligent operation of a motor vehicle owned and operated by a county, city, village, town, school district, sewer district, or other political subdivision of the state in the course of its business, the person may file a claim for damages following this claims procedure and the amount of damages recoverable is limited to \$250,000. This bill specifies that this provision related to claims and liability for negligent operation of a motor vehicle by a political subdivision applies to an RTA.

The bill also allows RTAs to participate in organizing municipal insurance mutuals to provide insurance and risk management services.

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:

SECTION 1. 20.566 (1) (gc) of the statutes is created to read:

20.566 (1) (gc) *Administration of transit authority taxes.* From the moneys received from the appropriation account under s. 20.835 (4) (gc), the amounts in the schedule for the purpose of administering the transit authority taxes imposed under s. 77.708. Notwithstanding s. 20.001 (3) (a), at the end of the fiscal year the

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unencumbered balance in this appropriation account shall be transferred to the appropriation account under s. 20.835 (4) (gc).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.566 (1) (gh) of the statutes is created to read:

20.566 (1) (gh) *Administration of regional transit authority fees.* The amounts in the schedule for administering the fees imposed under subch. XIV of ch. 77. An amount equal to 2.55 percent of all moneys received from the fees imposed under subch. XIV of ch. 77 shall be credited to this appropriation. Notwithstanding s. 20.001 (3) (a), at the end of each fiscal year the unencumbered balance in this appropriation account that exceeds 10 percent of the expenditures from this appropriation during the fiscal year shall be transferred to the appropriation account under s. 20.835 (4) (gh).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 3. 20.835 (4) (gc) of the statutes is created to read:

20.835 (4) (gc) *Transit authority taxes.* All moneys received from the taxes imposed under s. 77.708, and from the appropriation account under s. 20.566 (1) (gc), for the purpose of distribution to the transit authorities that adopt a resolution imposing taxes under subch. V of ch. 77, except that 1.5 percent of those tax revenues collected under subch. V of ch. 77 shall be credited to the appropriation account under s. 20.566 (1) (gc).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 4. 20.835 (4) (gh) of the statutes is created to read:

20.835 (4) (gh) *Regional transit authority fees.* All moneys received from the

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fees imposed under subch. XIV of ch. 77, and from the appropriation account under s. 20.566 (1) (gh), for distribution to regional transit authorities created under s. 66.1039 (2), except that 2.55 percent of the moneys received from the fees imposed under subch. XIV of ch. 77 shall be credited to the appropriation account under s. 20.566 (1) (gh).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 5. 32.02 (11) of the statutes is amended to read:

32.02 (11) Any housing authority created under ss. 66.1201 to 66.1211; redevelopment authority created under s. 66.1333; community development authority created under s. 66.1335; local cultural arts district created under subch. V of ch. 229, subject to s. 229.844 (4) (c); ~~or~~ local exposition district created under subch. II of ch. 229; or transit authority created under s. 66.1039.

SECTION 6. 32.05 (1) (a) of the statutes is amended to read:

32.05 (1) (a) Except as provided under par. (b), a county board of supervisors or a county highway committee when so authorized by the county board of supervisors, a city council, a village board, a town board, a sewerage commission governing a metropolitan sewerage district created by ss. 200.05 or 200.21 to 200.65, the secretary of transportation, a commission created by contract under s. 66.0301, a joint local water authority created by contract under s. 66.0823, a transit authority created under s. 66.1039, a housing authority under ss. 66.1201 to 66.1211, a local exposition district created under subch. II of ch. 229, a local cultural arts district created under subch. V of ch. 229, a redevelopment authority under s. 66.1333 or a community development authority under s. 66.1335 shall make an

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order providing for the laying out, relocation and improvement of the public highway, street, alley, storm and sanitary sewers, watercourses, water transmission and distribution facilities, mass transit facilities, airport, or other transportation facilities, gas or leachate extraction systems to remedy environmental pollution from a solid waste disposal facility, housing project, redevelopment project, cultural arts facilities, exposition center or exposition center facilities which shall be known as the relocation order. This order shall include a map or plat showing the old and new locations and the lands and interests required. A copy of the order shall, within 20 days after its issue, be filed with the county clerk of the county wherein the lands are located or, in lieu of filing a copy of the order, a plat may be filed or recorded in accordance with s. 84.095.

SECTION 7. 32.07 (2) of the statutes is amended to read:

32.07 (2) The petitioner shall determine necessity if application is by the state or any commission, department, board or other branch of state government or by a city, village, town, county, school district, board, commission, public officer, commission created by contract under s. 66.0301, joint local water authority under s. 66.0823, transit authority created under s. 66.1039, redevelopment authority created under s. 66.1333, local exposition district created under subch. II of ch. 229, local cultural arts district created under subch. V of ch. 229, housing authority created under ss. 66.1201 to 66.1211 or for the right-of-way of a railroad up to 100 feet in width, for a telegraph, telephone or other electric line, for the right-of-way for a gas pipeline, main or service or for easements for the construction of any elevated structure or subway for railroad purposes.

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SECTION 8. 40.02 (28) of the statutes is amended to read:

40.02 (28) “Employer” means the state, including each state agency, any county, city, village, town, school district, other governmental unit or instrumentality of 2 or more units of government now existing or hereafter created within the state, any federated public library system established under s. 43.19 whose territory lies within a single county with a population of 750,000 or more, a local exposition district created under subch. II of ch. 229, a transit authority created under s. 66.1039, and a long-term care district created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3). “Employer” does not include a local cultural arts district created under subch. V of ch. 229. Each employer shall be a separate legal jurisdiction for OASDHI purposes.

SECTION 9. 66.0301 (1) (a) of the statutes is amended to read:

66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section “municipality” means the state or any department or agency thereof, or any city, village, town, county, or school district, the opportunity schools and partnership programs under subch. IX of ch. 115 and subch. II of ch. 119, the superintendent of schools opportunity schools and partnership program under s. 119.33, or any public library system, public inland lake protection and rehabilitation district, sanitary district, farm drainage district, metropolitan sewerage district, sewer utility district, solid waste management system created under s. 59.70 (2), local exposition district created under subch. II of ch. 229, local professional baseball park district created under subch. III of ch. 229, local professional football stadium district created under subch. IV of ch. 229, local cultural arts district created under subch.

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V of ch. 229, transit authority created under s. 66.1039, long-term care district under s. 46.2895, water utility district, mosquito control district, municipal electric company, county or city transit commission, commission created by contract under this section, taxation district, regional planning commission, housing authority created under s. 66.1201, redevelopment authority created under s. 66.1333, community development authority created under s. 66.1335, or city-county health department.

SECTION 10. 66.1039 of the statutes is created to read:

66.1039 Transit authorities. (1) DEFINITIONS. In this section:

- (a) “Authority” means a transit authority created under this section.
- (b) “Bonds” means any bonds, interim certificates, notes, debentures, or other obligations of an authority issued under this section.
- (c) “Common carrier” means any of the following:
 - 1. A common motor carrier, as defined in s. 194.01 (1).
 - 2. A contract motor carrier, as defined in s. 194.01 (2).
 - 3. A railroad subject to ch. 195, as described in s. 195.02 (1) and (3).
 - 4. A water carrier, as defined in s. 195.02 (5).
- (d) “Comprehensive unified local transportation system” means a transportation system that is comprised of motor bus lines and any other local public transportation facilities, the major portion of which is located within, or the major portion of the service of which is supplied to the inhabitants of, the jurisdictional area of the authority.

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(em) “Metropolitan area” means a metropolitan statistical area as designated by the U.S. office of management and budget.

(f) “Municipality” means any city, village, or town.

(g) “Participating political subdivision” means a political subdivision that is a member of an authority, either from the time of creation of the authority or by later joining the authority.

(h) “Political subdivision” means a municipality or county.

(i) “Transportation system” means all land, shops, structures, equipment, property, franchises, and rights of whatever nature required for transportation of passengers within the jurisdictional area of the authority and, only to the extent specifically authorized under this section, outside the jurisdictional area of the authority. “Transportation system” includes elevated railroads, subways, underground railroads, motor vehicles, motor buses, and any combination thereof, and any other form of mass transportation, but does not include transportation excluded from the definition of “common motor carrier” under s. 194.01 (1) or charter or contract operations to, from, or between points that are outside the jurisdictional area of the authority.

(2) CREATION OF TRANSIT AUTHORITIES. (f) *Statewide regional transit authorities.* 1. Any 2 or more political subdivisions located within the same metropolitan area may jointly create a transit authority that is a public body corporate and politic and a separate governmental entity and that is known by a name that includes the words “regional transit authority,” if the governing body of each political subdivision adopts a resolution authorizing the political subdivision

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to become a member of the authority and all the resolutions are identical to each other. Except as provided in subd. 2. and sub. (13), once created, the members of the authority shall consist of all political subdivisions that adopt resolutions, as provided in this subdivision. Once created, the authority may transact business and exercise any powers granted to it under this section.

2. After an authority is created under subd. 1., any political subdivision located in whole or in part within a metropolitan area located in whole or in part within an authority's jurisdiction may join the authority if the governing body of the political subdivision adopts a resolution identical to the existing resolutions of the authority's participating political subdivisions and the authority's board of directors approves the political subdivision's joinder.

3. The jurisdictional area of an authority created under this paragraph is the geographic area formed by the combined territorial boundaries of all participating political subdivisions of the authority.

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

(fm) The board of directors of an authority created under sub. (2) (f) consists of the following members:

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1. One member from each participating political subdivision that is a county, appointed by the county executive of each county and approved by the county board except that, if the county does not have an elected county executive, the member shall be appointed by the county board chairperson and approved by the county board.

2. One member from each of the two participating political subdivisions that are municipalities, if any, having the highest population, appointed by the mayor and approved by the common council or appointed by the village president and approved by the village board or appointed by the town board chairperson and approved by the town board, as applicable.

3. One member appointed by the governor.

4. Not more than 2 members from participating political subdivisions that are municipalities other than those identified under subd. 2., appointed by the mayor and approved by the common council or appointed by the village president and approved by the village board or appointed by the town board chairperson and approved by the town board, as applicable. If the authority opts to include members under this subdivision on the board of directors, the bylaws of the authority shall include a provision specifying a method by which the members appointed under this subdivision shall rotate among the participating political subdivisions not entitled to make an appointment under subd. 2.

(g) The bylaws of an authority shall govern its management, operations, and administration, consistent with the provisions of this section, and shall include provisions specifying all of the following:

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1. The functions or services to be provided by the authority.
2. The powers, duties, and limitations of the authority.
3. The maximum rate of the taxes that may be imposed by the authority under sub. (4) (s), not to exceed the maximum rate specified in s. 77.708 (1).

(4) POWERS. Notwithstanding s. 59.84 (2) and any other provision of this chapter or ch. 59 or 85, an authority may do all of the following, to the extent authorized in the authority's bylaws:

(a) Establish, maintain, and operate a comprehensive unified local transportation system primarily for the transportation of persons.

(b) Acquire a comprehensive unified local transportation system and provide funds for the operation and maintenance of the system. Upon the acquisition of a comprehensive unified local transportation system, the authority may:

1. Operate and maintain it or lease it to an operator or contract for its use by an operator.
2. Contract for superintendence of the system with an organization that has personnel with the requisite experience and skill.
3. Delegate responsibility for the operation and maintenance of the system to an appropriate administrative officer, board, or commission of a participating political subdivision.
4. Maintain and improve railroad rights-of-way and improvements on these rights-of-way for future use.

(c) Contract with a public or private organization to provide transportation services in lieu of directly providing these services.

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(d) Purchase and lease transportation facilities to public or private transit companies that operate within and outside the jurisdictional area.

(e) Apply for federal aids to purchase transportation facilities considered essential for the authority's operation.

(f) Coordinate specialized transportation services, as defined in s. 85.21 (2) (g), for residents who reside within the jurisdictional area and who are disabled or aged 60 or older, including services funded under [42 USC 3001](#) to [3057o](#), [42 USC 5001](#), and [42 USC 5011](#) (b), under ss. 49.43 to 49.499 and 85.21, and under other public funds administered by the county. An authority may contract with a county that is a participating political subdivision for the authority to provide specialized transportation services, but an authority is not an eligible applicant under s. 85.21 (2) (e) and may not receive payments directly from the department of transportation under s. 85.21.

(g) Acquire, own, hold, use, lease as lessor or lessee, sell or otherwise dispose of, mortgage, pledge, or grant a security interest in any real or personal property or service.

(h) Acquire property by condemnation using the procedure under s. 32.05 for the purposes set forth in this section.

(i) Enter upon any state, county, or municipal street, road, or alley, or any public highway for the purpose of installing, maintaining, and operating the authority's facilities. Whenever the work is to be done in a state, county, or municipal highway, street, road, or alley, the public authority having control thereof shall be duly notified, and the highway, street, road, or alley shall be restored to as

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good a condition as existed before the commencement of the work with all costs incident to the work to be borne by the authority.

(j) Fix, maintain, and revise fees, rates, rents, and charges for functions, facilities, and services provided by the authority.

(k) Make, and from time to time amend and repeal, bylaws, rules, and regulations to carry into effect the powers and purposes of the authority.

(L) Sue and be sued in its own name.

(m) Have and use a corporate seal.

(n) Employ agents, consultants, and employees, engage professional services, and purchase such furniture, stationery, and other supplies and materials as are reasonably necessary to perform its duties and exercise its powers.

(o) Incur debts, liabilities, or obligations including the borrowing of money and the issuance of bonds under subs. (7) and (10).

(p) Invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, including the proceeds from the sale of any bonds, in such obligations, securities, and other investments as the authority deems proper in accordance with s. 66.0603 (1m).

(q) Do and perform any acts and things authorized by this section under, through, or by means of an agent or by contracts with any person.

(r) Exercise any other powers that the board of directors considers necessary and convenient to effectuate the purposes of the authority, including providing for passenger safety.

(s) Impose, by the adoption of a resolution by the board of directors, the taxes

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under subch. V of ch. 77 in the authority's jurisdictional area. If an authority adopts a resolution to impose the taxes, it shall deliver a certified copy of the resolution to the department of revenue at least 120 days before its effective date. The authority may, by adoption of a resolution by the board of directors, repeal the imposition of taxes under subch. V of ch. 77 and shall deliver a certified copy of the repeal resolution to the department of revenue at least 120 days before its effective date.

(5) LIMITATIONS ON AUTHORITY POWERS. (a) Notwithstanding sub. (4) (a), (b), (c), (d), (q), and (r), no authority, and no public or private organization with which an authority has contracted for service, may provide service outside the jurisdictional area of the authority unless the authority receives financial support for the service under a contract with a public or other private organization for the service or unless it is necessary in order to provide service to connect residents within the authority's jurisdictional area to transit systems in adjacent counties.

(b) Whenever the proposed operations of an authority would be competitive with the operations of a common carrier in existence prior to the time the authority commences operations, the authority shall coordinate proposed operations with the common carrier to eliminate adverse financial impact for the carrier. This coordination may include route overlapping, transfers, transfer points, schedule coordination, joint use of facilities, lease of route service, and acquisition of route and corollary equipment. If this coordination does not result in mutual agreement, the proposals of the authority and the common carrier shall be submitted to the department of transportation for arbitration.

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(c) In exercising its powers under sub. (4), an authority shall consider any plan of a metropolitan planning organization under [23 USC 134](#) that covers any portion of the authority's jurisdictional area.

(6) AUTHORITY OBLIGATIONS TO EMPLOYEES OF MASS TRANSPORTATION SYSTEMS. (a) An authority acquiring a comprehensive unified local transportation system for the purpose of the authority's operation of the system shall assume all of the employer's obligations under any contract between the employees and management of the system to the extent allowed by law.

(b) An authority acquiring, constructing, controlling, or operating a comprehensive unified local transportation system shall negotiate an agreement with the representative of the labor organization that covers the employees affected by the acquisition, construction, control, or operation to protect the interests of employees affected. This agreement shall include all of the provisions identified in s. 59.58 (4) (b) 1. to 8. and may include provisions identified in s. 59.58 (4) (c). An affected employee has all the rights and the same status under subch. IV of ch. 111 that he or she enjoyed immediately before the acquisition, construction, control, or operation and may not be required to serve a probationary period if he or she attained permanent status before the acquisition, construction, control, or operation.

(c) In all negotiations under this subsection, a senior executive officer of the authority shall be a member of the authority's negotiating body.

(7) BONDS; GENERALLY. (a) An authority may issue bonds, the principal and interest on which are payable exclusively from all or a portion of any revenues

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received by the authority. The authority may secure its bonds by a pledge of any income or revenues from any operations, rent, aids, grants, subsidies, contributions, or other source of moneys whatsoever.

(b) An authority may issue bonds in such principal amounts as the authority deems necessary.

(c) 1. Neither the members of the board of directors of an authority nor any person executing the bonds is personally liable on the bonds by reason of the issuance of the bonds.

2. The bonds of an authority are not a debt of the participating political subdivisions. Neither the participating political subdivisions nor the state are liable for the payment of the bonds. The bonds of any authority shall be payable only out of funds or properties of the authority. The bonds of the authority shall state the restrictions contained in this paragraph on the face of the bonds.

(8) ISSUANCE OF BONDS. (a) Bonds of an authority shall be authorized by resolution of the board of directors. The bonds may be issued under such a resolution or under a trust indenture or other security instrument. The bonds may be issued in one or more series and may be in the form of coupon bonds or registered bonds under s. 67.09. The bonds shall bear the dates, mature at the times, bear interest at the rates, be in the denominations, have the rank or priority, be executed in the manner, be payable in the medium of payment and at the places, and be subject to the terms of redemption, with or without premium, as the resolution, trust indenture, or other security instrument provides. Bonds of an authority are

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issued for an essential public and governmental purpose and are public instrumentalities and, together with interest and income, are exempt from taxes.

(b) The authority may sell the bonds at public or private sales at the price or prices determined by the authority.

(c) If an officer whose signatures appear on any bonds or coupons ceases to be an officer of the authority before the delivery of the bonds or coupons, the officer's signature shall, nevertheless, be valid for all purposes as if the officer had remained in office until delivery of the bonds or coupons.

(9) COVENANTS. An authority may do all of the following in connection with the issuance of bonds:

(a) Covenant as to the use of any or all of its property, real or personal.

(b) Redeem the bonds, or covenant for the redemption of the bonds, and provide the terms and conditions of the redemption.

(c) Covenant as to charge fees, rates, rents, and charges sufficient to meet operating and maintenance expenses, renewals, and replacements of any transportation system, principal and debt service on bonds creation and maintenance of any reserves required by a bond resolution, trust indenture, or other security instrument and to provide for any margins or coverages over and above debt service on the bonds that the board of directors considers desirable for the marketability of the bonds.

(d) Covenant as to the events of default on the bonds and the terms and conditions upon which the bonds shall become or may be declared due before maturity, as to the terms and conditions upon which this declaration and its

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consequences may be waived, and as to the consequences of default and the remedies of bondholders.

(e) Covenant as to the mortgage or pledge of, or the grant of a security interest in, any real or personal property and all or any part of the revenues of the authority to secure the payment of bonds, subject to any agreements with the bondholders.

(f) Covenant as to the custody, collection, securing, investment, and payment of any revenues, assets, moneys, funds, or property with respect to which the authority may have any rights or interest.

(g) Covenant as to the purposes to which the proceeds from the sale of any bonds may be applied, and as to the pledge of such proceeds to secure the payment of the bonds.

(h) Covenant as to limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

(i) Covenant as to the rank or priority of any bonds with respect to any lien or security.

(j) Covenant as to the procedure by which the terms of any contract with or for the benefit of the holders of bonds may be amended or abrogated, the amount of bonds, the holders of which must consent thereto, and the manner in which such consent may be given.

(k) Covenant as to the custody and safekeeping of any of its properties or investments, the insurance to be carried on the property or investments, and the use and disposition of insurance proceeds.

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(L) Covenant as to the vesting in one or more trustees, within or outside the state, of those properties, rights, powers, and duties in trust as the authority determines.

(m) Covenant as to the appointing of, and providing for the duties and obligations of, one or more paying agent or other fiduciaries within or outside the state.

(n) Make all other covenants and do any act that may be necessary or convenient or desirable in order to secure its bonds or, in the absolute discretion of the authority, tend to make the bonds more marketable.

(o) Execute all instruments necessary or convenient in the exercise of the powers granted under this section or in the performance of covenants or duties, which may contain such covenants and provisions as a purchaser of the bonds of the authority may reasonably require.

(10) REFUNDING BONDS. An authority may issue refunding bonds for the purpose of paying any of its bonds at or prior to maturity or upon acceleration or redemption. An authority may issue refunding bonds at such time prior to the maturity or redemption of the refunded bonds as the authority deems to be in the public interest. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium on the bonds, any interest accrued or to accrue to the date of payment of the bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by

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the resolution, trust indenture, or other security instruments. To the extent applicable, refunding bonds are subject to subs. (8) and (9).

(11) BONDS ELIGIBLE FOR INVESTMENT. (a) Any of the following may invest funds, including capital in their control or belonging to them, in bonds of the authority:

1. Public officers and agencies of the state.
2. Local governmental units, as defined in s. 19.42 (7u).
3. Insurance companies.
4. Trust companies.
5. Banks.
6. Savings banks.
7. Savings and loan associations.
8. Investment companies.
9. Personal representatives.
10. Trustees.
11. Other fiduciaries not listed in this paragraph.

(b) The authority's bonds are securities that may be deposited with and received by any officer or agency of the state or any local governmental unit, as defined in s. 19.42 (7u), for any purpose for which the deposit of bonds or obligations of the state or any local governmental unit is authorized by law.

(12) BUDGETS; RATES AND CHARGES; AUDIT. The board of directors of an authority shall annually prepare a budget for the authority. Rates and other charges received by the authority shall be used only for the general expenses and

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capital expenditures of the authority, to pay interest, amortization, and retirement charges on bonds, and for specific purposes of the authority and may not be transferred to any political subdivision. The authority shall maintain an accounting system in accordance with generally accepted accounting principles and shall have its financial statements and debt covenants audited annually by an independent certified public accountant.

(13) WITHDRAWAL FROM AUTHORITY. A participating political subdivision that joined an authority under sub. (2) (f) 2. may withdraw from an authority if all of the following conditions are met:

(a) The governing body of the political subdivision adopts a resolution requesting withdrawal of the political subdivision from the authority.

(b) The political subdivision has paid, or made provision for the payment of, all obligations of the political subdivision to the authority.

(14) DUTY TO PROVIDE TRANSIT SERVICE. An authority shall provide, or contract for the provision of, transit service within the authority's jurisdictional area.

(17) OTHER STATUTES. This section does not limit the powers of political subdivisions to enter into intergovernmental cooperation or contracts or to establish separate legal entities under s. 66.0301 or 66.1021 or any other applicable law, or otherwise to carry out their powers under applicable statutory provisions. Section 66.0803 (2) does not apply to an authority.

SECTION 11. 67.01 (5) of the statutes is amended to read:

67.01 (5) "Municipality" means any of the following which is authorized to

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levy a tax: a county, city, village, town, school district, board of park commissioners, technical college district, metropolitan sewerage district created under ss. 200.01 to 200.15 or 200.21 to 200.65, town sanitary district under subch. IX of ch. 60, transit authority created under s. 66.1039, public inland lake protection and rehabilitation district established under s. 33.23, 33.235, or 33.24, and any other public body empowered to borrow money and issue obligations to repay the money out of public funds or revenues. "Municipality" does not include the state.

SECTION 12. 70.11 (2) of the statutes is amended to read:

70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION. Property owned by any county, city, village, town, school district, technical college district, public inland lake protection and rehabilitation district, metropolitan sewerage district, municipal water district created under s. 198.22, joint local water authority created under s. 66.0823, transit authority created under s. 66.1039, regional planning commission created under s. 66.0309, long-term care district under s. 46.2895, or town sanitary district; lands belonging to cities of any other state used for public parks; land tax-deeded to any county or city before January 2; but any residence located upon property owned by the county for park purposes that is rented out by the county for a nonpark purpose shall not be exempt from taxation. Except as to land acquired under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after August 17, 1961, to any such governmental unit or for its benefit while the grantor or others for his or her benefit are permitted to occupy the land or part thereof in consideration for the conveyance. The exemption under this subsection applies to the property of a regional planning

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commission that the commission owned prior to October 1, 2021. If a regional planning commission subsequently sells property exempt from taxation under this subsection, the exemption applies to property purchased and owned by the commission if the total size of all property owned by the commission is substantially similar in size to the total property owned by the commission prior to October 1, 2021. Any property of the regional planning commission in excess of that size restriction is subject to taxation under this chapter. Leasing the property exempt under this subsection, regardless of the lessee and the use of the leasehold income, does not render that property taxable.

SECTION 13. 71.26 (1) (b) of the statutes is amended to read:

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

SECTION 14. Chapter 77 (title) of the statutes is amended to read:

CHAPTER 77**TAXATION OF FOREST CROPLANDS;****REAL ESTATE TRANSFER FEES;****SALES AND USE TAXES; COUNTY,****MUNICIPALITY, TRANSIT AUTHORITY,****AND SPECIAL DISTRICT SALES AND****USE TAXES; MANAGED FOREST LAND;****ECONOMIC DEVELOPMENT SURCHARGE;**

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**LOCAL FOOD AND BEVERAGE TAX;
LOCAL RENTAL CAR TAX; PREMIER
RESORT AREA TAXES; STATE RENTAL
VEHICLE FEE; DRY CLEANING FEES;
ELECTRIC VEHICLE CHARGING TAX;
REGIONAL TRANSIT AUTHORITY FEES**

SECTION 15. 77.54 (9a) (er) of the statutes is created to read:

77.54 **(9a)** (er) Any transit authority created under s. 66.1039.

SECTION 16. Subchapter V (title) of chapter 77 [precedes 77.70] of the statutes is amended to read:

CHAPTER 77

SUBCHAPTER V

**COUNTY, MUNICIPALITY, TRANSIT
AUTHORITY, AND SPECIAL DISTRICT
SALES AND USE TAXES**

SECTION 17. 77.708 of the statutes is created to read:

77.708 Adoption by resolution; transit authority. (1) A transit authority created under s. 66.1039, by resolution under s. 66.1039 (4) (s), may impose a sales tax and a use tax under this subchapter at a rate not to exceed 0.5 percent of the gross receipts or sales price. Those taxes may be imposed only in their entirety. The resolution shall be effective on the first day of the first calendar quarter that begins at least 120 days after a certified copy of the resolution is delivered to the department of revenue.

(2) Retailers and the department of revenue may not collect a tax under sub.

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(1) for any transit authority created under s. 66.1039 beginning on the first day of the calendar quarter that is at least 120 days after a certified copy of the repeal resolution under s. 66.1039 (4) (s) is delivered to the department of revenue, except that the department of revenue may collect from retailers taxes that accrued before such calendar quarter and fees, interest, and penalties that relate to those taxes.

SECTION 18. 77.73 (2) of the statutes is amended to read:

77.73 (2) Counties, municipalities, ~~and~~ special districts, and transit authorities do not have jurisdiction to impose the tax under s. 77.71 (2) in regard to items, property, and goods under s. 77.52 (1) (b), (c), and (d), and tangible personal property, except snowmobiles, trailers, semitrailers, limited use off-highway motorcycles, as defined in s. 23.335 (1) (o), all-terrain vehicles, and utility terrain vehicles, purchased in a sale that is consummated in another county, municipality, or special district in this state, or in another transit authority's jurisdictional area, that does not have in effect an ordinance or resolution imposing the taxes under this subchapter and later brought by the buyer into the county, municipality, ~~or~~ special district, or jurisdictional area of the transit authority that has imposed a tax under s. 77.71 (2).

SECTION 19. 77.73 (2m) of the statutes is amended to read:

77.73 (2m) Counties, municipalities, ~~and~~ special districts, and transit authorities do not have jurisdiction to impose the tax under s. 77.71 (5) with regard to the lease or rental of a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft if the lease or rental does not require recurring periodic payments and if the purchaser received the property in another county, municipality, or special district in this state or in another transit authority's

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jurisdictional area, and then brings the property into a county, municipality, ~~or~~ special district, or transit authority that imposes the tax under s. 77.71 (5).

SECTION 20. 77.73 (3) of the statutes is amended to read:

77.73 (3) Counties, municipalities, ~~and~~ special districts, and transit authorities have jurisdiction to impose the taxes under this subchapter on retailers who file, or who are required to file, an application under s. 77.52 (7) or who register, or who are required to register, under s. 77.53 (9) or (9m), regardless of whether such retailers are engaged in business in the county, municipality, ~~or~~ special district, or transit authority's jurisdictional area, as provided in s. 77.51 (13g). A retailer who files, or is required to file, an application under s. 77.52 (7) or who registers, or is required to register, under s. 77.53 (9) or (9m) shall collect, report, and remit to the department the taxes imposed under this subchapter for all counties, municipalities, ~~or~~ special districts, or transit authorities that have an ordinance or resolution imposing the taxes under this subchapter.

SECTION 21. 77.75 of the statutes is amended to read:

77.75 Reports. Every person subject to county, municipality, transit authority, or special district sales and use taxes shall, for each reporting period, record that person's sales made in the county, municipality, ~~or~~ special district, or jurisdictional area of a transit authority that has imposed those taxes separately from sales made elsewhere in this state and file a report as prescribed by the department of revenue.

SECTION 22. 77.76 (1) of the statutes is amended to read:

77.76 (1) The department of revenue shall have full power to levy, enforce, and collect county, municipality, transit authority, and special district sales and use

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taxes and may take any action, conduct any proceeding, impose interest and penalties, and in all respects proceed as it is authorized to proceed for the taxes imposed by subch. III. The department of transportation and the department of natural resources may administer the county, municipality, transit authority, and special district sales and use taxes in regard to items under s. 77.61 (1).

SECTION 23. 77.76 (2) of the statutes is amended to read:

77.76 (2) Judicial and administrative review of departmental determinations shall be as provided in subch. III for state sales and use taxes, and no county, municipality, transit authority, or special district may intervene in any matter related to the levy, enforcement, and collection of the taxes under this subchapter.

SECTION 24. 77.76 (3w) of the statutes is created to read:

77.76 (3w) From the appropriation under s. 20.835 (4) (gc), the department of revenue shall distribute 98.5 percent of the taxes reported for each transit authority that has imposed taxes under this subchapter, minus the transit authority portion of the retailers' discount, to the transit authority no later than the end of the 3rd month following the end of the calendar quarter in which such amounts were reported. At the time of distribution, the department of revenue shall indicate the taxes reported by each taxpayer. In this subsection, the "transit authority portion of the retailers' discount" is the amount determined by multiplying the total retailers' discount by a fraction the numerator of which is the gross transit authority sales and use taxes payable and the denominator of which is the sum of the gross state and transit authority sales and use taxes payable. The transit authority taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments of the transit

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authority taxes previously distributed. Interest paid on refunds of transit authority sales and use taxes shall be paid from the appropriation under s. 20.835 (4) (gc) at the rate paid by this state under s. 77.60 (1) (a). Any transit authority receiving a report under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

SECTION 25. 77.76 (4) of the statutes is amended to read:

77.76 (4) There shall be retained by the state 1.5 percent of the taxes collected for taxes imposed by special districts under s. 77.706 and transit authorities under s. 77.708, 0.75 percent of the taxes collected for taxes imposed by counties under s. 77.70, and 1.75 percent of the taxes collected for taxes imposed by municipalities under s. 77.701 to cover costs incurred by the state in administering, enforcing, and collecting the tax. All interest and penalties collected shall be deposited and retained by this state in the general fund.

SECTION 26. 77.76 (7) of the statutes is created to read:

77.76 (7) If a retailer receives notice from the department of revenue that the retailer is required to collect and remit the taxes imposed under s. 77.708, but the retailer believes that the retailer is not required to collect such taxes because the retailer is not doing business within the transit authority's jurisdictional area, the retailer shall notify the department of revenue no later than 30 days after receiving notice from the department. The department of revenue shall affirm or revise its original determination no later than 30 days after receiving the retailer's notice.

SECTION 27. 77.77 (1) (a) of the statutes is amended to read:

77.77 (1) (a) The sales price from services subject to the tax under s. 77.52 (2) or the lease, rental, or license of tangible personal property and property, items,

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and goods specified under s. 77.52 (1) (b), (c), and (d), is subject to the taxes under this subchapter, and the incremental amount of tax caused by a rate increase applicable to those services, leases, rentals, or licenses is due, beginning with the first billing period starting on or after the effective date of the county ordinance, municipal ordinance, special district resolution, transit authority resolution, or rate increase, regardless of whether the service is furnished or the property, item, or good is leased, rented, or licensed to the customer before or after that date.

SECTION 28. 77.77 (1) (b) of the statutes is amended to read:

77.77 (1) (b) The sales price from services subject to the tax under s. 77.52 (2) or the lease, rental, or license of tangible personal property and property, items, and goods specified under s. 77.52 (1) (b), (c), and (d) is not subject to the taxes under this subchapter, and a decrease in the tax rate imposed under this subchapter on those services first applies, beginning with bills rendered on or after the effective date of the repeal or sunset of a county ordinance, municipal ordinance, ~~or~~ special district resolution, or transit authority resolution imposing the tax or other rate decrease, regardless of whether the service is furnished or the property, item, or good is leased, rented, or licensed to the customer before or after that date.

SECTION 29. 77.77 (3) of the statutes is amended to read:

77.77 (3) The sale of building materials to contractors engaged in the business of constructing, altering, repairing or improving real estate for others is not subject to the taxes under this subchapter, and the incremental amount of tax caused by the rate increase applicable to those materials is not due, if the materials are affixed and made a structural part of real estate, and the amount payable to the contractor is fixed without regard to the costs incurred in performing a written

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contract that was irrevocably entered into prior to the effective date of the county ordinance, municipal ordinance, special district resolution, transit authority resolution, or rate increase or that resulted from the acceptance of a formal written bid accompanied by a bond or other performance guaranty that was irrevocably submitted before that date.

SECTION 30. 77.78 of the statutes is amended to read:

77.78 Registration. No motor vehicle, boat, snowmobile, recreational vehicle, as defined in s. 340.01 (48r), trailer, semitrailer, all-terrain vehicle, utility terrain vehicle, off-highway motorcycle, as defined in s. 23.335 (1) (q), or aircraft that is required to be registered by this state may be registered or titled by this state unless the registrant files a sales and use tax report and pays the county tax, municipal tax, transit authority tax, and special district tax at the time of registering or titling to the state agency that registers or titles the property. That state agency shall transmit those tax revenues to the department of revenue.

SECTION 31. Subchapter XIV of chapter 77 [precedes 77.9981] of the statutes is created to read:

CHAPTER 77**SUBCHAPTER XIV****REGIONAL TRANSIT AUTHORITY FEE**

77.9981 Imposition. A regional transit authority created under s. 66.1039 (2) may impose a fee at a rate not to exceed \$2 for each transaction in the authority's jurisdictional area, as described in s. 66.1039 (2), on the rental, but not for rental and not for rental as a service or repair replacement vehicle, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by establishments primarily engaged in short-term

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rental of passenger cars without drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), or (9a). The fee imposed under this subchapter shall be effective on the first day of the first month that begins at least 90 days after the board of directors of the regional transit authority approves the imposition of the fee and notifies the department of revenue. The board of directors shall notify the department of a repeal of the fee imposed under this subchapter at least 60 days before the effective date of the repeal.

77.9982 Administration. (1) The department of revenue shall administer the fee under this subchapter and may take any action, conduct any proceeding, and impose interest and penalties.

(2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (5), (13), (14), (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch. III, apply to the fee under this subchapter. Section 77.73, as it applies to the taxes under subch. V, applies to the fee under this subchapter. The renter shall collect the fee under this subchapter from the person to whom the passenger car is rented.

(3) From the appropriation under s. 20.835 (4) (gh), the department of revenue shall distribute 97.45 percent of the fees collected under this subchapter for each regional transit authority to that authority and shall indicate to the authority the fees reported by each fee payer in the authority's jurisdiction, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. The fees distributed shall be increased or decreased to reflect

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subsequent refunds, audit adjustments, and all other adjustments. Interest paid on refunds of the fee under this subchapter shall be paid from the appropriation under s. 20.835 (4) (gh) at the rate under s. 77.60 (1) (a). Any regional transit authority that receives a report along with a payment under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

(4) Persons who are subject to the fee under this subchapter shall register with the department of revenue. Any person who is required to register; including any person authorized to act on behalf of a corporation, partnership, or other person who is required to register; who fails to do so is guilty of a misdemeanor.

(5) A retailer who collects a fee under this subchapter shall identify the fee as a separate item on a receipt the retailer provides to a rental customer.

77.9983 Discontinuation. Retailers and the department of revenue may not collect fees under this subchapter for any regional transit authority after the calendar quarter during which the regional transit authority ceases to exist, except that the department may collect from retailers fees that accrued before that calendar quarter and interest and penalties that relate to those fees. If fees are collected, the authority may use the revenue for any lawful purpose.

SECTION 32. 85.064 (1) (b) of the statutes is amended to read:

85.064 (1) (b) “Political subdivision” means any city, village, town, county, or transit commission organized under s. 59.58 (2) or 66.1021 or recognized under s. 66.0301, or transit authority created under s. 66.1039 within this state.

SECTION 33. 345.05 (1) (ag) of the statutes is created to read:

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345.05 (1) (ag) “Authority” means a transit authority created under s. 66.1039.

SECTION 34. 345.05 (2) of the statutes is amended to read:

345.05 (2) A person suffering any damage proximately resulting from the negligent operation of a motor vehicle owned and operated by a municipality or authority, which damage was occasioned by the operation of the motor vehicle in the course of its business, may file a claim for damages against the municipality or authority concerned and the governing body of the municipality or the board of directors of the authority may allow, compromise, settle and pay the claim. In this subsection, a motor vehicle is deemed owned and operated by a municipality or authority if the vehicle is either being rented or leased, or is being purchased under a contract whereby the municipality or authority will acquire title.

SECTION 35. 611.11 (4) (a) of the statutes is amended to read:

611.11 (4) (a) In this subsection, “municipality” has the meaning given in s. 345.05 (1) (c), but also includes any transit authority created under s. 66.1039.

SECTION 9337. Initial applicability; Revenue.

(1) TRANSIT AUTHORITY PROPERTY TAX EXEMPTION. The treatment of s. 70.11 (2) first applies to the property tax assessments as of January 1, 2025.

(END)