



**ASSEMBLY SUBSTITUTE AMENDMENT 2,  
TO 2009 ASSEMBLY BILL 723**

March 15, 2010 – Offered by Representatives MASON, GRIGSBY, SINICKI and ZEPNICK.

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.

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***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 allows the Milwaukee County board to create a Milwaukee Transit Authority (MTA), a public body corporate and politic and a separate governmental entity. Once created, 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.

Upon creation, the MTA and the Milwaukee County board must contract for the MTA to provide, beginning on January 1, 2011, or as soon after creation of the MTA as is reasonably feasible, whichever is later, transit service and transit planning in Milwaukee County. The MTA must be provided sales and use tax revenues from Milwaukee County (discussed below). 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.

If the MTA is created, then 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).

If Milwaukee County creates an MTA, the substitute amendment requires Milwaukee County to also adopt an ordinance to impose a sales and use tax at the rate of 0.5 percent of the sales price or purchase price. 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. If an MTA is created and then 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. 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, if created:

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:

	<b>2009-10</b>	<b>2010-11</b>
<b>20.395 Transportation, department of</b>		
(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 an 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), 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 operator of any transit system in Kenosha County or Racine  
25 County receiving funding under s. 85.20, and the Milwaukee Transit Authority if

1 created under s. 66.1038, 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 all of the following  
7 occur:

8 a. A Milwaukee Transit Authority is created as provided in s. 66.1038 (2).

9 b. Until approval of an application as described in s. 66.1038 (7) (a).

10 2. When the last of the conditions specified in subd. 1. occurs, the authority  
11 shall do all of the following:

12 a. Assist the Milwaukee Transit Authority in the winding down process  
13 described in s. 66.1038 (7) (a) and (b), including assisting in the orderly transfer of  
14 assets and property to the southeastern regional transit authority.

15 b. Within 120 days thereafter, assume responsibility for providing transit  
16 service and transit planning in Milwaukee County under par. (m).

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

18 59.58 (7) (o) If any county transfers sales tax revenues to the authority, the  
19 authority may expend these funds only in the county in which the revenues were  
20 generated and only for purposes of providing transit service or transit planning  
21 within this county. These funds may not be expended for purposes related to the  
22 KRM commuter rail line. This paragraph does not prohibit the authority from using  
23 any available revenues for payment of debt service on bonds issued under par. (f) that  
24 were issued for purposes consistent with this paragraph.

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

1           59.58 (7) (p) After the authority assumes responsibility for providing transit  
2 service under par. (m), in addition to the authorization under par. (f) 2., the authority  
3 may use bond proceeds from the bonds issued under par. (f) for the construction of  
4 new capital improvements to the authority's transit system or for the acquisition of  
5 existing transit systems in any portion of the authority's jurisdictional area where  
6 the authority provides transit service.

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

9           66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section  
10 "municipality" means the state or any department or agency thereof, or any city,  
11 village, town, county, school district, public library system, public inland lake  
12 protection and rehabilitation district, sanitary district, farm drainage district,  
13 metropolitan sewerage district, sewer utility district, solid waste management  
14 system created under s. 59.70 (2), local exposition district created under subch. II of  
15 ch. 229, local professional baseball park district created under subch. III of ch. 229,  
16 local professional football stadium district created under subch. IV of ch. 229, local  
17 cultural arts district created under subch. V of ch. 229, transit authority created  
18 under s. 66.1039, the southeastern regional transit authority under s. 59.58 (7),  
19 long-term care district under s. 46.2895, water utility district, mosquito control  
20 district, municipal electric company, county or city transit commission, commission  
21 created by contract under this section, taxation district, regional planning  
22 commission, housing authority created under s. 66.1201, redevelopment authority  
23 created under s. 66.1333, community development authority created under s.  
24 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 a Milwaukee Transit Authority  
13 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.** Subject to the tax imposition requirement of s. 77.70 (2), the  
18 Milwaukee County board may create a Milwaukee Transit Authority, a public body  
19 corporate and politic and a separate governmental entity. Once created, the  
20 authority may transact business and exercise any powers granted to it under this  
21 section. The jurisdictional area of this authority is the geographic area formed by  
22 the territorial boundaries of Milwaukee County.

23           **(3) GOVERNANCE.** (a) Upon creation, the powers of the authority shall be vested  
24 in its board of directors. Directors shall be appointed for 2-year terms. A majority  
25 of the board of directors’ full authorized membership constitutes a quorum for the



1 purpose of conducting the authority's business and exercising its powers. Action may  
2 be taken by the board of directors upon a vote of a majority of the directors present  
3 and voting, unless the bylaws of the authority require a larger number.

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

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

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

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

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

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

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

22 (b) The authority shall be provided the tax revenues imposed under s. 77.70 (2).

23 **(5) BUDGETS; REVENUES; AUDIT.** The board of directors of the authority shall  
24 annually prepare a budget for the authority. Revenues of the authority shall be used  
25 only for the expenses and specific purposes of the authority. The authority shall

1 maintain an accounting system in accordance with generally accepted accounting  
2 principles and shall have its financial statements audited annually by an  
3 independent certified public accountant.

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

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

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

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

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

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

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

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

15           70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.  
16 Property owned by any county, city, village, town, school district, technical college  
17 district, public inland lake protection and rehabilitation district, metropolitan  
18 sewerage district, municipal water district created under s. 198.22, joint local water  
19 authority created under s. 66.0823, transit authority created under s. 59.58 (7),  
20 66.1038, or 66.1039, long-term care district under s. 46.2895 or town sanitary  
21 district; lands belonging to cities of any other state used for public parks; land  
22 tax-deeded to any county or city before January 2; but any residence located upon  
23 property owned by the county for park purposes that is rented out by the county for  
24 a nonpark purpose shall not be exempt from taxation. Except as to land acquired  
25 under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after

1 August 17, 1961, to any such governmental unit or for its benefit while the grantor  
2 or others for his or her benefit are permitted to occupy the land or part thereof in  
3 consideration for the conveyance. Leasing the property exempt under this  
4 subsection, regardless of the lessee and the use of the leasehold income, does not  
5 render that property taxable.

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

8 71.26 (1) (b) *Political units.* Income received by the United States, the state  
9 and all counties, cities, villages, towns, school districts, technical college districts,  
10 joint local water authorities created under s. 66.0823, transit authorities created  
11 under s. 59.58 (7), ~~66.1038~~, or 66.1039, long-term care districts under s. 46.2895 or  
12 other political units of this state.

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

14 74.09 (3) (gd) For Milwaukee County, if it imposes a sales and use tax under  
15 s. 77.70 (2), indicate the amount of the reduction in property taxes associated with  
16 the requirement under s. 77.70 (2) to remove transit expenditures from the property  
17 tax levy.

18 **SECTION 32.** 77.54 (9a) (er) of the statutes, as affected by 2009 Wisconsin Act  
19 28, is amended to read:

20 77.54 (9a) (er) Any transit authority created under s. 59.58 (7), ~~66.1038~~, or  
21 66.1039.

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

23 77.70 (2) In addition to the taxes imposed under sub. (1), if the Milwaukee  
24 County board creates a Milwaukee Transit Authority as provided in s. 66.1038 (2),  
25 the Milwaukee County board shall adopt an ordinance to impose a sales and use tax

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

15 **SECTION 34.** 85.063 (3) (b) 1. of the statutes, as affected by 2009 Wisconsin Act  
16 28, is amended to read:

17 85.063 (3) (b) 1. Upon completion of a planning study under sub. (2), or, to the  
18 satisfaction of the department, of a study under s. 85.022, a political subdivision in  
19 a county, ~~or~~ a transit authority created under s. 66.1039, or the southeastern regional  
20 transit authority under s. 59.58 (7), that includes the urban area may apply to the  
21 department for a grant for property acquisition for an urban rail transit system.

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

24 85.20 (4m) (a) (intro.) The department shall pay annually to the eligible  
25 applicant described in subd. 6. cm. the amount of aid specified in subd. 6. cm. The

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

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

10 85.20 (~~4m~~) (a) 6. e. From the appropriation under s. 20.395 (1) (hw), the  
11 department may pay the uniform percentage for each eligible applicant for a planned  
12 commuter or light rail system that has been enumerated under s. 85.062 (3). An  
13 eligible applicant may not receive aid under subd. 6. cm. or d., 7., or 8. for a commuter  
14 rail or light rail transit system.

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

16 85.20 (~~4m~~) (a) 6. f. From the appropriation under s. 20.395 (1) (hy), the  
17 department may pay the uniform percentage for each eligible applicant for making  
18 payments under s. 59.58 (7) (L).

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

21 85.20 (~~4s~~) PAYMENT OF AIDS UNDER THE CONTRACT. The contracts executed  
22 between the department and eligible applicants under this section shall provide that  
23 the payment of the state aid allocation under sub. (4m) (a) for the last quarter of the  
24 state's fiscal year shall be provided from the following fiscal year's appropriation  
25 under s. 20.395 (1) (hr), (hs), (ht), (hu), ~~or~~ (hw), or (hy).



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

3           111.70 (1) (j) “Municipal employer” means any city, county, village, town,  
4           metropolitan sewerage district, school district, long-term care district, transit  
5           authority under s. 59.58 (7), 66.1038, or 66.1039, or any other political subdivision  
6           of the state, or instrumentality of one or more political subdivisions of the state, that  
7           engages the services of an employee and includes any person acting on behalf of a  
8           municipal employer within the scope of the person’s authority, express or implied,  
9           but specifically does not include a local cultural arts district created under subch. V  
10          of ch. 229.

11          **SECTION 40.** 345.05 (1) (ag) of the statutes, as created by 2009 Wisconsin Act  
12          28, is amended to read:

13          345.05 (1) (ag) “Authority” means a transit authority created under s. 66.1038  
14          or 66.1039 and the southeastern regional transit authority under s. 59.58 (7).

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

17          611.11 (4) (a) In this subsection, “municipality” has the meaning given in s.  
18          345.05 (1) (c), but also includes any transit authority created under s. 66.1038 or  
19          66.1039 and the southeastern regional transit authority under s. 59.58 (7).

20

(END)