Informational Paper 43

# Regional Transit Authorities

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# Regional Transit Authorities

Provisions for the creation of several regional transit authorities (RTAs), which have either tax or fee authority within their jurisdiction, were included in 2009 Act 28. Specifically, Act 28 created the Southeastern RTA, which has the authority to impose a vehicle rental fee for the construction, management, and operation of the Kenosha-Racine-Milwaukee (KRM) commuter rail project. Further, Act 28 allows Dane County, Chequamegon Bay, and Chippewa Valley RTAs to be created. Each of these three has the authority to impose sales and use taxes to manage or contract for the provision of transit services within its jurisdiction.

This paper describes the statutory authority specific to each of the four RTAs allowed under Act 28. It also provides information on the powers and duties that are common to the Dane County, Chequamegon Bay, and Chippewa Valley RTAs.

## Southeastern RTA

Effective July 1, 2009, Act 28 created the southeastern regional transit authority (SERTA), a public body corporate and politic, comprised of Kenosha, Milwaukee, and Racine counties. The jurisdictional area of SERTA is the territorial boundaries of the member counties. The powers of the Authority are limited to those necessary and convenient for the creation, construction, and management of a KRM commuter rail line, defined as a commuter rail transit system connecting the cities of Kenosha, Racine, and Milwaukee. SERTA effectively replaced the previous Southeastern Wisconsin RTA, created under 2005 Act 5, which was terminated under Act 28.

### Board of Directors

The powers of SERTA are vested in a board of directors and a majority of the board's full authorized membership constitutes a quorum for the purpose of conducting the authority's business and exercising its powers. Also, any action may be taken by the board upon a vote of a majority of the directors present and voting, unless the bylaws of SERTA require a larger number.

The SERTA board consists of the following members: (a) two members from Milwaukee County appointed by the Milwaukee County board chair; (b) two members from the City of Milwaukee appointed by the mayor of the City of Milwaukee; (c) one member from Racine County appointed by the Racine County board chair; (d) one member from the City of Racine appointed by the mayor of the City of Racine; (e) one member from Kenosha County appointed by the Kenosha County board chair; (f) one member from the City of Kenosha appointed by the mayor of the City of Kenosha; and (g) one member, who must reside within the RTA's jurisdictional area, appointed by the Governor.

The SERTA board was established in late 2009, and held its first board meeting on November 23, 2009. The board adopted SERTA's bylaws on December 18, 2009. Southeastern Wisconsin Regional Planning Commission staff serve as temporary staff to the SERTA Board.

### Vehicle Rental Fee

The SERTA board has the authority to impose up to an $18 per transaction vehicle rental fee in its jurisdictional area. The board also has the authority to annually index the vehicle rental fee by the average, annual change in the consumer price

index for all urban consumers (the CPI-U) for the twelve months ending on September 30 in the year before the adjustment. The indexed rate must be rounded to the next highest quarter-dollar amount. To date, the SERTA board has not imposed a vehicle rental fee.

If SERTA imposes a vehicle rental fee, the administration and collection of the fee will be carried out by the Department of Revenue (DOR). The SERTA board is required to notify DOR of the fee and any indexed fee adjustment at least 90 days before it becomes effective and DOR must publish the adjusted fee at least 30 days before it becomes effective.

For administering the fee, DOR can retain 2.55% of the fee revenues to cover its costs associated with collecting the fee. However, at the end of each fiscal year, any unencumbered balance in DOR's administrative appropriation account that exceeds 10% of the expenditures from the appropriation during the fiscal year will be distributed to the RTA.

The SERTA board is allowed to retain revenues equivalent to up to $2 of the vehicle rental fee to be used for SERTA administration. The remaining revenues from the vehicle rental fee can be used for costs related to the KRM commuter rail project, including the planning, engineering, construction, maintenance, and operation of the project

In addition, Act 28 required that the balance of funds from the previous Southeastern Wisconsin RTA's $2 per transaction vehicle rental fee be transferred to SERTA to assist in the planning of the KRM commuter rail project. This fee ended in October, 2009, when the Southeastern Wisconsin RTA was terminated. Approximately $1.5 million in funds were transferred to SERTA under this provision.

**Bonding Authority and State Funding**

The SERTA board has the authority to issue up to $50 million in bonds, excluding refunding bonds, for the anticipated local funding share required for initiating KRM commuter rail link service. SERTA is also an eligible applicant for up to $50 million in state funding under the southeastern Wisconsin transit capital assistance program that was created under Act 28. The KRM commuter rail project is enumerated as a major transit capital improvement project in the statutes, which makes the project eligible for the state funding.

**KRM Commuter Rail Project**

The SERTA board is the only entity in Kenosha, Milwaukee, and Racine counties that can apply to the Federal Transit Administration (FTA) for federal new starts funding for the KRM commuter rail project. The proposed KRM project would be a 33-mile long, commuter transit service that would run on what is currently the Union Pacific North freight line. The service would connect with the Metra rail line that currently runs between Chicago and Kenosha. The KRM project would involve new transit service that would extend to Milwaukee's Amtrak station, with potential intermediate stops in Kenosha, Somers, Racine, Caledonia, Oak Creek, South Milwaukee, and Cudahy-St. Francis. The service would consist of 14 weekday trains in each direction between Kenosha and Milwaukee. In addition, certain trains could also run to and from Waukegan, IL. The proposed service would be coordinated with the existing Metra commuter rail service to allow for timed transfers at Kenosha or Waukegan with Metra trains to and from Chicago. The new starts/preliminary engineering application indicates a projected ridership of 8,300 daily trips by 2035.

The board was required to submit an application to the FTA to enter the preliminary engineering phase of the federal new starts grant program for the KRM commuter rail line no later than July 1, 2010. In May, 2010, the SERTA board voted to submit the KRM commuter rail project new starts application for consideration of discretionary funding to enter into preliminary engineering. The application was formally submitted on June 24, 2010. Any FTA decision on preliminary engineering

would not entail a full funding grant agreement, which could only occur after final engineering and design are complete.

The estimated construction cost of the proposed KRM commuter rail project is $233.1 million (2009 dollars), with the annual operating costs associated with the project estimated at $13.4 million (2009 dollars). The proposed funding plan for the capital costs of the project outlined by SERTA was approximated as follows: (a) $140 million in FTA new starts funding; (b) $18 million from the Federal Highway Administration's congestion mitigation and air quality improvement program; and (c) $35 million to $40 million each in state and local funds.

The August, 2009, draft environment impact statement indicated the following general schedule for the KRM commuter rail project.

| Stage/Task | Completion |
|---|---|
| FTA Decision on Preliminary Engineering | Winter, 2010-11 |
| Conduct Preliminary Engineering | Summer, 2011 |
| Apply for FTA Final Design Funding | Summer, 2011 |
| FTA Decision on Final Design | Winter, 2012-13 |
| Conduct Final Design | Winter, 2013-14 |
| FTA Decision on Full Funding | Fall, 2014 |
| Construction / Service Implementation | Spring, 2016 |

## Dane County, Chequamegon Bay, and Chippewa Valley RTAs

Act 28 allows three specific RTAs to be created, in separate geographic areas of the state, each with the authority to impose sales and use taxes for transit. The Dane County, Chequamegon Bay, and Chippewa Valley RTAs each have a jurisdictional area and governing board makeup specific to the RTA. However, the RTAs generally have the same powers and authority. This section of the paper discusses the Act 28 provisions on jurisdiction and governance that are unique to each of these RTAs, as well as the powers and authorities that are common to all three RTAs.

### Dane County RTA

Under Act 28, the Dane County board may adopt a resolution to create a Dane County RTA with a jurisdictional area that is the geographic area formed by the Madison metropolitan planning area. Only those municipalities wholly or partly included in the Madison metropolitan planning area on January 1, 2003, would be members of the Dane County RTA. However, annexed territory subject to an unresolved challenge on January 1, 2003, is not considered part of the annexing municipality or the Madison metropolitan planning area (this excludes the Village of Waunakee from the Dane County RTA's jurisdictional area, unless the Village joins the RTA).

The Dane County board established the Dane County RTA on November 6, 2009. Under Act 28, the initial municipalities located wholly or partly within the Dane County RTA's jurisdictional area include: (a) the cities of Fitchburg, Madison, Middleton, Monona, Stoughton, Sun Prairie, and Verona; (b) the villages of Cottage Grove, Maple Bluff, McFarland, Shorewood Hills, and Waunakee; and (c) the towns of Blooming Grove, Bristol, Burke, Cottage Grove, Dunn, Dunkirk, Madison, Middleton, Pleasant Springs, Rutland, Springfield, Sun Prairie, Verona, Westport, and Windsor.

In addition, any municipality located in whole or in part within Dane County, that is not part of 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. To date, no municipality has adopted a resolution to join the Dane County RTA.

The Dane County RTA board of directors consists of the following members who, unless noted otherwise, serve four-year terms: (a) two members from the Madison metropolitan planning area, both of whom have an initial term of two years, to be appointed by the county executive and approved by the county board; (b) two members ap-

pointed 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, other than the City of Madison, with a population of more than 15,000 located in Dane County, whose initial terms are two years, and who are appointed by the mayor and approved by the common council of each city (based on current population estimates this provision applies to the cities of Fitchburg, Middleton, and Sun Prairie); and (e) one member from a city or village within the jurisdictional area of the authority that does not have a separate statutory representative on the board, appointed for a two-year term by the Dane County Cities and Villages Association (this member is a rotating member among these eligible cities and villages and a city or village can not have a subsequent appointee until an appointee from each eligible city or village has served a term in that rotation). If a municipality with an appointment to the RTA is not governed by an elected executive, the board or council chairperson of the governing body of the appointing authority has the power to appoint that municipal representative to the RTA board. Local governments have been providing staff assistance to the RTA board on a temporary basis.

**Chequamegon Bay RTA**

If the Ashland and Bayfield county boards each adopt a resolution to be a member of the Chequamegon Bay RTA, the RTA is created and the jurisdictional area of the RTA is the combined territorial boundaries of Ashland and Bayfield counties. Once the RTA is created, the governing body of any other county may vote to join the RTA. The RTA board must approve the county's joinder before the county could be a member. If a county joins the RTA, the jurisdictional area of the RTA is the combined territorial boundary of Ashland County, Bayfield County, and any other county that joins the RTA. To date, the Chequamegon Bay RTA has not been created.

If the Chequamegon Bay RTA is created, the board of directors of the authority would be determined by resolution of the governing body of each county and the bylaws of the RTA would have to include the approved board composition. However, the RTA board could not consist of more than 17 members and would have to include the following members:

a. at least three members from each county, appointed by the county executive and approved by the county board of each county;

b. at least one member from the most populous city of each county (the cities of Ashland and Washburn), appointed by the mayor of the city and approved by the common council; and

c. at least one member from the RTA's jurisdictional area, appointed by the Governor.

If a municipality with an appointment to the RTA is not governed by an elected executive, the board or council chairperson of the governing body of the appointing authority has the power to appoint that municipal representative to the RTA board. If the governing bodies of the counties are unable to agree upon the composition of the board of directors, the board is limited to the minimum membership described above. The length of terms for the Chequamegon Bay RTA board members is four years, except the initial term is two years for the following members: (a) one of the members appointed by the county executives of each county; and (b) each member appointed by the mayors of the most populous city in each member county.

In addition, any county that joins the Chequamegon Bay RTA would have three members on the RTA board, to be appointed by the county executive of the county and approved by the county board. Any county that joins the RTA is allowed to determine the makeup of the RTA board along with Ashland and Bayfield counties. The most populous city in any county that joins the RTA is allowed one member, who is to be appointed by the mayor of the city and approved by the common council of the city.

**Chippewa Valley RTA**

If the Eau Claire County board adopts a resolution to be a member of the Chippewa Valley RTA, the RTA is created and the jurisdictional area of the RTA is the territorial boundary of Eau Claire County. If the RTA is created, any municipality located in whole or in part in Eau Claire County would be a member of the RTA. In addition, once the RTA is created, the governing body of Chippewa County may vote to join the RTA. If the county joins the RTA, the jurisdictional area of the RTA is the combined territorial boundaries of Eau Claire County and Chippewa County. If Chippewa County joins the RTA, any municipality located in whole or in part in Chippewa County would be a member of the RTA. To date, the Chippewa Valley RTA has not been created.

If the Chippewa Valley RTA is created, the board of directors of the authority would be determined by resolution of the governing body of Eau Claire County or, if Chippewa County also joins the authority, by resolution of the governing bodies of Eau Claire County and Chippewa County. The bylaws of the RTA would have to include the approved board composition. However, the RTA board could not consist of more than 17 members and would have to include the following members:

a. at least three members from Eau Claire County, appointed by the county executive and approved by the county board;

b. if Chippewa County joins the RTA, at least three members from Chippewa County, appointed by the county executive and approved by the county board;

c. at least one member from the most populous city of each member county (the cities of Eau Claire and Chippewa Falls), appointed by the mayor of the city and approved by the common council; and

d. at least one member from the RTA's jurisdictional area, appointed by the Governor.

If a municipality with an appointment to the RTA is not governed by an elected executive, the board or council chairperson of the governing body of the appointing authority has the power to appoint that municipal representative to the RTA board. If Chippewa County joins the RTA, and the governing bodies of Eau Claire County and Chippewa County are unable to agree upon the composition of the board of directors, the board is limited to the minimum membership described above.

The length of terms for Chippewa Valley RTA board members is four years, except the initial term is two years for the following members: (a) one of the members appointed by the Eau Claire County executive; (b) one of the members appointed by the Chippewa County executive, if Chippewa County joins the RTA; and (c) each member appointed by the mayors of the most populous city in each member county.

**Common Powers and Authority**

Once created, an RTA has the authority to transact business and exercise any of its powers. The powers of the RTA are vested in its board of directors. A majority of the board's full authorized membership constitutes a quorum for the purpose of conducting the authority's business and exercising its powers. Any action may be taken by an RTA board upon a vote of a majority of the directors present and voting, unless the bylaws of the authority require a larger number.

The bylaws of an RTA govern its management, operations, and administration and 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**

An RTA board has 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. The taxes would be imposed on the same base of products and services as the state and county sales and use taxes. An RTA may, by adoption of a resolution, repeal the imposition of the sales and use taxes. Upon adopting a resolution to either impose or repeal the sales and use taxes, an RTA must deliver a certified copy of the resolution to DOR at least 120 days before its effective date.

DOR has the authority to administer any RTA sales and use taxes on behalf of the RTA and make distributions to the authority imposing the tax and has all the 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. DOR is required 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 RTA. After the distributions are made, DOR retains the remaining 1.5% of the revenues in an appropriation to cover its costs of administering the taxes. However, at the end of each fiscal year, the unencumbered balance in this DOR administrative appropriation is transferred to the appropriation created for the receipt and distribution of the transit authority sales and use taxes.

To date, the Dane County RTA, the only one of these RTAs that has been created, has not imposed the 0.5% sales and use taxes.

**Duties of an RTA**

An RTA is required to provide, or contract for the provision of, transit service within its jurisdictional area. The RTA board must annually prepare a budget for the authority. Any rates and other charges received by the RTA can 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. The RTA must maintain an accounting system in accordance with generally accepted accounting principles and have its financial statements and debt covenants audited annually by an independent, certified public accountant.

**Powers of an RTA**

An RTA has the power to do all of the following to the extent authorized in its bylaws:

a. Establish, maintain, and operate a comprehensive unified local transportation system primarily for the transportation of persons.

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 who are disabled or aged 60, or older. This includes services funded from federal funds, the medical assistance program, the Department of Transportation's (DOT's) specialized transportation assistance program for counties, and from other public funds administered by the county. An authority can 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. The authority to acquire property by condemnation is subject to the 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 has to notify the controlling public authority, and the highway, street, road, or alley must 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 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**

Notwithstanding its related powers, no RTA, and no public or private organization with which an RTA has contracted for service, can provide service outside its jurisdictional area unless one of the following occurs: (a) the RTA 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.

Whenever the proposed operations of an RTA would be competitive with the operations of a common carrier (a motor carrier, contract motor carrier, railroad, or water carrier) in existence prior to the time the RTA commences operations, the RTA must coordinate the proposed operations with the common carrier to eliminate the adverse financial impact for the carrier. 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. If this coordination does not result in mutual agreement, the RTA proposals, and those of the common carrier, must be submitted to the Department of Transportation for arbitration.

In exercising its powers, an RTA is to consider any plan of a metropolitan planning organization that covers any portion of its jurisdictional area.

**Withdrawal from an RTA**

Any participating county or municipality that has joined an RTA can withdraw 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 RTA; and (b) the county or municipality has paid, or made provision for the payment of, all obligations it has to the RTA. The ability to withdraw from an RTA does not apply to municipalities participating in the Dane County RTA that are within the Madison metropolitan planning area. Also, any municipality located in Ashland or Bayfield county can not withdraw from the Chequamegon Bay RTA if their county is a member of the RTA. Similarly, any municipality located in Eau Claire or Chippewa county can not withdraw from the Chippewa Valley RTA if their county is a member of the RTA. However, if Chippewa County withdraws from the Chippewa Valley RTA, the municipalities of Chippewa County also have to withdraw from the RTA.

**RTA Obligations to Employees of Mass Transportation Systems**

Any RTA taking an action to acquire a comprehensive unified local transportation system for the purpose of the authority's operation of the system must 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, 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 must include all provisions required 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 has 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 must be a member of the authority's negotiating body.

**Bonding Authority**

An RTA has 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. An RTA can issue bonds in such principal amounts as the authority deems necessary and secure its bonds by a pledge of any income or revenues from any operations, rent, aids, grants, subsidies, contributions, or other source of moneys. An RTA may also issue refunding bonds for the purpose of paying any of its bonds at, or prior to, maturity or upon acceleration or redemption.

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

**Other Provisions**

2009 Act 28 also specified the following relative to these RTAs:

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

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

c. An RTA is not 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.

d. An RTA is 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.

e. An RTA is defined as a municipality as it relates to municipal borrowing and municipal bonds and intergovernmental cooperation statutes.

f. The property of an RTA is exempt from property taxation.

g. The income received by an RTA is exempt from income taxation.

h. Sales to an RTA are exempt from sales taxes.

i. Upon completion of a required planning study, or to the satisfaction of the DOT, a multimodal transportation study, an RTA can apply to DOT for a grant for property acquisition for an urban rail system (this grant program is not currently funded).

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

k. Statutory 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 are extended to an RTA.

l. RTAs are 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.

# Wisconsin Legislative Council
# ACT MEMO

**Prepared by:** Anna Henning, Principal Attorney

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**2023 Wisconsin Act 12**
[2023 Assembly Bill 245]

**Shared Revenue, Personal Property Tax Elimination, and Milwaukee Sales Tax Authority**

2023 Wisconsin Act 12 modifies the state's approach to shared revenue for counties and municipalities, repeals Wisconsin's personal property tax, and authorizes the City of Milwaukee and Milwaukee County to impose sales and use taxes for limited purposes. The act makes various other changes to state law, including some provisions specific to the City of Milwaukee and Milwaukee County and other provisions that apply throughout the state.

## SHARED REVENUE

The state provides unrestricted aid payments, commonly referred to as "shared revenue," to counties and municipalities under the county and municipal aid program. Under **prior law**, county and municipal aid payments equaled the amount of the payment determined for each county or municipality in 2012.

**The act** modifies the approach to shared revenue in the following ways:

- **General aid distributed based on current allocation.** The act creates a new trust fund account from which the Department of Administration (DOA) must make county and municipal aid payments. In 2024, the act provides that each county and municipality will receive the amount of aid that the county or municipality received in 2023. Beginning in 2025, DOA must distribute the amount that is in the trust fund account to counties and municipalities, based on the proportion of aid that each county and municipality received in 2024.[1]
- **New supplemental aid.** The act also creates a separate trust fund account from which the state must pay supplemental aid to counties and municipalities for spending on certain types of services.[2] For counties and for the City of Milwaukee and the City of Madison, the act authorizes a supplemental aid payment equal to the greater of: (1) 10 percent of the amount of general aid the county or city received in 2024; or (2) a formula specified under the act. For municipalities other than the City of Milwaukee and the City of Madison, the act authorizes a supplemental aid payment equal to the greater of: (1) 20 percent of the amount of general aid the municipality received in 2024; or (2) a formula specified under the act. For municipalities with 2022 populations between

[1] However, the act directs DOA to reduce aid payments by a percentage of the amount of any grant that a county or municipality receives for the replacement of public transit vehicles with funds resulting from a consent decree in a class action suit against the Volkswagen Group, with the percentage amount ranging from 75 percent for urban mass transit systems that serve populations over 200,000, to 10 percent for urban mass transit systems that serve populations less than 50,000. DOA must also reduce Milwaukee County's aid payment by $4 million until 2035.

[2] The act allows supplemental aid to be used for law enforcement, fire protection, emergency medical services, emergency response communications, public works, courts, and transportation. The act prohibits the use of supplemental aid for administrative services.

5,000 and 30,000, the act authorizes additional supplemental aid in an amount equal to a municipality's proportional share of $15 million.

- **Innovation grants.** The act creates a three-year[3] innovation grant program, through which a county or municipality may receive additional funds by submitting a plan to transfer specified types of services to another county or municipality, or to a nonprofit organization or other private entity. The Department of Revenue (DOR) must promulgate administrative rules to implement the program. Counties and municipalities may first apply for the grants after DOR's rules take effect, and only with respect to contracts or agreements to transfer services that are entered into after the rules take effect. To receive an innovation grant, a county's or municipality's plan must reduce expenditures for a given service by at least 10 percent, with certain savings realized within the first two years, and all of the savings realized within three years. With certain exclusions, innovation grant payments generally equal 25 percent of the cost to provide the service in the year immediately preceding the transfer of a given service or duty. The act provides an aggregate limit of $300 million for the program and a $10 million limit per county or municipality. Although specified other services also qualify, the act directs DOR to prioritize grants for plans that attempt to realize savings for public safety, fire protection, and emergency services while maintaining the appropriate level of such services. The act provides that the allocation of funds between counties and municipalities that transfer services is determined under the terms of an agreement negotiated by the county or municipality. For municipalities with populations of 5,000 or less, the act also authorizes innovation planning grants for staffing and consultant expenses relating to planning the transfer of services.

## REPEAL OF THE PERSONAL PROPERTY TAX

**Prior law** generally required personal property to be assessed and taxed for purposes of the property tax, but numerous categories of personal property were exempt from taxation.

**The act** repeals Wisconsin's remaining personal property tax, beginning with property tax assessments as of January 1, 2024. The act exempts most items that had been defined as "personal property" from the personal property tax, and reclassifies certain other items as real property for purposes of property taxation. In addition, beginning in 2025, the act requires DOA to provide aid to local taxing jurisdictions in an amount equal to the taxes that were levied on items of personal property based on assessments as of January 1, 2023. The act also provides that for assessments after January 1, 2024, the personal property of a railroad company is exempt from the state *ad valorem* tax, and from local assessment and taxation.

## MILWAUKEE-SPECIFIC PROVISIONS

**Prior law** authorized the City of Milwaukee and Milwaukee County to administer their own employee retirement systems, which currently face structural deficits.

**The act** provides various new authorizations, requirements, and prohibitions specific to the City of Milwaukee and Milwaukee County, including new authority to levy sales and use taxes to address the structural deficits in the retirement systems, as well as other provisions that are not directly tied to the sales tax authority. The act also requires the Legislative Audit Bureau to conduct all of the following: (1) at least every five years, a financial audit of any sales and use taxes imposed under the act; (2) an annual financial audit of the city's and county's existing retirement systems; and (3) at least every five

[3] DOR must distribute the grants in payments made each year during the period consisting of the first fiscal year that begins after DOR's rules implementing the program take effect, and the following two fiscal years.

years, a contracted audit of the actuarial performance of the city's and county's existing retirement systems.

## Authority to Impose a Sales and Use Tax

**Prior law** authorized counties to impose a sales and use tax of .5 percent for the purpose of reducing the county's property tax levy. Prior law did not allow municipalities to impose a general sales and use tax.

**The act** authorizes the City of Milwaukee to impose a two percent sales and use tax and Milwaukee County to impose an additional sales and use tax of .4 percent, subject to certain conditions.

Under the act, the following conditions apply to the two percent sales and use tax authorized to be imposed by the **City of Milwaukee**:

- **Ordinance approved by supermajority vote.** Before the city may impose the tax, the Milwaukee Common Council must pass an ordinance authorizing the tax by a two-thirds majority vote of all members elect.
- **Purposes for which sales tax revenue may be used.** The act requires the city to use up to 90 percent of the amount of revenue generated in the first full calendar year in which the tax is imposed for pension-related costs, including payments to the existing city retirement system's unfunded actuarial accrued liability and increases in city agencies' employer contribution costs for the existing retirement system. The city must use 10 percent of the amount of revenue received in the first full calendar year the tax is imposed to maintain a level of law enforcement and fire protective and emergency medical services (EMS) that is equivalent to the level the city provided on April 1, 2023. The city must use any revenue that exceeds that amount to increase the number of law enforcement officers and paid members of the fire department, until the city employs 1,725 law enforcement officers, including 175 detectives, and maintains a daily staffing level not fewer than 218 members of the paid fire department. After that time, the city must use that excess revenue for the ongoing costs of that staffing increase.
- **Requirement to join the Wisconsin Retirement System.** As a condition of imposing the tax, the act requires the city to elect to join the Wisconsin Retirement System (WRS) for all new employees.
- **Retirement System Administration.** Beginning on the January 1 after the city enacts an ordinance to impose a sales and use tax, the act requires the city to calculate annual employer contributions for its existing retirement system using a 30-year amortization period and an annual investment return assumption that is the same as or less than the assumption used for the WRS. The act provides immunity from liability for trustees and administrators of the city's retirement system for complying with those requirements.
- **Report to the Joint Committee on Finance.** Beginning in 2026, the city must submit an annual report to the Joint Committee on Finance (JCF). The report must contain detailed information regarding the city's expenditures of the sales and use tax revenues, including expenditures and staffing levels related to law enforcement, fire protection, and other public safety measures.
- **Requirement to attain certain policy and fire staffing levels within 10 years.** The act requires the city to attain staffing levels of 1,725 law enforcement officers, including 175 detectives, and not fewer than 218 members of the paid fire department within 10 years after the tax is first imposed.

- **Supermajority vote required for spending and position increases.** Until the city repeals the sales and use tax, the act generally requires any proposal to do either of the following to be approved by a vote of two-thirds of all members of the city's Common Council: (1) new program spending; or (2) increasing the total number of positions in the city.[4]
- **Collective bargaining.** If the tax is imposed, the act prohibits the city from collectively bargaining with public safety employees on any terms of the city's existing retirement systems.
- **No new benefits for employees in existing system.** If the tax is imposed, the act prohibits the city from increasing or enhancing benefits for employees who remain in the city's existing retirement systems, except as required to comply with federal law. The act specifically prohibits changes to the city's existing retirement system that are contrary to collective bargaining agreements between the city and certain police and fire associations that were in effect through December 31, 2022 and benefits or payments defined in the city's charter in 2022.
- **Sunset.** The act requires the city to repeal the ordinance authorizing the sales and use tax effective on the first December 31 after the city's retirement system is fully funded, or 30 years after the tax takes effect, whichever occurs first.

The following conditions apply to the additional .4 percent sales tax authorized to be imposed by **Milwaukee County** under the act:

- **Ordinance approved by supermajority vote.** Before the county may impose the tax, the county board must pass an ordinance authorizing the tax by a two-thirds majority vote of all members elect.
- **Purposes for which sales tax revenue may be used.** The county must first contribute the revenue from the additional tax to the existing county retirement system's unfunded accrued liability, as determined by the retirement system's actuary. After contributing the required amount to the retirement system's unfunded actuarial accrued liability in a given year, the county must make the required payment for its pension bond obligations. The county must use any remaining revenue from the tax in a given year to make an additional payment to the county retirement system's unfunded actuarial accrued liability.
- **Requirement to join the WRS.** As a condition of imposing the tax, the county must make an election to join the WRS for all new employees.
- **Supermajority vote required for spending and position increases.** Until the county repeals the sales and use tax, the act generally requires any proposal to do either of the following to be approved by a vote of two-thirds of all members of the county board: (1) new program spending; or (2) increasing the total number of positions in the city.[5]
- **Collective bargaining.** If the tax is imposed, the act prohibits the county from collectively bargaining with public safety employees on any terms of the county's existing retirement systems.
- **No new benefits for employees in existing system.** If the tax is imposed, the act prohibits the county from increasing or enhancing benefits for employees who remain in the county's existing retirement system, except as required to comply with federal law.

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[4] That requirement does not apply to a program that is intended to reduce expenditures or consolidate or reorganize existing services into a different administrative structure without increasing spending.

[5] That requirement does not apply to a program that is intended to reduce expenditures or consolidate or reorganize existing services into a different administrative structure without increasing spending.

- **Report to JCF.** Beginning in 2026, the county must submit an annual report to JCF. The report must contain detailed information regarding the county's expenditures of the sales and use tax revenues.
- **Sunset.** The act requires the county to repeal the ordinance imposing the tax after the county's retirement system is first fully funded, or 30 years after the additional sales and use tax takes effect, whichever occurs first.

## Other City of Milwaukee and Milwaukee County-Specific Provisions

The act includes the following provisions that apply to **both the City of Milwaukee and Milwaukee County** and are not directly tied to the authority to impose a sales and use tax:

- **Plan for use or sale of unused buildings.** The act requires the city and county to identify all buildings that the county or city has authority to sell and that are not being used by the city or county. The city and county must each submit a plan to JCF for the use or sale of the buildings identified.
- **Cap on spending for cultural or entertainment matters and nonprofit partnerships.** The act provides that no more than five percent of the city's and county's total amount of budgeted expenditures may: (1) be related to cultural or entertainment matters; or (2) involve partnerships with nonprofit groups. However, the act provides exceptions for: (1) certain charter schools in the city; and (2) parks, including zoos, and health or transit services in the county.

The act also includes the following provisions that apply to the **City of Milwaukee**, whether or not the city exercises the new sales and use tax authority:

- **Changes to Milwaukee Fire and Police Commission composition and authority.** The act modifies the composition of the board of the Milwaukee Fire and Police Commission by requiring that at least two commission members must be selected from lists submitted by the employee associations that represent nonsupervisory law enforcement officers and law enforcement officers or fire fighters, respectively. The act establishes procedures regarding nominations of individuals to serve on the commission's board, including a 45-day timeline by which the mayor must appoint individuals from the lists submitted by the employee associations. The act also specifies that members of the board may not continue to serve after their terms expire. In addition, the act authorizes the chiefs of the city's police and fire departments to establish policies relating to the control and management of their departments, whereas prior law authorized the commission to do so.
- **Supermajority vote required to modify police or fire policies.** The act provides that the city may modify policies established by the city's police or fire chief only if approved by two-thirds of all members on the city's Common Council.
- **School resource officers.** The act requires Milwaukee Public Schools to ensure that at least 25 school resource officers[6] are present at schools within the district during normal school hours, and that the school resource officers are available during certain additional time periods and events. The act requires Milwaukee Public Schools to ensure that the officers complete a 40-hour training course sponsored by the National Association of School Resource Officers.

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[6] In this context, "school resource officer" means a law enforcement officer who is deployed in community-oriented policing and assigned by the relevant law enforcement agency that employs him or her to work in a full-time capacity in collaboration with a school district.

- **Restriction on spending for a street car system and positions to promote diversity.** The act prohibits the city from expending any revenue received from its property tax levy or sales and use taxes to fund: (1) the development, operation, or maintenance of a street car system; or (2) any position for which the principal duties consist of promoting individuals or groups on the basis of their race, color, ancestry, national origin, or sexual orientation.
- **Maintenance of effort for police and fire.** In addition to the sales and use tax-specific maintenance of effort requirements, described above, the act requires the city to maintain a level of law enforcement and fire protection and EMS service that is at least equivalent to that provided by the city the previous year, as measured by the number of full-time equivalent law enforcement offices employed by the city and the daily staffing level of the paid fire department. The act allows the city to use "any reasonable method" to estimate the number of law enforcement officers and paid fire department staffing levels, and it excludes grant-funded officers and fire fighters from the maintenance of effort requirement.
- **Audit of Office of Violence Prevention.** The act requires the city to obtain an independent audit of the city's Office of Violence Prevention and submit the results of the audit to the Legislature.

Finally, the act includes the following requirements that apply to **Milwaukee County**, whether or not a sales and use tax is imposed under the act:

- **Correctional workers report.** The act requires the county to prepare a report regarding changes to the county's compensation plan to make the county competitive in the market for correctional workers at a sustainable level of funding.
- **Retirement system administration.** Beginning in 2024, the act requires the county to calculate its annual employer contributions for the county's existing retirement system using not more than a 30-year amortization period and an annual investment return assumption that is the same as or less than the annual investment return assumption used by the WRS. Future unfunded actuarial accrued liability may be amortized on the basis of standard actuarial practices. In addition, if the city or county joins the WRS for new employees, the city or county must pay the remaining balance of actuarially determined normal cost contributions each year that is not covered by employee contributions.

# OTHER CHANGES TO STATE LAW

## Maintenance of Effort Requirements

Beginning on July 1, 2024, the act generally requires counties and municipalities to provide "maintenance of effort" certifications to DOR, with a penalty of a 15 percent reduction in a municipality's shared revenue for failing to do so.[7] The certifications relate to: (1) law enforcement; and (2) fire protection and EMS, with different requirements for each of those categories.

### Law Enforcement and Fire

With respect to law enforcement, the act applies the certification requirement only to municipalities with populations greater than 20,000. Specifically, the act requires those municipalities to annually

[7] The act provides limited exceptions for counties and municipalities that consolidate services, for the year following that consolidation, and for municipalities in which law enforcement services are provided solely by a county sheriff on a non-contractual basis.

certify to DOR that the municipality has maintained a level of law enforcement that is at least equivalent to that provided in the municipality in the previous year. The certifications must include a statement from the person in charge of providing law enforcement that certifies that any of the following has been maintained at a level at least equivalent to the previous year:

- Moneys raised by tax levy and expended for employment costs of law enforcement officers.
- The percentage of the total moneys raised by tax levy that is expended for employment costs of law enforcement officers.
- The number of full-time equivalent law enforcement officers employed by or assigned to the municipality, not including officers whose positions are funded by state or federal grants.[8]

### Fire Protection and Emergency Medical Services

With respect to fire protection and EMS, the certification requirement applies to all counties and municipalities. The act requires counties and municipalities to annually certify to DOR that the county or municipality has maintained at least two of the following at a level at least equivalent to the previous year:

- Expenditures, not including capital expenditures, for fire protection and EMS.
- The number of full-time equivalent fire fighters and EMS personnel employed by or assigned to the county or municipality.
- The level of training and maintenance of licensure for fire fighters and EMS personnel providing fire protection and EMS within the county or municipality.
- Response times for fire protection and EMS throughout the county or municipality, adjusted for call location.

## High School Incident Statistics

The act requires public high schools, including independent charter schools, and private high schools that participate in a choice program,[9] to collect and maintain statistics regarding incidents that occur in certain locations and time periods. The requirement applies to the following types of incidents, if the incidents: (1) occur on property owned or leased by the school or the relevant governing body; (2) occur during school hours, a school-sanctioned event, or the transportation of pupils to or from school; and (3) are reported to law enforcement and result in the filing of a charge or citation:

- Homicide.
- Sexual assault.
- Burglary, robbery, or theft.
- Certain types of battery, substantial battery, or aggravated battery.
- Arson.
- Use or possession of alcohol, a controlled substance, or a controlled substance analog.

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[8] The act allows that number to be estimated using "any reasonable method," but the act specifies that only positions that are actually filled may be considered.

[9] Wisconsin law provides for four different programs that allow qualifying students to receive a state-funded tuition voucher to attend a private school. These programs are collectively referred to as "choice programs."

- Possession of a firearm in violation of the gun-free school zones law.
- Disorderly conduct in violation of a municipal ordinance.

The act requires public, charter, and choice highs schools to report those statistics on an annual basis to the school board or the Department of Public Instruction (DPI), respectively. The act requires DPI to promulgate rules to administer the reporting requirements, and it directs the Department of Justice (DOJ) to cooperate with DPI to develop a reporting system that incorporates DOJ's uniform crime reporting system.

The act also requires DPI to include certain school, school district, and statewide totals and averages regarding such statistics in school report cards. However, the act prohibits DPI from considering the statistics when determining a school's performance or school district's improvement for the report card.

## Levy Limit Adjustments

**Prior law**, generally retained by the act, places a limit, commonly referred to as a "levy limit," on the amount by which a municipality or county may increase its property tax levy. However, a number of exceptions apply. Most relevant to the act, prior law generally provided an increase, and a corresponding decrease, of a county's or municipality's levy limit to account for the transfer of services from one county or municipality to another.

**The act** requires both the transferring county or municipality and the county or municipality assuming new services to file a notice with DOR in order for a county's or municipality's levy limit to be increased or decreased to account for the transfer of services.

In addition, with respect to the impact of tax incremental districts (TIDs) on levy limits, the act modifies what is included in the valuation factor[10] for determining a local levy limit. In addition, beginning with TIDs created in 2025, the act sunsets the one-time levy limit increase allowed under prior law upon the termination of a TID, and replaces it with a relatively smaller, one-time increase upon TID termination.

## Authority to Form Joint Police and Fire Departments

**Prior law** specifically authorized cities to form joint police and fire departments with other cities, but not with towns and villages. **The act** authorizes cities to create joint police or fire departments with towns or villages.

## Comparative Report on Local Spending

**Prior law**, retained by the act, requires DOR to collect annual information from counties, municipalities, and certain other local units of government regarding specified sources of revenue, government expenditures, debt, financial audits, and other specified information. **The act** requires DOR to produce a comparative local government spending report regarding that information on an annual basis, and to display the information on its website.

## Advisory Referenda

**Prior law** generally allowed counties and municipalities to hold advisory referenda to gauge public opinion on a given topic. **The act** prohibits counties and municipalities from holding advisory referenda, with exceptions for advisory referenda regarding: (1) capital expenditures proposed to be

[10] The "valuation factor" is part of an equation that allows the prior levy to be increased in proportion to any increase in a municipality's equalized value due to net new construction.

funded with county or municipality property tax revenue; (2) local shared revenue agreements; (3) cooperative boundary agreements; and (4) certain cable and telecommunication operations.

## Minority Hiring Preferences

**Prior law** did not prohibit local units of government from adopting hiring and procurement preferences to remediate historic discrimination. **The act** prohibits counties and municipalities from discriminating against, or granting preferential treatment to, persons in certain protected classes when making employment decisions or contracting for public works, unless that preferential treatment is required to secure federal aid. The protected classes specified under the act include classes based on race, color, ancestry, national origin, or sexual orientation.

## Business Closures to Control Communicable Disease Outbreaks

**Prior law**, generally retained by the act, directs local health officials to take measures necessary to prevent, suppress, and control communicable diseases, and to forbid public gatherings when deemed necessary to control outbreaks or epidemics.

**The act** generally prohibits local health officers from mandating the closure of one or more businesses for longer than 30 days to control an outbreak or epidemic of communicable disease. The act allows for one 30-day extension of such a mandate, if the extension is approved by the relevant local government body. The act prohibits a mandate to close more than one business from distinguishing between essential and non-essential businesses.

## Quarry Operations

Generally, many aspects of quarry operations are regulated under state or federal law, but local ordinances also affect quarry operations.

**The act** specifies the extent of local authority to regulate certain quarry operations. Specifically, the act applies to quarries that extract and process nonmetallic minerals (soil, clay, sand, gravel, or construction aggregate) that are primarily used for a public works project or a private construction or transportation project.

The act authorizes towns, villages, cities, and counties to require quarry operators to obtain a conditional use permit or a licensing permit to conduct quarry operations, but the act prohibits a town, village, city, or county from applying any new permit or license requirements to certain existing or expanding quarry operations. The act also prohibits towns, villages, cities, and counties from imposing licensing requirements if the same requirements have been addressed through zoning. The act requires licensing permits to have a duration of at least five years, and it requires licensing permit conditions to be related to the purpose of the ordinance requiring the licensing permit and based on substantial evidence.

In addition, the act specifically authorizes counties and municipalities to regulate certain aspects of blasting at quarries and generally prohibits them from regulating other aspects of blasting. However, under the act, a county or municipality may petition the Department of Safety and Professional Services for authority to impose additional conditions on blasting.

Finally, the act prohibits counties and municipalities from regulating quarry operators' hours of operation in certain circumstances in which a quarry is producing materials that will be used in a public works project.

## Ambulance Staffing and EMS Certification Requirements

The act makes several changes to current law relating to ambulance staffing requirements and certification of EMS personnel.

### National Registration for Emergency Medical Responders

Generally, Wisconsin law establishes multiple levels of practice for EMS personnel, with different credentialing requirements for each practice level. Among other eligibility requirements for an initial license or certification, **prior administrative rules** required applicants at all practice levels to be registered with the National Registry of Emergency Medical Technicians (NREMT), and to either be certified by NREMT or have completed an assessment exam through the NREMT.

**The act** prohibits the Department of Health Services (DHS) from requiring a NREMT registration and assessment exam for the first EMS practice level, called an emergency medical responder. However, the act allows an ambulance provider to require such an exam, for example, as a condition of employment.

### Certification Based on Military Experience

As mentioned, EMS personnel must obtain a license or certification at every practice level. Under **prior law**, generally retained by the act, an applicant for the first practice level certification (as an emergency medical responder) generally must satisfactorily complete a course that meets certain guidelines, among other requirements. However, prior law specified that experience gained in connection with military service may satisfy the course completion requirement, if DHS determines that the military experience is "substantially equivalent" to the course ordinarily required.

For purposes of the exception to the course completion requirement for emergency medical responders, **the act** authorizes ambulance service providers and EMS programs, rather than DHS, to determine whether the exception applies. In addition, rather than requiring the military experience to be "substantially equivalent" to the generally required course, the act requires that the applicant has obtained "relevant" education, training, and experience in connection with military service.

### Ambulance Staffing Requirements

Generally, when an ambulance transports a sick, disabled, or injured individual, generally at least two emergency medical technicians (EMTs) or one EMT and one training permit holder must be present. **Prior law** generally required one of those EMTs to also generally be licensed at the same level of care as the ambulance service.

**The act** allows an ambulance engaged in non-emergent interfacility transport to be staffed with one EMT who is in the patient compartment during transport of the patient and one individual who has a certification in cardiopulmonary resuscitation, through a course approved by DHS.

In addition, the act prohibits DHS from requiring rural ambulance service providers[11] to stock an ambulance with certain equipment as a condition of upgrading an ambulance's service level to the highest level of license of any practitioner staffing the ambulance.

Finally, the act prohibits ambulance service providers and EMS programs from prohibiting their employees or volunteers from being employed by or volunteering with another ambulance service provider.

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[11] In this context, a "rural ambulance service provider" is an ambulance service provider for which the population of the largest single municipality in the ambulance service provider's service area is less than 10,000.

## Grants for Providing Transportation for Medical Care

**Prior law** authorized grants for local units of government for providing transportation for medical care. **The act** repeals the authority for those grants.

## Local Input for Stewardship Projects

The Warren Knowles-Gaylord Nelson Stewardship Program ("stewardship program") authorizes state borrowing for state land acquisition and certain other purposes relating to preserving wildlife habitat and expanding opportunities for outdoor recreation. Certain stewardship projects are subject to approval by JCF under a 14-day passive review procedure. **Prior law**, retained by the act for land acquisition projects located south of Highway 8, requires the Department of Natural Resources (DNR) to take resolutions passed by affected local units of government into consideration before approving the obligation of stewardship funds for land acquisition.

For proposed land acquisition projects and activities located north of Highway 8, **the act** prohibits DNR from approving the obligation of funds, or requesting approval of such obligation from JCF, unless every county and municipality in which the land is located adopts a resolution approving the project or activity by a majority vote of its governing body.

**Effective date:** The act generally takes effect on June 22, 2024, with the following exceptions:

- Certain provisions relating to the administration and auditing of existing City of Milwaukee and Milwaukee County retirement systems, and the imposition of new sales and use taxes in the City of Milwaukee and Milwaukee County take effect on the January 1 of the year following the year that the city or county passes an ordinance to impose a sales and use tax under the bill.
- Certain provisions relating to ambulance staffing and EMS requirements take effect on January 1, 2024.
- A number of other provisions take effect on July 1, 2024.

For a full history of the act, visit the Legislature's bill history page.

AH:jal

**From:** Erik Paulson
**To:** All Alders; Mayor
**Subject:** sales tax/rta info resolution - some background documents to look over this summer
**Date:** Tuesday, July 2, 2024 6:33:01 PM
**Attachments:** 0043 - Regional Transit Authorities (Informational Paper 43).pdf
RTA-draft-plan-2011.pdf
act012.pdf

Some people who received this message don't often get email from epaulson@unit1127.com. Learn why this is important

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Alders -

Tonight it seems you'll be referring a resolution in Legistar #83518 to your July 16th meeting. The recommendation from the various BCCs that have looked at it is to place on file, and I believe that is the right decision. On the 16th, if the resolution remains in its current form, I would urge the Council to follow that recommendation and, presuming no registrants wishing to speak that night, to leave it on the consent agenda and move on.

Should it come to the floor as-is for discussion, I hope in the debate the Council will make the forceful case to reject clause 6 of the RESOLVED section, which calls for a temporary solution to the budget gap in 2025. That is not the leadership that meets the moment.

We will not know what the State government will do to help Madison with revenue options for a very long time - almost certainly not until after our last opportunity to go to referendum for the 2026 budget in April of 2025.

Should you choose to craft a 2025 budget that uses only one-time money to close the budget gap, you are placing a very large bet on both the outcome of the 2024 elections and then on whatever budget deal ultimately emerges in July of 2025. If you use the bulk of the one-time funds all in 2025, and should the stars not align just perfectly, the new Council that starts in mid-2025 might find itself short on revenue, short on reserve funds, and without any other option but layoffs and service cuts.

Certainly it's possible that everything works out and the State comes through with revenue to solve the budget crisis in 2026, but placing all our hopes on hitting a double-bank shot is not responsible budgeting.

The rest of the resolution directs staff and committees to do a bit of research for the Council. For the most part, that is not a good use of committee or staff time at the present - the absolute deadline for a November referendum is in 56 days, you have even less than that to craft a plan and pass it. Neither a sales tax nor an RTA will be part of that plan, you do not have time to take up hypothetical discussions about them this summer.

Because of the rain today I had some free time this afternoon and so for a couple of points I've pulled a few documents that are attached to this email, should you wish to revisit them when the time is better.

On how Milwaukee will use its sales tax, please see the Act 12 memo from the Legislative Council, which explains how Milwaukee is allowed to use its new sales tax revenue (basically, only for pensions and public safety employees). Note that Milwaukee loses its sales tax authority when its pension system is funded, or in 30 years maximum. The legislature also attached many other conditions on Milwaukee, some of them very punitive. We should really hope that any option Madison might get will be on better terms.

The City Attorney's office wrote a memo for you on RTAs, but the attached "Informational Paper" that the Legislative Fiscal Bureau created in 2011 on the various state RTAs goes into more detail on the structure of what was created and then destroyed in the 2009-2011 timeframe.

As for other transit systems, while not really touching much on funding, items #69 and #78 from the materials collected from the Ad Hoc Transportation Ordinance Review Committee might be interesting - it's a summary of about 30 other transportation departments are organized - see legistar file # 48107

You might also find the attached draft document from 2011 that the Dane County RTA put together as part of its initial "phase one" plan. (You can also find it in legistar file #20992) The RTA was of course dissolved several months later before it ever had a chance to work on its plan - however, as it turns out, Madison has managed to accomplish many of the goals the RTA set out to do. The 2011 RTA  plan called for improving bus service to make the core bus routes more frequent, expanding metro service into neighboring communities, modernizing fare technologies and switching to hybrid/electric buses, improving shared ride taxi service and elderly/disabled access options, recreating an intercity bus terminal, upgrading metro bus stations, and other improvements. The RTA had certain powers that would have made it easier for the region to accomplish those things - the RTA could levy a tax, it could issue bonds, it had the authority to use state right-of-way, and it could condemn property, but still, Madison accomplished many of the RTA goals on its own.

Creating an RTA is still listed as a city goal - it's 'Strategy 2' in the 'Effective Government' part of the Comprehensive Plan, and it's Recommendation 9c of the 'Public Transit Recommendations' in the MPO's 'Connect Greater Madison 2050 Regional Transportation Plan.' In 2017, the Council passed in legistar file #43726 ( https://madison.legistar.com/LegislationDetail.aspx?ID=2970405&GUID=9ED26338-3592-487D-8C09-069EBCDB78F2 ) a resolution for "Establishing Goals for Regional Transit Authority Legislation" which is as best I know the last time the Council has weighed in on what it wants RTA legislation to be. Perhaps if we find ourselves in a new political

environment after November, it might be worth revisiting how we think an RTA should be funded or even what it should do, especially if we are also considering a sales tax as a general purpose funding strategy.

It's also worth remembering the context in which the Dane County RTA was created: it was working towards commuter rail. Indeed, nearly the entire discourse around the RTA was ultimately about commuter rail. The battles at the County Board, which was the authorizing body that created the RTA, were fights over commuter rail. The opposition to the RTA even branded themselves as "Stop the Great Train Robbery" (amazingly their site is still online - http://thegreattrainrobbery.org/ ) In other sites from 15 years ago that are still online, the 'Transport 2020' site is still up, complete with the regional application from 2008 to the Federal government to start planning work on commuter rail - https://www.transport2020.net/ (that application was withdrawn before the federal government formally turned it down, for lack of a dedicated funding source along with concerns about the lack of density)

Ultimately the commuter rail idea came apart, done in by the lukewarm response from the Federal government and then the demise of the RTA.

During the studies for commuter rail, Bus Rapid Transit was included in the studies, but usually overlooked in the enthusiasm for commuter rail. That said, BRT did have its early champions in the debate. Here's a story titled 'A Commuter Rail Alternative' from 2009, when the commuter rail dream was still alive. The story features a plucky alder from the northside who was a leading voice saying "commuter rail might not be possible - but you know what is? BRT"
https://captimes.com/news/local/govt_and_politics/a-commuter-rail-alternative/article_88839708-c22c-51ff-a248-222e081bb134.html

(That alder left the Council a bit more than 10 years ago - someone should check in to see whatever happened with her, it seemed like she was going places…)

Thank you as always for your service, and do try to take some time over the holiday weekend to recharge. If you have any questions, please do let me know, I'd be happy to chat.

-Erik Paulson
202 DeMilo Way (District 3)

**DRAFT**

# PLAN FOR TRANSIT
# (01/20/11 Draft for Discussion Only)

## Introduction

The Dane County Regional Transit Authority , hereinafter RTA, presents this plan for transit services so voters in a referendum may know the vision for a comprehensive regional transit system for the urbanized area of Dane County. The RTA, as defined by law, does not include the entire county but only the urbanizing area. Any sales tax used to support transit services would apply only to the urbanizing area of the county as defined by the boundaries of the federally designated Metropolitan Planning Organization MPO.). The RTA is committed to proceed with the implementation of a regional transit plan only after a majority of voters within the RTA boundaries approve a referendum for a regional transit program funded with a sales tax.

The plan is designed to provide a clear depiction of the near term priorities of the RTA for a regional system. The plan was developed with significant input from the Madison Area Transportation Planning Board which is the federally designated Metropolitan Planning Organization (MPO) for the Madison Urban Area. The MPO distributes Federal Urban funds used for major road improvements for the urbanized area. The area of the MPO is the same as the RTA. The plan has had significant input from Madison Metro, the City of Madison transit operator which also serves the Cities of Fitchburg, Middleton, and Verona, plus the Village of Shorewood Hills and the Town of Madison. The RTA has also met with transit commission and public officials in the region. In addition, the public has provided input at RTA meetings throughout the region.

The plan is not a detailed description of specific new routes with a list of bus stops and route maps but a description of the general scope of services which would comprise a regional system. Proposed services are given a range of costs. It is acknowledged, that the addition of services needs to be financially constrained by the revenues generated. This is further discussed in the economic analysis section. Additional planning and community discussions are required to develop a detailed level of planning for route information and specific service hours and the evaluation tools for new service. This document envisions going forward with the detailed level of planning as the next stage of development.

The plan here presented envisions phases of development for transit services as the region grows. The description of services contained in a first phase of this plan is for expansion of bus and shared ride taxi service with the availability of such services enhanced by park and ride lots and modernization of the transit system. Elderly and disabled transit services would also be expanded. While implementation of commuter rail service is not included in this phase of transit expansion, the planning and evaluation of potential high-capacity transit alternatives in the region (including commuter rail and/or bus rapid transit options) for consideration in future transit expansion plans, is anticipated to continue.

This plan is divided into the four major components: The Need for Transit, The Scope of Transit Services, The Economic Analysis and Benefits, and The Process.

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# I The Need for Regional Transit - Current and Future

Dane County needs regional transportation solutions because it is growing. If Dane County could continue with exactly the number of cars on the road as it has today, significant improvement to our transportation connections might not be necessary. However, trending data show that from 2000 to 2030 Dane County can expect its population to grow by another 150,000 people. Moreover, the transit dependent population is growing. The County's elderly population will grow significantly, placing more demands for public transit.

Although it is possible to increase some roadway capacity, Dane County's unique geographical feature, the isthmus, limits roadway expansion, and requires unique solutions. And the region continues to place major civic public facilities on the isthmus-Monona Terrace, Overture Center for the Arts, City-County building, Alliant Energy Center, Kohl Center, and then (of course) the UW-Madison campus that includes the new Wisconsin Institutes for Discovery and Union South-not to mention the three existing major hospitals. Therefore, to connect the region for commuters, visitors and residents, a comprehensive Plan for Regional Transit is vital for the County's future. There is an opportunity for the region to do the following:

## A. Reasons for Regional Transit Improvements

- **Increase transit choices and accessibility options for people moving around and through the region for work, services, entertainment, shopping.** Present baseline bus services at peak times have a hard time maintaining schedules as ridership surges cause more time for loading so that passengers miss connections and their accessibility is decreased due to system constraints.

- **Better connections for workers/jobs and the region's many communities through a coordinated and expanded transit system.** For example: of EPIC's 4000 workers located on the western edge of Verona, only 15% reside in the Verona zip code, 75% reside in Madison and 10% in other areas of the region. While highways carry much of the load the EPIC sponsored bus service to Verona has experienced dramatic increases as workers located along transit lines. Bus service from Verona is now only to the west transfer point. An express service to campus and downtown would better serve commuters going both ways in the region.

- **Relieving growing traffic congestion especially in geographically constrained or "pinch point" areas such as the downtown isthmus or the Beltline and Verona Road Interchange.** The UW Madison campus is a regional pinch point. On any given day the university has from 60,000 to 70,000 people on campus but less than 15,000 parking spaces. Plans call for no overall increase in spaces though some will move to structured ramps. Land on campus is valuable for academic and research facilities with the university bringing in $1 billion annually in research dollars. The campus has a successful Transportation Demand Management (TDM) program that relies heavily on transit or the area would be overwhelmed.

- **Promote compact, walkable and more urban communities with efficient infrastructure for needed connections.** Many communities in the region have transit orientated development as part of their growth strategies. Such developments include Middleton Hills in the city of Middleton and Cannery Square in the City of Sun Prairie

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and many developments in the City of Madison. These compact developments put less pressure on municipal services.

- **Preserve agricultural lands, open spaces and sensitive natural resource areas by building and supporting urban development.** The county and its farmers have participated in the state's farmland preservation program for decades with success so that 200,000 acres of quality productive farmland remain in Dane County, an amount equal to the total acreage of Jefferson County. This permits local Farmers' Markets to flourish and enhances the food options for regional consumers.

- **Create a transit system that allows autos, buses, bikes, trains and pedestrians to function compatibly within a system that provides the connections.** A future transit system will not only be truly regional but also modern. Madison Metro is experimenting with WiFi buses and "soon to come" Wave & Pay cards will be available. A more modern and customer friendly system will not only attract more commuters but will increase the number of choice riders. Commuter runs would greatly benefit from the ability to be connected. New and expanded Park and Ride lots would permit drivers to avoid the congested areas of the region and high parking costs and still shop and run errands as part of their overall trips. The region's existing park and ride lots are well used and informal lots also exist.

- **Greater connectivity throughout the region that will lead to better regional collaboration.** Presently transit systems are operated parochially. For example, Madison Metro does not stop or open its door when going through Monona to other parts of Madison due to the municipal property tax base of the present system. A regional system would have open doors. Likewise some municipal shared ride taxi services do not extend services to nearby town residents.

- **Reduce air emissions in the region.** Dane County has teetered on the brink of becoming a non-attainment area for air quality. In 2008 the Madison area failed to meet the EPA air quality standards with unacceptable levels of fine particulate matter which creates health problems related to asthma, lung disease and heart problems and can lead to premature deaths. In Southeast Wisconsin, which has a non-attainment status, there are requirements for annual vehicle inspections by individual car owners and fleet operators and higher priced reformulated gasoline required. New business opportunities are limited in southeast Wisconsin because of its ozone non-attainment status, causing potential employers to move their operations outside of the region. Transit, especially with a commitment to hybrid and clean fuel vehicles, will allow cleaner air as we grow.

## B. Examples of Transit demand

In discussions by the RTA with various communities' transit commissions and municipal bodies specific items of the demand for new transit services have been identified. Some are discussed briefly below:

- The City of Sun Prairie has had interest expressed in potential riders of their shared ride taxi service from surrounding towns for this presently municipal-based service. Additionally, there is now a shuttle service to East Towne operated by Sun Prairie which

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connects to the Metro Bus System and a demand is believed to exist for express bus service direct to major isthmus destinations at commute times.

- The City of Monona has a major new health facility locating on the Broadway corridor which will have a regional draw for which a regionally integrated transit system could provide important service. Other investments are also occurring on this corridor.

- The City of Fitchburg transit commission requested a mini-transit hub to provide cross connection between transit routes that now serve the east and west sides of Fitchburg.

- The Village of Shorewood Hills sees new denser commercial development along the University Avenue corridor side of the village benefiting from improved transit services.

- The City of Madison in building out new peripheral development adopted neighborhood plans for growth that envisioned transit routes in the platted road networks and located more dense multi-family development along the routes but has not established service. Many of those neighborhoods are now being built out and would benefit from service.

- The Village of Waunakee and the Town of Westport have undertaken a recent joint survey of residents which showed a desire for commuter service into the core of the isthmus. 31% indicated that they would consider using transit services into Madison's core. Expressions have been made that employers considering locating in the village industrial park ask about transit services for workers.

- An earlier survey in the recent decade showed Stoughton and Oregon area residents had an interest in express service to major urban destinations.

- Demand exists from households without an automobile. Data from 2007 showed that 6.6% of all Dane County households do not have an automobile and must look to other transportation alternatives. In the urban core of the region the need is greater. For Madison, the number is higher with 10.9% of households not having an auto. Much of the region's assisted housing for the poor is located along transit. Some 17% of Madison Metro's ridership comes from those with household incomes below $10,000.

- An aging population will increase demand for both Elderly/Disabled and regular transit services. The dimension of this trend is shown in the numbers. In Wisconsin in 1950 only 8% of the households were headed by someone over 65 years. In 2030 the projection is 21% of the households will be headed by someone over 65.

Because transit service is well provided to some part of the region, Madison Metro has a high proportion of riders who choose to ride buses despite the apparent fact they could be driving a car.. Some 28% of Metro riders come from households with incomes over $50,000 and 6% have household incomes over $100,000. Expansion of service will likely increase riders.
A continuation of "Business as Usual" scenario means the region would continue to see increased traffic and traffic related delays. "Business as Usual" could also have a significant negative impact on the region's economy. Improved transit offers a way of allowing Dane County to avoid slipping into non-attainment status for ozone and for non-particulate matter. "Business as usual" also ignores the increased demands for transit that come from a rapidly

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expanding elderly population and from a younger workforce that prefers transit to the hassles of driving.

## II Scope of Regional Transit Services

The goal of the **Plan for Transit** is to lay out the framework for an interconnected transportation network that focuses on improving the transit system on a regional level. The plan must be dynamic, and have the ability to adapt to changes in demographics and changes in development patterns that occur over time.

The transit system of Dane County's future must be fully integrated into other modes of transportation, making a seamless connection for users whether they enter or exit the transit system on foot, by bicycle, from an automobile or as an airline passenger. The transit system must be cost effective and convenient for all users. We envision the transit system improving its service to passengers who rely completely on transit for accessibility as well as those who choose transit for various reasons.

Building such a system will take time and improvements will need to be phased in. This Plan for Transit is broken into phases of development. **Phase 1** will focus on the immediate improvements needed for the system that would be operational or studies undertaken within the first three years of adopting the plan by approval of a referendum.

The RTA envisions a first phase that would expand transit services based on the current system of transit providers. These include Madison Metro, Monona lift, Sun Prairie Shared Ride Taxi Service, Stoughton Shared Ride Taxi Service and Elderly Disabled Providers. The expansion would convert a municipal based system to a regional functionality. To implement Phase 1 concepts expressed in this plan for transit as a general plan, more detailed effort will be undertaken with communities on their land-use planning, transportation planning and transit needs and preferences will be studied.

Future phases should continue to expand present transit services as needs are reviewed, For example, more express bus services, plus more communities operating shared ride taxi services, and more transit systems modernization. The area's adopted Regional Transportation Plan (prepared by the Madison Area Transportation Planning Agency, the federally approved MPO) calls for the region to study high capacity transit options like Bus Rapid Transit and Commuter Rail. As the Regional Transit Authority, the RTA will cooperate with the MPO in the study and analysis of future transit choices. The RTA would go back to the voters for another referendum before exceeding the sales tax levy previously authorized

**Phase 1 Components:**

**Expanded Local and Express Bus Service in the Dane County Regional Transit Authority Service Area.**

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Bus service is currently the primary form of transit within the region and will continue as the predominate form into the foreseeable future. Current service serves Madison residents fairly well with limited services in neighboring communities.

- **Regional Express Bus Service**
  **Annual Cost: $2,500,000 to $3,000,000**

  Phase 1 improvements would begin to address these shortcomings by providing new express bus service between Madison and seven neighboring communities: Sun Prairie, Cottage Grove, Waunakee, Westport, Verona, Fitchburg, McFarland and Stoughton. Service would consist of peak hour service with up to six buses between Madison and each community, depending on demand.

- **Expanded Bus Service Between Madison and Adjacent Communities**
  **Annual Cost: $1,500,000 to $2,000,000**

  Service between Madison and its immediate neighbors would be improved during Phase 1. Service between Madison and Monona, Middleton and Fitchburg would be expanded, allowing commuters in these communities better transit choices. New service would include half hour headway during peak periods and hourly service throughout the day.

- **Improved Bus Service Within Current Metro Service Territory**
  **Annual Cost: $2,500,000 to $3,000,000**

  Madison Metro has several service deficiencies as a result of costs of service rising more rapidly than revenues. As a result, many commuters find themselves missing connections or experiencing inconveniences through delays and sub-optimal routes. Improvements in the core service area would benefit all riders by providing better connections and transfers.

  Improvements would consist of increasing bus frequencies on three core routes (2, 4 and 6) with 15 minute headways until 6:30 p.m.

  Restored service from previous reductions includes increasing frequency of service on route 4, upgrading route 7 to route 3 on weekends and holidays and improving routes 16 and 18 so there will be significantly better coordination with arrivals at transfer points to facilitate transfers.

- **Network of Strategically Located Park & Ride Lots**
  **Annual Cost: $750,000-$1,000,000**

  There are currently five Park & Ride lots within the RTA area including three within the City of Madison. The RTA will build additional one or two during the first phase and add others as the system grows—up to fifteen locations have been identified as future locations.

  *Existing lots:*
  - 167-stall North Transfer Point and
  - 10-stall North Town Center

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- 227-stall Dutch Mill site
- Verona
- Middleton

**It should be noted that there are also numerous locations around the metro area where suburban drivers park near bus stops and utilize transit to reach their destination. Within Dane County, the State also operates seven peripheral park-and-ride lots that are not connected to the transit network. These facilitate primarily informal reverse-commuting and car pooling.*

The RTA will coordinate with WisDOT, the UW, MATC, and major employers on siting, developing, and operating the future Park & Ride lots along major travel corridors near the edge of the metro area (ideally in conjunction with mixed use development) and at locations suited to better serve future potential passenger rail or BRT routes in addition to improving / expanding operations at existing Park & Ride sites. Planned or potential locations include:

- Highway 14 corridor near the Beltline in Middleton
- Near the Middleton Springs Shopping Center in Middleton
- Mineral Point Road west of the Beltline (in the vicinity of Pleasant View Road or Junction Road)
- Near the West Transfer Point and South Transfer Points
- Along the Fish Hatchery Road and Highway 14 corridors in Fitchburg
- Along Highway 51 in McFarland and Stoughton
- Cottage Grove Road near Grandview Commons
- Interstate 94 at Highway N (north of Cottage Grove)
- In the vicinity of Highways 19 and 151 in Sun Prairie
- Near the I-39/90/94 interchange with Highway 19 in Deforest
- Along Highway 113 near Waunakee.

To maximize utilization of the parking lots and transit system, it is necessary to link the transit and parking policies of the University of Wisconsin and other major employers and agencies.

- **Improved Elderly and Disabled Service**
  **Cost: $100,000**

Metro provides Para-Transit service on a demand responsive, advance reservation basis for persons who are unable to use Metro's regular fixed-route service. Persons must be certified as eligible to receive the service in accordance with guidelines established by the Americans with Disabilities Act (ADA). Service is provided within three-quarters of a mile on each side of regular routes, excluding commuter routes, and is provided during the same hours that the fixed-routes operate. The service is provided door-to-door or curb-to-curb, depending upon the passenger's needs. Metro provides directly operated service on weekdays, but contracts with private providers for weeknight and weekend service and other service that it does not have the capacity to handle.

The City of Monona contracts with a private provider for service, called Monona Lift, which is designed for the elderly and persons with disabilities, but is also available to the

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general public. The service is a point deviation system with scheduled stops at fixed checkpoints along a general route. Buses deviate up to three-quarters of a mile from the general route between the checkpoints to pick up/drop off elderly and disabled passengers with an advance reservation.

The Federal Transit Administration does not require ADA Para-Transit services to be provided in conjunction with certain types of fixed-route services, including commuter service. Nevertheless, it is Metro's longstanding practice to maintain a fairly comprehensive Para-Transit service area.

Metro Transit is currently systematically evaluating the costs associated with increasing elderly and disabled transportation services. Over time, the RTA will assess whether to expand the service area to, for example, one mile of fixed route service.

- **Modernize the Transit System**
  **Annual Cost: $1,000,000 to $2,000,000**

  There are many aspects to modernizing the Metro system. New technologies can make riding the system much more convenient as well as better for the environment. Examples of system improvements include: smart farecards, single farecard for inter-community transit rides, smartphone notification of arriving buses, Wifi on buses and Hybrid buses that are more fuel efficient and emit lower levels of pollutants. It will take time to phase in these new technologies so that these improvements will be ongoing.

- **Improved Shared Ride Taxi Service**
  **Annual Cost: $100,000***
  **based on data provided by the MPO. This would permit an additional 3-4 communities*

  Shared-ride taxi service is a form of door-to-door, demand-responsive transit (i.e., no set routes or schedules) similar to the familiar taxicab service. The difference is that with shared-ride service, passengers with different origins and/or destinations may be transported simultaneously. Shared-ride taxi systems operate with scheduled service hours and days of operation. Requests for service may be made upon demand or up to 24 hours in advance. Subscription trips are accepted, but are purposely limited to ensure on-demand service.

  Shared-ride taxi service is the best way to provide transit service in outlying, lower-density areas that have not been designed for efficient transit service and where there is ample free parking. Currently, the Cities of Marshall, Sun Prairie and Stoughton contract with private providers for this service, although Marshall is not located within the RTA service area.

In Phase 1, this demand-responsive service will be offered to areas (communities and neighborhoods) currently lacking fixed-route transit service, at least into the early evening hours. Some communities, such as Verona, are already studying how the shared-ride taxi model could be used as a feeder service to a commuter bus route. Interest has been expressed in the Waunakee/Westport area.

- **Intermodal Transit Center**

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**Cost: TBD**

There is no central facility where transfer between transit modes can be made conveniently. Inter-city buses no longer have a facility that shelters riders in inclement weather and where inter-city bus passengers can conveniently access intra-city buses. Currently, inter-city buses park (and sometimes double park) on Langdon street, or use stops far from the city center, creating great inconveniences for passengers.

A detailed study will be conducted to determine the best location of a facility where inter-city bus riders can be sheltered from inclement weather, have easy access to the local bus system and potential passenger rail or BRT routes, accommodate taxis and provide safe storage for bicycles. The study will include an analysis of potential private partners in the construction of the facility to minimize the cost to the public. It is envisioned that an Intermodal Transit Center would be constructed in Phase 2 of the Plan for Transit.

- **Bus Stop Amenities**
  **Annual Cost: $200,000 to $300,000**

  The experience of riding the bus is critical to retaining existing riders and attracting new ones. Safety and comfort should be baseline expectations for all buses and stops. In Phase 1, Metro would increase safety, access, and convenience at various bus stops by investing in such things as: sidewalks and concrete pads, benches and/or shelters at major stops. (This could be done in partnership with nearby business and neighborhoods. A typical shelter costs $5,000,) trash containers at more bus stops, schedule information and destination signs, secure bike parking, "bike center" facilities such as lockers, and bike-sharing stations. (This would facilitate opportunities for riders to mode shift from bus to bike or vice versa.)

- **Future Transit Services: Planning and Evaluation of High-Capacity Regional Transit Options**
  **Cost: T.B.D. (Use of federal/state funds are anticipated)**

  In order to support and expand upon the work of the RTA and its partners, a region-wide public transportation, land use and economic development system plan is proposed. It is anticipated that this regional planning and development process will include numerous elements, including (but not limited to) planning/evaluation of commuter rail and Bus Rapid Transit (BRT) facilities and services. A public outreach and participation plan will be a major component of this planning process, and will include extensive outreach to affected interest groups (i.e., business groups, local elected officials, focus groups and advisory committees). In addition, a detailed economic impact evaluation of the recommended transit system plan will be conducted. This evaluation will specifically address numerous important community impacts - including employment, land use/development, traffic congestion, regional connectivity and impacts on the environment (e.g., air quality, water quality, farmland preservation, etc.). These recommended future RTA planning activities will be conducted in close coordination with the planning activities of the numerous planning entities in the region – including the Madison Area MPO, Capital Area RPC, and the comprehensive planning activities of Dane County local units of government.

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- **Planning and Administrative Services**
  **Cost: $250,000 to $450,000**

  This would cover administrative services to the RTA board, planning expenses and day to day operations of the RTA. The cost includes all overhead, including offices and supplies.

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## III Economic Analysis and Benefits

**Revenue Estimates (annualized):**

Dane County currently imposes ½ cent sales tax county-wide. Based on the last two years of data this generates $40 mil annually. Using an analysis based on the voter files of the Dane County Clerk's office, some 85% of the Dane County voters are located in the RTA area. While no data exists on sales within the RTA area using the voter file as an approximation, a maximum of $34 mil might be used as an estimate of revenue, but caution based on the unknown would suggest a range of perhaps $30–34 mil should be used. If ¼ of a cent were imposed for RTA purposes the range of estimates would be $15-17 million.

Recap:

| | |
|---|---|
| ½ cent | $30 - $34 mil |
| ¼ cent | $15 - $17 mil |

**Costs estimates (annualized):**

At this time, costs are expressed in a low to moderate range. As more detailed planning and analysis and community planning and discussions take place, we will have more precise choices.

| | Low | Moderate |
|---|---|---|
| Regional express bus service: | $2,500,000 | $3,000,000 |
| Expanded service adjacent communities: | $1,500,000 | $2,000,000 |
| Improved Metro area services: | $2,500,000 | $3,000,000 |
| Park & Ride lots: | $ 750,000 | $1,000,000 |
| Improved elderly and disabled: | | |
| 1) expansion of bus system federally required | $ 500,000 | $750,000 |
| 2) Others (TBD) | $100,000 | $100,000 |
| Improved shared taxi –ride/more communities: | $ 100,000 | $ 100,000 |
| 1) This would permit an additional 3-4 communities | | |
| Modernize the system: | $1,000,000 | $2,000,000 |
| Wi-Fi, Wave & Pay, hybrid fleet | | |
| Facility cost for expanded system: | $ 400,000 | $ 400,000 |
| Intermodal Transit Center | TBD | TBD |
| Bus Stop Amenities | $ 200,000 | $ 300,000 |
| Administrative services and Planning | $ 250,000 | $ 450,000 |
| **Subtotals** | **$9,700,000** | **$13,000,000** |

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Property Tax Offset Potential

The present system where the local share of transit costs comes from the municipal property tax has balkanized the provision of services. The property tax component supports both regular transit services and transit services to the elderly and disabled. The aggregate cost average of the last several years is $10.6 million for both types of services of which 1.5 millionis for elderly and disabled transit.

The RTA believes that all Elderly and Disabled Transit Services should be viewed as regional and removed from the local property tax and be supported by a regional tax. Community preference of the elderly and disabled should not be dictated within the region by the local property tax transit contribution.

Other regular transit services can be viewed as a combination of regional transit and local service. More analysis needs to occur before a decision is made but a split of 80/20 for regional/local property tax cost and therefore an offset may be appropriate. One method may be to establish a base level of services for a regional standard with service beyond the regional standard locally supported. This is one of the areas where more planning will occur.

The following list shows the present communities supporting transit services through the property tax or local contribution and the amounts, again over a several year average.

| | |
|---|---|
| City of Madison | 9,200,000 |
| City of Fitchburg | 385,000 |
| City of Middelton | 342,759 |
| City of Verona | 100,000 |
| City of Sun Prairie | 83,000 |
| City of Monona | 41,700 |
| City of Stoughton | 28,000 |
| Village of Shorewood Hills | 10,000 |
| Town of Madison | 95,000 |
| County of Dane | 300,000 |
| | |
| Total | 10,585,459 |

**Evaluation of Services**

As new services are considered, the RTA will establish evaluation measures for how effective services are. Currently the regions use data on ridership, schedule adherence, safety, security and financial effectiveness in reviewing transit service. The RTA will implement review standards (such as these) to be applied.

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## Peer Communities

In devising its phasing plans the RTA benefited from the work of THRIVE in reviewing peer communities. This showed that some communities used bus expansion and other chose combined bus and rail expansions. The peer community data also showed that that growing regions with successful transit systems relied on a regional revenue source and in most cases this was a regional sales tax. Some peer communities studied by Thrive's work within municipalities such as Columbus, Ohio and Columbia, South Carolina rely solely on expanded bus systems comparable to this Phase I Plan. Several of the Thrive studied peer communities including Austin, Texas and Columbus, Ohio uses a regional sales tax as a major component of transit funding. Regional sales tax is used for transit in many regional transit systems in the country.

## IV THE PROCESS

- **Public Participation**
  From its very first public meeting of March 4, 2010 the Dane County Regional Transit Authority has encouraged public comment on its role and assignment and no meeting has passed without the public offering comments.

  The RTA guaranteed public participation in its work by adopting at its first meeting a resolution that it would not impose the statutorily permitted sales tax without a positive vote in a referendum by the voters of the RTA.

  The RTA has rotated its meeting locations throughout the RTA geographic area to encourage citizens from around the region to be able to attend and comment. To date meetings have been held in the following communities.

  The City of Madison
  The City of Middleton
  The City of Fitchburg
  The City of Monona
  The City of Sun Prairie
  The City of Verona
  The Village of Waunakee
  The Village of Shorewood Hills
  The Village of McFarland (scheduled)
  The Town of Westport

  At meetings around the region local communities have presented information on comprehensive plans, land use plans, and transit plans. The RTA board members have been addressed or met with representatives of current transit operators and providers including Madison Metro which has other community partners, the Monona Lift, the Sun Prairie shared ride taxi system, and specialists in Elderly and Handicapped transit services. Transit Commissions have been consulted in Fitchburg, Sun Prairie, Monona, and Madison. Results from the Waunakee/Westport transit survey have been presented.

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A web site (DaneCountyRTA.org) has been established which posts agendas and minutes of the RTA in addition to these being posted with the Dane County Clerk. Draft principles approved by the RTA for the transit plan have been posted. Links are provided to other sources of transit planning and information including the Madison Area MPO and Transport 2020.

- **Advisory Group**
  The RTA has formed an Advisory group of citizens to broaden participation in transit planning. The group includes additional municipal officials, members of several local transit commissions in the area, major employers and labor, business and environmental groups, and citizens. The Advisory Committee is expected to provide comments on draft documents and assist the planning process.

- **Ongoing Review of Planning**
  The RTA members have acknowledged the need for ongoing and more detailed planning beyond a plan for transit for voter consideration at a referendum. The Madison Area MPO does transit planning as part of the overall transportation planning for the area. The RTA does not seek to duplicate that work but rather build on it. The several transit operators and area municipal governments also do more detailed transit plans and the RTA will benefit from their efforts, again avoiding duplication.

- **Local Government Input**
  Once a draft plan for transit is prepared for consideration at a referendum, local governments within the RTA area and in Dane County outside the RTA will be provided copies. The plan will be shared with the Madison Area MPO, which does comprehensive transportation planning including highways and other modes. Comments will be welcomed.

- **Public Hearing**
  The RTA will hold a public hearing on the Draft Plan for Transit to be considered at a referendum. All are welcome to attend and voice concerns, comments, support or opposition.

- **Outreach and Education**
  Upon approval of a plan for transit services in the RTA area the RTA members will communicate the plan to the press, public bodies and citizens. RTA members appointed by specific jurisdictions will, as part of their ongoing relationships, present the plan to the appointing authorities. The plan for transit services will be on the RTA website. Again, copies of the approved plan will be provided to local governments. Speaking engagements and media opportunities will be sought and welcomed.

- **Referendum**
  The RTA will seek support for the plan of transit services at a referendum of RTA voters at a regularly scheduled election. Upon passage of a plan and referendum more detailed steps included community discussions will occur in a broader planning implementation stage before precise transit options are undertaken.

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APPENDICES

The relevant planning documents that contain references to, recommendations for, or serve as the basis for the RTA's recommended Plan for transit items include:

- Regional Transportation Plan 2030: Madison Metropolitan Area and Dane County (Madison Area MPO, 2006)
- Final Report of the City of Madison Long-Range Metro Transit Planning Ad-Hoc Committee (June 2008)
- City of Madison Comprehensive Plan (City of Madison Planning Division, 2005)
- - Draft Transit Development Plan for the Madison Urban Area, 2009-2013 (Madison Area MPO and Metro Transit, 2009)
- - Metro Transit On-Board Survey of Passengers (2008)
- - Transport 2020 Environment Impact Statement and New Starts Application (2008)
- - 2004-2008 Transit Development Program (TDP) for the Madison Urban Area (August 2004)
- Community-wide survey by Village of Waunakee

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