

**METROPOLITAN TRANSPORTATION AUTHORITIES ACT OF 1967**  
**Act 204 of 1967**

AN ACT to create metropolitan transportation authorities; to define their powers and duties, including the creation of transportation districts; to provide for the withdrawal of counties from the authorities; to require the state to guarantee payment of certain claims against certain transportation authorities and to give the state a lien in satisfaction of payment; to permit the creation of certain councils; and to prescribe penalties and provide remedies.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1976, Act 266, Eff. Apr. 15, 1977;—Am. 1978, Act 479, Imd. Eff. Oct. 23, 1978;—Am. 1979, Act 68, Imd. Eff. July 25, 1979;—Am. 1988, Act 481, Imd. Eff. Dec. 28, 1988;—Am. 1998, Act 183, Eff. Mar. 23, 1999.

*The People of the State of Michigan enact:*

**124.401 Metropolitan transportation authorities; short title.**

Sec. 1. This act shall be known and may be cited as the “metropolitan transportation authorities act of 1967”.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

**124.402 Definitions.**

Sec. 2. As used in this act:

- (a) “Authority” means an authority created by or pursuant to this act.
- (b) “Board” means the governing and administrative body of an authority.
- (c) “Chief executive officer” means, with respect to a city, the mayor of the city and, with respect to a county, either the county executive of the county or, for a county not having a county executive, the chairperson of the county board of commissioners.
- (d) “Constituent unit” means each of the counties comprising a part of an authority or a council and each city having a population of 750,000 or more within such a county.
- (e) “Council” means a regional transit coordinating council formed pursuant to section 4a.
- (f) “Governor” means the governor of the state.
- (g) “Metropolitan area” means an area conforming in general to a consolidated metropolitan statistical area as defined by the United States office of management and budget or 2 or more counties which form a generally recognized urban complex. However, for the purposes of this act, Lapeer county shall not be considered part of a consolidated metropolitan statistical area.
- (h) “Public transportation facility” means all property, real and personal, public or private, so long as used or useful for general or special transportation service to the public, including, but not limited to, street railways, motor bus, tramlines, subways, monorails, rail rapid transit, and the movement of people thereby together with tunnel, bridge, and parking facilities used in connection with these transportation services of the authority, but shall not include taxis, limousines, highways, ports, airports, charter or sightseeing services, or transportation which is exclusively used for school purposes.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1976, Act 266, Eff. Apr. 15, 1977;—Am. 1988, Act 481, Imd. Eff. Dec. 28, 1988.

**124.403 Authorities; powers.**

Sec. 3. Authorities created under this act shall plan, acquire, construct, operate, maintain, replace, improve, extend and contract for public transportation facilities. An authority is a public benefit agency and instrumentality of the state with all the powers of a public corporation, for the purpose of planning, acquiring, constructing, operating, maintaining, improving and extending public transportation facilities, and for controlling, operating, administering and exercising the franchise of such transportation facilities, if any, including charter operations as acquired.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

**124.404 Regional transportation authorities; establishment; resolution of withdrawal; veto.**

Sec. 4. (1) Regional transportation authorities in major metropolitan areas of the state may be established as 1 or more contiguous counties elect by majority vote of the county boards of commissioners to establish or participate in an authority.

(2) A county which becomes a part of an authority created under this act may withdraw from the authority within 1 year after the county becomes a part of the authority by a resolution of withdrawal approved by a majority vote of the members elected to and serving on its county board of commissioners or may withdraw at

any time after 1 year after the county becomes a part of the authority by a resolution of withdrawal approved by a 2/3 vote of the members elected to and serving on its county board of commissioners. However, if the county has an elected county executive pursuant to Act No. 139 of the Public Acts of 1973, as amended, being sections 45.551 to 45.573 of the Michigan Compiled Laws, the county executive may veto the resolution. A veto may be overridden by a 2/3 vote of the members elected to and serving on the county board of commissioners.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1979, Act 68, Imd. Eff. July 25, 1979.

**124.404a Regional transit coordinating council; formation; purpose; collective representation of Livingston, Monroe, St. Clair, and Washtenaw counties; council as authority; receipt of transportation operating and capital assistance grants; powers and duties of council; articles of incorporation; council as “designated recipient” of federal and state transportation funds; designation of subrecipient; supplemental agreement; application for grant funds; distribution; actions and meetings of council; conducting business at public meeting; notice; establishment and report of advisory committee; financial audit as condition to distribution of state and federal funds.**

Sec. 4a. (1) The chief executive officer of each city having a population of 750,000 or more within a metropolitan area, of each county in which such a city is located, and of all other counties immediately contiguous to such a city shall form a corporation, subject to the limitations of this act, to be known as the regional transit coordinating council for the purpose of establishing and directing public transportation policy within a metropolitan area. The counties of Livingston, Monroe, St. Clair, and Washtenaw shall be collectively represented on the council by 1 member, without vote, from 1 of the counties and shall determine their representative member on the council in a manner to be determined by the counties. The county from which the representative member is to be selected shall rotate among the counties at least every 2 years and the member shall be a resident of the county from which the member is to be selected. If 1 or more of the counties of Livingston, Monroe, St. Clair, and Washtenaw withdraw from the authority, the member shall rotate between, and be selected from, the remaining counties.

(2) A council formed under this section shall be considered an authority organized pursuant to this act for the sole purpose of receiving transportation operating and capital assistance grants. A council may not exercise any rights, duties, or powers provided to an authority organized pursuant to this act except as is necessary to receive transportation operating and capital assistance grants.

(3) The council may adopt public transportation plans for its metropolitan area. The council shall coordinate service overlap, rates, routing, scheduling, and like functions between operators of public transportation. The council shall not have power to employ operating personnel, negotiate collective bargaining agreements with operating personnel, or own operating assets of a public transportation service within the metropolitan area.

(4) The articles of incorporation forming the council shall provide for the conduct of the affairs of the council, including provision for the appointment of a general secretary to the council and the allocation between the city and any authority representing the counties of any grants applied for by the council.

(5) The council shall be a “designated recipient” for purposes of the former federal urban mass transportation act of 1964, Public Law 88-365, and the regulations promulgated under that act, to apply for federal and state transportation operating and capital assistance grants, but the council may designate a city with a population of more than 750,000 and the authority representing the counties each as a subrecipient of federal and state transportation funds. To the extent required by the federal urban mass transportation act of 1964 and the regulations thereunder, the council and a city with a population over 750,000 and the authority representing the counties shall execute a supplemental agreement conferring on a city with a population over 750,000 and the authority representing the counties the right to receive and dispense grant funds and containing such other provisions as are required by federal law and regulation. The general secretary shall submit in a timely manner the council's application for such funds to the responsible federal and state agencies. The application shall designate the distribution of all capital and operating funds which shall be paid directly to a city with a population over 750,000 and the authority representing the counties. If the council is the recipient, the general secretary, as soon as possible, but not more than 10 business days after receipt of the funds by the general secretary, shall remit to a city with a population over 750,000 and the authority representing the counties their designated distribution of the funds.

(6) The council shall act by a unanimous vote of its membership entitled to vote and shall meet regularly but not less than quarterly. A council member shall not designate another representative to serve in his or her place on the council.

(7) The business which the council may perform shall be conducted at a public meeting of the council held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(8) An advisory committee comprised of riders who are senior citizens or persons with disabilities, or both, and who live within the southeastern Michigan transportation authority shall be established and shall report their concerns to the council on a regularly scheduled basis.

(9) Before any state or federal funds are distributed to any of the eligible authorities or eligible governmental agencies coordinated by the council, a financial audit of the transit operations for the fiscal year immediately previous to the most recently completed fiscal year shall be provided to the state transportation department in accordance with section 10h(2) of 1951 PA 51, MCL 247.660h. The state transportation department may waive this requirement on a temporary basis. Each audit shall be in accordance with sections 6 to 13 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.433. Each financial audit shall also be in accordance with generally accepted accounting standards as promulgated by the United States general accounting office and shall satisfy federal regulations relating to federal grant compliance audit requirements.

**History:** Add. 1988, Act 481, Imd. Eff. Dec. 28, 1988;—Am. 1998, Act 75, Imd. Eff. May 4, 1998.

#### **124.404b Regional transit coordinating council; articles of incorporation; development and purpose of long-range plan.**

Sec. 4b. (1) Incorporation of a council shall be accomplished by adoption of articles of incorporation by the incorporators authorized to so act. Articles of incorporation so adopted shall be published by the person or persons designated in the articles at least once in a newspaper designated in the articles and circulated within the area proposed to be served. One printed copy of the articles of incorporation shall be filed with the secretary of state, the clerk of each county within the area of the council, and the director of the state transportation department by the person designated to do so by the articles. The council shall become operative and the articles of incorporation effective at the time provided in the articles of incorporation. The validity of the incorporation shall be conclusively presumed unless questioned in a court of competent jurisdiction within 60 days after the publication of the articles of incorporation.

(2) The articles of incorporation shall state the name of the council; the purposes for which it is formed; the constituent units of and the metropolitan area, or portions thereof, comprising the council; the person or persons charged with the responsibility of causing the articles of incorporation to be published and filed as provided in subsection (1); the method of amending the articles of incorporation; and any other matters which the incorporators consider advisable.

(3) The council, in conjunction with the state transportation department, shall develop a long-range plan to bring the authorities coordinated by the council into conformity with the state fiscal year.

**History:** Add. 1988, Act 481, Imd. Eff. Dec. 28, 1988.

#### **124.405 Southeastern Michigan transportation authority; establishment; resolution of withdrawal; veto; effect of withdrawal; cessation of operation or dissolution; state guaranteed payment of claims; lien of state; citizens planning and advisory councils.**

Sec. 5. (1) The southeastern Michigan transportation authority which shall include the counties of Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne is established, but a county choosing not to participate in the authority may withdraw by a resolution of withdrawal approved by a majority vote of its elected county board of commissioners within 1 year after the establishment of the authority and by a 2/3 vote of the members elected to and serving on the county board of commissioners at any time thereafter. However, if the county has an elected county executive pursuant to Act No. 139 of the Public Acts of 1973, as amended, the county executive may veto the resolution. A veto may be overridden by a 2/3 vote of the members elected to and serving on the county board of commissioners. A county that withdraws from the southeastern Michigan transportation authority and whose chief executive officer is or was required to form a corporation pursuant to section 4a, shall lose its seat on the council, shall not retain any assets of the authority, and shall not contract for public transportation services with the authority.

(2) If a county whose chief executive officer is not required to form a corporation pursuant to section 4a elects to withdraw from the authority within 12 months after the effective date of the 1988 amendatory act that added this subsection, the authority shall convey to that county and to any local authority that has a service area within that county all assets and liabilities utilized by or attributable to that county or local authority. The state transportation department shall reduce the level of state funding to the authority by the amount attributable to that county or local authority and transmit these funds directly to the county or local authority.

authority that has a service area within the county that elected to withdraw.

(3) If the southeastern Michigan transportation authority ceases to operate or is dissolved and a successor agency is not created to assume its assets and liabilities, and perform its functions, and if the southeastern Michigan transportation authority is authorized to secure the payment of compensation under section 611(1)(a) of Act No. 317 of the Public Acts of 1969, as amended, being section 418.611 of the Michigan Compiled Laws, then the state guarantees the payment of claims for benefits arising under Act No. 317 of the Public Acts of 1969, as amended, being sections 418.101 to 418.941 of the Michigan Compiled Laws, against the southeastern Michigan transportation authority during the time they were approved as a self-insured employer. The state shall be entitled to a lien which shall take precedence over all other liens on its portion of the assets of the southeastern Michigan transportation authority in satisfaction of the payment of claims for benefits under Act No. 317 of the Public Acts of 1969, as amended.

(4) A community or group of communities in the southeastern Michigan transportation authority region may create citizens planning and advisory councils to relate their particular concerns to the board on a regularly scheduled basis. These councils shall have memberships representative of the various neighborhoods within those cities.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1976, Act 266, Eff. Apr. 15, 1977;—Am. 1978, Act 479, Imd. Eff. Oct. 23, 1978;—Am. 1979, Act 68, Imd. Eff. July 25, 1979;—Am. 1988, Act 481, Imd. Eff. Dec. 28, 1988.

#### **124.405a Authority; dissolution; diminishment of powers.**

Sec. 5a. An authority created under this act shall not be dissolved nor shall its powers be diminished, except in a manner provided in this act.

**History:** Add. 1979, Act 68, Imd. Eff. July 25, 1979.

#### **124.405b Southeastern Michigan transportation authority; allocation and conveyance of assets and liabilities by board; comprehensive audit; approval of fund allocations.**

Sec. 5b. (1) At the earliest practicable date after the effective date of this section, the board of the southeastern Michigan transportation authority shall allocate and convey to a city with a population of 750,000 or more all assets and liabilities utilized by or attributable to the city in its transportation activities at that date located within the city's service area and not pertaining presently to the transportation activities of any other entity within the authority's service area, including without limitation contract rights respecting real or personal property. All other assets and liabilities not utilized by or attributable to the city shall remain the property of the southeastern Michigan transportation authority.

(2) Before any conveyance may be completed, the council shall authorize and subsequently approve a comprehensive audit of all assets and liabilities. Copies of the audit shall be provided to the department of transportation and the auditor general. The audit shall be made in accordance with Act No. 2 of the Public Acts of 1968, being sections 141.426 to 141.440a of the Michigan Compiled Laws.

(3) Except as provided in section 10(2)(f), prior to the approval of the audit, fund allocations made by the board of the authority shall be subject to the approval of the council.

**History:** Add. 1988, Act 481, Imd. Eff. Dec. 28, 1988.

#### **124.406 Authorities; additional powers and duties.**

Sec. 6. Any authority, in addition to its other powers and duties, may:

(a) Adopt rules to accomplish the purposes of this act in accordance with Act No. 88 of the Public Acts of 1943, as amended, being sections 24.71 to 24.80 of the Compiled Laws of 1948, and subject to Act No. 197 of the Public Acts of 1952, as amended, being sections 24.101 to 24.110 of the Compiled Laws of 1948.

(b) Plan, acquire, construct, operate, maintain, replace, improve, extend and contract for transportation facilities within the area included within the metropolitan transportation authority and for a distance of 10 miles beyond any portion of the limits of the authority if there is no similar authority established or operating public transportation facilities within such 10 mile extra-territorial distance.

(c) Acquire and hold, by purchase, lease, grant, gift, devise, bequest, condemnation or other legal means, real and personal property, including franchises, easements or rights of way on, under or above any property within the area included within the metropolitan transportation authority and for a distance of 10 miles beyond any portion of the limits of any authority if there is no similar authority established or operating public transportation facilities within such 10 mile extra-territorial distance that may be necessary or convenient for carrying out the intent and purposes for which it is established: Provided, however, That the 10 mile extra-territorial distance shall apply only to areas located geographically within the state of Michigan. The authority shall have the right to use space and areas over, under and upon the public streets and highways to carry out its duties subject to reasonable use. In acquiring any private bus company pursuant to section 24,

the authority may not do so piecemeal but shall acquire the entire system including that which may be outside the area then included within the authority: Provided, however, That this act shall apply to bus companies operating solely within the jurisdiction of the authority or whose major portion of bus passengers are within the jurisdiction of the authority: Provided, further, That the authority can, through mutual agreement of the parties involved, acquire a portion of any bus company if that portion falls within the jurisdiction of the authority whether or not that bus company is subject to the provisions of this act.

(d) Institute condemnation proceedings, but not highway procedure, under the laws of this state which are applicable to the acquisition of private property for public use subject to the provisions of section 24.

(e) Apply for and accept grants, loans or contributions from the federal government or any of its agencies, the state or other public or private agencies to be used for any of the purposes herein and to do any and all things within its express or implied powers necessary or desirable to secure such financial or other aid or cooperation in the carrying out of any of the purposes of this act.

(f) Sell, lease or use any property acquired for the purposes of this act but not needed thereof, and lease advertising space and grant concessions for the sale of newspapers and other articles and for services on or in any portion of the property under the jurisdiction of the authority.

(g) Grant to utilities, public or privately owned, the right to use the property or any part of the property of the transportation facilities. In like manner it may grant to any other transportation facility the right to use for station purposes, or otherwise, any part of the property of the transportation facilities.

(h) Contract, if necessary or advisable, with any other unit of government or private enterprise for service contracts, joint use contracts or contracts for the construction or operation of any part of the transportation facilities within the limits of the unit of government.

(i) Exercise all other powers incidental, necessary or convenient for the exercise of the powers herein granted.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.407 Rates and charges; services; public service commission; jurisdiction; appeals; injunctions.**

Sec. 7. Any authority may fix rates, fares, tolls, rents and other charges for the use of the transportation facilities owned and operated for all intraregional travel within the jurisdiction of the authority as well as the services to be rendered by the authority. The authority shall determine by itself exclusively, after appropriate public hearing, the transportation facilities to be operated by it, the services to be available to the public and the rates to be charged therefor. Where the authority has acquired, constructed or initiated a system which includes routes or service which originates in, terminates in or passes through areas not included in the authority then those routes, service and maintenance of service as well as the rates therefor shall be under the jurisdiction of the public service commission in the same manner and to the same degree as any other common motor carrier of passengers for hire operating outside the authority area. If the counties in which these areas are situate become part of the authority the jurisdiction of the public service commission as to the routes, service maintenance of service and rates of the authority in that county shall terminate. Any person aggrieved by any rate or service or change of service fixed by the authority may bring an appeal against the authority in the proper court in any county in the metropolitan area in which the charge, service or change of service is applicable, for the purpose of protesting against any such charge, service or change of service. The grounds for such appeals shall be restricted to an abuse of discretion or an error of law; otherwise, all such actions by the authority are final. Whenever 2 or more appeals are brought against the same action of the authority, exclusive jurisdiction for the determination thereof shall be vested in the first court to receive an appeal, and all other courts receiving subsequent appeals against the same action shall transfer the appeals to the first court. Upon the finding of an error of law or a manifest and flagrant abuse of discretion, the court shall issue an order setting forth the abuse or error and returning the matter to the authority for such further action as is not inconsistent with the findings of the court. No cause of action shall exist on behalf of any person directly or indirectly, under which any court shall have jurisdiction or power to issue or grant any temporary or preliminary injunction or restraining order to prevent or suspend the operation of any order or rule of the authority which fixes rates, fares, tolls, rents or other charges for the use of or which changes any services of the transportation facilities under the jurisdiction of the authority.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.408 Repealed. 1988, Act 481, Imd. Eff. Dec. 28, 1988.**

**Compiler's note:** The repealed section pertained to powers and duties of southeastern Michigan transportation authority.

#### **124.409 Authority exempt from motor carrier act, motor bus transportation act, and public**

**service act.**

Sec. 9. In the exercise of its powers within its geographical boundaries, an authority is exempt from the motor carrier act, Act No. 254 of the Public Acts of 1933, being sections 475.1 to 479.20 of the Michigan Compiled Laws; the motor bus transportation act, Act No. 432 of the Public Acts of 1982, being sections 474.101 to 474.141 of the Michigan Compiled Laws; and the public service act.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1988, Act 481, Imd. Eff. Dec. 28, 1988.

**124.410 Provisions applicable only to authorities other than southeastern Michigan transportation authority; provisions applicable only to southeastern Michigan transportation authority.**

Sec. 10. (1) The following subdivisions shall apply only to authorities other than the southeastern Michigan transportation authority:

(a) Authorities shall be governed by a board consisting of 9 members. The term of office of the members of the board shall be 3 years, except that of the members first appointed 3 shall be for 1 year, 3 for 2 years, and 3 for 3 years. All terms shall expire on June 30 except that members shall serve until their successors are appointed. The members of the board may be removed by the appointing authority for cause. Any vacancy in office shall be filled by the governor for the remainder of the unexpired term. The members shall annually elect a chairman and vice-chairman from among their members. The board shall hold regular monthly meetings and special meetings as necessary at times as it determines, and shall designate the time and place of those meetings. It shall adopt its own rules of procedure and shall keep a record of its proceedings. Five members constitute a quorum for the transaction of business and the affirmative vote of a majority of all the members shall be necessary for the adoption of a motion or resolution. The members of a board shall be residents of the counties included in the authority.

(b) A county choosing not to participate in an authority may withdraw by a majority vote of its elected county board of commissioners within 1 year after the establishment of the authority and by a 2/3 vote of the board of commissioners at any time thereafter. If a county withdraws from an authority pursuant to this section, the term of a member of the board from the county which withdraws shall expire at the time of the county's withdrawal.

(c) Each member of the board shall receive reimbursement for expenses incurred in the discharge of his duties as a board member. Each member of the board may receive compensation of not more than \$35.00 for each meeting of the board the member attends, not exceeding 4 meetings per month. The chairman of the board may receive compensation of not more than \$45.00 for each meeting of the board the chairman attends, not exceeding 4 meetings per month. A copy of the proceedings of each board meeting shall be available for public inspection during normal working hours at the offices of the board.

(d) Six members of the board shall be appointed by the governor with the advice and consent of the senate, from lists of 3 or more names each submitted by the county boards of commissioners of member counties and the mayor of cities within the authority with a population of more than 500,000. Three members shall be appointed directly by the governor with the advice and consent of the senate.

(e) An authority shall hold a public hearing on its annual operating and capital budget, financial audits, and construction plans.

(f) An authority shall also maintain close working and coordinating relationships with the state, local, and federal agencies or other agencies to the end that duplication of effort is minimized and that the planning and implementation functions work together in the public interest to carry out the purposes of this act.

(2) The following subdivisions shall apply only to the southeastern Michigan transportation authority:

(a) The board of the southeastern Michigan transportation authority shall be composed of the chief executive officers of each county in which a city having a population of 750,000 or more is located within the area served by the southeastern Michigan transportation authority and of all other counties immediately contiguous to such city, and the representative of each such chief executive officer to be designated in the sole discretion of, and serve at the sole pleasure of, that chief executive officer. A chief executive officer may designate an alternate to serve in his or her place on the board. The counties of Livingston, Monroe, St. Clair, and Washtenaw shall be collectively represented on the board by 1 person from these counties. The counties shall determine their representative member on the board in a manner to be determined by the counties. The county from which the representative member is to be selected shall rotate among the counties at least every 2 years and the member shall be a resident of the county from which the member is to be selected. If 1 or more of the counties of Livingston, Monroe, St. Clair, and Washtenaw withdraw from the authority, the member shall rotate among, and be selected from, the remaining counties.

(b) The board by a majority vote shall adopt bylaws and rules of procedure governing its meetings. A

majority vote for the adoption of bylaws and rules of procedure and for the transaction of business shall not be effective unless it includes at least 1 vote from each county in which a city having a population of 750,000 or more is located, and at least 1 vote from each county immediately contiguous to such city.

(c) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(d) The board shall do the following:

(i) Obtain an annual audit in accordance with sections 6 to 13 of the uniform budgeting and accounting act, Act No. 2 of the Public Acts of 1968, being sections 141.426 to 141.440a of the Michigan Compiled Laws. The audit shall also be in accordance with generally accepted government auditing standards as promulgated by the United States general accounting office and shall satisfy federal regulations relating to federal grant compliance audit requirements. A copy of the annual audit shall be filed with the state treasurer in accordance with section 4(2) of the uniform budgeting and accounting act, Act No. 2 of the Public Acts of 1968, and a copy shall be filed with the state transportation department in accordance with section 10h(2) of Act No. 51 of the Public Acts of 1951, being section 247.660h of the Michigan Compiled Laws.

(ii) Prepare budgets and appropriations acts in accordance with sections 14, 15(1)(a) to (g), 15(1)(i), 15(2), 16, 17, 18, and 19 of the uniform budgeting and accounting act, Act No. 2 of the Public Acts of 1968, being sections 141.434 to 141.439 of the Michigan Compiled Laws.

(iii) If ending a fiscal year in a deficit condition, file a financial plan to correct the deficit condition in the same manner as provided in section 21(2) of Act No. 140 of the Public Acts of 1971, being section 141.921 of the Michigan Compiled Laws. A copy of the financial plan shall also be filed with the state transportation department.

(e) The board may change the name of the authority by a majority vote of the members as described in subdivision (b). The board shall notify the state transportation commission within 10 days after a name change is adopted.

(f) The board shall guarantee each of the counties of Livingston, Monroe, St. Clair, and Washtenaw, as long as they remain members of the authority, the average percentage of state transportation funds allocated to the authority that each county received in the last 5 fiscal years before the effective date of this subdivision. The state transportation department shall be responsible for determining these percentages.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1968, Act 233, Imd. Eff. June 26, 1968;—Am. 1970, Act 250, Imd. Eff. Dec. 31, 1970;—Am. 1976, Act 266, Eff. Apr. 15, 1977;—Am. 1988, Act 481, Imd. Eff. Dec. 28, 1988.

#### **124.411 Governing boards; general manager; policies, annual audits.**

Sec. 11. The board shall:

(a) Employ a general manager of the authority.

(b) Establish broad policies covering all major operations of the authority.

(c) Employ an independent certified public accounting firm to provide annual financial audits.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.412 Governing boards; general manager; appointment, powers, duties, term.**

Sec. 12. Before engaging in transportation operations, or at such time as the board deems appropriate and necessary, the board shall appoint a general manager who shall be the chief executive and operating officer of the authority. The general manager shall have management of the properties and business of the authority and the employees thereof. He shall direct the enforcement of all resolutions, rules and regulations of the board, and shall enter into contracts as necessary under the general control of the board. The general manager shall serve at the pleasure of the board.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.413 Governing boards; officers, employees, agents; appointment, classification, merit rating; collective bargaining; assumed wage, hour, and other benefit obligations; returning servicemen.**

Sec. 13. (1) The general manager shall have the authority to appoint such officers, employees and agents as necessary to carry out the purposes of the authority under the general policy direction of the board. At such time as the authority operates transportation facilities, the general manager shall classify all the offices, positions and grades of regular employment required under a merit rating system; except that a maximum of 5% of the employees and officers shall be exempt from the provisions of the merit rating system. The authority shall have the right to bargain collectively and enter into agreements with labor organizations, and

shall be bound by existing labor union agreements with public or privately owned entities that are acquired, purchased or condemned by the authority. Members and beneficiaries of any pension or retirement system or other benefits established by the acquired transportation system shall continue to have rights, privileges, benefits, obligations and status with respect to such established system. The board shall assume the obligation of any transportation system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees.

(2) No employee of any acquired transportation system who is transferred to a position with the authority shall by reason of such transfer be placed in any worse position with respect to workmen's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits that he enjoyed as an employee of such acquired transportation system.

(3) Employees who left the employ of such transportation system to enter the military service of the United States shall have the same rights as to the authority, under the provisions of the service men's employment tenure act approved July 17, 1941, as they would have had thereunder as to such transportation system.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.414 Taxation; methods of financing.**

Sec. 14. The authority may not levy taxes nor may it pledge the credit or taxing power of the state or any political subdivision except for the pledging of receipts of taxes, special assessments or charges collected by the state or a political subdivision and returnable or payable by law or by contract to the authority and except for the pledge by a political subdivision of the state of its full faith and credit in support of its contractual obligations to the authority as authorized by law. Transportation facilities shall be financed, in addition to other methods of financing provided by law, as follows:

(a) By fares, rates, tolls and rents.

(b) By other income or revenues from whatever source available, including appropriations or contributions of whatever nature or other revenues of the participating counties and political subdivisions within the geographical boundaries of the authority.

(c) By grants, loans or contributions from federal, state or other governmental units and grants, contributions, gifts, devises or bequests from public or private sources.

(d) By proceeds of taxes, special assessments or charges imposed pursuant to law and collected by the state or a political subdivision and returned or paid to the authority pursuant to law or contract.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1970, Act 250, Imd. Eff. Dec. 31, 1970.

#### **124.415 Annual operating and capital budget; review, approval; five-year capital program budgets, annual revision; financial audits; construction programs.**

Sec. 15. (1) The general manager shall prepare and the board shall approve a separate operating and capital budget for each fiscal year. These budgets shall be approved at least 30 days prior to the beginning of each new fiscal year. In addition, capital program budgets shall be prepared to cover periods of 5 years. The first of these annual capital program budgets shall be submitted no later than 3 years after the initial formation of the authority. These shall be revised and updated annually prior to submission to the board.

(2) The authority shall submit its annual operating and capital budget, financial audits and construction plans to a regional governmental and coordinating agency where one exists in the region for review and comment a reasonable time prior to final approval by the authority board of directors.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.416 Bonds; contractual obligations; issuance and sale; advancing money or delivering property to authority; resolution authorizing execution of contract; petition; referendum; approval of certain bonds or notes; subway; notes not subject to revised municipal finance act.**

Sec. 16. (1) The authority may borrow money and issue bonds to finance and to carry out its powers and duties. The bonds shall be payable from and may be issued in anticipation of payment of the proceeds of any of the methods of financing described in section 14 or elsewhere in this act or as may be provided by law. A political subdivision within the geographical boundaries of the authority may contract to make payments, appropriations, or contributions to the authority of the proceeds of taxes, special assessments, or charges imposed and collected by the political subdivision or out of any other funds legally available and may pledge its full faith and credit in support of its contractual obligation to the authority. The contractual obligation shall not constitute an indebtedness of a political subdivision within a statutory or charter debt limitation. If the authority has issued bonds in anticipation of payments, appropriations, or contributions to be made to the authority pursuant to contract by a political subdivision having the power to levy and collect ad valorem

taxes, the political subdivision may obligate itself by the contract, and thereupon may levy a tax on all taxable property in the political subdivision, which tax as to rate or amount will be as provided in section 6 of article IX of the state constitution of 1963 for contract obligations in anticipation of which bonds are issued, to provide sufficient money to fulfill its contractual obligation to the authority.

(2) The bonds of the authority shall be issued and sold in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, except that the bonds may be issued for any period of years, not exceeding 40 years.

(3) A public corporation may advance money or deliver property to the authority to finance or to carry out its powers and duties. The authority may agree to repay the advances or pay for the property within a period not exceeding 10 years, from the proceeds of its bonds or from other funds legally available for that purpose, with or without interest as may be agreed at the time of advance or of repayment. The obligation of the authority to make the repayment or payment may be evidenced by a contract or note or notes, which contract or note may pledge the full faith and credit of the authority.

(4) A political subdivision desiring to enter into a contract under subsection (1) shall authorize, by resolution of its governing body, the execution of the contract, which resolution shall be published in a newspaper of general circulation within the political subdivision, and the contract may be executed without a vote of the electors on the contract upon the expiration of 90 days after the date of the publication unless, within the 90-day period, a petition signed by not less than 5% of the registered electors residing within the limits of the political subdivision is filed with the clerk of the political subdivision requesting a referendum upon the execution of the contract, and in that event the contract shall not be executed until approved by the vote of a majority of the electors of the political subdivision qualified to vote and voting on the contract at a general or special election to be held not more than 90 days after the filing of the petition.

(5) If the bonds or notes sold by the authority involve the pledge or use of state collected or administered funds, the authority shall seek the approval of the state transportation commission.

(6) Notwithstanding any other provision of this section, an authority shall not issue bonds, nor use the revenues of the sale of bonds, for the construction, reconstruction, maintenance, or operation of a subway unless approved by concurrent resolution by the legislature.

(7) Notes issued and contracts entered into under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1970, Act 250, Imd. Eff. Dec. 31, 1970;—Am. 1976, Act 266, Eff. Apr. 15, 1977;—Am. 1978, Act 479, Imd. Eff. Oct. 23, 1978;—Am. 1983, Act 31, Imd. Eff. May 6, 1983;—Am. 2002, Act 328, Imd. Eff. May 23, 2002.

#### **124.416a Violation of MCL 168.1 to 168.992 applicable to petitions; penalties.**

Sec. 16a. A petition under section 16, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

**History:** Add. 1998, Act 183, Eff. Mar. 23, 1999.

**Compiler's note:** Former MCL 124.416a, which pertained to transportation districts, was repealed by Act 481 of 1988, Imd. Eff. Dec. 28, 1998.

#### **124.417 Competitive bids; procedure; written price quotations; procurement procedures; waiver; savings to be used for construction of bus shelter.**

Sec. 17. (1) Except in the purchase of unique articles or articles which, for any other reason, cannot be obtained in the open market and except as otherwise provided in this section and in section 24, competitive bids shall be secured before any purchase or sale, by contract or otherwise is made or before any contract is awarded for construction, alterations, supplies, equipment, repairs, or maintenance or for rendering any services to the authority other than professional services; and the purchase shall be made from or the contract shall be awarded to the lowest responsive and responsible bidder; or a sale to the highest responsive and responsible bidder. The authority may reject any and all such bids or proposals. A purchase of any unique article or other articles which cannot be obtained in the open market shall not be made without express approval of the board where the amount involved is in excess of \$25,000.00.

(2) All purchases and sales in excess of \$25,000.00 shall be awarded after advertising in a local newspaper of general circulation in the metropolitan area at least 2 weeks before the bid opening. Bids shall be publicly opened and read aloud at a date, time, and place designated in the invitation to bid. Invitations to bid shall be sent at least 1 week before the bid opening to at least 3 potential bidders who are qualified technically and

financially to submit bids, or a memorandum shall be kept on file showing that less than 3 potential bidders who are so qualified exist in the market area within which it is practicable to obtain bids.

(3) Except as otherwise provided in this section, written price quotations from at least 3 qualified and responsible vendors shall be obtained for all purchases and sales of \$25,000.00 or less but over \$5,000.00, or a memorandum shall be kept on file showing that less than 3 vendors so qualified exist in the market area within which it is practicable to obtain quotations.

(4) Purchases or sales under \$5,000.00 may be negotiated with or without competitive bidding under procurement procedures as promulgated and established by the general manager.

(5) Competitive bidding requirements may be waived if it is determined by the general manager, or in such other manner as the board may provide, by regulation, that an emergency directly and immediately affecting service, or public health, safety, or welfare requires immediate delivery of supplies, materials, equipment, or services.

(6) Savings achieved by the 1993 amendatory act that added this subsection shall be used as 1 funding source for funds to construct bus shelters at SMART bus stops. In the case of a state trunkline highway, a bus shelter constructed by SMART may include advertising on the shelter. This project shall be competitively bid and shall be completed within 12 months.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1970, Act 250, Imd. Eff. Dec. 31, 1970;—Am. 1993, Act 350, Imd. Eff. Jan. 11, 1994.

#### **124.418 Concessions; award, procedure.**

Sec. 18. All concessions granted by the authority for the sale of products or the rendition of services for a consideration on authority property shall be awarded only pursuant to written specifications after competitive bidding and to the highest responsible bidder in a manner similar to that required by section 17 relating to contracts for procurement involving an expenditure of more than \$5,000.00. This requirement for competitive bidding shall not apply to any concession involving the estimated receipt by the authority of less than \$1,000.00 over the period for which the concession is granted.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.419 Transportation authority claims; notice, allowance, jurisdiction over actions against authority.**

Sec. 19. All claims that may arise in connection with the transportation authority shall be presented as ordinary claims against a common carrier of passengers for hire: Provided, That written notice of any claim based upon injury to persons or property shall be served upon the authority no later than 60 days from the occurrence through which such injury is sustained and the disposition thereof shall rest in the discretion of the authority and all claims that may be allowed and final judgment obtained shall be liquidated from funds of the authority: Provided, further, That only the courts situated in the counties in which the authority principally carries on its function are the proper counties in which to commence and try action against the authority.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.420 Assistance from political subdivisions and public and private agencies.**

Sec. 20. All counties, other political subdivisions and agencies, public or private, may assist, cooperate with, and contribute services, money or property in aid of such authorities and their purposes.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.421 Liberal construction of act.**

Sec. 21. This act, being necessary for the public peace, health, safety and welfare, shall be liberally construed to effect the purposes hereof which are declared to be public purposes.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.422 Tax exemption of property.**

Sec. 22. Authorities and their property, real, personal and mixed, are exempt from assessment, levy and collection of all general and special taxes of the state or any governmental unit.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

#### **124.423 Annual public report and financial statement.**

Sec. 23. The authority shall prepare and publish a detailed public report and financial statement of its operations at the end of each fiscal year.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967.

**124.424 Acquisition of transportation operating facilities; negotiation; condemnation or arbitration, election; competition with common carriers.**

Sec. 24. The authority shall endeavor to acquire facilities, assets and rights of existing and operating private or public transportation systems, however no liability other than for equipment and facilities shall be assumed or contracted for, by good faith negotiation and contract and in so doing shall not be required to comply with any statutory or charter limitations or prerequisites to such acquisition. If such contract provides only for operation of the transportation system by the authority or for acquisition without consideration, the transaction shall not be deemed to be a sale of a public utility within any constitutional, statutory or charter limitation or any revenue bond ordinance. In the event that negotiation does not result in a settlement, the authorities shall request in writing to the party owning such facilities and such party shall elect in writing within 15 days of such request between condemnation under the provisions of this act or binding final arbitration under the rules and procedures of the American arbitration association. Such election shall be limited to condemnation or arbitration and shall be final. Until such time as the authority shall have acquired the routes of a common carrier of persons certified by the Michigan public service commission and which common carrier is subject to the provisions of this act and not exempt under the provisions of section 6(c) the authority shall not operate competitive service over the same routes with such common carrier, except for existing competing service which is operated by a company acquired by the authority.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1970, Act 250, Imd. Eff. Dec. 31, 1970.

**124.425 Availability of records and other writings to public; conducting business at public meeting; notice of meeting.**

Sec. 25. Records and any other writings prepared, owned, used, in the possession of, or retained by the authority in the performance of an official function shall be available to the public during normal business hours in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws. The business which a board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

**History:** 1967, Act 204, Imd. Eff. July 10, 1967;—Am. 1978, Act 70, Imd. Eff. Mar. 21, 1978.

**124.426 Emergency financial manager.**

Sec. 26. Notwithstanding any provision of this act, if an emergency financial manager has been appointed under the local government fiscal responsibility act, Act No. 101 of the Public Acts of 1988, being sections 141.1101 to 141.1118 of the Michigan Compiled Laws, with respect to an authority established by this act, then that emergency financial manager may exercise the authority and responsibilities provided in this act to the extent authorized by Act No. 101 of the Public Acts of 1988.

**History:** Add. 1988, Act 481, Imd. Eff. Dec. 28, 1988.