



Senate Bill 909 (Substitute S-3 as reported)
Senate Bill 911 (Substitute S-2 as reported)
Senate Bill 912 (as reported without amendment)
Senate Bill 967 (Substitute S-1 as reported)
Sponsor: Senator Tom Casperson (S.B. 909)
 Senator Bert Johnson (S.B. 911 & 912)
 Senator Virgil Smith (S.B. 967)

Committee: Transportation

CONTENT

Senate Bill 909 (S-3) would create the "Southeast Michigan Regional Transit Authority Act" to establish the Southeast Michigan Regional Transit Authority for the coordination of public transit within a region consisting of Macomb, Oakland, Washtenaw, and Wayne Counties. The bill would do the following:

- Allow a county that was not included in the public transit region to petition the Authority to become part of the region and the Authority.
- Provide for the establishment of a board to direct and govern the Authority, and require a supermajority or unanimous vote for certain actions.
- Require the Authority to use competitive solicitation for all authorized purchases, subject to certain exceptions.
- Require the board to create a citizens' advisory committee, which could make recommendations to the board.
- Require the board to create a public transit provider advisory council, which could make recommendations to the board regarding specific issues.
- Prohibit the Authority from assuming liability for or paying any legacy costs of an existing public transit authority or agency without voter approval.
- Require the Authority to adopt a public transit plan for the public transit region, and update it annually.
- Allow the Authority to implement a rolling rapid transit system within the public transit region.
- Allow the Authority to charge fares and enter into contracts as necessary to provide funds to meet its obligations.
- Allow the Authority to levy a special assessment and/or collect a motor vehicle registration fee, if approved by voters, and otherwise raise revenue.
- Allow the Authority to issue self-liquidating revenue bonds.
- Provide that the Authority would be the public transit region's designated recipient for the purposes of applying for grants, and allow the Authority to designate a city or county as a subrecipient.
- Require the Authority, before becoming the designated recipient for State and Federal funds, to enter into a memorandum of understanding with a public transit provider that was a direct recipient of Federal funds on the bill's effective date.
- Require each public transit provider in the region to submit to the Authority an annual report regarding the coordination of service.
- Require the Authority to submit to the Michigan Department of Transportation an asset management plan for all revenue vehicles and facilities, major facility components, and major pieces of equipment, and update the plan annually.

- Allow the Authority to issue coordination directives regarding public transit services, and to withhold a portion of State assistance from a public transit facility owner or operator that failed to comply with a directive.
- Allow the Authority to acquire property for a public transit system by various mechanisms, including condemnation.
- Exempt Authority property from taxation.
- Allow the Authority to enter into an operating license agreement with a local road agency.
- Provide that local zoning and land use ordinances would not apply to an Authority transit system.
- Appropriate \$250,000 from the Comprehensive Transportation Fund to the Authority to begin implementing the proposed Act.

The bill also would repeal sections of the Metropolitan Transportation Authorities Act establishing the Regional Transportation Coordinating Council.

Senate Bill 911 (S-2) would amend the Michigan Vehicle Code to authorize the proposed Authority to charge a fee in addition to the regular vehicle registration fee for comprehensive transportation purposes, if approved by electors in the public transit region.

The fee could not exceed \$1.20 for each \$1,000 or fraction of \$1,000 of the vehicle's list price used in calculating the regular registration fee.

A regional fee proposal could not be placed on the ballot unless it were adopted by a resolution of the Authority's board of directors and, at least 70 days before the election, certified by the board to the clerk of each county within the public transit region for inclusion on the ballot.

If a majority of voters in the public transit region approved the fee, the Secretary of State would have to collect it on all vehicles registered to residents of the region, except historic vehicles, and credit it to the Authority, minus necessary collection expenses.

Senate Bill 912 would amend the Michigan Zoning Enabling Act to provide that a zoning ordinance would be subject to the proposed Southeast Michigan Regional Transit Authority Act.

Senate Bill 967 (S-1) would amend Public Act 51 of 1951, the Michigan Transportation Fund law, to authorize the Michigan Department of Transportation (MDOT) or a local road agency to enter into an operating license agreement with a regional transit authority to operate a public transit system on the streets and highways of the State as provided for in State law enacted after January 1, 2012.

As part of the agreement, MDOT or the local road agency could designate at least one lane of a street or highway as a dedicated public transit lane. Such a lane could be reserved for the exclusive use of public transit vehicles operated by a regional transit authority during periods determined by MDOT or the local road agency; however, the lane would have to be made available at all times to emergency services vehicles. Lanes designated and marked as dedicated public transit lanes would be subject to the same provisions as high-occupancy vehicle (HOV) lanes under the Michigan Vehicle Code.

Senate Bills 911 (S-2), 912, and 967 (S-1) are tie-barred to Senate Bill 909.

MCL 257.801 et al. (S.B. 911)
 125.3205 (S.B. 912)
 247.651 (S.B. 967)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Senate Bill 909 (S-3)

State: The Governor is recommending a supplemental appropriation for FY 2011-12 of \$250,000 in restricted Comprehensive Transportation Fund money to cover the initial start-up costs of the proposed Regional Transit Authority (RTA). Following that initial appropriation, it is anticipated that all future costs to administer and operate the RTA would come from proposed planning grants and revenue generated in the region from bonds or additional fees to local residents.

Additionally, the State could lose revenue from the tax exemptions that would be granted to the property on which the RTA would be located. The amount of potential loss in revenue is indeterminate and dependent on the exact location of the property and its valuation at the time the tax exemption would be granted.

Local: The RTA could issue self-liquidating revenue bonds for the purpose of acquiring, improving, enlarging, or extending a public transit system. The bonds would be payable solely from the revenue of the public transit system and thus would not be a cost to the State or local residents. However, local residents within the RTA could be asked to support a variety of funding proposals via ballot initiatives to cover the costs of administering and operating the RTA. Proposals could include the requirement for local residents to pay a special assessment and/or additional vehicle registration fees to support the RTA and its projects.

Senate Bill 911 (S-2)

State: The Department of State estimates a cost to the Department of \$1.3 million to implement the provisions of this bill. These costs consist of a one-time \$1.1 million for the programming necessary to add the additional fee to all vehicle registrations, along with a one-time cost of \$66,000 for staffing costs associated with the programming. In addition, there would be an annual cost of an estimated \$100,000 for the Department to distribute the revenue directly to the Regional Transit Authority. Finally, there could be some additional costs associated with the staff at branch offices who would collect the additional fee; however, this cost is indeterminate at this time and would depend on the approval of the additional fee.

Local: According to the Department of State, based on FY 2009-10 data, the average cost of a passenger vehicle registration is \$103. This equates to an average valuation of a passenger vehicle of \$21,000. In the four counties (Macomb, Oakland, Washtenaw, and Wayne) that would comprise the Regional Transit Authority, there were approximately 3.0 million vehicle registrations in FY 2009-10. If approved by the voters within the RTA, the additional fee of \$1.20 per \$1,000 of a vehicle's value would result in an average increase of an estimated \$25 per vehicle. Based on the 3.0 million transactions in FY 2009-10, this would equate to an estimated additional \$75.0 million annually in revenue for the proposed RTA.

Local residents would be required to pay up to \$1.20 per \$1,000 in vehicle valuation, per vehicle annually. The cost to a local resident would depend on the number of vehicles he or she owned and their value. As stated above, the cost based on the average value of a vehicle in FY 2009-10 would be an estimated \$25 per year, per vehicle.

Senate Bills 912 and 967 (S-1)

The bills would have no fiscal impact on State or local government.

Date Completed: 4-2-12

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.