

WISCONSIN LEGISLATIVE COUNCIL REPORT TO THE LEGISLATURE

Special Committee on Regional Transportation Authority

[2009 SENATE BILL 205 AND 2009 ASSEMBLY BILL 282]

May 27, 2009

RL 2009-08

Special Committee on Regional Transportation Authority

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PART I

KEY PROVISIONS OF COMMITTEE RECOMMENDATION

The Joint Legislative Council recommends the following for introduction in the 2009-10 Session of the Legislature.

[Note: This bill has been introduced in both houses as companion legislation. For clarity, this report refers to them in singular form as "the bill."]

2009 Senate Bill 205 and 2009 Assembly Bill 282, Relating to the Creation of Regional Transit Authorities, and Making an Appropriation

The bill permits certain political subdivisions to create regional transit authorities (RTAs), which are bodies corporate and politic intended to serve as an alternative means to provide transit services to communities within the state. The bill describes the procedures that must be satisfied in order to create, modify, or dissolve an RTA, as well as the powers, duties, and limitations of an RTA, including the power to impose a sales tax within the jurisdictional area of the RTA.

PART II

COMMITTEE ACTIVITY

Assignment

The Joint Legislative Council established the Special Committee on Regional Transportation Authority and appointed the chairperson by an April 9, 2008 mail ballot. (A subsequent mail ballot dated January 8, 2009, appointed Senator Robson as chairperson.) The committee was directed to review and provide recommendations on how to create a statutory framework enabling counties, cities, villages, and towns to create regional transportation authorities (RTA) to promote regional cooperation on transportation issues, including: the funding mechanisms to be used to support an RTA; the method of creation of an RTA, the representation and participation of member units of government on an RTA; the types of transportation services that an RTA could be authorized to administer; and the scope and limits of other RTA authority.

Membership of the Special Committee, appointed by a June 9, 2008 mail ballot, consisted of two Senators, four Representatives, and 15 public members. The final list of committee members is included as *Appendix 3* to this report.

Summary of Meetings

The Special Committee held five meetings in Madison on the following dates:

August 7, 2008 September 17, 2008 October 9, 2008 February 11, 2009 March 4, 2009

At the <u>August 7, 2008 meeting</u>, the Special Committee heard testimony from Art Guzzetti, Vice President-Policy, American Public Transportation Association, on the current state of public transit services and transit funding sources used around the country. Stewart McKenzie, Community Planner, and Angelica Salgado, Transportation Specialist, Federal Transit Administration (FTA), provided the committee with testimony on the FTA's structure and functions, as well as the planning and application process for FTA grant funding programs.

At the <u>September 17, 2008 meeting</u>, the Special Committee heard testimony from Rod Clark, Director, Bureau of Transit, Local Roads, Railroads and Harbors, Department of Transportation (DOT), on the nature of public transit systems within the state, as well as the system for transit funding within Wisconsin. Paul Larrousse, Director, National Transit Institute, spoke to the committee regarding the organizational, management, and funding characteristics of transit systems throughout the United States.

At the <u>October 9, 2008 meeting</u>, the Special Committee heard testimony from John Koskinen, Division Administrator/Chief Economist, Division of Research and Policy, and Paul Ziegler, Team Leader, Sales and Property Tax Policy Team, Department of Revenue (DOR), on local tax options including property tax and tax incremental finance, sales tax, local income tax, and stadium taxes. Scott Bernstein, President, Center for Neighborhood Technology, testified about the economic benefits of transit.

Following the testimony by invited speakers, the committee reviewed Memo No. 1 and WLC: 0063/P1. The committee identified issues including the role of counties, the geographical scope of

RTAs, population thresholds, feasibility studies, tax rate uniformity, and referendum requirements as discussion topics for future meetings.

At the <u>February 11, 2009 meeting</u>, the Special Committee reviewed Memo No. 3 and discussed WLC: 0063/P2. The committee recommended changes to WLC: 0063/P2 including items relating to representation on RTA boards, provision of services outside an RTA's jurisdictional area, expanded use of bond proceeds for the acquisition of a transit system, negotiation for terms of service upon withdrawal from an RTA by a political subdivision, the definition of "transit system," allowing RTA tax rates to vary between different counties, and expanded ability of counties to participate in RTAs.

At the <u>March 4, 2009 meeting</u>, the Special Committee reviewed Memo No. 4 and discussed WLC: 0063/1 and Substitute Amendment 1 to WLC: 0063/1. WLC: 0063/1 contained the changes recommended at the February 11, 2009 meeting, except changes relating to the expanded ability of counties to participate in RTAs. The substitute amendment contained the changes recommended at the February 11, 2009 meeting, including changes related to county participation in RTAs. The committee focused on the substitute amendment and recommended adoption of amendments to the substitute amendment. Following the discussion on those amendments, the committee recommended adoption of the substitute amendment, as amended, and voted to recommend introduction of WLC: 0063/1, as amended.

PART III

RECOMMENDATION INTRODUCED BY THE JOINT LEGISLATIVE COUNCIL

This part of the report provides background information on, and a description of, the bill as recommended by the Special Committee on Regional Transportation Authority and introduced by the Joint Legislative Council.

2009 Senate Bill 205 and 2009 Assembly Bill 282, Relating to the Creation of Regional Transit Authorities, and Making an Appropriation

Background

The Special Committee was directed to review and provide recommendations on how to create a statutory framework enabling counties, cities, villages, and towns to create regional transportation authorities to promote regional cooperation on transportation issues, including: the funding mechanisms to be used to support an RTA, the method of creation of an RTA, the transportation services that an RTA could be authorized to administer, and the scope and limits of other RTA authority.

Description

In general, the bill does the following:

- Allows cities, towns, villages, and counties to create RTAs, which are public bodies corporate and politic intended to serve as an alternative means to provide transit services to communities within the state.
- Specifies the powers, duties, and limitations of an RTA.
- Authorizes the creation of an RTA by local government resolution, and specifies the resolution components and interaction between political subdivisions necessary for RTA creation.
- Specifies the manner in which political subdivisions may join or withdraw from existing RTAs.
- Allows, under certain circumstances, for a county to unilaterally create an RTA.
- Allows a county to prevent the creation or joining of an RTA by a municipality if the county intends to create an RTA that will include the municipality in its jurisdictional area and if the county completes certain objectives within 24 months following denial of approval of a municipality's RTA.
- Allows a county to define its jurisdictional area for an RTA as one of the following: the combined territorial boundaries of other political subdivisions within the county that are participants in the RTA; the territorial boundaries of the county; or the territorial boundaries of the political subdivisions in the county with 75% of their populations within a metropolitan planning area.
- Allows an RTA to impose up to a 0.5% sales tax within its jurisdictional area.

- Allows the RTA to vary its sales tax rate across county lines.
- Subjects members of an RTA board to the code of ethics for local public officials.
- Allows an RTA to elect to join the Wisconsin Retirement System.
- Permits RTA dissolution by vote of the RTA board.

Committee and Joint Legislative Council Votes

WLC: 0063/1, as amended, was recommended by the Special Committee on Regional Transportation Authority to the Joint Legislative Council for introduction in the 2009-10 Session of the Legislature. WLC: 0063/1, as amended, was engrossed as WLC: 0063/2.

Special Committee Votes

The Special Committee voted by unanimous consent to adopt amendments 1, 2, 5, 6, 8, and 9 to Substitute Amendment 1 to WLC: 0063/1, to recommend adoption of Substitute Amendment 1 to WLC: 0063/1, as amended, and to recommend passage of WLC: 0063/1, as amended. The votes were as follows:

- Adoption of Substitute Amendment 1 to WLC: 0063/1, as amended: Ayes, 16 (Sen. Robson; Reps. A. Ott and Toles; and Public Members Arft, Brandrup, Geboy, Granchalek, Gulotta-Connelly, Hanna, Johnson, Kamp, Newton, Ohm, Ruf, Wagner, and Walker); Noes, 2 (Sen. Lehman; and Public Member Derr); and Absent, 3 (Reps. Stone and Vos; and Public Member McDonell). Representative Vos indicated that had he been present he would have voted "No."
- Passage of WLC: 0063/1, as amended: Ayes, 16 (Sen. Robson; Reps. A. Ott and Toles; and Public Members Arft, Brandrup, Geboy, Granchalek, Gulotta-Connelly, Hanna, Johnson, Kamp, Newton, Ohm, Ruf, Wagner, and Walker); Noes, 2 (Sen. Lehman; and Public Member Derr); and Absent, 3 (Reps. Stone and Vos; and Public Member McDonell). Representative Vos indicated that had he been present he would have voted "No."

Joint Legislative Council Vote

At its March 26, 2009 meeting, the Joint Legislative Council voted to introduce 2009 Senate Bill 205 and 2009 Assembly Bill 282. The vote by the Joint Legislative Council was as follows:

> Rep. Black moved, seconded by Sen. Risser, that WLC: 0063/2, relating to the creation of regional transit authorities, and making appropriations, be introduced by the Joint Legislative Council. The motion passed on a roll call vote as follows: Ayes, 14 (Sens. Risser, Coggs, Darling, Harsdorf, Miller, and Robson; and Reps. Schneider, Black, Berceau, Kaufert, Nelson, Pocan, Sheridan, and Staskunas); Noes, 8 (Sens. Decker, Fitzgerald, Kreitlow, Schultz, and Wirch; and Reps. Ballweg, Fitzgerald, and Vos); and Absent, O.

Joint Legislative Council

[Joint Legislative Council Members Who Selected and Appointed Committee and Its Membership]

Co-Chair

FRED RISSER Senate President 5008 Risser Road Madison, WI 53705

ROGER BRESKE

8800 Hwy. 29 Eland, WI 54427

TIM CARPENTER

President Pro Tempore 2957 South 38th Street Milwaukee, WI 53215

SPENCER COGGS 3732 North 40th Street Milwaukee, WI 53216

ALBERTA DARLING 1325 West Dean Road River Hills, WI 53217

JOAN BALLWEG

170 W. Summit Street Markesan, WI 53946

JEFF FITZGERALD

Majority Leader 910 Sunset Horicon, WI 53032

MARK GOTTLIEB Speaker Pro Tempore 1205 Noridge Trail Port Washington, WI 53074

MICHAEL HUEBSCH

Speaker 419 West Franklin West Salem, WI 54669

SENATORS

RUSSELL DECKER

Majority Leader 6803 Lora Lee Lane Weston, WI 54476

SCOTT FITZGERALD Minority Leader N4692 Maple Road Juneau, WI 53039

SHEILA HARSDORF N6627 County Road E River Falls, WI 54022

REPRESENTATIVES

DEAN KAUFERT 1360 Alpine Lane Neenah, WI 54956

JIM KREUSER Minority Leader 3505 14th Place Kenosha, WI 53144

THOMAS NELSON 1510 Orchard Dr. Kaukauna, WI 54130

<u>Co-Chair</u>

STEVE WIECKERT

Representative 1 Weatherstone Drive Appleton, WI 54914

ALAN LASEE

2259 Lasee Road De Pere, WI 54115

MARK MILLER 4903 Roigan Terrace Monona, WI 53716

JUDY ROBSON 2411 E. Ridge Road Beloit, WI 53511

MARK POCAN

309 N. Baldwin Street Madison, WI 53703

KITTY RHOADES 708 4th Street Hudson, WI 54016

MARLIN SCHNEIDER 3820 Southbrook Lane Wisconsin Rapids, WI 54494

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees.

Joint Legislative Council

[Current Joint Legislative Council Members Who Received Committee Report]

Co-Chair

FRED A. RISSER

Senate President 100 Wisconsin Avenue, Unit 501 Madison, WI 53703

SPENCER COGGS

7819 W. Potomac Avenue Milwaukee, WI 53222

ALBERTA DARLING 1325 West Dean Road River Hills, WI 53217

RUSSELL DECKER

Majority Leader 6803 Lora Lee Lane Schofield, WI 54476

SCOTT FITZGERALD Minority Leader N4692 Maple Road Juneau, WI 53039

JOAN BALLWEG

170 W. Summit Street Markesan, WI 53946

TERESE BERCEAU

4326 Somerset Lane Madison, WI 53711

SPENCER BLACK

5742 Elder Place Madison, WI 53705

JEFF FITZGERALD

Minority Leader 910 Sunset Horicon, WI 53032

SENATORS

SHEILA HARSDORF N6627 County Road E River Falls, WI 54022

PAT KREITLOW *President Pro Tempore* 15854 93rd Avenue Chippewa Falls, WI 54729

MARK MILLER 4903 Roigan Terrace Monona, WI 53716

<u>Co-Chair</u>

MARLIN D. SCHNEIDER

Representative 3820 Southbrook Lane Wisconsin Rapids, WI 54494

JUDY ROBSON

2411 E. Ridge Road Beloit, WI 53511

DALE SCHULTZ 515 North Central Avenue Richland Center, WI 53581

ROBERT WIRCH 3007 Springbrook Road

Pleasant Prairie, WI 53158

REPRESENTATIVES

DEAN KAUFERT 1360 Alpine Lane Neenah, WI 54956

THOMAS NELSON

Majority Leader 1510 Orchard Drive Kaukauna, WI 54130

MARK POCAN 309 N. Baldwin Street Madison, WI 53703

MICHAEL SHERIDAN

Speaker 1032 Nantucket Drive Janesville, WI 53546

TONY STASKUNAS

Speaker Pro Tempore 2010 South 103rd Court West Allis, WI 53227

ROBIN VOS 4710 Eastwood Ridge Racine, WI 53406

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees.

REGIONAL TRANSPORTATION AUTHORITY

Representative Al Ott, Chair (4/08 to 1/09) W2168 Campground Road Forest Junction, WI 54123

Senator John Lehman 708 Orchard Street Racine, WI 53405

Representative Barbara Toles 3835 N. 56th St. Milwaukee, WI 53216

Larry Arft City of Beloit City Hall, 100 State Street Beloit, WI 53511

Gerald Derr Town of Bristol 1595 CTH V Columbus, WI 53952

Dick Granchalek La Crosse Area Chamber of Commerce 712 Main Street La Crosse, WI 54601

Tim Hanna City of Appleton 100 North Appleton Street Appleton, WI 54911

Chuck Kamp Madison Metro Transit 1101 East Washington Avenue Madison, WI 53703

Delora Newton Greater Madison Chamber of Commerce P.O. Box 71 Madison, WI 53701-0071

Fritz Ruf W276N1905 Spring Creek Drive Pewaukee, WI 53072-5365

Tom Walker Wisconsin Transportation Builders Association 1 S. Pinckney St., Ste. 300 Madison, WI 53703 Senator Judy Robson, **Chair** (1/09 to completion) 2411 East Ridge Road Beloit, WI 53511

Representative Jeff Stone 5535 Grandview Drive Greendale, WI 53129

Representative Robin Vos 4710 Eastwood Ridge Racine, WI 53406

Len Brandrup City of Kenosha 4303 39th Avenue Kenosha, WI 53144

Brett Geboy Eau Claire Area Chamber of Comm. 101 N. Farwell St., Ste. 101 Eau Claire, WI 54702-1107

Anita Gulotta-Connelly Milwaukee County Transit System 1942 North 17th Street Milwaukee, WI 53205

Richard Johnson 430 S. Randall Ave. Janesville, WI 53545

Scott McDonell Dane County Board of Supervisors 14 W. Gilman St., #1 Madison, WI 53703

Professor Brian Ohm University of Wisconsin-Madison 202 Music Hall, 925 Bascom Mall Madison. WI 53706

Dick Wagner 739 Jenifer St. Madison, WI 53703

STUDY ASSIGNMENT: The committee is directed to review and provide recommendations on how to create a statutory framework enabling counties, cities, villages, and towns to create regional transportation authorities (RTA) to promote regional cooperation on transportation issues, including: the funding mechanisms to be used to support an RTA; the method of creation of an RTA, the representation and participation of member units of government on an RTA; the types of transportation services that an RTA could be authorized to administer; and the scope and limits of other RTA authority.

21 MEMBERS: 2 Senators, 4 Representatives, and 15 Public Members.

LEGISLATIVE COUNCIL STAFF: Scott Grosz and Larry Konopacki, Staff Attorneys; and Kelly Mautz, Support Staff.

Committee Materials List

(Copies of documents are available at www.legis.state.wi.us/lc)

Recom	mendations to the Joint Legislative	Council (Mar	ch 26, 2009)		
•	Results of the March 26 meeting.				
•	Proposed Report to the Legislature 2009-08, Special Committee on Regional Transportation Authority,				
•	WLC: 0063/2, relating to the creation	-			
March 4	, 2009 Meeting	<u>Notice</u>	<u>Agenda</u>	<u>Audio</u>	Minutes
• • • • • • • • •	Memo No. 4, Comparison of WLC: 0063/ WLC: 0063/1, relating to the creation of Substitute Amendment 1 to WLC: 0063/ Amendment 1 to Substitute Amendment Amendment 2 to Substitute Amendment Amendment 5 to Substitute Amendment Amendment 6 to Substitute Amendment Amendment 8 to Substitute Amendment Amendment 9 to Substitute Amendment Ty 11, 2009 Meeting WLC: 0063/P2, relating to the creation Memo No. 3, WLC: 0063/P2, Relating	of regional trans 1. 1 to WLC: 0063 1 to WLC: 0063 Notice of regional tran ing to the Cre	it authorities and 3/1. 3/1. 3/1. 3/1. 3/1. 3/1. 3/1. Agenda sit authorities and	making approp Audio d making appro	Minutes
Novemb	Making Appropriations (February per 13, 2008 Meeting (CANCELED)	11, 2009).	Notice Agend	da Audio	Minutes
•	Memo No. 2, List of Potential Bill Draft D)iscussion Topics	(November 5, 20		
•	Presentation, by Rob Henken, President,	Public Policy Fo	rum.		
•	<u>Chart</u> , <i>wisconsin Urbanized Area Transit</i> <i>Year</i> , Wisconsin Department of Transpor	5 1	ating Costs & Sha	ares by Funding	g Source By Calendar
October	[.] 9, 2008 Meeting	<u>Notice</u>	<u>Agenda</u> <u>A</u>	udio [<u>Minutes</u>
•	WLC: <u>0063/P1</u> , relating to the creation appropriations.	-			-
•	<u>Memo No. 1</u> , WLC: 0063/P1, relating to the creation of regional transit authorities, requiring a referendum, and making appropriations (October 2, 2008).				
•	<u>Memorandum</u> , <i>Madison/Dane County Transport 2020 Commuter Rail Project</i> , from David Trowbridge, Madison Transport 2020 Project Manager (September 30, 2008).				
•	<u>Handout</u> regarding several examples of privatization in the transit industry and in Wisconsin, submitted by Paul J. Larrouse, Director, National Transit Institute, Rutgers.				
•	Memorandum, Status of Proposed Kenosha-Racine-Milwaukee (KRM) Commuter Rail Application for Federal Transit Administration (FTA) Section 5309 Discretionary "New Start Transit Fixed Guideway" Capital Grant, from Southeastern Wisconsin Regional Planning Commission Staff (September 10, 2008). o KRM, The Kenosha-Racine-Milwaukee Commuter Link, Edition 3 (January 2007).				
•	Memorandum, Executive Summary: Mi Kaminski.			-	
•	Presentation by Josh Koskinen, Division Administrator/Chief Economist, Division of Research and Policy, and Paul Ziegler, Team Leader, Sales and Property Tax policy Team, Department of Revenue.				
Sentem	Presentation by Scott Bernstein, Preside ber 17, 2008 Meeting	Notice	Agenda		<u>Minutes</u>
•	Presentation by Paul J. Larrousse, Direct and Public Policy, Rutgers University (Se O <u>Testimony</u> , by Paul J. Larrousse ofPlanning and Public Policy, Ru Presentation by Rod Clark, Director, Bur Transportation (September 17, 2008).	or, National Tra ptember 17, 20 e, Director, Nati utgers University	nsit Institute, Edv 08). onal Transit Instit y (September 17,	vard J. Bloustei ute, Edward J. 2008).	in SChool ofPlanning Bloustein SChool

	 <u>Summary</u>. The Socioeconomic Benefits of Transit in Wisconsin, Phase II: Benefit Cost Analysis, <u>Full Report</u>. The Socioeconomic Benefits of Transit in Wisconsin, <u>December 2003 Summary</u>. The Socioeconomic Benefits of Transit in Wisconsin, <u>Full Report</u>. 					
0						
August 7, 2008	3 Meeting Notice Agenda Audio Minutes					
 <u>Presentation</u> by Art Guzzetti, Vice President-Policy, American Public Transportation Association (August 7, 2008). <u>Presentation</u> by Stewart McKenzie, Community Planner, Federal Transit Administration, U.S. Department of Transportation (August 7, 2008). <u>Presentation</u> by Angelica Salgado, Transportation Specialist, Federal Transit Administration, U.S. Department of Transportation (August 7, 2008). 						
 Materials distributed at the request of Public Member Len Brandrup: <u>Regional</u> Transportation Authority Funding Options (1/9/07). <u>Southeastern</u> Wisconsin Regional Transit Authority (1/15/07). <u>Southeastern</u> Wisconsin Regional Transit Authority Funding Source Analysis (1/30/07). <u>KRM</u> Transit Development Benefit Fee Revenue Estimates (1/26/07). <u>County</u> Sales Tax Distributions, 2006, Division of Enterprise Services, Wisconsin Department of Revenue. 						
	e Transportation Funding: Options for States, National Conference of State Legislatures. of State Funding for Public Transportation, American Public Transportation Association.					