

FEASABILITY STUDY AND IMPLEMENTATION PLAN FOR TOLLING HIGHWAYS IN MICHIGAN

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Senate Bill 517 (H-1) as reported from House committee
Sponsor: Sen. John Bizon, M.D.
1st House Committee: Transportation
2nd House Committee: Ways and Means
Senate Committee: Transportation and Infrastructure
Complete to 6-24-20

SUMMARY:

Senate Bill 517 would amend 1951 PA 51 ("Act 51") to require the Michigan Department of Transportation (MDOT) to engage an outside consulting firm to conduct a feasibility study and strategic implementation plan on tolling highways of this state.

The study would have to include revenue projections based on an analysis of optimal tolling rates, vehicle counts and types by state of registration, and traffic diversion, and would have to consider all of the following:

- The economic impact and feasibility of tolling particular highways.
- The ability to provide discounts or credits or otherwise lessen the impact of tolling on local, commuter, and in-state drivers.
- Information on the number and impact of out-of-state drivers expected to use Michigan highways.
- The rationale for the federal authorization of any tolling plan that may be submitted to the U.S. Department of Transportation.
- The optimal levels at which tolls may reasonably be expected to be set for passenger vehicles and other vehicles.
- Appropriate tolling rules regarding population center local traffic.
- The ability to enter into monetization agreements or long-term contracts for initial construction, long-term maintenance, installation, and operation of tolling facilities.
- Estimates of which highway facilities would be conducive to tolling operations.
- Ways to maximize the use of Michigan workers and Michigan-made products.

Within 24 months after the bill took effect, MDOT would have to deliver a written report on the feasibility study and strategic implementation plan to the governor, the majority and minority leaders of the Senate, the speaker and minority leader of the House of Representatives, the Senate and House appropriations subcommittees on transportation, and the chairs of the Senate and House standing committees on transportation.

The bill would express an intent that Michigan become qualified to apply to the Federal Highway Administration (FHWA) under the Interstate System Rehabilitation and Reconstruction Pilot Program¹ or any successor federal program.

Proposed MCL 247.661r

FISCAL IMPACT:

Senate Bill 517 would require MDOT to engage an outside consulting firm to conduct a feasibility study and strategic implementation plan on tolling highways of this state. The bill would create new responsibilities for the department. The procurement of the consulting firm, any MDOT staff support provided to the consultant, and review and distribution of the report would result in additional direct cost to the department. The amount of additional cost cannot be readily determined at this time.

There would be no direct cost to local units of government.

POSITIONS:

Representatives of the following entities testified in support of the bill (6-3-20):

- Michigan Department of Transportation
- HNTB Corporation
- Reason Foundation

The following entities indicated support for the bill (6-3-20):

- American Council of Engineering Companies
- Motorola

The County Road Association indicated a neutral position on the bill. (6-3-20)

Legislative Analyst: Rick Yuille
Fiscal Analyst: William E. Hamilton

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

¹ See https://www.fhwa.dot.gov/ipd/pdfs/tolling_and_pricing/interstate_rr_fact_sheet.pdf
Also https://www.fhwa.dot.gov/ipd/tolling_and_pricing/tolling_pricing/interstate_rr.aspx