



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4423 (Substitute S-2 as reported)
House Bill 4424 (Substitute S-1 as reported)
House Bill 4425 (Substitute S-1 as reported)
House Bill 4426 (Substitute S-1 as reported)
House Bill 4427 (Substitute S-1 as reported)
Sponsor: Representative Bradford C. Jacobsen (H.B. 4423 & 4424)
Representative Rick Outman (H.B. 4425)
Representative John Kivela (H.B. 4426)
Representative Charles Smiley (H.B. 4427)
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

CONTENT

House Bill 4423 (S-2) would amend Section 627 of the Michigan Vehicle Code to do the following:

- Revise highway speed limits that are based on vehicular access points, and otherwise revise speed limits for specific areas.
- Establish a "limited access freeway general speed limit" of 70 miles per hour (mph) for all limited access freeways where the speed limit was not otherwise set by the Code.
- Establish a minimum speed of 55 mph for all limited access freeways where a minimum speed was not otherwise set by the Code.
- Establish a "general speed limit" of 55 mph on trunk line highways and county highways where a speed limit was not otherwise set.
- Require the Michigan Department of Transportation (MDOT) and the Michigan State Police (MSP) to increase the speed limits on at least 600 miles of limited access freeway to 75 mph and 900 miles of trunk line highway to 65 mph within a year after the bill's effective date if certain conditions were met.
- Establish speed limits for gravel roads or unimproved surfaces, and provide that a municipality could request a speed study on the fastest portion of the road segment in question to establish the speed limit for the road.
- Provide that nothing in Section 627 would prevent the establishment of a modified speed limit after a speed study described in Section 628 (the section House Bill 4425 (S-1) would amend).
- Allow MDOT or a county road commission and the MSP to order a city, village, airport, college, university, or township to erect and maintain, take down, or regulate speed limit signs, signals, and devices if an investigation determined that doing so was in the interest of public safety.
- Require a public record of all traffic control orders establishing statutory speed limits authorized under the Code to be filed with one of several offices listed in the bill in which the county or local highway was located.
- Specify that a traffic and engineering investigation would not be required for a traffic control order, and list the information that a traffic control order would have to contain.
- Provide that certain speed limits would not be valid without the proper sign posting the speed limit and a traffic control order filing.

- Require all signs erected or placed to conform to the Michigan Manual on Uniform Traffic Control Devices.

The bill also would repeal Section 629 of the Code, which allows a local authority, subject to certain limitations, to establish or increase prima facie speed limits on highways and decrease the speed limit in public parks and highways adjacent to a public parks, and requires MDOT to establish speed limits on all trunk line highways according to certain criteria, among other things.

House Bill 4424 (S-1) would amend Section 627a of the Michigan Vehicle Code to do the following:

- Modify school zone speed limits, and the period during which they may be effective.
- Delete a provision that allows the prima facie speed limit for any street in a school zone that has sidewalks along at least one side to be set at the limit requested by the school superintendent with jurisdiction over the school within the school zone.
- Delete a provision allowing local authorities to increase or decrease the prima facie speed limit within a school zone under their jurisdiction.
- Require that "All Year School" signs be posted, where applicable.
- Allow louvered signs, digital message signs, and flashing lights to be installed to supplement or replace permanent signs required by Section 627a.
- State that an individual who violated a school zone speed limit would be responsible for a civil infraction.
- Revise the definitions of "school" and "school zone".

House Bill 4425 (S-1) would amend Section 628 of the Michigan Vehicle Code to do the following:

- Require MDOT and the MSP to jointly determine modified maximum or minimum speed limits on limited access freeways or trunk line highways.
- Require a local road authority to determine any modified speed limits on a local highway.
- Require a speed limit established under the Code to be determined by an engineering and safety study and by the 85th percentile speed of free-flowing traffic under ideal conditions rounded to the nearest multiple of five miles per hour.
- Prohibit a speed limit established under the Code from being posted at less than the 50th percentile speed of free-flowing traffic under optimal conditions on the fastest portion of the highway segment where the speed limit was being posted.
- Specify the location for filing the public record of a traffic control order that established a modified speed for a limited access freeway, trunk line highway, or a local highway.
- Eliminate provisions pertaining to the determination and establishment of speed limits and the filing of a public record of speed control signs and signals.
- Eliminate a provision allowing a township board to petition the county road commission, or the county board of commissioners in charter counties with no road commission, for a proposed speed limit change on county highways that meet certain criteria.

House Bill 4426 (S-1) would amend the Michigan Vehicle Code to do the following:

- Modify the number of points assigned to a person's driving record for speeding.
- Eliminate provisions that allow a local authority to regulate the speed of vehicles in public parks, and to increase the prima facie speed limits as authorized by the Code.
- Require MDOT to adopt a manual conforming to the Federal manual approved by the United States Department of Transportation, Federal Highway Administration.
- Require a traffic control device placed and maintained by MDOT or a local unit of government to conform to the Michigan Manual on Uniform Traffic Control Devices.
- Modify a requirement that MDOT withhold revenue otherwise due to local governments under the Michigan Transportation Fund law under certain circumstances.

- Require a notice sent by a salvage pool to an owner and any lienholder of record for a vehicle that is available for pickup to include a warning regarding the sale of the vehicle and the termination of the owner's or lienholder's rights of record to the vehicle and the proceeds of the sale if the vehicle were not redeemed within 30 days after the postmarked date of the notice.
- Allow the Secretary of State (SOS), after being notified, to conduct an investigation or reexamination of a person if he or she had a total of six or more points charged against him or her within a period of two years.
- Allow the SOS to restrict, suspend, revoke, or impose other terms and conditions on the license of a person subject to an investigation or reexamination based solely on the licensed operator's or chauffeur's driving record.

House Bill 4427 (S-1) would amend the Insurance Code to revise the number of "insurance eligibility points" that are assigned for speeding violations. (Insurance eligibility points are calculated by insurers for purposes of determining eligibility for automobile insurance and applying underwriting rules.)

House Bills 4423 (S-2) through 4426 (S-1) are tie-barred to each other.

MCL 257.627 (H.B. 4423)

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257.627a & 257.633 (H.B. 4424)

257.628 (H.B. 4425)

257.248c et al. (H.B. 4426)

500.2103 (H.B. 4427)

FISCAL IMPACT

House Bills 4423 (S-2) through 4426 (S-1) would have an indeterminate fiscal impact on Michigan Department of Transportation funds. No new revenue would be created by the bills. Increased costs would likely come from signage and minor infrastructure design changes due to increased speeds. Indirect costs associated with fatal crashes and increased fuel consumption are not considered in this analysis. Indirect benefits related to reduced travel time also are not considered in this analysis.

House Bill 4423 (S-2) would require MDOT and the Michigan State Police to raise speed limits on sections of limited access freeways and trunk line highways "if an engineering and safety study and the eighty-fifth percentile speed of free-flowing traffic under ideal conditions of that section contains findings that the speed limit may be raised". It is not known how many freeway and highway miles would meet these qualifications.

Increasing a speed limit on a Michigan limited access freeway or trunk line highway beyond the original design speed can create costs if any of the following road characteristics require adjustment: horizontal curvature, vertical alignment, sight distances, guardrail lengths, lengths of auxiliary lanes and tapers, lengths of passing/no passing zones, warning sign distances, and traffic signal clearance intervals.¹ Major design and infrastructure changes to roadways to accommodate higher speeds can cost several million dollars per mile.² House Bill 4423 (S-2) would avoid raising speed limits in areas that would require major design and infrastructure changes because it would require an engineering and safety study and a determination by MDOT and MSP that a speed limit could be raised safely.

¹ *Evaluating the Impacts of Speed Limit Policy Alternatives*, Peter Savolainen, et al. July 21, 2014, MDOT Research Project Number OR 13-009, pp 86, 97.

² *Id.* See also, *Evaluating Outcomes of Raising Speed Limits on High Speed Non-Freeways*, Timothy Gates, et al. April 2, 2015, MDOT Research Project Number RC 1609B.

Signage costs can vary. As of 2014, speed limit sign replacement costs were \$730 per mile on freeways and \$63 per mile on non-freeways.³ The bill would require increasing the speed limits on 600 miles of limited access freeway and 900 miles of trunkline highway. Based upon the 2014 estimates, and assuming 600 miles of freeway and 900 miles of highway qualified for a higher speed, the signage costs for full replacement of speed limit signs for affected roadways would be \$494,700 ((600 x \$730) + (900 x \$63)). The use of overlays instead of full signage replacement could reduce this cost by, at most, 80%.⁴ Additional costs for other signage (e.g., warning signs) or other minor design changes (e.g., shifting passing zones) are not known at this time.

The bills also would have a minimal fiscal impact on the Department of State Police, requiring the Department to assume responsibilities that are mostly currently performed and funded by existing resources.

In addition, House Bill 4426 (S-1) would have a minimal fiscal impact for the Department of State for programming costs related to updating the points structure; however, any increased costs for the Department should be absorbed within current annual appropriations and thus additional funding would not be necessary.

House Bill 4427 (S-1) is anticipated to have no fiscal impact on the Department of Insurance and Financial Services or local government. The bill would not impose any new responsibilities upon the Department, or create any new revenue sources.

Date Completed: 11-15-16

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³ *Evaluating the Impacts*, p. 85.

⁴ *Id.*