

HOUSE BILL No. 4963

May 19, 2009, Introduced by Reps. Ball, Donigan, Bauer, Kandrevas, Gonzales, Polidori, LeBlanc, Geiss, Lahti, Wayne Schmidt, Melton, Byrnes and Dean and referred to the Committee on Transportation.

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line

fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending section 9a (MCL 247.659a), as amended by 2007 PA 199.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9a. (1) As used in this section:

2 (a) "Asset management" means an ongoing process of
3 maintaining, upgrading, and operating physical assets cost-
4 effectively, based on a continuous physical inventory and condition
5 assessment.

6 (b) "Bridge" means a structure including supports erected over
7 a depression or an obstruction, such as water, a highway, or a
8 railway, for the purposes of carrying traffic or other moving
9 loads, and having an opening measuring along the center of the
10 roadway of more than 20 feet between undercopings of abutments or
11 spring lines of arches, or extreme ends of openings for multiple
12 boxes where the clear distance between openings is less than 1/2 of
13 the smaller contiguous opening.

14 (c) "Central storage data agency" means that agency or office
15 chosen by the council where the data collected is stored and
16 maintained.

17 (d) "Council" means the transportation asset management

1 council created by this section.

2 (e) "County road commission" means the board of county road
3 commissioners elected or appointed pursuant to section 6 of chapter
4 IV of 1909 PA 283, MCL 224.6, or, in the case of a charter county
5 with a population of 2,000,000 or more with an elected county
6 executive that does not have a board of county road commissioners,
7 the county executive for ministerial functions and the county
8 commission provided for in section 14(1)(d) of 1966 PA 293, MCL
9 45.514, for legislative functions.

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

11 (g) "Federal-aid eligible" means any public road or bridge
12 that is eligible for federal aid to be spent for the construction,
13 repair, or maintenance of that road or bridge.

14 (h) "Local road agency" means a county road commission or
15 designated county road agency or city or village that is
16 responsible for the construction or maintenance of public roads
17 within the state under this act.

18 (i) "Multiyear program" means a compilation of road and bridge
19 projects anticipated to be contracted for by the department or a
20 local road agency during a 3-year period. The multiyear program
21 shall include a listing of each project to be funded in whole or in
22 part with state or federal funds.

23 (j) "State planning and development regions" means those
24 agencies required by section 134(b) of title 23 of the United
25 States Code, 23 USC 134, and those agencies established by
26 Executive Directive 1968-1.

27 **(K) "TRANSIT AGENCY" MEANS A RECIPIENT OF COMPREHENSIVE**

1 **TRANSPORTATION FUNDS UNDER SECTION 10E(4) (A) OF THIS ACT.**

2 **(I) "TRANSIT ASSET" MEANS ALL ROLLING STOCK, ALL FACILITIES**
3 **WITH VALUE OVER \$25,000.00, AND ALL EQUIPMENT WITH REPLACEMENT**
4 **VALUE OVER \$100,000.00.**

5 (2) In order to provide a coordinated, unified effort by the
6 various roadway agencies within the state, the transportation asset
7 management council is hereby created within the state
8 transportation commission and is charged with advising the
9 commission on a statewide asset management strategy and the
10 processes and necessary tools needed to implement such a strategy
11 beginning with the federal-aid eligible highway system, and once
12 completed, continuing on with the county road and municipal
13 systems, in a cost-effective, efficient manner. Nothing in this
14 section shall prohibit a local road agency from using an asset
15 management process on its non-federal-aid eligible system. The
16 council shall consist of 10 voting members appointed by the state
17 transportation commission. The council shall include 2 members from
18 the county road association of Michigan, 2 members from the
19 Michigan municipal league, 2 members from the state planning and
20 development regions, 1 member from the Michigan townships
21 association, 1 member from the Michigan association of counties,
22 and 2 members from the department. Nonvoting members shall include
23 1 person from the agency or office selected as the location for
24 central data storage. Each agency with voting rights shall submit a
25 list of 2 nominees to the state transportation commission from
26 which the appointments shall be made. The Michigan townships
27 association shall submit 1 name, and the Michigan association of

1 counties shall submit 1 name. ~~Names shall be submitted within 30~~
2 ~~days after the effective date of the 2002 amendatory act that~~
3 ~~amended this section. The state transportation commission shall~~
4 ~~make the appointments within 30 days after receipt of the lists.~~

5 (3) The positions for the department shall be permanent. The
6 position of the central data storage agency shall be nonvoting and
7 shall be for as long as the agency continues to serve as the data
8 storage repository. The member from the Michigan association of
9 counties shall be initially appointed for 2 years. The member from
10 the Michigan townships association shall be initially appointed for
11 3 years. Of the members first appointed from the county road
12 association of Michigan, the Michigan municipal league, and the
13 state planning and development regions, 1 member of each group
14 shall be appointed for 2 years and 1 member of each group shall be
15 appointed for 3 years. At the end of the initial appointment, all
16 terms shall be for 3 years. The chairperson shall be selected from
17 among the voting members of the council.

18 (4) The department shall provide qualified administrative
19 staff and the state planning and development regions shall provide
20 qualified technical assistance to the council.

21 (5) The council shall develop and present to the state
22 transportation commission for approval within 90 days after the
23 date of the first meeting such procedures and requirements as are
24 necessary for the administration of the asset management process.
25 This shall, at a minimum, include the areas of training, data
26 storage and collection, reporting, development of a multiyear
27 program, budgeting and funding, and other issues related to asset

1 management that may arise from time to time. All quality control
2 standards and protocols shall, at a minimum, be consistent with any
3 existing federal requirements and regulations and existing
4 government accounting standards.

5 (6) The council may appoint a technical advisory panel whose
6 members shall be representatives from the transportation
7 construction associations and related transportation road
8 interests. The asset management council shall select members to the
9 technical advisory panel from names submitted by the transportation
10 construction associations and related transportation road
11 interests. The technical advisory panel members shall be appointed
12 for 3 years. The asset management council shall determine the
13 research issues and assign projects to the technical advisory panel
14 to assist in the development of statewide policies. The technical
15 advisory panel's recommendations shall be advisory only and not
16 binding on the asset management council.

17 (7) The department, each county road commission, and each city
18 and village of this state shall annually submit a report to the
19 transportation asset management council. This report shall include
20 a multiyear program developed through the asset management process
21 described in this section. Projects contained in the department's
22 annual multiyear program shall be consistent with the department's
23 asset management process and shall be reported consistent with
24 categories established by the transportation asset management
25 council. Projects contained in the annual multiyear program of each
26 local road agency shall be consistent with the asset management
27 process of each local road agency and shall be reported consistent

1 with categories established by the transportation asset management
2 council.

3 (8) Funding necessary to support the activities described in
4 this section shall be provided by an annual appropriation from the
5 Michigan transportation fund to the state transportation
6 commission.

7 (9) The department and each local road agency shall keep
8 accurate and uniform records on all road and bridge work performed
9 and funds expended for the purposes of this section, according to
10 the procedures developed by the council. Each local road agency and
11 the department shall annually report to the council the mileage and
12 condition of the road and bridge system under their jurisdiction
13 and the receipts and disbursements of road and street funds in the
14 manner prescribed by the council, which shall be consistent with
15 any current accounting procedures. An annual report shall be
16 prepared by the staff assigned to the council regarding the results
17 of activities conducted during the preceding year and the
18 expenditure of funds related to the processes and activities
19 identified by the council. The report shall also include an
20 overview of the activities identified for the succeeding year. The
21 council shall submit this report to the state transportation
22 commission, the legislature, and the transportation committees of
23 the house and senate by May 2 of each year.

24 (10) A TRANSIT ASSET MANAGEMENT COMMITTEE SHALL BE ESTABLISHED
25 IN THE STATE TRANSPORTATION COMMISSION. THE COMMITTEE SHALL RECEIVE
26 GUIDANCE AND TECHNICAL ASSISTANCE FROM THE COUNCIL, YET SHALL
27 OPERATE INDEPENDENTLY OF THE COUNCIL. THE COMMITTEE SHALL CONSIST

1 OF 12 VOTING MEMBERS APPOINTED BY THE STATE TRANSPORTATION
2 COMMISSION. THE COMMITTEE SHALL INCLUDE 3 MEMBERS FROM THE MICHIGAN
3 PUBLIC TRANSIT ASSOCIATION. OF THE MEMBERS FROM THE MICHIGAN PUBLIC
4 TRANSIT ASSOCIATION, 1 SHALL BE FROM A LARGE TRANSIT AGENCY THAT
5 SERVES A POPULATION OF OVER 200,000, 1 SHALL BE FROM A SMALL URBAN
6 TRANSIT AGENCY THAT SERVES A POPULATION OF OVER 50,000 AND UNDER
7 200,000, AND 1 SHALL BE FROM A NONURBAN TRANSIT AGENCY THAT SERVES
8 A POPULATION OF UNDER 50,000. TWO MEMBERS SHALL BE FROM THE
9 MICHIGAN ASSOCIATION OF TRANSPORTATION SYSTEMS. OF THE MEMBERS FROM
10 THE MICHIGAN ASSOCIATION OF TRANSPORTATION SYSTEMS, 1 SHALL BE FROM
11 A SMALL URBAN TRANSIT AGENCY AND 1 SHALL BE FROM A NONURBAN TRANSIT
12 AGENCY. TWO MEMBERS SHALL BE FROM THE DEPARTMENT. TWO MEMBERS SHALL
13 BE FROM THE STATE PLANNING AND DEVELOPMENT REGIONS, AND 1 MEMBER
14 FROM EACH OF THE FOLLOWING: MICHIGAN MUNICIPAL LEAGUE, MICHIGAN
15 ASSOCIATION OF COUNTIES, AND MICHIGAN TOWNSHIP ASSOCIATION. EACH
16 AGENCY SHALL SUBMIT A LIST OF NOMINEES EQUAL TO TWICE THE NUMBER OF
17 MEMBERSHIP POSITIONS TO THE STATE TRANSPORTATION COMMISSION FROM
18 WHICH THE APPOINTMENTS SHALL BE MADE. NAMES SHALL BE SUBMITTED
19 WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
20 ADDED THIS SUBSECTION. THE STATE TRANSPORTATION COMMISSION SHALL
21 MAKE THE APPOINTMENTS WITHIN 90 DAYS AFTER RECEIPT OF THE LISTS.
22 THE TRANSIT ASSET MANAGEMENT PROGRAM SHALL PROVIDE A FRAMEWORK FOR
23 AN INDIVIDUAL TRANSIT AGENCY TO ATTEMPT TO ENSURE THAT A
24 DISPROPORTIONATE FRACTION OF ITS ASSETS DO NOT BECOME DUE FOR
25 REPLACEMENT OR MAJOR REPAIR AT THE SAME TIME AND THAT NO SINGLE
26 ASSET DETERIORATES INTO DISREPAIR. THE TRANSIT ASSET MANAGEMENT
27 PROGRAM SHALL STRIVE TO COLLECT, TABULATE, AND ANALYZE DATA IN

1 SUFFICIENT DETAIL TO ENABLE EACH TRANSIT AGENCY OR AUTHORITY TO
2 KNOW THE TRUE STATE OF REPAIR OF THE ASSETS UNDER ITS CONTROL AND
3 THE DEPARTMENT TO KNOW THE CONDITION OF TRANSIT ASSETS STATEWIDE.
4 DATA SHALL BE COLLECTED AT INTERVALS OR FROM SAMPLES DETERMINED TO
5 BE THE MOST COST-EFFECTIVE. THE COUNCIL SHALL PROVIDE THE COMMITTEE
6 WITH THE TECHNICAL GUIDANCE AND TRAINING NEEDED TO CONDUCT ASSET
7 MANAGEMENT IN ACCORDANCE WITH THIS SECTION.

8 (11) THE MICHIGAN PUBLIC TRANSIT ASSOCIATION AND MICHIGAN
9 ASSOCIATION OF TRANSIT SYSTEMS MEMBERS SHALL BE EITHER A TRANSIT
10 CEO OR TRANSIT BOARD MEMBER. THE MEMBERS FROM THE MICHIGAN
11 ASSOCIATION OF COUNTIES, MICHIGAN MUNICIPAL LEAGUE, AND MICHIGAN
12 TOWNSHIPS ASSOCIATION SHALL BE INITIALLY APPOINTED FOR 3 YEARS. OF
13 THE MEMBERS FIRST APPOINTED FROM THE MICHIGAN PUBLIC TRANSIT
14 ASSOCIATION, THE MICHIGAN ASSOCIATION OF TRANSIT SYSTEMS, AND THE
15 STATE PLANNING AND DEVELOPMENT REGIONS, 50% OF THE MEMBERS OF EACH
16 GROUP SHALL BE APPOINTED FOR 2 YEARS AND 50% SHALL BE APPOINTED FOR
17 3 YEARS. AT THE END OF THE INITIAL APPOINTMENT, ALL TERMS SHALL BE
18 FOR 3 YEARS. THE CHAIRPERSON SHALL BE SELECTED FROM AMONG THE
19 VOTING MEMBERS OF THE COMMITTEE. THE POSITIONS FOR THE DEPARTMENT
20 SHALL BE PERMANENT. THE DEPARTMENT SHALL SERVE AS THE CENTRAL DATA
21 STORAGE AGENCY AND SHALL HAVE A NONVOTING MEMBER, IN ADDITION TO
22 THE 2 VOTING MEMBERS.

23 (12) THE DEPARTMENT SHALL PROVIDE QUALIFIED ADMINISTRATIVE
24 STAFF AND STATE PLANNING AND DEVELOPMENT REGIONS SHALL PROVIDE
25 QUALIFIED TECHNICAL ASSISTANCE TO THE COMMITTEE. THE COMMITTEE
26 SHALL DEVELOP AND OVERSEE AN ASSET MANAGEMENT PROGRAM FOR THE
27 MICHIGAN TRANSIT SYSTEM.

1 (13) THE COMMITTEE, WITH ASSISTANCE FROM THE COUNCIL, SHALL
2 DEVELOP AND SUBMIT ALL OF THE FOLLOWING ITEMS TO THE STATE
3 TRANSPORTATION COMMISSION FOR REVIEW AND APPROVAL:

4 (A) A FRAMEWORK FOR A TRANSIT AGENCY ASSET MANAGEMENT PLAN. TO
5 THE MAXIMUM DEGREE POSSIBLE, DATA NEEDED FOR THE PLAN SHOULD TAKE
6 ADVANTAGE OF EXISTING FEDERAL TRANSIT ADMINISTRATION AND DEPARTMENT
7 REPORTING REQUIREMENTS AND EXISTING GOVERNMENT ACCOUNTING
8 STANDARDS.

9 (B) A DRAFT PLAN FOR TRAINING, DATA STORAGE AND COLLECTION,
10 REPORTING, BUDGETING, AND FUNDING.

11 (C) A FRAMEWORK FOR MEASURING THE CONDITION OF TRANSIT ASSETS.
12 TO THE MAXIMUM DEGREE POSSIBLE, DATA NEEDED FOR CONDITION
13 MEASUREMENT SHOULD TAKE ADVANTAGE OF EXISTING FEDERAL TRANSIT
14 ADMINISTRATION AND DEPARTMENT REPORTING REQUIREMENTS AND EXISTING
15 GOVERNMENT ACCOUNTING STANDARDS.

16 (14) THE COMMITTEE SHALL ESTABLISH A DEADLINE BY WHICH EACH
17 TRANSIT AGENCY SHALL SUBMIT AN ASSET MANAGEMENT PLAN TO THE
18 COMMITTEE AND THE DEPARTMENT. THE DATES ESTABLISHED BY THE
19 COMMITTEE SHALL BE REVIEWED AND APPROVED BY THE STATE
20 TRANSPORTATION COMMISSION. FOR EACH PLAN SUBMITTED, THE DEPARTMENT
21 SHALL REVIEW THE PLAN AND PROVIDE ITS COMMENTS TO THE COMMITTEE.
22 THE COMMITTEE MAY CONDUCT MEETINGS TO REVIEW PLANS WITH EACH
23 SUBMITTING AGENCY AND MAY REQUEST REVISIONS TO THE PLAN. WHEN THE
24 COMMITTEE IS SATISFIED WITH EACH PLAN, IT SHALL CERTIFY THE PLAN.
25 ON AN ANNUAL BASIS, THE COMMITTEE SHALL REPORT PROGRESS TO THE
26 STATE TRANSPORTATION COMMISSION ON THE STATUS OF PLAN REVIEW AND
27 CERTIFICATION.

1 (15) EACH TRANSIT AGENCY SHALL KEEP ACCURATE AND UNIFORM
2 RECORDS ON IMPLEMENTATION OF ITS PLAN, INCLUDING ALL CAPITAL AND
3 PREVENTATIVE MAINTENANCE INVESTMENTS. BY A DATE ESTABLISHED BY THE
4 COMMITTEE, EACH AGENCY SHALL SUBMIT AN ANNUAL REPORT THAT INCLUDES
5 AN INVENTORY OF ITS ASSETS AND AN ACCOUNTING OF THE CAPITAL AND
6 PREVENTATIVE MAINTENANCE INVESTMENTS MADE IN THE PRECEDING YEAR.
7 THE COMMITTEE SHALL ALSO ESTABLISH A DATE BY WHICH THE ANNUAL
8 REPORT SHALL ALSO INCLUDE THE CONDITION OF EACH ASSET UNDER THE
9 TRANSIT AGENCY'S CONTROL USING THE FRAMEWORK ESTABLISHED BY THE
10 COMMITTEE IN SUBSECTION (13). THE DATES ESTABLISHED BY THE
11 COMMITTEE SHALL BE REVIEWED AND APPROVED BY THE STATE
12 TRANSPORTATION COMMISSION.

13 (16) THE COMMITTEE SHALL ESTABLISH A DATE BY WHICH THE
14 DEPARTMENT SHALL BEGIN SUBMITTING AN ANNUAL REPORT THAT PROVIDES A
15 STATEWIDE SUMMARY OF THE CONDITION OF TRANSIT ASSETS. THE DATE
16 ESTABLISHED BY THE COMMITTEE SHALL BE REVIEWED AND APPROVED BY THE
17 STATE TRANSPORTATION COMMISSION. EACH ANNUAL REPORT SHALL BE
18 APPROVED BY THE COMMITTEE AND SUBMITTED TO THE STATE TRANSPORTATION
19 COMMISSION.

20 (17) COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION IS AN
21 ELIGIBLE EXPENSE UNDER SECTION 10E(4) (A) OF THIS ACT.

22 (18) THE DEPARTMENT MAY WITHHOLD COMPREHENSIVE TRANSPORTATION
23 FUND PAYMENTS PROVIDED FOR UNDER SECTION 10E(4) (A) FOR A TRANSIT
24 AGENCY'S FAILURE TO COMPLY WITH THIS SECTION INCLUDING REPORTING
25 REQUIREMENTS ESTABLISHED BY THE COMMITTEE.