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BILL ANALYSIS



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Senate Bill 444 (Substitute S-1)
Sponsor: Senator Loren Bennett
Committee: Transportation and Tourism

Date Completed: 5-10-95

SUMMARY OF SENATE BILL 444 (Substitute S-1):

The bill would amend the Michigan Transportation Fund (MTF) Act to revise provisions concerning municipal credits that are returned to cities, villages, and townships in a multicounty transportation authority. The Act requires that each multicounty authority created under the Metropolitan Transportation Authorities Act (e.g., the Suburban Mobility Authority for Regional Transportation, or SMART) annually return \$2 million from a portion of the distribution of the Comprehensive Transportation Fund, in terms of a credit to those cities, villages, and townships within each transportation district of the authority that apply for the credit. (In addition, the annual Transportation budget includes another \$1 million for municipal credits.)

The bill specifies that the authority could not grant or deny an application for a municipal credit solely on the basis of the results of a millage election at which the question of voting millage to support the authority was a ballot question or whether a municipality decided not to submit the question of voting millage for support of the authority to the electors. A city, village, or township that was denied a municipal credit by an authority under the guidelines established by this section of the MTF Act could appeal to the State Transportation Department. The Department's decision would be final and would have to be made within 60 days after receipt of the appeal.

The bill would require any program operated as a municipal credit program to operate as public transportation open to all seniors and handicappers or the general public in the service area. To satisfy this requirement, documentation of public announcements advertising times, locations, and price of bus service would have to be submitted to the authority with the application. A municipal credit program could include, but would not be limited to, one or more of the following:

- Purchase of tickets or cards for ridership within the authority's service area.
- Purchase of subscription services, such as shuttle service.
- Interim support of municipally operated services such as a van or taxi service.
- The transfer of funds to other local units for participation in joint programs.
- Other transportation initiatives as defined and documented with the application.
- The application of funds to connector service within the authority's total service area.

This provision would apply to the authority or its successor authority that was formed under the Act or any other act allowing the formation of public authorities on or after the bill's effective date, and to any member of the authority that existed on January 1, 1995.

Under the Act, for each 12-month period, a city, village, or township may apply to the authority to use its credit for public transportation purposes within the authority's jurisdiction. A city, village, or township that provides public transportation service for that local unit, however, must use its credit exclusively toward reducing the operating deficit of that service. A city, village, or township has one year to spend the credit, and an unspent credit is to be used by the authority for an expenditure within the county in which the local unit lies.

Further, notwithstanding any other section of this Act or any other act, an authority has the final decision as to what constitutes a proper expenditure, a public transportation service, or a public transportation purpose under these provisions. The bill provides, however, that a decision of the authority could not be based solely on the results of a millage election at which the question of voting millage to support the authority was a ballot question or whether the municipality decided not to submit the question of voting millage for support of the authority to the electors. In addition, the authority's final decision would be subject to the guidelines established by this section of the Act.

MCL 247.660/

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would not change the amount allocated by the State for municipal credits. The bill would limit a multicounty authority's ability to withhold municipal credits from cities, villages, and townships.

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.