Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 739 (as introduced 2-3-16)
Sponsor: Senator Wayne Schmidt
Committee: Transportation

Date Completed: 2-10-16

CONTENT

The bill would amend the Regional Transit Authority Act to prohibit a tax assessment levied under the Act for the Regional Transit Authority from exceeding two mills; and provide that the assessment and any specific tax attributable to it could not be attributed or transmitted to, or retained or captured by, any other governmental entity for a different purpose.

The Act creates a Regional Transit Authority (RTA) for the purpose of establishing, organizing, and administering public transportation in a "qualified region" (which consists of Macomb, Oakland, Washtenaw, and Wayne Counties). The Act includes provisions regarding the allowed actions or requirements of the RTA and administration of the Authority.

The Act permits the RTA to raise revenue to fund its activities, operations, and investments. The sources of revenue available to the Authority include all of the following:

-- Fees, fares, rents, or other charges for use of a public transportation system.
-- Federal, State, or local government grants, loans, appropriations, payments, or contributions.
-- Proceeds from the sale, exchange, mortgage, lease, or other disposition of property.
-- Grants, loans, appropriations, payments, proceeds from repayments of loans made by the Authority, or contributions from public or private sources.
-- The proceeds of a levied tax assessment.
-- The proceeds of a motor vehicle registration tax authorized under the Act.

The RTA may levy an assessment within the public transit region only if it is approved by the Authority board and a majority of the electors of the public transit region voting on the assessment at a general election held on the regular November election date. (The public transit region includes the qualified region and a county added to it, as provided in the Act.) After receiving approval, an assessment must be collected and enforced in the same manner as taxes are collected and enforced under the General Property Tax Act.

The bill would prohibit a tax assessment levied under the RTA Act from exceeding two mills on each dollar of taxable value of the property of a public transit region, and provides that the assessment could be used by the RTA only for the purposes authorized by the Act. The bill also provides that tax assessment levied under the Act and any specific tax attributable to that assessment could not be attributed to, transmitted to, retained by, or captured by any other governmental entity for any other purpose.

The bill would take effect 90 days after its enactment.

Proposed MCL 124.550a

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact at the State or local level. There currently is no authorized millage to support the Regional Transit Authority as allowed under the Act, so any millage limitations under the bill would not result in actual revenue losses to the RTA. The bill would have the effect of capping any future RTA millage at two mills.

Fiscal Analyst: Glenn Steffens

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