

HOUSE BILL No. 5309

January 26, 2012, Introduced by Reps. Townsend, Olson, Kandrevas, Dillon, Barnett, Lori, Lipton, Lane, Liss, Brunner, Cavanagh, Stallworth, Rutledge, Wayne Schmidt, Constan, Slavens, Durhal, Bledsoe and Switalski and referred to the Committee on Transportation.

A bill to create a regional transit authority; to provide regional public transportation; to prescribe certain powers and duties of the authority and of certain state agencies and officials; to authorize the levy of a special assessment and to provide for the issuance of bonds and notes; to collect certain taxes; to make appropriations; to provide for the pledge of special 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:

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

3 Sec. 2. As used in this act:

4 (a) "Authority" means a regional transit authority formed
5 under this act.

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

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

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

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

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

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

14 (h) "Local road agency" means that term as defined in section
15 9a of 1951 PA 51, MCL 247.659a.

16 (i) "Public transit" means the movement of individuals and
17 goods by publicly owned bus, rapid transit vehicle, or other
18 conveyance that provides general or special service to the public,
19 but not including school buses or charter or sightseeing service or
20 transportation that is used exclusively for school purposes. Public
21 transit includes the movement of individuals and goods by privately
22 owned bus, railroad car, rapid transit vehicle, or other conveyance
23 that, under a contract with the authority, provides general or
24 special service to the public, but not including school buses or
25 charter or sightseeing service or transportation that is used
26 exclusively for school purposes. Public transit is a transportation
27 purpose within the meaning of section 9 of article IX of the state

1 constitution of 1963.

2 (j) "Public transit facility" means all plants, equipment,
3 work instrumentalities, and real and personal property and rights
4 used or useful for public transit.

5 (k) "Public transit provider" means a public or private entity
6 that provides public transit services and includes a contractor
7 providing services to a public transit provider.

8 (l) "Public transit region" means an area consisting of the
9 county in this state with the largest population and the 3 counties
10 contiguous to that county having the largest populations. Public
11 transit region may include a county added to an authority under
12 section 4.

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

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

23 (i) Exclusive rights-of-way.

24 (ii) Rapid boarding and alighting.

25 (iii) Integration with other modes of transportation.

26 Sec. 3. (1) For a public transit region there is hereby
27 created an authority, which shall become effective upon the

1 appointment of all members of the board, which appointments shall
2 be made as provided in section 5 within 90 days after the effective
3 date of this act, for the purpose of planning, acquiring, owning,
4 operating, or causing to be operated a public transit system and
5 carrying out the rights, duties, and obligations provided for in
6 this act.

7 (2) The name of an authority created under subsection (1)
8 shall be the southeast Michigan regional transit authority.

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

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

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

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

21 (3) If an authority is levying a special assessment under
22 section 10(2) or a motor vehicle registration fee under section
23 10(3), or both, a petitioning county that satisfies the conditions
24 under subsection (2) is a provisional member of the authority
25 without voting power or transportation service from the authority
26 until the special assessment levied by the authority under section
27 10(2) or the motor vehicle registration fee under section 10(3), or

1 both, is approved by a majority of the electors of the petitioning
2 county at the first primary or general election to occur at least
3 71 days after appointment of a board member representing the
4 petitioning county under section 5(11).

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

7 (a) One governor's representative appointed by the governor.

8 (b) Two individuals appointed by the county executive of a
9 county within the public transit region that has a population of
10 not less than 1,200,000 and not more than 1,500,000.

11 (c) Two individuals appointed by the county executive of a
12 county within the public transit region that has a population of
13 not less than 800,000 and not more than 850,000.

14 (d) Two individuals appointed by the chair of the board of
15 county commissioners of a county within the public transit region
16 that has a population of not less than 330,000 and not more than
17 380,000.

18 (e) Two individuals appointed by the county executive of a
19 county within the public transit region that has a population of
20 not less than 1,800,000 and not more than 2,000,000. One of the 2
21 individuals appointed under this subdivision shall be a resident of
22 a city within the public transit region with a population of at
23 least 600,000.

24 (f) One individual appointed by the mayor of a city within the
25 public transit region with a population of at least 600,000.

26 (2) Members of the board shall serve for fixed terms of 3
27 years, except that of the members first appointed, 1 of the 2 board

1 members appointed in each of the counties under subsection (1)(b)
2 to (e) shall serve for 1 year, the board member appointed under
3 subsection (1)(f) shall serve for 2 years, and the governor's
4 representative, 1 of the 2 board members appointed in each of the
5 counties under subsection (1)(b) to (e), and the member appointed
6 jointly under subsection (1)(g) shall serve for 3 years.

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

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

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

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

18 (7) Upon appointment to the board, a board member shall take
19 an oath of office. The oath of office shall be consistent with the
20 constitutional oath of office required under section 1 of article
21 XI of the state constitution of 1963.

22 (8) A board member shall serve without compensation, but may
23 be reimbursed for actual and necessary expenses incurred while
24 attending board meetings or performing other authorized official
25 business of the authority.

26 (9) An individual who is not of good moral character or who
27 has been convicted of, pled guilty or no contest to, or forfeited

1 bail concerning a felony under the laws of this state, any other
2 state, or the United States shall not be appointed or remain as a
3 member of the board.

4 (10) A board member shall exercise due care and conduct
5 himself or herself in a manner consistent with full accountability,
6 transparency, and responsibility for his or her actions as a board
7 member. A board member shall not fraudulently influence, coerce,
8 manipulate, or mislead his or her fellow board members, the
9 authority, or any other person in the performance of his or her
10 duties.

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

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

27 (2) The business of the board shall be conducted at a public

1 meeting held in compliance with the open meetings act, 1976 PA 267,
2 MCL 15.261 to 15.275. Public notice of the date, time, and place of
3 the meeting shall be given in the manner required by the open
4 meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall
5 adopt bylaws consistent with the open meetings act, 1976 PA 267,
6 MCL 15.261 to 15.275. After organization, the board shall adopt a
7 schedule of regular meetings. The board shall meet at least once
8 each quarter. A special meeting of the board may be called by the
9 chairperson of the board or as provided in the bylaws of the board.

10 (3) Actions of the board shall be by simple majority vote of
11 all serving members of the board, except as follows:

12 (a) The board shall provide in its bylaws that the following
13 actions require the approval of a supermajority, not to exceed 4/5
14 of serving members:

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

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

19 (iii) The placing of a question of approving a motor vehicle
20 registration fee on the ballot by the authority.

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

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

26 (i) A determination to acquire, construct, operate, or maintain
27 any form of rail passenger service within the public transit

1 region.

2 (ii) A determination to acquire an existing public transit
3 authority or agency.

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

12 (4) A board shall keep a written or printed record of each
13 meeting. A written or printed record of each meeting and any other
14 document or record prepared, owned, used, in the possession of, or
15 retained by the authority in the performance of an official
16 function shall be made available to the public under the freedom of
17 information act, 1976 PA 442, MCL 15.231 to 15.246.

18 (5) A board shall provide for a uniform system of accounts for
19 the authority to conform to and for the auditing of the authority's
20 accounts. The board shall obtain an annual audit of the authority
21 by an independent certified public accountant and report on the
22 audit and auditing procedures under sections 6 to 13 of the uniform
23 budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.433.
24 The audit shall be in accordance with generally accepted government
25 auditing standards and shall satisfy federal regulations regarding
26 federal grant compliance audit requirements.

27 (6) Within 90 days after the first board meeting, a board

1 shall adopt and maintain a budget for the fiscal year in accordance
2 with the uniform budget and accounting act, 1968 PA 2, MCL 141.421
3 to 141.440a.

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

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

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

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

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

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

2 (9) Within 90 days after the first board meeting, the board
3 shall adopt a procurement policy consistent with the requirements
4 of this act and federal and state laws relating to procurement. The
5 procurement policy shall include a requirement that the authority
6 use its best efforts within the competitive solicitation
7 requirements of this section to achieve fairness in the number and
8 value of contracts for goods or services entered into by the
9 authority with firms based in the public transit region and each
10 county within the public transit region, consistent with applicable
11 law.

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

15 (11) Within 90 days after the first board meeting, the board
16 shall adopt a policy to govern the control, supervision,
17 management, and oversight of each contract to which the authority
18 is a party. Within 90 days after the first board meeting, the board
19 shall adopt procedures to monitor the performance of each contract
20 to assure execution of the contract within the budget and time
21 periods provided under the contract. The monitoring shall include
22 oversight as to whether the contract is being performed in
23 compliance with the terms of the contract, this act, and federal
24 and state law. The chief executive officer or other authorized
25 employee of the authority shall not sign or execute a contract
26 until the contract is approved by the board. Within 90 days after
27 the first board meeting, the board shall establish policies to

1 ensure that the authority does not enter into a procurement or
2 employment contract with a person who has been convicted of a
3 criminal offense related to the application for or performance of a
4 contract or subcontract with a governmental entity in any state.
5 The authority shall establish policies to ensure that the authority
6 does not enter into a procurement or employment contract with a
7 person who has been convicted of a criminal offense, or held liable
8 in a civil proceeding, in this state or any other state, that
9 negatively reflects on the person's business integrity, based on a
10 finding of embezzlement, theft, forgery, bribery, falsification or
11 destruction of records, receiving stolen property, violation of
12 state or federal antitrust statutes, or similar laws. The authority
13 shall prepare an annual report to the board and each county within
14 the public transit region detailing all contracts entered into by
15 the authority during the immediately preceding fiscal year. As used
16 in this subsection, "person" includes affiliates, subsidiaries,
17 officers, directors, and managerial employees of a business entity,
18 or an individual or entity who, indirectly or directly, holds a
19 pecuniary interest in a business entity of 20% or more.

20 (12) An authority is not required to use competitive bidding
21 when acquiring proprietary services, equipment, or information
22 available from a single source, such as a software license
23 agreement. An authority may enter into a competitive purchasing
24 agreement with the federal government, this state, or other public
25 entities for the purchase of necessary goods or services. An
26 authority may enter into lease purchases or installment purchases
27 for periods not exceeding the useful life of the items purchased

1 unless otherwise prohibited by law. In all purchases made by the
2 authority, if consistent with applicable federal and state law,
3 preference shall be given first to products manufactured or
4 services offered by firms based in the authority's public transit
5 region, including, but not limited to, the cities and counties in
6 the public transit region, and second to firms based in this state.
7 The authority shall actively solicit lists of potential bidders for
8 authority contracts from each city and each county in the public
9 transit region. Except as otherwise provided in this section, the
10 authority shall utilize competitive solicitation for all purchases
11 authorized under this act unless 1 or more of the following apply:

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

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

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

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

25 (e) Procurement of goods or services is in response to a
26 declared state of energy emergency under 1982 PA 191, MCL 10.81 to
27 10.89.

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

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

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

25 (14) A board may employ personnel as it considers necessary to
26 assist the board in performing the powers, duties, and
27 jurisdictions of the authority, including, but not limited to,

1 employment of a chief executive officer and other senior executive
2 and administrative staff. The board shall hire a chief executive
3 officer and any necessary support staff for the chief executive
4 officer within 60 days after the first board meeting. Individual
5 board members shall not hire or be assigned personal staff.

6 (15) A board shall establish policies to ensure that the board
7 and the authority do not do either of the following:

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

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

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

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

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

26 (ii) Two users of public transit from each of the following
27 counties within the public transit region:

1 (A) A county that has a population of not less than 1,800,000
2 and not more than 2,000,000.

3 (B) A county that has a population of not less than 1,200,000
4 and not more than 1,500,000.

5 (C) A county that has a population of not less than 800,000
6 and not more than 850,000.

7 (D) A county that has a population of not less than 330,000
8 and not more than 380,000.

9 (iii) Two users of public transit from each city in the public
10 transit region that has a population of 600,000 or more.

11 (iv) Two users of public transit from each additional member
12 county not listed in subdivision (ii).

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

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

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

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

26 (b) Advise the board regarding the coordination of functions
27 between different owners and operators of public transit facilities

1 within the region.

2 (c) Review and comment on the specialized services
3 coordination plan required by section 10e of 1951 PA 51, MCL
4 247.660e.

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

7 (18) The board shall create a public transit provider advisory
8 council that consists of 2 members appointed by each public transit
9 provider in the public transit region. The public transit provider
10 advisory council may make reports to the board, including
11 recommendations, at each board meeting. The public transit provider
12 advisory council shall only make recommendations to the board on
13 the following issues:

14 (a) Coordination of service.

15 (b) Funding.

16 (c) Plans.

17 (d) Specialized services.

18 (e) Other matters as requested by the board.

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

25 (a) Adopt and use a corporate seal.

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (o) Establish and maintain an office.

23 (p) Acquire property or rights and interests in property by
24 gift, devise, transfer, exchange, purchase, lease, or otherwise on
25 terms and conditions and in a manner the authority considers
26 proper. Property or rights or interests in property acquired by an
27 authority may be by purchase contract, lease purchase, agreement,

1 installment sales contract, land contract, or otherwise. The
2 acquisition of property by an authority for a public transit system
3 in furtherance of the purposes of the authority is for a public
4 use, and the exercise of any other powers granted to the authority
5 is declared to be a public, governmental, and municipal function,
6 purpose, and use exercised for a public purpose and matters of
7 public necessity.

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

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

16 (s) Promulgate rules and adopt regulations for the orderly,
17 safe, efficient, and sanitary operation and use of a public transit
18 system owned by the authority.

19 (t) Subject to section 13, use this state's rights-of-way
20 throughout the public transit region for public transit.

21 (u) Create separate operating entities.

22 (v) Do all other things necessary or convenient to exercise
23 the powers, duties, and jurisdictions of the authority under this
24 act or other laws related to the purposes, powers, duties, and
25 jurisdictions of the authority.

26 (2) Notwithstanding any other provision of this act, the
27 authority may not acquire, accept responsibility for, or obligate

1 itself to assume liability for, or pay any legacy costs of an
2 existing public transit authority or agency that may be purchased,
3 merged with, assumed, or otherwise acquired in any manner by the
4 authority, including, but not limited to, costs associated with any
5 authority or agency's litigation, claims, assessments, worker's
6 compensation awards or charges, swap losses, pensions, health care,
7 or other postemployment benefits of an existing transit agency or
8 authority without first securing an affirmative vote of a majority
9 of the electors of each member county in the public transit region.

10 (3) An authority shall adopt a public transit plan for its
11 public transit region. The authority shall adopt the regional
12 transit plan approved on December 8, 2008 by the regional transit
13 coordinating council as its initial plan. The authority may amend
14 the plan and shall update the plan annually. The authority may
15 establish and operate new or additional routes and public transit
16 facilities using various forms of transit modalities. The authority
17 may employ operating personnel, negotiate collective bargaining
18 agreements with operating personnel, or own operating assets of a
19 public transit service within the public transit region. The
20 authority shall coordinate the operating and capital transit plans
21 of transit agencies and authorities within the public transit
22 region.

23 (4) Subject to available resources, the authority may plan,
24 design, develop, construct, and operate a rolling rapid transit
25 system on at least 4 corridors within the public transit region.
26 The authority, with the approval of the federal transit
27 administration and in compliance with all applicable federal and

1 state regulations, shall determine exact routes and station
2 locations. The authority may design routes to augment, complement,
3 enhance, replace, or improve other forms of public transit
4 operating within or on the corridors. Initial plans for a rolling
5 rapid transit system may include all of the following:

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

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

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

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

26 (5) Expenses of the authority incurred in the planning and
27 operation of a rolling rapid transit system are not eligible for a

1 statewide operating grant under the statewide operating grants
2 program in section 10e of 1951 PA 51, MCL 247.660e.

3 (6) The authority may charge fares and enter into contracts
4 for the services provided by the public transit system as necessary
5 to provide funds to meet the obligations of the authority.

6 Sec. 8. (1) Ninety days after the effective date of this act,
7 an authority shall become the designated recipient for its public
8 transit region for purposes of applying for federal and state
9 operating and capital assistance grants under the federal transit
10 act, Public Law 88-365, and the regulations promulgated under the
11 federal transit act. The authority may designate a city operating a
12 transit authority or agency or an authority representing a county
13 or counties each as a subrecipient of federal and state
14 transportation funds. To the extent required by the federal transit
15 act, Public Law 88-365, and the regulations promulgated under the
16 federal transit act, Public Law 88-365, the authority may execute a
17 supplemental agreement conferring on a city operating a transit
18 authority or agency or authority representing a county or counties
19 the right to receive and dispense grant funds and containing such
20 other provisions as required by federal law and regulations. The
21 authority shall submit its application for such funds to the
22 responsible federal and state agencies in a timely manner. The
23 application shall designate the distribution of all capital and
24 operating funds that are to be paid directly to a city operating a
25 transit authority or agency or to an authority representing a
26 county or counties. If an authority is a recipient, the authority,
27 as soon as possible, but not more than 10 business days after

1 receipt of the funds by the authority, shall remit to a city
2 operating a transit authority or agency or an authority
3 representing a county or counties its designated distribution of
4 funds. Notwithstanding anything in the articles of incorporation of
5 the authority to the contrary, the designated distribution of
6 federal and state formula funds, regardless of what entity is the
7 subrecipient or direct recipient of the funds, shall be determined
8 using the federal and state statutes and regulations applicable at
9 the time of distribution as if the designated subrecipients or
10 direct recipients were allowed to, and did, apply for federal and
11 state formula funds independently of each other and the authority
12 created under this act.

13 (2) Each public transit provider in the public transit region,
14 including subrecipients designated by the authority under
15 subsection (1), shall submit an annual report to the authority that
16 describes and evaluates the efforts of the public transit provider
17 to coordinate service with other public transit providers in the
18 public transit region. The report shall include, but is not limited
19 to, a description of the successful and unsuccessful efforts of the
20 public transit provider to do all of the following:

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

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

25 (c) Eliminate or reduce service overlap and duplication.

26 (3) The authority shall coordinate service overlap, rates,
27 routing, scheduling, and any other function that the authority

1 considers necessary in order to implement or execute the
2 comprehensive regional transit service plan between the
3 authorities, agencies, and owners or operators of public transit
4 facilities within the public transit region.

5 (4) The authority may issue coordination directives regarding
6 public transit services, including, but not limited to, routes,
7 schedules, and fares. The authority shall provide notice of
8 coordination directives issued under this subsection to owners and
9 operators of public transit facilities in the public transit
10 region. The authority may withhold up to 5% of state capital and
11 operating assistance from an owner or operator of a public transit
12 facility within the public transit region that fails to comply with
13 a coordination directive of the authority, as determined by the
14 board. A coordination directive issued under this subsection
15 preempts a city, village, or township provision or procedure to the
16 extent the provision or procedure is in conflict with the
17 coordination directive.

18 Sec. 9. (1) Subject to section 7, the authority may acquire
19 property for a public transit system by purchase, construction,
20 lease, gift, or devise, either within or without the area served by
21 the public transit system, and may hold, manage, control, sell,
22 exchange, or lease property. The authority may utilize any
23 appropriate statute for the purpose of condemnation. The authority
24 may only utilize condemnation proceedings to acquire property
25 located within the public transit region.

26 (2) Except as otherwise provided in this subsection, the
27 property of the authority and its income, activities, and

1 operations are exempt from all taxes and special assessments of
2 this state or a political subdivision of this state. Property of an
3 authority and its income, activities, and operations that are
4 leased to private persons are not exempt from any tax or special
5 assessment of this state or a political subdivision of this state.
6 Property of an authority is exempt from ad valorem property taxes
7 collected under the general property tax act, 1893 PA 206, MCL
8 211.1 to 211.155, or other law of this state authorizing taxation
9 of real or personal property.

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

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

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

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

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

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

27 (e) The proceeds of a special assessment levied under

1 subsection (2).

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

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

6 (2) An authority may levy a special assessment within the
7 public transit region only as approved by the board and the
8 electors of the public transit region.

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

12 (4) The authority shall ensure that not less than 85% of the
13 money raised in each member jurisdiction through either a special
14 assessment under subsection (2) or a motor vehicle registration fee
15 under subsection (3), or both, is expended on public transit
16 service provided in that member jurisdiction.

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

22 Sec. 11. (1) For the purpose of acquiring, improving,
23 enlarging, or extending a public transit system, the authority may
24 issue self-liquidating revenue bonds under the revenue bond act of
25 1933, 1933 PA 94, MCL 141.101 to 141.140, or any other act
26 providing for the issuance of self-liquidating revenue bonds. The
27 bonds are not a general obligation of the authority, but are

1 payable solely from the revenue of the public transit system. If
2 the authority issues self-liquidating revenue bonds with a pledge
3 of the full faith and credit of the authority, those revenue bonds
4 are subject to the revised municipal finance act, 2001 PA 34, MCL
5 141.2101 to 141.2821.

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

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

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

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

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

26 (2) A financial obligation of the authority is a financial
27 obligation of the authority only and not an obligation of this

1 state or any city or county within a public transit region. A
2 financial obligation of an authority shall not be transferred to
3 this state or any city or county within a public transit region.

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

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

27 (3) The authority shall not construct a public transit system

1 on the streets and highways of a local road agency until there is
2 an operating license agreement executed by the authority and the
3 local road agency.

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

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

15 Sec. 14. Local zoning or land use ordinances or regulations do
16 not apply to a public transit system or a rolling rapid transit
17 system that is planned, acquired, owned, or operated by an
18 authority under this act.

19 Sec. 15. The costs of planning, administering, constructing,
20 reconstructing, financing, and maintaining state, county, city, and
21 village roads, streets, and bridges designed primarily for the use
22 of motor vehicles using tires, including the costs of reasonable
23 appurtenances to those state, county, city, and village roads,
24 streets, and bridges, are a transportation purpose within the
25 meaning of section 9 of article IX of the state constitution of
26 1963, when such costs are to facilitate a public transit system
27 that moves individuals or goods with vehicles using tires.

1 Sec. 16. There is appropriated to each authority created under
2 this act the sum of \$250,000.00 from the comprehensive
3 transportation fund created in section 10b of 1951 PA 51, MCL
4 247.660b, to begin implementing the requirements of this act. Any
5 portion of this amount under this section that is not expended in
6 the 2012-2013 state fiscal year shall not lapse to the general fund
7 but shall be carried forward in a work project account that is in
8 compliance with section 451a of the management and budget act, 1984
9 PA 431, MCL 18.1451a, for the following state fiscal year.

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