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RAILROAD TRAFFIC CONTROL MAINTENANCE COSTS

House Bill 4234 as introduced
First Analysis (3-8-01)

Sponsor: Rep. Jason Allen
Committee: Transportation

THE APPARENT PROBLEM:

The Railroad Code of 1993 requires that the cost of installing, altering, and modernizing active traffic control devices at railroad crossings, such as flashing lights and gates, be at the equal expense of the railroad and road authority (i.e., the governmental agency with jurisdiction over public streets and highways), and that all such devices, circuitry, and appurtenances are to be maintained, enhanced, renewed, and replaced by the railroad at its own expense, except that the road authority must contribute certain specified amounts annually to the railroad for such maintenance. (The specified amounts do not apply where an agreement exists between the railroad and the road authority.)

The amounts that the road authorities must contribute vary according to the kind of device: \$580 for flashing signals on a single track; \$750 for flashing signals and gates on a single track; \$520 for flashing signals on cantilevers on a single track; \$1,040 for flashing signals on cantilevers with gates on a single track; \$940 for flashing signals and gates on multiple tracks; and \$1,150 for flashing signals on cantilevers and gates on a multiple track.

When enacted, the Railroad Code instructed the Michigan Department of Transportation to conduct a study of the cost of maintenance for active traffic control devices by January 1, 1999 and to forward a copy of the report to the legislature. The department's study involved the collection of data by 15 railroad companies from a random sample of 180 crossings over an 18-month period. (Eventually, however, only the data from the four quarters of 1996 were used in making average cost estimates.)

Legislation has been introduced that would adjust the payments that road authorities must make to railroads for the maintenance of active traffic control devices based on the results of the study of maintenance costs. It would also expand the categories of devices from six to eight. The proposed new schedule of

payments would make the road authorities contribute one-half of the maintenance costs.

THE CONTENT OF THE BILL:

The bill would amend the Railroad Code of 1993 to increase the amount that road authorities would be required to contribute annually to railroads for the maintenance of active traffic control devices. The bill also would require that by January 1, 2010 and every ten years thereafter, the Department of Transportation would have to complete a study to determine traffic control device maintenance costs and forward a copy to the committees of the House and Senate that consider railroad legislation. The new annual contributions would be as follows:

- \$760 (rather than \$580) for flashing signals on a single track;
- \$830 (rather than \$750) for flashing signals and gates on a single track;
- \$895 (rather than \$520) for flashing signals with cantilever arm on a single track;
- \$1,215 (rather than \$1,040) for flashing signals with cantilever arm with gates on a single track;
- \$1,230 (rather than \$940) for flashing signals and gates on multiple tracks; and
- \$1,630 (rather than \$1,150) for flashing signals with cantilever arms and gates on a multiple track.

Also, the bill would set contribution amounts for two new categories of traffic control devices:

- \$725 for flashing signals on a multiple track; and
- \$1,005 for flashing signals with cantilever arms on a multiple track.

MCL 462.315

House Bill 4234 (3-8-01)

BACKGROUND INFORMATION:

The Michigan Department of Transportation's Maintenance Cost Study of Active Railroad-Highway Traffic Control Devices was issued on December 18, 1998, and contains an explanation of the methodology employed in determining the maintenance costs upon which the contribution levels contained in the bill are based. In each case, the total maintenance cost of the devices is twice the amount that the bill would require road authorities to contribute.

FISCAL IMPLICATIONS:

The House Fiscal Agency has reported that the bill would increase annual state and local costs related to the maintenance of railroad crossing devices but does not have an independent estimate of the increase. The HFA cites Department of Transportation figures indicating state costs of \$36,850 in 1998 and \$28,142 in 1999 and the department's estimate that costs will increase on average by 23 percent.

The bill would also increase state costs by requiring a new cost study by January 1, 2010 and every ten years thereafter. The agency does not have an independent estimate of the increase. The recently completed study cost about \$120,000, according to the Department of Transportation. (HFA fiscal note dated 2-26-01)

ARGUMENTS:**For:**

The bill would increase the annual fees that road authorities pay to railroad companies for the maintenance of active traffic control devices at railroad crossings, such as flashing lights and gates, based on a study of actual costs carried out by the Department of Transportation. The railroads and interested local units of government participated in the study. The bill essentially requires road agencies to contribute one-half of the maintenance costs and would increase the annual fees by about 20 percent. The installation and upkeep of traffic control devices at crossings where railroad tracks and road traffic meet is the dual responsibility of the railroads and the agencies with jurisdiction over the roads. The current fees were put in place with the enactment of the Railroad Code of 1993 and the study of actual costs was mandated at that time.

POSITIONS:

The Department of Transportation is neutral on the bill. (3-7-01)

The Michigan Railroads Association supports the bill. (3-7-01)

The County Road Association of Michigan has indicated support for the bill. (2-28-01)

The Michigan Municipal League supports the bill. (3-7-01)

The Michigan Environmental Council has indicated support for the bill. (2-28-01)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.