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House Bill 4971 (Substitute H-1 as passed by the House)

Sponsor: Representative Julie Alexander

House Committee: Transportation Ways and Means

Senate Committee: Transportation and Infrastructure

Date Completed: 6-17-20

CONTENT

The bill would amend Public Act 51 of 1951, the Michigan Transportation Fund law, to do the following:

- -- Specify that if a local road agency responsible for 100 or more certified miles of road had an asset management plan determined to be out of compliance with requirements prescribed in the Act, the local road agency's asset management plan would be disapproved for the purposes of certain sections of the Act.
- -- Specify that if a local road agency responsible for less than 100 certified miles of road submitted an asset management plan under the Act, the plan would be considered approved on submission.

Under the Act, beginning October 1, 2020, each local road agency responsible for 100 or more certified miles of road must begin submitting an asset management plan to the Transportation Asset Management Council (TAMC) according to a three-year schedule for submission of the plans prescribed under the Act. The plan must cover a period of at least three years and must be consistent with a template provided by the TAMC.

("Asset management plan" means a plan created by a local road agency and approved by the local road agency's governing body that includes provisions for asset inventory, performance goals, risk of failure analysis, anticipated revenues and expenses, performance outcomes, and coordination with other infrastructure owners.)

Beginning October 1, 2025, if the TAMC and MDOT concur that a local road agency has not demonstrated progress toward achieving the condition goals described in its asset management plan for its Federal-aid eligible county primary road system or city major street system, as applicable, the TAMC must notify the local road agency of the reasons that it has determined progress is not being made and provide recommendations on how to make progress toward the condition goals. The local road agency must become compliant within six months after receiving the notification and the TAMC must provide an opportunity for the noncompliant local road agency to appear before the TAMC to discuss the reasons the local road agency is not compliant and ways for the local road agency to become compliant.

The bill provides that if a local road agency's asset management plan were determined to be out of compliance, the local road agency's asset management plan would be disapproved for the purposes of Section 12 and Section 13 of the Act. (Section 12 of the Act prescribes the manner in which funds allocated from the Michigan Transportation Fund (MTF) to county road

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commissions must be used. Section 13 prescribes the manner in which funds allocated from the MTF to cities and villages must be used.)

The bill also specifies that if a local road agency responsible for less than 100 certified miles of road submitted an asset management plan to the TAMC, the plan would be considered approved on submission.

MCL 247.659a Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill likely would have no fiscal impact on State or local government. The bill specifies when Sections 12 and 13 of Public Act 51 of 1951 would apply and also would strengthen the incentives for local road agencies with less than 100 miles of certified roads to submit an asset management plan to the TAMC. These changes to Public Act 51, on their own, would not increase or decrease revenue to the State or local units of government.

Fiscal Analyst: Michael Siracuse

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.