

REGIONAL TRANSIT AUTHORITIES

Budget Change Item

1. REGIONAL TRANSIT AUTHORITIES

Governor: Provide local units of government in southeastern Wisconsin, Dane County, urbanized Fox Cities, and certain other metropolitan areas the authority to create a regional transportation authority (RTA) for these areas.

Provisions Specific to Individual RTAs

The following provisions pertain specifically to each of the individual RTAs that could be created under the bill.

Southeast Regional Transit Authority

Creation and Jurisdiction. Specify that a Southeast RTA, a public body corporate and politic and a separate governmental entity, would be created if the governing body of Milwaukee County or Kenosha County, or of any municipality located in whole or in part within that portion of Racine County east of I-94, adopts a resolution authorizing the county or municipality to become a member of the authority. Require that if either Milwaukee County or Kenosha County adopts a resolution to be a member of the Southeast RTA, any municipality located in whole or in part within Milwaukee County or Kenosha County, respectively, would be a member of the authority.

Provide that once a Southeast RTA is created, any of the following counties or municipalities may join the RTA if they have not already done so and if their governing body adopts a resolution to join the RTA: (a) Kenosha, Milwaukee, Ozaukee, Racine, Washington, or Waukesha counties (a county's joinder would apply to the entire geographic area of the county); (b) any municipality located in whole or in part within that portion of Racine County east of I-94; or (c) any municipality located in whole or in part within Ozaukee, Washington, or Waukesha counties, provided that the RTA board approves the joinder. Under these provisions, a municipality in Ozaukee, Racine (the part east of I-94), Washington, or Waukesha County could choose to join the Southeast RTA regardless of whether or not the county has joined. However, the municipalities in any county that joins the RTA would become part of the RTA's jurisdictional area.

Specify that the jurisdictional area of the Southeast RTA would consist of the geographic area formed by the combined territorial boundaries of the counties and municipalities that authorize a resolution to create a Southeast RTA and of those that adopt a resolution to join the Southeast RTA.

Governance. Specify that the board of directors of the Southeast RTA would consist of the following members who, unless noted otherwise, would serve four-year terms:

a. If Kenosha County adopts a resolution to create or join the RTA, one member from Kenosha County, to be appointed by the county executive and approved by the county board, and one member, whose initial term would be two years, from the City of Kenosha, appointed by the mayor and approved by the common council.

b. If Milwaukee County adopts a resolution to create or join the RTA, one member from Milwaukee County, to be appointed by the county executive and approved by the county board, and one member, whose initial term would be two years, from the City of Milwaukee, to be appointed by the mayor and approved by the common council.

c. If the City of Racine adopts a resolution to create or join the RTA, one member from the City of Racine, to be appointed by the mayor and approved by the common council.

d. Two members, one of whom would have an initial term of two years, from the jurisdictional area of the authority, to be appointed by the Governor. Specify that if Milwaukee County adopts a resolution to create or join the RTA, one of these appointees, for any term commencing after the county has adopted the resolution, would have to be from Milwaukee County.

e. One member each from Ozaukee, Washington, and Waukesha counties if the county joins the Southeast RTA, to be appointed by the county executive of the county and approved by the county board. (Racine County would also be allowed to join an existing RTA under the bill, but would not have a member on the RTA Board under this provision. DOA indicates that it intended for Racine County to have a board member if it joins the Southeast RTA). Specify that if the county does not have an elected county executive, the member would be appointed by the county board chairperson and approved by the county board.

f. One member to be appointed by the mayor and approved by the common council of each city in Ozaukee, Washington, or Waukesha counties with a population of more than 60,000 that either adopts a resolution to join the southeast RTA or is located in a county that has joined the RTA. Based on current populations, only the City of Waukesha could have a member under this provision.

Kenosha-Racine-Milwaukee (KRM) Commuter Rail Project. Require that no later than one year after the creation of a Southeast RTA, the authority would have to submit an application to the Federal Transit Administration to enter the preliminary engineering phase of the federal new starts grant program for the KRM commuter rail link.

Dane County Regional Transit Authority

Creation and Jurisdiction. Specify that the Dane County RTA, a public body corporate and politic and a separate governmental entity, would be created if the governing body of Dane County adopts a resolution authorizing the county to become a member of the authority. If Dane County creates an RTA, all municipalities located in whole or in part within the Madison metropolitan planning area would be members of the authority. In addition, any municipality located in whole or in part within Dane County, that is not located in whole or in part within the Madison metropolitan planning area, may join the Dane County RTA if the governing body of the

municipality adopts a resolution to join the authority and the RTA Board approves the municipality's request to join the RTA.

Specify that the jurisdictional area of the Dane County RTA would be the geographic area formed by the Madison metropolitan planning area combined with the territorial boundaries of all municipalities that adopt a resolution to join the authority. Municipalities currently located wholly or partly in the Madison metropolitan planning area include: (a) the cities of Fitchburg, Madison, Middleton, Monona, Stoughton, Sun Prairie, and Verona; (b) the villages of Cottage Grove, Cross Plains, DeForest, Maple Bluff, McFarland, Oregon, Shorewood Hills, Waunakee, and Windsor; and (c) the towns of Blooming Grove, Burke, Dunn, Middleton, Westport, and a portion of the towns of Berry, Bristol, Cottage Grove, Cross Plains, Dunkirk, Oregon, Pleasant Springs, Rutland, Springfield, Sun Prairie, Verona, and Vienna.

Governance. Specify that the board of directors of the Dane County RTA would consist of the following members who, unless noted otherwise, would serve four-year terms:

a. Two members from the Madison metropolitan planning area, both of whom would have an initial term of two years, to be appointed by the county executive and approved by the county board.

b. Two members appointed by the mayor of the City of Madison and approved by the common council.

c. One member appointed by the Governor.

d. One member from each city with a population of more than 20,000 located in Dane County, whose initial terms would be two years, and who would be appointed by the mayor and approved by the common council of each city. Based on current population estimates this provision would apply to the cities of Fitchburg, Madison, and Sun Prairie. (DOA indicates that it did not intend for the City of Madison to have an additional board member under this provision).

Fox Cities Regional Transit Authority

Creation and Jurisdiction. Create a Fox Cities RTA, a public body corporate and politic and a separate governmental entity, that would consist of Calumet, Outagamie, and Winnebago counties and any municipality located in whole or in part within the urbanized Fox Cities metropolitan planning area (unlike the other two RTAs, the creation of the Fox Cities RTA would be automatic). In addition, specify that any municipality located in whole or in part within Calumet, Outagamie, or Winnebago counties, that is not located in whole or in part within the urbanized Fox Cities metropolitan planning area, could join the RTA if the governing body of the municipality adopts a resolution to join the authority and the RTA Board approves the municipality's request to join the RTA.

Specify that the jurisdictional area of the Fox Cities RTA would be the geographic area formed by the urbanized Fox Cities metropolitan planning area combined with the territorial boundaries of all municipalities that adopt a resolution to join the authority. Municipalities currently located wholly or partly in the urbanized Fox Cities metropolitan planning area include:

(a) the cities of Appleton, Kaukauna, Menasha, and Neenah; (b) the villages of Combined Locks, and Kimberly; and (c) the towns of Buchanan, Grand Chute, Greenville, Harrison, Kaukauna, Menasha (now the Village of Fox Crossing), Neenah, and Vandebroek.

Governance. Specify that the board of directors of the Fox Cities RTA would consist of the following members who, unless noted otherwise, would serve four-year terms:

a. One member each from Calumet, Outagamie, and Winnebago counties, appointed by the county executive of each county and approved by the county board. If the county does not have an elected county executive, the member would be appointed by the county board chairperson and approved by the county board. Specify that the terms of the initial appointments of these members would expire on June 30, 2025.

b. One member each from the cities of Appleton and Neenah, appointed by the mayor of each city and approved by the common council. Specify that the terms of the initial appointments of these members would expire on June 30, 2027.

c. One member from the town of Grand Chute, appointed by the town board chairperson and approved by the town board. Specify that the term of the initial appointment of this member would expire on June 30, 2027.

d. One member appointed by the Governor. Specify that the term of the initial appointment of this member would expire on June 30, 2027.

e. One member that would follow a rotating order of succession and, after June 30, 2031, the same order and same selection process would be repeated. The rotating membership order and selection process would be as follows:

- a member from the Town of Menasha (now the Village of Fox Crossing), appointed by the town board chairperson and approved by the town board for a term commencing on the effective date of the budget act and expiring on June 30, 2027; and

- a member from the City of Menasha, appointed by the mayor and approved by the common council for a term beginning on July 1, 2027, and expiring on June 30, 2031.

g. One member that would follow a rotating order of succession and, after June 30, 2039, the same order and selection process would be repeated. The rotating membership order and selection process would be as follows:

- a member from the City of Kaukauna, appointed by the mayor and approved by the common council for a term commencing on the effective date of the budget act and expiring on June 30, 2027;

- a member from the Village of Kimberly, appointed by the village president and approved by the village board, for a term commencing on July 1, 2027, and expiring on June 30, 2031;

- a member from the Village of Little Chute, appointed by the village president and approved by the village board, for a term commencing on July 1, 2031, and expiring on June 30, 2035; and

- a member from the Town of Buchanan, appointed by the town board chairperson and approved by the town board, for a term commencing on July 1, 2035, and expiring on June 30, 2039.

Metropolitan Area Regional Transit Authorities

Creation and Jurisdiction. Specify that any two 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 to become a member of the authority and all the resolutions are identical to each other. Specify that, once created, the members of the RTA must consist of all political subdivisions that adopt resolutions. Once created, the authority may transact business and exercise any powers granted to it under this provision.

Specify that, after an RTA is created, 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. Specify that the jurisdictional area of an RTA created is the geographic area formed by the combined territorial boundaries of all participating political subdivisions of the authority.

Specify that a political subdivision may not create or join a metropolitan area regional transit authority if the political subdivision is, or is located in whole or in part within, Calumet County, Dane County, Kenosha County, Milwaukee County, Outagamie County, Racine County, or Winnebago County or if the political subdivision is eligible to join any authority authorized under this provision.

Define "metropolitan area" to mean a metropolitan statistical area as designated by the U.S. office of management and budget. The following are the names of the metropolitan statistical areas in Wisconsin that do not include Calumet County, Dane County, Kenosha County, Milwaukee County, Outagamie County, Racine County, or Winnebago County: Eau Claire, Fond du Lac, Green Bay, Janesville-Beloit, Sheboygan, and Wausau.

Governance. Specify that the board of directors of a metropolitan area regional transit authority consists of the following members: (a) 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; (b) 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; (c) one member appointed by the governor; and (d) no more than two members from participating municipalities other than those previously identified, 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 board members under this provision, the bylaws of the authority must specify a method by which the members must rotate among the participating political subdivisions under this provision.

The bylaws of an authority must govern its management, operations, and administration, consistent with this provision, and must include provisions specifying all of the following: (a) the functions or services to be provided by the authority; (b) the powers, duties, and limitations of the authority; and (c) the maximum rate of the sales and use taxes that may be imposed by the authority, not to exceed 0.5%.

General Provisions

The following provisions would apply to each of the RTA districts created under the bill.

Governance of RTA Districts

Provide that, once created, an RTA would have the authority to transact business and exercise any powers granted to it under the bill. Specify that the powers of an authority would be vested in its board of directors and that: (a) a majority of the board's full authorized membership would constitute a quorum for the purpose of conducting the authority's business and exercising its powers; and (b) any action may be taken by the board upon a vote of a majority of the directors present and voting, unless the bylaws of the authority require a larger number.

Specify that the bylaws of an authority would govern its management, operations, and administration, consistent with the provisions under the bill, and that the bylaws must include provisions that specify all of the following: (a) the functions or services to be provided by the authority; (b) the powers, duties, and limitations of the authority; and (c) the maximum rate of the sales and use taxes that may be imposed by the RTA, which could not exceed a statutory maximum rate of 0.5%.

Imposition of Taxes

Provide an RTA board the authority to impose, by the adoption of a resolution, a sales tax and a use tax at a rate not to exceed 0.5% of the gross receipts or sales price. Specify that the taxes would be imposed on the same base of products and services as the state and county sales and use taxes. The sales and use tax imposition, collection, reporting, transition, and motor vehicle registration provisions that apply to the county sales and use taxes would also apply to the taxes imposed by the authority. Specify that a resolution imposing the taxes would 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 (DOR).

Provide that an RTA may, by adoption of a resolution, repeal the imposition of the sales and use taxes. Specify that the authority would have to deliver a certified copy of the repeal resolution

to DOR at least 120 days before its effective date. DOR and retailers would not be allowed to collect sales and use taxes for any RTA, beginning on the first day of the calendar quarter that is at least 120 days after a certified copy of the repeal resolution is delivered to DOR, except that DOR could collect any such taxes that accrued before such calendar quarter and any related fees, interest, and penalties.

Imposition of Fees

Provide that if an RTA is created, the RTA could impose a \$2 vehicle rental fee, within its jurisdictional area. Specify that the fee would be effective on the first day of the first month that begins at least 90 days after the board of directors of the RTA approves the imposition of the fee and notifies DOR. Although, the bill provides specific authority for the southeast regional RTA to impose a \$2 vehicle rental fee, this specific authority is redundant, since the all RTAs are provided the power to impose a \$2 vehicle rental fee under the bill.

Specify that retailers and DOR may not collect fees for any RTA after the calendar quarter during which the RTA 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. Specify that if fees are collected, the RTA may use the revenue for any lawful purpose.

Duties of an RTA

Specify that any RTA that is created would be required to provide, or contract for the provision of, transit service within the authority's jurisdictional area.

Require the RTA board to annually prepare a budget for the authority. Specify that rates and other charges received by the authority could only be used for the general expenses and 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 county or municipality. Require the authority to maintain an accounting system in accordance with generally accepted accounting principles and to have its financial statements and debt covenants audited annually by an independent, certified public accountant.

Powers of an RTA

Provide RTAs the power to 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. A "comprehensive unified local transportation system" would be defined as 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. A "transportation system" would mean 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, to the extent specifically authorized, outside the jurisdictional area of the authority. A "transportation system" would include elevated railroads,

subways, underground railroads, motor vehicles, motor buses, and any combination of these, and any other form of mass transportation. A "transportation system" would not include any form of transportation excluded from the current law definition of common motor carrier, or charter or contract operations that are to, from, or between points outside the jurisdictional area of the RTA.

b. Acquire a comprehensive unified local transportation system and provide funds for the operation and maintenance of the system.

c. 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 (defined as a county or municipality that is a member of an RTA); and (4) maintain and improve railroad rights-of-way and improvements on these rights-of-way for future use.

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

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

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

g. Coordinate either publicly- or privately-owned specialized transportation services that provide general or special service to elderly or disabled persons on a regular and continuing basis in a designated service area, for residents of the authority's jurisdictional area and who are disabled or aged 60, or older. This would include services funded from federal funds, the medical assistance program, DOT's specialized transportation assistance program for counties, and from other public funds administered by the county. An authority could contract with a county that is a participating political subdivision for that RTA to provide specialized transportation services, but the authority would not be an eligible applicant under, or receive direct payments from, DOT's elderly and disabled assistance programs.

h. 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.

i. Condemn property, if the authority determines the taking is a necessity, as required of local units of government under current law. Specify that the authority to acquire property by condemnation would be subject to the current law procedure used by the state, local units of government, and others for condemnations related to sewer and transportation facilities.

j. 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 RTA would have to notify the controlling public authority, and the highway, street, road, or alley would have to be restored to as good a condition as existed before the commencement of the work, with all costs incident to the work to be borne by the authority.

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

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

m. Sue and be sued in its own name.

n. Have and use a corporate seal.

o. 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.

p. Incur debts, liabilities, or obligations, including the borrowing of money and the issuance of bonds.

q. 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 current law investment requirements for counties, municipalities, and other local districts.

r. Do and perform any acts and things authorized of an RTA under, through, or by means of an agent or by contracts with any person.

s. 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.

Limitations on RTA Powers

Provide that, notwithstanding the related powers provided to an RTA under the bill, no authority, and no public or private organization with which an authority has contracted for service, could provide service outside the jurisdictional area of the authority unless either of the following occur: (a) the authority receives financial support for the service under a contract with a public or private organization; or (b) it is necessary in order to provide service to connect residents within the authority's jurisdictional area to transit systems in adjacent counties.

Specify that whenever the proposed operations of an RTA would be competitive with the operations of a common carrier in existence prior to the time the authority commences operations, the authority shall coordinate the proposed operations with the common carrier to eliminate adverse financial impact for the carrier. Define a "common carrier" as a common motor carrier, contract motor carrier, railroad, or water carrier. Specify that this coordination may include route overlapping, transfers, transfer points, schedule coordination, joint use of facilities, lease of route service, and the acquisition of route and corollary equipment. Provide that if this coordination does

not result in mutual agreement, the proposals of the authority and the common carrier shall be submitted to DOT for arbitration.

Require an authority, in exercising its powers, to consider any plan of a metropolitan planning organization that covers any portion of the authority's jurisdictional area.

Withdrawal from an RTA

Except as described below, provide that any participating county or municipality that has joined an RTA could withdraw from that authority if both of the following conditions are met: (a) the governing body of the county or municipality adopts a resolution requesting their withdrawal from the authority; and (b) the county or municipality has paid, or made provision for the payment of, all obligations it has to the authority. The ability to withdraw from an RTA would not apply to municipalities in Kenosha and Milwaukee counties, Dane County and the municipalities within the Madison metropolitan planning area, or Calumet, Outagamie, and Winnebago counties and the municipalities in the urbanized Fox Cities metropolitan planning area.

Specify that any municipality in either Kenosha or Milwaukee county that becomes a member of an RTA when their county creates or joins the Southeast RTA must withdraw from the authority if the county in which the municipality is located withdraws from the authority.

RTA Obligations to Employees of Mass Transportation Systems

Require any RTA taking an action to acquire a comprehensive unified local transportation system for the purpose of the authority's operation of the system to assume all of the employer's obligations under any contract between the employees and management of the system, to the extent allowed by law. In addition, specify that any RTA taking action to acquire, construct, control, or operate a comprehensive unified local transportation system must negotiate an agreement with the representative of the labor organization that covers the employees affected by the RTA action in order to protect the interests of those employees. The agreement would have to include all provisions required under current law for agreements negotiated when a county board acquires a transportation system. Such agreements may also include a provision for the submission of labor disputes to binding arbitration by an umpire or board of arbitration acceptable to both parties. Further, an affected employee would have all the rights and the same status under the municipal employee relations statutes that he or she enjoyed immediately before the RTA action and may not be required to serve a probationary period if he or she attained permanent status before the RTA's action. In all such negotiations, a senior executive officer of the RTA would have to be a member of the authority's negotiating body.

Bonding Authority

Provide an RTA the authority to issue bonds, the principal and interest on which would be payable exclusively from all or a portion of any revenues received by the authority. Specify that an RTA could secure its bonds by a pledge of any income or revenues from any operations, rent, aids, grants, subsidies, contributions, or other source of moneys. Allow an RTA to issue bonds in such principal amounts as the authority deems necessary.

Require an RTA to state the following restrictions on the face of any bonds that the RTA issues: (a) neither the members of the board of directors of the RTA nor any person executing the bonds would be personally liable on the bonds by reason of the issuance of the bonds; (b) the bonds would not be a debt of the participating counties and municipalities; (c) neither the participating counties and municipalities nor the state would be liable for the payment of the bonds; and (d) the bonds would be payable only out of funds or properties of the authority.

Require that any bonds of an authority be authorized by resolution of the board of directors. Specify that the bonds may be issued under such a resolution or under a trust indenture or other security instrument. Define "bonds" as any bonds, interim certificates, notes, debentures, or other obligations of an authority. Provide that the bonds may be issued in one or more series and may be in the form of coupon bonds or registered bonds. Require the bonds to 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 provided in the resolution, trust indenture, or other security instrument.

Specify that bonds of an RTA would be issued for an essential public and governmental purpose and are public instrumentalities and, together with interest and income, are exempt from taxes. Allow a transit authority to sell bonds at public or private sales at the price or prices determined by the authority. Provide that if an officer whose signature appears 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 would, nevertheless, be valid for all purposes as if the officer had remained in office until delivery of the bonds or coupons.

Allow a transit authority to 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 would become or may be declared due before maturity, as to the terms and conditions upon which this declaration and its 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.

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 the bill 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.

Grant an RTA the authority to issue refunding bonds for the purpose of paying any of its bonds at, or prior to, maturity or upon acceleration or redemption. Specify that a transit 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. Provide that the refunding bonds could 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 the resolution, trust indenture, or other security instruments. Specify that, to the extent applicable, refunding bonds would be subject to the issuance requirement and covenants required of an authority's original bonds.

Bonds as Investments

Specify that any of the following could invest funds, including capital in their control or belonging to them, in bonds of an RTA: (a) public officers and agencies of the state; (b) local governmental units; (c) insurance companies; (d) trust companies; (e) banks, savings banks, and savings and loan associations; (f) investment companies; (g) personal representatives; (h) trustees; and (i) other fiduciaries. Provide that a transit authority's bonds would be securities that may be deposited with, and received by, any officer or agency of the state or any local governmental unit, for any purpose for which the deposit of bonds or obligations of the state or any local governmental unit is authorized by law.

DOR Sales and Use Tax Administration

Provide DOR the authority to administer any RTA sales and use taxes on behalf of the RTA and make distributions to the authority imposing the tax. Specify that DOR would have all powers necessary to levy, enforce, and collect the taxes that it is provided under current law for the county and special district sales and use taxes. Under these provisions, DOR could take any action, conduct proceedings, and impose interest and penalties. Judicial review of DOR determinations would also be provided. Specify that if a retailer receives notice from DOR that the retailer is required to collect and remit the taxes imposed by an RTA, but the retailer believes it is not required to collect such taxes because the retailer is not doing business within the transit authority's jurisdictional area, the retailer must notify DOR no later than 30 days after receiving notice from the Department. DOR would be required to affirm or revise its original determination no later than 30 days after receiving the retailer's notice.

Require DOR to distribute 98.5% of the taxes reported for each transit authority that has imposed the taxes, minus the transit authority portion of the retailers' discount, to the transit authority. Specify that 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. Require DOR to distribute the taxes no later than the end of the third month following the end of the calendar quarter in which such amounts were reported.

Create a program revenue appropriation to receive the monies generated from the taxes and from annual monies unspent by DOR for the administration of the transit authority sales and use taxes. Require DOR to indicate the taxes reported by each taxpayer at the time of distribution. Adjust the distribution to reflect subsequent refunds, audit adjustments, and all other adjustments of the transit authority taxes previously distributed. Interest paid on refunds of transit authority sales and use taxes would be paid from the program revenue appropriation created for the receipt of monies generated from the taxes, and would be paid at the 3% rate established for sales and use tax refunds. Any transit authority receiving a report on sales and use taxes would be subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

After the distributions are made, transfer the remaining 1.5% of the revenues from the transit authority sales and use taxes to a new, sum certain, DOR program revenue appropriation for administration of the taxes. Require that, at the end of each fiscal year, the unencumbered balance

in this appropriation would be transferred to the appropriation created for the receipt and distribution of the transit authority sales and use taxes.

DOR Vehicle Rental Fee Administration

Provide DOR the authority to administer the RTA fee ("vehicle rental fee") on behalf of the RTA and make distributions to the RTA imposing the fee. Specify that DOR would have all powers necessary to levy, enforce, and collect the taxes that it is provided under current law for the county and special district sales and use taxes. Under these provisions, DOR could take any action, conduct proceedings, and impose interest and penalties. Judicial review of DOR determinations would also be provided. Specify that the renter must collect the vehicle rental fee from the person to whom the passenger car is rented.

Require persons who are subject to the vehicle rental fee to register with DOR. Specify that 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. Require a retailer who collects a vehicle rental fee to identify the fee as a separate item on a receipt the retailer provides to a rental customer

Require DOR to distribute 97.45% of the vehicle rental fees collected for each transit authority that has imposed the fees, and is required to indicate to the RTA the fees reported by each fee payer in the RTA's jurisdiction, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. Specify that the fees distributed must be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments. Interest paid on refunds of transit authority fees would be paid from the program revenue appropriation created for the receipt of monies generated from the fees, and would be paid at the 3% rate established for sales and use tax refunds. Specify that any RTA receiving a report on vehicle rental fees would be subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

Create a program revenue appropriation to receive the monies generated from the vehicle rental fees and from annual monies unspent by DOR for the administration of the regional transit authority fees. After the distributions are made, transfer the remaining 2.55% of the revenues from the regional transit authority fees to a new, sum certain, DOR program revenue appropriation for administration of the fees. Require that, at the end of each fiscal year, the unencumbered balance in this appropriation account that exceeds 10% of the expenditures from this appropriation during the fiscal year would be transferred to the appropriation created for the receipt and distribution of the vehicle rental fees.

Other Provisions

The bill would specify the following for an RTA relative to current law:

a. The creation of an RTA would not limit the powers of counties or municipalities to enter into intergovernmental cooperation or contracts to establish separate legal entities under current law related to intergovernmental cooperation and municipal transit commissions or any other applicable law.

b. The creation of an RTA would not limit the powers of counties or municipalities to otherwise carry out their statutory powers.

c. An RTA would not be subject to the existing requirement that a municipality attempting to provide, acquire, own, operate, or engage in a municipal bus transportation system where no bus, rail, or other local transportation system currently exists can only do so following an action of its governing body and a referendum vote.

e. An RTA would be considered an employer for purposes of the Wisconsin Retirement System (WRS) and its employees would be participatory employees of that system if the RTA elects to join the WRS.

f. An RTA would be defined as a municipality as it relates to the existing municipal borrowing and municipal bonds and intergovernmental cooperation statutes.

g. The property of the RTA would be exempt from property taxation.

h. The income received by the RTA would be exempt from income taxation.

i. Sales to the RTA would be exempt from sales taxes.

j. An RTA would be considered a political subdivision that would be eligible for DOT's commuter rail transit grant program (this grant program is not funded under the bill).

k. Current law provisions relating to claims and liability for persons injured due to the negligent operation of a motor vehicle owned and operated by a municipality or other political subdivision would be extended to an RTA.

l. RTAs would be included in the list of governments that can participate in organizing municipal insurance mutuals for the provision of workers' compensation, liability, and property insurance and risk management services.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)