

**CITY OF MADISON
OFFICE OF THE CITY ATTORNEY
ROOM 401 - CITY-COUNTY BUILDING
266-4511**

To: Transportation Commission

From: Assistant City Attorney Eric Finch

RE: Resolution #83518 – Requesting information, studies, and plans regarding the authorization of a local sales tax

Date: June 10, 2024

PURPOSE

The purpose of this memo is to provide brief background information requested in the above resolution, including:

- A review financing of Regional Transit Entities around the country
 - particularly those funded with a sales tax
- Comment on support in communities adjacent to Madison for a regional sales tax
- Comment on support for a City-to-RTA shift among local Transit Labor Organizations

At the bottom is an index of the RTA authority that was removed from state law in 2011.

BACKGROUND

The City of Madison is facing a facing significant shortfall. With regard to transportation and transit specifically, where the City has received millions in federal grants, it is important to understand the difference between the operating budget and capital expenditures. Federal money for capital projects will not fix shortfalls in the operating budget.

Federal, State, and local dollars are all at play in the City of Madison's transportation spending. Annual funding amounts per system are equalized via formula statewide, combining grants from the State Urban Mass Transit Operating Assistance Program as well as Federal Formula programs for Rural and Urban Areas. Approximately one-half of total annual operating expenses for Wisconsin transit systems are reimbursed through state and federal grants. However, Madison has received a lower percentage of State aid than other significant transit systems in Wisconsin. Madison is currently an outlier in how low our state aid share is, and how high our local share is.

The City has explored, through our finance department and attorneys office, routes for increasing transportation funding. In short, there is no single viable option that has been

identified for increasing revenues without requiring a change in state law or a referendum. For example, arrangements to shift transit operations to the county would not result in new taxing authority for property or sales taxes.

Understanding the situation with regard to transportation and with an eye toward revenue generation, the following two City resources provide a primer on the issues:

The first is Part 4 of the Budget outlook series, focused on revenue strategies:

<https://www.cityofmadison.com/finance/documents/budget/2025/Part4Powerpoint.pdf>

The second is the most recent update given to Finance Committee on June 10, 2024:

<https://madison.legistar.com/View.ashx?M=F&ID=13017733&GUID=2C7DB2FF-2271-43A8-B1D6-3528D201964D>

Finally, the City's website contains additional information, with further 2025 Budget outlook materials are available here for those interested:

<https://www.cityofmadison.com/finance/budget/2025/outlook>

OVERVIEW OF RTA FUNDING NATIONALLY

RTA Funding Varies greatly, with systems across the country funding by the following different revenues: State Taxes (Sales, Property, and Income); Vehicle Registration Fees (State or Local); Employer/Payroll Taxes (ex. Portland, OR and Transit Authority of River City, KY); Concessions (See State of Pennsylvania program); Local Sales Taxes; Lottery/Casino Revenues; Vehicle Sales, Lease, and Rental Fees; Tollway fees; Cigarette Taxes; Parking Fees and Fines; Property Taxes; Fares; Revenue-Generating Operations (Providing charter services, leasing city/RTA property); Advertisement; Realty Transfer/mortgage recording fees; Hotel/Motel Taxes; Utility Fees; Public/Private Partnerships; Tax-increment Financing Districts (TIF); and, Transportation Development Districts (TDDs).

In Wisconsin, RTAs have generally been stripped of taxing authority by 2011 Act 32. Currently, the only alternatives to the City of Madison running transit operations would be a switch to County administration or the creation of an intergovernmental body of local governments. Neither change would result in additional availability of revenue under current state law.

OVERVIEW OF COMMUNITY AND LABOR ORGANIZATION SUPPORT

At this stage, without details about what sort of boundaries and type of revenues would be involved, it is not possible to accurately gauge public support for an RTA or sales taxes in surrounding communities. Additional sales tax or the creation of an RTA would first require a change in state law.

As of May 24, 2024, Local 695 has merged into Local 120. City staff reached out to Local 120 through longtime Local 695 personnel that are now continuing their work with Local 120 for a comment on switching to an RTA. They are currently discussing internally.

INDEX OF RTA AUTHORITY REMOVED FROM STATE LAW IN 2011 (ACT 32)

ACT 32 - RTAs eliminated; dissolution and winding down of existing RTAs [Sec. 751g, h, 772g, r, 922e-v, 1139m, 1679d-t, 1720b, 1727m, 1729g, r, 1745m, 1747r, 1754r, 1894r, 1895r, 2014r, 2177m, 2180m, 2183d-r, 2187d-n, 2237e-o, 3182g, r, 3471m, 3567m, 9148 (3u), 9448 (6u)]

SECTION 751G. 20.566 (1) (gc) of the statutes is repealed.

SECTION 751H. 20.566 (1) (gh) of the statutes is repealed.

SECTION 772G. 20.835 (4) (gc) of the statutes is repealed.

SECTION 772R. 20.835 (4) (gh) of the statutes is repealed.

SECTION 922E. 32.02 (11) of the statutes is amended to read:

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

SECTION 922M. 32.05 (1) (a) of the statutes is amended to read:

32.05 **(1)** (a) Except as provided under par. (b), a county board of supervisors or a county highway committee when so authorized by the county board of supervisors, a city council, a village board, a town board, a sewerage commission governing a metropolitan sewerage district created by ss. 200.05 or 200.21 to 200.65, the secretary of transportation, a commission created by contract under s. 66.0301, a joint local water authority created by contract under s. 66.0823, ~~a transit authority created under s. 66.1039,~~ a housing authority under ss. 66.1201 to 66.1211, a local exposition district created under subch. II of ch. 229, a local cultural arts district created under subch. V of ch. 229, a redevelopment authority under s. 66.1333 or a community development authority under s. 66.1335 shall make an order providing for the laying out, relocation and improvement of the public highway, street, alley, storm and sanitary sewers, watercourses, water transmission and distribution facilities, mass transit facilities, airport, or other transportation facilities, gas or leachate extraction systems to remedy environmental pollution from a solid waste disposal facility, housing project, redevelopment project, cultural arts facilities, exposition center or exposition center facilities which shall be known as the relocation order. This order shall include a map or plat showing the old and new locations and the lands and interests required. A copy of the order shall, within 20 days after its issue, be filed with the county clerk of the county wherein the lands are located or, in lieu of filing a copy of the order, a plat may be filed or recorded in accordance with s. 84.095.

SECTION 922V. 32.07 (2) of the statutes is amended to read:

32.07 **(2)** The petitioner shall determine necessity if application is by the state or any commission, department, board or other branch of state government or by a city, village, town, county, school district, board, commission, public officer, commission created by contract under s. 66.0301, joint local water

authority under s. 66.0823, ~~transit authority created under s. 66.1039~~, redevelopment authority created under s. 66.1333, local exposition district created under subch. II of ch. 229, local cultural arts district created under subch. V of ch. 229, housing authority created under ss. 66.1201 to 66.1211 or for the right-of-way of a railroad up to 100 feet in width, for a telegraph, telephone or other electric line, for the right-of-way for a gas pipeline, main or service or for easements for the construction of any elevated structure or subway for railroad purposes.

SECTION 1139M. 40.02 (28) of the statutes is amended to read:

40.02 (28) "Employer" means the state, including each state agency, any county, city, village, town, school district, other governmental unit or instrumentality of 2 or more units of government now existing or hereafter created within the state, any federated public library system established under s. 43.19 whose territory lies within a single county with a population of 500,000 or more, a local exposition district created under subch. II of ch. 229, ~~a transit authority created under s. 66.1039~~, and a long-term care district created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3). "Employer" does not include a local cultural arts district created under subch. V of ch. 229. Each employer shall be a separate legal jurisdiction for OASDHI purposes.

SECTION 1679D. 59.58 (6) of the statutes is repealed.

SECTION 1679H. 59.58 (7) of the statutes, as affected by 2011 Wisconsin Act ... (this act), is repealed.

SECTION 1679P. 59.58 (7) (e) (intro.) of the statutes is amended to read:

59.58 (7) (e) (intro.) ~~The~~ Subject to s. 77.9973 (2), the authority may impose the fees under subch. XIII of ch. 77. From the fees, the authority may do all of the following:

SECTION 1679T. 59.58 (7) (i) and (j) of the statutes are repealed.

SECTION 1720B. 66.0301 (1) (a) of the statutes is amended to read:

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

SECTION 1727M. 66.0903 (1) (d) of the statutes is amended to read:

66.0903 (1) (d) "Local governmental unit" means a political subdivision of this state, a special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district, a combination or subunit of any of the foregoing or an instrumentality of the state and any of the foregoing. ~~"Local governmental unit" includes a regional transit authority created under s. 66.1039 and the southeastern regional transit authority created under s. 59.58 (7).~~

SECTION 1729G. 66.1039 of the statutes, as affected by 2011 Wisconsin Act (this act), is repealed.

SECTION 1729R. 66.1039 (4) (s) 1. of the statutes is amended to read:

66.1039 (4) (s) 1. Impose, by the adoption of a resolution by the board of directors, the taxes under subch. V of ch. 77 in the authority's jurisdictional area, except that no taxes may be imposed under this paragraph unless the resolution of the board of directors is adopted prior to the effective date of this subdivision [LRB inserts date]. If an authority adopts a resolution to impose the taxes, it shall deliver a certified copy of the resolution to the department of revenue at least 120 days before its effective date. The authority may, by adoption of a resolution by the board of directors, repeal the imposition of taxes under subch. V of ch. 77 and shall deliver a certified copy of the repeal resolution to the department of revenue at least 120 days before its effective date.

SECTION 1745M. 67.01 (5) of the statutes is amended to read:

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

SECTION 1747R. 70.11 (2) of the statutes is amended to read:

70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION. Property owned by any county, city, village, town, school district, technical college district, public inland lake protection and rehabilitation district, metropolitan sewerage district, municipal water district created under s. 198.22, joint local water authority created under s. 66.0823, ~~transit authority created under s. 59.58 (7) or 66.1039~~, long-term care district under s. 46.2895 or town sanitary district; lands belonging to cities of any other state used for public parks; land tax-deeded to any county or city before January 2; but any residence located upon property owned by the county for park purposes that is rented out by the county for a nonpark purpose shall not be exempt from taxation. Except as to land acquired under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after August 17, 1961, to any such governmental unit or for its benefit while the grantor or others for his or her benefit are permitted to occupy the land or part thereof in consideration for the conveyance. Leasing the property exempt under this subsection, regardless of the lessee and the use of the leasehold income, does not render that property taxable.

SECTION 1754R. 71.05 (1) (c) 9. of the statutes is repealed.

SECTION 1894R. 71.26 (1) (b) of the statutes is amended to read:

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

SECTION 1895R. 71.26 (1m) (j) of the statutes is repealed.

SECTION 2014R. 71.45 (1t) (j) of the statutes is repealed.

SECTION 2177M. Chapter 77 (title) of the statutes, as affected by 2011 Wisconsin Act (this act), is amended to read:

CHAPTER 77
TAXATION OF FOREST CROPLANDS;
REAL ESTATE TRANSFER FEES;

**SALES AND USE TAXES;
COUNTY, TRANSIT AUTHORITY, AND
SPECIAL DISTRICT SALES AND USE
TAXES; MANAGED FOREST LAND;
ECONOMIC DEVELOPMENT SURCHARGE;
LOCAL FOOD AND BEVERAGE TAX;
LOCAL RENTAL CAR TAX; PREMIER
RESORT AREA TAXES;
STATE RENTAL VEHICLE FEE;
DRY CLEANING FEES;
SOUTHEASTERN REGIONAL
TRANSIT AUTHORITY FEE**

SECTION 2180M. 77.54 (9a) (er) of the statutes is repealed.

SECTION 2183D. Subchapter V (title) of chapter 77 [precedes 77.70] of the statutes is amended to read:

**CHAPTER 77
SUBCHAPTER V
COUNTY, TRANSIT AUTHORITY, AND
SPECIAL DISTRICT SALES AND USE TAXES**

SECTION 2183E. 77.708 of the statutes, as affected by 2011 Wisconsin Act (this act), is repealed.

SECTION 2183F. 77.708 (3) of the statutes is created to read:

77.708 (3) Retailers and the department of revenue may not collect a tax under sub. (1) for any transit authority created under s. 66.1039 after the effective date of this subsection [LRB inserts date], except that the department of revenue may collect from retailers taxes that accrued before the effective date of this subsection [LRB inserts date], and fees, interest, and penalties that relate to those taxes.

SECTION 2183G. 77.71 of the statutes is amended to read:

77.71 Imposition of county, transit authority, and special district sales and use taxes. Whenever a county sales and use tax ordinance is adopted under s. 77.70, a transit authority resolution is adopted under s. 77.708, or a special district resolution is adopted under s. 77.705 or 77.706, the following taxes are imposed:

(1) For the privilege of selling, licensing, leasing, or renting tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), and for the privilege of selling, licensing, performing, or furnishing services a sales tax is imposed upon retailers at the rates under s. 77.70 in the case of a county tax, ~~at the rate under s. 77.708 in the case of a transit authority tax,~~ or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price from the sale, license, lease, or rental of tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property taxed under sub. (4), sold, licensed, leased, or rented at retail in the county, or special district, ~~or transit authority's jurisdictional area,~~ or from selling, licensing, performing, or furnishing services described under s. 77.52 (2) in the county, or special district, ~~or transit authority's jurisdictional area.~~

(2) An excise tax is imposed at the rates under s. 77.70 in the case of a county tax, ~~at the rate under s. 77.708 in the case of a transit authority tax,~~ or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming in the county, or special district, ~~or transit authority's jurisdictional area~~ tangible personal property, or items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property, item, property, good, or service is subject to the state use tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3), or (4) has been paid relieves the buyer of liability for the tax under this subsection and except that if the buyer has paid a similar local tax in another state on a

purchase of the same tangible personal property, item, property, good, or service that tax shall be credited against the tax under this subsection and except that for motor vehicles that are used for a purpose in addition to retention, demonstration, or display while held for sale in the regular course of business by a dealer the tax under this subsection is imposed not on the purchase price but on the amount under s. 77.53 (1m).

(3) An excise tax is imposed upon a contractor engaged in construction activities within the county, ~~or special district, or transit authority's jurisdictional area,~~ at the rates under s. 77.70 in the case of a county tax, ~~at the rate under s. 77.708 in the case of a transit authority tax,~~ or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) that are used in constructing, altering, repairing, or improving real property and that became a component part of real property in that county or special district ~~or in the transit authority's jurisdictional area,~~ except that if the contractor has paid the sales tax of a county, ~~transit authority,~~ or special district in this state on that tangible personal property, item, property, or good, or has paid a similar local sales tax in another state on a purchase of the same tangible personal property, item, property, or good, that tax shall be credited against the tax under this subsection.

(4) An excise tax is imposed at the rates under s. 77.70 in the case of a county tax, ~~at the rate under s. 77.708 in the case of a transit authority tax,~~ or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft, if that property must be registered or titled with this state and if that property is to be customarily kept in a county that has in effect an ordinance under s. 77.70, ~~the jurisdictional area of a transit authority that has in effect a resolution under s. 77.708,~~ or in a special district that has in effect a resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local sales tax in another state on a purchase of the same property that tax shall be credited against the tax under this subsection.

SECTION 2183H. 77.73 (2) of the statutes is amended to read:

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

SECTION 2183I. 77.73 (3) of the statutes is amended to read:

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

SECTION 2183J. 77.75 of the statutes is amended to read:

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

SECTION 2183K. 77.76 (1) of the statutes is amended to read:

77.76 **(1)** The department of revenue shall have full power to levy, enforce, and collect county, ~~transit authority,~~ and special district sales and use taxes and may take any action, conduct any proceeding, impose interest and penalties, and in all respects proceed as it is authorized to proceed for the taxes imposed by subch. III. The department of transportation and the department of natural resources may

administer the county, ~~transit authority~~, and special district sales and use taxes in regard to items under s. 77.61 (1).

SECTION 2183L. 77.76 (2) of the statutes is amended to read:

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

SECTION 2183M. 77.76 (3r) of the statutes is repealed.

SECTION 2183N. 77.76 (4) of the statutes is amended to read:

77.76 (4) There shall be retained by the state 1.5% of the taxes collected for taxes imposed by special districts under ss. 77.705 and 77.706 and ~~transit authorities under s. 77.708~~ and 1.75% of the taxes collected for taxes imposed by counties under s. 77.70 to cover costs incurred by the state in administering, enforcing, and collecting the tax. All interest and penalties collected shall be deposited and retained by this state in the general fund.

SECTION 2183O. 77.76 (5) of the statutes is repealed.

SECTION 2183P. 77.77 (1) of the statutes is amended to read:

77.77 (1) (a) The sales price from services subject to the tax under s. 77.52 (2) or the lease, rental, or license of tangible personal property and property, items, and goods specified under s. 77.52 (1) (b), (c), and (d), is subject to the taxes under this subchapter, and the incremental amount of tax caused by a rate increase applicable to those services, leases, rentals, or licenses is due, beginning with the first billing period starting on or after the effective date of the county ordinance, special district resolution, ~~transit authority resolution~~, or rate increase, regardless of whether the service is furnished or the property, item, or good is leased, rented, or licensed to the customer before or after that date.

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

SECTION 2183Q. 77.77 (3) of the statutes is amended to read:

77.77 (3) The sale of building materials to contractors engaged in the business of constructing, altering, repairing or improving real estate for others is not subject to the taxes under this subchapter, and the incremental amount of tax caused by the rate increase applicable to those materials is not due, if the materials are affixed and made a structural part of real estate, and the amount payable to the contractor is fixed without regard to the costs incurred in performing a written contract that was irrevocably entered into prior to the effective date of the county ordinance, special district resolution, ~~transit authority resolution~~, or rate increase or that resulted from the acceptance of a formal written bid accompanied by a bond or other performance guaranty that was irrevocably submitted before that date.

SECTION 2183R. 77.78 of the statutes is amended to read:

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

SECTION 2187D. Subchapter XIII (title) of chapter 77 [precedes 77.997] of the statutes is repealed.

SECTION 2187F. 77.9971 of the statutes is repealed.

SECTION 2187H. 77.9972 of the statutes is repealed.

SECTION 2187J. 77.9973 of the statutes is renumbered 77.9973 (1).

SECTION 2187L. 77.9973 of the statutes, as affected by 2011 Wisconsin Act ... (this act), is repealed.

SECTION 2187N. 77.9973 (2) of the statutes is created to read:

77.9973 (2) Retailers and the department of revenue may not collect fees under this subchapter for the southeastern regional transit authority after the effective date of this subsection [LRB inserts date], except that the department of revenue may collect from retailers fees that accrued before the effective date of this subsection [LRB inserts date], and fees, interest, and penalties that relate to those taxes.

SECTION 2237E. 85.062 (3) (c) of the statutes is repealed.

SECTION 2237M. 85.063 (3) (b) 1. of the statutes is amended to read:

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

SECTION 2237O. 85.064 (1) (b) of the statutes is amended to read:

85.064 (1) (b) "Political subdivision" means any city, village, town, county, or transit commission organized under s. 59.58 (2) or 66.1021 or recognized under s. 66.0301, ~~or transit authority created under s. 66.1039~~ within this state ~~or the southeastern regional transit authority under s. 59.58 (7).~~

SECTION 3182G. 345.05 (1) (ag) of the statutes is repealed.

SECTION 3182R. 345.05 (2) of the statutes is amended to read:

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

SECTION 3471M. 611.11 (4) (a) of the statutes is amended to read:

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

SECTION 3567M. 2009 Wisconsin Act 28, section 9150 (1) is repealed.

(Section in question in italics here – EAF)

2009 WISCONSIN ACT 28 SECTION 9150. Nonstatutory provisions; Transportation.

(1) TRANSIT AUTHORITIES.

(b) Initial terms of Dane County regional transit authority. Notwithstanding the length of terms specified for members of the board of directors of the Dane County transit authority under section 66.1039 (2) (b) and (3) (a) of the statutes, as created by this act, the initial terms for the members appointed under section 66.1039 (3) (c) 1. and 4. of the statutes, as created by this act, shall be two years.

(c) Initial terms of Chippewa Valley regional transit authority. Notwithstanding the length of terms specified for members of the board of directors of the Chippewa Valley regional transit authority under section 66.1039 (2) (c) and (3) (a) of the statutes, as created by this act, the initial terms shall be 2 years for each of the following:

- 1. One of the members appointed under section 66.1039 (3) (d) 1. b. of the statutes, as created by this act.*
- 2. One of the members appointed under section 66.1039 (3) (d) 1. c. of the statutes, as created by this act, if applicable.*
- 3. Each member appointed under section 66.1039 (3) (d) 1. d. of the statutes, as created by this act.*

(d) Initial terms of Chequamegon Bay regional transit authority. Notwithstanding the length of terms specified for members of the board of directors of the Chequamegon Bay regional transit authority under section 66.1039 (2) (e) and (3) (a) of the statutes, as created by this act, the initial terms shall be 2 years for each of the following:

1. One member from each county appointed under section 66.1039 (3) (f) 1. b. of the statutes, as created by this act.

2. Each of the members appointed under section 66.1039 (3) (f) 1. c. of the statutes, as created by this act.

SECTION 9148. Nonstatutory provisions; Transportation.

(1) CERTIFICATES OF TITLE. Notwithstanding chapter 342 of the statutes, as affected by this act, beginning on the effective date of this subsection, the department of transportation may, for 6 months after the effective date of this subsection, issue and deliver certificates of title under applicable provisions of chapter 342 of the statutes that are in effect on the day before the effective date of this subsection.

(3u) DISSOLUTION AND WINDING DOWN OF TRANSIT AUTHORITIES.

(a) Any authority created under section 66.1039, 2009 stats., is dissolved on the effective date of this paragraph.

(b) The authority under section 59.58 (7), 2009 stats., is dissolved on the effective date of this paragraph.

(c) After the effective date of this paragraph, the counties of Kenosha, Racine, and Milwaukee, and all members of the governing body of the authority under section 59.58 (7) of the statutes, shall begin the process of winding down the authority and shall complete the process by the time the authority is dissolved as provided in paragraph (b). All assets and liabilities of the authority under section 59.58 (7), 2009 stats., including any accumulated moneys received from the fees imposed under subchapter XIII of chapter 77 of the statutes, shall become the assets and liabilities of the counties of Kenosha, Racine, and Milwaukee and shall be divided and distributed as follows:

1. Fifty percent to Milwaukee County.
2. Twenty-five percent to Kenosha County.
3. Twenty-five percent to Racine County.

SECTION 9448. Effective dates; Transportation.

(1) CERTIFICATES OF TITLE. The treatment of sections 218.0171 (2) (c) and (cm) 2., 218.23 (1), 342.13 (1), 342.15 (1) (a) and (c) and (5), 342.20 (1), 342.22 (1) (intro.) and (2), and 342.23 (2) (a) and (b) and (4) of the statutes, the renumbering and amendment of sections 342.09 (1) of the statutes, and the creation of section 342.09 (1) (b) of the statutes and SECTIONS 9148 (1) and 9348 (2) of this act take effect on January 1, 2012.

(2) IDENTIFICATION CARD RENEWALS. The repeal and recreation of sections 343.20 (2) (a) and 343.50 (4) and (6) of the statutes takes effect on July 1, 2011, on the day after publication, or on the date on which the creation of section 343.165 of the statutes by [2007 Wisconsin Act 20](#) takes effect, whichever is latest.

(4) REAL ID NONCOMPLIANT OPERATOR'S LICENSES AND IDENTIFICATION CARDS. The treatment of sections 343.03 (3r), 343.06 (1) (L), 343.10 (7) (d), 343.11 (3) (by SECTION 3150), 343.14 (3) and (3m), 343.165 (1) (intro.), (2), (3) (a), (4) (a), (c), and (d), (5), and (7), and 343.17 (3) (a) 2. and 14. of the statutes and the repeal and recreation of sections 343.17 (5) and 343.50 (1), (3), and (4g) of the statutes take effect on July 1, 2011, on the day after publication, or on the date on which the creation of section 343.165 of the statutes by [2007 Wisconsin Act 20](#) takes effect, whichever is latest.

(6g) SOUTHEAST WISCONSIN FREEWAY FUNDING. Section 9148 (7f) of this act takes effect on the day after publication, or retroactively to June 30, 2011, whichever is earlier.

(6u) TRANSIT AUTHORITIES.

(a) The treatment of sections 59.58 (7) (e) (intro.), (i), and (j) and 66.1039 (4) (s) 1. of the statutes, the renumbering of section 77.9973 of the statutes, and the creation of sections 77.708 (3) and 77.9973 (2) of the statutes and SECTION 9148 (3u) (c) of this act take effect on the 10th day after the day of publication.

(b) The treatment of sections 20.566 (1) (gc) and (gh), 20.835 (4) (gc) and (gh), 32.02 (11), 32.05 (1) (a), 32.07 (2), 40.02 (28), 59.58 (6), 66.0301 (1) (a) (by Section 1720b), 66.0903 (1) (d), 67.01 (5), 70.11 (2), 71.05 (1) (c) 9., 71.26 (1) (b), 71.26 (1m) (j), 71.45 (1t) (j), chapter 77 (title) (by Section 2177m), 77.54 (9a) (er), subchapter V (title) of chapter 77, 77.71, 77.73 (2) and (3), 77.75, 77.76 (1), (2), (3r), (4), and (5), 77.77 (1) and (3), 77.78, subchapter XIII (title) of chapter 77, 77.9971, 77.9972, 85.062 (3) (c), 85.063 (3) (b) 1., 85.064 (1) (b), 111.70 (1) (j), 345.05 (1) (ag), 345.05 (2), and 611.11 (4) (a) of the statutes, the repeal of sections 59.58 (7), 66.1039, 77.708, and 77.9973 of the statutes, and SECTIONS 3567m and 9148 (3u) (a) and (b) take effect on the 90th day after the day of publication.