## Index to Board Orientation Manual

1. RTA Officers and Committee Assignments (yellow)
2. RTA board and staff contact information; biographies of board members (red)
3. 2014 Schedules of Meetings for board and committees (white)
4. State legislation regarding the RTA, including index to PA 387 of 2012 (green)
5. Ethics Laws (blue)
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7. NTD database information on DDOT, SMART, AAATA, and DTC (red)
8. Federal information; Designated Recipient letter; MAP-21 overview (white)
9. RTA Board and Staff Expense Policy plus reimbursement form (green)
10. RTA Bylaws (blue)
11. RTA Open Meetings Act and Website Policy (yellow)
12. RTA Procurement and Contracting Ordinance (red)
13. RTA estimated annual budget (white)
14. RTA Master Agreement with Public Transportation Providers plus Master Calendar (green)
15. RTA first annual report to the Michigan Legislature; provider financial statements; Chair Hillegonds' presentation to legislature (blue)
16. Providers Advisory Council presentation on Performance Indicators and initial Performance Indicators for fixed route/fixed guideway systems (yellow)
17. RTA Resolutions [Note: Resolutions No. 3 and No. 4 did not pass.]
18. Citizens Advisory Council: creation, Bylaws, and membership information (white)

**Regional Transit Authority of Southeast Michigan**

**Officers and Committee Assignments for 2014**

**Officers:**

Paul Hillegonds, Chair
Liz Gerber, Vice-chair
Mark Gaffney, Secretary
Curtis Ivery, Treasurer

**Executive and Policy Committee:**

Paul Hillegonds, Chair
Liz Gerber
Mark Gaffney
Curtis Ivery
Tim Soave
Roy Rose

**Finance and Budget Committee:**

Tim Soave, Chair
Curtis Ivery
Lisa Franklin
Alma Smith
Don Morandini

**Planning and Service Coordination Committee:**

Roy Rose, Chair
Alma smith
Jean Chamberlain
Lisa Franklin
Mark Gaffney
Don Morandini

**Citizens Advisory Committee liaisons:**

Lisa Franklin
Liz Gerber

**Providers Advisory Council liaisons:**

Alma Smith
Jean Chamberlain
Don Morandini

# RTA Member Contact Information

**Paul Hillegonds** (Governor Snyder)
47088 Brooks Lane
Plymouth, MI 48170
**Email**: hillegondsp@gmail.com
**Phone**: (313) 618-6859

**Mary Lisa Franklin** (City of Detroit)
Warriors on Wheels of Metropolitan Detroit
PO Box 21308
Detroit, MI 48221
**Email**: Lfranklinwowinc@yahoo.com
**Phone**: (313) 778-9170

**Mark Gaffney** (Wayne County)
Teamsters Local 214
2825 Trumbull St
Detroit, MI 48216-1270
**Email**: mgaffney4721@gmail.com
**Phone**: (313) 962-7729 x118

**Donald Morandini** (Macomb County)
41435 Janet Circle
Clinton Township, MI 48038
**Email**: don.morandini@gmail.com
**Phone**: (586) 263-4069
**Cell**: (586) 306-5492

**Elisabeth Gerber** (Washtenaw County)
University of Michigan
735 S State St # 5228
Weill Hall
Ann Arbor, MI 48109-3091
**Email**: ergerber@umich.edu
**Phone**: (734) 647-4004

**Dr. Curtis Ivery** (Wayne County)
Wayne County Community College District
801 W Fort St
Detroit, MI 48226-3010
**Email**: civery1@wcccd.edu
**Phone**: (313) 496-2510

**Alma Smith** (Washtenaw County)
5540 Five Mile Road
South Lyon, MI 48178
**Email**: almawsmith@gmail.com
**Phone**: (734) 221-0367

**Timothy Soave** (Oakland County)
Oakland County
1200 N Telegraph Road, Suite 2
Pontiac, MI 48341-1032
**Email**: ~~soavemat@comcast.net~~
**Phone**: (248) 858-0807

**Roy C. Rose** (Macomb County)
Anderson, Eckstein and Westrick, Inc.
51301 Schoenherr Rd
Shelby Twp., MI 48315-2733
**Email**: rrose@aewinc.com
**Phone**: (586) 726-1234
**Cell**: (586) 855-9550

**Jean Chamberlain** (Oakland County)
JNS Consulting LLC
1213 Vinsetta Boulevard
Royal Oak, MI 48067
**Email**: jean@jncconsulting.com
**Phone**: (248) 821-0665

OLDER Persons Commission
650 L~~EH~~ LETICIA
Rochester 48307
tim_Soave@pcseniorcenters.org
248 (659-1028)

## RTA Staff

**Sharon Edgar** (MDOT Liaison)
Administrator of Passenger Transportation
Michigan Department of Transportation
425 W Ottawa Street, PO Box 30050
Lansing, MI 48933-1532
**Email**: edgars@michigan.gov
**Phone**: (517) 373-0471

**Shanelle Jackson** (Community Outreach)
Community Outreach
Michigan Department of Transportation
**Email**: JacksonS3@michigan.gov
**Phone**: (248) 483-5100

**Mario Morrow** (Communications)
Manager of Communications Outreach
Executive Office of the Governor
3011 West Grand Boulevard, Suite 14-652
Detroit, MI 48202
**Email**: morrowm2@michigan.gov
**Phone**: (313) 456-3418
**Cell**: (517)763-3865

**Carmine Palombo** (SEMCOG Liaison)
1001 Woodward Ave Ste 1400
Detroit, MI 48226-1904
**Email**: palombo@semcog.org
**Phone**: (313) 324-3314

**Deanna Donahoo** (SEMCOG Liaison)
1001 Woodward Ave Ste 1400
Detroit, MI 48226-1904
**Email**: donahoo@semcog.org
**Phone**: (313) 324-3319

**Joe Pavona** (Public Private Partnerships)
Special Advisor
Public Private Partnerships
George W. Romney Building
111 South Capitol Avenue
P.O. Box 30013
Lansing, Michigan 48909
**E-Mail:** pavonaj1@michigan.gov
**Phone**: (517) 241-6009

**Dennis Schornack** (RTA Staff Coordinator)
Senior Strategy Advisor
Executive Office of the Governor
111 S Capitol Ave
George W. Romney Building
Lansing, MI 48933-1555
**Email**: schornackd@michigan.gov
**Phone**: (517) 241-5597
**Cell**: (517) 290-0764

**Melvin Muskovitz** (Legal Counsel)
Dykema Gossett
2723 South State Street, Suite 400
Ann Arbor, Michigan 48104
**Email**: MMuskovitz@dykema.com
**Phone**: (734) 214-7633
**Cell**: (734) 417-9460

Regional Transit Authority of Southeast Michigan
Biographies of Board Members

Paul Hillegonds (Governor Snyder)

Paul Hillegonds recently retired as the Senior Vice President of Corporate Affairs at DTE Energy (NYSE: DTE), a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services nationwide. He oversaw DTE Energy's governmental relations efforts at the local, state, and federal levels as well as external and internal communications. He also served as Speaker and CO-Speaker of the House of Representatives during his tenure there (1979-1996). His previous associations include the Children's Leadership Council of Michigan, Detroit Regional Chamber Foundation, Grand Valley State University Foundation, Michigan Economic Development Corporation, Michigan future, Inc., the Center for Michigan, The Kresge Foundation, and the Michigan Chapter of the Nature Conservancy. He earned a law degree from the Thomas Cooley Law School and a Bachelor of Arts degree from the University of Michigan.

Elisabeth (Liz) R. Gerber (Washtenaw County)

Elisabeth R. Gerber is the Jack I. Walker Professor of Public Policy at the Gerald R. Ford School of Public Policy, Professor of Political Science (by courtesy) and Research Associate at the Center for Political Studies, Institute for Social Research, University of Michigan. Her current research focuses on regionalism and intergovernmental cooperation, urban climate adaptation, transportation policy, state and local economic policy, land use and economic development, local fiscal capacity, and local political accountability. She is the author of *The Populist Paradox: Interest Group Influence and the Promise of Direct Legislation (1999),* co-author of *Stealing the Initiative: How State Government Responds to Direct Democracy (2000*), and co-editor of *Voting at the Political Fault Line: California's Experiment with the Blanket Primary (2001)* and *Michigan at the Millennium (2003).* She received her Ph.D. in Political Science from the University of Michigan.

Alma Wheeler Smith (Washtenaw County)

Alma Smith served in the Michigan Legislature for 14 years, 6 in the House and 8 in the Senate. She served on the powerful Appropriations Committee in both chambers. Prior to service in the Legislature, she worked as a Senior Producer at the University of Michigan Television Center and Legislative Coordinator for State Senator Lana Pollack. While working and raising three children, Alma represented her community as an Ann Arbor Cablecasting Commissioner, South Lyon Community Schools Board of Education Trustee and president, and Washtenaw County Commissioner. She currently serves as chair of the University Bank Board of Directors and as a director on the boards of SOS Community Services, the Michigan Campaign Network and the Legislative Retirement System. Alma graduated from the University of Michigan with a degree in Journalism and did advanced degree work in Political Science and Business Administration.

Mary Lisa (Lisa) Franklin (City of Detroit)

Mary Lisa Franklin is the founder and president of Warriors on Wheels of Metropolitan Detroit, an organization devoted to advocacy and education for seniors and people with disabilities. Lisa was also the co-manager of the Ghost Rider Program, where she monitored the treatment of wheelchair riders by bus drivers. She also has experience being a member of the review board for SEMCOG – JAEC and the New Freedom Funding Applicants and is a voting member of the Local Advisory Committee for the Detroit Department of Transportation. She is a graduate of both Wayne County Community College and the University of Detroit Mercy.

Dr. Curtis L. Ivery (Wayne County)

Dr. Curtis L. Ivery is the Chancellor of Wayne County Community College District (WCCCD). As the Chief Executive Officer, he directs the five campus multi-cultural institution serving more than 70,000 students annually in a 550 square-mile district. He is currently serving on the Board of Directors for the American Association of Community Colleges. He has also served on the Board of Directors for Detroit Commerce Bank, New Detroit, Inc., Schools of the 21st Century, and the Detroit Urban League. He was chosen as the Dr. Charles H. Wright Vision Awards "Builders of the vision" as was also named 2008 Newsmaker of the Year and Man of Excellence by the Michigan Chronicle. In 1996, the Life Extension Foundation selected him as the "Community College President of the Year." He was also the initiator and driving force behind the acclaimed 2002 Crisis in Urban America Summit in Detroit.

Mark T. Gaffney (Wayne County)

Mark Gaffney is currently employed as a Business Agent for Teamsters Local Union 214 in Detroit, Michigan. There he represents the interests of members in the public sector across Southeast Michigan.

Formerly, Mr. Gaffney was the President of the Michigan AFL-CIO for twelve years, coordinating and representing the interests of all of Michigan's Unions and ¾ of a million members in the political and legislative arenas.

Mr. Gaffney has extensive experience in leading organizations having served for over a decade on the Boards of Directors of the Federal Reserve Banks of Detroit and Chicago, of Blue Cross and Blue Shield of Michigan, the Michigan United Way, and the MEBS/PET Insurance Group. He was also the Co-Chair of the Economic Alliance for Michigan, a joint Labor/Business group for twelve years.

Currently, Mr. Gaffney is an adjunct professor at Wayne State University and is the Chair of the Democratic Congressional Committee for Michigan's 12th District. He is one the Board of Directors of the Monroe County Labor History Museum, Labor Education and Research Association of Southeast Michigan, the Father Kern Foundation, and is the Board Secretary of the Metropolitan Affairs Council, a labor, management, government policy group important to Southeast Michigan.

Roy C. Rose (Macomb County)

Roy C. Rose is the President and Principal Project Engineer at Anderson, Eckstein and Westrick, Inc. In his current role, he is focused on all facets of civil engineering projects, including planning and permitting, design and specifications cost estimating, scheduling and coordination, layout and supervision of construction projects. He has gained experience in infrastructure systems, site development, and has also served as the City or Township Engineer in several communities. Mr. Rose has served on several boards; including but not limited to, Vice Chairman for the Business for Better Transportation, President for Leadership Macomb, and a Member of the Macomb Community College Civil Technology Advisory Board. He received his Bachelor's Degree in Civil Engineering (BSCE) from the Michigan Technological University and his Associate's Degree in Engineering Science from St. Clair County Community College.

Donald Morandini (Macomb County)

[In lieu of a biography, see Mr. Morandini's resume which follows.]

Timothy J. Soave (Oakland County)

[In lieu of a biography, see Mr. Soave's resume which follows.]

Jean Chamberlain (Oakland County)

[Bio will be forthcoming.]

# Jean N. Chamberlain

Jean Chamberlain was the first and only South Oakland Government Liaison. She was appointed by County Executive L. Brooks Patterson in March of 1993 to represent him in the southern portion of Oakland County. She departed county employment to form her own consulting company in 2003.

Jean was the Executive Manager of the Greater Royal Oak and Oak Park Chambers of Commerce until January of 1993.

She was the Political Director for Tribune United (Comcast Cablevision), the Organizational Director for Re-Elect Dan Murphy for County Executive in 1984 and the Finance Director for Dan Murphy for Governor in 1986.

She is mentioned in Who's Who in American Politics, Who's Who of American Women and Who's Who in the World. Jean was named by the State Women's Commission as one of the 30 Outstanding Women in Michigan in 1998. She received the 2001 Citizen of the Year award for the Oak Park Business and Education Alliance for her service to Oak Park Schools.

She is currently seated on the boards of Give a Christmas Year Around, an Emergency fund serving nine social agencies and the Clyde Harnack Firefighters Scholarship Fund. She was a founding member and served as chair of the Woodward Dream Cruise Board of Directors for its first seven years and currently holds a board position. She represents L. Brooks Patterson in the southeast portion of the county and sits on many boards and commissions.

She and her husband Jim, who is deceased, have four children, five grandchildren and lives in Royal Oak.

April - Oakland
Wingard Path

**DONALD MORANDINI**

**41435 JANET CIRCLE**
**CLINTON TOWNSHIP, MI 48038**
**P: (586) 306-5492**
**E: don.morandini@gmail.com**

## PRESENT POSITIONS

**Adjunct Faculty** Macomb Community College School of Business

**Adjunct Faculty** Macomb Community College Center for Workforce & Continuing Education

## PROFESSIONAL EXPERIENCE

**1972-2014** Deputy Director - Retired
Macomb County Department of Planning and Economic Development

**1984-2012** Director of the Macomb County Small Business & Technology Development Center (SBTDC)

**1988-2014** Adjunct Faculty, Macomb Community College School of Business, Marketing

**1988-2014** Adjunct Faculty, Macomb Community College Center for Workforce & Continuing Education, Entrepreneurship

Featured speaker in small business workshops and seminars addressing business start-ups and operations, business planning, management, marketing, sales and finance

## ACCOMPLISHMENTS

Development and implementation of Macomb County's Small Business Assistance Programs including the development of new initiatives, grant applications, budgets and training programs. Both State and national organizations have recognized the public/private sector cooperative component of this program as a model approach to effective economic development.

Implementation of Macomb County's Home In Macomb Business Retention Program which is coordinated with the Michigan Economic Development Corporation (MEDC), Automation Alley, Macomb Community College, Michigan Works, the Macomb-OU Incubator and the Michigan Small Business Development Centers (SBDC).

Development and implementation of the Macomb Community College Entrepreneurship Certificate Program including five of the seven core classes: Starting a Business, Business Plan; Roadmap to Success, Cost Effective Marketing, Financing Your Business and Getting Started.

## EDUCATION & TRAINING

Bachelor of Arts in Economics, University of Michigan
Masters in Urban Planning, Wayne State University
Certified Small Business Consultant
Certified NxLevel Trainer
Certified FastTrac Trainer
Fiscal Fitness Facilitation Training
Strategy Matrix Training
Strategic Needs Assessment Training

## AWARDS & MEMBERSHIPS

Macomb County - 2014 Beacon of Economic Excellence Award
Leadership Macomb – 2012 Leadership Award
National Institute for Staff & Organizational Development (NISOD) – 2007 Excellence Award
Macomb Foundation - 2004 Athena Award
Michigan SBTDC Leadership Award - Outstanding Partner - 2005
Michigan SBDC Leadership Award - Outstanding Regional Director - 2000
Michigan SBDC Leadership Award - Outstanding Regional Center - 2000
Michigan SBDC Leadership Award - Outstanding Program - 1996 - Macomb Business Weekly

Leadership Macomb – Business Day Planning Committee
Global Trade Mission Advisor and Evaluator
Parade Company Volunteer

**Timothy J. Soave, CPFO**

Tim is currently the Director of Finance for the Older Person's Commission of Rochester Hills, Rochester, and Oakland Township (OPC) responsible for financial planning, budgeting, accounting, financial reporting, audit preparation, cash collection, grant management, and municipal relations for an organization which provides services to individuals 50 year or older in eastern and northern Oakland County. Services provided include nutrition, transportation, health and fitness, life-long learning, recreation, travel, counseling and senior support. Annual budget of approximately $4.0 million, 18 full-time staff and 1,600 volunteers.

Tim retired from Oakland County in April 2014 after serving the County citizens for over 35 years. His last position was as the Manager of the Fiscal Services Division within the Department of Management and Budget, a 90 person division that provides all aspects of financial management for the County ($776 annual budget) with the exception of cash management and investments. Tim is also involved in professional financial organizations being only one of five reviewers for the Government Finance Officers Association (GFOA) Budget Presentation Awards program as well as being a Past President and an Honorary Life Member of the Michigan Government Finance Officer's Association (MGFOA).

Tim is an appointee, of the State Treasurer, to the Michigan Committee on Governmental Accounting and Auditing, an advisory committee to the State Treasurer. He holds a bachelor's degree from Michigan State University and a Masters of Public Administration degree from Oakland University, in addition to being recognized as a Certified Public Financial Officer by the GFOA (one of seven in the state). Tim is also a part-time instructor in Public Budgeting and Finance for Oakland University's Master of Public Administration program.

**TIMOTHY J. SOAVE**

**Address:**
95 Kalhaven Road
Rochester Hills, Michigan
48307
e-mail: soavemat@comcast.net

**Phone Numbers:**

Home (248)651-3481
Cell (248)701-9441

**PROFESSIONAL EXPERIENCE**

**Director of Finance, Older Person's Commission, Rochester, Michigan April 2014 to Present.** Responsible for financial planning, budgeting, accounting, financial reporting, audit preparation, cash collection, grant management, and municipal relations for quasi-governmental, private-non-profit organization which provides services to individuals 50 year or older in eastern and northern Oakland County. Services provided include nutrition, transportation, health and fitness, life-long learning, recreation, travel, counseling and senior support. Annual budget of approximately $4.0 million, 18 full-time staff and 1,600 volunteers.

**Division Manager - Fiscal Services, Oakland County, Michigan. January 2002 to April 2014.** Manage 85 person division responsible for all financial planning and budgeting; transaction processing, and financial reporting for a county government serving 1.2 million residents with an annual budget of $700 million. Directs, through supervisors and professional staff, all financial services for the county government with the exception of cash management, which is the responsibility of the Treasurer pursuant to the Michigan constitution. Ultimately responsible for the preparation of the County Biennial Budget, the Comprehensive Annual Financial Report, the Single Audit, and the Popular Financial Report and all related reports required by the State of Michigan, bond rating agencies, County Administration and Board of Commissioners. County Administration's representative on all fiscal matters.

**Chief - Fiscal Services, Oakland County, Michigan. February 1996 to January 2002.** Directs combined accounting and budgeting functions of the county government with an annual budget of $560 million. Specific areas of responsibility include: Financial Analysis and Planning, General Fund/General Purpose Accounting, Grant and Special Revenue Accounting, and Grant Compliance. Functions performed under these areas includes preparation and monitoring of the County budget, preparation and presentation of documents to the Board of Commissioner's Finance Committee, participation in the Single Audit and in all grant related financial and program audits, preparation of the County Indirect

Cost Allocation Plan, assist in preparation of the Comprehensive Annual Financial Report (CAFR) and the Popular Annual Financial Report (PARF). Supervise four (4) upper level supervisors who, in turn, are responsible for 23 professional financial analysts and accountants and two (2) clerical support staff. Functions as Acting Division Manager in absence of the Manager.

Noteworthy accomplishment includes directing the staff who was one of two local units of government in Michigan to receive the all three Government Finance Officer Association (GFOA) awards: Distinguished Budget Presentation, Certificate of Excellence in Financial Reporting, and the Popular Annual Financial Report.

**Senior Financial Analyst, Oakland County, Michigan. August 1993 to February 1996.** Direct supervisor over six (6) professional staff and three (3) clerical positions in the County Budget Division which is responsible for detailed budgetary programs of a $450 million budget.

Specific functions include planning, researching, analyzing and evaluating departmental functions to determine and recommend operating and funding requirements and improvements thereto; analyzing and recommending organizational structures and staffing; preparing and submitting written and oral recommendations required in the operations of County departments; assisting departmental representatives in the planning, preparation and administration of their budget programs and presentations to the Board of Commissioners; implementing and maintaining departmental budgetary controls; making written and oral presentations directly to the Board of Commissioners through its committee structure.

Departmental responsibilities include coordination of Board of Commissioners' Finance and Personnel Committee, Budget Forecast Program; control of Fringe Benefit Funds and Non-Departmental Revenues and Appropriations; budgetary oversight of the Sheriff Department (including participation in Jail Task Force), and the Department of Human Services.

Noteworthy accomplishments include functioning as Fiscal Officer for County Community Mental Health Board as it transitioned from a $33 million budget to a $100 million budget under a full management contract with the State; successful reduction of annual operating subsidy to the County Medical Care Facility from $2.5 million to $500,000 through privatization of certain services; participation in state-wide task force to redesign child care funding; assistance in reducing anticipated County operating shortfall of $24 million. Successful recipient of the Governmental Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award.

**Financial Analyst, Oakland County, Michigan. March 1984 to July 1993.** Primary budgetary oversight for the Department of Management and Budget, the Prosecuting Attorney, the Probate Court, the Personnel Department, the County Executive Department, the Sheriff Department and the Department of Human Services. Specific functions the same as described above. Noteworthy accomplishments include development of needs analysis, cost information and financial implementation of an addition to the Oakland County Jail; financial research, contract development and negotiation in the creation of a indigent health care program saving the County $1.5 million annually.

**Employment and Training Technician, Oakland County, Michigan. January 1979 to March 1984.** Responsible for the administration of CETA and JTPA contracts between the County and various public and private service providers for the following programs: Youth Work Experience, College Intern Work Experience, Older Worker Work Experience, Employment and Training Services, and Business Procurement Outreach Program.

Specific duties included Request for Proposal preparation, allocation determination, contract negotiation, contract auditing and assessment, program monitoring, meeting of state and federal guidelines, and audit resolution.

Noteworthy accomplishments include the successful resolution of $2.5 million in questioned audit cost; development of national award winning employment readiness program for female ex-offenders; development of a contracting mechanism to expand services to older workers at no cost to the County.

**EDUCATIONAL EXPERIENCE / CERTIFICATION**

**Master of Public Administration,** Oakland University, Rochester, Michigan. Graduation with high honor, June 1984.

**Bachelor of Arts**, Michigan State University, East Lansing, Michigan (James Madison College). Graduation with high honor, June 1978. Major: Social Science/Public Policy. Minor Course Work: Economics.

**Certified Public Financial Officer,** Government Finance Officers Association, July 2003

**Part-time Faculty - Oakland University**, taught Public Budgeting and Finance at the undergraduate level and in the Masters of Public Administration Program

**Professional Training**

- Graduate - Government Finance Officers Association (GFOA) Advanced Finance Institute - Madison, Wisconsin.
- GFOA - Advanced Financial Reporting
- GFOA - Intermediate Governmental Accounting
- GFOA - GASB Pronouncements
- MMFOA - Back to Basics Seminars (Accounting, Budgeting, Financial Reporting)
- MMFOA - Financial Management and Operations (Capital Budgeting, Property Tax Assessment, Debt Management)

Training in Lotus, Word Perfect, Excel, Microsoft Word and Access Database

**PROFESSIONAL ORGANIZATIONS**

- Michigan Governmental Finance Officers Association (MGFOA)
  - Honorary Life Member
  - Chairperson, Strategic Planning Committee, October 2005 to present
  - Immediate Past President, October 2004 - September 2005
  - *President*, October 2003 - September 2004
  - Vice President / Secretary (President Elect),October 2003 to present
  - Treasurer, October 2001 to September 2002.
  - State Representative to the Government Finance Officers Association of the United States and Canada (GFOA), October 1999 - December 2001.
  - Director/Board of Directors, October 1997-September 1999
  - Member, Professional Development Committee, October 1995 to present
  - Member, Revenue Sharing Committee, October 2001 to present
- Appointed by Michigan Department of Treasury to Michigan Committee on Governmental Accounting and Auditing (MCGAA)
- Member, GFOA Distinguished Budget Presentation Awards Program Review Panel
- Southeast Michigan Counsel of Governments (SEMCOG) - member of ad hoc committee on fiscal stability

**PERSONNEL**

Married since 1978
One Adult Child
High School Football Official since 1984.

**REFERENCES**

Available upon request.

Regional Transit Authority of Southeast Michigan
Board of Directors
Proposed 2014 Meeting Schedule

Generally, the RTA Board of Directors will meet on the third Wednesday of each month in 2014. All meeting will occur from 2:00 pm to 4:00 pm unless otherwise noticed.

1. January 15 – half-day workshop with FTA (12:00 noon to 4:00 pm)
2. February 19
3. March 19
4. April ~~16~~ 23
5. May 21
6. June 18
7. July 16
8. August 20
9. September 17
10. October 15
11. November 19
12. December 17

Meeting locations: Meeting locations will rotate through the five jurisdictions (City of Detroit, Macomb, Oakland, Wayne, and Washtenaw counties) that constitute the region. Specific meeting locations will be posted on the RTA webpage in advance of each meeting.

*The Board may, at its discretion, revise meeting agendas or take up any other issues as need and time allow.*

*Requests for reasonable accommodations at RTA meetings require advance reservations. Individuals with disabilities requiring assistance should contact SEMCOG Information Services at least 72 hours in advance of the meeting. Contact Deanna Donahoo at 313-324-3328.*

*Documents and information are available in a variety of formats. Contact the SEMCOG Information Center infocenter@semcog.org or call313.324.3330 to discuss your format need. Further information can be found at www.semcog.org/RTA.aspx or by calling Carmine Palombo at 313-324-3314.*

Regional Transit Authority of Southeast Michigan
Executive and Policy Committee
2014 Meeting Schedule

Generally, the Executive and Policy Committee will meet on the second Friday of each month in 2014 from 9:00 am to 11:00 am in the morning.

1. January 10
2. February 14
3. March 14
4. April 18
5. May 16
6. June 13
7. July 11
8. August 15
9. September 12
10. October 10
11. November 14
12. December 12

Meeting locations: Meeting locations will rotate through the five jurisdictions (City of Detroit, Macomb, Oakland, Wayne, and Washtenaw counties) that constitute the region. Specific meeting locations will be posted on the RTA webpage in advance of each meeting.

*The Committee may, at its discretion, revise meeting agendas or take up any other issues as need and time allow.*

*Requests for reasonable accommodations at RTA meetings require advance reservations. Individuals with disabilities requiring assistance should contact SEMCOG Information Services at least 72 hours in advance of the meeting. Contact Deanna Donahoo at 313-324-3328.*

*Documents and information are available in a variety of formats. Contact the SEMCOG Information Center infocenter@semcog.org or call313.324.3330 to discuss your format need. Further information can be found at www.semcog.org/RTA.aspx or by calling Carmine Palombo at 313-324-3314.*

Regional Transit Authority of Southeast Michigan
Finance and Budget Committee
Proposed 2014 Meeting Schedule

Generally, the Finance and Budget Committee will meet from 12:30 pm to 2:00 pm on the same days as the board of directors meetings.

1. January 15
2. February 19
3. March 19
4. April ~~16~~ 23
5. May 21
6. June 18
7. July 16
8. August 20
9. September 17
10. October 15
11. November 19
12. December 17

Meeting locations: Meeting locations will be the same location at the board meeting and may rotate through the five jurisdictions (City of Detroit, Macomb, Oakland, Wayne, and Washtenaw counties) that constitute the region. Specific meeting locations will be posted on the RTA webpage in advance of each meeting.

*The Committee may, at its discretion, revise meeting agendas or take up any other issues as need and time allow.*

*Requests for reasonable accommodations at RTA meetings require advance reservations. Individuals with disabilities requiring assistance should contact SEMCOG Information Services at least 72 hours in advance of the meeting. Contact Deanna Donahoo at 313-324-3328.*

*Documents and information are available in a variety of formats. Contact the SEMCOG Information Center infocenter@semcog.org or call313.324.3330 to discuss your format need. Further information can be found at www.semcog.org/RTA.aspx or by calling Carmine Palombo at 313-324-3314.*

Regional Transit Authority of Southeast Michigan
Planning and Service Coordination Committee
2014 Schedule of Meetings

The Planning and Service Coordination Committee has not yet determined is schedule of meetings for 2014 [under the Open Meetings Act, a schedule must be developed and posted].

Regional Transit Authority of southeast Michigan
Providers Advisory Council
2014 Schedule of Meetings

Generally, the Providers Advisory Council (PAC) will meet on the second Thursday of each month. All PAC meetings will start at 10:00 am and end at 11:30 am. All PAC meetings will be held at SEMCOG's offices on the 14th floor of 1001 Woodward Avenue, Detroit.

1. May 8
2. June 12
3. July 10
4. August 14
5. September 11
6. October 9
7. November 13
8. December 11

*The PAC may, at its discretion, revise meeting agendas or take up any other issues as need and time allow.*

*Requests for reasonable accommodations at RTA meetings require advance reservations. Individuals with disabilities requiring assistance should contact SEMCOG Information Services at least 72 hours in advance of the meeting. Contact Deanna Donahoo at 313-324-3328.*

*Documents and information are available in a variety of formats. Contact the SEMCOG Information Center infocenter@semcog.org or call313.324.3330 to discuss your format need. Further information can be found at www.semcog.org/RTA.aspx or by calling Carmine Palombo at 313-324-3314.*

Regional Transit Authority of Southeast Michigan
Citizens Advisory Council
2014 Schedule of Meetings

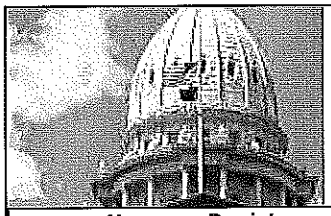
Generally, the Citizens Advisory Council (CAC) will meet on the fourth Monday of each month from 4:00 – 6:00 pm at SEMCOG's offices located on the 14th floor of 1001 Woodward Avenue, Detroit, Michigan unless otherwise noticed.

1. May 26
2. June 23
3. July 28
4. August 25
5. September 22
6. October 27
7. November 24
8. December 22

*The CAC may, at its discretion, revise meeting agendas or take up any other issues as need and time allow.*

*Requests for reasonable accommodations at RTA meetings require advance reservations. Individuals with disabilities requiring assistance should contact SEMCOG Information Services at least 72 hours in advance of the meeting. Contact Deanna Donahoo at 313-324-3328.*

*Documents and information are available in a variety of formats. Contact the SEMCOG Information Center infocenter@semcog.org or call313.324.3330 to discuss your format need. Further information can be found at www.semcog.org/RTA.aspx or by calling Carmine Palombo at 313-324-3314.*



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## Act 387 of 2012

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### REGIONAL TRANSIT AUTHORITY ACT

### Act 387 of 2012

AN ACT to provide for certain regional transit authorities; to provide regional public transportation; to prescribe certain powers and duties of a regional transit authority and of certain state agencies and officials; to authorize the levy of an assessment and to provide for the issuance of bonds and notes; to collect certain taxes; to make appropriations; to provide for the pledge of assessment revenues and other funds for bond and note payments; and to repeal acts and parts of acts.

**History:** 2012, Act 387, Imd. Eff. Dec. 19, 2012

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*The People of the State of Michigan enact:*

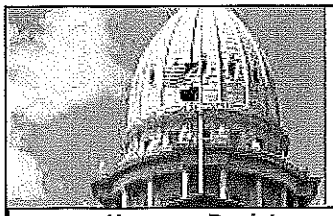
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## Act 387 of 2012



### REGIONAL TRANSIT AUTHORITY ACT

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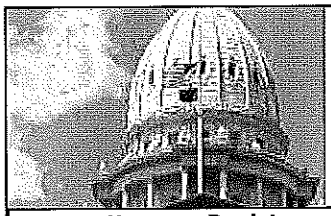
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Act No. 387
Public Acts of 2012
Approved by the Governor
December 19, 2012
Filed with the Secretary of State
December 19, 2012
EFFECTIVE DATE: December 19, 2012

**STATE OF MICHIGAN**
**96TH LEGISLATURE**
**REGULAR SESSION OF 2012**

**Introduced by Senators Casperson, Johnson, Kowall and Warren**

# ENROLLED SENATE BILL No. 909

AN ACT to provide for certain regional transit authorities; to provide regional public transportation; to prescribe certain powers and duties of a regional transit authority and of certain state agencies and officials; to authorize the levy of an assessment and to provide for the issuance of bonds and notes; to collect certain taxes; to make appropriations; to provide for the pledge of assessment revenues and other funds for bond and note payments; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

Sec. 1. This act shall be known and may be cited as the "regional transit authority act".

Sec. 1a. The intent of this legislation is to create a regional transit system by establishing a regional transit authority.

Sec. 2. As used in this act:

(a) "Authority" means a regional transit authority created under this act.

(b) "Board" means the governing body of an authority.

(c) "City" means a city incorporated under the home rule city act, 1909 PA 279, MCL 117.1 to 117.38.

(d) "Cost plus construction contract" means a contract under which the contractor is paid a negotiated amount, regardless of the expenses incurred by the contractor.

(e) "County executive" means the county executive of a county or, if the county does not have an elected county executive, the chair of the county board of commissioners.

(f) "Department" means the state transportation department.

(g) "Fiscal year" means the time period between October 1 of a calendar year through September 30 of the following calendar year.

(h) "Governor's representative" means a resident of a public transit region who is appointed to the board by the governor under section 5(1)(a).

(i) "Local road agency" means that term as defined in section 9a of 1951 PA 51, MCL 247.659a.

(j) "Member jurisdiction" means a city or county that appoints a member of a board under section 5.

(k) "Public transportation" means the movement of individuals and goods by publicly owned bus, rapid transit vehicle, or other conveyance that provides general or special service to the public, but not including school buses or charter or sightseeing service or transportation that is used exclusively for school purposes. Public transportation includes the movement of individuals and goods by privately owned bus, railroad car, rapid transit vehicle, or other conveyance that, under a contract with an authority, provides general or special service to the public, but not including school buses or charter or sightseeing service or transportation that is used exclusively for school purposes. Public transportation is a transportation purpose within the meaning of section 9 of article IX of the state constitution of 1963.

(*l*) "Public transportation facility" means all plants, equipment, work instrumentalities, and real and personal property and rights used or useful for public transportation.

(m) "Public transportation provider" means a public or private entity that provides public transportation services and includes a contractor providing services to a public transportation provider. Public transportation provider includes an authority or agency existing on or created after the effective date of this act. Public transportation provider includes an authority formed under any of the following:

(*i*) 1963 PA 55, MCL 124.351 to 124.359.

(*ii*) The urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(*iii*) 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536.

(*iv*) 1951 PA 35, MCL 124.1 to 124.13.

(*v*) The public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479.

(*vi*) The revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(n) "Public transit region" means an area of this state consisting of a qualified region. Public transit region also includes a county added to a public transit region by an authority under section 4.

(o) "Public transportation system" means a system for providing public transportation in the form of light rail, rolling rapid transit, or other modes of public transportation and public transportation facilities to individuals.

(p) "Qualified county" means a county in this state with the largest population according to the most recent decennial census.

(q) "Qualified region" means a geographic area of this state that includes a qualified county and the 3 counties with the largest populations according to the most recent decennial census that are contiguous to the qualified county.

(r) "Rolling rapid transit system" means bus services that may combine the technology of intelligent transportation systems, traffic signal priority, cleaner and quieter vehicles, rapid and convenient fare collection, and integration with land use policy. Rolling rapid transit may include, but is not limited to, all of the following:

(*i*) Exclusive rights-of-way.

(*ii*) Rapid boarding and alighting.

(*iii*) Integration with other modes of transportation.

Sec. 3. (1) For an area of this state that is a qualified region on the effective date of this act, an authority is created on the effective date of this act for a public transit region that includes the qualified region. For an area of this state that becomes a qualified region after the effective date of this act, an authority is created on the date the area becomes a qualified region for the public transit region that includes the qualified region. An authority created under this act is a municipal public body corporate and a metropolitan authority authorized by section 27 of article VII of the state constitution of 1963, shall possess the powers, duties, functions, and responsibilities vested in an authority by this act, and shall carry out the rights, duties, and obligations provided for in this act. An authority is not an agency or authority of this state.

(2) The name of an authority created under subsection (1) shall include the phrase "regional transit authority".

Sec. 4. (1) A county that is not included in a public transit region and is not a participant in an authority may petition an authority to become a part of the public transit region and the authority, subject to approval of the petition by resolution of the governing body of the petitioning county.

(2) A petitioning county shall be added to a public transit region and an authority if both of the following conditions are satisfied:

(a) The petitioning county is adjacent to a county that is, at the time of the petition, included in the public transit region.

(b) The addition of the petitioning county to the public transit region and the authority is approved by the board.

(3) If an authority is levying an assessment under section 10(2) or a motor vehicle registration tax under section 10(3), or both, a petitioning county that satisfies the conditions under subsection (2) is a provisional member of the authority without voting power or transportation service from the authority until the assessment levied by the authority under section 10(2) or the motor vehicle registration tax under section 10(3), or both, is approved by a majority of the electors

of the petitioning county at the first general or special election held on a regular date as provided in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, to occur at least 71 days after appointment of a board member representing the petitioning county under section 5(12).

Sec. 5. (1) An authority shall be directed and governed by a board consisting of all of the following:

(a) One governor's representative appointed by the governor, who shall serve without vote.

(b) Two individuals appointed by the county executive of the county within the public transit region with the second largest population according to the most recent decennial census.

(c) Two individuals appointed by the county executive of the county within the public transit region with the third largest population according to the most recent decennial census.

(d) Two individuals appointed by the county executive of a county within the public transit region with the fourth largest population according to the most recent decennial census.

(e) Two individuals appointed by the county executive of the qualified county within the public transit region. One of the 2 individuals appointed under this subdivision shall be a resident of a city within the qualified county with the largest population according to the most recent decennial census.

(f) One individual appointed by the mayor of the city within the qualified county with the largest population according to the most recent decennial census.

(g) After the initial appointment of board members under subsection (2), if the addition of a petitioning county is approved by the board under section 4, 2 individuals appointed by the county executive of the petitioning county as provided in subsection (12).

(2) Initial appointments of the members of a board shall be made within 90 days after the creation of an authority, and a board may not exercise any powers, duties, functions, or responsibilities under this act until all of the initial members identified under subsection (1) are appointed and qualified. Except as otherwise provided in this section, members of a board shall be appointed for a term of 3 years. Of the members initially appointed, 1 of the 2 board members appointed by each county executive under subsection (1)(b) to (e) shall be appointed for an initial term of 1 year, a board member appointed under subsection (1)(f) shall be appointed for an initial term of 2 years, and the governor's representative and 1 of the 2 board members appointed by each county executive under subsection (1)(b) to (e) shall be appointed for an initial term of 3 years. If a vacancy occurs on a board other than by expiration of a term, the vacancy shall be filled in the same manner as the original appointment for the remainder of the term. A board member may continue to serve until a successor is appointed and qualified.

(3) A board member shall not be an employee of the county or city appointing the board member under subsection (1) or an employee of a public transportation provider operating in a public transit region.

(4) A board member shall not be a currently serving elected officer of this state or a political subdivision of this state.

(5) A board member shall be a resident of and registered elector in the county or city from which he or she is appointed.

(6) A board member shall have substantial business, financial, or professional experience relevant to the operation of a corporation or public transportation system.

(7) Upon appointment to the board, a board member shall take and subscribe to the oath of office required under section 1 of article XI of the state constitution of 1963.

(8) A board member shall serve without compensation, but may receive reimbursement for necessary travel and expenses consistent with relevant statutes and the rules and procedures of the civil service commission and the department of technology, management, and budget, subject to available funding.

(9) An individual who is not of good moral character or who has been convicted of, pled guilty or no contest to, or forfeited bail concerning a felony under the laws of this state, any other state, or the United States shall not be appointed or remain as a member of the board.

(10) A member of a board shall discharge the duties of the position in a nonpartisan manner, in good faith, in the best interests of this state, and with the degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. A member of the board shall not make or participate in making a decision, or in any way attempt to use his or her position as a member of the board to influence a decision, on a matter before an authority in which the member is directly or indirectly interested. A member of a board shall not be interested directly or indirectly in any contract with an authority or the department that would cause a substantial conflict of interest. A member of a board shall comply, and a board shall adopt policies and procedures that require members to comply, with the requirements of this subsection and all of the following:

(a) 1978 PA 472, MCL 4.411 to 4.431, as if the board member were subject to that act and that board member's receipt of a gift or compensation would be in violation of that act if given by a lobbyist, a lobbyist agent, or a representative of a lobbyist under that act.

(b) 1978 PA 566, MCL 15.181 to 15.185.

(c) 1968 PA 318, MCL 15.301 to 15.310, as if he or she were a state officer.

(d) 1968 PA 317, MCL 15.321 to 15.330, as if he or she were a public servant.

(e) 1973 PA 196, MCL 15.341 to 15.348, as if he or she were a public officer.

(11) No contract entered into by an authority and no bonds, notes, or other obligations issued by an authority shall be void or voidable except as provided in 1968 PA 318, MCL 15.301 to 15.310, or 1968 PA 317, MCL 15.321 to 15.330. A contract entered into by an authority or a bond, note, or other obligation issued by an authority is not void or voidable by reason of a board member's failure to comply with subsections (10)(a) to (e).

(12) If a county is added to a public transit region under section 4, the board members representing the transit district consisting of that county shall be appointed under subsection (1) within 30 days after the conditions of section 4(2)(a) and (b) have been satisfied and at least 71 days prior to an election under section 4(3). If an assessment levied under section 10(2) or a motor vehicle registration tax under section 10(3), or both, is not approved under section 4(3), the appointment of a board member under this subsection is void.

(13) The governor may remove a board member from office for a violation of subsection (9) or (10).

Sec. 6. (1) Within 30 days after the appointment of the members of a board under section 5, the board shall hold its first meeting at a date and time to be determined by the governor's representative. The governor's representative shall serve without vote and shall serve as chairperson of the board. The board members shall elect officers as necessary. The board shall elect all officers annually.

(2) The business of a board shall be conducted at a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the date, time, 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. A board shall adopt bylaws consistent with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. After organization, a board shall adopt a schedule of regular meetings. A board shall meet at least once each quarter. A special meeting of a board may be called by the chairperson of the board or as provided in the bylaws of the board.

(3) A majority of the voting members of a board constitute a quorum for the transaction of the business of an authority. Actions of a board shall be by simple majority vote of all voting members of the board, except as follows:

(a) A board shall provide in its bylaws that the following actions require the approval of 7/9 of the voting members, and the 7/9 must include the affirmative vote of at least 1 member from each participating county and a member appointed under section 5(1)(f):

(*i*) The placing of a question of the levy of an assessment under section 10(2) on the ballot by an authority.

(*ii*) The determination of the rate of, or amount of, any assessment to be requested by an authority at an election.

(*iii*) The placing of a question of approving a motor vehicle registration tax on the ballot by an authority.

(*iv*) The determination of the rate of, or amount of, any motor vehicle registration tax to be requested by an authority at an election.

(b) A board shall provide in its bylaws that the following actions require the unanimous approval of all voting members of the board:

(*i*) A determination to acquire, construct, operate, or maintain any form of rail passenger service within a public transit region.

(*ii*) A determination to acquire a public transportation provider. Unless an authority secures the affirmative vote of a majority of the electors of each member county in the public transit region as provided in section 7(2), the authority shall not acquire a public transportation provider that does business in a public transit region unless both of the following conditions are satisfied:

(A) All accrued liabilities, funded and unfunded, of the public transportation provider being acquired have been paid or are required to be paid by a person other than the authority.

(B) The board unanimously agrees to comply with all requirements for obtaining federal operating and capital assistance grants under the moving ahead for progress in the 21st century act, Public Law 112-141, and the regulations promulgated under the moving ahead for progress in the 21st century act, Public Law 112-141, with respect to the public transportation provider being acquired.

(*iii*) A determination to place on a ballot the question of acquiring, accepting responsibility for, or obligating itself to assume liability for or to pay any legacy costs, including, but not limited to, costs associated with litigation, claims, assessments, worker's compensation awards or charges, swap losses, pensions, health care, or other postemployment benefits, of a public transportation provider that may be purchased, merged with, assumed, or otherwise acquired by an authority.

(4) A board shall keep a written or printed record of each meeting. A written or printed record of each meeting and any other document or record prepared, owned, used, in the possession of, or retained by an authority in the performance

of an official function shall be made available to the public under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(5) A board shall provide for a uniform system of accounts for an authority to conform to and for the auditing of the authority's accounts. The board shall obtain an annual audit of an authority by an independent certified public accountant and report on the audit and auditing procedures under sections 6 to 13 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.433. The audit shall be in accordance with generally accepted government auditing standards and shall satisfy federal regulations regarding federal grant compliance audit requirements. An audit obtained under this subsection shall be filed with the state treasurer and the department.

(6) Within 90 days after the first board meeting, a board shall adopt and maintain a budget for the fiscal year in accordance with the uniform budget and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

(7) Within 90 days after the first board meeting, a board shall establish policies and procedures for the purchase of, the contracting for, and the providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and all other items as needed by an authority to efficiently and effectively meet its needs using competitive procurement methods to secure the best value for the authority. A board shall make all discretionary decisions concerning the solicitation, award, amendment, cancellation, and appeal of authority contracts. In establishing policies and procedures under this subsection, a board shall provide for the acquisition of professional services, including, but not limited to, architectural services, consulting services, engineering services, surveying services, accounting services, services related to the issuance of bonds, and legal services, in accordance with a competitive, qualifications-based selection process and procedure for the type of professional service required by an authority.

(8) Beginning 1 calendar year after the creation of an authority under this act, the board shall submit a report to the house of representatives and senate appropriations subcommittees on transportation and the house of representatives and senate committees on transportation on March 31 of each year that includes all of the following information from the preceding calendar year:

(a) Financial status of the authority.

(b) Financial status of public transportation providers within the public transit region.

(c) Operating costs of the authority.

(d) The status of any rolling rapid transit system.

(e) The average daily and annual ridership of a rolling rapid transit system.

(f) The dashboard developed by the authority under subsection (9)(d).

(g) The number and severity of any accidents that occur that involve a rolling rapid transit system.

(9) Within 120 days after the first board meeting, a board shall establish a website for the authority and the authority shall post on the website its budget, policies and procedures, and updates on authority activities and transactions and the progress of any project, including, but not limited to, a proposed rolling rapid transit system, as they become available. An authority shall also post all of the following information on a website established under this subsection:

(a) An asset management plan for all revenue vehicles and facilities, major facility components, and major pieces of equipment as defined by the department. An authority shall update the asset management plan annually.

(b) The method used by the authority to determine the percentage of operating costs that will be funded with local funds and the percentage that will be funded with fares. An authority shall update this information every 3 years.

(c) A plan and a commitment to conduct a survey of user satisfaction and a survey of general public satisfaction with the services and performance of the authority once every 3 years. An authority shall provide results for the most recent completed surveys under this subdivision to the department.

(d) A dashboard of the authority's performance that includes, at a minimum, the information required under subdivisions (a) through (c). The dashboard shall also include annual performance indicators for the authority that have been established by the board. The dashboard shall be readily available to the public, and the authority shall update the dashboard annually.

(10) A board may not enter into a cost plus construction contract unless all of the following apply:

(a) The contract cost is less than $50,000.00.

(b) The contract is for emergency repair or construction caused by unforeseen circumstances.

(c) The repair or construction is necessary to protect life or property.

(d) The contract complies with state and federal law.

(11) Within 90 days after the first board meeting, a board shall adopt a procurement policy consistent with the requirements of this act and federal and state laws relating to procurement. Preference shall be given to firms based in a public transit region and each county within a public transit region, consistent with applicable law.

(12) Nothing in this section shall be construed as creating a quota or set-aside for any city or any county in a public transit region, and no quota or set-aside shall be created.

(13) An authority shall issue an annual report to the board and each member jurisdiction within a public transit region detailing all contracts entered into and listing the names and headquarters of all authority vendors with whom the authority has contracted for services during the previous fiscal year.

(14) Within 90 days after the first board meeting, a board shall establish and adopt all of the following:

(a) A policy to govern the control, supervision, management, and oversight of each contract to which an authority is a party.

(b) Procedures to monitor the performance of each contract to assure execution of the contract within the budget and time periods provided under the contract. The monitoring shall include oversight as to whether the contract is being performed in compliance with the terms of the contract, this act, and federal and state law. The chief executive officer or other authorized employee of an authority shall not sign or execute a contract until the contract is approved by the board.

(c) Policies to ensure that an authority does not enter into a procurement or employment contract with a person who has been convicted of a criminal offense related to the application for or performance of a contract or subcontract with a governmental entity in any state. As used in this subdivision and subdivision (d), "person" includes affiliates, subsidiaries, officers, directors, and managerial employees of a business entity, or an individual or entity who, indirectly or directly, holds a pecuniary interest in a business entity of 20% or more.

(d) Policies to ensure that the authority does not enter into a procurement or employment contract with a person who has been convicted of a criminal offense, or held liable in a civil proceeding, in this state or any other state, that negatively reflects on the person's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, violation of state or federal antitrust statutes, or similar laws.

(15) An authority is not required to use competitive bidding when acquiring proprietary services, equipment, or information available from a single source, such as a software license agreement. An authority may enter into a competitive purchasing agreement with the federal government, this state, or other public entities for the purchase of necessary goods or services. An authority may enter into lease purchases or installment purchases for periods not exceeding the useful life of the items purchased unless otherwise prohibited by law. In all purchases made by an authority, if consistent with applicable federal and state law, preference shall be given first to products manufactured or services offered by firms based in the authority's public transit region, including, but not limited to, the cities and counties in a public transit region, and second to firms based in this state. An authority shall actively solicit lists of potential bidders for authority contracts from each city and each county in a public transit region. Except as otherwise provided in this section, an authority shall utilize competitive solicitation for all purchases authorized under this act unless 1 or more of the following apply:

(a) An emergency directly and immediately affecting service or public health, safety, or welfare requires the immediate procurement of supplies, materials, equipment, or services to mitigate an imminent threat to public health, safety, or welfare, as determined by an authority or its chief executive officer.

(b) Procurement of goods or services is for emergency repair or construction caused by unforeseen circumstances when the repair or construction is necessary to protect life or property.

(c) Procurement of goods or services is in response to a declared state of emergency or state of disaster under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421.

(d) Procurement of goods or services is in response to a declared state of emergency under 1945 PA 302, MCL 10.31 to 10.33.

(e) Procurement of goods or services is in response to a declared state of energy emergency under 1982 PA 191, MCL 10.81 to 10.89.

(f) Procurement of goods or services is under a cooperative purchasing agreement with the federal government, this state, or another public entity for the purchase of necessary goods and services at fair and reasonable prices using a competitive procurement method for authority operations.

(g) The value of the procurement is less than $25,000.00, and the board has established policies or procedures to ensure that goods or services with a value of less than $25,000.00 are purchased by the board at fair and reasonable prices, including a requirement that for purchases and sales of $25,000.00 or less, but over $5,000.00, written price quotations from at least 3 qualified and responsible vendors shall be obtained or a memorandum shall be kept on file showing that fewer than 3 qualified and responsible vendors exist in the market area within which it is practicable to obtain quotations. Procurement of goods or services with a value of less than $5,000.00 may be negotiated with or without using competitive bidding as authorized in a procurement policy adopted by the board.

(16) Notwithstanding any other requirement of this act, if an authority applies for and receives state or federal funds that require the authority to comply with procurement or contracting requirements that are in conflict with this act, the state or federal requirements shall take precedence over the requirements of this act.

(17) A board may employ personnel as it considers necessary to assist the board in performing the powers, duties, and jurisdictions of the authority, including, but not limited to, employment of a chief executive officer and other senior executive and administrative staff. A board shall hire a chief executive officer and any necessary support staff for the chief executive officer. Individual board members shall not hire or be assigned personal staff.

(18) A board shall establish policies to ensure that the board and an authority do not do either of the following:

(a) Fail or refuse to hire, recruit, or promote; demote; discharge; or otherwise discriminate against an individual with respect to employment, compensation, or a term, condition, or privilege of employment, or a contract with the authority in a manner that is not in compliance with state or federal law.

(b) Limit, segregate, or classify an employee, a contractor, or an applicant for employment or a contract in a way that deprives or tends to deprive the employee, contractor, or applicant of an employment opportunity or otherwise adversely affects the status of an employee, contractor, or applicant in a manner that is not in compliance with state or federal law.

(19) A board shall create a citizens' advisory committee that consists of public transit region residents. The citizens' advisory committee shall be composed as follows:

(a) Forty percent of the committee shall be made up of users of public transportation, as follows:

(*i*) At least 25% of the users of public transportation on the committee shall be senior citizens or persons with disabilities.

(*ii*) Two users of public transportation from each of the following counties within the public transit region for the authority:

(A) The qualified county.

(B) The county with the second largest population according to the most recent decennial census.

(C) The county with the third largest population according to the most recent decennial census.

(D) The county with the fourth largest population according to the most recent decennial census.

(*iii*) Two users of public transportation from the city in the qualified county with the largest population according to the most recent decennial census.

(*iv*) Two users of public transportation from each additional county participating in the authority under section 4 and not listed in subparagraph (*ii*).

(b) Twenty percent of the committee shall be made up of individuals from organizations representing senior citizens and persons with disabilities.

(c) Forty percent of the committee shall be made up of individuals representing business, labor, community, and faith-based organizations.

(20) A citizens' advisory committee created under subsection (19) may meet at least once every quarter. The citizens' advisory committee may make reports to a board, including recommendations, at each board meeting. A citizens' advisory committee may do all of the following:

(a) Review and comment on the comprehensive regional public transit service plan for a public transit region and all annual updates.

(b) Advise a board regarding the coordination of functions between different owners and operators of public transportation facilities within a public transit region.

(c) Review and comment on a specialized services coordination plan required by section 10e of 1951 PA 51, MCL 247.660e.

(d) Upon request of a board, provide recommendations on other matters that concern public transportation in a public transit region.

(21) A board shall create a public transportation provider advisory council that consists of 2 members appointed by each public transportation provider in the public transit region. The public transportation provider advisory council may make reports to a board, including recommendations, at each board meeting. The public transportation provider advisory council shall only make recommendations to a board on the following issues:

(a) Coordination of service.

(b) Funding.

(c) Plans.

(d) Specialized services.

(e) Other matters as requested by a board.

Sec. 7. (1) Except as otherwise provided in this act, an authority may do all things necessary and convenient to implement the purposes, objectives, and provisions of this act and the purposes, objectives, and powers vested in the authority or the board by this act or other law, including, but not limited to, all of the following:

(a) Adopt and use a corporate seal.

(b) Adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business.

(c) Sue and be sued in its own name.

(d) Borrow money and issue bonds and notes under this act.

(e) Make and enter into contracts, agreements, or instruments necessary, incidental, or convenient to the performance of its duties and execution of its powers, duties, functions, and responsibilities under this act with any federal, state, local, or intergovernmental governmental agency or with any other person or entity, public or private, upon terms and conditions acceptable to the authority.

(f) Engage in collective negotiation or collective bargaining and enter into agreements with a bargaining representative as provided by 1947 PA 336, MCL 423.201 to 423.217.

(g) Solicit, receive, and accept gifts, grants, labor, loans, contributions of money, property, or other things of value, and other aid or payment from any federal, state, local, or intergovernmental agency or from any other person or entity, public or private, upon terms and conditions acceptable to the authority, or participate in any other way in a federal, state, local, or intergovernmental program.

(h) Apply for and receive loans, grants, guarantees, or other financial assistance in aid of a public transportation system from any state, federal, local, or intergovernmental agency or from any other source, public or private, including, but not limited to, financial assistance for purposes of developing, planning, constructing, improving, or operating a public transportation system.

(i) Procure insurance or become a self-funded insurer against loss in connection with the property, assets, or activities of the authority.

(j) Indemnify and procure insurance indemnifying board members from personal loss or accountability for liability asserted by a person with regard to bonds or other obligations of the authority, or from any personal liability or accountability by reason of the issuance of bonds or other obligations or by reason of any other action taken or the failure to act by the authority.

(k) Invest money of the authority, at the discretion of the board, in instruments, obligations, securities, or property determined proper by the board and name and use depositories for authority money. Investments shall be made consistent with an investment policy adopted by the board that complies with this act and 1943 PA 20, MCL 129.91 to 129.97a.

(*l*) Contract for goods and services as necessary, subject to section 6.

(m) Employ legal and technical experts, consultants, or other officers, agents, employees, or personnel, permanent or temporary, as considered necessary by the board, as permitted by this act.

(n) Contract for the services of persons for rendering professional or technical assistance, including, but not limited to, consultants, managers, legal counsel, engineers, accountants, and auditors, as permitted by this act.

(o) Establish and maintain an office.

(p) Acquire property or rights and interests in property by gift, devise, transfer, exchange, purchase, lease, or otherwise on terms and conditions and in a manner the authority considers proper. Property or rights or interests in property acquired by an authority may be by purchase contract, lease purchase, agreement, installment sales contract, land contract, or otherwise. The acquisition of property by an authority for a public transportation system in furtherance of the purposes of the authority is for a public use, and the exercise of any other powers granted to the authority is declared to be a public, governmental, and municipal function, purpose, and use exercised for a public purpose and matters of public necessity.

(q) Hold, clear, remediate, improve, maintain, manage, protect, control, sell, exchange, lease, or grant easements and licenses on property or rights or interests in property that the authority acquires, holds, or controls.

(r) Convey, sell, transfer, exchange, lease, or otherwise dispose of property or rights or interests in property to any person for consideration on terms and conditions and in a manner the authority considers proper, fair, and valuable.

(s) Acquire a public transportation provider under section 6(3)(b)(*ii*).

(t) Promulgate rules and adopt regulations for the orderly, safe, efficient, and sanitary operation and use of a public transportation system owned by the authority.

(u) Subject to section 13, use this state's rights-of-way throughout the public transit region for public transportation.

(v) Create separate operating entities.

(w) Enter into contracts or other arrangements with a person or entity for granting the privilege of naming or placing advertising on or in all or any portion of facilities or equipment of the authority.

(x) Do all other things necessary or convenient to exercise the powers, duties, functions, and responsibilities of the authority under this act or other laws related to the purposes, powers, duties, functions, and responsibilities of the authority.

(2) Notwithstanding any other provision of this act, an authority may not acquire, accept responsibility for, or obligate itself to assume liability for, or pay any legacy costs of a public transportation provider that may be purchased, merged with, assumed, or otherwise acquired in any manner by the authority, including, but not limited to, costs associated with any authority or agency's litigation, claims, assessments, worker's compensation awards or charges, swap losses, pensions, health care, or other postemployment benefits of a public transportation provider without first securing an affirmative vote of a majority of the electors of each member county in the public transit region.

(3) An authority shall adopt a public transit plan for its public transit region. An authority shall adopt the most recent public transit plan of any public transportation provider within the public transit region that is a designated recipient of federal funds as its initial plan. An authority shall integrate all of these plans into a single regional master transit plan for the entire public transit region. An authority may amend a single regional master transit plan as necessary and shall update the plan annually. An authority may establish and operate new or additional routes and public transportation facilities using various forms of transportation modalities. An authority may employ operating personnel, negotiate collective bargaining agreements with operating personnel, or own operating assets of a public transportation service within a public transit region. An authority shall coordinate the operating and capital transit plans of transportation agencies and authorities within a public transit region.

(4) Subject to available resources, an authority may plan, design, develop, construct, and operate a rolling rapid transit system on at least 1 or more corridors within the authority's public transit region. An authority, with the approval of the federal transit administration and in compliance with all applicable federal and state regulations, shall determine exact routes and station locations. An authority may design routes to augment, complement, enhance, replace, or improve other forms of public transportation operating within or on the corridors.

(5) Subject to subsection (4), if an authority created on the effective date of this act includes Macomb county, Oakland county, or Wayne county, the authority may, subject to available resources, plan, design, develop, construct, and operate a rolling rapid transit system on at least 4 corridors within the authority's public transit region and the initial plans for a rolling rapid transit system may include all of the following:

(a) A Woodward corridor line to operate along, on, or near Woodward avenue between a location in or near the downtown Detroit station and a location in downtown Pontiac in Oakland county. As used in this subsection, "downtown Detroit station" means a location in or near the Campus Martius area of downtown Detroit.

(b) A Gratiot corridor line to operate along, on, or near Gratiot avenue between the downtown Detroit station and a location in downtown Mt. Clemens in Macomb county.

(c) A northern cross-county line to operate between the city of Pontiac and the city of Mt. Clemens, using a route to be determined by the authority. The route determined by the authority under this subdivision shall have stations along Big Beaver road in the city of Troy and highway M-59 in portions of Oakland and Macomb counties.

(d) A western cross-county line to operate between the downtown Detroit station and the Ann Arbor Blake transit center for a distance of approximately 47 miles. This corridor shall include, at a minimum, stations in the city of Ypsilanti, Detroit Wayne county metropolitan airport, and the city of Dearborn. The authority shall determine the exact route.

(6) Expenses of an authority incurred in the planning and operation of a rolling rapid transit system are not eligible for an operating grant under section 10e of 1951 PA 51, MCL 247.660e.

(7) An authority may charge fares and enter into contracts for the services provided by the public transportation system as necessary to provide funds to meet the obligations of the authority.

(8) A county or other political subdivision or agency, public or private, may assist, cooperate with, and contribute services, money, or property in aid of an authority and its powers, duties, functions, and responsibilities under this act.

Sec. 8. (1) Beginning on the first day of the fiscal year that begins after the effective date of this act, an authority shall be the designated recipient for its public transit region for purposes of applying for federal operating and capital assistance grants under the moving ahead for progress in the 21st century act, Public Law 112-141, and the regulations promulgated under that act. As the designated recipient of federal transit funds, an authority has the following powers and responsibilities:

(a) Make application for and receive federal transit funds for a public transit region on behalf of an authority or on behalf of 1 or more public transportation providers in the public transit region.

(b) Review an application for planning, operating, or capital assistance for a program under the federal transit act, Public Law 88-365, prior to that application's being submitted by a public transportation provider in the public transit region. In reviewing an application under this subdivision, the authority shall consider how the projects included in the application, on their own and in combination with other applications under review by the authority, will contribute to all of the following:

(*i*) Effective and efficient transportation services throughout the public transit region.

(*ii*) Achieving and maintaining the public transit region's transit infrastructure in a state of good repair.

(*iii*) Coordination of transportation services among public transportation providers.

(*iv*) Strategic investment in a regional rolling rapid transit system.

(*v*) Other factors determined appropriate by the board and included in written board policies or procedures.

(c) Approve, disapprove, or request modifications to an application within 60 days after a complete application is submitted to the authority by a public transportation provider.

(2) Beginning on the first day of the fiscal year that begins after the effective date of this act, a public transportation provider in a public transit region shall not submit an application to a federal agency for operating and capital assistance grants under the moving ahead for progress in the 21st century act, Public Law 112-141, and the regulations promulgated under that act, unless the board has approved the application under subsection (1). If a public transportation provider in a public transit region submits an application to a federal agency that has not been approved by the board under subsection (1), the public transportation provider is not eligible to receive matching funds under section 10e of 1951 PA 51, MCL 247.660e, for any projects included in that application.

(3) Beginning on the first day of the fiscal year that begins after the effective date of this act, to the extent required by the moving ahead for progress in the 21st century act, Public Law 112-141, and the regulations promulgated under that act, an authority may execute a supplemental agreement conferring on a public transportation provider in a public transit region the right to receive and dispense federal grant funds for applications that have been approved by the board under subsection (1).

(4) Beginning on the first day of the fiscal year that begins after the effective date of this act, an authority has the sole authority to submit an application to the department for a public transit region for programs provided for in section 10e of 1951 PA 51, MCL 247.660e.

(5) Beginning on the first day of the fiscal year that begins after the effective date of this act, an authority shall require all public transportation providers in a public transit region to submit an annual funding request directly to the authority for each program for which the provider is eligible under section 10e of 1951 PA 51, MCL 247.660e. An authority shall evaluate all requests submitted under this subsection and prepare and submit to the department a single consolidated application for the public transit region for each state program. An application prepared under this subsection shall be submitted by the deadline established by the department. An application prepared under this subsection shall include the proposed dollar amount to be allocated to each public transportation provider for each program. In preparing a consolidated application under this subsection and determining the proposed allocation to each public transportation provider, the board shall consider how the allocations will contribute to each of the following:

(a) The ability of each public transportation provider to maintain current services and infrastructure.

(b) The effectiveness and efficiency of public transportation service throughout the public transit region.

(c) Achieving and maintaining the public transit region's transit infrastructure in a state of good repair.

(d) The matching federal aid for federal applications approved by the board.

(e) The coordination of public transportation services among public transportation providers in the public transit region.

(f) Strategic investment in a regional rolling rapid transit system.

(g) Other factors determined appropriate by the board and included in written board policies or procedures.

(6) Beginning on the first day of the fiscal year that begins after the effective date of this act, a public transportation provider shall submit the annual funding request required by subsection (5) to an authority in accordance with written procedures adopted by the board and at least 60 days before the application deadline established by the department. A board may withhold payment on current year distributions made to a public transportation provider if that public transportation provider fails to submit a complete annual funding request to the authority at least 60 days before the application deadline established by the department.

(7) If an award of funding by the department is less than the total requested by an authority for a program, the board shall adjust the allocation to each public transportation provider proportionately.

(8) Except as provided in subsection (9), for the programs provided for in section 10e of 1951 PA 51, MCL 247.660e, the department shall only award funds to an authority. An authority shall be responsible for distribution of funds awarded by the department to public transportation providers within a public transit region based on the application approved by the department. An authority is responsible for monitoring and oversight of the use of funds distributed under this subsection by each public transportation provider in the public transit region. Upon receipt of funds from the department, an authority shall distribute the funds allocated to each public transportation provider in a timely manner.

(9) For the programs provided for in section 10e of 1951 PA 51, MCL 247.660e, if the department approves funding to match a federal award, the department may, with the concurrence of an authority, award the funds directly to the public transportation provider that is the federal award recipient.

(10) A board shall adopt procedures for the implementation of subsections (1) to (6) within 90 days after the first board meeting under section 6.

(11) In order to be eligible for a distribution under subsection (8), a public transportation provider shall annually submit a report by a date established by the board. The report shall describe and evaluate the efforts of the public transportation provider to coordinate service with other public transportation providers in that public transit region. The report shall include, but is not limited to, a description of the successful and unsuccessful efforts of the public transportation provider to do all of the following:

(a) Coordinate routes, schedules, fares, and points of transfer.

(b) Provide information or services to riders that help facilitate transfers from 1 public transportation provider to another.

(c) Eliminate or reduce service overlap and duplication.

(12) An authority shall coordinate service overlap, rates, routing, scheduling, and any other function that the authority considers necessary to implement or execute the comprehensive regional transit service plan between authorities, agencies, and owners or operators of public transportation facilities within the public transit region. An authority may issue coordination directives regarding public transportation services, including, but not limited to, routes, schedules, and fares. An authority shall provide notice of coordination directives issued under this subsection to owners and operators of public transportation facilities in the public transit region. An authority may withhold up to 5% of the allocation of state funding under this section from a public transportation provider that fails to comply with a coordination directive of the authority, as determined by the board. A coordination directive issued under this subsection preempts a city, village, or township provision or procedure to the extent that the provision or procedure is in conflict with the coordination directive.

Sec. 9. (1) Subject to section 7, an authority may acquire property for a public transportation system by purchase, construction, lease, gift, or devise, either within or without the area served by the public transportation system, and may hold, manage, control, sell, exchange, or lease property. An authority shall comply with the laws of this state for the purpose of condemnation proceedings. An authority may only utilize condemnation proceedings to acquire property located within the authority's public transit region.

(2) Except as otherwise provided in this subsection, the property of an authority and its income, activities, and operations are exempt from all taxes and special assessments of this state or a political subdivision of this state. Property of an authority and its income, activities, and operations that are leased to private persons are not exempt from any tax or special assessment of this state or a political subdivision of this state. Property of an authority is exempt from ad valorem property taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, or other law of this state authorizing taxation of real or personal property.

(3) The property of an authority created under this act is public property devoted to an essential public and governmental purpose. Income of the authority is for a public and governmental purpose.

Sec. 10. (1) An authority may raise revenues to fund all of its activities, operations, and investments consistent with its purposes. The sources of revenue available to an authority include, but are not limited to, all of the following:

(a) Fees, fares, rents, or other charges for use of a public transportation system.

(b) Federal, state, or local government grants, loans, appropriations, payments, or contributions.

(c) Proceeds from the sale, exchange, mortgage, lease, or other disposition of property acquired by the authority.

(d) Grants, loans, appropriations, payments, proceeds from repayments of loans made by the authority, or contributions from public or private sources.

(e) The proceeds of an assessment levied under subsection (2).

(f) The proceeds of a motor vehicle registration tax collected under subsection (3).

(g) Investment earnings on the revenues described in subdivisions (a) to (f).

(2) An authority may levy an assessment within the public transit region only as approved by the board and a majority of the electors of the public transit region voting on the assessment at a general election held on the regular November election date as provided in section 641(1)(d) of the Michigan election law, 1954 PA 116, MCL 168.641. An assessment approved by the board and a majority of electors of the public transit region under this subsection shall be collected and enforced in the same manner as taxes are collected and enforced under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. When submitting a proposal on the question of authorizing an assessment to be levied under this act, the ballot shall state all of the following:

(a) The assessment rate to be authorized.

(b) The duration of the assessment.

(c) A clear statement of the purpose for the assessment.

(d) A clear statement indicating whether the proposed assessment is a renewal of a previously authorized assessment or the authorization of a new additional assessment.

(3) An authority may collect a motor vehicle registration tax dedicated to the purpose of public transportation, if authorized under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(4) An authority shall ensure that not less than 85% of the money raised in each member jurisdiction through either an assessment under subsection (2) or a motor vehicle registration tax under subsection (3), or both, is expended on the public transportation service routes located in that member jurisdiction.

(5) Starting in the fiscal year that begins at least 12 months after the effective date of this act, an authority shall submit to the department an asset management plan for all revenue vehicles and facilities, major facility components, and major pieces of equipment as defined by the department. An authority shall update the asset management plan annually.

(6) After the first 12 months of operation of a rolling rapid transit system, and annually thereafter, an authority shall provide a report to the legislative body of each member jurisdiction showing the cost of service and revenue generated in each member jurisdiction.

Sec. 11. (1) For the purpose of acquiring, improving, enlarging, or extending a public transportation system, an authority may issue self-liquidating revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, or any other act providing for the issuance of self-liquidating revenue bonds. The bonds are not a general obligation of an authority, but are payable solely from the revenue of a public transportation system. If an authority issues self-liquidating revenue bonds with a pledge of the full faith and credit of the authority, those revenue bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) An authority may borrow money and issue municipal securities in accordance with, and exercise all of the powers conferred upon municipalities by, the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) All bonds, notes, or other evidence of indebtedness issued by an authority, and interest on bonds, notes, or other evidence of indebtedness, are free and exempt from all taxation in this state, except for transfer and franchise taxes.

(4) The issuance of bonds, notes, or other evidence of indebtedness by an authority requires approval of the board.

(5) An agreement entered into under this section is payable from general funds of an authority or, subject to any existing contracts, from any available money or revenue sources, including revenues specified by the agreement, securing the bonds, notes, or other evidence of indebtedness in connection with which the agreement is entered into.

Sec. 12. (1) The revenue raised by an authority may be pledged, in whole or in part, for the repayment of bonded indebtedness and other expenditures issued or incurred by the authority.

(2) A financial obligation of an authority is a financial obligation of the authority only and not an obligation of this state or any city or county within a public transit region. A financial obligation of an authority shall not be transferred to this state or any city or county within a public transit region.

Sec. 13. (1) An authority may acquire, own, construct, furnish, equip, complete, operate, improve, and maintain a public transportation system on the streets and highways of this state with the approval of a local road agency or the department, on terms and conditions mutually agreed to by the authority and the local road agency or the department. Approval shall be embodied in an operating license agreement with the authority and each local road agency with operational jurisdiction over the streets and highways upon which the authority operates or seeks to operate a public transportation system or the department, if the department has operational jurisdiction over the streets and highways upon which the authority operates or seeks to operate a public transportation system. A local road agency or the department shall not unreasonably withhold its consent to an operating license agreement, and a local road agency or the department shall determine whether to consent to an operating license agreement in an expeditious manner. An operating license may include provisions concerning the use of dedicated lanes and a system to change traffic signals in order to expedite public transportation services. Any provision for use of a dedicated lane shall provide that use of that dedicated lane shall be made available to emergency services vehicles.

(2) When operating on the streets and highways of a road agency, an authority is subject to rules, regulations, or ordinances required to preserve operations of the streets and highways and to ensure compliance with the rules and regulations of the funding source used to construct and maintain the streets and highways.

(3) An authority shall not construct a public transportation system on the streets and highways of a local road agency or the department until there is an operating license agreement executed by the authority and the local road agency or the department.

(4) An authority may acquire, own, construct, furnish, equip, complete, operate, improve, and maintain a public transportation system on public or private rights-of-way and obtain easements when necessary for the authority to acquire and use private property for acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining a public transportation system.

(5) If a local road agency or the department enters into an operating license agreement under this section, the local road agency or the department shall not revoke the consent or deprive an authority of the rights and privileges conferred without affording the authority procedural due process of law.

Sec. 14. In the exercise of its powers under this act, an authority is exempt from the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, 1939 PA 3, MCL 460.1 to 460.11, and the motor bus transportation act, 1982 PA 432, MCL 474.101 to 474.141.

Sec. 15. Local zoning or land use ordinances or regulations do not apply to a public transportation system or a rolling rapid transit system that is planned, acquired, owned, or operated by an authority under this act.

Sec. 16. An election or vote of the public authorized by this act shall be conducted in accordance with the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

Sec. 17. The costs of planning, administering, constructing, reconstructing, financing, and maintaining state, county, city, and village roads, streets, and bridges designed primarily for the use of motor vehicles using tires, including the costs of reasonable appurtenances to those state, county, city, and village roads, streets, and bridges, are a transportation purpose within the meaning of section 9 of article IX of the state constitution of 1963, when such costs are to facilitate a public transportation system that moves individuals or goods with vehicles using tires.

Sec. 18. There is appropriated to each authority created under this act the sum of $250,000.00 from the comprehensive transportation fund created in section 10b of 1951 PA 51, MCL 247.660b, to begin implementing the requirements of this act. Any portion of this amount under this section that is not expended in the 2012-2013 state fiscal year shall not lapse to the general fund but shall be carried forward in a work project account that is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Enacting section 1. Sections 4a and 4b of the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.404a and 124.404b, are repealed.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Clerk of the House of Representatives

Approved .....

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Governor

Act No. 388
Public Acts of 2012
Approved by the Governor
December 19, 2012
Filed with the Secretary of State
December 19, 2012
EFFECTIVE DATE: March 28, 2013

**STATE OF MICHIGAN**
**96TH LEGISLATURE**
**REGULAR SESSION OF 2012**

**Introduced by Senator Johnson**

# ENROLLED SENATE BILL No. 911

AN ACT to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending section 801 (MCL 257.801), as amended by 2011 PA 159, and by adding section 801j.

*The People of the State of Michigan enact:*

Sec. 801. (1) The secretary of state shall collect the following taxes at the time of registering a vehicle, which shall exempt the vehicle from all other state and local taxation, except the fees and taxes provided by law to be paid by certain carriers operating motor vehicles and trailers under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43; the taxes imposed by the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234; and except as otherwise provided by this act:

(a) For a motor vehicle, including a motor home, except as otherwise provided, and a pickup truck or van that weighs not more than 8,000 pounds, except as otherwise provided, according to the following schedule of empty weights:

| Empty weights | Tax |
|---|---|
| 0 to 3,000 pounds | $ 29.00 |
| 3,001 to 3,500 pounds | 32.00 |
| 3,501 to 4,000 pounds | 37.00 |
| 4,001 to 4,500 pounds | 43.00 |
| 4,501 to 5,000 pounds | 47.00 |
| 5,001 to 5,500 pounds | 52.00 |
| 5,501 to 6,000 pounds | 57.00 |
| 6,001 to 6,500 pounds | 62.00 |
| 6,501 to 7,000 pounds | 67.00 |
| 7,001 to 7,500 pounds | 71.00 |
| 7,501 to 8,000 pounds | 77.00 |

| | |
|---|---|
| 8,001 to 8,500 pounds | 81.00 |
| 8,501 to 9,000 pounds | 86.00 |
| 9,001 to 9,500 pounds | 91.00 |
| 9,501 to 10,000 pounds | 95.00 |
| over 10,000 pounds | $ 0.90 per 100 pounds of empty weight |

On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after that date by multiplying the tax assessed in the preceding fiscal year times the personal income of Michigan for the preceding calendar year divided by the personal income of Michigan for the calendar year that preceded that calendar year. In performing the calculations under this subdivision, the secretary of state shall use the spring preliminary report of the United States department of commerce or its successor agency. A van that is owned by an individual who uses a wheelchair or by an individual who transports a member of his or her household who uses a wheelchair and for which registration plates are issued under section 803d shall be assessed at the rate of 50% of the tax provided for in this subdivision.

(b) For a trailer coach attached to a motor vehicle, the tax shall be assessed as provided in subdivision (*l*). A trailer coach not under 1959 PA 243, MCL 125.1035 to 125.1043, and while located on land otherwise assessable as real property under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, if the trailer coach is used as a place of habitation, and whether or not permanently affixed to the soil, is not exempt from real property taxes.

(c) For a road tractor, truck, or truck tractor owned by a farmer and used exclusively in connection with a farming operation, including a farmer hauling livestock or farm equipment for other farmers for remuneration in kind or in labor, but not for money, or used for the transportation of the farmer and the farmer's family, and not used for hire, 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. If the road tractor, truck, or truck tractor owned by a farmer is also used for a nonfarming operation, the farmer is subject to the highest registration tax applicable to the nonfarm use of the vehicle but is not subject to more than 1 tax rate under this act.

(d) For a road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with the wood harvesting operations or a truck used exclusively to haul milk from the farm to the first point of delivery, 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. A registration secured by payment of the tax prescribed in this subdivision continues in full force and effect until the regular expiration date of the registration. As used in this subdivision:

(*i*) "Wood harvester" includes the person or persons hauling and transporting raw materials in the form produced at the harvest site or hauling and transporting wood harvesting equipment. Wood harvester does not include a person or persons whose primary activity is tree-trimming or landscaping.

(*ii*) "Wood harvesting equipment" includes all of the following:

(A) A vehicle that directly harvests logs or timber, including, but not limited to, a processor or a feller buncher.

(B) A vehicle that directly processes harvested logs or timber, including, but not limited to, a slasher, delimber, processor, chipper, or saw table.

(C) A vehicle that directly processes harvested logs or timber, including, but not limited to, a forwarder, grapple skidder, or cable skidder.

(D) A vehicle that directly loads harvested logs or timber, including, but not limited to, a knuckle-boom loader, front-end loader, or forklift.

(E) A bulldozer or road grader being transported to a wood harvesting site specifically for the purpose of building or maintaining harvest site roads.

(*iii*) "Wood harvesting operations" does not include the transportation of processed lumber, Christmas trees, or processed firewood for a profit making venture.

(e) For a hearse or ambulance used exclusively by a licensed funeral director in the general conduct of the licensee's funeral business, including a hearse or ambulance whose owner is engaged in the business of leasing or renting the hearse or ambulance to others, $1.17 per 100 pounds of the empty weight of the hearse or ambulance.

(f) For a vehicle owned and operated by this state, a state institution, a municipality, a privately incorporated, nonprofit volunteer fire department, or a nonpublic, nonprofit college or university, $5.00 per plate. A registration plate issued under this subdivision expires on June 30 of the year in which new registration plates are reissued for all vehicles by the secretary of state.

(g) For a bus including a station wagon, carryall, or similarly constructed vehicle owned and operated by a nonprofit parents' transportation corporation used for school purposes, parochial school or society, church Sunday school, or any other grammar school, or by a nonprofit youth organization or nonprofit rehabilitation facility; or a motor vehicle owned and operated by a senior citizen center, $10.00, if the bus, station wagon, carryall, or similarly constructed vehicle or motor vehicle is designated by proper signs showing the organization operating the vehicle.

(h) For a vehicle owned by a nonprofit organization and used to transport equipment for providing dialysis treatment to children at camp; for a vehicle owned by the civil air patrol, as organized under 36 USC 40301 to 40307, $10.00 per plate, if the vehicle is designated by a proper sign showing the civil air patrol's name; for a vehicle owned and operated by a nonprofit veterans center; for a vehicle owned and operated by a nonprofit recycling center or a federally recognized nonprofit conservation organization; for a motor vehicle having a truck chassis and a locomotive or ship's body that is owned by a nonprofit veterans organization and used exclusively in parades and civic events; or for an emergency support vehicle used exclusively for emergencies and owned and operated by a federally recognized nonprofit charitable organization, $10.00 per plate.

(i) For each truck owned and operated free of charge by a bona fide ecclesiastical or charitable corporation, or red cross, girl scout, or boy scout organization, 65 cents per 100 pounds of the empty weight of the truck.

(j) For each truck, weighing 8,000 pounds or less, and not used to tow a vehicle, for each privately owned truck used to tow a trailer for recreational purposes only and not involved in a profit making venture, and for each vehicle designed and used to tow a mobile home or a trailer coach, except as provided in subdivision (b), $38.00 or an amount computed according to the following schedule of empty weights, whichever is greater:

| Empty weights | Per 100 pounds |
|---|---|
| 0 to 2,500 pounds | $ 1.40 |
| 2,501 to 4,000 pounds | 1.76 |
| 4,001 to 6,000 pounds | 2.20 |
| 6,001 to 8,000 pounds | 2.72 |
| 8,001 to 10,000 pounds | 3.25 |
| 10,001 to 15,000 pounds | 3.77 |
| 15,001 pounds and over | 4.39 |

If the tax required under subdivision (p) for a vehicle of the same model year with the same list price as the vehicle for which registration is sought under this subdivision is more than the tax provided under the preceding provisions of this subdivision for an identical vehicle, the tax required under this subdivision is not less than the tax required under subdivision (p) for a vehicle of the same model year with the same list price.

(k) For each truck weighing 8,000 pounds or less towing a trailer or any other combination of vehicles and for each truck weighing 8,001 pounds or more, road tractor or truck tractor, except as provided in subdivision (j) according to the following schedule of elected gross weights:

| Elected gross weight | Tax |
|---|---|
| 0 to 24,000 pounds | $ 491.00 |
| 24,001 to 26,000 pounds | 558.00 |
| 26,001 to 28,000 pounds | 558.00 |
| 28,001 to 32,000 pounds | 649.00 |
| 32,001 to 36,000 pounds | 744.00 |
| 36,001 to 42,000 pounds | 874.00 |
| 42,001 to 48,000 pounds | 1,005.00 |
| 48,001 to 54,000 pounds | 1,135.00 |
| 54,001 to 60,000 pounds | 1,268.00 |
| 60,001 to 66,000 pounds | 1,398.00 |
| 66,001 to 72,000 pounds | 1,529.00 |
| 72,001 to 80,000 pounds | 1,660.00 |
| 80,001 to 90,000 pounds | 1,793.00 |
| 90,001 to 100,000 pounds | 2,002.00 |
| 100,001 to 115,000 pounds | 2,223.00 |
| 115,001 to 130,000 pounds | 2,448.00 |
| 130,001 to 145,000 pounds | 2,670.00 |
| 145,001 to 160,000 pounds | 2,894.00 |
| over 160,000 pounds | 3,117.00 |

For each commercial vehicle registered under this subdivision, $15.00 shall be deposited in a truck safety fund to be expended for the purposes prescribed in section 25 of 1951 PA 51, MCL 247.675.

If a truck or road tractor without trailer is leased from an individual owner-operator, the lessee, whether a person, firm, or corporation, shall pay to the owner-operator 60% of the tax prescribed in this subdivision for the truck tractor or road tractor at the rate of 1/12 for each month of the lease or arrangement in addition to the compensation the owner-operator is entitled to for the rental of his or her equipment.

(*l*) For each pole trailer, semitrailer, trailer coach, or trailer, the tax shall be assessed according to the following schedule of empty weights:

| Empty weights | Tax |
|---|---|
| 0 to 2,499 pounds | $ 75.00 |

| | |
|---|---|
| 2,500 to 9,999 pounds | 200.00 |
| 10,000 pounds and over | 300.00 |

The registration plate issued under this subdivision expires only when the secretary of state reissues a new registration plate for all trailers. Beginning October 1, 2005, if the secretary of state reissues a new registration plate for all trailers, a person who has once paid the tax as increased by 2003 PA 152 for a vehicle under this subdivision is not required to pay the tax for that vehicle a second time, but is required to pay only the cost of the reissued plate at the rate provided in section 804(2) for a standard plate. A registration plate issued under this subdivision is nontransferable.

(m) For each commercial vehicle used for the transportation of passengers for hire except for a vehicle for which a payment is made under 1960 PA 2, MCL 257.971 to 257.972, according to the following schedule of empty weights:

| Empty weights | Per 100 pounds |
|---|---|
| 0 to 4,000 pounds | $ 1.76 |
| 4,001 to 6,000 pounds | 2.20 |
| 6,001 to 10,000 pounds | 2.72 |
| 10,001 pounds and over | 3.25 |

(n) For each motorcycle, $23.00.

On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after that date by multiplying the tax assessed in the preceding fiscal year times the personal income of Michigan for the preceding calendar year divided by the personal income of Michigan for the calendar year that preceded that calendar year. In performing the calculations under this subdivision, the secretary of state shall use the spring preliminary report of the United States department of commerce or its successor agency.

Beginning January 1, 1984, the registration tax for each motorcycle is increased by $3.00. The $3.00 increase is not part of the tax assessed under this subdivision for the purpose of the annual October 1 revisions but is in addition to the tax assessed as a result of the annual October 1 revisions. Beginning January 1, 1984, $3.00 of each motorcycle fee shall be placed in a motorcycle safety fund in the state treasury and shall be used only for funding the motorcycle safety education program as provided for under sections 312b and 811a.

(o) For each truck weighing 8,001 pounds or more, road tractor, or truck tractor used exclusively as a moving van or part of a moving van in transporting household furniture and household effects or the equipment or those engaged in conducting carnivals, at the rate of 80% of the schedule of elected gross weights in subdivision (k) as modified by the operation of that subdivision.

(p) After September 30, 1983, each motor vehicle of the 1984 or a subsequent model year as shown on the application required under section 217 that has not been previously subject to the tax rates of this section and that is of the motor vehicle category otherwise subject to the tax schedule described in subdivision (a), and each low-speed vehicle according to the following schedule based upon registration periods of 12 months:

(*i*) Except as otherwise provided in this subdivision, for the first registration that is not a transfer registration under section 809 and for the first registration after a transfer registration under section 809, according to the following schedule based on the vehicle's list price:

| List Price | Tax |
|---|---|
| $ 0 - $ 6,000.00 | $ 30.00 |
| More than $ 6,000.00 - $ 7,000.00 | $ 33.00 |
| More than $ 7,000.00 - $ 8,000.00 | $ 38.00 |
| More than $ 8,000.00 - $ 9,000.00 | $ 43.00 |
| More than $ 9,000.00 - $ 10,000.00 | $ 48.00 |
| More than $ 10,000.00 - $ 11,000.00 | $ 53.00 |
| More than $ 11,000.00 - $ 12,000.00 | $ 58.00 |
| More than $ 12,000.00 - $ 13,000.00 | $ 63.00 |
| More than $ 13,000.00 - $ 14,000.00 | $ 68.00 |
| More than $ 14,000.00 - $ 15,000.00 | $ 73.00 |
| More than $ 15,000.00 - $ 16,000.00 | $ 78.00 |
| More than $ 16,000.00 - $ 17,000.00 | $ 83.00 |
| More than $ 17,000.00 - $ 18,000.00 | $ 88.00 |
| More than $ 18,000.00 - $ 19,000.00 | $ 93.00 |
| More than $ 19,000.00 - $ 20,000.00 | $ 98.00 |
| More than $ 20,000.00 - $ 21,000.00 | $ 103.00 |
| More than $ 21,000.00 - $ 22,000.00 | $ 108.00 |
| More than $ 22,000.00 - $ 23,000.00 | $ 113.00 |
| More than $ 23,000.00 - $ 24,000.00 | $ 118.00 |
| More than $ 24,000.00 - $ 25,000.00 | $ 123.00 |

| | |
|---|---|
| More than $ 25,000.00 - $ 26,000.00 | $ 128.00 |
| More than $ 26,000.00 - $ 27,000.00 | $ 133.00 |
| More than $ 27,000.00 - $ 28,000.00 | $ 138.00 |
| More than $ 28,000.00 - $ 29,000.00 | $ 143.00 |
| More than $ 29,000.00 - $ 30,000.00 | $ 148.00 |

More than $30,000.00, the tax of $148.00 is increased by $5.00 for each $1,000.00 increment or fraction of a $1,000.00 increment over $30,000.00. If a current tax increases or decreases as a result of 1998 PA 384, only a vehicle purchased or transferred after January 1, 1999 shall be assessed the increased or decreased tax.

(*ii*) For the second registration, 90% of the tax assessed under subparagraph (*i*).

(*iii*) For the third registration, 90% of the tax assessed under subparagraph (*ii*).

(*iv*) For the fourth and subsequent registrations, 90% of the tax assessed under subparagraph (*iii*).

For a vehicle of the 1984 or a subsequent model year that has been previously registered by a person other than the person applying for registration or for a vehicle of the 1984 or a subsequent model year that has been previously registered in another state or country and is registered for the first time in this state, the tax under this subdivision shall be determined by subtracting the model year of the vehicle from the calendar year for which the registration is sought. If the result is zero or a negative figure, the first registration tax shall be paid. If the result is 1, 2, or 3 or more, then, respectively, the second, third, or subsequent registration tax shall be paid. A van that is owned by an individual who uses a wheelchair or by an individual who transports a member of his or her household who uses a wheelchair and for which registration plates are issued under section 803d shall be assessed at the rate of 50% of the tax provided for in this subdivision.

(q) For a wrecker, $200.00.

(r) When the secretary of state computes a tax under this act, a computation that does not result in a whole dollar figure shall be rounded to the next lower whole dollar when the computation results in a figure ending in 50 cents or less and shall be rounded to the next higher whole dollar when the computation results in a figure ending in 51 cents or more, unless specific taxes are specified, and the secretary of state may accept the manufacturer's shipping weight of the vehicle fully equipped for the use for which the registration application is made. If the weight is not correctly stated or is not satisfactory, the secretary of state shall determine the actual weight. Each application for registration of a vehicle under subdivisions (j) and (m) shall have attached to the application a scale weight receipt of the vehicle fully equipped as of the time the application is made. The scale weight receipt is not necessary if there is presented with the application a registration receipt of the previous year that shows on its face the weight of the motor vehicle as registered with the secretary of state and that is accompanied by a statement of the applicant that there has not been a structural change in the motor vehicle that has increased the weight and that the previous registered weight is the true weight.

(2) A manufacturer is not exempted under this act from paying ad valorem taxes on vehicles in stock or bond, except on the specified number of motor vehicles registered. A dealer is exempt from paying ad valorem taxes on vehicles in stock or bond.

(3) Until October 1, 2015, the tax for a vehicle with an empty weight over 10,000 pounds imposed under subsection (1)(a) and the taxes imposed under subsection (1)(c), (d), (e), (f), (i), (j), (m), (o), and (p) are each increased as follows:

(a) A regulatory fee of $2.25 that shall be credited to the traffic law enforcement and safety fund created in section 819a and used to regulate highway safety.

(b) A fee of $5.75 that shall be credited to the transportation administration collection fund created in section 810b.

(4) If a tax required to be paid under this section is not received by the secretary of state on or before the expiration date of the registration plate, the secretary of state shall collect a late fee of $10.00 for each registration renewed after the expiration date. An application for a renewal of a registration using the regular mail and postmarked before the expiration date of that registration shall not be assessed a late fee. The late fee collected under this subsection shall be deposited into the general fund.

(5) As used in this section:

(a) "Gross proceeds" means that term as defined in section 1 of the general sales tax act, 1933 PA 167, MCL 205.51, and includes the value of the motor vehicle used as part payment of the purchase price as that value is agreed to by the parties to the sale, as evidenced by the signed agreement executed under section 251.

(b) "List price" means the manufacturer's suggested base list price as published by the secretary of state, or the manufacturer's suggested retail price as shown on the label required to be affixed to the vehicle under 15 USC 1232, if the secretary of state has not at the time of the sale of the vehicle published a manufacturer's suggested retail price for that vehicle, or the purchase price of the vehicle if the manufacturer's suggested base list price is unavailable from the sources described in this subdivision.

(c) "Purchase price" means the gross proceeds received by the seller in consideration of the sale of the motor vehicle being registered.

(6) In addition to the registration taxes under this section, the secretary of state shall collect fees charged under section 801j and credit revenues to a regional transit authority created under the regional transit authority act, minus necessary collection expenses as provided in section 9 of article IX of the state constitution of 1963. Necessary collection expenses incurred by the secretary of state under this subsection shall be based upon an established cost allocation methodology.

(7) This section does not apply to a historic vehicle.

Sec. 801j. (1) In addition to the required vehicle registration fee under section 801(1)(p), a regional transit authority created under the regional transit authority act may charge an additional fee on vehicle registrations issued to residents of a public transit region of not more than $1.20 for each $1,000.00 or fraction of $1,000.00 of the vehicle's list price as used in calculating the fee under section 801(1)(p). The authority may charge the additional fee only upon the approval of a majority of the electors in a public transit region voting on the fee at an election held on a regular date as provided in section 641 of the Michigan election law, 1954 PA 116, MCL 168.641.

(2) In addition to any other requirements imposed by law, the ballot question proposing authorization of the fee under subsection (1) shall specify how the proceeds of the fee shall be expended.

(3) The fee collected under this section shall only be used by the regional transit authority for comprehensive transportation purposes as defined by section 9 of article IX of the state constitution of 1963.

(4) A proposal for a fee under this section shall not be placed on the ballot under subsection (1) unless the proposal is adopted by a resolution of the board of directors of the regional transit authority and certified by the board of directors not later than 70 days before the election to the county clerk of each county within the public transit region for inclusion on the ballot.

(5) If a majority of voters in a public transit region approve a fee under subsection (1), no later than 1 year after voter approval, the secretary of state shall collect the fee on all vehicles registered to residents of the public transit region under section 801(1)(p) and shall credit the fee collected to the regional transit authority, minus necessary collection expenses as provided in section 9 of article IX of the state constitution of 1963. Necessary collection expenses incurred by the secretary of state under this subsection shall be based upon an established cost allocation methodology.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 909 of the 96th Legislature is enacted into law.

Carol Morey Viventi

Secretary of the Senate

Clerk of the House of Representatives

Approved .....

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Governor

Act No. 389
Public Acts of 2012
Approved by the Governor
December 19, 2012
Filed with the Secretary of State
December 19, 2012
EFFECTIVE DATE: March 28, 2013

**STATE OF MICHIGAN**
**96TH LEGISLATURE**
**REGULAR SESSION OF 2012**

**Introduced by Senators Johnson and Kowall**

# ENROLLED SENATE BILL No. 912

AN ACT to amend 2006 PA 110, entitled "An act to codify the laws regarding local units of government regulating the development and use of land; to provide for the adoption of zoning ordinances; to provide for the establishment in counties, townships, cities, and villages of zoning districts; to prescribe the powers and duties of certain officials; to provide for the assessment and collection of fees; to authorize the issuance of bonds and notes; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending section 205 (MCL 125.3205), as amended by 2011 PA 113.

*The People of the State of Michigan enact:*

Sec. 205. (1) A zoning ordinance is subject to all of the following:

(a) The electric transmission line certification act, 1995 PA 30, MCL 460.561 to 460.575.

(b) The regional transit authority act.

(2) A county or township shall not regulate or control the drilling, completion, or operation of oil or gas wells or other wells drilled for oil or gas exploration purposes and shall not have jurisdiction with reference to the issuance of permits for the location, drilling, completion, operation, or abandonment of such wells.

(3) An ordinance shall not prevent the extraction, by mining, of valuable natural resources from any property unless very serious consequences would result from the extraction of those natural resources. Natural resources shall be considered valuable for the purposes of this section if a person, by extracting the natural resources, can receive revenue and reasonably expect to operate at a profit.

(4) A person challenging a zoning decision under subsection (3) has the initial burden of showing that there are valuable natural resources located on the relevant property, that there is a need for the natural resources by the person or in the market served by the person, and that no very serious consequences would result from the extraction, by mining, of the natural resources.

(5) In determining under this section whether very serious consequences would result from the extraction, by mining, of natural resources, the standards set forth in Silva v Ada Township, 416 Mich 153 (1982), shall be applied and all of the following factors may be considered, if applicable:

(a) The relationship of extraction and associated activities with existing land uses.

(b) The impact on existing land uses in the vicinity of the property.

(c) The impact on property values in the vicinity of the property and along the proposed hauling route serving the property, based on credible evidence.

(d) The impact on pedestrian and traffic safety in the vicinity of the property and along the proposed hauling route serving the property.

(e) The impact on other identifiable health, safety, and welfare interests in the local unit of government.

(f) The overall public interest in the extraction of the specific natural resources on the property.

(6) Subsections (3) to (5) do not limit a local unit of government's reasonable regulation of hours of operation, blasting hours, noise levels, dust control measures, and traffic, not preempted by part 632 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.63201 to 324.63223. However, such regulation shall be reasonable in accommodating customary mining operations.

(7) This act does not limit state regulatory authority under other statutes or rules.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 911 of the 96th Legislature is enacted into law.

Carol Morey Viventi

Secretary of the Senate

Clerk of the House of Representatives

Approved .....

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Governor

Act No. 390
Public Acts of 2012
Approved by the Governor
December 19, 2012
Filed with the Secretary of State
December 19, 2012
EFFECTIVE DATE: March 28, 2013

**STATE OF MICHIGAN**
**96TH LEGISLATURE**
**REGULAR SESSION OF 2012**

**Introduced by Senator Smith**

# ENROLLED SENATE BILL No. 967

AN ACT to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 1 (MCL 247.651), as amended by 2008 PA 303.

*The People of the State of Michigan enact:*

Sec. 1. (1) The state trunk line highway system of this state consists of all roads, streets, and highways, either located within or outside the limits of incorporated cities and villages, now or hereafter constituted state trunk line highways under the laws of this state. The director of the department may establish subordinate classifications or groupings of state trunk line highways as the department deems necessary or desirable for proper administration of the state trunk line highway system. Additions to and deletions from the state trunk line highway system may be made in the manner prescribed by law. All roads, streets, and highways included in the state trunk line highway system shall be known and may be referred to for all purposes as state trunk line highways.

(2) The department or a local road agency may enter into an operating license agreement with a regional transit authority to operate a public transit system on the streets and highways of this state as provided for in state law enacted after January 1, 2012. As part of such an agreement, the department or local road agency may designate 1 or more lanes of a street or highway as a dedicated public transit lane. A dedicated public transit lane may be reserved for the exclusive use of public transit vehicles operated by a regional transit authority during periods determined by the department or the local road agency, except that a dedicated public transit lane shall be made available at all times to emergency services vehicles. Lanes designated and marked as dedicated public transit lanes by the department or a local road agency under an operating license agreement with a regional transit authority are subject to the same provisions as high-occupancy vehicle lanes under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 909 of the 96th Legislature is enacted into law.

Carol Morey Viventi

Secretary of the Senate

Clerk of the House of Representatives

Approved .....

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Governor

Act No. 391
Public Acts of 2012
Approved by the Governor
December 19, 2012
Filed with the Secretary of State
December 19, 2012
EFFECTIVE DATE: December 19, 2012

**STATE OF MICHIGAN**
**96TH LEGISLATURE**
**REGULAR SESSION OF 2012**

**Introduced by Senators Warren, Johnson and Casperson**

# ENROLLED SENATE BILL No. 445

AN ACT to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 10b, 10c, 10d, 10e, 10h, 10*l*, and 10n (MCL 247.660b, 247.660c, 247.660d, 247.660e, 247.660h, 247.660*l*, and 247.660n), section 10b as amended by 1982 PA 438, section 10c as amended by 2010 PA 257, section 10e as amended by 2008 PA 487, section 10h as amended by 2002 PA 498, section 10*l* as amended by 1987 PA 234, and section 10n as amended by 2002 PA 329.

*The People of the State of Michigan enact:*

Sec. 10b. (1) A fund to be known as the comprehensive transportation fund is established and shall be set up and maintained in the state treasury as a separate fund. In addition to the money distributed to the comprehensive transportation fund pursuant to this act, the money authorized to be credited to the comprehensive transportation fund pursuant to section 25 of the general sales tax act, 1933 PA 167, MCL 205.75, shall be deposited in the comprehensive transportation fund and is appropriated to the department for the purposes described in section 10e.

(2) The comprehensive transportation fund shall be administered by the department in accordance with this act.

(3) The general functions of the department in the administration of funds for comprehensive transportation services shall include the following:

(a) Establishing public transportation procedures and administrative practices for which there is a clear requirement for uniformity statewide.

(b) Planning and providing for the current and long-range development of a system of public transportation in areas for which an eligible authority or eligible governmental agency does not exist.

(c) Investigating public transportation conditions and making recommendations for improvement to the state transportation commission for forwarding to the legislature.

(d) Encouraging, coordinating, and administering grants for research and demonstration projects to develop the application of new ideas and concepts in public transportation facilities and services as applied to state as opposed to nationwide problems.

(e) Performing each function necessary to comply fully with present or future federal transportation acts.

(f) Except as provided in section 8 of the regional transit authority act, administering and distributing money from the comprehensive transportation fund and the proceeds of notes and bonds sold for public transportation purposes. If money is raised by an eligible authority or an eligible governmental agency for a public transportation capital outlay project funded pursuant to sections 3, 5, and 6 of the urban mass transportation act of 1964, 49 USC 1602, 1604, and 1605, or federal law codified in 23 USC 101 to 407, this state shall pay not less than 66-2/3% of the local match. This state shall not expend money as a local match or otherwise, and an eligible authority or eligible governmental agency shall not expend money distributed pursuant to this act, as a local match or otherwise, for the preliminary or final construction engineering plans or the construction of a subway system within the area of the southeastern Michigan transportation authority until that expenditure is approved by concurrent resolution of the legislature. The concurrent resolution shall be approved on a record roll call vote of each house. This state shall not expend money for the construction, operation, or maintenance of a commuter boat service system within a county which is a member of the southeastern Michigan transportation authority until approved by concurrent resolution of the legislature. The concurrent resolution shall be approved on a record roll call vote of each house.

(g) Applying for, receiving, and accepting any grant, gift, contribution, loan, or other assistance in the form of money, property, labor, and any other form from a public or private source, including assistance from an agency or instrumentality of the United States and doing each thing as is necessary to apply for, receive, and administer that assistance in accordance with the laws of this state.

(h) Promulgating rules for the implementation and administration of the comprehensive transportation fund, pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(i) Issuing bonds or notes for public transportation purposes in accordance with this act.

(j) Making direct expenditures, loans, grants, or guaranteeing lease costs to public and private corporations for public transportation purposes using the comprehensive transportation fund or using as appropriate, the proceeds of notes and bonds authorized by section 18b.

Sec. 10c. As used in this act:

(a) "Urban or rural area" means a contiguous developed area, including the immediate surrounding area, where transportation services should reasonably be provided presently or in the future; the area within the jurisdiction of an eligible authority; or for the purpose of receiving funds for public transportation, a contiguous developed area having a population of less than 50,000 that has an urban public transportation program approved by the state transportation department and for which the state transportation commission determines that public transportation services should reasonably be provided presently or in the future.

(b) "Eligible authority" means an authority organized under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426.

(c) "Eligible governmental agency" means a county, city, or village or an authority created under 1963 PA 55, MCL 124.351 to 124.359; the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512; 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536; 1951 PA 35, MCL 124.1 to 124.13; the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479; or the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(d) "Transit vehicle" means a bus, rapid transit vehicle, railroad car, street railway car, water vehicle, taxicab, or other type of public transportation vehicle or individual unit, whether operated singly or in a group that provides public transportation.

(e) "Transit vehicle mile" means a transit vehicle operated for 1 mile in public transportation service including demand actuated and line-haul vehicle miles.

(f) "Demand actuated vehicle" means a bus or smaller transit vehicle operated for providing group rides to members of the general public paying fares individually, and on demand rather than in regularly scheduled route service.

(g) "Demand actuated vehicle mile" means a demand actuated vehicle operated for 1 mile in service to the general public.

(h) "Public transportation", "comprehensive transportation", "public transportation service", "comprehensive transportation service", "public transportation purpose", or "comprehensive transportation purpose" means the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, street railway, aircraft, rapid transit vehicle, taxicab, or other conveyance that provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively for school purposes. Public transportation, public transportation services, or public transportation purposes; and comprehensive transportation, comprehensive transportation services, or comprehensive transportation purposes as defined in this subdivision are declared by law to be transportation purposes within the meaning of section 9 of article IX of the state constitution of 1963.

(i) "State transportation commission" or "commission" means the state transportation commission established in section 28 of article V of the state constitution of 1963.

(j) "Governmental unit" means the state transportation department, the state transportation commission, a county road commission, a city, or a village.

(k) "Department" or "department of transportation" means the state transportation department, the principal department of state government created under section 350 of the executive organization act of 1965, 1965 PA 380, MCL 16.450.

(*l*) "Preservation" means an activity undertaken to preserve the integrity of the existing roadway system. Preservation does not include new construction of highways, roads, streets, or bridges, a project that increases the capacity of a highway facility to accommodate that part of traffic having neither an origin nor destination within the local area, widening of a lane width or more, or adding turn lanes of more than 1/2 mile in length. Preservation includes, but is not limited to, 1 or more of the following:

(*i*) Maintenance.

(*ii*) Capital preventive treatments.

(*iii*) Safety projects.

(*iv*) Reconstruction.

(*v*) Resurfacing.

(*vi*) Restoration.

(*vii*) Rehabilitation.

(*viii*) Widening of less than the width of 1 lane.

(*ix*) Adding auxiliary weaving, climbing, or speed change lanes.

(*x*) Modernizing intersections.

(*xi*) Adding auxiliary turning lanes of 1/2 mile or less.

(*xii*) Installing traffic signs in new locations, installing signal devices in new locations, and replacing existing signal devices.

(m) "Maintenance" means routine maintenance or preventive maintenance, or both. Maintenance does not include capital preventive treatments, resurfacing, reconstruction, restoration, rehabilitation, safety projects, widening of less than 1 lane width, adding auxiliary turn lanes of 1/2 mile or less, adding auxiliary weaving, climbing, or speed-change lanes, modernizing intersections, or the upgrading of aggregate surface roads to hard surface roads. Maintenance of state trunk line highways does not include streetlighting except for freeway lighting for traffic safety purposes.

(n) "Routine maintenance" means actions performed on a regular or controllable basis or in response to uncontrollable events upon a highway, road, street, or bridge. Routine maintenance includes, but is not limited to, 1 or more of the following:

(*i*) Snow and ice removal.

(*ii*) Pothole patching.

(*iii*) Unplugging drain facilities.

(*iv*) Replacing damaged sign and pavement markings.

(*v*) Replacing damaged guardrails.

(*vi*) Repairing storm damage.

(*vii*) Repair or operation of traffic signs and signal systems.

(*viii*) Emergency environmental cleanup.

(*ix*) Emergency repairs.

(*x*) Emergency management of road closures that result from uncontrollable events.

(*xi*) Cleaning streets and associated drainage.

(*xii*) Mowing roadside.

(*xiii*) Control of roadside brush and vegetation.

(*xiv*) Cleaning roadside.

(*xv*) Repairing lighting.

(*xvi*) Grading.

(o) "Preventive maintenance" means a planned strategy of cost-effective treatments to an existing roadway system and its appurtenances that preserve assets by retarding deterioration and maintaining functional condition without significantly increasing structural capacity. Preventive maintenance includes, but is not limited to, 1 or more of the following:

(*i*) Pavement crack sealing.

(*ii*) Micro surfacing.

(*iii*) Chip sealing.

(*iv*) Concrete joint resealing.

(*v*) Concrete joint repair.

(*vi*) Filling shallow pavement cracks.

(*vii*) Patching concrete.

(*viii*) Shoulder resurfacing.

(*ix*) Concrete diamond grinding.

(*x*) Dowel bar retrofit.

(*xi*) Bituminous overlays of 1-1/2 inches or less in thickness.

(*xii*) Restoration of drainage.

(*xiii*) Bridge crack sealing.

(*xiv*) Bridge joint repair.

(*xv*) Bridge seismic retrofit.

(*xvi*) Bridge scour countermeasures.

(*xvii*) Bridge painting.

(*xviii*) Pollution prevention.

(*xix*) New treatments as they may be developed.

(p) "County road commission" means the board of county road commissioners elected or appointed pursuant to section 6 of chapter IV of 1909 PA 283, MCL 224.6, or, in the case of a charter county with a population of 750,000 or more with an elected county executive that does not have a board of county road commissioners, the county executive for ministerial functions and the county commission provided for in section 14(1)(d) of 1966 PA 293, MCL 45.514, for legislative functions. In addition, if a board of county road commissioners is dissolved as provided in section 6 of chapter IV of 1909 PA 283, MCL 224.6, county road commission includes the county board of commissioners of the county.

(q) "Capital preventive treatments" means any preventive maintenance category project on state trunk line highways that qualifies under the department's capital preventive maintenance program.

(r) "Public transit region" means that term as defined in the regional transit authority act.

(s) "Regional transit authority" means an authority created under the regional transit authority act.

Sec. 10d. The comprehensive transportation fund shall be distributed to eligible authorities for public transportation purposes, distributed to eligible governmental agencies which are not within the jurisdiction of an eligible authority for public transportation purposes, distributed to a regional transit authority, for public transportation purposes, and expended by the department for public transportation purposes. A distribution to an eligible governmental agency located within the jurisdiction of an eligible authority for public transportation purposes may be made directly if the eligible governmental agency was providing public transportation service on January 3, 1973. Except for an eligible governmental agency that was providing public transportation service on January 3, 1973, distribution for public transportation purposes may be made directly to an eligible governmental agency located within the jurisdiction of an eligible governmental agency or eligible authority that is providing public transportation service on the date of the

creation of the comprehensive transportation fund, only if approved by the eligible governmental agency or eligible authority in which the eligible governmental agency is located. Further, except for an eligible governmental agency or eligible authority in whose jurisdiction is located an eligible governmental agency that was providing public transportation service on January 3, 1973, a distribution may be made directly to an eligible governmental agency or eligible authority in whose jurisdiction is located an eligible governmental agency that is providing public transportation service on the date of the creation of the comprehensive transportation fund, only if approved by the eligible governmental agency located within the eligible governmental agency or eligible authority. A county that withdraws from an eligible authority shall not be considered to be within the jurisdiction of the eligible authority.

Sec. 10e. (1) The comprehensive transportation fund is appropriated for each fiscal year in the following order of priority.

(2) The first priority is to pay, but only from money restricted as to use by section 9 of article IX of the state constitution of 1963, the principal and interest on bonds or notes issued under section 18b for comprehensive transportation purposes as defined by law. A sufficient portion of the comprehensive transportation fund is irrevocably appropriated to pay, when due, the principal and interest on those bonds and notes.

(3) After making or setting aside payments required by subsection (2), the second priority of the comprehensive transportation fund is the payment of the department's cost in administering the comprehensive transportation fund. The amount to be expended pursuant to this subsection shall not exceed the costs appropriated for the administration of the fund in the fiscal year ending September 30, 1987, as adjusted annually on October 1, by the change for the preceding 12 months in the Detroit consumer price index for urban wage earners and shall be appropriated annually by the legislature.

(4) After making or setting aside payments required by subsections (2) and (3), the balance of the comprehensive transportation fund shall be expended each fiscal year as appropriated annually by the legislature pursuant to the state transportation program approved by the commission as follows:

(a) The third priority shall be the payment of operating grants to eligible authorities and eligible governmental agencies according to the following formulations and subject to the following requirements:

(*i*) For the fiscal year ending September 30, 1998, and for each fiscal year thereafter, each eligible authority and eligible governmental agency that provides public transportation services in urbanized areas under 49 USC 5307, with a Michigan population greater than 100,000 shall receive a grant of up to 50% of their eligible operating expenses as defined by the department.

(*ii*) For the fiscal year ending September 30, 1998, and each fiscal year thereafter, each eligible authority and eligible governmental agency that provides public transportation services in urbanized areas with a Michigan population less than or equal to 100,000 and nonurbanized areas under 49 USC 5311, shall receive a grant of up to 60% of their eligible operating expenses as defined by the department. For purposes of receiving a grant under this subparagraph in nonurbanized areas, eligible costs of services provided by water vehicle shall be reimbursed at not less than 50% of the portion of the costs not eligible for reimbursement by the federal government.

(*iii*) Funds shall not be distributed to an eligible authority or eligible governmental agency under this act unless the eligible authority or eligible governmental agency provides or agrees to provide preferential fares for public transportation services to persons 65 years of age or over or persons with disabilities riding in off peak periods of service. As used in this section, "person with disabilities" means an individual with a disability as that term is defined in 61 FR 56424 (November 1, 1996) and 49 CFR part 27. The preferential fares shall not be higher than 50% of the regular 1-way single fare.

(*iv*) Eligible authorities and eligible governmental agencies shall not engage in charter service using vehicles, facilities, or equipment funded under this act except on an incidental basis as defined by 49 CFR part 604.

(*v*) Notwithstanding any other provision of this subsection, for the fiscal year ending September 30, 1998, each eligible authority and eligible governmental agency shall receive a distribution from the comprehensive transportation fund not less than the distribution received for eligible operating expenses for the fiscal year ending September 30, 1997. Beginning with the fiscal year ending September 30, 1998 and each fiscal year thereafter, each eligible authority and eligible governmental agency shall receive a distribution from the comprehensive transportation fund for eligible operating expenses not less than the distribution received for the fiscal year ending September 30, 1997. As it relates to this subsection the ratio between comprehensive transportation funds and local funds in the fiscal year ending September 30, 1989 shall be maintained for all fiscal years by the eligible authority and eligible governmental agency. Reductions in this ratio shall require a proportionate reduction in the comprehensive transportation funds provided for any fiscal year.

(*vi*) Each eligible authority and eligible governmental agency receiving comprehensive transportation funds shall prepare and submit to the department a quarterly report of the progress made in carrying out its local transportation program within 40 days after the end of each fiscal year quarter. The progress report shall be made on forms authorized

by the United States department of transportation under the provisions of the surface transportation and uniform relocation assistance act of 1987, Public Law 100-17, 101 Stat. 132.

(*vii*) The department shall periodically adjust or redistribute comprehensive transportation funds previously distributed under this subdivision.

(b) For the fiscal year ending September 30, 1997, and each fiscal year thereafter, not less than 10% shall be distributed by the department for intercity passenger and intercity freight transportation purposes.

(c) For the fiscal year ending September 30, 1997, and each fiscal year thereafter, funds remaining in the fund after payment of the amounts required by subdivisions (a) and (b) shall be distributed by the department for public transportation purposes. For the fiscal year ending September 30, 1998, and each fiscal year thereafter, funds shall be made available to match all projects for eligible authorities and eligible governmental agencies that are approved for federal funding as provided by federal law and for which an approved transportation improvement program (TIP) and state transportation improvement plan (STIP) exist. Funds distributed under this subdivision shall be expended pursuant to specific line item appropriation for, but are not limited to, the following public transportation purposes:

(*i*) The specialized services assistance program. The specialized services assistance program shall be funded with not less than $3,600,100.00 from funds distributed under this subdivision. Funds shall be distributed according to guidelines developed by the department based upon the following considerations:

(A) Proposals for coordinated specialized services assistance funding shall be developed jointly between existing eligible authorities or eligible governmental agencies that provide public transportation services and the area agencies on aging or any other organization representing specialized services interests, as defined in this subdivision. Plans shall be reviewed and approved by the bureau of urban and public transportation of the department. Upon approval, the department shall release the funds to the eligible authority or eligible governmental agency which shall then allocate the funds to the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision for the purchase of services as approved in the plan by the department.

(B) If an eligible authority or eligible governmental agency does not exist to provide public transportation service in a county, coordinated proposals for specialized services assistance funding may be submitted by the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision. The proposals shall be reviewed and approved by the bureau of urban and public transportation of the department. Upon approval, the department shall release the funds to the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision for the purchase of services as approved in the plan by the department.

(C) For the purposes of this program, "specialized services" means public transportation primarily designed for persons with disabilities or persons who are 65 years of age or older.

(*ii*) Local bus capital. For the fiscal year ending September 30, 1998 and each fiscal year thereafter, not less than $8,000,000.00 will be distributed for either matching federal funds for local bus capital or 100% capital projects for eligible authorities and eligible governmental agencies that are not eligible to receive federal capital formula funds under section 5307 of the federal intermodal surface transportation efficiency act, Public Law 102-240, or any successor act.

(*iii*) Local bus new services.

(*iv*) Not less than $2,000,000.00 in each fiscal year for the credit program established under section 10*l*.

(*v*) Public transportation development.

(*vi*) Other public transportation programs approved by the commission.

(d) The unappropriated and unencumbered balance of the comprehensive transportation fund lapses at the end of each fiscal year and reverts to the comprehensive transportation fund for appropriation in the following fiscal year.

(5) Eligible authorities and eligible governmental agencies shall receive capital grants each fiscal year by the annual process described in this section. Amounts received by an eligible authority or eligible governmental agency pursuant to this subsection shall be expended by that authority or agency solely for capital projects that have been approved by the state transportation commission. Any funds approved by distribution to an eligible authority or eligible governmental agency pursuant to this section that have not been encumbered by that agency or authority for an approved capital project by the end of the following fiscal year in which the funds were approved shall not be expended by the authority or agency and be available for distribution from the comprehensive transportation fund for the purposes described in this section.

(6) The department, in carrying out the policy of the state transportation commission, shall annually prepare and distribute by December 1, instructions to eligible governmental agencies, eligible authorities, and intercity carriers to enable the preparation of a local transportation program. Eligible governmental agencies, eligible authorities, and intercity carriers shall give public notice of their intent to apply for money in the comprehensive transportation fund to the residents of the counties, townships, villages, and cities affected by the local transportation program and shall make their application available for a period of 30 days. All comments received by the eligible governmental agency, eligible authority, or intercity carrier shall be transmitted to the department.

(7) On or before March 1 of each year, each intercity carrier, eligible authority, and eligible governmental agency shall submit to the department its local transportation program for the next succeeding fiscal year. The format for each local transportation program shall be as prescribed by the federal transportation improvement program insofar as practical and shall include project descriptions, funding sources, and justification for each line item, and summary budgets based on distributions anticipated under subsection (4). The program shall contain at a minimum the contemplated routes, hours of service, estimated transit vehicle miles, costs of public transportation services, and projected capital improvements or projects as exclusively determined by the eligible authority or eligible governmental agency. The costs of service and capital improvements or projects shall be in sufficient detail to permit the department to evaluate and approve the annual public transportation program. Determination of individual projects to be included in the local transportation programs other than those provided in this subsection shall be made by the governing body of the eligible authority or eligible governmental agency.

(8) On or before March 1 of each year, the department shall prepare and file for public inspection and review the department transportation program. The department transportation program shall be prepared on similar format to the local transportation programs, and shall include a summary description of projects, with funding sources and project justifications for each line item for the fiscal year immediately succeeding the fiscal year in which the program is submitted. In addition, the department transportation program shall include summary, nondetailed budget and project descriptions and justifications excluding projects contained in a local transportation program.

(9) On or before April 1 of each year, the department shall prepare and file with the commission the proposed state transportation program for the next succeeding fiscal year. The proposed state transportation program shall contain the local transportation programs of each intercity carrier, eligible authority and eligible governmental agency, the department transportation program, and the programs for the expenditure of the state trunk line fund as they may have been supplemented, amended, or modified since their original filing. The state transportation program shall include the estimated amount of money in the funds described in this subsection by revenue source, project justifications, project descriptions funding sources, and budget summaries.

(10) On or before May 1 of each year, the state transportation commission shall act on the state transportation program for the fiscal year commencing on the following October 1. In considering approval of the proposed projects of each intercity carrier, eligible authority, or eligible governmental agency, other than projects that are to be funded pursuant to subsection (5), the state transportation commission shall consider whether the projects comply with state law, are within funds allocated in this section, whether they may be funded within the approved budgets, whether there are intercity carriers, eligible authorities, and eligible governmental agencies responsible to implement the projects, and the recommendations of the department on individual projects. Upon making those determinations, the state transportation commission shall approve the projects which best meet the criteria of this subsection.

(11) By October 1, the department and each intercity carrier, eligible authority, or eligible governmental agency shall enter into a contractual agreement or standardized grant memorandum of agreement, which may cover 1 or more projects to be made from this section in the applicable fiscal year to the intercity carrier, eligible authority, or eligible governmental agency from the comprehensive transportation fund.

(12) After a multiyear public transportation program is approved by the state transportation commission, the department may enter into a grant-in-aid instrument with an eligible authority, intercity carrier, or eligible governmental agency obligating the state to a minimum level of funding for approved projects to be available over the multiyear period of the program. This obligation shall be binding upon the department as long as the provisions and conditions of the state transportation commission approved program are carried out as agreed.

(13) Contracts and grant memorandum agreements may be audited by the state transportation commission's office of commission audits using rules promulgated by the United States general accounting office and the terms and conditions of the respective contracts and agreements. Third party agreements are subject to the review and approval of the department.

(14) Funds distributed by the department may pay 100% of the portion of the cost not eligible for reimbursement by the federal government for eligible capital projects authorized by the state transportation commission using comprehensive transportation funds or the proceeds of notes and bonds issued under section 18b. Priority for funding obligation shall be given to capital projects for which federal funds have been authorized.

(15) All approved local bus new services initiated by eligible authorities and eligible governmental agencies not in their fourth year or beyond of funding on October 1, 1988, shall be funded from subsection (4)(c)(*iii*). Local bus new services shall be funded under subsection (4)(c)(*iii*) in the following percentages of eligible operating expenses as determined by the department:

(a) Startup 100%.

(b) First year 90%.

(c) Second year 80%.

(d) Third year 70%.

(e) Fourth year and each year thereafter, as determined by and from funds provided under subsection (4)(a). The balance of eligible operating expenses shall be met from local revenue sources including farebox. The department shall pay up to 100% of eligible capital expenses during the startup and first 3 years of service, after the third year, the department shall participate in eligible capital expenses in the same percentage as for other eligible authorities and eligible governmental agencies. For the purposes of this subsection, eligible operating and capital expenses means those expenses determined by the department as applicable to existing eligible authorities and eligible governmental agencies. The department shall prioritize annually all requests for comprehensive transportation funds to institute new services under this subsection. First priority shall be given to eligible authorities and eligible governmental agencies who have not completed their first 3 years of service by October 1, 1998. New services initiated by eligible authorities and eligible governmental agencies under this subsection shall meet all of the requirements of section 10.

(16) The department shall pay up to 80% of the portion of the cost not eligible for reimbursement by the federal government for intercity passenger operating assistance projects authorized by the commission for the first 2 years of new services. For the third year, eligible costs shall be reimbursed at up to 60% of the portion of the cost not eligible for reimbursement by the federal government. After the third year, eligible costs shall be reimbursed at up to 50% of the portion of the cost not eligible for reimbursement by the federal government. Eligible costs of services provided as of September 30, 1981, shall be reimbursed at up to 50% of the portion of the cost not eligible for reimbursement by the federal government. However, the amount of funds from the comprehensive transportation fund when added to federal funds and local funds shall not exceed the total operating assistance project cost.

(17) A vehicle purchased, leased, or rented after November 15, 1976, by an eligible authority or eligible governmental agency with funds made available under this act and not already committed under a contract in existence on November 15, 1976, shall not be used to provide service on a fixed schedule and fixed route for which a passenger fee is charged unless the vehicle is accessible to a person using a wheelchair from a roadway level or curb level, and has accommodations in which 1 or more wheelchairs can be secured.

(18) A vehicle used to provide demand actuated service shall not be purchased, leased, or rented by an eligible authority or eligible governmental agency after October 1, 1978, with funds made available under this act unless the eligible authority or eligible governmental agency has submitted a plan to the department describing the service to be provided by the demand actuated service to persons 65 years of age or older and persons with disabilities within the applicable service area and that plan has been approved by the department. The department shall approve the plan as submitted or modified or shall reject the plan within 60 days after the plan is submitted. A plan that describes the service to be provided by the demand actuated service shall not be approved by the department unless that plan provides the following:

(a) That demand actuated service will be provided to persons 65 years of age or older and persons with disabilities residing in the entire service area subject to the plan.

(b) That as a minimum, demand actuated service will be provided to persons 65 years of age or older and persons with disabilities during the same hours as service is provided to all other persons in the service area subject to the plan.

(c) That the average time period required for demand actuated service to persons 65 years of age or older and persons with disabilities from the initiation of a service request to arrival at the destination is equal to the average time period required for demand actuated service provided to all other persons in the service area subject to the plan.

(d) That the eligible authority or eligible governmental agency submitting the plan has established a local advisory council with not less than 50% of its membership representing persons 65 years of age or older and persons with disabilities within the service area subject to the plan and that the local advisory council has had an opportunity to review and comment upon the plan before its submission to the department. Each eligible authority or eligible governmental agency jointly with the area agency on aging shall approve at least 1 or the equivalent of 12% of the membership of the local advisory council. Each advisory council comment shall be included in the plan when submitted to the department.

(19) Notwithstanding subsection (18), a plan required by subsection (18) that is not approved or rejected by the department within 60 days after submission shall be considered approved as submitted.

(20) Subsections (17), (18), and (19) shall not apply to vehicles or facilities used to transport persons by rail, air, or water or to vehicles of common carriers licensed by the department.

(21) After January 1, 1979, the department shall submit an annual report to the legislature detailing the service provided in the prior year for persons 65 years of age or older and persons with disabilities by fixed route service and demand actuated service. This report shall include a record of passenger usage and shall be submitted by April 1 of each year.

(22) Notwithstanding any other provision of this section, for each fiscal year that begins after September 30, 2009, the governor and the state budget director shall include in the annual budget submitted to the legislature for the ensuing fiscal period under section 18 of article V of the state constitution of 1963 an appropriation from a fund or funds other than the comprehensive transportation fund to a street railway organized under the nonprofit street railway act, 1867 PA 35, MCL 472.1 to 472.27, of a sum equal to the difference between the annual operating expenses of the street

railway and revenue received by the street railway during the same annual period, including, but not limited to, tax increment revenues received by the street railway under section 23 of the nonprofit street railway act, 1867 PA 35, MCL 472.23. The appropriation submitted in the budget under this section shall not exceed 8% of the total private investment in the street railway as determined by the department. A street railway is not an eligible authority or eligible governmental agency for purposes of subdivision (4)(a).

(23) For each eligible authority and each eligible governmental agency within a public transit region, a regional transit authority shall apply for, receive, and disburse funds under section 8 of the regional transit authority act.

Sec. 10h. (1) By May 1 of each year, the state transportation commission shall report to each member of the legislature, the governor, and the auditor general its recommendations for a transportation program that the state transportation commission acts on under section 10e(10). The report shall specify the following:

(a) The estimated amount of money in the comprehensive transportation fund to be distributed in the following fiscal year and the amount of money in the comprehensive transportation fund to be distributed to each eligible authority, each intercity carrier, each eligible governmental agency, and the department; the estimated amount of money in the state trunk line fund to be distributed to the department for the preservation, as defined in section 10c, of state trunk line highways; and the estimated amount of money in the state trunk line fund to be distributed to the department for all other purposes in the following fiscal year. The report shall further subdivide the money to be distributed to each eligible authority, each intercity carrier, each eligible governmental agency, the department from the comprehensive transportation fund, the department from the state trunk line fund for the preservation of state trunk line highways, and the department from the state trunk line fund for all other purposes specifying how much of that money is proposed to be expended for either capital acquisitions, including demonstration projects, or for operating expenses, including demonstration projects.

(b) An account of all expenditures of funds distributed from the state trunk line fund and the comprehensive transportation fund to the department, eligible authorities, intercity carriers, and eligible governmental agencies, and the progress made by the department, eligible authorities, intercity carriers, and eligible governmental agencies in carrying out the approved transportation programs in the preceding fiscal year through the use of those funds. The progress report shall be made based on information supplied to the department on forms authorized by the federal department of transportation. For those eligible authorities, intercity carriers, and eligible governmental agencies not receiving federal funds pursuant to the urban mass transportation act of 1964, Public Law 88-365, the progress report shall be made upon forms supplied by the department. The progress report shall also contain the whole amount of the expenses of the department for the fiscal year.

(c) Each project certified to be eligible for a multiyear funding commitment.

(d) The status of all multiyear funding commitments.

(e) An account of the department's compliance in the preceding year with the requirements of section 11(2) and (3). The report shall also specify the justification for a waiver of the requirement of section 11(3), if that requirement was waived.

(2) The financial transactions and accounts related to distributions made from the comprehensive transportation fund to an eligible authority shall be audited pursuant to the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, or the regional transit authority act, whichever applies. The cost of the audit shall be paid by the eligible authority. The financial transactions and accounts related to distributions made from the fund to an eligible governmental agency, other than a county, shall be audited in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a. The financial transactions and accounts related to distributions made from the fund to a county that is an eligible governmental agency shall be audited in accordance with 1919 PA 71, MCL 21.41 to 21.55. The financial transactions and accounts relative to distributions made to an intercity carrier shall be audited by an independent certified public accountant in accordance with instructions promulgated by the department of treasury. A copy of the complete audit report and management letter shall be submitted by the eligible authority, intercity carrier, or eligible governmental agency to the department. The department of treasury shall develop minimum audit standards and requirements.

(3) There is hereby established a task force composed of the Michigan public transit association, the Michigan motorbus association, the Michigan rail users and supporters association, the Michigan railroad association, a representative of a state-owned or leased short line railroad, and the office of auditor general or a certified public accountant appointed by the auditor general, to assist the department in the development of the progress report requirements outlined in subsection (1)(b).

Sec. 10*l*. (1) Subject to subsections (2) and (3), for each 12-month period beginning October 1, 1987, and each 12-month period thereafter, $2,000,000.00 shall be returned from the distribution under section 10e(4)(a) by each eligible authority organized or continued under the regional transit authority act as a credit to those cities, villages, and townships within the authority that receive credits under this section or that are eligible to receive credits as of October 1, 2001 if the city, village, or township applies to the authority for the credit in accordance with procedures and

standards established by the authority. The return of money in terms of a credit shall be based upon the population of each city, village, or township within the authority.

(2) For each 12-month period described in subsection (1), a city, village, or township described in subsection (1) may apply to the authority to use its credit for public transportation purposes within the authority's jurisdiction. However, the money returned as a credit to any city, village, or township that provides public transportation service for that city, village, or township shall be used exclusively toward reducing the operating deficit of that service. Any service provided by the city, township, or village utilizing the credit received under this section shall be operated by the authority returning the money in terms of a credit on a contractual basis with each city, village, or township or with a combination of cities, villages, and townships. If a city, township, or village has not applied to the authority to utilize its credit pursuant to this subsection by the last day of the 12-month period, that municipality's share of the money credited pursuant to subsection (1) shall be used by the authority for an expenditure within the county within which the city, village, or township lies.

(3) A city, village, or township that has applied for and received approval from the authority for use of its credit pursuant to subsection (2) shall have 1 year after the end of the period in which the application was made to actually expend that credit. A credit not actually expended by the city, village, or township by the last day of the year after the end of the period in which the application was made shall be used by the authority for an expenditure within the county within which the city, village, or township lies.

(4) Notwithstanding any other section of this or any other act, each authority authorized by this section to return money in terms of a credit shall have the final decision as to what constitutes a proper expenditure, a public transportation service, or a public transportation purpose under subsections (2) and (3).

(5) The expenditure of the amounts required to be expended under subsections (2) and (3) shall not be conditioned on an expenditure by a county in which the expenditure is required to be expended.

(6) An authority shall retain the ability to coordinate services between contracting cities, villages, and townships or groups of cities, villages, or townships.

(7) As used in this section, "operating deficit" means the operating cost of a public transportation service less the revenues generated by the service.

Sec. 10n. (1) Funds from the comprehensive transportation fund may be distributed to a trustee, or to the Michigan municipal bond authority as created under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, that is authorized to receive the funds under a borrowing resolution adopted by an eligible authority. The issuance of the notes of an eligible authority in anticipation of payment of proceeds from the comprehensive transportation fund shall be authorized by a borrowing resolution of the eligible authority under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, or a regional transit authority under the regional transit authority act. The issuance of the notes under this section is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and shall be subject to the prior approval of the state transportation commission. Failure of the commission to take action within 35 days after receipt of notification from the eligible authority of intent to issue the notes, constitutes approval by the state transportation commission. The eligible authority may only issue the notes in anticipation of funds to be received during its current fiscal year at any time before the eligible authority's receipt of the funds from the comprehensive transportation fund. The principal amount of notes for which the funds to be received from the comprehensive transportation fund are pledged shall not exceed 85% of the amount remaining to be received by the eligible authority from the comprehensive transportation fund in the current fiscal year. The pledge of 100% of the funds the eligible authority expects to receive from the comprehensive transportation fund shall be secured by a direct transfer of the pledge funds from the comprehensive transportation fund to the trustee or the Michigan municipal bond authority that is authorized to receive the funds by the borrowing resolution adopted by the eligible authority. The notes of the eligible authority shall not be in any way a debt or a liability of this state and shall not create or constitute any indebtedness, liability, or obligations of this state or be or constitute a pledge of the full faith and credit of this state. Each note shall contain on its face a statement to the effect that the eligible authority is obligated to pay the principal of and the interest on the note only from funds of or due to the eligible authority and that this state is not obligated to pay that principal or interest and that neither the faith in credit nor the taxing power of this state is pledged to the payment of the principal of or the interest on the note. The notes shall mature not more than 13 months from the date of issuance, shall bear interest at a fixed or variable rate or rates of interest per annum, and, in addition to other security required by this section, may be secured by letter or line of credit issued by a financial institution or as provided in the borrowing resolution.

(2) The issuance of notes under this section is subject to the agency financing reporting act, 2002 PA 470, MCL 129.171 to 129.177.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 909 of the 96th Legislature is enacted into law.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Gary E. Randall

Clerk of the House of Representatives

Approved .....

.....

Governor

# LOBBYISTS, LOBBYING AGENTS, AND LOBBYING ACTIVITIES

## Act 472 of 1978

AN ACT to regulate political activity; to regulate lobbyists, lobbyist agents, and lobbying activities; to require registration of lobbyists and lobbyist agents; to require the filing of reports; to prescribe the powers and duties of the department of state; to prescribe penalties; and to repeal certain acts and parts of acts.

**History:** 1978, Act 472, Imd. Eff. Oct. 19, 1978
**Popular Name:** Lobby Act

*The People of the State of Michigan enact:*

| Document | Type | Description |
|---|---|---|
| Section 4.411 | Section | Meanings of words and phrases. |
| Section 4.412 | Section | Definitions generally. |
| Section 4.413 | Section | Additional definitions. |
| Section 4.414 | Section | Additional definitions. |
| Section 4.415 | Section | Additional definitions. |
| Section 4.416 | Section | Additional definitions. |
| Section 4.416a | Section | Resignation from office; lobbying during remainder of term; violation as misdemeanor; penalty. |
| Section 4.417 | Section | Registration forms; filing; contents; failure to register; late registration fee; penalty; notice of termination. |
| Section 4.418 | Section | Signed report; filing; form; extension; filing amended report; contents of report; reporting expenditures for food and beverage; failure to report; late filing fee; penalty; reporting activities of employee lobbyist agent; report to elected public official; preservation and destruction of statements and reports. |
| Section 4.419 | Section | Preservation of accounts, bills, receipts, books, papers, and documents; inspection of records; contents of records; violation; penalty. |
| Section 4.420 | Section | Accounting of lobbying and expenditures; waiver; violation; penalty. |
| Section 4.421 | Section | Employment of lobbyist agent for compensation contingent on outcome of administrative or legislative action; gifts, loans, or preferential interest rates; selling or utilizing certain information for commercial purpose; compensation or reimbursement of public official engaging in lobbying; violations; penalties. |
| Section 4.422 | Section | Summaries of statements and reports. |
| Section 4.423 | Section | Statement or report; determination of filing; deadline for filing; notice of error or omission; notice of failure to file; failure to give notice; making corrections; reporting errors, omissions, or failure |

(3) "Business with which the individual is associated" means a business in which any of the following applies:
(a) The individual is a partner, director, officer, or employer.
(b) A member of the individual's immediate family is a partner, director, officer, or employer.
(c) The individual or a member of the individual's immediate family is a stockholder of close corporation stock worth $1,000.00 or more at fair market value or which represents more than 5% equity interest, or is a stockholder of publicly traded stock worth $10,000.00 or more at fair market value or which represents more than 10% equity interest. This subdivision does not apply to publicly traded stock under a trading account if the filer reports the name and address of the stockbroker.
(4) "Compensation" means anything of monetary value received or to be received from a person, whether in the form of a fee, salary, forbearance, forgiveness, or another form of recompense.

**History:** 1978, Act 472, Imd. Eff. Oct. 19, 1978
**Popular Name:** Lobby Act

**4.413 Additional definitions.**
Sec. 3.
(1) "Department" means the department of state.
(2) "Expenditure" means an advance, compensation for labor, honorarium, conveyance, deposit, distribution, transfer of funds, loan, payment, pledge, or subscription of money or anything of value including a contract, agreement, promise, or other obligation, whether or not legally enforceable, to make an expenditure. Expenditure does not include the payment of a membership fee otherwise reported pursuant to section 8(1)(d) or the cost of travel to visit and return from visiting a public official for the purpose of communicating with the public official.
(3) "Financial transaction" means a loan, purchase, sale, or other type of transfer or exchange of money, goods, other property, or services for value.

**History:** 1978, Act 472, Imd. Eff. Oct. 19, 1978
**Popular Name:** Lobby Act

**4.414 Additional definitions.**
Sec. 4.
(1) "Gift" means a payment, advance, forbearance, or the rendering or deposit of money, services, or anything of value, the value of which exceeds $25.00, as adjusted under section 19a, in any 1-month period, unless consideration of equal or greater value is received therefor. Gift includes a payment, advance, forbearance, or the rendering or deposit of money, services, or anything of value to aid the defense of an official in the legislative branch or an official in the executive branch against a legal action not directly related to the governmental duties of the official. Gift does not include the following:
(a) A campaign contribution otherwise reported as required by the Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282.
(b) A loan made in the normal course of business by an institution as defined in chapter 1 of the banking code of 1999, 1999 PA 276, MCL 487.11101 to 487.11203, a national bank, a branch bank, an insurance company issuing a loan or receiving a mortgage in the normal course of business, a premium finance company, a mortgage company, a small loan company, a state or federal credit union, a savings and loan association chartered by this state or the federal government, or a licensee as defined by the motor vehicle sales finance act, 1950 (Ex Sess) PA 27, MCL 492.101 to 492.141.

(b) For purposes of section 8(1)(b)(i) and 9(1)(b), a member of the lobbyist or employee of a member of the lobbyist, when the lobbyist is a membership organization or association, and when the lobbyist agent or an employee of the lobbyist or lobbyist agent is present during any part of the period during which the purchased food or beverage is consumed.
(c) A person who is reimbursed by the lobbyist or lobbyist agent for an expenditure, other than an expenditure for food or beverage, which was incurred for the purpose of lobbying.
(7) Lobbyist or lobbyist agent does not include:
(a) A publisher, owner, or working member of the press, radio, or television while disseminating news or editorial comment to the general public in the ordinary course of business.
(b) All elected or appointed public officials of state or local government who are acting in the course or scope of the office for no compensation, other than that provided by law for the office.
(c) For the purposes of this act, subdivision (b) shall not include:
(i) Employees of public or private colleges, community colleges, junior colleges or universities.
(ii) Employees of townships, villages, cities, counties or school boards.
(iii) Employees of state executive departments.
(iv) Employees of the judicial branch of government.
(d) A member of a lobbyist, if the lobbyist is a membership organization or association, and if the member of a lobbyist does not separately qualify as a lobbyist under subsection (4).
(8) "Mass mailing" means not less than 1,000 pieces of substantially similar material mailed within a 7-day period.
(9) "Official in the executive branch" means the governor, lieutenant governor, secretary of state, attorney general; or an individual who is in the executive branch of state government and not under civil service; a classified director, chief deputy director, or deputy director of a state department. This includes an individual who is elected or appointed and has not yet taken, or an individual who is nominated for appointment to, any of the offices or agencies enumerated in this subsection. An official in the executive branch does not include a person serving in a clerical, nonpolicy-making, or nonadministrative capacity. In addition to all of the foregoing, an official in the executive branch includes all of the following:
(a) In the executive office of the governor, the chief and deputy chief of staff, press secretary, director of job training, and director of personnel.
(b) In the department of agriculture, the racing commissioner and a member of the agriculture commission.
(c) In the department of civil rights, a member of the civil rights commission.
(d) In the department of civil service, a member of the civil service commission.
(e) In the department of commerce, the commissioner of financial institutions, the executive director of the housing development authority, and a member of the liquor control commission, strategic fund board, state housing development authority, travel commission, or public service commission.
(f) In the department of education, a member of the state board of education, higher education facilities commission, higher education facilities authority, higher education assistance authority, higher education student loan authority, or state tenure commission.
(g) In the department of labor, the director of the bureau of workers' disability compensation, the director of the employment security commission, and a member of the construction code commission, employment relations commission, employment security board of review, employment security commission, or wage deviation board.
(h) In the department of licensing and regulation, the state insurance commissioner.
(i) In the department of management and budget, the lottery commissioner, the director of the office of services to the aging, the director of the office of state employer, the chairperson of the crime victims compensation board, and a member of the council for the

**History:** Add. 1994, Act 383, Eff. Jan. 1, 1995
**Popular Name:** Lobby Act

**4.417 Registration forms; filing; contents; failure to register; late registration fee; penalty; notice of termination.**

Sec. 7.

(1) Not later than 15 days after becoming a lobbyist, a lobbyist shall file a registration form with the secretary of state. The registration shall contain the following information:

(a) The name and office address of the lobbyist.

(b) The name and address of each person employed, reimbursed for expenses which exceed $10.00, or compensated by the lobbyist for lobbying in this state.

(c) The name, address and nature of business of a person who gives compensation to or reimburses the lobbyist or the representative of a lobbyist for lobbying.

(d) The fiscal year of the lobbyist.

(2) Not later than 3 days after becoming a lobbyist agent, a lobbyist agent shall file a registration form with the secretary of state. The registration form shall contain the following information:

(a) The name and office address of the lobbyist agent, if the lobbyist agent is not an individual.

(b) The name, permanent residence address, and office address of the lobbyist agent, if the lobbyist agent is an individual.

(c) The name and address of each person employed, reimbursed for expenses which exceed $10.00, or compensated by the lobbyist agent for lobbying in this state.

(d) The name, address, and nature of business of a person who gives compensation to or reimburses the lobbyist agent or the representative of a lobbyist agent for lobbying.

(3) A person who fails to register under subsection (1) or (2), shall pay a late registration fee of $10.00 for each day the person remains not registered in violation of subsection (1) or (2), not to exceed $300.00. A person who is in violation by failing to register as required by this section more than 30 days is guilty of a misdemeanor, and shall be fined not more than $1,000.00.

(4) A lobbyist shall file a notice of termination with the secretary of state within 30 days after ceasing lobbying, but this will not relieve the lobbyist of the reporting requirements of this section for that reporting period. A lobbyist agent shall file a notice of termination with the secretary of state within 30 days after ceasing to lobby for a lobbyist.

**History:** 1978, Act 472, Eff. June 16, 1981
**Constitutionality:** In Pletz v Secretary of State, 125 Mich App 335; 336 NW2d 789 (1983), the Michigan Court of Appeals upheld all portions of 1978 PA 472 from facial attack except for "the disclosure requirements contained in MCL 7(1)(c) and 7(2)(d) and except for failure to provide an exemption for religious institutions." Further, the Court of Appeals held that "the parts of the statute held to be invalid, namely MCL 7(1)(c), which requires registrants to disclose the identities of persons who contribute to their lobbying organizations, and MCL 7(2)(d), which imposes similar disclosure duties upon lobbyist agents, may be severed and separated from 1978 PA 472 because the remainder is consistent with the aim of the Legislature to regulate lobbyists, lobbyist agents, and lobbying activities." Leave to appeal and cross-appeal denied September 21, 1983. Pletz v Secretary of State, 417 Mich 1100.20 (1983).
**Popular Name:** Lobby Act

reported. The lobbyist or lobbyist agent shall send, simultaneously with the filing of the report to the secretary of state, a copy of the document to the affected legislator.
(2) Expenditures for food and beverage provided a public official shall be reported if the expenditures for that public official exceed $25.00 in any month covered by the report or $150.00 during that calendar year from January 1 through the month covered by the report. The report shall include the name and title or office of the public official and the expenditures on that public official for the months covered by the report and for the year. If more than 1 public official is provided food and beverage and a single check is rendered, the report may reflect the average amount of the check for each public official. If the expenditures are a result of an event at which more than 25 public officials were in attendance, are a result of an event to which an entire standing committee of the legislature was invited in writing to be informed concerning a bill that was assigned to that standing committee, or are a result of an event to which an entire caucus of either house of the legislature was invited in writing, a lobbyist or a lobbyist agent shall report the total amount expended on the public officials in attendance for food and beverage and is not required to report the amount expended on the public officials individually. In reporting those amounts, the lobbyist or lobbyist agent shall file a statement providing a description by category of the persons in attendance and the nature of each event or function held during the preceding reporting period.
(3) A person who, without good cause, fails to report under subsection (1) shall pay a late filing fee of $10.00 for each day the report remains not filed in violation of subsection (1), not to exceed $300.00. A person who without good cause is in violation of subsection (1) more than 30 days is guilty of a misdemeanor, punishable by a fine of not more than $1,000.00.
(4) If a lobbyist agent employs another lobbyist agent to engage in lobbying, the activities of the employee lobbyist agent shall be reported by the employer lobbyist agent under this section.
(5) Within a reasonable time after receipt of a request from an elected public official in regard to a report of a lobbyist or a lobbyist agent, the secretary of state shall report to the elected public official on any reported activity by the lobbyist or lobbyist agent in that report, and shall notify the elected public official of the specific occurrence and the specific nature of the reported activity.
(6) The secretary of state shall preserve statements and reports filed under this act for 5 years after filing. The statements and reports may be reproduced pursuant to the records media act. After the required preservation period, the statements and reports, or the reproductions of the statements and reports, other than those necessary to complete an investigation by the attorney general or pertinent to a matter being adjudicated in a court of law, shall be destroyed.

**History:** 1978, Act 472, Eff. June 16, 1981 ;-- Am. 1986, Act 83, Imd. Eff. Apr. 15, 1986 ;-- Am. 1992, Act 189, Imd. Eff. Oct. 5, 1992 ;-- Am. 1994, Act 412, Eff. Jan. 1, 1995
**Popular Name:** Lobby Act

**4.419 Preservation of accounts, bills, receipts, books, papers, and documents; inspection of records; contents of records; violation; penalty.**
Sec. 9.
(1) A lobbyist or a lobbyist agent acting on behalf of the lobbyist, and a lobbyist agent acting on his or her own behalf, shall obtain and preserve all accounts, bills, receipts, books, papers, and documents necessary to substantiate the reports required to be made pursuant to section 8 for 5 years after the report containing those items is filed. These records shall be made available for inspection upon request by the secretary of state after reasonable notice. The records shall include the following:

chartered by this state or the federal government, or a licensee as defined by Act No. 27 of the Public Acts of the Extra Session of 1950 , as amended. For the purpose of this section, a preferential interest rate shall not be given solely on the basis of the credit applicant being a public official or a member of the public official's immediate family. A person who gives a gift in violation of this subsection is guilty of a misdemeanor if the value of the gift is $3,000.00 or less, and shall be punished by a fine of not more than $5,000.00, or imprisoned for not more than 90 days, or both, and if the person is other than an individual the person shall be fined not more than $10,000.00. A person who knowingly gives a gift in violation of this subsection and the value of the gift is more than $3,000.00 is guilty of a felony and if the person is an individual shall be punished by a fine of not more than $10,000.00, or imprisoned for not more than 3 years, or both, and if the person is other than an individual shall be punished by a fine of not more than $25,000.00.
(3) Information copied from registration forms or activity reports required by this act or from lists compiled from the forms or reports may not be sold or utilized by any person for any commercial purpose. A person who violates this subsection is subject to a civil penalty of not more than $1,000.00.
(4) A public official, other than an individual who is appointed or elected to a board or commission and is not an ex officio member or prohibited by law from having other employment, shall not accept compensation or reimbursement, other than from the state, for personally engaging in lobbying. A person who violates this subsection is guilty of a misdemeanor and shall be punished by a fine of not more than $1,000.00, or imprisoned for not more than 90 days, or both.

**History:** 1978, Act 472, Eff. June 16, 1981
**Popular Name:** Lobby Act

**4.422 Summaries of statements and reports.**
Sec. 12.
The department 2 times a year and annually shall prepare and publish summaries of the statements and reports received. The summaries shall include a list of the names of the lobbyists and lobbyist agents. The summaries shall be given wide public dissemination.

**History:** 1978, Act 472, Eff. June 16, 1981
**Popular Name:** Lobby Act

**4.423 Statement or report; determination of filing; deadline for filing; notice of error or omission; notice of failure to file; failure to give notice; making corrections; reporting errors, omissions, or failure to file; copy; investigations and hearings.**
Sec. 13.
(1) The secretary of state shall determine whether a statement or report, which is required to be filed under this act, is in fact filed.
(2) A statement or report required to be filed under this act shall be filed not later than 4 p.m. of the day on which it is required to be filed. A statement or report which is postmarked by certified mail not less than 2 days before the deadline for filing shall be considered filed within the prescribed time regardless of when it is actually delivered.
(3) Within 10 days after the deadline for filing a statement or report under this act, the secretary of state shall give notice to the filer by certified mail of an error or omission in the statement or report and shall give notice to a person whom the secretary of state finds probable cause exists that a person is required to file, but who has failed to file, a statement or report. A failure to give notice by the secretary of state under this section is not a defense to a criminal action against the person required to file.

**4.426 Rules.**
Sec. 16.
The secretary of state shall promulgate rules and issue declaratory rules to implement this act pursuant to Act No. 306 of the Public Acts of 1969, as amended.

**History:** 1978, Act 472, Imd. Eff. Oct. 19, 1978
**Popular Name:** Lobby Act
**Admin Rule:** R 4.411 et seq. of the Michigan Administrative Code.

**4.427 Civil action; criminal prosecution.**
Sec. 17.
The attorney general upon investigation and determination that this act or a rule promulgated under this act was violated, shall do either of the following:
(a) Initiate a civil action to enforce this act.
(b) Begin criminal prosecution for the imposition of criminal penalties provided by this act in the judicial district in which the alleged violation occurred.

**History:** 1978, Act 472, Imd. Eff. Oct. 19, 1978
**Popular Name:** Lobby Act
**Admin Rule:** R 4.411 et seq. of the Michigan Administrative Code.

**4.428 Severability.**
Sec. 18.
If any portion of this act or the application of this act to any person or circumstances is found to be invalid by a court, the invalidity shall not affect the remaining portions or applications of this act which can be given effect without the invalid portion or application, if the remaining portions are not determined by the court to be inoperable.

**History:** 1978, Act 472, Imd. Eff. Oct. 19, 1978
**Popular Name:** Lobby Act

**4.429 Declaratory ruling or interpretive statement.**
Sec. 19.
(1) A declaratory ruling shall be issued by the secretary of state under this section only if the person requesting the ruling has provided a reasonably complete statement of facts necessary for the ruling or if the person requesting the ruling has, with the permission of the secretary of state, supplied supplemental facts necessary for the ruling. A request for a declaratory ruling that is submitted to the secretary of state shall be made available for public inspection within 48 hours after its receipt. An interested person may submit written comments regarding the request to the secretary of state within 10 business days after the date the request is made available to the public. Within 45 business days after receiving a declaratory ruling request, the secretary of state shall make a proposed response available to the public. An interested person may submit written comments regarding the proposed response to the secretary of state within 5 business days after the date the proposal is made available to the public. Except as otherwise provided in this section, the secretary of state shall issue a declaratory ruling within 60 business days after a request for a declaratory ruling is received. If the secretary of state refuses to issue a declaratory ruling, the secretary of state shall notify the person making the request of the reasons for the refusal and shall issue an interpretive statement providing an informational response to the question presented within the same time limitation applicable to a declaratory ruling. A declaratory ruling or interpretive statement issued under this section shall not state a general rule of law, other than that which is stated in this act, until the general rule of law is

**History:** Add. 1986, Act 83, Imd. Eff. Apr. 15, 1986
**Popular Name:** Lobby Act

**4.430 Effective date of MCL 4.417, 4.418, 4.419, 4.420, 4.421, 4.422, 4.423, and 4.431.**
Sec. 20.
Sections 7, 8, 9, 10, 11, 12, 13 and 21 shall not take effect until April 1, 1979, or before 6 months after the promulgation of a rule, as defined in section 5(6) of Act No. 306 of the Public Acts of 1969, being section 24.205 of the Michigan Compiled Laws, pursuant to section 16 of this act, whichever occurs later.

**History:** 1978, Act 472, Imd. Eff. Oct. 19, 1978
**Compiler's Notes:** The Secretary of State promulgated rules entitled "Lobbyist Registration and Reporting," being R 4.411 et seq. of the Michigan Administrative Code, on December 16, 1980.
**Popular Name:** Lobby Act

**4.431 Repeal of MCL 4.401 to 4.410.**
Sec. 21.
Act No. 214 of the Public Acts of 1947, being sections 4.401 to 4.410 of the Compiled Laws of 1970, is repealed.

**History:** 1978, Act 472, Eff. June 16, 1981
**Popular Name:** Lobby Act

**History:** 1978, Act 566, Imd. Eff. Dec. 29, 1978

**15.182 Holding incompatible offices.**

Sec. 2.

(1) Except as provided in section 3, a public officer or public employee shall not hold 2 or more incompatible offices at the same time.

**15.183 Public employment or holding of public offices; scope of MCL 15.182.**

Sec. 3.

(1) Section 2 does not prohibit a public officer's or public employee's appointment or election to, or membership on, a governing board of an institution of higher education. However, a public officer or public employee shall not be a member of governing boards of more than 1 institution of higher education simultaneously, and a public officer or public employee shall not be an employee and member of a governing board of an institution of higher education simultaneously.

(2) Section 2 does not prohibit a member of a school board of 1 school district from being a superintendent of another school district.

(3) Section 2 does not prohibit a public officer or public employee of a city, village, township, school district, community college district, or county from being appointed to and serving as a member of the board of a tax increment finance authority under the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; a downtown development authority under 1975 PA 197, MCL 125.1651 to 125.1681; a local development finance authority under the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174; a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672; a housing commission created under 1933 (Ex Sess) PA 18, MCL 125.651 to 125.709c; a neighborhood improvement authority under the neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to 125.2932; a water resource improvement tax increment finance authority under the water resource improvement tax increment finance authority act, 2008 PA 94, MCL 125.1771 to 125.1794; a historical neighborhood tax increment finance authority under the historical neighborhood tax increment finance authority act, 2004 PA 530, MCL 125.2841 to 125.2866; a member of a board of a principal shopping district or a member of a board of directors of a business improvement zone under 1961 PA 120, MCL 125.981 to 125.990m; an officer of a metropolitan district under the metropolitan district act, 1929 PA 312, MCL 119.1 to 119.18; a member of a board of directors of a land bank fast track authority under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774; or a corridor improvement authority under the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(4) Section 2 does not do any of the following:

(a) Prohibit public officers or public employees of a city, village, township, or county having a population of less than 25,000 from serving, with or without compensation, as emergency medical services personnel as defined in section 20904 of the public health code, 1978 PA 368, MCL 333.20904.

(b) Prohibit public officers or public employees of a city, village, township, or county having a population of less than 25,000 from serving, with or without compensation, as a firefighter in that city, village, township, or county if that firefighter is not any of the following:

(i) A full-time firefighter.

(ii) A fire chief.

(iii) A person who negotiates with the city, village, township, or county on behalf of the firefighters.

(c) Limit the authority of the governing body of a city, village, township, or county having a population of less than 25,000 to authorize a public officer or public employee to perform, with or without compensation, other additional services for the unit of local government.

Jan. 4, 2010 ;-- Am. 2011, Act 104, Imd. Eff. July 19, 2011 ;-- Am. 2011, Act 122, Imd. Eff. July 20, 2011 ;-- Am. 2011, Act 196, Imd. Eff. Oct. 18, 2011

**15.184 Injunction or other judicial relief or remedy.**

Sec. 4.

The attorney general or a prosecuting attorney may apply to the circuit court for Ingham county or to the circuit court for the county in which the alleged act or practice in violation of this act is alleged to have occurred or in which a party to the alleged violative act or practice resides, for injunctive or other appropriate judicial relief or remedy. However, this act shall not create a private cause of action.

**History:** 1978, Act 566, Imd. Eff. Dec. 29, 1978

**15.185 Action of public officer or employee; validity; judicial relief or remedy.**

Sec. 5.

An action of a public officer or public employee shall not be absolutely void by reason of this act. An action of a public officer or public employee shall be voidable only by discretionary action of a court of competent jurisdiction, as prescribed in section 4. However, any judicial relief or judicial remedy shall operate prospectively only.

**History:** 1978, Act 566, Imd. Eff. Dec. 29, 1978

**15.302 Direct or indirect interest in state contracts prohibited.**
Sec. 2.
No member of the legislature, herein referred to as a "legislator", nor any state officer shall be interested directly or indirectly in any contract with the state or any political subdivision thereof which shall cause a substantial conflict of interest.

**History:** 1968, Act 318, Eff. Sept. 1, 1968
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.303 Definitions.**
Sec. 3.
As used in this act:
(a) The term "state officer" means only a person occupying one of the following offices established by the constitution: governor; lieutenant governor; secretary of state; state treasurer; attorney general; auditor general; superintendent of public instruction; member of the state board of education; regent of the university of Michigan; trustee of Michigan State University; governor of Wayne State University; member of a board of control of one of the other institutions of higher education named in section 4 of article 8 of the constitution or established by law as therein provided; president of each of the foregoing universities and institutions of higher learning; member of the state board for public community and junior colleges; member of the supreme court; member of the court of appeals; member of the state highway commission; director of the state highway commission; member of the liquor control commission; member of the board of state canvassers; member of the commission on legislative apportionment; member of the civil service commission; state personnel director; or member of the civil rights commission; together with his principal deputy who by law under specified circumstances, may exercise independently some or all of the sovereign powers of his principal whenever the deputy is actually exercising such powers.
(b) "Political subdivision" includes all public bodies corporate within but not including the state, including all agencies thereof or any non-incorporated body within the state of whatever nature, including all agencies thereof.

**History:** 1968, Act 318, Eff. Sept. 1, 1968
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.304a Contract arising from status of being both student and member of governing board.**

Sec. 4a.

In addition to the cases set forth in section 4, there shall not be deemed to be a conflict of interest with respect to a contract arising out of the status of being a student at an institution of higher education granting baccalaureate degrees or an institution established pursuant to section 7 of article 8 of the state constitution of 1963 where the student is elected or appointed to the governing board of the institution of higher education.

**History:** Add. 1974, Act 317, Imd. Eff. Dec. 15, 1974 ;-- Am. 1976, Act 423, Imd. Eff. Jan. 11, 1977

**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.305 Voidability of contracts; procedure; knowledge; limitation on actions; reimbursement; amicable settlement; evidences of indebtedness.**

Sec. 5.

(1) This act, following the evident intent of section 10 of article 4 of the constitution, is aimed to prevent legislators and state officers from engaging in certain activities under circumstances creating a substantial conflict of interest and is not intended to penalize innocent persons. Therefore, no contract shall be absolutely void by reason of this act or the constitutional provision which it implements. Contracts involving a prohibited conflict of interest under this act and said constitutional provision shall be voidable only by decree of a court of proper jurisdiction in an action by the state or a political subdivision which is a party thereto, as to any person, firm, corporation or trust that entered into said contract or took any assignment thereof, with actual knowledge of such prohibited conflict. In the case of a corporation, the actual knowledge must be that of a person or body finally approving the contract for the corporation. All actions to avoid any contract hereunder shall be brought within 1 year after discovery of circumstances suggesting the existence of a violation of the constitutional provision as implemented by this act. In order to meet the ends of justice any such decree shall provide for the reimbursement of any person, firm, corporation or trust for the reasonable value of all moneys, goods, materials, labor or services furnished under the contract, to the extent that the state or political subdivision has benefited thereby. This provision shall not prohibit the parties from arriving at an amicable settlement.

(2) Negotiable and nonnegotiable bonds, notes or evidences of indebtedness, whether heretofore or hereafter issued, in the hands of purchasers for value, shall not be void or voidable by reason of this act or of the constitutional provision which it implements or of any previous statute, charter or rule of law.

**History:** 1968, Act 318, Eff. Sept. 1, 1968

**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.308 Conflicts of interest; state officers, violations.**
Sec. 8.
Any state officer willfully violating the provisions of this act shall be subject to appropriate disciplinary action by the governor if he is an administrative officer of the state or if he be a judicial officer of the state, then by the governor on a concurrent resolution adopted by 2/3 of the members elected to and serving in each house of the legislature.

**History:** 1968, Act 318, Eff. Sept. 1, 1968
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.309 Conflicts of interest; controlling law.**
Sec. 9.
All acts and parts of acts in conflict herewith are hereby repealed, it being the intention hereof that the provisions of said section 10 of article 4 of the constitution as implemented by this act, shall constitute the sole law in respect to conflicts of interest involving legislators and state officers in contracts with the state or its political subdivisions.

**History:** 1968, Act 318, Eff. Sept. 1, 1968
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.310 Effective date.**
Section 10.
This act shall take effect September 1, 1968.

**History:** 1968, Act 318, Eff. Sept. 1, 1968
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.322 Public servant; soliciting, negotiating, renegotiating, approving, or representing a party to a contract with public entity prohibited.**

Sec. 2.

(1) Except as provided in sections 3 and 3a, a public servant shall not be a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or she is an officer or employee.

(2) Except as provided in section 3, a public servant shall not directly or indirectly solicit any contract between the public entity of which he or she is an officer or employee and any of the following:

(a) Him or herself.

(b) Any firm, meaning a co-partnership or other unincorporated association, of which he or she is a partner, member, or employee.

(c) Any private corporation in which he or she is a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of $25,000.00 if the stock is listed on a stock exchange or of which he or she is a director, officer, or employee.

(d) Any trust of which he or she is a beneficiary or trustee.

(3) In regard to a contract described in subsection (2), a public servant shall not do either of the following:

(a) Take any part in the negotiations for such a contract or the renegotiation or amendment of the contract, or in the approval of the contract.

(b) Represent either party in the transaction.

**History:** 1968, Act 317, Eff. Sept. 1, 1968 ;-- Am. 1992, Act 9, Imd. Eff. Mar. 10, 1992
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.323 Applicability of MCL 15.322 to public servants; requirements of contract; making or participating in governmental decision; counting members for purposes of quorum; voting; affidavit; "governmental decision" defined.**

Sec. 3.

(1) Section 2 does not apply to either of the following:

(a) A public servant who is paid for working an average of 25 hours per week or less for a public entity.

(b) A public servant who is an employee of a public community college, junior college, or state college or university.

(2) A contract as defined in and limited by section 2 involving a public entity and a public servant described in subsection (1) shall meet all of the following requirements:

(a) The public servant promptly discloses any pecuniary interest in the contract to the official body that has power to approve the contract, which disclosure shall be made a matter of record in its official proceedings. Unless the public servant making the disclosure will directly benefit from the contract in an amount less than $250.00 and less than 5% of the public cost of the contract and the public servant files a sworn affidavit to that effect with the official body or the contract is for emergency repairs or services, the disclosure shall be made in either of the following manners:

(iii) A person who negotiates with the city, village, township, or county on behalf of the firefighters.
(c) Limit the authority of the governing body of a city, village, township, or county with a population of less than 25,000 to authorize a public servant to perform, with or without compensation, other additional services for the unit of local government.
(d) Prohibit public servants of this state from purchasing at a tax sale lands returned as delinquent for taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, unless otherwise prohibited by the rules of the Michigan civil service commission or the department or agency of which that public servant is an employee.
(e) Prohibit a superintendent of an intermediate school district from serving simultaneously as superintendent of a local school district, or prohibit an intermediate school district from contracting with another person to serve as superintendent of a local school district, even if the local school district is a constituent district of the intermediate school district. As used in this subdivision, "constituent district" means that term as defined in section 3 of the revised school code, 1976 PA 451, MCL 380.3.

**History:** Add. 1992, Act 9, Imd. Eff. Mar. 10, 1992 ;-- Am. 1996, Act 203, Imd. Eff. May 17, 1996 ;-- Am. 2011, Act 106, Imd. Eff. July 19, 2011

**15.324 Public servants; contracts excepted; violation as felony.**
Sec. 4.
(1) The prohibitions of section 2 shall not apply to any of the following:
(a) Contracts between public entities.
(b) Contracts awarded to the lowest qualified bidder, other than a public servant, upon receipt of sealed bids pursuant to a published notice. Except as authorized by law, the notice shall not bar any qualified person, firm, corporation, or trust from bidding. This subsection shall not apply to amendments or renegotiations of a contract nor to additional payments made under a contract which were not authorized by the contract at the time of award.
(c) Contracts for public utility services where the rates are regulated by the state or federal government.
(d) Contracts to purchase residential property. A public servant of a city or village may purchase 1 to 4 parcels not less than 18 months between each purchase. This subdivision does not apply to public servants of a city or village who have been appointed or elected to their position or whose employment responsibilities include the purchase or selling of property for the city or village. This subdivision shall apply only to a city or village that has adopted an ethics ordinance which was in effect at the time the residential property was purchased.
(2) A person that violates subsection (1)(d) is guilty of a felony punishable by imprisonment for not more than 1 year or a fine of not less than $1,000.00 or more than 3 times the value of the property purchased.

**History:** 1968, Act 317, Eff. Sept. 1, 1968 ;-- Am. 2005, Act 198, Imd. Eff. Nov. 9, 2005
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.328 Other laws superseded; local ordinances.**

Sec. 8.

It is the intention that this act shall constitute the sole law in this state and shall supersede all other acts in respect to conflicts of interest relative to public contracts, involving public servants other than members of the legislature and state officers, including but not limited to section 30 of 1851 PA 156, MCL 46.30. This act does not prohibit a unit of local government from adopting an ordinance or enforcing an existing ordinance relating to conflict of interest in subjects other than public contracts involving public servants.

**History:** 1968, Act 317, Eff. Sept. 1, 1968 ;-- Am. 1997, Act 145, Eff. Mar. 2, 1998
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.329 Repeal.**

Sec. 9.

The following acts and parts of acts are repealed:

| Year of act | Public Act No. | Section numbers | Compiled Law sections (1948) |
|---|---|---|---|
| 1895 | 3 | 6 of chapter 5 | 65.6 |
| 1895 | 215 | 16 of chapter 8 | 88.16 |
| 1931 | 328 | 122 | 750.122 |
| 1955 | 269 | 969 | 340.969 |
| 1966 | 317 | | 15.161 to 15.172 |

**History:** 1968, Act 317, Eff. Sept. 1, 1968
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.330 Effective date.**

Sec. 10.

This act shall take effect September 1, 1968.

**History:** 1968, Act 317, Eff. Sept. 1, 1968
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

(c) "Public officer" means a person appointed by the governor or another executive department official. For the purpose of section 2b, public officer shall include an elected or appointed official of this state or a political subdivision of this state.
(d) "Unethical conduct" means a violation of the standards in section 2.

**History:** 1973, Act 196, Imd. Eff. Jan. 8, 1974 ;-- Am. 1980, Act 481, Eff. Mar. 31, 1981
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.342 Public officer or employee; prohibited conduct.**
Sec. 2.
(1) A public officer or employee shall not divulge to an unauthorized person, confidential information acquired in the course of employment in advance of the time prescribed for its authorized release to the public.
(2) A public officer or employee shall not represent his or her personal opinion as that of an agency.
(3) A public officer or employee shall use personnel resources, property, and funds under the officer or employee's official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.
(4) A public officer or employee shall not solicit or accept a gift or loan of money, goods, services, or other thing of value for the benefit of a person or organization, other than the state, which tends to influence the manner in which the public officer or employee or another public officer or employee performs official duties.
(5) A public officer or employee shall not engage in a business transaction in which the public officer or employee may profit from his or her official position or authority or benefit financially from confidential information which the public officer or employee has obtained or may obtain by reason of that position or authority. Instruction which is not done during regularly scheduled working hours except for annual leave or vacation time shall not be considered a business transaction pursuant to this subsection if the instructor does not have any direct dealing with or influence on the employing or contracting facility associated with his or her course of employment with this state.
(6) Except as provided in section 2a, a public officer or employee shall not engage in or accept employment or render services for a private or public interest when that employment or service is incompatible or in conflict with the discharge of the officer or employee's official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of official duties.
(7) Except as provided in section 2a, a public officer or employee shall not participate in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision relating to a business entity in which the public officer or employee has a financial or personal interest.

**History:** 1973, Act 196, Imd. Eff. Jan. 8, 1974 ;-- Am. 1978, Act 352, Imd. Eff. July 12, 1978 ;-- Am. 1984, Act 53, Imd. Eff. Apr. 12, 1984
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

violation of section 2 shall not be subject to any of the following sanctions because they reported or were about to report a violation of section 2.
(a) Dismissal from employment or office.
(b) Withholding of salary increases that are ordinarily forthcoming to the employee.
(c) Withholding of promotions that are ordinarily forthcoming to the employee.
(d) Demotion in employment status.
(e) Transfer of employment location.
(2) Whenever a public officer or employee who has reported or who intends to report a violation of section 2 may be subject to any of the sanctions under this section for reasons other than the public officer's or employee's actions in reporting or intending to report a violation of section 2, the appointing or supervisory authority before the imposition of a sanction shall establish by a preponderance of evidence that the sanction to be imposed is not imposed because the public officer or employee reported or intended to report a violation of section 2.
(3) A person who violates this section is liable for a civil fine of not more than $500.00.
(4) A civil fine recovered under this section shall be submitted to the state treasurer for deposit in the general fund of this state.

**History:** Add. 1978, Act 352, Imd. Eff. July 12, 1978 ;-- Am. 1980, Act 481, Eff. Mar. 31, 1981
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.342c Civil action; commencement of action; "damages" defined.**
Sec. 2c.
(1) A person who alleges a violation of section 2b may bring a civil action for appropriate injunctive relief, or actual damages, or both within 90 days after the occurrence of the alleged violation of this act.
(2) An action commenced pursuant to subsection (1) may be brought in the circuit court for the county where the alleged violation occurred, the county where the complainant resides, or the county where the person against whom the civil complaint is filed resides.
(3) As used in subsection (1), "damages" means damages for injury or loss caused by each violation of section 2b, including reasonable attorney fees.

**History:** Add. 1980, Act 481, Eff. Mar. 31, 1981

**15.342d Court order; costs.**
Sec. 2d.
A court, in rendering a judgment in an action brought pursuant to section 2b, shall order, as the court considers appropriate, reinstatement of the employee, the payment of back wages, full reinstatement of fringe benefits and seniority rights, actual damages, or any combination of these remedies. A court may also award the complainant all or a portion of the costs of litigation, including reasonable attorney fees and witness fees, if the court determines that the award is appropriate.

**History:** Add. 1980, Act 481, Eff. Mar. 31, 1981

**15.345 Board of ethics; powers and duties.**
Sec. 5.
(1) The board shall:
(a) Receive complaints concerning alleged unethical conduct by a public officer or employee from any person or entity, inquire into the circumstances surrounding the alleged unethical conduct, and make recommendations concerning individual cases to the appointing authority with supervisory responsibility for the person whose activities have been investigated. All departments of state government shall cooperate with the board of ethics in the conduct of its investigations.
(b) Initiate investigations of practices that could affect ethical conduct of a public officer or employee.
(c) Hold public hearings.
(d) Administer oaths and receive sworn testimony.
(e) Issue and publish advisory opinions upon request from a public officer or employee or their appointing or supervisory authority relating to matters affecting ethical conduct of a public officer or employee.
(2) In the issuance of investigative reports and recommendations and advisory opinions, the board shall be advised as to legal matters by the attorney general.
(3) When a recommendation to an appointing authority is made by the board which affects a classified employee, the appointing authority shall initiate appropriate proceedings in accordance with such recommendation and pursuant to the rules of the civil service commission.
(4) When a recommendation to an appointing authority is made by the board concerning an unclassified employee or appointee, the appointing authority shall take appropriate disciplinary action which may include dismissal.

**History:** 1973, Act 196, Imd. Eff. Jan. 8, 1974
**Compiler's Notes:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

**15.346 Rules.**
Sec. 6.
The board may promulgate rules governing its own procedures pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws. For a period of 1 year following the effective date of this act the board shall have full authority to exercise all of its functions in accordance with temporary rules of procedure promulgated by the board. Both the temporary and permanent rules of the board shall provide that:
(a) The board may request the attendance of any witness whose testimony, in the judgment of the board, will aid in the conduct of its investigations.
(b) A person appearing before the board shall submit either sworn or unsworn testimony as the board may decide and may at all times be represented and accompanied by counsel.
(c) A record of testimony taken before the board or a hearing officer designated by it shall be made in the manner prescribed by the board.
(d) The board may, when it appears necessary for the protection of individual rights, hold its meetings and hearings in private. All other meetings and hearings shall be open to the public.

**History:** 1973, Act 196, Imd. Eff. Jan. 8, 1974

# OPEN MEETINGS ACT

## Act 267 of 1976; Eff. Mar. 31, 1977

AN ACT to require certain meetings of certain public bodies to be open to the public; to require notice and the keeping of minutes of meetings; to provide for enforcement; to provide for invalidation of governmental decisions under certain circumstances; to provide penalties; and to repeal certain acts and parts of acts.

*The People of the State of Michigan enact:*

**15.261 Short title; effect of act on certain charter provisions, ordinances, or resolutions.**

Sec. 1. (1) This act shall be known and may be cited as the "Open meetings act".

(2) This act shall supersede all local charter provisions, ordinances, or resolutions which relate to requirements for meetings of local public bodies to be open to the public.

(3) After the effective date of this act, nothing in this act shall prohibit a public body from adopting an ordinance, resolution, rule, or charter provision which would require a greater degree of openness relative to meetings of public bodies than the standards provided for in this act.

**History:** 1976, Act 267, Eff. Mar. 31, 1977.

**15.262 Definitions.**

Sec. 2. As used in this act:

(a) "Public body" means any state or local legislative or governing body, including a board, commission, committee, subcommittee, authority, or council, which is empowered by state constitution, statute, charter, ordinance, resolution, or rule to exercise governmental or proprietary authority or perform a governmental or proprietary function, or a lessee thereof performing an essential public purpose and function pursuant to the lease agreement.

(b) "Meeting" means the convening of a public body at which a quorum is present for the purpose of deliberating toward or rendering a decision on a public policy.

(c) "Closed session" means a meeting or part of a meeting of a public body which is closed to the public.

(d) "Decision" means a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure on which a vote by members of a public body is required and by which a public body effectuates or formulates public policy.

**History:** 1976, Act 267, Eff. Mar. 31, 1977.

**15.263 Meetings, decisions, and deliberations of public body; requirements; attending or addressing meeting of public body; tape-recording, videotaping, broadcasting, and telecasting proceedings; rules and regulations; exclusion from meeting; exemptions.**

Sec. 3. (1) All meetings of a public body shall be open to the public and shall be held in a place available to the general public. All persons shall be permitted to attend any meeting except as otherwise provided in this act. The right of a person to attend a meeting of a public body includes the right to tape-record, to videotape, to broadcast live on radio, and to telecast live on television the proceedings of a public body at a public meeting. The exercise of this right shall not be dependent upon the prior approval of the public body. However, a public body may establish reasonable rules and regulations in order to minimize the possibility of disrupting the meeting.

(2) All decisions of a public body shall be made at a meeting open to the public.

(3) All deliberations of a public body constituting a quorum of its members shall take place at a meeting open to the public except as provided in this section and sections 7 and 8.

(4) A person shall not be required as a condition of attendance at a meeting of a public body to register or otherwise provide his or her name or other information or otherwise to fulfill a condition precedent to attendance.

(5) A person shall be permitted to address a meeting of a public body under rules established and recorded by the public body. The legislature or a house of the legislature may provide by rule that the right to address may be limited to prescribed times at hearings and committee meetings only.

(6) A person shall not be excluded from a meeting otherwise open to the public except for a breach of the peace actually committed at the meeting.

(7) This act does not apply to the following public bodies only when deliberating the merits of a case:

(a) The worker's compensation appeal board created under the worker's disability compensation act of 1969, Act No. 317 of the Public Acts of 1969, as amended, being sections 418.101 to 418.941 of the Michigan Compiled Laws.

(b) The employment security board of review created under the Michigan employment security act, Act No. 1 of the Public Acts of the Extra Session of 1936, as amended, being sections 421.1 to 421.73 of the Michigan Compiled Laws.

a public meeting held pursuant to section 4(2) to (5) of Act No. 239 of the Public Acts of 1955, as amended, being section 200.304 of the Michigan Compiled Laws.

(5) A meeting of a public body which is recessed for more than 36 hours shall be reconvened only after public notice, which is equivalent to that required under subsection (4), has been posted. If either house of the state legislature is adjourned or recessed for less than 18 hours, the notice provisions of subsection (4) are not applicable. Nothing in this section shall bar a public body from meeting in emergency session in the event of a severe and imminent threat to the health, safety, or welfare of the public when 2/3 of the members serving on the body decide that delay would be detrimental to efforts to lessen or respond to the threat.

(6) A meeting of a public body may only take place in a residential dwelling if a nonresidential building within the boundary of the local governmental unit or school system is not available without cost to the public body. For a meeting of a public body which is held in a residential dwelling, notice of the meeting shall be published as a display advertisement in a newspaper of general circulation in the city or township in which the meeting is to be held. The notice shall be published not less than 2 days before the day on which the meeting is held, and shall state the date, time, and place of the meeting. The notice, which shall be at the bottom of the display advertisement and which shall be set off in a conspicuous manner, shall include the following language: "This meeting is open to all members of the public under Michigan's open meetings act".

**History:** 1976, Act 267, Eff. Mar. 31, 1977;—Am. 1978, Act 256, Imd. Eff. June 21, 1978;—Am. 1982, Act 134, Imd. Eff. Apr. 22, 1982;—Am. 1984, Act 167, Imd. Eff. June 29, 1984.

**15.266 Providing copies of public notice on written request; fee.**

Sec. 6. (1) Upon the written request of an individual, organization, firm, or corporation, and upon the requesting party's payment of a yearly fee of not more than the reasonable estimated cost for printing and postage of such notices, a public body shall send to the requesting party by first class mail a copy of any notice required to be posted pursuant to section 5(2) to (5).

(2) Upon written request, a public body, at the same time a public notice of a meeting is posted pursuant to section 5, shall provide a copy of the public notice of that meeting to any newspaper published in the state and to any radio and television station located in the state, free of charge.

**History:** 1976, Act 267, Eff. Mar. 31, 1977.

**15.267 Closed sessions; roll call vote; separate set of minutes.**

Sec. 7. (1) A 2/3 roll call vote of members elected or appointed and serving is required to call a closed session, except for the closed sessions permitted under section 8(a), (b), (c), (g), (i), and (j). The roll call vote and the purpose or purposes for calling the closed session shall be entered into the minutes of the meeting at which the vote is taken.

(2) A separate set of minutes shall be taken by the clerk or the designated secretary of the public body at the closed session. These minutes shall be retained by the clerk of the public body, are not available to the public, and shall only be disclosed if required by a civil action filed under section 10, 11, or 13. These minutes may be destroyed 1 year and 1 day after approval of the minutes of the regular meeting at which the closed session was approved.

**History:** 1976, Act 267, Eff. Mar. 31, 1977;—Am. 1993, Act 81, Eff. Apr. 1, 1994;—Am. 1996, Act 464, Imd. Eff. Dec. 26, 1996.

**15.268 Closed sessions; permissible purposes.**

Sec. 8. A public body may meet in a closed session only for the following purposes:

(a) To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against, or to consider a periodic personnel evaluation of, a public officer, employee, staff member, or individual agent, if the named person requests a closed hearing. A person requesting a closed hearing may rescind the request at any time, in which case the matter at issue shall be considered after the rescission only in open sessions.

(b) To consider the dismissal, suspension, or disciplining of a student if the public body is part of the school district, intermediate school district, or institution of higher education that the student is attending, and if the student or the student's parent or guardian requests a closed hearing.

(c) For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement if either negotiating party requests a closed hearing.

(d) To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.

(e) To consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have a detrimental financial effect on the litigating or settlement position of the public body.

(f) To review and consider the contents of an application for employment or appointment to a public office if the candidate requests that the application remain confidential. However, except as otherwise provided in this subdivision, all interviews by a public body for employment or appointment to a public office shall be held in an open meeting pursuant to this act. This subdivision does not apply to a public office described in subdivision (j).

(g) Partisan caucuses of members of the state legislature.

**15.271 Civil action to compel compliance or enjoin noncompliance; commencement; venue; security not required; commencement of action for mandamus; court costs and attorney fees.**

Sec. 11. (1) If a public body is not complying with this act, the attorney general, prosecuting attorney of the county in which the public body serves, or a person may commence a civil action to compel compliance or to enjoin further noncompliance with this act.

(2) An action for injunctive relief against a local public body shall be commenced in the circuit court, and venue is proper in any county in which the public body serves. An action for an injunction against a state public body shall be commenced in the circuit court and venue is proper in any county in which the public body has its principal office, or in Ingham county. If a person commences an action for injunctive relief, that person shall not be required to post security as a condition for obtaining a preliminary injunction or a temporary restraining order.

(3) An action for mandamus against a public body under this act shall be commenced in the court of appeals.

(4) If a public body is not complying with this act, and a person commences a civil action against the public body for injunctive relief to compel compliance or to enjoin further noncompliance with the act and succeeds in obtaining relief in the action, the person shall recover court costs and actual attorney fees for the action.

**History:** 1976, Act 267, Eff. Mar. 31, 1977.

**15.272 Violation as misdemeanor; penalty.**

Sec. 12. (1) A public official who intentionally violates this act is guilty of a misdemeanor punishable by a fine of not more than $1,000.00.

(2) A public official who is convicted of intentionally violating a provision of this act for a second time within the same term shall be guilty of a misdemeanor and shall be fined not more than $2,000.00, or imprisoned for not more than 1 year, or both.

**History:** 1976, Act 267, Eff. Mar. 31, 1977.

**15.273 Violation; liability.**

Sec. 13. (1) A public official who intentionally violates this act shall be personally liable in a civil action for actual and exemplary damages of not more than $500.00 total, plus court costs and actual attorney fees to a person or group of persons bringing the action.

(2) Not more than 1 action under this section shall be brought against a public official for a single meeting. An action under this section shall be commenced within 180 days after the date of the violation which gives rise to the cause of action.

(3) An action for damages under this section may be joined with an action for injunctive or exemplary relief under section 11.

**History:** 1976, Act 267, Eff. Mar. 31, 1977.

**15.273a Selection of president by governing board of higher education institution; violation; civil fine.**

Sec. 13a. If the governing board of an institution of higher education established under section 4, 5, or 6 of article VIII of the state constitution of 1963 violates this act with respect to the process of selecting a president of the institution at any time after the recommendation of final candidates to the governing board, as described in section 8(j), the institution is responsible for the payment of a civil fine of not more than $500,000.00. This civil fine is in addition to any other remedy or penalty under this act. To the extent possible, any payment of fines imposed under this section shall be paid from funds allocated by the institution of higher education to pay for the travel and expenses of the members of the governing board.

**History:** Add. 1996, Act 464, Imd. Eff. Dec. 26, 1996.

**15.274 Repeal of §§ 15.251 to 15.253.**

Sec. 14. Act No. 261 of the Public Acts of 1968, being sections 15.251 to 15.253 of the Compiled Laws of 1970, is repealed.

**History:** 1976, Act 267, Eff. Mar. 31, 1977.

**15.275 Effective date.**

Sec. 15. This act shall take effect January 1, 1977.

**History:** 1976, Act 267, Eff. Mar. 31, 1977.

# Suburban Mobility Authority for Regional Transportation (SMART)

ID Number: 5031
www.smartbus.org
535 Griswold, Suite 600
Detroit, MI 48226

General Manager: Mr. John Hertel
(313) 223-2100

## General Information

| Urbanized Area (UZA) Statistics - 2000 Census | |
|---|---|
| Detroit, MI | |
| Square Miles | 1,337 |
| Population | 3,734,090 |
| Population Ranking out of 465 UZAs | 11 |
| Other UZAs Served | 80, 490 |

| Service Area Statistics | |
|---|---|
| Square Miles | 1,074 |
| Population | 3,734,090 |

| Service Consumption | |
|---|---|
| Annual Passenger Miles | 83,554,445 |
| Annual Unlinked Trips | 11,405,960 |
| Average Weekday Unlinked Trips | 38,702 |
| Average Saturday Unlinked Trips | 19,834 |
| Average Sunday Unlinked Trips | 8,658 |

| Service Supplied | |
|---|---|
| Annual Vehicle Revenue Miles | 14,534,435 |
| Annual Vehicle Revenue Hours | 885,436 |
| Vehicles Operated in Maximum Service | 354 |
| Vehicles Available for Maximum Service | 437 |
| Base Period Requirement | 115 |

## Financial Information

| | | |
|---|---|---|
| Fare Revenues Earned | | $15,282,154 |
| Sources of Operating Funds Expended | | |
| Fare Revenues | (14%) | $15,282,154 |
| Local Funds | (36%) | $39,795,533 |
| State Funds | (29%) | $31,892,423 |
| Federal Assistance | (21%) | $23,235,851 |
| Other Funds | (1%) | $758,914 |
| Total Operating Funds Expended | | $110,964,875 |
| Sources of Capital Funds Expended | | |
| Local Funds | (1%) | $59,019 |
| State Funds | (12%) | $1,335,555 |
| Federal Assistance | (88%) | $9,883,513 |
| Other Funds | (0%) | $0 |
| Total Capital Funds Expended | | $11,278,087 |

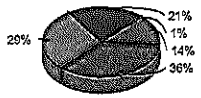
## Summary Operating Expenses

| | |
|---|---|
| Salary, Wages, Benefits | $71,037,554 |
| Materials and Supplies | $14,639,509 |
| Purchased Transportation | $6,209,216 |
| Other Operating Expenses | $11,480,907 |
| Total Operating Expenses | $103,367,186 |
| Reconciling Cash Expenditures | $7,597,689 |

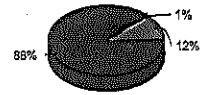
## Vehicles Operated in Maximum Service and Uses of Capital Funds

| Mode | Directly Operated | Purchased Transportation[1] | Revenue Vehicles | Systems and Guideways | Facilities and Stations | Other | Total |
|---|---|---|---|---|---|---|---|
| Bus | 225 | 8 | $4,731,056 | $233,740 | $1,616,556 | $1,044,329 | $7,625,683 |
| Demand Response | 85 | 36 | $1,030,883 | $322,769 | $2,038,246 | $260,506 | $3,652,404 |
| Total | 310 | 44 | $5,761,939 | $556,509 | $3,654,804 | $1,304,835 | $11,278,087 |

Sources of Operating Funds Expended




Sources of Capital Funds Expended



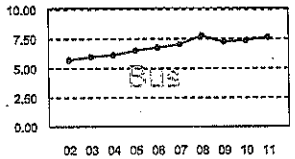

## Modal Characteristics

| Mode | Operating Expenses[1] | Fare Revenues[1] | Uses of Capital Funds | Annual Passenger Miles | Annual Vehicle Revenue Miles | Annual Unlinked Trips | Annual Vehicle Revenue Hours | Fixed Guideway Directional Route Miles | Vehicles Available for Maximum Service | Average Fleet Age in Years | Vehicles Operated in Maximum Service | Peak to Base Ratio | Percent Spares |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bus | $80,771,542 | $14,240,043 | $7,625,683 | 78,149,464 | 10,574,179 | 10,660,270 | 641,594 | N/A | 280 | 8.5 | 233 | 2.03 | 20% |
| Demand Response | $22,595,644 | $1,042,111 | $3,652,404 | 5,404,981 | 3,960,256 | 745,690 | 243,842 | N/A | 157 | 5.9 | 121 | N/A | 30% |

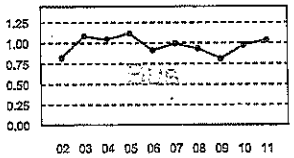
## Performance Measures

| | Service Efficiency | | Service Effectiveness | | Service Effectiveness | |
|---|---|---|---|---|---|---|
| Mode | Operating Expense per Vehicle Revenue Mile | Operating Expense per Vehicle Revenue Hour | Operating Expense per Passenger Mile | Operating Expense per Unlinked Passenger Trip | Unlinked Passenger Trips per Vehicle Revenue Mile | Unlinked Passenger Trips per Vehicle Revenue Hour |
| Bus | $7.64 | $125.89 | $1.03 | $7.58 | 1.01 | 16.62 |
| Demand Response | $5.71 | $92.67 | $4.18 | $30.30 | 0.19 | 3.06 |

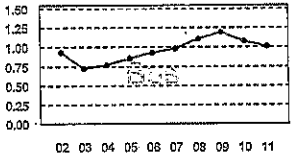
Operating Expense per Vehicle Revenue Mile



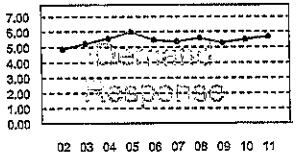

Operating Expenses per Passenger Mile



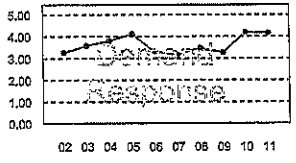

Unlinked Passenger Trips per Vehicle Revenue Mile



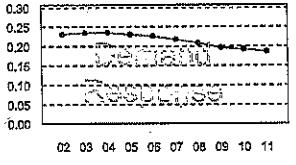

Operating Expense per Vehicle Revenue Mile




Operating Expenses per Passenger Mile




Unlinked Passenger Trips per Vehicle Revenue Mile




[1] Excludes data for purchased transportation reported separately

Data Source: 2011 National Transit Database

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# City of Detroit Department of Transportation (DDOT)

ID Number: 5119
www.ridedetroittransit.com
1301 East Warren
Detroit, MI 48207

CEO: Mr. Ronald Freeland
(313) 833-7670

## General Information

Urbanized Area (UZA) Statistics - 2000 Census
Detroit, MI

| | |
|---|---|
| Square Miles | 1,337 |
| Population | 3,734,090 |
| Population Ranking out of 465 UZAs | 11 |
| Other UZAs Served | |

Service Area Statistics

| | |
|---|---|
| Square Miles | 144 |
| Population | 713,777 |

## Service Consumption

| | |
|---|---|
| Annual Passenger Miles | 145,893,553 |
| Annual Unlinked Trips | 35,907,731 |
| Average Weekday Unlinked Trips [2] | 117,819 |
| Average Saturday Unlinked Trips [2] | 62,778 |
| Average Sunday Unlinked Trips [2] | 36,568 |

Service Supplied

| | |
|---|---|
| Annual Vehicle Revenue Miles | 15,824,884 |
| Annual Vehicle Revenue Hours | 1,792,805 |
| Vehicles Operated in Maximum Service | 600 |
| Vehicles Available for Maximum Service | 670 |
| Base Period Requirement | 235 |

## Financial Information

| | | |
|---|---|---|
| Fare Revenues Earned | | $26,816,105 |
| Sources of Operating Funds Expended | | |
| Fare Revenues | (17%) | $26,816,105 |
| Local Funds | (32%) | $50,916,348 |
| State Funds | (34%) | $54,252,747 |
| Federal Assistance | (15%) | $24,030,360 |
| Other Funds | (1%) | $1,240,967 |
| Total Operating Funds Expended | | $157,256,527 |
| Sources of Capital Funds Expended | | |
| Local Funds | (0%) | $0 |
| State Funds | (0%) | $0 |
| Federal Assistance | (100%) | $22,442,770 |
| Other Funds | (0%) | $0 |
| Total Capital Funds Expended | | $22,442,770 |

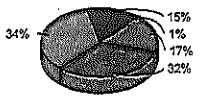
## Summary Operating Expenses

| | |
|---|---|
| Salary, Wages, Benefits | $96,305,189 |
| Materials and Supplies | $24,776,925 |
| Purchased Transportation | $5,773,645 |
| Other Operating Expenses | $28,148,325 |
| Total Operating Expenses | $155,004,084 |
| Reconciling Cash Expenditures | $2,252,443 |

## Vehicles Operated in Maximum Service and Uses of Capital Funds

| Mode | Directly Operated | Purchased Transportation [1] | Revenue Vehicles | Systems and Guideways | Facilities and Stations | Other | Total |
|---|---|---|---|---|---|---|---|
| Bus | 375 | 0 | $2,915,453 | $499,757 | $14,313,153 | $4,714,407 | $22,442,770 |
| Demand Response - Taxi | 0 | 223 | $0 | $0 | $0 | $0 | $0 |
| Demand Response | 0 | 2 | $0 | $0 | $0 | $0 | $0 |
| Total | 375 | 225 | $2,915,453 | $499,757 | $14,313,153 | $4,714,407 | $22,442,770 |

Sources of Operating Funds Expended




Sources of Capital Funds Expended



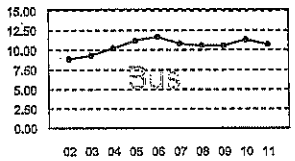

## Modal Characteristics

| Mode | Operating Expenses [1] | Fare Revenues [1] | Uses of Capital Funds | Annual Passenger Miles | Annual Vehicle Revenue Miles | Annual Unlinked Trips | Annual Vehicle Revenue Hours | Fixed Guideway Directional Route Miles | Vehicles Available for Maximum Service | Average Fleet Age in Years | Vehicles Operated in Maximum Service | Peak to Base Ratio | Percent Spares |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bus | $149,217,988 | $26,159,418 | $22,442,770 | 143,708,210 | 13,913,142 | 35,615,420 | 1,037,639 | N/A | 445 | 7.7 | 375 | 1.60 | 19% |
| Demand Response - Taxi | $5,685,803 | $645,079 | $0 | 2,156,766 | 1,883,437 | 287,126 | 751,156 | N/A | 223 | N/A | 223 | N/A | 0% |
| Demand Response | $100,293 | $11,608 | $0 | 28,577 | 28,305 | 5,185 | 4,010 | N/A | 2 | N/A | 2 | N/A | 0% |

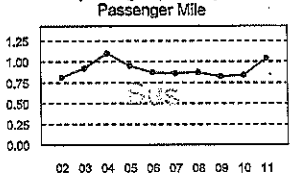
## Performance Measures

| Mode | Service Efficiency: Operating Expense per Vehicle Revenue Mile | Service Efficiency: Operating Expense per Vehicle Revenue Hour | Service Effectiveness: Operating Expense per Passenger Mile | Service Effectiveness: Operating Expense per Unlinked Passenger Trip | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Mile | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|---|---|---|
| Bus | $10.72 | $143.81 | $1.04 | $4.19 | 2.56 | 34.32 |
| Demand Response - Taxi | $3.02 | $7.57 | $2.64 | $19.80 | 0.15 | 0.38 |
| Demand Response | $3.54 | $25.01 | $3.51 | $19.34 | 0.18 | 1.29 |

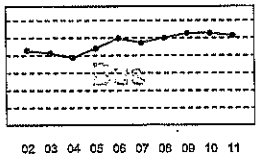
Operating Expense per Vehicle Revenue Mile



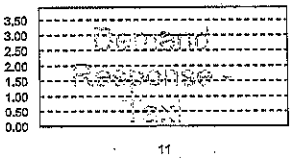

Operating Expenses per Passenger Mile



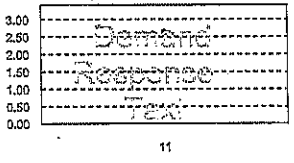

Unlinked Passenger Trips per Vehicle Revenue Mile



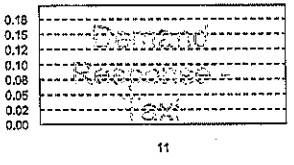

Operating Expense per Vehicle Revenue Mile




Operating Expenses per Passenger Mile




Unlinked Passenger Trips per Vehicle Revenue Mile




[1] Excludes data for purchased transportation reported separately

[2] Average UPT values not available for DT Demand Response Taxi

Data Source: 2011 National Transit Database

09/19/2012 10:30 AM

# Detroit Transportation Corporation (Detroit People Mover)

ID Number: 5141
www.thepeoplemover.com
1420 Washington Boulevard, Third Floor
Detroit, MI 48226

General Manager: Ms. Barbara Hansen
(313) 224-2190

## General Information

Urbanized Area (UZA) Statistics - 2000 Census
Detroit, MI

| | |
|---|---|
| Square Miles | 1,337 |
| Population | 3,734,090 |
| Population Ranking out of 465 UZAs | 11 |
| Other UZAs Served | |

Service Area Statistics

| | |
|---|---|
| Square Miles | 3 |
| Population | 92,477 |

## Service Consumption

| | |
|---|---|
| Annual Passenger Miles | 3,780,766 |
| Annual Unlinked Trips | 2,328,131 |
| Average Weekday Unlinked Trips | 7,083 |
| Average Saturday Unlinked Trips | 5,706 |
| Average Sunday Unlinked Trips | 4,374 |

Service Supplied

| | |
|---|---|
| Annual Vehicle Revenue Miles | 527,920 |
| Annual Vehicle Revenue Hours | 45,544 |
| Vehicles Operated in Maximum Service | 10 |
| Vehicles Available for Maximum Service | 12 |
| Base Period Requirement | 10 |

## Financial Information

| | | |
|---|---|---|
| Fare Revenues Earned | | $911,739 |
| Sources of Operating Funds Expended | | |
| Fare Revenues | (9%) | $911,739 |
| Local Funds | (40%) | $4,305,870 |
| State Funds | (28%) | $2,943,350 |
| Federal Assistance | (0%) | $0 |
| Other Funds | (24%) | $2,522,244 |
| Total Operating Funds Expended | | $10,683,203 |
| Sources of Capital Funds Expended | | |
| Local Funds | (5%) | $149,477 |
| State Funds | (9%) | $284,233 |
| Federal Assistance | (86%) | $2,672,396 |
| Other Funds | (0%) | $13,712 |
| Total Capital Funds Expended | | $3,119,818 |

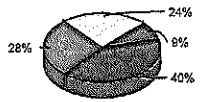
## Summary Operating Expenses

| | |
|---|---|
| Salary, Wages, Benefits | $6,660,130 |
| Materials and Supplies | $590,395 |
| Purchased Transportation | $0 |
| Other Operating Expenses | $4,405,389 |
| Total Operating Expenses | $11,655,914 |
| Reconciling Cash Expenditures | ($972,711) |

## Vehicles Operated in Maximum Service and Uses of Capital Funds

| Mode | Directly Operated | Purchased Transportation[1] | Revenue Vehicles | Systems and Guideways | Facilities and Stations | Other | Total |
|---|---|---|---|---|---|---|---|
| Monorail/Automated Guideway | 10 | 0 | $2,319,347 | $600 | $731,468 | $68,403 | $3,119,818 |
| Total | 10 | 0 | $2,319,347 | $600 | $731,468 | $68,403 | $3,119,818 |

Sources of Operating Funds Expended




Sources of Capital Funds Expended



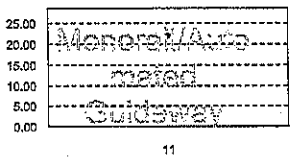

## Modal Characteristics

| Mode | Operating Expenses[1] | Fare Revenues[1] | Uses of Capital Funds | Annual Passenger Miles | Annual Vehicle Revenue Miles | Annual Unlinked Trips | Annual Vehicle Revenue Hours | Fixed Guideway Directional Route Miles | Vehicles Available for Maximum Service | Average Fleet Age in Years | Vehicles Operated in Maximum Service | Peak to Base Ratio | Percent Spares |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Monorail/Automated Guideway | $11,655,914 | $911,739 | $3,119,818 | 3,780,766 | 527,920 | 2,328,131 | 45,544 | 2.9 | 12 | 25.0 | 10 | 1.00 | 20% |

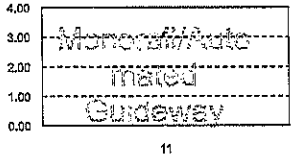
## Performance Measures

| Mode | Service Efficiency: Operating Expense per Vehicle Revenue Mile | Service Efficiency: Operating Expense per Vehicle Revenue Hour | Service Effectiveness: Operating Expense per Passenger Mile | Service Effectiveness: Operating Expense per Unlinked Passenger Trip | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Mile | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|---|---|---|
| Monorail/Automated Guideway | $22.08 | $255.93 | $3.08 | $5.01 | 4.41 | 51.12 |

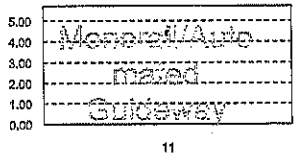
Operating Expense per Vehicle Revenue Mile




Operating Expenses per Passenger Mile




Unlinked Passenger Trips per Vehicle Revenue Mile




[1] Excludes data for purchased transportation reported separately

# Ann Arbor Transportation Authority (AATA)

ID Number: 5040
www.theride.org
2700 South Industrial Highway
Ann Arbor, MI 48104

Chief Executive Officer: Mr. Michael Ford
(734) 794-1763

## General Information

Urbanized Area (UZA) Statistics - 2000 Census
Ann Arbor, MI

| | |
|---|---|
| Square Miles | 160 |
| Population | 306,022 |
| Population Ranking out of 465 UZAs | 125 |
| Other UZAs Served | |

Service Area Statistics

| | |
|---|---|
| Square Miles | 81 |
| Population | 212,492 |

Service Consumption

| | |
|---|---|
| Annual Passenger Miles | 19,538,154 |
| Annual Unlinked Trips | 6,152,518 |
| Average Weekday Unlinked Trips [2] | 21,654 |
| Average Saturday Unlinked Trips [2] | 6,639 |
| Average Sunday Unlinked Trips [2] | 2,978 |

Service Supplied

| | |
|---|---|
| Annual Vehicle Revenue Miles | 3,922,499 |
| Annual Vehicle Revenue Hours | 283,633 |
| Vehicles Operated in Maximum Service | 98 |
| Vehicles Available for Maximum Service | 110 |
| Base Period Requirement | 44 |

## Financial Information

| | | |
|---|---|---|
| Fare Revenues Earned | | $5,017,214 |
| Sources of Operating Funds Expended | | |
| Fare Revenues | (19%) | $4,950,612 |
| Local Funds | (40%) | $10,364,640 |
| State Funds | (28%) | $7,126,340 |
| Federal Assistance | (12%) | $3,201,094 |
| Other Funds | (1%) | $148,063 |
| Total Operating Funds Expended | | $25,790,749 |
| Sources of Capital Funds Expended | | |
| Local Funds | (10%) | $198,532 |
| State Funds | (3%) | $58,319 |
| Federal Assistance | (87%) | $1,771,544 |
| Other Funds | (0%) | $0 |
| Total Capital Funds Expended | | $2,028,395 |

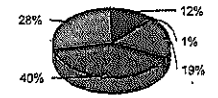
## Summary Operating Expenses

| | |
|---|---|
| Salary, Wages, Benefits | $15,025,997 |
| Materials and Supplies | $2,963,450 |
| Purchased Transportation | $4,240,378 |
| Other Operating Expenses | $3,538,183 |
| Total Operating Expenses | $25,768,008 |
| Reconciling Cash Expenditures | $22,741 |

## Vehicles Operated in Maximum Service and Uses of Capital Funds

| Mode | Directly Operated | Purchased Transportation [1] | Revenue Vehicles | Systems and Guideways | Facilities and Stations | Other | Total |
|---|---|---|---|---|---|---|---|
| Bus | 61 | 0 | $10,932 | $76,166 | $1,760,391 | $177,042 | $2,024,531 |
| Demand Response | 0 | 15 | $0 | $0 | $0 | $0 | $0 |
| Demand Response - Taxi | 0 | 20 | $0 | $0 | $0 | $0 | $0 |
| Commuter Bus | 2 | 0 | $0 | $0 | $3,864 | $0 | $3,864 |
| Total | 63 | 35 | $10,932 | $76,166 | $1,764,255 | $177,042 | $2,028,395 |

Sources of Operating Funds Expended




Sources of Capital Funds Expended



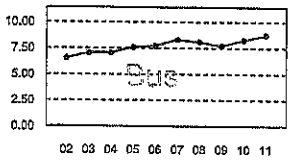

## Modal Characteristics

| Mode | Operating Expenses [1] | Fare Revenues [1] | Uses of Capital Funds | Annual Passenger Miles | Annual Vehicle Revenue Miles | Annual Unlinked Trips | Annual Vehicle Revenue Hours | Fixed Guideway Directional Route Miles | Vehicles Available for Maximum Service | Average Fleet Age in Years | Vehicles Operated in Maximum Service | Peak to Base Ratio | Percent Spares |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bus | $20,394,295 | $4,356,182 | $2,024,531 | 18,500,730 | 2,334,456 | 5,929,721 | 175,210 | N/A | 69 | 6.9 | 61 | 1.39 | 13% |
| Demand Response | $2,669,862 | $177,514 | $0 | 532,872 | 674,710 | 79,804 | 56,481 | N/A | 18 | 5.3 | 15 | N/A | 20% |
| Demand Response - Taxi | $2,336,712 | $393,847 | $0 | 424,758 | 853,063 | 117,418 | 49,392 | N/A | 20 | N/A | 20 | N/A | 0% |
| Commuter Bus | $367,139 | $89,671 | $3,864 | 79,794 | 60,270 | 25,575 | 2,550 | N/A | 3 | 1.0 | 2 | N/A | 50% |

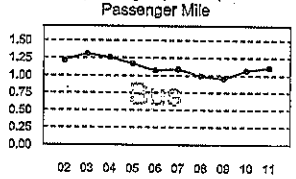
## Performance Measures

| Mode | Service Efficiency: Operating Expense per Vehicle Revenue Mile | Service Efficiency: Operating Expense per Vehicle Revenue Hour | Service Effectiveness: Operating Expense per Passenger Mile | Service Effectiveness: Operating Expense per Unlinked Passenger Trip | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Mile | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|---|---|---|
| Bus | $6.74 | $116.40 | $1.10 | $3.44 | 2.54 | 33.84 |
| Demand Response | $3.96 | $47.27 | $5.01 | $33.46 | 0.12 | 1.41 |
| Demand Response - Taxi | $2.74 | $47.31 | $5.50 | $19.90 | 0.14 | 2.38 |
| Commuter Bus | $6.09 | $143.98 | $4.60 | $14.36 | 0.42 | 10.03 |

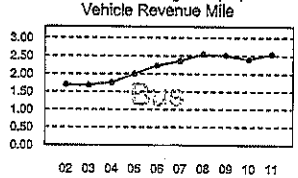
Operating Expense per Vehicle Revenue Mile



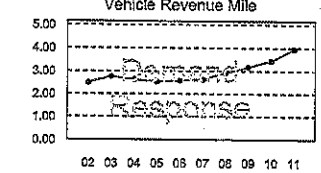

Operating Expenses per Passenger Mile



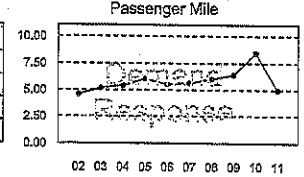

Unlinked Passenger Trips per Vehicle Revenue Mile



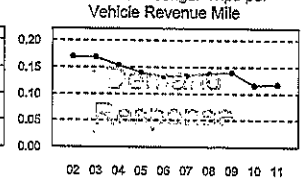

Operating Expense per Vehicle Revenue Mile




Operating Expenses per Passenger Mile




Unlinked Passenger Trips per Vehicle Revenue Mile




[1] Excludes data for purchased transportation reported separately

[2] Average UPT values not available for DT Demand Response Taxi

RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

BRIAN CALLEY
LT. GOVERNOR

January 31, 2013

Marisol Simón
Regional Administrator
Federal Transit Administration
200 W. Adams St., Ste 320
Chicago, Il 60606

Dear Administrator Simón:

By way of this letter, I designate the Southeast Michigan Council of Governments (SEMCOG) as the recipient to receive and disperse the federal transportation funds allocated to the Detroit urbanized area (UZA). This includes federal funds allocated under Section 5307, 5310 and 5339. The designation is for Federal Fiscal Year 2013 only.

Public Act No. 387 of 2012 eliminated the previously designated recipient for the Detroit UZA, the Regional Transportation Coordinating Council. Act 387 also established the Regional Transit Authority (RTA) for Wayne, Oakland, Macomb and Washtenaw counties and made the RTA the designated recipient for the entire region. Therefore, this letter is also to notify the Federal Transit Administration that the RTA will be the designated recipient for both the Detroit metropolitan and the Ann Arbor UZAs effective October 1, 2013.

For your information, a copy of Public Act 387 of 2012 is enclosed. If you have any questions regarding this matter, please contact Kirk Steudle, Director of the Michigan Department of Transportation at (517) 373-0718.

Sincerely,

Rick Snyder
Governor

cc: Kirk Steudle, Director, MDOT
Paul Hillegonds, Chairman, RTA
Paul Tait, Executive Director, SEMCOG

Enclosure

RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

February 1, 2013

Mr. Paul Tait, Executive Director
Southeast Michigan Council of Governments
1001 Woodward Avenue, Suite 1400
Detroit, Michigan 48226

Dear Mr. Tait:

In the enclosed letter dated January 31, 2013, Governor Snyder has designated the Southeast Michigan Council of Governments (SEMCOG) to serve as the designated recipient for the Detroit urbanized area (UZA). This designation is required by and done in accordance with the federal law and regulations, specifically Chapter 53 of Title 49, United States Code, as amended by "Moving Ahead for Progress in the 21st Century (MAP-21)." SEMCOG will serve as the designated recipient for all federal transit programs that require a specific entity be designated, specifically Sections 5307, 5310, and 5339.

This letter provides you with some additional details and guidance regarding this designation.

Background Information

Under Chapter 53 of Title 49, United States Code, as amended by MAP-21, for three federal transit programs, Sections 5310, 5339, and 5307 (in conjunction with Section 5336), formula-based apportionments are made to each UZA. For these three programs, only the designated recipient(s) for the program may make an application to the Federal Transit Administration (FTA) for the funds apportioned to UZA.

Prior to the repeal of Sections 4a and 4b of Act 204 of 1967 via Public Act 387 of 2012, the Regional Transit Coordination Council (RTCC) was the designated recipient for any federal program that was apportioned by formula (which prior to MAP-21 was only the Section 5307 Program). With repeal of these sections of Act 204, RTCC no longer exists and, as such, the Detroit UZA was without a designated recipient as required under federal law for Section 5307, 5339, and 5310 Programs.

Moving Forward

Pursuant to the January 31 letter to FTA, SEMCOG will serve as the designated recipient role for Fiscal Year (FY) 2013. This designation is for Section 5310, 5339, and 5307 Federal Transit Programs. With the elimination of RTCC, the 65/35 split established in RTCC's articles of incorporation as the method for allocating federal formula funds apportioned to the Detroit UZA is no longer applicable. Therefore, the immediate task before SEMCOG is to establish an allocation for Section 5310, 5339, and 5307 funds. Upon the request of FTA, SEMCOG recently conducted analysis on possible allocation methods for the Section 5307 Program. SEMCOG engaged transit providers and the Michigan Department of Transportation (MDOT) in that process. In SEMCOG's January 3, 2013, submittal to the Federal Highway Administration and FTA, SEMCOG suggested a number of allocation methods, including a methodology based on asset management. SEMCOG identified additional work needed to further refine those methods prior to a final method being adopted.

# Moving Ahead for Progress in the 21st Century Act (MAP-21)

**A Summary of Public Transportation Provisions**

**Federal Transit Administration**

## Overview

On July 6, 2012 President Obama signed into law a new two-year transportation authorization, entitled Moving Ahead for Progress in the 21st Century (MAP-21). The new law authorizes $10.6 billion in FY 2013 and $10.7 billion in FY 2014 for public transportation.

MAP-21 furthers several important goals, including safety, state of good repair, performance, and program efficiency. MAP-21 gives FTA significant new authority to strengthen the safety of public transportation systems throughout the United States. The act also puts new emphasis on restoring and replacing our aging public transportation infrastructure by establishing a new needs-based formula program and new asset management requirements. In addition, it establishes performance-based planning requirements that align Federal funding with key goals and tracks progress towards these goals. Finally, MAP-21 improves the efficiency of administering grant programs by consolidating several programs and streamlining the major capital investment grant program known as "New Starts." These, and other important changes, are summarized in this document.

While this summary focuses on the transit title (Division B, including amendments to chapter 53 of title 49, United States Code), several provisions that reside in the highway title (Division A, including amendments to title 23, United States Code) also affect transit. These provisions include performance measures in transportation planning, the Transportation Infrastructure Finance and Innovation Act (TIFIA), the Surface Transportation Program (STP), the Congestion Management and Air Quality program (CMAQ), and acceleration of project delivery through streamlining environmental reviews. A summary of these provisions can be found at http://www.fhwa.dot.gov/map21/summaryinfo.cfm.

MAP-21 will take effect on October 1, 2012. Until then, FTA will continue to manage agency programs under existing law (SAFETEA-LU), which expires on September 30, 2012.

## New Programs

### Safety (5329)[1]

MAP-21 grants FTA the authority to establish and enforce a new comprehensive framework to oversee the safety of public transportation throughout the United States. FTA will implement the new law in consultation with the transit community and the U.S. Department of Transportation's (DOT) Transit Rail Advisory Committee for Safety (TRACS), which has been working since September of 2010 to help guide this effort.

[1] Section numbers are provided in parentheses in order to refer readers to the relevant sections of Title 49 of the United States Code.

*Safety performance criteria and standards*

Under the new law, FTA must develop safety performance criteria for all modes of public transportation (rail, bus, etc.). FTA must also develop minimum safety performance standards for vehicles not regulated by other Federal agencies. In addition, FTA must develop a public transportation safety certification training program for individuals involved in transit safety.

*Grantee safety plans*

The new law requires all recipients of FTA funding to develop agency safety plans that include performance targets, strategies, and staff training. For rural recipients, the plan may be drafted by the State. For small urban systems, FTA must issue a rule designating which small urban systems may have their safety plans drafted by the State. These measures and targets must be incorporated into metropolitan and statewide transportation plans and transportation improvement programs.

*State Safety Oversight*

MAP-21 includes new requirements for the State Safety Oversight (SSO) program, through which States with heavy rail, light rail, and streetcar systems must establish safety oversight for these transit systems. MAP-21 requires State Safety Oversight Agencies (SSOAs) to be legally and financially independent from the rail systems they oversee, and have the authority, staff training, and expertise to enforce Federal and State safety laws. FTA must certify whether each SSO is adequate and meets the requirements. FTA will oversee implementation of the SSO programs and audit each SSO agency at least triennially.

*Funding for State Safety Oversight*

The law also directs FTA to distribute funding via formula to support State safety oversight work. The funding is a takedown (one-half of one percent) from the Urbanized Area Formula program, and totals approximately $22 million per year. A 20 percent local match is required for these funds.

*Additional Authorities*

The new law provides FTA with several additional authorities including the authority to inspect and audit all public transportation systems; to make reports and issue directives with respect to the safety of public transportation systems; to issue subpoenas and take depositions; to require the production of documents; to prescribe record-keeping and reporting requirements; to investigate public transportation accidents and incidents; to enter and inspect equipment, rolling stock, operations and relevant records; and to issue regulations to carry out transit safety provisions.

MAP-21 also grants FTA enforcement authority and permits FTA to issue directives, require more frequent oversight of transit systems, impose more frequent reporting requirements, and require that formula grant funds be spent to correct safety deficiencies before funds are spent on other projects.

### State of Good Repair Grants (5337)

MAP-21 establishes a new grant program to maintain public transportation systems in a state of good repair. This program replaces the fixed guideway modernization program (Section 5309). Funding is limited to fixed guideway systems (including rail, bus rapid transit, and passenger ferries) and high intensity bus (high intensity bus refers to buses operating in high occupancy vehicle (HOV) lanes.) Projects are limited to replacement and rehabilitation, or capital projects required to maintain public transportation systems in a state of good repair. Projects must be included in a transit asset management plan (see next section) to receive funding. The new formula comprises: (1) the former fixed guideway modernization formula; (2) a new service-based formula; and (3) a new formula for buses on HOV lanes. Authorized funding for this program is $2.1 billion in FY 2013 and $2.2 billion in FY 2014.

### Asset Management Provisions (5326)

MAP-21 requires FTA to define the term "state of good repair" and create objective standards for measuring the condition of capital assets, including equipment, rolling stock, infrastructure, and facilities. Based on that definition, FTA must then develop performance measures under which all FTA grantees will be required to set targets. All FTA grantees and their subrecipients are required to develop transit asset management plans. These plans must include, at a minimum, capital asset inventories, condition assessments, and investment prioritization. Each designated recipient of FTA formula funding will be required to report on the condition of its system, any change in condition since the last report, targets set under the above performance measures, and progress towards meeting those targets. These measures and targets must be incorporated into metropolitan and statewide transportation plans and transportation improvement programs (TIPs). FTA will support this effort through technical assistance, including the development of an analytical process or decision support tool that allows recipients to estimate their capital investment needs over time and assists with asset investment prioritization.

### Bus and Bus Facilities Program (5339)

A new formula grant program is established under Section 5339, replacing the previous Section 5309 discretionary Bus and Bus Facilities program. This capital program provides funding to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. Authorized funding is $422 million in FY 2013 and $428 million in FY 2014. Each year, $65.5 million will be allocated with each State receiving $1.25 million and each territory (including DC and Puerto Rico) receiving $500,000. The remaining funding will be distributed by formula based on population, vehicle revenue miles and passenger miles. This program requires a 20 percent local match.

### Emergency Relief (5324)

This new program assists States and public transportation systems with emergency-related expenses. Emergencies are defined as natural disasters affecting a wide area or a catastrophic failure from an external cause for which the governor of a State has declared an emergency (and the Secretary of Transportation has concurred) or the President has declared a major disaster. The program funds

capital projects to protect, repair, reconstruct, or replace equipment and facilities. It also funds transit agency operating costs related to evacuation, rescue operations, temporary public transportation service, or changing public transportation route service before, during, or after an emergency in an area directly affected. The grants only cover expenses not reimbursed by the Federal Emergency Management Agency (FEMA). The program will provide immediate funding, similar to the FHWA emergency program. Funding will be appropriated by Congress as needed.

### Transit-Oriented Development Planning Pilot

MAP-21 creates a new discretionary pilot program for transit-oriented development (TOD) planning grants. Eligible activities include comprehensive planning in corridors with new rail, bus rapid transit, or core capacity projects.[2] The comprehensive plans should seek to enhance economic development, ridership, and other goals; facilitate multimodal connectivity and accessibility; increase access to transit hubs for pedestrian and bicycle traffic; enable mixed-use development; identify infrastructure needs associated with the project; and include private sector participation. MAP-21 authorizes $10 million for FY 2013 and $10 million for FY 2014.

## Consolidated Programs

### Urbanized Area Formula Grants (5307)

The largest of FTA's grant programs, this program provides grants to urbanized areas[3] to support public transportation. Funding is distributed by formula based on the level of transit service provision, population, and other factors. Total funding is $4.9 billion in FY 2013 and $5 billion in FY 2014 (includes the Growing States and High Density States formula). The program remains largely unchanged with a few exceptions:

*Job access and reverse commute activities now eligible*

Activities eligible under the former Job Access and Reverse Commute (JARC) program, which focused on providing services to low-income individuals to access jobs, are now eligible under the Urbanized Area Formula program. This includes operating assistance with a 50 percent local match for job access and reverse commute activities. In addition, the urbanized area formula for distributing funds now includes the number of low-income individuals as a factor. There is no floor or ceiling on the amount of funds that can be spent on job access and reverse commute activities.

*Expanded eligibility for operating expenses for systems with 100 or fewer buses*

MAP-21 expands eligibility for using Urbanized Area Formula funds for operating expenses. Previously, only urbanized areas with populations below 200,000 were eligible to use Federal transit funding for

[2] MAP-21 states that grants under this subsection are to "assist in financing comprehensive planning associated with an eligible project" and that "eligible project" means a new fixed guideway capital project or core capacity improvement project, as those terms are defined in [49 U.S.C. 5309 (Capital Investment Grants / "New Starts")]."
[3] An urbanized area is an area with a population of 50,000 or more that has been defined and designated in the most recent decennial census as an 'urbanized area' by the Census Bureau.

operating expenses. Now, transit systems in urbanized areas over 200,000 can use their formula funding for operating expenses if they operate no more than 100 buses. Systems operating between 76 and 100 buses in fixed route service during peak service hours may use up to 50 percent of their "attributable share"[4] of funding for operating expenses. Systems operating 75 or fewer buses in fixed-route service during peak service hours may use up to 75 percent of their "attributable share" of funding for operating expenses. This expanded eligibility for operating assistance under the Urbanized formula program excludes rail systems.

*New discretionary passenger ferry grants*

$30 million per year is set-aside from the Urban formula program totals to support passenger ferries. Funding will be awarded on a competitive selection basis.

*New takedown for safety oversight*

MAP-21 sets aside one half of one percent (approximately $22 million per year) of Urbanized Area Formula funds for State safety oversight grants (see above section on safety).

**Rural Area Formula Grants (5311)**

This program provides capital, planning, and operating assistance to support public transportation in rural areas, defined as areas with fewer than 50,000 residents. Funding is based on a formula that uses land area, population, and transit service. Total funding is $600 million in FY 2013 and $608 million in FY 2014. The program remains largely unchanged with a few exceptions:

*Job access and reverse commute activities eligible*

Activities eligible under the former Job Access and Reverse Commute (JARC) program, which provided services to low-income individuals to access jobs, are now eligible under the Rural Area Formula program. In addition, the formula now includes the number of low-income individuals as a factor. There is no floor or ceiling on the amount of funds that can be spent on job access and reverse commute activities.

*Tribal Program*

The Tribal program now consists of a $25 million formula program and a $5 million discretionary grant program. Formula factors include vehicle revenue miles and the number of low-income individuals residing on tribal lands.

*Appalachian Development Public Transportation Assistance Program*

MAP-21 authorizes $20 million each for FY 2013 and FY 2014 for grants to support public transportation in the Appalachian region.

[4] Attributable share refers to the share of the urbanized area's apportionment that is attributable to a transit system based on the transit system's share of vehicle revenue hours in the urbanized area.

*Other changes*

The set-aside for States for administration, planning, and technical assistance is reduced from 15 to 10 percent. The cost of the unsubsidized portion of privately provided intercity bus service that connects feeder service is now eligible as in-kind local match.

**Enhanced Mobility of Seniors and Individuals with Disabilities (5310)**

This program provides formula funding to increase the mobility of seniors and persons with disabilities. Funds are apportioned based on each State's share of the targeted populations and are now apportioned to both States (for all areas under 200,000) and large urbanized areas (over 200,000). The former New Freedom program (5317) is folded into this program. The New Freedom program provided grants for services for individuals with disabilities that went above and beyond the requirements of the Americans with Disabilities Act (ADA). Activities eligible under New Freedom are now eligible under the Enhanced Mobility of Seniors and Individuals with Disabilities program.

Projects selected for funding must be included in a locally developed, coordinated public transit-human services transportation plan; and the competitive selection process, which was required under the former New Freedom program, is now optional. At least 55 percent of program funds must be spent on the types of capital projects eligible under the former section 5310 -- public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable. The remaining 45 percent may be used for: public transportation projects that exceed the requirements of the ADA; public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit; or, alternatives to public transportation that assist seniors and individuals with disabilities. Using these funds for operating expenses requires a 50 percent local match while using these funds for capital expenses (including acquisition of public transportation services) requires a 20 percent local match.

## Repealed Programs

MAP-21 focuses on improving the efficiency of grant program operations by consolidating certain programs and repealing other programs. The following programs expire on September 30, 2012 and no new funding is authorized beyond fiscal year 2012:

- Alternatives Analysis (5339),
- Clean Fuels (5308),
- Job Access and Reverse Commute (JARC) (5316),
- New Freedom (5317),
- Transit in the Parks (5320), and
- Over the Road Bus (3038 of TEA-21).

As noted above, in lieu of the current Bus Discretionary Program (section 5309), a new formula-driven Bus and Bus Facilities Program (5339) is established in MAP-21. Eliminating these discretionary programs underscores the need for grantees to carefully prioritize the needs of their own systems and align their capital plans with the new streams of formula assistance provided under MAP-21. With regard to the Transit in the Parks (5320) program, public transportation investments serving National Parks and other Federal lands remain eligible under the Federal Lands Transportation Program administered by the Federal Highway Administration (FHWA). As noted above, job access and reverse commute activities are now eligible under the Urbanized Area Formula program (5307) as well as the Rural Area Formula program (5311). Activities eligible under the former New Freedom program are now eligible under the Enhanced Mobility of Seniors and Individuals with Disabilities program (5310).

## Modified Programs

### Fixed Guideway Capital Investment Grants (5309)

Also known as "New Starts / Small Starts," this program awards grants on a competitive basis for major investments in new and expanded rail, bus rapid transit (BRT), and ferry systems. The program is funded at $1.9 billion dollars for FY 2013 and FY 2014 subject to appropriations by Congress.

*Core capacity projects now eligible*

MAP-21 adds new eligibility for core capacity improvement projects, that is, projects that expand capacity by at least 10 percent in existing fixed guideway transit corridors that are at or above capacity, or are expected to be at capacity within five years.

*Project development streamlined*

MAP-21 streamlines the project development process for New Starts. It eliminates the alternatives analysis requirement and instead relies on the review of alternatives performed during the metropolitan planning and environmental review processes. It creates the "Project Development" phase, during which environmental reviews are completed. Project sponsors must complete this phase within two years, or seek an extension from FTA. MAP-21 reduces the number of FTA approval steps by consolidating the "Preliminary Engineering" and "Final Design" stages into a single "Engineering" step. It also requires FTA to develop an expedited review process for determining the technical capacity of project sponsors to undertake the proposed project if they have recently and successfully completed at least one other new fixed guideway or core capacity improvement project.

*Project evaluation and rating*

Under certain conditions, MAP-21 allows for the use of "warrants," in other words, ways in which projects may qualify for automatic ratings on the project justification criteria. It also eliminates the operating efficiencies criterion and adds a congestion relief criterion. It requires FTA to evaluate the

benefits of a Small Starts[5] project against the Federal share of the project, rather than the total project cost when developing the project justification rating.

*Reorganization*

The fixed guideway modernization and bus and bus facilities programs, which were previously funded under Section 5309, have now been restructured and moved to a new Section 5337 State of Good Repair Program and a new Section 5339 Bus and Bus Facilities Program.

*Other Provisions*

MAP-21 creates a competitive pilot program for expedited project delivery. In addition, it funds Small Starts projects through a single year grant or an expedited grant agreement. New Starts and core capacity projects are funded through a full funding grant agreement (FFGA). Congressional notification of grant award is 10 days for Small Starts projects and 30 days for New Starts and core capacity projects. MAP-21 requires FTA to issue policy guidance on the process and evaluation criteria within 180 days of enactment, and a rule within one year of enactment.

**Metropolitan, Statewide, and Nonmetropolitan Planning Programs (5303, 5304, and 5305)**

These programs provide funding and procedural requirements for multimodal transportation planning in metropolitan areas and States that is cooperative, continuous, and comprehensive, resulting in long-range plans and short-range programs of transportation investment priorities. $127 million is authorized in FY 2013 and $129 million in FY 2014. The planning programs are jointly administered by FTA and FHWA, which also provides additional funding.

*Establishes a performance-based planning process*

MAP-21 requires Metropolitan Planning Organizations (MPOs) and States to establish performance targets that address national performance measures issued by the U.S. DOT and are based on goals outlined in law -- safety, infrastructure condition, congestion reduction, system reliability, economic vitality, environmental sustainability, reduced project delivery delays, transit safety, and transit asset management. Transportation Improvement Programs (TIPs) must include a description of the anticipated progress toward achieving the targets brought about by implementing the TIP. Five years after enactment of MAP-21, the U.S. DOT will report to Congress on the effectiveness of performance-based planning and assess the technical capacity of MPOs in smaller areas to undertake performance-based planning.

*Requires transit representation on MPO policy boards in large areas*

Within two years of the date of enactment, MPOs in urbanized areas designated as transportation management areas must include transit officials on their policy boards.

*Supports optional scenario development*

[5] Small Starts projects have a net capital cost of less than $250 million and a Federal share of less than $75 million.

MPOs may undertake scenario development exercises in preparing the long-range transportation plan that consider alternative demographic growth, revenue options, and other factors.

*Allows designation of regional transportation planning organizations*

Regional transportation planning organizations comprised of volunteer local government and transportation officials may be designated to assist the State in addressing the needs of non-metropolitan areas. Accordingly, "statewide planning" has been renamed "statewide and non-metropolitan planning" to signify the important role local officials play in the development of statewide plans and programs in non-metropolitan areas of States.

**Research, Development, Demonstration, and Deployment (5312)**

Previous Section 5312 (Research, development, demonstration, and deployment projects) and Section 5314 (National research programs) are now consolidated into one program under Section 5312. MAP-21 authorizes $70 million annually for FY 2013 and FY 2014 subject to appropriations by Congress. Funding supports public transportation research; innovation and development; and demonstration, deployment, and evaluation. Projects under this last category require a project evaluation within two years of award. MAP-21 creates a new low or no emissions vehicle deployment program. FTA is required to submit an annual report to Congress that includes a description of projects funded, an evaluation of each project described, and a proposed allocation of assistance for the next fiscal year. MAP-21 requires a local match of not less than 20 percent for Section 5312 projects.

**Technical Assistance and Standards (5314)**

MAP-21 authorizes $7 million annually for FY 2013 and FY 2014 in discretionary funding subject to appropriations by Congress for a wide range of technical assistance activities and development of voluntary standards and best practices. (Previously, some of these activities were funded under research) A local match of not less than 20 percent is required for projects carried out using a grant. An annual report to Congress is required, similar to the one for the research section above.

**Human Resources and Training (5322)**

The act authorizes $5 million subject to appropriations by Congress in each of FY 2013 and FY 2014 for human resource activities including: employment training and outreach programs; research on public transportation personnel and training needs; and training and assistance for minority business opportunities. MAP-21 authorizes a competitive grant program to support innovative public transportation workforce development. A 50 percent local match is required for this competitive grant program. FTA must submit a report to Congress on measurable outcomes and impacts of the programs funded.

MAP-21 also authorizes $5 million subject to appropriations by Congress in each of FY 2013 and FY 2014 for a national transit institute. Formerly authorized under Section 5315, this national transit institute is to develop training and education programs related to topics in public transportation and must be administered through a public, four-year degree-granting institution.

## Other Notable Provisions

### Buy America

FTA must submit an annual report to Congress on any Buy America waivers for transit grants.

### Veterans Preference

MAP-21 includes veteran's preference for employment on transit construction projects.

### Private Sector Participation

MAP-21 requires FTA to provide technical assistance requested by project sponsors and grantees on best practices and methods for using private providers of public transportation, and on how to use public-private partnerships for alternative project delivery of fixed guideway capital projects. MAP-21 also requires FTA to identify public transportation laws, regulations or practices that impede public-private partnerships or private investment in transit capital projects. FTA must also develop procedures through regulation to address these legal impediments, as well as procedures to protect the public interest and any public investment in public transportation capital projects that involves public-private partnerships or private investment. FTA must also develop guidance to promote greater transparency and public access to public-private partnership agreements. A new pilot program for expedited project delivery established under the "New Starts / Small Starts" section (5309) may provide opportunities for public-private partnerships. A new provision related to private providers of vanpool service expands what is eligible as local match and permits excess revenues to be used to acquire rolling stock for use in the service area.

### Bus Testing

MAP-21 requires FTA to develop a new pass/fail standard for testing new model buses. Vehicles that do not receive a pass rating are not eligible to be purchased with Federal funds.

### Transit Cooperative Research Program

MAP-21 authorizes $7 million subject to appropriations by Congress in each of FY 2013 and FY 2014 to continue the Transit Cooperative Research Program (TCRP).

### Government Share for Vehicles, Equipment and Facilities for Complying or Maintaining Compliance with the Americans with Disabilities Act or the Clean Air Act

An FTA grant used for acquiring vehicles to comply with or maintain compliance with the Americans with Disabilities Act (ADA) or the Clean Air Act can now cover 85 percent of net project costs. FTA grants for vehicle-related equipment or facilities needed to comply with or maintain compliance with the ADA or Clean Air Act remains at 90 percent of net project costs of the equipment of facilities attributable to compliance with the Act (the incremental cost).

## For More Information

Additional information related to MAP-21 is available on the FTA website at http://www.fta.dot.gov/map21. As implementation of the new law progresses, more material will be posted.

U.S. Department of Transportation
Federal Transit Administration

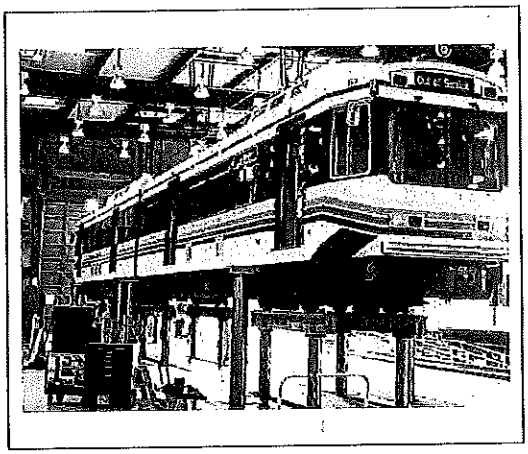
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# FACT SHEET:
# STATE OF GOOD REPAIR GRANTS
## SECTION 5337

| | FY 2013 (in millions) | FY 2014 (in millions) |
|---|---|---|
| State of Good Repair Formula Grants | $2,136.3 | $2,165.9 |

### Purpose

A new formula-based State of Good Repair program is FTA's first stand-alone initiative written into law that is dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes, including bus rapid transit (BRT). These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development.



### Statutory References

49 U.S.C. Section 5337 / MAP-21 Section 20027

### Eligible Recipients

- State and local government authorities in urbanized areas with fixed guideway public transportation facilities operating for at least 7 years.

### What's New?

- Replaces the Fixed Guideway Rail Modernization Formula Program with the State of Good Repair Formula Grants Program.
- High-occupancy vehicle (HOV) lanes are no longer part of the definition for fixed-guideway systems. There is a new definition for high-intensity motor buses, which is defined as public transportation that shares lanes with other HOV vehicles.
- Projects are limited to replacement and rehabilitation or capital projects required to maintain public transportation systems in a state of good repair.
- Projects must be included in a Transit Asset Management plan.

### Eligible Activities

- Capital projects to maintain a system in a state of good repair, including projects to replace and rehabilitate: rolling stock; track; line equipment and structures; signals and communications; power equipment and substations; passenger stations and terminals; security equipment and systems; maintenance facilities and equipment; and operational support equipment, including computer hardware and software.
- Transit Asset Management Plan development and implementation.

(cont.)

**State of Good Repair Grants**

**Funding Program**

- Federal share is 80% with a required 20% match.
- The program comprises two separate formula programs:

**High Intensity Fixed Guideway**

- Comprises 97.15% of FY2013 and FY2014 apportionments, noted in funding table above.
- 50% based on SAFETEA-LU formula under FY2011 Fixed Guideway Rail Modernization Program, with key modification: buses operating on lanes not for exclusive use of public transportation vehicles are excluded.
- 50% based on revenue vehicle miles and route miles (with same bus exclusion as above). Includes a hold-harmless provision preventing formula allocations from decreasing by more than 0.25 percent year-to-year.

**High Intensity Motorbus**

- Comprises 2.85% of FY2013 and FY2014 apportionments, noted in funding table above.
- 60% based on revenue vehicle miles.
- 40% based on route miles of buses operating on lanes not fully reserved only for public transportation vehicles.

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**For additional information on FTA and MAP-21, visit www.fta.dot.gov/map21.**

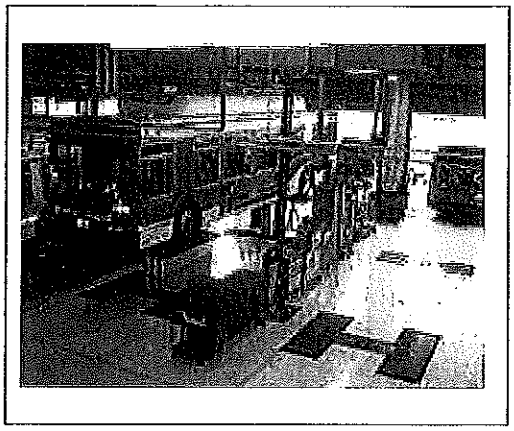
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# FACT SHEET:
# TRANSIT ASSET MANAGEMENT
# SECTION 5326

**Purpose**

This section establishes new requirements for transit asset management by FTA's grantees as well as new reporting requirements to promote accountability. The goal of improved transit asset management is to implement a strategic approach for assessing needs and prioritizing investments for bringing the nation's public transit systems into a state of good repair.



**Statutory References**

49 U.S.C. Section 5326 / MAP-21 Section 20019

**Eligible Recipients & Activities**

Not applicable; no grants are established under this section.
This section establishes cross-cutting requirements across FTA's grant programs.

**What's New**

**National Transit Asset Management System**

Through regulation, FTA will establish a national transit asset management system. The regulation will:

- define "state of good repair;"
- set objective standards for measuring the condition of capital assets (including equipment, rolling stock, infrastructure, and facilities); and
- establish performance measures for state of good repair, under which all FTA grantees will be required to set targets.

**Grantee Plans**

As established by the above regulation, all FTA grantees and their subrecipients will be required to develop transit asset management plans that include, at a minimum:

- capital asset inventories and condition assessments; and
- investment prioritization.

**Reporting Requirements**

As established by the above regulation, each designated recipient of FTA formula funding will be required to report on:

- the condition of their system;
- any change in condition since the last report;
- targets set under the above performance measures; and
- progress towards meeting those targets.

(cont.)

**Transit Asset Management**

**What's New (cont.)**

**Performance Targets**

- Each recipient is required to establish performance targets in relation to the definition of state of good repair established by FTA.
- As part of the performance-based planning process (49 U.S.C. Sections 5303 and 5304), metropolitan planning organizations (MPOs) and states are required to coordinate their performance targets with the targets for state of good repair set by grant recipients.

**Technical Assistance**

FTA will support this effort through technical assistance. In particular, FTA will develop an analytical process or a decision support tool for estimating capital investment needs over time and assisting with investment prioritization.

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**For additional information on FTA and MAP-21, visit www.fta.dot.gov/map21.**