



**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2009 ASSEMBLY BILL 723**

March 3, 2010 – Offered by Representatives MASON, GRIGSBY, ZEPNICK, TOLES and SINICKI.

1 **AN ACT** *to repeal* 59.58 (6); *to amend* 32.02 (11), 32.05 (1) (a), 32.07 (2), 40.02
2 (28), 59.58 (7) (a) 1., 59.58 (7) (b), 59.58 (7) (d), 59.58 (7) (e) 2., 59.58 (7) (f) 2.,
3 59.58 (7) (f) 4., 59.58 (7) (g), 59.58 (7) (i), 59.58 (7) (j), 66.0301 (1) (a), 66.0903
4 (1) (d), 70.11 (2), 71.26 (1) (b), 77.54 (9a) (er), 85.063 (3) (b) 1., 85.20 (4m) (a)
5 (intro.), 85.20 (4m) (a) 6. e., 85.20 (4s), 111.70 (1) (j), 345.05 (1) (ag) and 611.11
6 (4) (a); and *to create* 20.395 (1) (hy), 59.58 (7) (a) 4., 59.58 (7) (dm), 59.58 (7)
7 (e) 3., 59.58 (7) (k), 59.58 (7) (L), 59.58 (7) (m), 59.58 (7) (n), 59.58 (7) (o), 59.58
8 (7) (p), 66.1038, 74.09 (3) (gd), 77.70 (2) and 85.20 (4m) (a) 6. f. of the statutes;
9 **relating to:** the Southeastern Regional Transit Authority, creating a
10 Milwaukee Transit Authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Prior to the Biennial Budget Act, 2009 Wisconsin Act 28 (Act 28), the counties of Kenosha, Racine, and Milwaukee were required to create a Regional Transit Authority (the KRM authority). The KRM authority was responsible for the

coordination of transit and commuter rail programs within these three counties but had no authority to manage or operate any transit system. The KRM authority was authorized to impose a rental car transaction fee within these three counties, which fee was to be used to hire staff, conduct studies, and prepare a report to the legislature and the governor, due by November 15, 2008.

Act 28 terminated the KRM authority as of October 1, 2009, and created a successor entity, the Southeastern Regional Transit Authority (SERTA). The SERTA is a public body corporate and politic and a separate governmental entity; it consists of the counties of Kenosha, Racine, and Milwaukee. The jurisdictional area of the SERTA is the geographic area formed by the combined territorial boundaries of the counties of Kenosha, Racine, and Milwaukee. The powers of the SERTA are vested in its board of directors. The SERTA's powers are limited but include all powers necessary and convenient to create, construct, and manage a commuter rail transit system connecting the cities of Kenosha, Racine, and Milwaukee (KRM commuter rail line).

Under current law, upon approval by its board of directors, the SERTA may impose a rental car transaction fee, in the counties of Kenosha, Racine, and Milwaukee, of not more than \$18 per transaction, except that the SERTA's board of directors may have this fee annually adjusted for inflation. From each rental car transaction fee, the SERTA may retain not more than \$2 per transaction for administration of the SERTA and may retain the remainder for expenditures related to the KRM commuter rail line, including planning, construction, maintenance, operations, and engineering expenditures. The SERTA is the only entity in the counties of Milwaukee, Racine, and Kenosha that may submit an application to the Federal Transit Administration under the federal New Starts Grant Program for funding for the KRM commuter rail line (New Starts application). By July 1, 2010, the SERTA must submit a New Starts application to enter the preliminary engineering phase for the KRM commuter rail line. Transit system operators in Kenosha County and Racine County receiving state transit aids must provide copies of all of their annual and long-term transit plans to the SERTA as these plans become available.

Act 28 also authorized the creation of several new regional transit authorities (RTAs): the Dane County RTA, the Chippewa Valley RTA, and the Chequamegon Bay RTA. Each RTA, once created, is a public body corporate and politic and a separate governmental entity. Act 28 also specified the powers and duties of these three RTAs, including authorization to impose a sales and use tax in the RTA's jurisdictional area at a rate not exceeding 0.5 percent if certain conditions are satisfied and the duty to provide, or contract for the provision of, transit service within the RTA's jurisdictional area.

This substitute amendment creates a Milwaukee Transit Authority (MTA), a public body corporate and politic and a separate governmental entity. The MTA's jurisdictional area is Milwaukee County. The MTA's authority is vested in its board of directors and its bylaws govern its management, operations, and administration. The MTA's board of directors must annually prepare a budget and have its financial

statements audited. The MTA's revenues can be used only for the expenses and specific purposes of the MTA.

The MTA and the Milwaukee County board must contract for the MTA to provide, beginning on January 1, 2011, transit service and transit planning in Milwaukee County. The MTA may receive sales and use tax revenues from Milwaukee County (discussed below). If the MTA acquires assets from Milwaukee County, the MTA must reimburse Milwaukee County for the assets. The MTA has all powers necessary and convenient to carry out its purpose, but the MTA's powers are limited to those provided by statute.

Upon approval of a New Starts application, the MTA must begin the process of winding down and dissolving and must complete this process within 120 days. The SERTA then becomes the successor to the MTA. As part of the winding down of the MTA, the MTA's assets and liabilities become the assets and liabilities of the SERTA and the MTA's tangible personal property is transferred to the SERTA. In addition, the MTA's contracts are transferred to the SERTA, except that the MTA's contract with Milwaukee County to provide transit service in Milwaukee County terminates. Responsibility for providing transit service and transit planning in Milwaukee County is then assumed by the SERTA, which must provide transit service in Milwaukee County in the same manner applicable for Kenosha County and Racine County (discussed below).

The substitute amendment authorizes Milwaukee County to adopt an ordinance to impose a sales and use tax at the rate of 0.5 percent of the sales price or purchase price. If Milwaukee County imposes this tax, these tax revenues must be distributed to the MTA and Milwaukee County cannot levy property taxes for transit purposes. In addition, Milwaukee County must indicate on property tax bills the amount of the reduction in property taxes associated with this requirement to remove transit expenditures from the property tax levy. However, when the MTA is wound down and dissolved and responsibility for transit is assumed by SERTA, the tax revenues must be distributed to the SERTA.

This substitute amendment also makes significant changes relating to the SERTA, including the following:

1. The SERTA consists of both the counties and cities of Kenosha, Racine, and Milwaukee, not just the counties. The SERTA also includes any municipality within these counties that operates a transit system receiving state transit aids.

2. Beginning on January 1, 2011, the SERTA must assume responsibility for providing transit service and transit planning in Kenosha County and Racine County. When the MTA is wound down and dissolved (upon approval of a New Starts application), the SERTA also assumes responsibility for providing transit service and transit planning in Milwaukee County. The SERTA may also provide transit service outside its jurisdictional area if such transit service would benefit residents within the SERTA's jurisdictional area. In lieu of directly providing transit service, the SERTA may contract with existing transit providers for the provision of transit service. The SERTA can also acquire a transit system by entering into a transfer agreement with the owner of the system. If any county or municipality transfers assets to the SERTA, the SERTA must provide reasonable compensation for the

assets. The SERTA has all powers necessary and convenient to carry out these responsibilities, including the power to apply for and utilize state and federal funds.

3. If any county transfers sales tax revenues to the SERTA, the SERTA can expend these funds only in the county in which the revenues were generated and only for purposes of providing transit service or transit planning in that county. These funds cannot be expended for purposes related to the KRM commuter rail line.

4. The SERTA may use a portion of its rental car transaction fee, as well as state transit aids, to provide incentive funds to the cities of Kenosha and Racine. The SERTA must provide \$2,500,000 in incentive funds to each of the cities of Kenosha and Racine if the city commits to support the SERTA's provision of transit service, from city property tax revenues, at then-current operating levels and at inflation-adjusted future operating levels.

5. The SERTA must develop goals and criteria for increasing transit service, increasing connectivity among transit systems, and reducing passenger fare support for transit. The SERTA must evaluate success in achieving these goals and meeting these criteria.

6. The bonding limit for revenue bonds issued by SERTA is increased from \$50,000,000 to \$250,000,000. After January 1, 2011, the SERTA also has additional authority to use revenue bond proceeds for transit systems where the SERTA provides transit service.

7. A KRM commuter rail line cannot include a stop in any municipality in the SERTA's jurisdictional area unless the municipality has a sustainable mechanism to help fund local transit and the municipality is a member of the SERTA.

8. The SERTA is the only entity in southeast Wisconsin that may submit a New Starts application for funding for any purpose.

9. The substitute amendment clarifies that SERTA may operate the KRM commuter rail line itself or may contract for a rail service to operate the KRM commuter rail line.

The substitute amendment also includes the following relating to SERTA and the MTA:

1. The SERTA has authority to acquire property by condemnation.

2. Employees of the SERTA and of the MTA are participatory employees under the Wisconsin Retirement System (WRS) if the SERTA and the MTA, respectively, elect to join the WRS.

3. Employees of the MTA are covered by the Municipal Employment Relations Act (MERA). Employees of the SERTA are covered by MERA under current law. MERA provides that all matters relating to wages, hours, and conditions of employment are subject to collective bargaining and all municipal employees are expressly granted the right to self-organize and to bargain collectively through a representative of their choice.

4. The MTA is a "local governmental unit" for purposes of the prevailing wage and hour law. The SERTA is considered a "local governmental unit" under current law. Under current law, certain workers employed on a public works project contracted by a local governmental unit must be paid at the rate paid for a majority of the hours worked in the person's trade or occupation in the county in which the

project is located, as determined by the Department of Workforce Development, and may not be required or permitted to work more than ten hours per day and 40 hours per week, unless they are paid 1.5 times their basic rate of pay for all hours worked in excess of those hours.

5. MTA property is not subject to state and local property taxes. Current law already exempts SERTA property from such taxes.

6. The SERTA and the MTA are treated like municipalities, counties, and other political subdivisions for purposes of claims and liability resulting from the negligent operation of a motor vehicle and may participate in organizing municipal insurance mutuals to provide insurance and risk management services.

7. The SERTA can enter into intergovernmental cooperation contracts with other governmental units.

8. The SERTA is eligible for urban rail transit system grants from the Department of Transportation.

9. The MTA must provide copies of its annual and long-term transit plans to the SERTA as these plans become available.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

| | 2009-10 | 2010-11 |
|---|----------------|----------------|
| 20.395 Transportation, department of | | |
| (1) Aids | | |
| (hy) Tier A-4 transit operating aids, | | |
| state funds | SEG A | -0- -0- |

SECTION 2. 20.395 (1) (hy) of the statutes is created to read:

20.395 (1) (hy) *Tier A-4 transit operating aids, state funds.* The amounts in the schedule for mass transit aids under s. 85.20 (4m) (a) 6. f.

SECTION 3. 32.02 (11) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

1 32.02 (11) Any housing authority created under ss. 66.1201 to 66.1211;
2 redevelopment authority created under s. 66.1333; community development
3 authority created under s. 66.1335; local cultural arts district created under subch.
4 V of ch. 229, subject to s. 229.844 (4) (c); local exposition district created under subch.
5 II of ch. 229; ~~or~~ transit authority created under s. 66.1039; or the southeastern
6 regional transit authority under s. 59.58 (7).

7 **SECTION 4.** 32.05 (1) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
8 is amended to read:

9 32.05 (1) (a) Except as provided under par. (b), a county board of supervisors
10 or a county highway committee when so authorized by the county board of
11 supervisors, a city council, a village board, a town board, a sewerage commission
12 governing a metropolitan sewerage district created by ss. 200.05 or 200.21 to 200.65,
13 the secretary of transportation, a commission created by contract under s. 66.0301,
14 a joint local water authority created by contract under s. 66.0823, a transit authority
15 created under s. 66.1039, the southeastern regional transit authority under s. 59.58
16 (7), a housing authority under ss. 66.1201 to 66.1211, a local exposition district
17 created under subch. II of ch. 229, a local cultural arts district created under subch.
18 V of ch. 229, a redevelopment authority under s. 66.1333 or a community
19 development authority under s. 66.1335 shall make an order providing for the laying
20 out, relocation and improvement of the public highway, street, alley, storm and
21 sanitary sewers, watercourses, water transmission and distribution facilities, mass
22 transit facilities, airport, or other transportation facilities, gas or leachate extraction
23 systems to remedy environmental pollution from a solid waste disposal facility,
24 housing project, redevelopment project, cultural arts facilities, exposition center or
25 exposition center facilities which shall be known as the relocation order. This order

1 shall include a map or plat showing the old and new locations and the lands and
2 interests required. A copy of the order shall, within 20 days after its issue, be filed
3 with the county clerk of the county wherein the lands are located or, in lieu of filing
4 a copy of the order, a plat may be filed or recorded in accordance with s. 84.095.

5 **SECTION 5.** 32.07 (2) of the statutes, as affected by 2009 Wisconsin Act 28, is
6 amended to read:

7 32.07 (2) The petitioner shall determine necessity if application is by the state
8 or any commission, department, board or other branch of state government or by a
9 city, village, town, county, school district, board, commission, public officer,
10 commission created by contract under s. 66.0301, joint local water authority under
11 s. 66.0823, transit authority created under s. 66.1039, the southeastern regional
12 transit authority under s. 59.58 (7), redevelopment authority created under s.
13 66.1333, local exposition district created under subch. II of ch. 229, local cultural arts
14 district created under subch. V of ch. 229, housing authority created under ss.
15 66.1201 to 66.1211 or for the right-of-way of a railroad up to 100 feet in width, for
16 a telegraph, telephone or other electric line, for the right-of-way for a gas pipeline,
17 main or service or for easements for the construction of any elevated structure or
18 subway for railroad purposes.

19 **SECTION 6.** 40.02 (28) of the statutes, as affected by 2009 Wisconsin Act 28,
20 section 779, is amended to read:

21 40.02 (28) "Employer" means the state, including each state agency, any
22 county, city, village, town, school district, other governmental unit or
23 instrumentality of 2 or more units of government now existing or hereafter created
24 within the state, any federated public library system established under s. 43.19
25 whose territory lies within a single county with a population of 500,000 or more, a

1 local exposition district created under subch. II of ch. 229, a transit authority created
2 under s. 66.1038 or 66.1039, the southeastern regional transit authority under s.
3 59.58 (7), and a long-term care district created under s. 46.2895, except as provided
4 under ss. 40.51 (7) and 40.61 (3). “Employer” does not include a local cultural arts
5 district created under subch. V of ch. 229. Each employer shall be a separate legal
6 jurisdiction for OASDHI purposes.

7 **SECTION 7.** 59.58 (6) of the statutes, as affected by 2009 Wisconsin Act 28, is
8 repealed.

9 **SECTION 8.** 59.58 (7) (a) 1. of the statutes, as created by 2009 Wisconsin Act 28,
10 is amended to read:

11 59.58 (7) (a) 1. “Authority” Except as used in subd. 4., “authority” means the
12 southeastern regional transit authority created under this subsection.

13 **SECTION 9.** 59.58 (7) (a) 4. of the statutes is created to read:

14 59.58 (7) (a) 4. “Milwaukee Transit Authority” means the authority created
15 under s. 66.1038.

16 **SECTION 10.** 59.58 (7) (b) of the statutes, as created by 2009 Wisconsin Act 28,
17 is amended to read:

18 59.58 (7) (b) There is created the southeastern regional transit authority, a
19 public body corporate and politic and a separate governmental entity, consisting of
20 the counties and cities of Kenosha, Racine, and Milwaukee, as well as any other
21 municipality located within the counties of Kenosha, Racine, and Milwaukee that
22 operates a transit system receiving funding under s. 85.20. This authority may
23 transact business and exercise any powers granted to it under this subsection. The
24 jurisdictional area of this authority is the geographic area formed by the combined
25 territorial boundaries of the counties of Kenosha, Racine, and Milwaukee.

1 **SECTION 11.** 59.58 (7) (d) of the statutes, as created by 2009 Wisconsin Act 28,
2 is amended to read:

3 59.58 (7) (d) The Subject to par. (o) 2., the authority shall have all powers
4 necessary and convenient to plan, create, construct, operate, and manage a KRM
5 commuter rail line. The authority may operate the KRM commuter rail line itself
6 or may contract for a rail service to operate the KRM commuter rail line.

7 **SECTION 12.** 59.58 (7) (dm) of the statutes is created to read:

8 59.58 (7) (dm) A KRM commuter rail line may not include a stop in any
9 municipality in the authority's jurisdictional area unless the municipality in which
10 the stop is to be located has a sustainable mechanism to help fund local transit and
11 the municipality is a member of the authority.

12 **SECTION 13.** 59.58 (7) (e) 2. of the statutes, as created by 2009 Wisconsin Act
13 28, is amended to read:

14 59.58 (7) (e) 2. Retain Except as provided in subd. 3., retain the difference
15 between the amount of the fees imposed under subch. XIII of ch. 77 and the amount
16 of those fees retained under subd. 1. for expenditures related to the KRM commuter
17 rail line, including planning, construction, maintenance, operations, and
18 engineering expenditures.

19 **SECTION 14.** 59.58 (7) (e) 3. of the statutes is created to read:

20 59.58 (7) (e) 3. Provide incentive funds to the cities of Kenosha and Racine in
21 compliance with the requirements specified in par. (L).

22 **SECTION 15.** 59.58 (7) (f) 2. of the statutes, as created by 2009 Wisconsin Act
23 28, is amended to read:

24 59.58 (7) (f) 2. The Except as provided in par. (p), the authority may issue bonds
25 in an aggregate principal amount not to exceed ~~\$50,000,000~~ \$250,000,000, excluding

1 bonds issued to refund outstanding bonds issued under this subdivision, for the
2 purpose of providing funds for the anticipated local funding share required for
3 initiating KRM commuter rail line service.

4 **SECTION 16.** 59.58 (7) (f) 4. of the statutes, as created by 2009 Wisconsin Act
5 28, is amended to read:

6 59.58 (7) (f) 4. The bonds of the authority are not a debt of the counties or cities
7 that comprise the authority. Neither these counties, nor cities, nor the state are
8 liable for the payment of the bonds. The bonds of the authority shall be payable only
9 out of funds or properties of the authority. The bonds of the authority shall state the
10 restrictions contained in this subdivision on the face of the bonds.

11 **SECTION 17.** 59.58 (7) (g) of the statutes, as created by 2009 Wisconsin Act 28,
12 is amended to read:

13 59.58 (7) (g) All moneys transferred under s. 59.58 (6) (cg), 2007 stats., shall
14 be used by the authority to assist in the planning of the KRM commuter rail line
15 project.

16 **SECTION 18.** 59.58 (7) (i) of the statutes, as created by 2009 Wisconsin Act 28,
17 is amended to read:

18 59.58 (7) (i) The authority is the only entity in the counties of Milwaukee,
19 Racine, and Kenosha that may submit an application for funding to the federal
20 transit administration in the U.S. department of transportation under the federal
21 new starts grant program ~~for funding for the KRM commuter rail line.~~

22 **SECTION 19.** 59.58 (7) (j) of the statutes, as created by 2009 Wisconsin Act 28,
23 is amended to read:

24 59.58 (7) (j) The Milwaukee Transit Authority under s. 66.1038, and the
25 operator of any transit system in Kenosha County or Racine County receiving

1 funding under s. 85.20, shall provide copies of all of their annual and long-term
2 transit plans to the southeastern regional transit authority as these plans become
3 available.

4 **SECTION 20.** 59.58 (7) (k) of the statutes is created to read:

5 59.58 (7) (k) The authority shall develop goals and criteria for increasing
6 transit service, increasing connectivity among transit systems, and reducing
7 passenger fare support for transit. The authority shall evaluate success in achieving
8 these goals and meeting these criteria.

9 **SECTION 21.** 59.58 (7) (L) of the statutes is created to read:

10 59.58 (7) (L) From the fees identified in par. (e) and the aids received by the
11 authority under s. 85.20 (4m) (a) 6. f., the authority shall provide incentive funds to
12 the city of Kenosha and to the city of Racine, in the amount of \$2,500,000 for each
13 city, if the city commits to support the authority's provision of transit service, from
14 city property tax revenues, at then-current operating levels and at
15 inflation-adjusted future operating levels.

16 **SECTION 22.** 59.58 (7) (m) of the statutes is created to read:

17 59.58 (7) (m) Except as provided in par. (n), and notwithstanding s. 59.84 (2)
18 and any other provision of this chapter or ch. 66 or 85, beginning on January 1, 2011,
19 the authority shall assume responsibility for providing transit service and transit
20 planning within the jurisdictional area of the authority. The authority may also
21 provide transit service outside the authority's jurisdictional area if such transit
22 service would benefit residents within the authority's jurisdictional area. In lieu of
23 directly providing transit service, the authority may contract with existing transit
24 providers for the provision of transit service. An authority may also acquire a
25 comprehensive unified local transit system, as defined in s. 66.1039 (1) (d), by

1 entering into a transfer agreement with the owner of the system. The authority shall
2 have all powers necessary and convenient to carry out its responsibilities under this
3 paragraph, including the power to apply for and utilize state and federal funds.

4 **SECTION 23.** 59.58 (7) (n) of the statutes is created to read:

5 59.58 (7) (n) 1. The authority may not assume responsibility for providing
6 transit service and transit planning in Milwaukee County until approval of an
7 application as described in s. 66.1038 (7) (a). Within 120 days after the date of the
8 approval described in s. 66.1038 (7) (a), the authority shall assume responsibility for
9 providing transit service and transit planning in Milwaukee County under par. (m).

10 2. Upon approval of an application as described in s. 66.1038 (7) (a), the
11 authority shall assist the Milwaukee Transit Authority in the winding down process
12 described in s. 66.1038 (7) (a) and (b), including assisting in the orderly transfer of
13 assets and property to the southeastern regional transit authority.

14 **SECTION 24.** 59.58 (7) (o) of the statutes is created to read:

15 59.58 (7) (o) 1. If any county or municipality transfers assets to the authority,
16 the authority shall provide reasonable compensation to the county or municipality
17 for the value of the assets. For purposes of this subdivision, the value of an asset shall
18 be determined according to the depreciated value of the asset at the time of the
19 transfer, exclusive of the amount of any federal funds invested in the asset.

20 2. If any county transfers sales tax revenues to the authority, the authority may
21 expend these funds only in the county in which the revenues were generated and only
22 for purposes of providing transit service or transit planning within this county.
23 These funds may not be expended for purposes related to the KRM commuter rail
24 line. This subdivision does not prohibit the authority from using any available
25 revenues for payment of debt service on bonds issued under par. (f).

1 **SECTION 25.** 59.58 (7) (p) of the statutes is created to read:

2 59.58 (7) (p) After the authority assumes responsibility for providing transit
3 service under par. (m), in addition to the authorization under par. (f) 2., the authority
4 may use bond proceeds from the bonds issued under par. (f) for the construction of
5 new capital improvements to the authority's transit system or for the acquisition of
6 existing transit systems in any portion of the authority's jurisdictional area where
7 the authority provides transit service.

8 **SECTION 26.** 66.0301 (1) (a) of the statutes, as affected by 2009 Wisconsin Act
9 112, is amended to read:

10 66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section
11 "municipality" means the state or any department or agency thereof, or any city,
12 village, town, county, school district, public library system, public inland lake
13 protection and rehabilitation district, sanitary district, farm drainage district,
14 metropolitan sewerage district, sewer utility district, solid waste management
15 system created under s. 59.70 (2), local exposition district created under subch. II of
16 ch. 229, local professional baseball park district created under subch. III of ch. 229,
17 local professional football stadium district created under subch. IV of ch. 229, local
18 cultural arts district created under subch. V of ch. 229, transit authority created
19 under s. 66.1039, the southeastern regional transit authority under s. 59.58 (7),
20 long-term care district under s. 46.2895, water utility district, mosquito control
21 district, municipal electric company, county or city transit commission, commission
22 created by contract under this section, taxation district, regional planning
23 commission, housing authority created under s. 66.1201, redevelopment authority
24 created under s. 66.1333, community development authority created under s.
25 66.1335, or city-county health department.

1 **SECTION 27.** 66.0903 (1) (d) of the statutes, as affected by 2009 Wisconsin Act
2 28, is amended to read:

3 66.0903 (1) (d) “Local governmental unit” means a political subdivision of this
4 state, a special purpose district in this state, an instrumentality or corporation of
5 such a political subdivision or special purpose district, a combination or subunit of
6 any of the foregoing or an instrumentality of the state and any of the foregoing.
7 “Local governmental unit” includes a regional transit authority created under s.
8 66.1039, the Milwaukee Transit Authority created under s. 66.1038, and the
9 southeastern regional transit authority created under s. 59.58 (7).

10 **SECTION 28.** 66.1038 of the statutes is created to read:

11 **66.1038 Milwaukee Transit Authority. (1) DEFINITIONS.** In this section:

12 (a) Except as used in par. (c), “authority” means the Milwaukee Transit
13 Authority created under this section.

14 (b) “KRM commuter rail line” has the meaning given in s. 59.58 (7) (a) 3.

15 (c) “Southeastern regional transit authority” means the southeastern regional
16 transit authority created under s. 59.58 (7).

17 **(2) CREATION.** There is created a Milwaukee Transit Authority, a public body
18 corporate and politic and a separate governmental entity. The authority may
19 transact business and exercise any powers granted to it under this section. The
20 jurisdictional area of this authority is the geographic area formed by the territorial
21 boundaries of Milwaukee County.

22 **(3) GOVERNANCE.** (a) The powers of the authority shall be vested in its board
23 of directors. Directors shall be appointed for 2-year terms. A majority of the board
24 of directors’ full authorized membership constitutes a quorum for the purpose of
25 conducting the authority’s business and exercising its powers. Action may be taken

1 by the board of directors upon a vote of a majority of the directors present and voting,
2 unless the bylaws of the authority require a larger number.

3 (b) The board of directors of the authority consists of the following members:

4 1. Two members from the authority's jurisdictional area, appointed by the
5 Milwaukee County board chairperson.

6 2. One member from that portion of the authority's jurisdictional area that is
7 outside the city of Milwaukee, appointed by the Milwaukee County board
8 chairperson.

9 3. One member, appointed by the mayor of the city of Milwaukee.

10 4. One member from the authority's jurisdictional area, appointed by the
11 governor.

12 (c) The bylaws of the authority shall govern its management, operations, and
13 administration, consistent with the provisions of this section.

14 **(4) POWERS.** (a) Notwithstanding s. 59.84 (2) and any other provision of this
15 chapter or ch. 59 or 85, but subject to sub. (7), the authority and the Milwaukee
16 County board shall contract for the authority to provide, beginning on January 1,
17 2011, transit service and transit planning in Milwaukee County. The authority shall
18 have all powers necessary and convenient to carry out this purpose. The authority's
19 powers shall be limited to those specified in this section.

20 (b) The authority may receive the tax revenues authorized under s. 77.70 (2).

21 (c) If the authority acquires assets from Milwaukee County, the authority shall
22 reimburse Milwaukee County for its investment in those assets, minus depreciation
23 on the assets at the time of transfer and any amount of federal funds invested in the
24 assets.

1 **(5) BUDGETS; REVENUES; AUDIT.** The board of directors of the authority shall
2 annually prepare a budget for the authority. Revenues of the authority shall be used
3 only for the expenses and specific purposes of the authority. The authority shall
4 maintain an accounting system in accordance with generally accepted accounting
5 principles and shall have its financial statements audited annually by an
6 independent certified public accountant.

7 **(6) OTHER STATUTES.** This section does not limit the powers of political
8 subdivisions to enter into intergovernmental cooperation or contracts or to establish
9 separate legal entities under s. 66.0301 or 66.1021 or any other applicable law, or
10 otherwise to carry out their powers under applicable statutory provisions. Section
11 66.0803 (2) does not apply to the authority.

12 **(7) SUNSET AND TRANSITION.** (a) Upon approval by the federal transit
13 administration in the U.S. department of transportation of an application under the
14 federal new starts grant program for funding for the KRM commuter rail line, the
15 authority shall begin the process of winding down and dissolving, including taking
16 those actions specified in par. (b), and shall complete this process no later than 120
17 days after the date of the approval. The authority terminates on the 120th day after
18 the date of the approval.

19 (b) Upon approval of an application as described in par. (a) and the winding
20 down and dissolution of the authority under this subsection, the southeastern
21 regional transit authority shall become the successor to the authority. The board of
22 directors of the authority shall assist in good faith in the transition from the
23 authority to the southeastern regional transit authority. As part of the authority's
24 winding down process, all of the following shall occur:

1 1. The assets and liabilities of the authority shall become the assets and
2 liabilities of the southeastern regional transit authority.

3 2. All tangible personal property, including records, of the authority shall be
4 transferred to the southeastern regional transit authority.

5 3. All contracts entered into by the authority, in effect at the time of winding
6 down the authority, remain in effect and are transferred to the southeastern regional
7 transit authority. The southeastern regional transit authority shall carry out any
8 obligations under such a contract until the contract is modified or rescinded by the
9 southeastern regional transit authority to the extent allowed under the contract.
10 This subdivision does not apply to the contract specified in par. (c).

11 (c) The contract between the authority and the Milwaukee County board under
12 sub. (4) shall require that, as part of the winding down and dissolution of the
13 authority under this subsection, the contract will terminate and responsibility for
14 providing transit service and transit planning in Milwaukee County will thereafter
15 be assumed by the southeastern regional transit authority under s. 59.58 (7) (m) and
16 (n).

17 **SECTION 29.** 70.11 (2) of the statutes, as affected by 2009 Wisconsin Act 28, is
18 amended to read:

19 70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.
20 Property owned by any county, city, village, town, school district, technical college
21 district, public inland lake protection and rehabilitation district, metropolitan
22 sewerage district, municipal water district created under s. 198.22, joint local water
23 authority created under s. 66.0823, transit authority created under s. 59.58 (7),
24 66.1038, or 66.1039, long-term care district under s. 46.2895 or town sanitary
25 district; lands belonging to cities of any other state used for public parks; land

1 tax-deeded to any county or city before January 2; but any residence located upon
2 property owned by the county for park purposes that is rented out by the county for
3 a nonpark purpose shall not be exempt from taxation. Except as to land acquired
4 under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after
5 August 17, 1961, to any such governmental unit or for its benefit while the grantor
6 or others for his or her benefit are permitted to occupy the land or part thereof in
7 consideration for the conveyance. Leasing the property exempt under this
8 subsection, regardless of the lessee and the use of the leasehold income, does not
9 render that property taxable.

10 **SECTION 30.** 71.26 (1) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
11 is amended to read:

12 71.26 (1) (b) *Political units.* Income received by the United States, the state
13 and all counties, cities, villages, towns, school districts, technical college districts,
14 joint local water authorities created under s. 66.0823, transit authorities created
15 under s. 59.58 (7), 66.1038, or 66.1039, long-term care districts under s. 46.2895 or
16 other political units of this state.

17 **SECTION 31.** 74.09 (3) (gd) of the statutes is created to read:

18 74.09 (3) (gd) For Milwaukee County, if it imposes a sales and use tax under
19 s. 77.70 (2), indicate the amount of the reduction in property taxes associated with
20 the requirement under s. 77.70 (2) to remove transit expenditures from the property
21 tax levy.

22 **SECTION 32.** 77.54 (9a) (er) of the statutes, as affected by 2009 Wisconsin Act
23 28, is amended to read:

24 77.54 (9a) (er) Any transit authority created under s. 59.58 (7), 66.1038, or
25 66.1039.

1 **SECTION 33.** 77.70 (2) of the statutes is created to read:

2 77.70 (2) In addition to the taxes imposed under sub. (1), Milwaukee County
3 may adopt an ordinance to impose a sales and use tax under this subchapter at the
4 rate of 0.5 percent of the sales price or purchase price. The taxes may be imposed only
5 in their entirety. If Milwaukee County imposes the taxes under this subsection, it
6 shall not levy property taxes for transit purposes. If Milwaukee County imposes the
7 taxes under this subsection, it shall distribute the tax revenue to the Milwaukee
8 Transit Authority created under s. 66.1038, except that, upon approval of an
9 application as described in s. 66.1038 (7) (a), it shall distribute the tax revenue to the
10 southeastern regional transit authority created under s. 59.58 (7). An ordinance
11 adopted under this subsection shall be effective on the first day of January, the first
12 day of April, the first day of July, or the first day of October. A certified copy of that
13 ordinance shall be delivered to the secretary of revenue at least 120 days prior to its
14 effective date. The repeal of any such ordinance shall be effective on December 31.
15 A certified copy of a repeal ordinance shall be delivered to the secretary of revenue
16 at least 120 days before the effective date of the repeal.

17 **SECTION 34.** 85.063 (3) (b) 1. of the statutes, as affected by 2009 Wisconsin Act
18 28, is amended to read:

19 85.063 (3) (b) 1. Upon completion of a planning study under sub. (2), or, to the
20 satisfaction of the department, of a study under s. 85.022, a political subdivision in
21 a county, ~~or a transit authority created under s. 66.1039, or the southeastern regional~~
22 transit authority under s. 59.58 (7), that includes the urban area may apply to the
23 department for a grant for property acquisition for an urban rail transit system.

24 **SECTION 35.** 85.20 (4m) (a) (intro.) of the statutes, as affected by 2009 Wisconsin
25 Act 28, is amended to read:

1 85.20 (4m) (a) (intro.) The department shall pay annually to the eligible
2 applicant described in subd. 6. cm. the amount of aid specified in subd. 6. cm. The
3 department shall pay annually to the eligible applicant described in subd. 6. d. the
4 amount of aid specified in subd. 6. d. The department shall allocate an amount to
5 each eligible applicant described in subd. 6. e., 6. f., 7., or 8. to ensure that the sum
6 of state and federal aids for the projected operating expenses of each eligible
7 applicant's urban mass transit system is equal to a uniform percentage, established
8 by the department, of the projected operating expenses of the mass transit system
9 for the calendar year. The department shall make allocations as follows:

10 **SECTION 36.** 85.20 (4m) (a) 6. e. of the statutes, as created by 2009 Wisconsin
11 Act 28, is amended to read:

12 85.20 (4m) (a) 6. e. From the appropriation under s. 20.395 (1) (hw), the
13 department may pay the uniform percentage for each eligible applicant for a planned
14 commuter or light rail system that has been enumerated under s. 85.062 (3). An
15 eligible applicant may not receive aid under subd. 6. cm. or d., 7., or 8. for a commuter
16 rail or light rail transit system.

17 **SECTION 37.** 85.20 (4m) (a) 6. f. of the statutes is created to read:

18 85.20 (4m) (a) 6. f. From the appropriation under s. 20.395 (1) (hy), the
19 department may pay the uniform percentage for each eligible applicant for making
20 payments under s. 59.58 (7) (L).

21 **SECTION 38.** 85.20 (4s) of the statutes, as affected by 2009 Wisconsin Act 28,
22 is amended to read:

23 85.20 (4s) **PAYMENT OF AIDS UNDER THE CONTRACT.** The contracts executed
24 between the department and eligible applicants under this section shall provide that
25 the payment of the state aid allocation under sub. (4m) (a) for the last quarter of the

1 state's fiscal year shall be provided from the following fiscal year's appropriation
2 under s. 20.395 (1) (hr), (hs), (ht), (hu), ~~or~~ (hw), or (hy).

3 **SECTION 39.** 111.70 (1) (j) of the statutes, as affected by 2009 Wisconsin Act 28,
4 is amended to read:

5 111.70 (1) (j) "Municipal employer" means any city, county, village, town,
6 metropolitan sewerage district, school district, long-term care district, transit
7 authority under s. 59.58 (7), 66.1038, or 66.1039, or any other political subdivision
8 of the state, or instrumentality of one or more political subdivisions of the state, that
9 engages the services of an employee and includes any person acting on behalf of a
10 municipal employer within the scope of the person's authority, express or implied,
11 but specifically does not include a local cultural arts district created under subch. V
12 of ch. 229.

13 **SECTION 40.** 345.05 (1) (ag) of the statutes, as created by 2009 Wisconsin Act
14 28, is amended to read:

15 345.05 (1) (ag) "Authority" means a transit authority created under s. 66.1038
16 or 66.1039 and the southeastern regional transit authority under s. 59.58 (7).

17 **SECTION 41.** 611.11 (4) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
18 is amended to read:

19 611.11 (4) (a) In this subsection, "municipality" has the meaning given in s.
20 345.05 (1) (c), but also includes any transit authority created under s. 66.1038 or
21 66.1039 and the southeastern regional transit authority under s. 59.58 (7).

22 (END)