

**SUBSTITUTE FOR  
HOUSE BILL NO. 5467**

A bill to create the Detroit area regional transportation authority and to transfer certain powers of authorities to continue the suburban mobility authority for regional transportation; to prescribe certain powers and duties of the authorities; to provide for the addition and withdrawal of certain local entities from the authority; to provide for the powers and duties of certain state agencies with respect to the authority; to provide for the issuance of bonds and notes; to provide for the state to guarantee payment of certain claims against the authority and give the state a lien in satisfaction of payment; to protect the rights of employees of existing public transportation systems; to provide for the pledge of taxes, revenues, assessments, tax levies, and other funds for bond and note payments; to authorize certain local entities to levy property taxes and make special

assessments to fulfill their obligations under certain contracts with the authority; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Sec. 1. This act shall be known and may be cited as the  
2 "Detroit area regional transportation authority act".

3 ARTICLE I

4 Sec. 2. As used in this act:

5 (a) "Authority" means the Detroit area regional transporta-  
6 tion authority created under this act.

7 (b) "Board" means the governing and administrative body of  
8 the authority.

9 (c) "Chief executive officer" means, with respect to a city,  
10 the mayor of the city and, with respect to a county, either the  
11 county executive of the county or, for a county not having a  
12 county executive, the chairperson of the county board of  
13 commissioners. Chief executive officer means, with respect to  
14 the authority, the chief executive officer of the authority.

15 (d) "Comprehensive regional public transportation service  
16 plan" means a plan that defines the types, levels, and quality of  
17 public transit services required to assure sufficient public  
18 transit services for the region.

19 (e) "Limited tax general obligation" means a general obliga-  
20 tion of the state or a political subdivision including ad valorem  
21 or other taxes levied within the statutory, charter, or extra  
22 voted millage limits.

**HB5467, As Passed House, December 13, 2001**

Sub. HB 5467 (H-5) as amended December 13, 2001

3

1 (f) "Political subdivision" means a county, city, township,  
2 village, or school district located within the region.

3 (g) "Public transportation facility" means all property,  
4 real and personal, public or private, used or useful for general  
5 or special transportation service to the public and the movement  
6 of people through the use of that service. Public transportation  
7 facility includes, but is not limited to, automated guideways,  
8 overpasses and skywalks, street railways, buses, tramlines, sub-  
9 ways, monorails, rail rapid transit, bus rapid transit, and  
10 tunnel, bridge, and parking facilities used in connection with  
11 public transportation facilities. Public transportation facility  
12 does not include taxis, limousines, highways, ports, airports,  
13 facilities located within airports, motor bus charter services or  
14 operations that are not acquired by the authority, sightseeing  
15 services, or transportation that is used exclusively for school  
16 purposes.

17 (h) "Region" means Livingston, Macomb, Monroe, Oakland,  
18 [ ] Washtenaw, and Wayne counties and those cities, town-  
19 ships, and villages within those counties. Region includes any  
20 county that becomes a member under section 6. Region does not  
21 include any county that has withdrawn from the authority under  
22 section 5.

23 (i) "SMART" means the suburban mobility authority for  
24 regional transportation.

25 (j) "Transit system" means any individual, partnership, cor-  
26 poration, association, municipal corporation, limited liability  
27 company, public authority, public benefit agency, unit of

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

4

1 government, or any person or entity other than the authority that  
2 provides public transportation. Transit system does not include  
3 transportation that is used by church organizations for church  
4 purposes.

5 (k) "Unlimited tax general obligation" means both a general  
6 obligation of the state or a political subdivision and the right  
7 to levy an ad valorem or other tax unlimited as to rate or  
8 amount.

9 Sec. 3. (1) The authority is established, and the initial  
10 members of the authority are all counties, cities, townships, and  
11 villages within the region.

12 (2) The authority is an agency and instrumentality of the  
13 state that has all of the powers of a public corporation so long  
14 as they are exercised for 1 or more of the following purposes:

15 (a) Planning public transportation facilities.

16 (b) Designing public transportation facilities.

17 (c) Constructing public transportation facilities.

18 (d) Operating public transportation facilities.

19 (e) Administering public transportation facilities.

20 (f) Acquiring public transportation facilities.

21 (g) Contracting to provide public transportation  
22 facilities.

23 (h) Maintaining, replacing, improving, and extending public  
24 transportation facilities.

25 (i) Exercising the franchise of public transportation  
26 facilities.

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

5

1 (3) In the case of a conflict between the suburban mobility  
2 authority for regional transportation continued under article II  
3 of this act and the Detroit area regional transportation authori-  
4 ty, the decision of the Detroit area regional transportation  
5 authority under section 8(2) shall be final.

6 Sec. 4. (1) The authority shall provide for public trans-  
7 portation facilities for the region. In providing for public  
8 transportation facilities, the authority may exercise the powers  
9 enumerated in section 3(2).

10 (2) No later than 3 years after the effective date of this  
11 act, the authority shall be the designated recipient for purposes  
12 of receiving federal funds under chapter 53 of title 49 of the  
13 United States Code, 49 U.S.C. 5307, 5309, 5310, 5311, and 5313,  
14 and the regulations promulgated under that chapter. During the  
15 period between the effective date of this act and 3 years after  
16 the effective date of this act, the designated recipient shall  
17 remain the regional transit coordinating council under the metro-  
18 politan transportation authorities act of 1967, 1967 PA 204,  
19 MCL 124.401 to 124.426, unless the regional transit coordinating  
20 council decides otherwise. The authority shall apply for federal  
21 and state transportation operating and capital assistance grants,  
22 and the authority may designate a city with a population of more  
23 than 750,000, SMART, and other transit agencies not included in a  
24 city of more than 750,000 population as subrecipients of federal  
25 and state transportation funds. To the extent required by chap-  
26 ter 53 of title 49 of the United States Code, 49 U.S.C. 5307,  
27 5309, 5310, 5311, and 5313, the authority shall execute an

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

6

1 agreement conferring on a city with more than 750,000 population,  
2 SMART, and other transit agencies not included in the city of  
3 more than 750,000 population the right to receive and dispense  
4 grant funds and containing any other provisions that federal law  
5 and regulations require. The chief executive officer of the  
6 authority shall submit in a timely manner the region's applica-  
7 tion for federal and state transportation funds to the responsi-  
8 ble federal and state agencies. The application shall designate  
9 the distribution of all capital and operating funds that are paid  
10 directly to the authority, a city with a population of more than  
11 750,000, SMART, and the other transit agencies not included in a  
12 city of more than 750,000 in population. Except as otherwise  
13 provided in 1951 PA 51, MCL 247.651 to 247.675, and subject to  
14 subsections (5) and (6), if the authority is the recipient of  
15 federal or state funds, the chief executive officer of the  
16 authority shall remit to a city with a population of more than  
17 750,000, SMART, and the other transit agencies not included in  
18 the city of more than 750,000 in population their designated dis-  
19 tribution of funds.

20 (3) The authority shall develop, implement, and update the  
21 comprehensive regional public transportation service plan. The  
22 authority shall present the initial comprehensive regional public  
23 transportation service plan to the legislature and the governor  
24 within 270 days after the selection of the chief executive offi-  
25 cer of the authority. The comprehensive regional public trans-  
26 portation service plan shall be updated annually. The

**HB5467, As Passed House, December 13, 2001**

Sub. HB 5467 (H-5) as amended December 13, 2001

7

1 comprehensive regional public transportation service plan shall  
2 contain all of the following:

3 (a) A demonstration that the plan provides for a fair dis-  
4 tribution of services throughout the region.

5 (b) A discussion of how the specific and identifiable public  
6 transportation needs of the region are addressed in the plan.

7 (c) A demonstration that the plan delivers measurable  
8 benefits.

9 (4) Subject to the availability of funds, the authority  
10 shall provide those services that are required for the implemen-  
11 tation and execution of the comprehensive regional public trans-  
12 portation service plan. The authority may contract with opera-  
13 tors of public transportation within the region to provide serv-  
14 ices that the authority considers necessary for implementation  
15 and execution of the comprehensive regional public transportation  
16 service plan.

17 (5) This subsection does not apply to any private transit  
18 operators that have not contracted with the authority. The  
19 authority shall coordinate all of the following functions between  
20 different owners and operators of public transportation facili-  
21 ties within the region [relative to transit services]:

22 (a) Service overlap.

23 (b) Rates.

24 (c) Routing.

25 (d) Scheduling.

**HB5467, As Passed House, December 13, 2001**

Sub. HB 5467 (H-5) as amended December 13, 2001 8

1 (e) Any other function that the authority considers  
2 necessary to coordinate in order to implement or execute the  
3 comprehensive regional transportation service plan.

4 (6) The authority shall provide notices of its coordination  
5 decisions under this section to owners and operators of public  
6 transportation facilities in the region. Any owner or operator  
7 of a public transportation facility within the region who fails  
8 to comply with the authority's notice of coordination decision  
9 may be declared ineligible for grant assistance from the authori-  
10 ty, and, if the authority declares that the owner or operator is  
11 ineligible for grant assistance, shall not receive any transpor-  
12 tation operating or capital assistance grants from the  
13 authority.

14 (7) Within 270 days after the selection of the chief execu-  
15 tive officer of the authority, the authority shall present to the  
16 legislature [, the members of the appropriations committees of the  
house of representatives and the senate,] and the governor its  
recommendations for legislation  
17 to establish a dedicated funding stream for the authority. [The  
recommendations shall include an analysis of the availability of  
nonlocal sources for the dedicated funding stream. No more than an  
increase of 5% of the comprehensive transportation fund amounts  
received by the regional transit coordinating council created in  
section 4b of the metropolitan transportation authorities act, 1967  
PA 204, MCL 124.404b, in the fiscal year ending September 30, 2002,  
shall be included in the recommendations.]

18 Sec. 5. (1) Subject to subsections (3) and (5), during the  
19 first year after the effective date of this act, a county with a  
20 population of 750,000 or less that chooses not to participate in  
21 the authority may withdraw from the authority by a resolution of  
22 withdrawal that is approved by a majority vote of the members of  
23 the county board of commissioners.

24 (2) Subject to subsections (3) and (5), after the first year  
25 after the effective date of this act, a county with a population  
26 of 750,000 or less may withdraw at any time by a resolution of





**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

9

1 withdrawal that is approved by a 2/3 vote of the members of the  
2 county board of commissioners.

3 (3) If the county seeking withdrawal under this section has  
4 an elected county executive under 1966 PA 293, MCL 45.501 to  
5 45.521, or 1973 PA 139, MCL 45.551 to 45.573, the county execu-  
6 tive may veto the resolution. A veto may be overridden by a 2/3  
7 vote of the county board of commissioners from the county seeking  
8 to withdraw from the authority.

9 (4) A county that withdraws from the authority shall lose  
10 its seat on the board and shall not, except on the unanimous  
11 affirmative vote of the board, contract for public transportation  
12 services with the authority.

13 (5) If a county elects to withdraw from the authority under  
14 this section, the county shall pay, or make provision to pay that  
15 is satisfactory to the authority, all obligations of the with-  
16 drawing county to the authority. Beginning 60 days after the  
17 withdrawing county gives notice of its intent to withdraw, the  
18 withdrawing county shall incur no further obligation to the  
19 authority until the withdrawal has been completed. Obligations  
20 of an authority within the county to the authority are not obli-  
21 gations of the county for purposes of this subsection. After the  
22 county has withdrawn and paid its obligations to the authority,  
23 if any, the state transportation department shall reduce the  
24 level of state funding to the authority by the amount allocable  
25 to the withdrawing county and transmit these funds directly to  
26 the county that elected to withdraw. If the withdrawing county  
27 has a local authority, the state transportation department shall

**HB5467, As Passed House, December 13, 2001**

Sub. HB 5467 (H-5) as amended December 13, 2001

10

1 transmit the allocable portion of the withdrawing county's funds  
2 directly to the local authority.

3       Sec. 6. (1) A county [any part of which is not more than 90  
4 miles from the city limits of the city of Detroit] may become a  
5 member of the authority

6 upon a resolution that is adopted by a majority vote of the  
7 county board of commissioners for the county requesting  
8 membership.

9       (2) If the county seeking membership under this section has  
10 an elected county executive under 1966 PA 293, MCL 45.501 to  
11 45.521, or 1973 PA 139, MCL 45.551 to 45.573, the county execu-  
12 tive may veto the resolution. The county board of commissioners  
13 for the county seeking membership under this section may override  
14 the veto by a 2/3 vote of the county board of commissioners.

15       Sec. 7. (1) The authority shall be governed by a board that  
16 shall consist of the following:

17       (a) Two members from each city in the region that has a pop-  
18 ulation over 750,000.

19       (b) Two members from each county in the region that has a  
20 population over 750,000 and less than 2,000,000.

21       (c) One member from each county in the region that has a  
22 population of 750,000 or less.

23       (d) Two members from each county in the region that has a  
24 population over 2,000,000 that are not residents of a city in  
25 that county that has a population over 750,000.

26       (2) The chief executive officer of each city that is enti-  
27 tled to membership on the board shall select the members to rep-  
resent the city. The appointment of a board member shall require  
the concurrence of a majority of the city council. The members

**HB5467, As Passed House, December 13, 2001**

Sub. HB 5467 (H-5) as amended December 13, 2001

11

1 that are appointed and approved shall serve on the board at the  
2 pleasure of the chief executive officer and can be removed from  
3 the board by the chief executive officer at any time. A board  
4 member appointed under this subsection shall be a resident of the  
5 city that the board member represents.

6 (3) The chief executive officer of each county that is enti-  
7 tled to membership on the board shall select the member or mem-  
8 bers to represent the county. [Except as provided in subsection  
9 (3), the] appointment of a board member  
10 shall require the concurrence of a majority of the county board  
11 of commissioners. The members that are appointed and approved  
12 shall serve on the board at the pleasure of the chief executive  
13 officer and can be removed from the board by the chief executive  
14 officer at any time. A board member appointed under this subsec-  
15 tion shall be a resident of the county that the board member  
16 represents. [In the case of Wayne county, the appointment of the  
17 board members shall require the concurrence of 2/3 of the members of  
18 the commission.]

19 (4) The board shall be appointed not later than 30 days  
20 after the effective date of this act.

21 (5) The first board meeting shall be 60 days after the  
22 effective date of this act.

23 Sec. 8. (1) The board shall do all of the following:

24 (a) Select and retain a chief executive officer of the  
25 authority.

26 (b) Adopt bylaws and rules and procedures governing the  
board meetings.

(c) Establish policies to implement day-to-day operation of  
the authority.

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

12

1 (d) Review and approve the authority's capital and operating  
2 budgets to assure that the budgets are reported and administered  
3 in accordance with the uniform budgeting and accounting act, 1968  
4 PA 2, MCL 141.421 to 141.440a.

5 (e) Conduct an annual audit in accordance with the uniform  
6 budgeting and accounting act, 1968 PA 2, MCL 141.421 to  
7 141.440a.

8 (f) Develop the comprehensive regional public transportation  
9 service plan in accordance with section 4.

10 (g) Develop performance measures of the efficiency and  
11 effectiveness of the provision of public transportation services  
12 to the region.

13 (h) Develop and specify uniform data requirements to assess  
14 the costs and benefits of public transportation services.

15 (i) Formulate procedures for establishing priorities in the  
16 allocation of funds for public transportation services.

17 (j) Establish and implement a standardized reporting and  
18 accounting system under which transit system operators that  
19 receive funds directly or indirectly from the authority make  
20 quarterly reports on revenues and expenditures and submit annual  
21 and proposed budgets to the authority.

22 (k) Establish and implement standards relating to operating  
23 efficiency and cost control of transit system operators.

24 (2) Except as otherwise provided in this subsection, the  
25 board shall act by a majority vote of its membership that is  
26 entitled to vote. A vote for the adoption of bylaws, for the  
27 adoption of rules of procedure, or for the transaction of

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

13

1 business shall not be effective unless the vote includes at least  
2 1 affirmative vote from a member that represents each city in the  
3 authority that has a population of 750,000 or more and at least 1  
4 affirmative vote from each county in the authority immediately  
5 contiguous to each city in the authority with a population of  
6 750,000 or more.

7 (3) The board shall meet regularly but not less than  
8 quarterly.

9 (4) Except as provided in this subsection, a board member  
10 shall not designate another representative to serve in his or her  
11 place on the board. Each county and city entitled to membership  
12 on the board in the region shall have the ability to appoint 1  
13 alternate to serve if a permanent member is absent from a board  
14 meeting. The board shall not engage in proxy voting.

15 (5) The board shall conduct the business that it may perform  
16 at meetings held in compliance with the open meetings act, 1976  
17 PA 267, MCL 15.261 to 15.275. Public notice of the time, date,  
18 and place of the meetings shall be given in the manner required  
19 by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

20 (6) The board shall appoint a citizens advisory committee  
21 that consists of region residents. Forty percent of the commit-  
22 tee shall be made up of users of public transportation. At least  
23 25% of the users of public transportation on the committee shall  
24 be seniors or persons with disabilities. Two users of public  
25 transportation from Wayne county, 2 users of public transporta-  
26 tion from Oakland county, 2 users of public transportation from  
27 Macomb county, 2 users of public transportation from each city in

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

14

1 the authority region that has a population of 750,000 or more,  
2 and 1 user of public transportation from each additional member  
3 county shall be on the committee. Thirty percent of the commit-  
4 tee shall be made up of individuals from organizations represent-  
5 ing seniors and persons with disabilities. Thirty percent of the  
6 committee shall be made up of individuals representing business,  
7 labor, community, and faith-based organizations. The citizens  
8 advisory committee shall meet at least on a quarterly basis. The  
9 citizens advisory committee may make reports to the board,  
10 including recommendations, if any, at each board meeting. The  
11 citizens advisory committee shall do all of the following:

12 (a) Review and comment on the comprehensive regional public  
13 transportation service plan and all annual updates.

14 (b) Advise the board regarding the coordination of functions  
15 between different owners and operators of public transportation  
16 facilities within the region.

17 (c) Review and comment on the specialized services coordina-  
18 tion plan required by section 10e(4)(c)(i)(A) of 1951 PA 51,  
19 MCL 247.660e.

20 (d) Provide recommendations on other matters that concern  
21 public transportation in the region.

22 (7) The board shall establish a ridership committee that  
23 consists of a representative group of public transit system  
24 riders who live in the region. The ridership committee shall  
25 report their concerns to the board on a regularly scheduled  
26 basis.

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

15

1 (8) The board may change the name of the authority by a  
2 unanimous vote of the members. The board shall notify the state  
3 transportation department within 10 days after a name change is  
4 implemented.

5 (9) The board may give assistance to transit systems that  
6 are operated within the region by any city or public agency.

7 (10) The board shall employ an independent certified public  
8 accounting firm to provide annual financial audits for the  
9 authority and to review the audits of operators of public transit  
10 systems that receive funds directly or indirectly from the  
11 authority. The cost associated with the audits required under  
12 this subsection shall be the responsibility of the operator of  
13 the public transit system being audited.

14 Sec. 9. The authority may:

15 (a) Adopt rules to accomplish the purposes of this act.

16 (b) Plan, acquire, construct, operate, maintain, replace,  
17 improve, extend, and contract for transportation facilities  
18 within the region. If there is no authority established or oper-  
19 ating public transportation facilities within 10 miles beyond any  
20 portion of the region, the authority shall have the powers stated  
21 in this subdivision for 10 miles beyond that portion of the  
22 region.

23 (c) Acquire and hold, by purchase, lease, grant, gift,  
24 devise, bequest, condemnation, or other legal means, real and  
25 personal property, including, but not limited to, franchises,  
26 easements, and rights-of-way on, under, or above property within  
27 the region. If there is no authority established and operating



**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

16

1 public transportation authorities within 10 miles beyond any  
2 portion of the region, the authority shall have the powers enu-  
3 merated in this subdivision for 10 miles beyond that portion of  
4 the region.

5 (d) Subject to section 23, institute condemnation proceed-  
6 ings against a public or private transportation system.

7 (e) Apply for and accept grants, loans, or contributions  
8 from the federal government, any of its agencies, this state, any  
9 of its agencies, other public agencies, or private agencies. The  
10 authority shall use the proceeds of the grants, loans, or contri-  
11 butions for any of the purposes of this act. The authority may  
12 do anything within its power to secure the grants, loans, or  
13 other contributions.

14 (f) Sell, lease, or use any property that the authority  
15 acquires. For purposes of this subdivision, "use" includes, but  
16 is not limited to, the leasing of advertising space and the  
17 granting of concessions for the sale of articles or for  
18 services.

19 (g) Grant to public or privately owned utilities the right  
20 to use any property that the authority has acquired.

21 (h) Grant to any other public transportation facility the  
22 right to use the property that the authority has acquired.

23 (i) Contract with, or enter into agreements with, any unit  
24 of government including transportation authorities located out-  
25 side the region or private enterprise for service contracts,  
26 joint use contracts, and contracts for the construction or

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

17

1 operation of any part of the transportation facilities or for any  
2 other reason the authority determines is necessary.

3 (j) Borrow money and issue bonds to finance and perform its  
4 powers and duties.

5 (k) Receive the proceeds of taxes, special assessments, and  
6 charges imposed, collected, and returned to the authority under  
7 the law.

8 (l) Exercise all other powers that are necessary, inciden-  
9 tal, or convenient for the carrying out of the purposes of this  
10 act.

11 Sec. 10. (1) The authority shall fix rates, fares, tolls,  
12 rents, and other charges for the use of public transportation  
13 facilities and the services provided by the authority within the  
14 region that the authority owns, has contracted for, or operates.

15 (2) The authority shall give a public notice of its intent  
16 to apply for money from the comprehensive transportation fund to  
17 the residents of the counties, cities, townships, and villages  
18 affected by the local transportation program. The authority  
19 shall make the application available for review for 30 days by  
20 the residents of the affected counties, cities, townships, and  
21 villages. All public comments that the authority receives under  
22 this subsection shall be included in its application for compre-  
23 hensive transportation funds and transmitted to the board and the  
24 state transportation department.

25 (3) The authority shall hold a public meeting annually on  
26 the comprehensive regional transportation service plan and all  
27 plan updates. The public meeting shall be held before the

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

18

1 adoption of the plan or update by the board. A summary of the  
2 comments made at the public meeting shall be provided to the  
3 board.

4 (4) The authority shall conduct a public hearing before the  
5 implementation of changes to the fares charged for authority  
6 services. A transcript of the public hearing shall be transmit-  
7 ted to the board before consideration of proposed fare changes.

8 Sec. 11. Before any state or federal funds are distributed  
9 to the authority, a financial audit of the operations for the  
10 fiscal year before the most recently completed fiscal year shall  
11 be provided to the state transportation department. The state  
12 transportation department may waive this requirement on a tempo-  
13 rary basis. Each audit shall be conducted in accordance with  
14 sections 6 to 13 of the uniform budgeting and accounting act,  
15 1968 PA 2, MCL 141.426 to 141.433.

16 Sec. 12. (1) This state guarantees the payment of claims  
17 for benefits arising under the worker's disability compensation  
18 act of 1969, 1969 PA 317, MCL 418.101 to 418.941, during the time  
19 the authority is approved as a self-insured employer if all of  
20 the following occur:

21 (a) The authority ceases to exist or is dissolved.

22 (b) A successor agency is not created to assume the assets  
23 and liabilities and perform the functions of the authority.

24 (c) The authority is authorized to secure the payment of  
25 compensation under section 611(1)(a) of the worker's disability  
26 compensation act of 1969, 1969 PA 317, MCL 418.611.

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

19

1 (2) This state shall be entitled to a lien that shall take  
2 precedence over all other liens in the amount of all the payment  
3 of claims made by this state on behalf of the authority under  
4 this section. The lien shall be on the assets of the authority.

5 Sec. 13. A community or group of communities in the region  
6 may create citizen advisory councils to relate concerns to the  
7 board on a regularly scheduled basis. Citizen advisory councils  
8 shall be composed of members representative of the neighborhoods  
9 within the community or group of communities.

10 Sec. 14. The authority created under this act shall not be  
11 dissolved and its powers shall not be diminished except as pro-  
12 vided in this act.

13 Sec. 15. In the exercise of its powers within the region,  
14 the authority is exempt from all of the following acts:

15 (a) The motor carrier act, 1933 PA 254, MCL 475.1 to  
16 479.20.

17 (b) The motor bus transportation act, 1982 PA 432,  
18 MCL 474.101 to 474.141.

19 (c) The township and village public improvement and public  
20 service act, 1923 PA 116, MCL 41.411 to 41.419.

21 Sec. 16. (1) Within 170 days after the effective date of  
22 this act, the board shall select and retain a chief executive  
23 officer.

24 (2) The chief executive officer shall administer the author-  
25 ity in accordance with the comprehensive regional public trans-  
26 portation service plan, the operating budget, the general policy  
27 guidelines established by the board, the applicable governmental

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

20

1 procedures and policies, and this act. The chief executive  
2 officer is responsible for the supervision of all authority  
3 employees.

4 (3) All terms and conditions of the chief executive  
5 officer's employment, including length of service, shall be spec-  
6 ified in a written contract.

7 Sec. 17. (1) The authority shall have the right to bargain  
8 collectively and enter into agreements with labor organizations.

9 (2) The authority shall be bound by existing collective bar-  
10 gaining agreements with publicly or privately owned entities that  
11 are acquired, purchased, or condemned by the authority. Members  
12 and beneficiaries of any pension or retirement system established  
13 by the acquired transportation system, and beneficiaries of any  
14 of the benefits established by the acquired transportation system  
15 shall continue to have rights, privileges, benefits, obligations,  
16 and status under the acquired pension or retirement system or  
17 benefits. The authority shall assume the obligations of public  
18 transportation facilities or transit systems that the authority  
19 acquires with regard to all of the following:

20 (a) Wages and salaries.

21 (b) Hours and working conditions.

22 (c) Sick leave and health and welfare benefits.

23 (d) Pension or retirement benefits, including retiree health  
24 care benefits.

25 (3) No employee of an acquired transportation system who is  
26 transferred to a position with the authority shall, by reason of

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

21

1 the transfer, be placed in a worse position with respect to any  
2 of the following:

3 (a) Worker's compensation.

4 (b) Pension.

5 (c) Seniority.

6 (d) Wages.

7 (e) Sick leave.

8 (f) Vacation.

9 (g) Health and welfare benefits.

10 (h) Any other benefits that he or she enjoyed as an employee  
11 of the acquired transportation system.

12 (4) Employees of the acquired transportation system who left  
13 the acquired transportation system to enter into military service  
14 of the United States shall have the same rights with respect to  
15 the authority under 1951 PA 263, MCL 35.351 to 35.356, as they  
16 would have had as employees of the acquired transportation  
17 system.

18 (5) For federally funded activities, the authority shall  
19 enter into and comply with the arrangements that the  
20 U.S. secretary of labor certifies as fair and equitable in com-  
21 pliance with 49 U.S.C. 5333(b).

22 (6) Before beginning to operate any new public transporta-  
23 tion service or facility or entering into any contract or other  
24 arrangements for the operations of the service or facility, the  
25 authority shall extend to the employees providing public trans-  
26 portation services directly for or by contract with the  
27 authority, in order of the employee's seniority with the

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

22

1 employee's employer, the first opportunity for reasonably  
2 comparable employment in any new jobs with respect to the opera-  
3 tions for which the employee can qualify after a reasonable  
4 training period. The authority shall provide for the first  
5 opportunity required under this subsection in any contract to  
6 operate a new service or facility. Employers shall comply with  
7 all collective bargaining agreements in accordance with the  
8 national labor relations act, chapter 372, 49 Stat. 449, and the  
9 public employment relations act of 1947, 1947 PA 336, MCL 423.201  
10 to 423.217.

11       Sec. 18. (1) Except as otherwise provided in this section,  
12 the authority shall not levy taxes or pledge the credit or taxing  
13 power of the state or any political subdivision. The authority  
14 may pledge the receipts of taxes, special assessments, or charges  
15 that the state or a political subdivision collects so long as the  
16 receipts of the taxes, special assessments, or charges are  
17 returnable and payable by law or contract to the authority. The  
18 authority may pledge the pledge of a political subdivision of  
19 this state of its full faith and credit in support of its con-  
20 tractual obligations to the authority.

21       (2) In addition to any other method of financing authorized  
22 by law, public transportation facilities may be financed by 1 or  
23 more of the following:

24       (a) Fares, rates, tolls, and rents.

25       (b) Other income or revenue from whatever source available,  
26 including, but not limited to, appropriations and contributions

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

23

1 and other revenue of the participating counties and political  
2 subdivisions in the region.

3 (c) Grants, loans, and contributions from federal, state, or  
4 other governmental units.

5 (d) Grants, contributions, gifts, devises, or bequests from  
6 any other source.

7 (e) Taxes, special assessments, or charges, imposed by law  
8 and collected by a state or political subdivision and returned or  
9 paid to the authority under the law or pursuant to contract.

10 Sec. 19. (1) The chief executive officer shall prepare and  
11 the board shall approve an operating budget and a capital budget  
12 for the authority for each fiscal year. Each budget shall be  
13 approved at least 30 days before the first day of the fiscal  
14 year.

15 (2) The chief executive officer shall prepare and the board  
16 shall approve a capital program budget to cover 5 years. The  
17 first capital program budget shall be submitted to the board  
18 within 270 days after selection of the chief executive officer of  
19 the authority. The chief executive officer shall revise and  
20 update the capital operating budgets on an annual basis and  
21 submit the revised capital program budget to the board each  
22 fiscal year.

23 (3) The authority shall submit its annual operating and cap-  
24 ital budget, financial audits, and construction plans to a  
25 regional governmental and coordinating agency if a regional gov-  
26 ernmental and coordinating agency exists in the region. The  
27 submittal shall allow a reasonable time for review and comment.



**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

24

1           Sec. 20. (1) The authority may borrow money and issue bonds  
2 or notes to acquire any public transportation facility or notes  
3 to finance the authority's operations.

4           (2) Bonds shall be issued in 1 or more of the following  
5 forms:

6           (a) Serial bonds or term bonds.

7           (b) A combination of serial bonds and term bonds.

8           (c) Issue for a consideration other than cash.

9           (3) The proceeds of bonds may be used to pay all costs of  
10 the public transportation facility including all engineering  
11 fees, consultant fees, attorney fees, capitalized interest for up  
12 to 3 years from the date of issuance, and all other costs related  
13 to any acquisition of public transportation facilities.

14          (4) Bonds shall mature not more than 40 years from the date  
15 of the first principal payment, and the first principal payment  
16 shall be payable no later than 7 years after the bonds are issued  
17 and delivered. Bonds may be sold at a public or private sale.

18          (5) Notes may be payable from any source specified in the  
19 resolution authorizing their issuance and shall not be subject to  
20 the provisions of the revised municipal finance act, 2001 PA 34,  
21 MCL 141.2101 to 141.2821. If notes are issued in anticipation of  
22 the receipt of grants or contract payments, the maturity or matu-  
23 rities of the notes shall not be later than 2 months after the  
24 estimated date of receipt of the grant or contract payment.

25          (6) If the bonds or notes sold by the authority involve the  
26 pledge or use of state collected or administered funds, the  
27 authority shall seek the approval of the state transportation

**HB5467, As Passed House, December 13, 2001**

Sub. HB 5467 (H-5) as amended December 13, 2001

25

1 commission and, unless an exemption from prior approval is  
2 available, the approval of the department of treasury according  
3 to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to  
4 141.140.

5 (7) Bonds or notes shall be payable from and may be issued  
6 in anticipation of payment of the proceeds of any of the methods  
7 of financing described in section 18, a method of financing pro-  
8 vided in this act, or a method of financing authorized by law.

9 (8) A political subdivision within the region may contract  
10 to make payments, appropriations, or contributions to the author-  
11 ity of the proceeds of taxes, special assessments, or charges  
12 imposed and collected by the political subdivision or out of any  
13 funds otherwise available under law and may pledge its limited  
14 tax full faith and credit in support of its contractual obliga-  
15 tion to the authority. If the political subdivision has obtained  
16 the prior approval of its electors [at a regularly scheduled primary  
or general election], it may pledge its unlimited  
17 tax full faith and credit in support of its contractual obliga-  
18 tions to the authority.

19 (9) If the authority has issued bonds in anticipation of  
20 payments, appropriations, or contributions to be made to the  
21 authority under a contract between the authority and a political  
22 subdivision that has the power to levy and collect ad valorem  
23 taxes, the political subdivision may obligate itself under the  
24 contract and may, after voter approval [at a regularly scheduled  
primary or general election], levy a tax on all taxable  
25 property in the political subdivision. The tax as to rate or  
26 authority will be as provided in section 6 or article IX of the  
27 state constitution of 1963 for contract obligations in

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

26

1 anticipation of which bonds are issued, to provide sufficient  
2 money to fulfill its contractual obligation to the authority.

3       (10) A political subdivision that desires to enter into a  
4 contract under subsection (8) shall authorize, by resolution of  
5 its governing body, the execution of the contract. The resolu-  
6 tion shall be published in a newspaper of general circulation  
7 within the political subdivision. The contract may be executed  
8 without a vote of the electors on the contract after the expira-  
9 tion of 45 days after the date of publication unless a petition  
10 is filed with the clerk of the political subdivision before the  
11 end of the 45-day period. The petition shall be signed by not  
12 less than 10% or 15,000 of the registered electors, whichever is  
13 less, that reside within the political subdivision and shall  
14 request a referendum upon the execution of the contract between  
15 the authority and the political subdivision. Upon the filing of  
16 a valid petition, the contract shall not take effect until it is  
17 approved by a majority vote of the electors of the political sub-  
18 division that are qualified to vote and that do vote on the con-  
19 tract at a general or special election to be held not more than  
20 90 days after the filing of the petition.

21       (11) A petition under this section, including the circula-  
22 tion and signing of the petition, is subject to section 488 of  
23 the Michigan election law, 1954 PA 116, MCL 168.488. A person  
24 who violates a provision of the Michigan election law, 1954  
25 PA 116, MCL 168.1 to 168.992, applicable to a petition described  
26 in this section is subject to the penalties prescribed for that

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

27

1 violation in the Michigan election law, 1954 PA 116, MCL 168.1 to  
2 168.992.

3       Sec. 21. (1) Except as otherwise provided in this section  
4 and section 22, competitive bids shall be secured before any pur-  
5 chase or sale, by contract or otherwise, is made or before any  
6 contract is awarded for construction, alteration, supplies,  
7 equipment, repairs, maintenance, and the rendering of services to  
8 the authority.

9       (2) Except as otherwise provided in this section, all pur-  
10 chases and sales in excess of \$50,000.00 shall be awarded after  
11 advertising in a manner determined by the board and set forth in  
12 a written purchasing policy. Bids shall be publicly opened and  
13 read aloud at a date, time, and place designated in the invita-  
14 tion to bid. Invitations to bid shall be sent at least 1 week  
15 before the bid opening to at least 3 potential bidders who are  
16 qualified technically and financially to submit bids, or a memo-  
17 randum shall be kept on file showing that less than 3 potential  
18 bidders who are qualified and responsible exist in the general  
19 market area within which it is practicable to obtain quotations.

20       (3) Except as otherwise provided in this section, written  
21 price quotations from at least 3 qualified and responsible ven-  
22 dors shall be obtained for all purchases and sales of \$50,000.00  
23 or less but greater than \$5,000.00, or a memorandum shall be kept  
24 on file showing that less than 3 qualified and responsible ven-  
25 dors exist in the market area within which it is practicable to  
26 obtain quotations.

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

28

1 (4) Competitive bidding is not required in 1 or more of the  
2 following circumstances:

3 (a) The purchase of unique articles.

4 (b) The purchase of articles that cannot be obtained in the  
5 open market.

6 (c) Purchases or sales under \$5,000.00.

7 (d) The rendering of professional services.

8 (e) An emergency exists that directly and immediately  
9 affects service or public health, safety, or welfare and that  
10 requires immediate delivery of supplies, materials, equipment, or  
11 services as determined under procedures approved and determined  
12 by the board.

13 (5) The board shall expressly approve or deny in advance the  
14 purchase of unique articles or articles that cannot be obtained  
15 in the open market without competitive bidding if the amount of  
16 the purchase in either case is in excess of \$50,000.00.

17 Sec. 22. Concessions for the sale of products or the rendi-  
18 tion of services for a consideration on authority property shall  
19 be awarded by the authority only pursuant to written specifica-  
20 tions after competitive bidding to the highest responsible bidder  
21 under procedures similar to those required under section 21. The  
22 requirement for competitive bidding shall not apply to a conces-  
23 sion involving the estimated receipt by the authority of less  
24 than \$1,000.00 over the period for which the concession is  
25 granted.

26 Sec. 23. (1) The authority may acquire facilities, assets,  
27 and rights of existing and operating private or public

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

29

1 transportation systems. Except as provided in section 17, no  
2 liability, other than for equipment and facilities, shall be  
3 assumed or contracted for. Except as otherwise provided in this  
4 subsection, the authority shall not be required to comply with  
5 any statutory or charter limitations or prerequisites to an  
6 acquisition. The authority shall comply with the uniform condem-  
7 nation procedures act, 1980 PA 87, MCL 213.51 to 213.76.

8       (2) If the contract between the authority and the existing  
9 and operating private or public transportation system provides  
10 only for operation of the existing system by the authority or  
11 only for acquisition without consideration, the transaction is  
12 not considered a sale of a public utility within any constitu-  
13 tional, statutory, or charter limitation or within any revenue  
14 bond ordinance.

15       (3) If the negotiation between the authority and an existing  
16 private or public transportation system does not reach a conclu-  
17 sion, the authority shall notify the owner of the existing pri-  
18 vate or public transportation system in writing that the matter  
19 shall proceed to condemnation or binding final arbitration. The  
20 owner of the existing private or public transportation system  
21 shall elect in writing between condemnation and binding final  
22 arbitration under the rules and procedures of the American arbi-  
23 tration association not later than 15 days after receipt of the  
24 notice from the authority. The election of the owner of the  
25 existing private or public transportation system is final.

26       Sec. 24. Except as otherwise provided in this section,  
27 claims that arise in connection with the authority shall be

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

30

1 presented as ordinary claims against a common carrier of  
2 passengers for hire. Written notice of any claim based on injury  
3 to persons or property shall be served on the authority not later  
4 than 60 days after the occurrence that gave rise to the claim.  
5 The disposition of the claim shall rest in the discretion of the  
6 authority. Claims that may be allowed and final judgment shall  
7 be paid from authority funds. Claims against the authority shall  
8 only be brought in a court of competent jurisdiction in a county  
9 in the region in which the authority principally carries on its  
10 functions.

11       Sec. 25. All counties and other political subdivisions and  
12 agencies, public or private, may assist, cooperate with, and con-  
13 tribute services, money, or property in aid of the authority and  
14 its purposes.

15       Sec. 26. The authority and its property, real, personal and  
16 mixed, is exempt from local zoning and from assessment, levy, and  
17 collection of all general and special taxes of this state or any  
18 governmental unit.

19       Sec. 27. Records and other writings prepared, owned, used,  
20 in the possession of, or retained by the authority in the per-  
21 formance of an official function shall be available to the public  
22 during normal business hours in compliance with the freedom of  
23 information act, 1976 PA 442, MCL 15.231 to 15.246.

24       Sec. 28. Notwithstanding any other provision of this act,  
25 if an emergency financial manager has been appointed for the  
26 authority under the local government fiscal responsibility act,  
27 1988 PA 101, MCL 141.1101 to 141.1118, then that emergency

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

31

1 financial manager may exercise the authority and responsibilities  
2 provided in this act to the extent authorized by the local gov-  
3 ernment fiscal responsibility act, 1988 PA 101, MCL 141.1101 to  
4 141.1118.

5 Sec. 29. The authority shall prepare and publish a detailed  
6 public report and financial statement of its operations at the  
7 end of each fiscal year.

8 ARTICLE II

9 Sec. 30. As used in this article, "SMART" means the subur-  
10 ban mobility authority for regional transportation.

11 Sec. 31. (1) Beginning 3 years after the effective date of  
12 this act, SMART, established in former 1967 PA 204, is continued  
13 under this act. The members of SMART are Oakland, Wayne, Monroe,  
14 and Macomb counties.

15 (2) Subject to subsections (4) and (5), during the first  
16 year after the effective date of this act, a county with a popu-  
17 lation of 750,000 or less that chooses not to participate in  
18 SMART may withdraw from SMART by a resolution of withdrawal that  
19 is approved by a majority vote of the members of the county board  
20 of commissioners.

21 (3) Subject to subsections (4) and (5), after the first year  
22 after the effective date of this act, a county with a population  
23 of 750,000 or less may withdraw at any time by a resolution of  
24 withdrawal that is approved by a 2/3 vote of the members of the  
25 county board of commissioners.

26 (4) If the county seeking withdrawal under this section has  
27 an elected county executive under 1966 PA 293, MCL 45.501 to



**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

32

1 45.521, or 1973 PA 139, MCL 45.551 to 45.573, the county  
2 executive may veto the resolution. A veto may be overridden by a  
3 2/3 vote of the county board of commissioners from the county  
4 seeking to withdraw from the authority.

5 (5) A county that withdraws from the authority shall lose  
6 its seat on the board and shall not, except on the unanimous  
7 affirmative vote of the board, contract for public transportation  
8 services with the authority.

9 (6) SMART is an agency and instrumentality of the state that  
10 has all of the powers of a public corporation so long as they are  
11 exercised for 1 or more of the following purposes:

12 (a) Planning public transportation facilities.

13 (b) Designing public transportation facilities.

14 (c) Constructing public transportation facilities.

15 (d) Operating public transportation facilities.

16 (e) Administering public transportation facilities.

17 (f) Acquiring public transportation facilities.

18 (g) Contracting to provide public transportation  
19 facilities.

20 (h) Maintaining, replacing, improving, and extending public  
21 transportation facilities.

22 (i) Exercising the franchise of public transportation  
23 facilities.

24 (7) If SMART ceases to operate or is dissolved and a succes-  
25 sor agency is not created to assume its assets and liabilities,  
26 and perform its functions, and if SMART is authorized to secure  
27 the payment of compensation under section 611(1)(a) of the

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

33

1 worker's disability compensation act of 1969, 1969 PA 317,  
2 MCL 418.611, then the state guarantees the payment of claims for  
3 benefits arising under the worker's disability compensation act  
4 of 1969, 1969 PA 317, MCL 418.101 to 418.941, against SMART  
5 during the time they were approved as a self-insured employer.  
6 The state shall be entitled to a lien which shall take precedence  
7 over all other liens on its portion of the assets of the south-  
8 eastern Michigan transportation authority in satisfaction of the  
9 payment of claims for benefits under the worker's disability com-  
10 pensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941.

11 (8) A community or group of communities in the SMART member  
12 area may create citizens planning and advisory councils to relate  
13 their particular concerns to the board on a regularly scheduled  
14 basis. These councils shall have memberships representative of  
15 the various neighborhoods within those cities.

16 Sec. 32. (1) The board of SMART shall be composed of the  
17 chief executive officers of each county in which a city having a  
18 population of 750,000 or more is located within the area served  
19 by SMART and of all other counties immediately contiguous to that  
20 city, and the representative of each chief executive officer to  
21 be designated in the sole discretion of, and serve at the sole  
22 pleasure of, that chief executive officer. Every county with a  
23 population of less than 750,000 that is served by SMART shall  
24 have 1 seat on the board. A chief executive officer may desig-  
25 nate an alternate to serve in his or her place on the board.

26 (2) The board by a majority vote shall adopt bylaws and  
27 rules of procedure governing its meetings. A majority vote for

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

34

1 the adoption of bylaws and rules of procedure and for the  
2 transaction of business shall not be effective unless it includes  
3 at least 1 vote from each county in which a city having a popula-  
4 tion of 750,000 or more is located, and at least 1 vote from each  
5 county immediately contiguous to such city.

6 (3) The business which the board may perform shall be con-  
7 ducted at a public meeting of the board held in compliance with  
8 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public  
9 notice of the time, date, and place of the meeting shall be given  
10 in the manner required by the open meetings act, 1976 PA 267,  
11 MCL 15.261 to 15.275.

12 (4) SMART may:

13 (a) Adopt rules to accomplish the purposes of this act.

14 (b) Plan, acquire, construct, operate, maintain, replace,  
15 improve, extend, and contract for transportation facilities  
16 within the region. Subject to the powers given to the authority  
17 in section 4(5) and (6), if there is no authority established or  
18 operating public transportation facilities within 10 miles beyond  
19 any portion of the region, SMART shall have the powers stated in  
20 this subdivision for 10 miles beyond that portion of the region.

21 (c) Acquire and hold, by purchase, lease, grant, gift,  
22 devise, bequest, condemnation, or other legal means, real and  
23 personal property, including, but not limited to, franchises,  
24 easements, and rights-of-way on, under, or above property within  
25 the region. If there is no authority established and operating  
26 public transportation authorities within 10 miles beyond any

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

35

1 portion of the region, SMART shall have the powers enumerated in  
2 this subdivision for 10 miles beyond that portion of the region.

3 (d) Subject to section 23, institute condemnation  
4 proceedings.

5 (e) Apply for and accept grants, loans, or contributions  
6 from the federal government, any of its agencies, this state, any  
7 of its agencies, other public agencies, or private agencies.  
8 SMART may use the proceeds of the grants, loans, or contributions  
9 for any of the purposes of this act. SMART may do anything  
10 within its power to secure the grants, loans, or other  
11 contributions.

12 (f) Sell, lease, or use any property that SMART acquires.  
13 For purposes of this subdivision, "use" includes, but is not  
14 limited to, the leasing of advertising space and the granting of  
15 concessions for the sale of articles or for services.

16 (g) Grant to public or privately owned utilities the right  
17 to use any property that SMART has acquired.

18 (h) Grant to any other public transportation facility the  
19 right to use the property that SMART has acquired.

20 (i) Contract with any unit of government or private enter-  
21 prise for service contracts, joint use contracts, and contracts  
22 for the construction or operation of any part of the transporta-  
23 tion facilities.

24 (j) Borrow money and issue bonds to finance and perform its  
25 powers and duties.

26 (k) Receive the proceeds of taxes, special assessments, and  
27 charges imposed, collected, and returned to SMART under the law.

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

36

1 (l) Exercise all other powers that are necessary,  
2 incidental, or convenient for the carrying out of the purposes of  
3 this act.

4 Sec. 33. The board shall do all of the following:

5 (a) Adopt bylaws and rules and procedures governing the  
6 board meetings.

7 (b) Establish or continue broad policies to implement  
8 day-to-day operation of SMART.

9 (c) Review and approve the capital and operating budgets of  
10 SMART to assure that the budgets are reported and administered in  
11 accordance with the uniform budgeting and accounting act, 1968  
12 PA 2, MCL 141.421 to 141.440a.

13 (d) Conduct an annual audit in accordance with the uniform  
14 budgeting and accounting act, 1968 PA 2, MCL 141.421 to  
15 141.440a.

16 (e) Employ a general manager of SMART.

17 Sec. 34. (1) The board shall appoint a general manager who  
18 shall be the chief executive and operating officer of SMART. The  
19 general manager shall have management of the properties and busi-  
20 ness of SMART and its employees. He or she shall direct the  
21 enforcement of all resolutions, rules, and regulations of the  
22 board, and shall enter into contracts as necessary under the gen-  
23 eral control of the board. The general manager shall serve at  
24 the pleasure of the board.

25 (2) The general manager shall have the authority to appoint  
26 officers, employees, and agents necessary to carry out the  
27 purposes of SMART under the general policy direction of the

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

37

1 board. The general manager shall classify all the offices,  
2 positions, and grades of regular employment required under a  
3 merit rating system; except that a maximum of 5% of the employees  
4 and officers shall be exempt from the provisions of the merit  
5 rating system. SMART shall have the right to bargain collec-  
6 tively and enter into agreements with labor organizations, and  
7 shall be bound by existing labor union agreements with public or  
8 privately owned entities that are acquired, purchased, or con-  
9 demned by SMART. Members and beneficiaries of any pension or  
10 retirement system or other benefits established by the acquired  
11 transportation system shall continue to have rights, privileges,  
12 benefits, obligations, and status with respect to the established  
13 system. The board shall assume the obligation of any transporta-  
14 tion system acquired by it with regard to wages, salaries, hours,  
15 working conditions, sick leave, health and welfare, and pension  
16 or retirement provisions for employees.

17 (3) No employee of any acquired transportation system who is  
18 transferred to a position with SMART shall by reason of the  
19 transfer be placed in any worse position with respect to worker's  
20 compensation, pension, seniority, wages, sick leave, vacation,  
21 health and welfare insurance, or any other benefits that he or  
22 she enjoyed as an employee of the acquired transportation  
23 system.

24 (4) Employees who left the employ of the acquired transpor-  
25 tation system to enter the military service of the United States  
26 shall have the same rights as to SMART, under the provisions of  
27 the service men's employment tenure act approved July 17, 1941,

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

38

1 as they would have had thereunder as to such transportation  
2 system.

3       Sec. 35. (1) The general manager shall prepare and the  
4 board shall approve a separate operating and capital budget for  
5 each fiscal year. These budgets shall be approved at least 30  
6 days before the beginning of each new fiscal year. In addition,  
7 capital program budgets shall be prepared to cover periods of 5  
8 years. These shall be revised and updated annually before sub-  
9 mission to the board.

10       (2) SMART shall submit its annual operating and capital  
11 budget, financial audits, and construction plans to a regional  
12 governmental and coordinating agency where one exists in the  
13 region for review and comment a reasonable time prior to final  
14 approval by the authority board of directors.

15       Sec. 36. SMART may not levy taxes nor may it pledge the  
16 credit or taxing power of the state or any political subdivision  
17 except for the pledging of receipts of taxes, special assess-  
18 ments, or charges collected by the state or a political subdivi-  
19 sion and returnable or payable by law or by contract to SMART and  
20 except for the pledge by a political subdivision of the state of  
21 its full faith and credit in support of its contractual obliga-  
22 tions to SMART as authorized by law. Transportation facilities  
23 shall be financed, in addition to other methods of financing pro-  
24 vided by law, by 1 or more of the following methods:

25       (a) By fares, rates, tolls, and rents.

26       (b) By other income or revenues from whatever source  
27 available, including appropriations or contributions of whatever

**HB5467, As Passed House, December 13, 2001**

House Bill No. 5467

39

1 nature or other revenues of the participating counties and  
2 political subdivisions within the geographical boundaries of  
3 SMART.

4 (c) By grants, loans, or contributions from federal, state,  
5 or other governmental units and grants, contributions, gifts,  
6 devises, or bequests from public or private sources.

7 (d) By proceeds of taxes, special assessments, or charges  
8 imposed pursuant to law and collected by the state or a political  
9 subdivision and returned or paid to SMART pursuant to law or  
10 contract.

11 Sec. 37. All claims that may arise in connection with SMART  
12 shall be presented as ordinary claims against a common carrier of  
13 passengers for hire. Written notice of any claim based upon  
14 injury to persons or property shall be served upon SMART no later  
15 than 60 days from the occurrence through which such injury is  
16 sustained. Disposition of the claim shall rest in the discretion  
17 of SMART, and all claims that may be allowed and final judgment  
18 obtained shall be paid from SMART funds. Only the courts located  
19 in the counties in which SMART principally carries on its func-  
20 tion are the proper counties in which to commence and try action  
21 against the authority.

22 Sec. 38. (1) SMART may fix rates, fares, tolls, rents, and  
23 other charges for the use of public transportation facilities and  
24 the services provided by SMART within the region that SMART owns,  
25 has contracted for, or operates.

26 (2) SMART shall give a public notice of its intent to apply  
27 for money from the comprehensive transportation fund to the



**HB5467, As Passed House, December 13, 2001**

Sub. HB 5467 (H-5) as amended December 13, 2001

40

1 residents of the counties, townships, villages, and cities  
2 affected by the local transportation program and shall make its  
3 application available for a period of 30 days. All comments  
4 received by SMART shall be transmitted to the board and the state  
5 transportation department along with the application for funds.

6 (3) SMART shall conduct a public hearing before the board  
7 implements changes to the fares charged for the services provided  
8 by SMART. A transcript of the public hearing shall be transmit-  
9 ted to the board before the consideration of the fare changes.

10 Sec. 39. This article takes effect 3 years from the effec-  
11 tive date of this act.

12 Sec. 40. Beginning 3 years from the effective date of this  
13 act, SMART shall have, with respect to its operations, the same  
14 powers given to the authority in sections 15, 17, 18, 20, 21, and  
15 22.

16 Sec. 41. This act, being necessary for the public peace,  
17 health, safety, and welfare, shall be liberally construed to  
18 implement its purposes, which are declared to be public  
19 purposes.

20 Enacting section 1. This act is repealed effective 3 years  
21 after its effective date unless the authority board certifies to  
22 the secretary of state that a majority of voters within each  
23 member county of the authority have approved a funding mechanism  
24 to support the operations of the authority [at a regularly scheduled  
primary or general election].

25 Enacting section 2. The metropolitan transportation author-  
26 ities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, is  
27 repealed effective 1,102 days after the effective date of this

**HB5467, As Passed House, December 13, 2001**

Sub. HB 5467 (H-5) as amended December 13, 2001

41

1 act if the authority board certifies to the secretary of state  
2 that a majority of voters within each member county of the  
3 authority have approved a funding mechanism to support the opera-  
4 tions of the authority [at a regularly scheduled primary or general  
election].