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SFA BILL ANALYSIS

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House Bill 4234 (as reported without amendment)
Sponsor: Representative Jason Allen
House Committee: Transportation
Senate Committee: Transportation and Tourism

Date Completed: 3-26-01

RATIONALE

Under the Railroad Code, the Michigan Department of Transportation (MDOT) may prescribe active traffic control devices, such as flashing lights and gates, to warn motorists of approaching trains about to cross a street or highway at public railroad grade crossings. The cost of installing, altering, or modernizing active traffic control devices must be shared equally by the railroad and road authority. After the initial installation, all active traffic control devices, circuitry, and appurtenances at crossings must be maintained, enhanced, and replaced by the railroad at its own expense, except that a road authority annually must contribute certain amounts, as specified in the Code, to the railroad for maintenance. These amounts were the subject of a study that the Code had required MDOT to complete by January 1, 1999, and forward the legislative committees that consider railroad legislation. The Department's study, which was completed December 18, 1998, involved the collection of data from 15 railroad companies and a random sample of 180 railroad crossings in the State. As a result of the study, it has been suggested that payments made by road authorities be adjusted to reflect increases in the average annual costs of maintaining active traffic control devices.

CONTENT

The bill would amend the Railroad Code to increase the amounts that a road authority must pay annually to a railroad for maintenance for each crossing with active traffic control devices not covered by existing or future railroad-road authority agreements. The bill also would require that by January 1, 2010, and every 10 years thereafter, the Department of Transportation complete a study to determine the cost of maintaining active traffic control devices and forward a copy of the study to the members of Senate and House committees that consider railroad legislation.

The bill would increase the annual contributions of a road authority as follows:

Current	Proposed	For
$580	$760	Flashing signals on a single track
$520	$895	Flashing signals with cantilever arm on a single track
$1,040	$1,215	Flashing signals with cantilever arm with gates on a single track
$940	$1,230	Flashing signals and gates on multiple tracks
$1,150	$1,630	Flashing signals with cantilever arms and gates on a multiple track
$750	$830	Flashing signals and gates on a single track

The bill also would require a road authority to pay annually to a railroad $725 for flashing signals on a multiple track, and $1,005 for flashing signals with cantilever arms on a multiple track.

("Active traffic control device" means traffic control devices located at or in advance of grade crossings, activated by the approach or presence of a train, such as flashing light signals, automatic gates and similar devices, manually operated devices, and a crossing watchperson, all of which display to operators of approaching vehicles positive warning of the approach or presence of a train. "Road authority" means a governmental agency having jurisdiction over public streets and highways. The term includes the Department, any other State agency, and county, city, and village governmental agencies responsible for the construction, repair, and maintenance of streets and highways.)

MCL 462.315

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The current amounts that road authorities pay to railroad companies for maintaining active traffic control devices at railroad crossings were set when the Code took effect in 1994 and have not been revised. The bill would increase by approximately 20% the annual fees that road authorities are required to pay based on average annual maintenance costs, including costs for track work undertaken in conjunction with maintenance of the active traffic control devices, as outlined in an 18-month MDOT study of actual maintenance costs. The increased annual contributions equal one-half of the total maintenance costs for each type of railroad crossing traffic control device, as required under the Code. The bill also would require road authorities to contribute amounts for maintenance of flashing signals or flashing signals with cantilever arms on a multiple track, which currently are not covered under the Code. In addition, the bill would require a cost study to be conducted every 10 years in order to ensure that the amounts road authorities pay railroad companies for maintaining active traffic control devices reflect any changes in costs of the work and equipment.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The Michigan Department of Transportation would experience increased costs associated with the increase in contributions that road agencies have to make to the railroads for maintenance of equipment at each crossing with active traffic control devices. The Department reports costs under the current provision at $36,850 in 1998 and $28,192 in 1999 and anticipates an increase of around 23% as a result of the provisions in the bill. The State also would experience increased costs as a result of the required study. The recently completed study cost $120,000, according to the Department.

Local road agencies also would experience similar cost increases resulting from the change in the amount of contributions required. It is unknown at this time how much local agencies pay to railroads to maintain active traffic control equipment.

Fiscal Analyst: C. Thiel

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