Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 517 (Substitute S-1)
Sponsor: Senator John Bizon, M.D.
Committee: Transportation and Infrastructure

Date Completed: 11-5-19

**CONTENT**

**The bill would amend the Michigan Transportation Fund law to do the following:**

-- **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 the State, including revenue projections based on an analysis of optimal tolling rates, vehicle counts and types by state of registration, and traffic diversion.**
-- **Within 18 months after the bill's effective date, require a written report on the feasibility study and strategic implementation plan to be delivered to the individual's specified in the bill.**
-- **State that it would be the intent of the Legislature for the State to become qualified to apply to the United States Federal Highway Administration (FHWA) under the Interstate Rehabilitation and Reconstruction Pilot Program (ISRRPP) or any other successor program.**

Under the bill, MDOT would have to engage an outside consulting firm to conduct a feasibility study and strategic implementation plan on tolling highways of the State, including revenue projections based on an analysis of optimal tolling rates, vehicle counts and types by state of registration, and traffic diversion.

The feasibility study 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 operators.
-- Information related to the number and impact of out-of-State operators expected to use highways of the State.
-- The rationale for the Federal authorization of any tolling plan that could be submitted by the State to the United States Department of Transportation.
-- The optimal levels at which tolls reasonably could be set for passenger vehicles and other vehicles.
-- Appropriate tolling rules regarding population center local traffic.
-- The State's ability to enter into monetization agreements or long-term contracts for initial construction, long-term maintenance, installation, and operation of tolling facilities.
-- Any estimates of which highways facilities would be conducive to tolling operations.
-- Ways to maximize the use of Michigan workers and products made in the State.

Not later than 18 months after the bill's effective date, a written report on the feasibility study and strategic implementation plan would have to be delivered to the Governor, the Senate Majority Leader, the Senate Minority Leader, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the chairpersons of the Senate and House of Representatives standing committees on transportation, and the Senate and House of Representatives Appropriations subcommittees on transportation.

Additionally, the bill states that it would be the intent of the Legislature that the State become qualified to apply to the FHWA under the ISRRPP, 23 USC 101 to 170, or any successor program that could be authorized under Federal law.

(Generally, the ISRRPP permits a state to toll up to three existing interstate facilities for necessary reconstruction and rehabilitation that the state cannot maintain or improve without the tolls. To become eligible, a state must submit to the Secretary of Transportation an application that contains, at a minimum: 1) an identification of the facility on the interstate that would be a toll facility; 2) in the case of a facility affecting a metropolitan area, an assurance that the metropolitan planning organization had been consulted; 3) an analysis demonstrating that the facility could not be maintained or improved to meet needs from State appropriations; and 4) certain logistic and fee information.)

Proposed MCL 247.660r    Legislative Analyst: Tyler VanHuyse

## **FISCAL IMPACT**

The bill would have a negative fiscal impact on the Department at a cost equivalent to the third-party contract required to develop the written report. The bill would not affect local units of government.

Fiscal Analyst: Michael Siracuse

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