



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 425 (Substitute S-1 as passed by the Senate)  
Senate Bill 427 (Substitute S-1 as passed by the Senate)  
Sponsor: Senator Dale W. Zorn  
Committee: Transportation and Infrastructure

Date Completed: 9-23-21

### **RATIONALE**

According to the Michigan Department of Transportation (MDOT), Michigan has over 4,000 highway-rail grade crossings throughout the State. These crossings, where a roadway and a railway intersect, can create traffic congestion and safety concerns, especially as the average freight train length exceeds one mile and continues to increase each year. Moreover, serious injury or death can result if a train blocks first responders from reaching the scene of an accident or medical emergency.

Grade separation, in which highway-rail grade crossings are placed at different heights by constructing a roadway overpass or underpass, is a method used to decrease the danger of these crossings. Some states, such as Indiana and Illinois, have separated highway-rail grade crossings by using grant funds. Michigan currently does not have a program focused on grade separation. Accordingly, it has been suggested that a grant program for the separation of rail and roadway intersections be created in Michigan.

### **CONTENT**

**Senate Bill 425 (S-1) would amend the Michigan Transportation Fund law to do the following:**

- **Require the Michigan Department of Transportation (MDOT) to establish a local grade separation grant program, and to provide grants to cities, villages, and county road commissions.**
- **Require MDOT to establish a review process for considering funding applications and to notify applicants within 180 days after receiving the funding application whether it was approved or rejected.**
- **Allow grant funds to be used for any stage of design and construction related to a grade separation project or a project that improved traffic at a rail crossing without a full grade separation.**
- **Require MDOT, before releasing local grade separation funds, to enter into an agreement with the recipient, and specify the provisions that would have to be included in the agreement.**
- **Require MDOT to issue a report to the Legislature pertaining to the use of funds from the grant program.**

**Senate Bill 427 (S-1) would amend the Michigan Transportation Fund law to create the "Local Grade Separation Fund" within the State Treasury and provide for the disposition of money from the Fund.**

## **Senate Bill 425 (S-1)**

### **Local Grade Separation Grant Program**

Specifically, the bill would require MDOT to create and operate a local grade separation grant program for the separation of motor vehicle traffic and railroad traffic in the State. The Department would have to provide grants to cities, villages, and county road commissions in the State. ("Grade separation" would mean an intersection of a railroad or roadway at different levels with the railroad either above or below the highway.)

A funding application for the local grade separation grant program would have to be made on a form approved by MDOT and would have to contain the information required by MDOT, including a narrative describing the economic development benefit to the county, township, or city in which the grade separation project, or project described below, for which funding were applied was located. The bill specifies that an application for funds could be made at any time as determined by MDOT.

### **Application Review Process; Agreement**

The Department would have to establish a review process for considering funding applications under the bill and would have to post the criteria for the review process on its website. Within 180 days after receiving a funding application, MDOT would have to notify the applicant in writing whether the funding application was approved or rejected. Grant funds awarded could be used by the funding recipient for any stage of design and construction related to a grade separation project or a project that improved traffic at a rail crossing without a full-grade separation, including construction of a rail siding or spur.

Before releasing local grade separation funds, MDOT would have to enter into a written agreement with the funding recipient. The agreement would have to provide for complete details of the grade separation project or a project described above, and a local, private, or Federal match of at least 20% of the cost of the grade separation project or a project described above.

### **Reporting Requirements**

For each year in which MDOT received funding applications, MDOT would have to report by December 1 to the standing committees of the Senate and House of Representatives with primary jurisdiction over issues pertaining to transportation and the Senate and House of Representatives Appropriations Committees on the use of funds from the local separation grant program.

The report would have to include, at a minimum, the following:

- The number of funding applications received.
- The name of each city, village, or county road commission that submitted a funding application, and whether each application was approved or denied.
- The amount of local match for each funding application approved under the bill.

## **Senate Bill 427 (S-1)**

Under the bill, the Local Grade Separation Fund would be created within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Fund and would have to direct the investment of the Fund. The Treasurer would have to credit to the Fund interest and earnings Fund investments. Money in the Fund at the close of the fiscal year would remain in the Fund and would not lapse into the General Fund.

The bill specifies that MDOT would be the administrator of the Local Grade Separation Fund for auditing purposes. The Department would have to spend money from the Fund, upon

appropriation, only to fund the local grade separation grant program proposed under Senate Bill 425 (S-1).

Proposed MCL 247.661i (S.B. 425)  
Proposed MCL 247.661k (S.B. 427)

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

Even with safety measures such as warning signs, flashing lights, and gates, highway-rail grade crossings are inherently dangerous. Motorists sometimes do not abide by these safety measures and proceed onto the tracks or cars can stall at the crossing. These circumstances can result in collisions between cars and trains because trains always assume the right-of-way at crossings and can take over a mile to stop, depending on the weight of the train. According to Operation Lifesaver, a nonprofit organization focused on education related to highway-rail crossings, Michigan ranks 15<sup>th</sup> worst in the nation for the number of collisions, injuries, and fatalities at highway-rail grade crossings. The organization, which uses Federal Railroad Administration data, notes that 40 highway-rail grade crossing collisions occurred in Michigan in 2020 and that 18 injuries resulted from those collisions. These collisions and injuries are avoidable. Grade separations remove the inherent danger of highway-rail grade crossings. The creation of a grant program for grade separation projects in the State could reduce the number of collisions, injuries, and fatalities that occur in Michigan each year at highway-rail grade crossings.

### **Supporting Argument**

In emergency situations, firefighters, police officers, and emergency medical services are expected to arrive on the scene as soon as possible, ready to handle the situation and render aid to victims at the scene. A quick response from emergency medical services can mean the difference between life or death for someone in need of medical attention. Any delay in response times should be considered a public safety issue.

According to testimony before the Senate Committee on Transportation and Infrastructure, railway-roadway grade crossings are a common cause of delays for first responders when they are en route to emergency situations. For example, in the City of Monroe, at least three railway-road grade crossings cause delays in first responder response times. These events are a public safety issue that could lead to the death of a person in need of medical attention. A local grade separation program could assist in grade separation efforts at these intersections, which would benefit first-responder response times and the community.

### **Supporting Argument**

Michigan law requires school buses to stop for all railroad crossings. This requirement protects the occupants on the bus, since passengers on a high-occupancy vehicle may not have enough time to exit the bus if it is stuck on railroad tracks. According to testimony before the Senate Committee on Transportation and Infrastructure, while this requirement ensures passenger safety, over half of all rear-end crashes to school buses happen at railroad crossings because of this requirement. In addition, the results of a bus's failure to abide by the requirement can be catastrophic. This occurred in Texas in May 2019 when a bus driver failed to stop at a crossing and a train struck the bus. The accident resulted in the death of one passenger and severe injuries to two others. Railway-roadway grade crossings present dangers to bus drivers and passengers. Accordingly, highway-rail grade separation would remedy the dangers of railway-roadway crossings, especially in areas with higher volumes of traffic.

Legislative Analyst: Tyler VanHuyse

## **FISCAL IMPACT**

The bills would have a minimal fiscal impact on the State and a potentially significant, positive impact on local governments by way of matching grants for rail grade separation projects. Costs to the Department of Transportation would include the creation of a funding application form and a review process to make grant determinations. These costs likely would be absorbed by MDOT.

While Senate Bill 427 (S-1) would create the Local Grade Separation Fund, neither of the bills would appropriate any funds to the program. Of note, Senate Bill 529, a supplemental bill for the current year, would appropriate \$126.0 million of Federal Coronavirus Recovery Funds for a local rail grade separation program. If Senate Bill 529 and Senate Bills 425 (S-1) and 427 (S-1) were enacted, grants made under the proposed program likely would be made with Federal money. This could create significant rail grade separation infrastructure improvements for local governments throughout the State with little to no direct cost to MDOT. Under Senate Bill 425 (S-1), a local, private, or separate Federal match of 20% of a project's cost would be required to receive a grant.

Senate Bill 427 (S-1) would have a minimal fiscal impact on the Department of Treasury and no fiscal impact on local units of government. The Department of Treasury would experience minor costs to direct the investment of the funds in the Local Grant Separation Fund. These costs would be minor and within current appropriations.

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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.