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## HOUSE FISCAL AGENCY

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HB5383 AS PASSED BY THE HOUSE

Sponsor: Rep. Tom George

Committee: TRANSPORTATION

Analyst(s): Hamilton, William

Completed: 12/14/01

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### State Fiscal Impact

Cost: None  
Revenues: None

### Local Fiscal Impact

Cost: None  
Revenues: None

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HB 5383 would amend Public Act 51 of 1951 (MCL 247.661 et. seq.) to strike current definitions of (or references to) "maintenance" or "maintaining" in Sections 1b(1), 11(4), 12(18), and 20a(e) and replace with new definitions in Section 10c. The bill includes a new definition of "maintenance" in Section 10c as well as definitions of the terms "preservation", "reactive maintenance", "routine maintenance", and "capital preventive treatments" - terms not previously defined in Act 51. The bill would also add new section 10p which would require governmental units to use the new definitions of "maintenance" and "capital preventive treatments" in contracts with road agencies or townships. The new section 10p also states that units of governments which now perform certain maintenance services on state or local roads would not be precluded from performing those services based on the definitions of "capital preventive treatment" in 10c. The bill would strike the word "maintenance" and replace with the word "preservation" in Sections 11(2), 11(3), 12(16), and 12(17).

The bill would also strike Section 12c which established criteria under which a county primary road could be transferred to the jurisdiction of a city or village.

The bill has no apparent fiscal impact on state or local governments. For a more detailed analysis of the bill see Analysis and Charts attached or linked to this page.

## Fiscal Analysis of House Bill 5383 (As passed the House)

Fiscal Analyst: William E. Hamilton

Date: December 14, 2001

**Note: The bolded sections below represent changes to the bill as a result of floor amendments.**

### Summary

HB 5383 would amend Public Act 51 of 1951 (MCL 247.661 et. seq.) to strike current definitions of (or references to) "maintenance" or "maintaining" in Sections 1b(1), 11(4), 12(18), and 20a(e) and replace with new definitions in Section 10c. The bill includes a new definition of "maintenance" in Section 10c as well as definitions of the terms "preservation", "reactive maintenance", "routine maintenance", and "**capital preventive treatments**" - terms not previously defined in Act 51. The bill would also add new section 10p which would require governmental units to use the new definitions of "maintenance" and "**capital preventive treatments**" in contracts with road agencies or townships. **The new section 10p also states that units of governments which now perform certain maintenance services on state or local roads would not be precluded from performing those services based on the definitions of capital preventive treatment" in 10c.** The bill would strike the word "maintenance" and replace with the word "preservation" in Sections 11(2), 11(3), 12(16), and 12(17). The bill would also amend Section 12c to establish criteria under which a county primary road, previously transferred to the jurisdiction of a city or village, may be transferred back to jurisdiction of a county road commission.

The bill has no apparent fiscal impact on state or local governments. A more detailed analysis of the bill follows below.

### Definition of Maintenance

Public Act 51 of 1951 (MCL 247.661 et. seq.) governs the distribution of transportation funds in Michigan. The terms "maintenance" or "maintaining" are currently defined in Act 51 in Section 11(4) with regard to expenditures from the state trunkline fund, and in Section 12(18) with regard to activities of county road commissions. In addition, Section 1b(1) prescribes the responsibilities of the state transportation department for "maintaining state trunkline highways" within a city or village. Section 20a(e) currently refers to the definition of "maintenance" in 1b for the purposes of prescribing the terms of an agreement between certain county road commissions and certain townships for the maintenance of the county local road system within a township.

HB 5383 would strike the definitions of "maintenance" and "maintaining" in sections 11(4), 12(18), and 1b(1) as well as the reference to 1b in Section 20a(e). The bill would add a new definition of "maintenance" in Section 10c. The bill would also add to Section 10c definitions of the terms "preservation", "reactive maintenance", "routine maintenance", and "**capital preventive treatments**". The flowchart attached (or linked) to this analysis presents the definitions offered in HB 5383 and shows the relationship between the proposed definitions.

process be extended to statewide use for transportation facilities <sup>1</sup>. The report indicated "The asset management approach will work best when standards for maintenance are based upon definitions that are

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<sup>1</sup> HB 5396 would amend Act 51 to establish an asset management council within the State Transportation Commission.

One of the recommendations of the Act 51 Transportation Funding Study Committee was that a "Technical Advisory Panel develop a uniform definition of maintenance and that the Legislature revise current transportation laws to incorporate the definition." The Study Committee report identified this recommendation as related to the key recommendation that "a long term planned asset management uniform across jurisdictions." The report emphasized the need for "a clear distinction between routine maintenance activities and capital preventive maintenance activities which extend the useful life of the road". For the complete Act 51 Transportation Funding Study Committee report see: <http://www.mdot.state.mi.us/act51/finalreports/index.htm>

The bill would also add a new section 10p which would require governmental units to use the new definitions of "maintenance" and "preventive maintenance" in contracts with road agencies or townships. We do not believe that this provision will affect contracts between the Michigan Department of Transportation and counties and cities for the maintenance of state trunkline highways, of which the terms are negotiated.

The bill would strike the word "maintenance" and replace with the word "preservation" in Sections 11(2), 11(3), 12(16), and 12(17). These sections restrict the amounts that the Michigan Department of Transportation and county road commissions can spend on new road construction, as opposed to "preservation" ("maintenance" in current law) of the existing road system.

The amendments proposed by the bill do not appear to alter the effect of those sections, with one possible exception. The current definitions of "maintenance" and "maintaining" in Sections 11(4), 12(18) include "widening less than a lane width". The proposed definition of "preservation" in Section 10c exclude "**widening of a lane width or more**" from the definition. Widening a full lane width could be considered new construction under current law but as "preservation" under HB 5383 <sup>2</sup>.

#### **Jurisdictional Transfers**

**The bill would also strike out all of Section 12c. This section currently provides a process by which a city or village may request that a county primary road, within the corporate limits of the city or village, be transferred to the jurisdiction of the city or village.**

#### **Fiscal Impact**

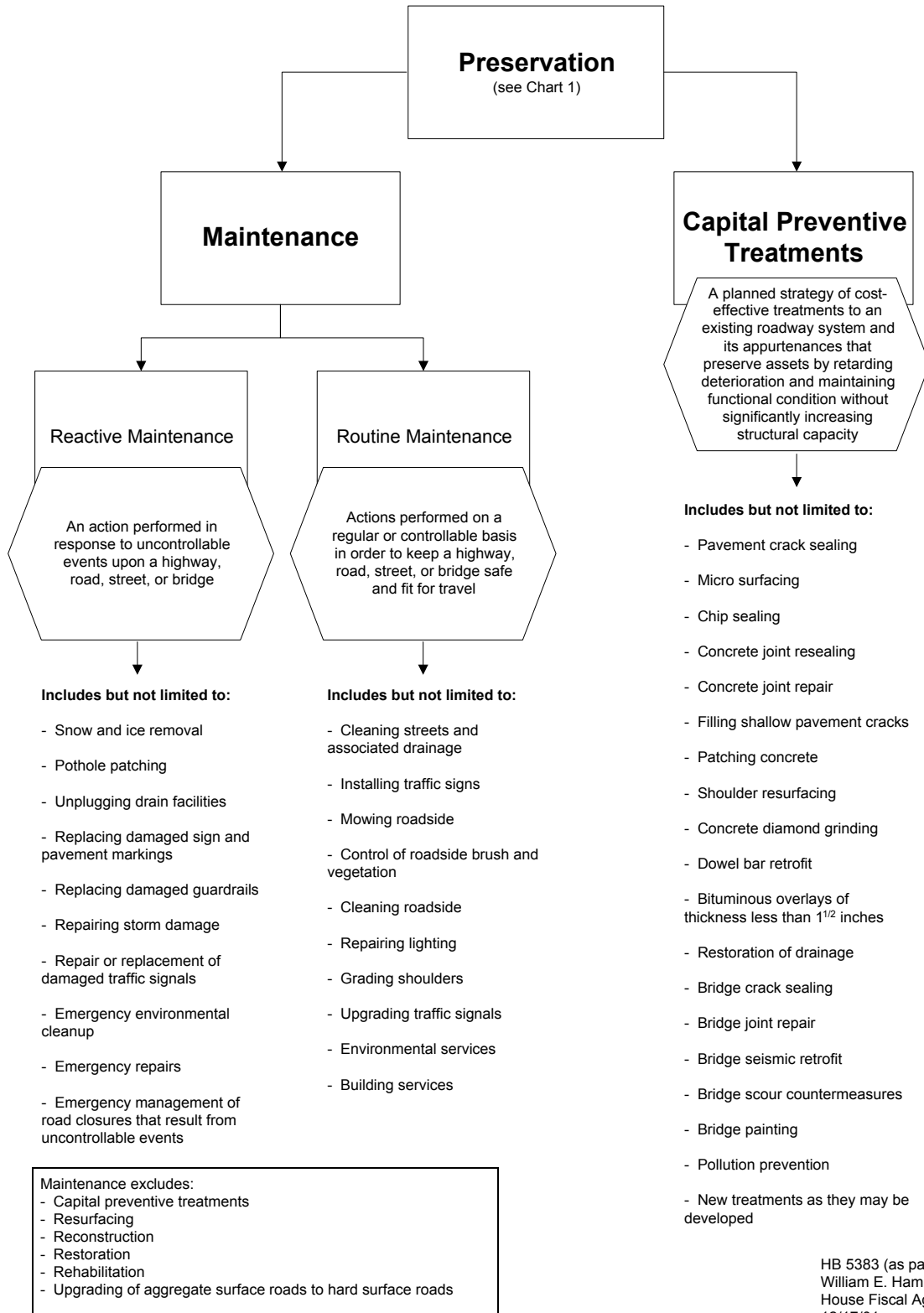
The bill has no apparent impact on state or local costs or revenues.

## ANALYSIS

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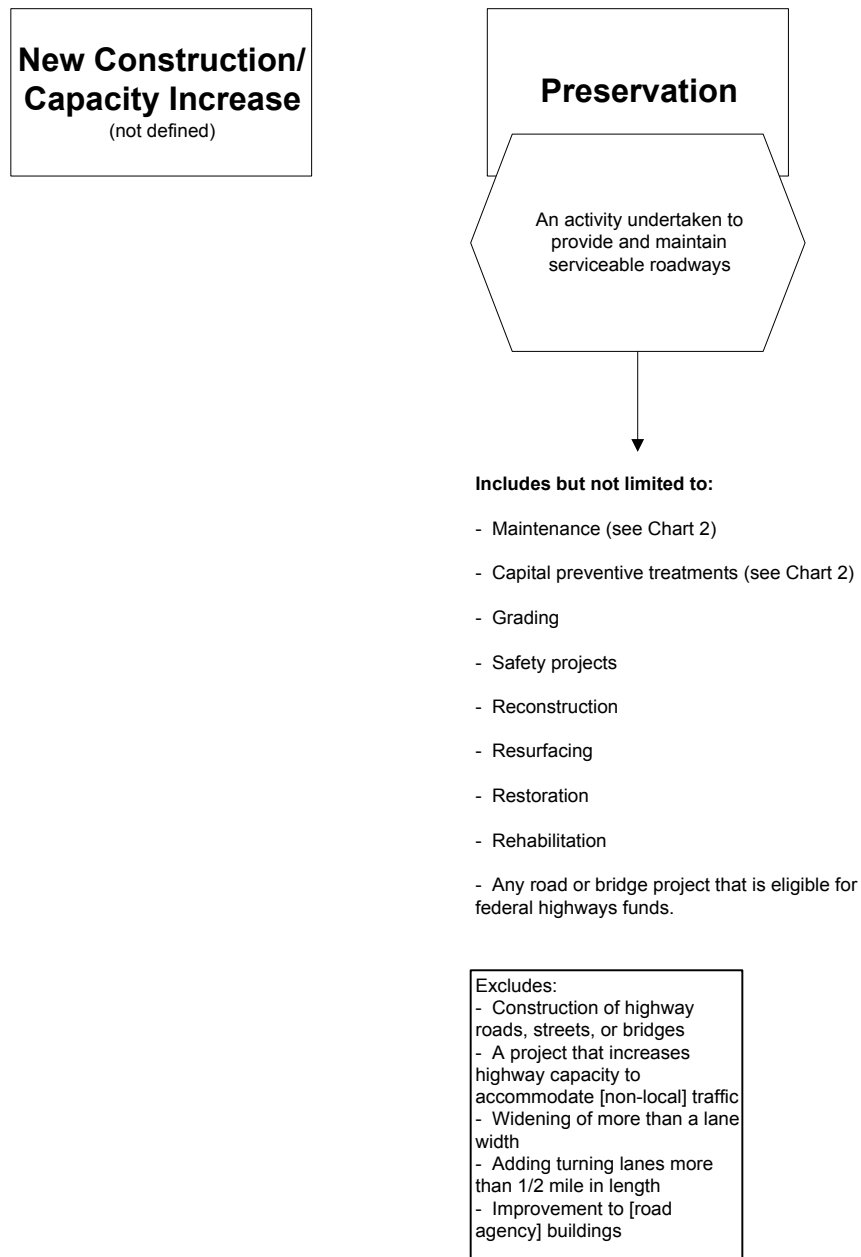
<sup>2</sup> . Admittedly, the definition of "preservation" also excludes "a project that increases the capacity of a highway facility to accommodate that part of the traffic having neither an origin nor destination within a local area."

**Chart 2**



HB 5383 (as passed the House)  
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## Chart 1



HB 5383 (as passed the House)  
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CHART1