

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5467**

A bill to create the Detroit area regional transportation authority; to transfer certain powers of authorities to the Detroit area regional transportation authority; to provide regional transportation for senior citizens, citizens with disabilities, citizens without the economic means to provide their own personal transportation, and all other citizens; 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 ARTICLE I

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

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 or SMART, the chief executive officer of the
15 authority or SMART.

16 (d) "Comprehensive regional public transportation service
17 plan" means the comprehensive regional public transportation
18 service plan described in section 4(3).

19 (e) "Local governmental consortium" means a legal or
20 administrative entity described in section 7 of the urban

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

3

1 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.507, and
2 provided for in an interlocal agreement entered into pursuant to
3 that act between cities, villages, or townships within a county
4 in the region that contains a city with a population of 500,000
5 or more, and in existence prior to January 1, 2002.

6 (f) "Political subdivision" means a county, city, township,
7 village, local governmental consortium, or school district
8 located within the region.

9 (g) "Public transportation" means the transportation or con-
10 veyance of persons within the region or SMART region by means
11 available to the general public, including, but not limited to,
12 senior citizens, citizens with disabilities, and citizens without
13 the economic means to provide their own personal transportation.
14 Public transportation does not include transportation by automo-
15 biles not used for conveyance of the general public as
16 passengers.

17 (h) "Public transportation facility" means all property,
18 real and personal, public or private, used for providing public
19 transportation. Public transportation facility includes, but is
20 not limited to, automated guideways, overpasses and skywalks,
21 street railways, buses, tramlines, subways, monorails, rail rapid
22 transit, bus rapid transit, and tunnel, bridge, and parking
23 facilities used in connection with public transportation
24 facilities. Public transportation facility does not include
25 taxis, limousines, state, county, or local roads, highways,
26 ports, airports, motor bus charter services or operations that
27 are not acquired by the authority or SMART, sightseeing services,

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

4

1 private intercity bus services, or transportation that is used
2 exclusively for school or church purposes.

3 (i) "Region" means Macomb, Monroe, Oakland, Washtenaw, and
4 Wayne counties and those local governmental consortiums, cities,
5 townships, and villages within those counties. Region includes
6 any county or local governmental consortium that becomes a member
7 under section 6. Region does not include any county or local
8 governmental consortium that has withdrawn from the authority
9 under section 5.

10 (j) "SMART" means the suburban mobility authority for
11 regional transportation described in section 30.

12 (k) "SMART board" means the governing and administrative
13 body of SMART.

14 (l) "SMART region" means Oakland, Wayne, Monroe, and Macomb
15 counties and the cities, townships, and villages within those
16 counties. The term does not include any county that has with-
17 drawn from SMART or the cities, townships, or villages within
18 that county.

19 (m) "Transit system" means any individual, partnership, cor-
20 poration, association, municipal corporation, limited liability
21 company, public authority, public benefit agency, unit of govern-
22 ment, or any person or entity other than the authority, or SMART
23 that provides public transportation.

24 ARTICLE II

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

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

5

1 (2) The authority is an agency and instrumentality of the
2 state and except as provided in this act has all of the powers of
3 a public corporation if exercised for 1 or more of the following
4 purposes:

5 (a) Planning public transportation facilities.

6 (b) Designing public transportation facilities.

7 (c) Constructing public transportation facilities.

8 (d) Operating public transportation facilities.

9 (e) Administering public transportation facilities.

10 (f) Acquiring public transportation facilities.

11 (g) Contracting to provide public transportation
12 facilities.

13 (h) Maintaining, replacing, improving, and extending public
14 transportation facilities.

15 (i) Exercising the powers of a public transportation
16 facility.

17 (3) The authority shall not have the authority to design,
18 construct, or operate ports or airports. The authority may pro-
19 vide service to and at ports and airports for the purpose of con-
20 veying the public to ports and airports.

21 (4) The authority shall not spend any public funds on polit-
22 ical activities.

23 (5) The authority shall take all reasonable measures to pro-
24 vide regional transportation for senior citizens, citizens with
25 disabilities, and citizens without the economic means to provide
26 their own personal transportation. The authority shall take all
27 reasonable measures to see that regional transportation services

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467 as amended June 5, 2002

6

1 for those citizens are the first services provided by the
2 authority and that regional transportation services for those
3 citizens are the last services reduced by the authority if the
4 authority reduces services.

5 (6) The authority shall take all reasonable measures to pro-
6 vide adequate transportation services to citizens other than
7 senior citizens, citizens with disabilities, or citizens without
8 the economic means to provide their own personal transportation

9 [REDACTED]
10 [REDACTED].

11 Sec. 4. (1) The authority shall provide for public trans-
12 portation facilities for the region. In providing for public
13 transportation facilities, the authority may exercise the powers
14 enumerated in section 3(2). The authority shall fulfill its
15 obligations under section 3(5), and shall take all reasonable and
16 necessary measures to ensure that it meets its obligations under
17 section 3(5) and (6) in the most cost-effective manner possible.

18 (2) It is the intent of the legislature that, by October 1,
19 2002, the board shall become the designated recipient for pur-
20 poses of receiving federal funds under chapter 53 of title 49 of
21 the United States Code, 49 U.S.C. 5307, 5308, 5309, 5310, 5311,
22 and 5313, and the regulations promulgated under that chapter. As
23 the designated recipient, the board shall apply for federal and
24 state transportation operating and capital assistance grants, and
25 the board may designate the authority, a city with a population
26 of more than 750,000, SMART, and other transit systems not
27 included in a city of more than 750,000 population as

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

7

1 subrecipients of federal and state transportation funds. To the
2 extent required by chapter 53 of title 49 of the United States
3 Code, 49 U.S.C. 5307, 5308, 5309, 5310, 5311, and 5313, the board
4 shall execute an agreement conferring on a city with more than
5 750,000 population, SMART, and other transit systems not included
6 in the city of more than 750,000 population the right to receive
7 and dispense grant funds and containing any other provisions that
8 federal law and regulations require. On behalf of the board, the
9 secretary of the board shall submit in a timely manner the
10 region's application for federal and state transportation funds
11 to the responsible federal and state agencies. The application
12 shall designate the distribution of all capital and operating
13 funds that are paid directly to the authority, a city with a pop-
14 ulation of more than 750,000, SMART, and the other transit sys-
15 tems not included in a city of more than 750,000 in population.
16 Except as otherwise provided in 1951 PA 51, MCL 247.651 to
17 247.675, and subject to subsections (5) and (6), if the authority
18 is the recipient of federal or state funds, the chief executive
19 officer of the authority shall remit to a city with a population
20 of more than 750,000, SMART, and the other transit systems not
21 included in the city of more than 750,000 in population their
22 designated distribution of those funds in a manner consistent
23 with the application.

24 (3) The authority shall develop, implement, and update a
25 comprehensive regional public transportation service plan for
26 providing public transit services in the region. The authority
27 shall present the initial comprehensive regional public

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

8

1 transportation service plan to the legislature, the governor, and
2 the state transportation department within 1 year after the
3 selection of the chief executive officer of the authority. In
4 each succeeding year, the authority shall update the comprehen-
5 sive regional public transportation service plan and present it
6 to the legislature, the governor, and the state transportation
7 department. The comprehensive regional public transportation
8 service plan shall contain all of the following:

9 (a) A specific plan for providing regional transportation
10 for senior citizens, citizens with disabilities, and citizens
11 without the economic means to provide their own personal
12 transportation.

13 (b) A cost-benefit analysis of the necessity and effective-
14 ness of the proposed plan, including an average cost per mile of
15 services provided and an average cost per rider of services
16 provided.

17 (c) An economic impact analysis of the ratio of public dol-
18 lars expended on public transit services relative to the amount
19 of private dollars invested in the region as a result of public
20 transit services.

21 (d) A full accounting of all funding sources for the plan
22 and, if any new taxes or special assessments are called for, an
23 analysis of how much each individual taxpayer, participating
24 local municipality, and county will pay versus what they cur-
25 rently pay for mass transit, and an analysis of how much of the
26 tax or special assessment will be returned to the individual

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

9

1 taxpayer, local municipality, and county in the form of public
2 transit services.

3 (e) A discussion of how the plan provides for a fair distri-
4 bution of services throughout the region.

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

7 (g) A discussion of how the plan delivers measurable
8 benefits.

9 (4) Subject to the availability of funds, the authority
10 shall provide or contract to provide those services that are
11 required for the implementation and execution of the comprehen-
12 sive regional public transportation service plan. The authority
13 may contract with transportation operators within the region to
14 provide services that the authority considers necessary for
15 implementation and execution of the comprehensive regional public
16 transportation service plan.

17 (5) This subsection does not apply to any private transit
18 entities 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.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

10

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) To the extent possible, the authority shall facilitate
15 and encourage connections with other forms of transportation,
16 including, but not limited to, taxicabs.

17 (8) Within 1 year after the selection of the chief executive
18 officer of the authority, the authority shall present to the leg-
19 islature, the members of the appropriations committees of the
20 house of representatives and the senate, and the governor its
21 recommendations for legislation to fund the implementation of the
22 comprehensive regional public transportation service plan and for
23 legislation to establish a dedicated funding stream for the
24 authority. The recommendations for legislation shall include an
25 analysis of the availability of funding sources for the dedicated
26 funding stream and the information described in subsection (3).

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467 as amended June 5, 2002

11

1 Sec. 5. (1) Subject to subsections (3) and (8), between
2 October 1, 2002 and September 30, 2003, a county with a
3 population of 750,000 or less that chooses not to participate in
4 the authority may withdraw from the authority by a resolution of
5 withdrawal that is approved by a majority vote of the members of
6 the county board of commissioners.

7 (2) Subject to subsections (3) and (8), beginning October 1,
8 2003, a county with a population of 750,000 or less may withdraw
9 at any time by a resolution of withdrawal that is approved by a
10 majority vote of the members of the county board of
11 commissioners.

12 (3) If the county seeking withdrawal under this section has
13 an elected county executive under 1966 PA 293, MCL 45.501 to
14 45.521, or 1973 PA 139, MCL 45.551 to 45.573, the county execu-
15 tive may veto the resolution. A veto may be overridden by a 2/3
16 vote of the county board of commissioners from the county seeking
17 to withdraw from the authority.

 (4) Subject to subsections (5) and (8), on January 1, 2005, and on
January 1 every 4 calendar years after 2005, a county that does not
contain a city with a population of more than 750,000 may withdraw from
the authority by meeting both of the following:

 (a) Within 60 days, the county board of commissioners by majority
vote adopts a resolution to place the question of withdrawing from the
authority on the ballot of the next regularly scheduled November general
election in the county.

 (b) A majority of the electorate approves of the question of
withdrawal from the authority at the next regularly scheduled November
general election.

 (5) The question under subsection (4) shall be placed on the ballot
in each county that does not contain a city with a population of more
than 750,000 at the next November general election after the effective
date of this act.

18 (6) Subject to subsection (8), on the effective date of this
19 act, on January 1, 2005, and on January 1 every 3 calendar years
20 after 2005, a local governmental consortium may withdraw from the
21 authority by meeting both of the following:

22 (a) Within 60 days, the governing board of the local govern-
23 mental consortium by majority vote adopts a resolution to place
24 the question of withdrawing from the authority on the ballot of
25 the next regularly scheduled primary or general election in each
26 of the local governmental units in the local governmental
27 consortium.

H02196'01 (S-5)

House Bill No. 5467 as amended June 5, 2002

12

1 (b) A majority of the electorate approves of the question of

HB 5467, As Passed Senate, June 5, 2002

2 withdrawal from the authority at the next regularly scheduled
3 primary or general election.

4 (7) A county or local governmental consortium that withdraws
5 from the authority shall lose its seat on the board and shall
6 not, except on the unanimous affirmative vote of the board, con-
7 tract for public transportation services with the authority.

8 (8) If a county or local governmental consortium elects to
9 withdraw from the authority under this section, both of the fol-
10 lowing apply:

11 (a) The county or local governmental consortium shall pay or
12 make provision to pay all of its obligations to the authority.
13 Beginning 60 days after the withdrawing county or local govern-
14 mental consortium gives notice of its intent to withdraw, the
15 withdrawing county or local governmental consortium shall incur
16 no further obligation to the authority until the withdrawal has
17 been completed. Obligations of a transit system within the with-
18 drawing county or local governmental consortium owed directly to
19 the authority are not obligations of the county or local govern-
20 mental consortium for purposes of this subsection. After the
21 county or local governmental consortium has withdrawn from the
22 authority, the state transportation department shall reduce the
23 level of state funding to the authority by the amount allocable
24 directly to the withdrawing county or local governmental consor-
25 tium and transmit those funds directly to the withdrawing county
26 or local governmental consortium.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

13

1 (b) Any transit system within the withdrawing county or
2 local governmental consortium shall pay or make provision to pay
3 all of its obligations to the authority. After the county or
4 local governmental consortium has withdrawn from the authority,
5 the state transportation department shall reduce the level of
6 state funding to the authority by the amount allocable directly
7 to that transit system and transmit those funds directly to that
8 transit system.

9 Sec. 6. (1) A county may become a member of the authority
10 if all of the following are met:

11 (a) Any part of the county is not more than 90 miles from
12 the city limits of a city with a population of more than
13 750,000.

14 (b) The county is contiguous to another county that is a
15 member of the authority.

16 (c) A resolution is adopted by a majority vote of the county
17 board of commissioners of the county requesting membership.

18 (2) If the county seeking membership under this section has
19 an elected county executive under 1966 PA 293, MCL 45.501 to
20 45.521, or 1973 PA 139, MCL 45.551 to 45.573, the county execu-
21 tive may veto the resolution. The county board of commissioners
22 for the county seeking membership under this section may override
23 the veto by a 2/3 vote of the county board of commissioners.

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

26 (a) Two members from each city in the region that has a
27 population over 750,000.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

14

1 (b) Two members from each county in the region that has a
2 population over 750,000 and less than 1,750,000.

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

5 (d) Two members from each county in the region that has a
6 population over 1,750,000 so long as those members are not resi-
7 dents of a city in that county that has a population over
8 750,000.

9 (e) One member and 1 alternate from each governmental con-
10 sortium, selected by a majority vote of its governing board. A
11 member or alternate described in this subdivision is a nonvoting
12 member of the board.

13 (2) The chief executive officer of each city that is enti-
14 tled to membership on the board shall select the members to rep-
15 resent the city. The appointment of a board member shall require
16 the concurrence of a majority of the city council. The members
17 that are appointed and approved shall serve on the board at the
18 pleasure of the chief executive officer and can be removed from
19 the board by the chief executive officer at any time. A board
20 member appointed under this subsection shall be a resident of the
21 city that the board member represents.

22 (3) The chief executive officer of each county that is enti-
23 tled to membership on the board shall select the member or mem-
24 bers to represent the county. The appointment of a board member
25 shall require the concurrence of a majority of the county board
26 of commissioners. The members that are appointed and approved
27 shall serve on the board at the pleasure of the chief executive

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

15

1 officer and can be removed from the board by the chief executive
2 officer at any time. A board member appointed under this subsec-
3 tion shall be a resident of the county that the board member
4 represents.

5 (4) The first board shall be appointed within 30 days after
6 the effective date of this act.

7 (5) The board shall conduct its first meeting within 60 days
8 after the effective date of this act.

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

10 (a) Select and retain a chief executive officer of the
11 authority.

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

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

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

20 (e) As required by state or federal law to receive or dis-
21 burse funds to SMART or any transit system in the region, review,
22 or review and approve, the capital or operating budgets of SMART
23 or that transit system.

24 (f) Conduct an annual audit in accordance with the uniform
25 budgeting and accounting act, 1968 PA 2, MCL 141.421 to
26 141.440a.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

16

1 (g) Adopt the comprehensive regional public transportation
2 service plan developed by the authority under section 4.

3 (h) Develop performance measures of the efficiency and
4 effectiveness of the provision of public transportation services
5 to the region.

6 (i) Develop and specify uniform data requirements to assess
7 the costs and benefits of public transportation services.

8 (j) Formulate procedures for establishing priorities in the
9 allocation of funds for public transportation services.

10 (k) Establish and implement a standardized reporting and
11 accounting system under which transit systems that receive funds
12 directly or indirectly from the authority make quarterly reports
13 on revenues and expenditures and submit annual and proposed bud-
14 gets to the authority.

15 (l) Establish and implement standards relating to operating
16 efficiency and cost control of transit systems.

17 (m) Establish public transportation policy for the region.

18 (2) Except as otherwise provided in this subsection, the
19 board shall act by a majority vote of its membership that is
20 entitled to vote. A vote for the adoption of bylaws, for the
21 adoption of rules of procedure, or for the transaction of busi-
22 ness shall not be effective unless the vote includes at least 1
23 affirmative vote from a member that represents each city in the
24 authority that has a population of 750,000 or more and at least 1
25 affirmative vote from each county in the authority immediately
26 contiguous to each city in the authority with a population of
27 750,000 or more.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

17

1 (3) The board shall meet regularly but not less than
2 quarterly.

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

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

14 (6) The board shall appoint a citizens advisory committee
15 that consists of region residents. Forty percent of the commit-
16 tee shall be made up of users of public transportation. At least
17 25% of the users of public transportation on the committee shall
18 be seniors or persons with disabilities. Two users of public
19 transportation from Wayne county, 2 users of public transporta-
20 tion from Oakland county, 2 users of public transportation from
21 Macomb county, 2 users of public transportation from each city in
22 the authority region that has a population of 750,000 or more,
23 and 1 user of public transportation from each additional member
24 county shall be on the committee. Thirty percent of the commit-
25 tee shall be made up of individuals from organizations represent-
26 ing seniors and persons with disabilities. Thirty percent of the
27 committee shall be made up of individuals representing business,

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

18

1 labor, community, and faith-based organizations. The citizens
2 advisory committee shall meet at least on a quarterly basis. The
3 citizens advisory committee may make reports to the board,
4 including recommendations, if any, at each board meeting. The
5 citizens advisory committee shall do all of the following:

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

8 (b) Advise the board regarding the coordination of functions
9 between different owners and operators of public transportation
10 facilities within the region.

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

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

16 (7) The board shall establish a ridership committee that
17 consists of a representative group of transit system riders who
18 live in the region. The ridership committee shall report their
19 concerns to the board on a regularly scheduled basis.

20 (8) The board may change the name of the authority by a
21 unanimous vote of the members. The board shall notify the state
22 transportation department within 10 days after a name change is
23 implemented.

24 (9) The authority may give assistance to transit systems
25 that are operated within the region by any city or public
26 agency.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

19

1 (10) The board shall employ an independent certified public
2 accounting firm to provide annual financial audits for the
3 authority and to review the audits of SMART and other operators
4 of transit systems that receive funds directly or indirectly from
5 the authority. The cost associated with the audits and reviews
6 required under this subsection shall be the responsibility of the
7 operator of the transit system being audited.

8 (11) The board may elect to become a participating munici-
9 pality on behalf of all authority employees, including acquired
10 employees under section 17, but only pursuant to section 2c(2) of
11 the municipal employees retirement act of 1984, 1984 PA 427,
12 MCL 38.1502c.

13 Sec. 9. The authority may:

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

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

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

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

20

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

4 (d) Apply for and accept grants, loans, or contributions
5 from any source. The authority shall use the proceeds of the
6 grants, loans, or contributions solely for the purposes of this
7 act. The authority may do anything within its power to secure
8 the grants, loans, or other contributions.

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

14 (f) Grant to public or privately owned utilities the right
15 to use any property that the authority has acquired.

16 (g) Grant to any other public transportation facility the
17 right to use the property that the authority has acquired.

18 (h) Contract with, or enter into agreements with, any unit
19 of government including transportation authorities or transit
20 systems located inside or outside the region 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 or for any other reason the authority determines
24 is necessary.

25 (i) Borrow money to finance and perform its powers and
26 duties.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

21

1 (j) Receive the proceeds of taxes, special assessments, and
2 charges imposed, collected, and returned to the authority under
3 the law.

4 (k) Exercise all other powers that are necessary, inciden-
5 tal, or convenient for the carrying out of the purposes of this
6 article.

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

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

21 (3) The authority shall hold a public meeting annually on
22 the comprehensive regional transportation service plan and all
23 plan updates. The public meeting shall be held before the adop-
24 tion of the plan or update by the board. A summary of the com-
25 ments made at the public meeting shall be provided to the board.

26 (4) The authority shall conduct a public hearing before the
27 implementation of changes to the fares charged for authority

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

22

1 services. A transcript of the public hearing shall be
2 transmitted to the board before consideration of proposed fare
3 changes.

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

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

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

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

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

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

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

23

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

6 Sec. 14. The authority created under this act shall not be
7 dissolved and its powers shall not be diminished except as pro-
8 vided in this act.

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

11 (a) The motor carrier act, 1933 PA 254, MCL 475.1 to
12 479.20.

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

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

17 Sec. 16. (1) By March 20, 2003, the board shall select and
18 retain a chief executive officer.

19 (2) The chief executive officer shall administer the author-
20 ity in accordance with the comprehensive regional public trans-
21 portation service plan, the operating budget, the general policy
22 guidelines established by the board, the applicable governmental
23 procedures and policies, and this act. The chief executive offi-
24 cer is responsible for the supervision of all authority
25 employees.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

24

1 (3) All terms and conditions of the chief executive
2 officer's employment, including length of service, shall be
3 specified in a written contract.

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

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

17 (a) Wages and salaries.

18 (b) Hours and working conditions.

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

20 (d) Pension or retirement benefits, including retiree health
21 care benefits.

22 (3) No employee of an acquired transportation system who is
23 transferred to a position with the authority shall, by reason of
24 the transfer, be placed in a worse position with respect to any
25 of the following:

26 (a) Worker's compensation.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

25

- 1 (b) Pension.
- 2 (c) Seniority.
- 3 (d) Wages.
- 4 (e) Sick leave.
- 5 (f) Vacation.
- 6 (g) Health and welfare benefits.
- 7 (h) Any other benefits that he or she enjoyed as an employee
- 8 of the acquired transportation system.

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

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

19 (6) Before beginning to operate any new transit service or
20 public transportation facility or entering into any contract or
21 other arrangements for the operations of the transit service or
22 public transportation facility, the authority shall extend to the
23 employees providing public transportation services directly for
24 or by contract with the authority, in order of the employee's
25 seniority with the employee's employer, the first opportunity for
26 reasonably comparable employment in any new jobs with respect to
27 the operations for which the employee can qualify after a

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

26

1 reasonable training period. The authority shall provide for the
2 first opportunity required under this subsection in any contract
3 to operate a new transit service or public transportation
4 facility. Employers shall comply with all collective bargaining
5 agreements in accordance with the national labor relations act,
6 chapter 372, 49 Stat. 449, and the public employment relations
7 act of 1947, 1947 PA 336, MCL 423.201 to 423.217.

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

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

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

23 (b) Other income or revenue from whatever source available,
24 including, but not limited to, appropriations and contributions
25 and other revenue of the participating counties and political
26 subdivisions in the region.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

27

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

3 (d) Grants, contributions, gifts, devises, or bequests from
4 any other source.

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

9 Sec. 19. (1) The chief executive officer shall prepare and
10 the board shall approve an operating budget and a capital budget
11 for the authority for each fiscal year. Each budget shall be
12 approved by the February 1 immediately preceding the beginning of
13 the fiscal year of the authority.

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

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

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

28

1 Sec. 20. (1) Except as otherwise provided in this section
2 and section 21, competitive bids shall be secured before any
3 purchase or sale, by contract or otherwise, is made or before any
4 contract is awarded, or before any contract is renewed, for con-
5 struction, alteration, supplies, equipment, repairs, maintenance,
6 and the rendering of services to the authority.

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

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

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

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

29

1 (a) The purchase of unique articles.

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

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

5 (d) The rendering of professional services.

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

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

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

24 Sec. 22. (1) The authority may acquire facilities, assets,
25 and rights of existing and operating private or public transpor-
26 tation systems. Except as provided in section 17, no liability,
27 other than for equipment and facilities, shall be assumed or

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

30

1 contracted for. Except as otherwise provided in this subsection,
2 the authority shall not be required to comply with any statutory
3 or charter limitations or prerequisites to an acquisition.

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

11 (3) If the negotiation between the authority and an existing
12 private or public transportation system does not reach a conclu-
13 sion, the authority shall notify the owner of the existing pri-
14 vate or public transportation system in writing that the matter
15 shall proceed to binding final arbitration under the rules and
16 procedures of the American arbitration association.

17 Sec. 23. Except as otherwise provided in this section,
18 claims that arise in connection with the authority shall be
19 presented as ordinary claims against a common carrier of passen-
20 gers for hire. Written notice of any claim based on injury to
21 persons or property shall be served on the authority not later
22 than 60 days after the occurrence that gave rise to the claim.
23 The disposition of the claim shall rest in the discretion of the
24 authority. Claims that may be allowed and final judgment shall
25 be paid from authority funds. Claims against the authority shall
26 only be brought in a court of competent jurisdiction in a county

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

31

1 in the region in which the authority principally carries on its
2 functions.

3 Sec. 24. All counties and other political subdivisions and
4 agencies, public or private, may assist, cooperate with, and con-
5 tribute services, money, or property in aid of the authority and
6 its purposes.

7 Sec. 25. The property of the authority and its income and
8 operations are exempt from all taxes of this state or a political
9 subdivision of this state, and the property of the authority is
10 exempt from local zoning.

11 Sec. 26. Records and other writings prepared, owned, used,
12 in the possession of, or retained by the authority in the per-
13 formance of an official function shall be available to the public
14 during normal business hours in compliance with the freedom of
15 information act, 1976 PA 442, MCL 15.231 to 15.246.

16 Sec. 27. Notwithstanding any other provision of this act,
17 if an emergency financial manager has been appointed for the
18 authority under the local government fiscal responsibility act,
19 1990 PA 72, MCL 141.1201 to 141.1291, then that emergency finan-
20 cial manager may exercise the authority and responsibilities pro-
21 vided in this act to the extent authorized by the local govern-
22 ment fiscal responsibility act, 1990 PA 72, MCL 141.1201 to
23 141.1291.

24 Sec. 28. The authority shall prepare and publish a detailed
25 public report and financial statement of its operations at the
26 end of each fiscal year.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

33

1 (5) SMART is an agency and instrumentality of the state and
2 except as provided in this article has all of the powers of a
3 public corporation if exercised for 1 or more of the following
4 purposes:

5 (a) Planning public transportation facilities.

6 (b) Designing public transportation facilities.

7 (c) Constructing public transportation facilities.

8 (d) Operating public transportation facilities.

9 (e) Administering public transportation facilities.

10 (f) Acquiring public transportation facilities.

11 (g) Contracting to provide public transportation
12 facilities.

13 (h) Maintaining, replacing, improving, and extending public
14 transportation facilities.

15 (i) Exercising the powers of a public transportation
16 facility.

17 (6) If SMART ceases to operate or is dissolved and a succes-
18 sor agency is not created to assume its assets and liabilities,
19 and perform its functions, and if SMART is authorized to secure
20 the payment of compensation under section 611(1)(a) of the
21 worker's disability compensation act of 1969, 1969 PA 317,
22 MCL 418.611, then the state guarantees the payment of claims for
23 benefits arising under the worker's disability compensation act
24 of 1969, 1969 PA 317, MCL 418.101 to 418.941, against SMART
25 during the time they were approved as a self-insured employer.
26 The state shall be entitled to a lien which shall take precedence
27 over all other liens on its portion of the assets of SMART in

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

34

1 satisfaction of the payment of claims for benefits under the
2 worker's disability compensation act of 1969, 1969 PA 317,
3 MCL 418.101 to 418.941.

4 (7) A community or group of communities in the SMART region
5 may create citizens planning and advisory councils to relate
6 their particular concerns to the SMART board on a regularly
7 scheduled basis. These councils shall have memberships represen-
8 tative of the various neighborhoods within those cities.

9 Sec. 32. (1) The SMART board shall be composed of the chief
10 executive officers of each county in which a city having a popu-
11 lation of 750,000 or more is located within the area served by
12 SMART and of all other counties immediately contiguous to that
13 city, and the representative of each chief executive officer to
14 be designated in the sole discretion of, and serve at the sole
15 pleasure of, that chief executive officer. Every county with a
16 population of less than 750,000 that is served by SMART shall
17 have 1 seat on the SMART board. A chief executive officer may
18 designate an alternate to serve in his or her place on the SMART
19 board.

20 (2) The SMART board by a majority vote shall adopt bylaws
21 and rules of procedure governing its meetings. A majority vote
22 for the adoption of bylaws and rules of procedure and for the
23 transaction of business shall not be effective unless it includes
24 at least 1 vote from each county in which a city having a popula-
25 tion of 750,000 or more is located, and at least 1 vote from each
26 county immediately contiguous to that city.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

35

1 (3) The business of the SMART board shall be conducted at a
2 public meeting of the board held in compliance with the open
3 meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice
4 of the time, date, and place of the meeting shall be given in the
5 manner required by the open meetings act, 1976 PA 267, MCL 15.261
6 to 15.275.

7 (4) Records and other writings prepared, owned, used, in the
8 possession of, or retained by SMART in the performance of an
9 official function shall be available in compliance with the free-
10 dom of information act, 1976 PA 442, MCL 15.231 to 15.246.

11 (5) SMART may:

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

13 (b) Plan, acquire, construct, operate, maintain, replace,
14 improve, extend, and contract for transportation facilities
15 within the SMART region. If there is no authority or transit
16 system established or operating public transportation facilities
17 within 10 miles beyond any portion of the SMART region, SMART
18 shall have the powers stated in this subdivision for 10 miles
19 beyond that portion of the SMART region.

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

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

36

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

3 (d) Apply for and accept grants, loans, or contributions
4 from any source. SMART may use the proceeds of the grants,
5 loans, or contributions for any of the purposes of this act.
6 SMART may do anything within its power to secure the grants,
7 loans, or other contributions.

8 (e) Sell, lease, or use any property that SMART acquires.
9 For purposes of this subdivision, "use" includes, but is not
10 limited to, the leasing of advertising space and the granting of
11 concessions for the sale of articles or for services.

12 (f) Grant to public or privately owned utilities the right
13 to use any property that SMART has acquired.

14 (g) Grant to any other public transportation facility the
15 right to use the property that SMART has acquired.

16 (h) Contract with any unit of government or private enter-
17 prise for service contracts, joint use contracts, and contracts
18 for the construction or operation of any part of the transporta-
19 tion facilities.

20 (i) Receive the proceeds of taxes, special assessments, and
21 charges imposed, collected, and returned to SMART under the law.

22 (j) Elect to become a participating municipality for
23 acquired employees under section 34, pursuant to section 2c(2) of
24 the municipal employees retirement act of 1984, 1984 PA 427,
25 MCL 38.1502c.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

37

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

4 (6) SMART shall not spend any public funds on political
5 activities.

6 (7) SMART shall take all reasonable measures to provide
7 regional transportation for senior citizens, citizens with dis-
8 abilities, and citizens without the economic means to provide
9 their own personal transportation. SMART shall take all reason-
10 able measures to see that regional transportation services for
11 those citizens are the first services provided by SMART and that
12 regional transportation services for those citizens are the last
13 services reduced by SMART if SMART reduces services.

14 (8) SMART may provide adequate transportation services to
15 citizens other than senior citizens, citizens with disabilities,
16 or citizens without the economic means to provide their own per-
17 sonal transportation only to the extent it does not impair or
18 preclude SMART's obligations under subsection (7).

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

20 (a) Adopt bylaws and rules and procedures governing the
21 SMART board meetings.

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

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

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

38

1 (d) Conduct an annual audit in accordance with the uniform
2 budgeting and accounting act, 1968 PA 2, MCL 141.421 to
3 141.440a.

4 (e) Employ a general manager of SMART.

5 Sec. 34. (1) The SMART board shall appoint a general man-
6 ager who shall be the chief executive and operating officer of
7 SMART. The general manager shall have management of the proper-
8 ties and business of SMART and its employees. He or she shall
9 direct the enforcement of all resolutions, rules, and regulations
10 of the SMART board, and shall enter into contracts as necessary
11 under the general control of the SMART board. The general man-
12 ager shall serve at the pleasure of the SMART board.

13 (2) The general manager shall have the authority to appoint
14 officers, employees, and agents necessary to carry out the pur-
15 poses of SMART under the general policy direction of the SMART
16 board. The general manager shall classify all the offices, posi-
17 tions, and grades of regular employment required under a merit
18 rating system; except that a maximum of 5% of the employees and
19 officers shall be exempt from the provisions of the merit rating
20 system.

21 Sec. 35. (1) The general manager shall prepare and the
22 SMART board shall approve a separate operating and capital budget
23 for each fiscal year. These budgets shall be approved at least
24 30 days before the beginning of each new fiscal year. In addi-
25 tion, capital program and operating budgets shall be prepared to
26 cover periods of 5 years. These shall be revised and updated
27 annually before submission to the SMART board.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

39

1 (2) SMART shall submit its annual operating and capital
2 budget, financial audits, and construction plans to the authori-
3 ty, far enough in advance of any final approval requirement for
4 the board to have a reasonable time for review, comments, and
5 revision.

6 Sec. 36. SMART may not levy taxes nor may it pledge the
7 credit or taxing power of the state or any political subdivision
8 except for the pledging of receipts of taxes, special assess-
9 ments, or charges collected by the state or a political subdivi-
10 sion and returnable or payable by law or by contract to SMART and
11 except for the pledge by a political subdivision of the state of
12 its full faith and credit in support of its contractual obliga-
13 tions to SMART as authorized by law. Transportation facilities
14 shall be financed, in addition to other methods of financing pro-
15 vided by law, by 1 or more of the following methods:

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

17 (b) By other income or revenues from whatever source avail-
18 able, including appropriations or contributions of whatever
19 nature or other revenues of the participating counties and polit-
20 ical subdivisions within the geographical boundaries of SMART.

21 (c) By loans from any public agency and grants, contribu-
22 tions, gifts, devises, or bequests from any source.

23 (d) By proceeds of taxes, special assessments, or charges
24 imposed pursuant to law and collected by the state or a political
25 subdivision and returned or paid to SMART pursuant to law or
26 contract.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

40

1 Sec. 37. All claims that may arise in connection with SMART
2 shall be presented as ordinary claims against a common carrier of
3 passengers for hire. Written notice of any claim based upon
4 injury to persons or property shall be served upon SMART no later
5 than 60 days from the occurrence through which such injury is
6 sustained. Disposition of the claim shall rest in the discretion
7 of SMART, and all claims that may be allowed and final judgment
8 obtained shall be paid from SMART funds. Only the courts located
9 in the counties in which SMART principally carries on its func-
10 tion are the proper counties in which to commence and try action
11 against SMART.

12 Sec. 38. (1) SMART may fix rates, fares, tolls, rents, and
13 other charges for the use of public transportation facilities and
14 the services provided by SMART within the SMART region.

15 (2) SMART shall give a public notice of its intent to apply
16 for money from the comprehensive transportation fund to the resi-
17 dents of the counties, townships, villages, and cities affected
18 by the local transportation program and shall make its applica-
19 tion available for a period of 30 days. All comments received by
20 SMART shall be transmitted to the board, the SMART board, and the
21 state transportation department along with the application for
22 funds.

23 (3) SMART shall conduct a public hearing before the SMART
24 board implements changes to the fares charged for the services
25 provided by SMART. A transcript of the public hearing shall be
26 transmitted to the SMART board before the consideration of the
27 fare changes.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

41

1 Sec. 39. (1) SMART may borrow money and issue bonds to
2 finance and to carry out its powers and duties. The bonds shall
3 be payable from and may be issued in anticipation of payment of
4 the proceeds of any of the methods of financing as may be pro-
5 vided by law. A political subdivision within the geographical
6 boundaries of SMART may contract to make payments, appropria-
7 tions, or contributions to SMART of the proceeds of taxes, spe-
8 cial assessments, or charges imposed and collected by the politi-
9 cal subdivision or out of any other funds legally available and
10 may pledge its full faith and credit in support of its contrac-
11 tual obligation to SMART. The contractual obligation shall not
12 constitute an indebtedness of a political subdivision within a
13 statutory or charter debt limitation. If SMART has issued bonds
14 in anticipation of payments, appropriations, or contributions to
15 be made to SMART pursuant to contract by a political subdivision
16 having the power to levy and collect ad valorem taxes, the polit-
17 ical subdivision may obligate itself by the contract, and there-
18 upon may levy a tax on all taxable property in the political sub-
19 division, which tax as to rate or amount will be as provided in
20 section 6 of article IX of the state constitution of 1963 for
21 contract obligations in anticipation of which bonds are issued,
22 to provide sufficient money to fulfill its contractual obligation
23 to SMART.

24 (2) The bonds of SMART shall be issued and sold in compli-
25 ance with the revised municipal finance act, 2001 PA 34,
26 MCL 141.2101 to 141.2821, except that the bonds may be issued for
27 any period of years, not exceeding 40 years.

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

42

1 (3) A political subdivision may advance or deliver property
2 to SMART to finance or carry out its powers and duties. SMART
3 may agree to repay the advances or pay for the property within a
4 period not exceeding 10 years, from the proceeds of its bonds or
5 from other funds legally available to SMART, with or without
6 interest as may be agreed to at the time of advance or
7 repayment. The obligation of SMART to make the payment or repay-
8 ment may be evidenced by a contract or note that may pledge the
9 full faith and credit of SMART. The contract or note that is
10 evidence of SMART's obligation shall not be an obligation under
11 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to
12 141.2821.

13 (4) A political subdivision desiring to enter into a con-
14 tract under subsection (1) shall authorize, by resolution of its
15 governing body, the execution of the contract, which resolution
16 shall be published in a newspaper of general circulation within
17 the political subdivision, and the contract may be executed with-
18 out a vote of the electors on the contract upon the expiration of
19 90 days after the date of the publication unless, within the
20 90-day period, a petition signed by not less than 5% of the reg-
21 istered electors residing within the limits of the political sub-
22 division is filed with the clerk of the political subdivision
23 requesting a referendum upon the execution of the contract, and
24 in that event the contract shall not be executed until approved
25 by the vote of a majority of the electors of the political subdi-
26 vision qualified to vote and voting on the contract at a general

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

43

1 or special election to be held not more than 90 days after the
2 filing of the petition.

3 (5) If the bonds or notes sold by SMART involve the pledge
4 or use of state collected or administered funds, SMART shall seek
5 the approval of the board and the state transportation
6 commission.

7 (6) Notwithstanding any other provision of this section,
8 SMART shall not issue bonds, nor use the revenues of the sale of
9 bonds, for the construction, reconstruction, maintenance, or
10 operation of a subway unless approved by concurrent resolution by
11 the legislature.

12 Sec. 40. In the exercise of its powers within the SMART
13 region, SMART is exempt from all of the following acts:

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

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

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

20 Sec. 41. (1) SMART shall have the right to bargain collec-
21 tively and enter into agreements with labor organizations.

22 (2) SMART shall be bound by existing collective bargaining
23 agreements with publicly or privately owned entities that are
24 acquired, purchased, or condemned by SMART. Members and benefi-
25 ciaries of any pension or retirement system established by the
26 acquired transportation system, and beneficiaries of any of the
27 benefits established by the acquired transportation system shall

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

44

1 continue to have rights, privileges, benefits, obligations, and
2 status under the acquired pension or retirement system or
3 benefits. SMART shall assume the obligations of public transpor-
4 tation facilities or transit systems that SMART acquires with
5 regard to all of the following:

6 (a) Wages and salaries.

7 (b) Hours and working conditions.

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

9 (d) Pension or retirement benefits, including retiree health
10 care benefits.

11 (3) No employee of an acquired transportation system who is
12 transferred to a position with SMART shall, by reason of the
13 transfer, be placed in a worse position with respect to any of
14 the following:

15 (a) Worker's compensation.

16 (b) Pension.

17 (c) Seniority.

18 (d) Wages.

19 (e) Sick leave.

20 (f) Vacation.

21 (g) Health and welfare benefits.

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

24 (4) Employees of the acquired transportation system who left
25 the acquired transportation system to enter into military service
26 of the United States shall have the same rights with respect to

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

45

1 SMART under 1951 PA 263, MCL 35.351 to 35.356, as they would have
2 had as employees of the acquired transportation system.

3 (5) For federally funded activities, SMART shall enter into
4 and comply with the arrangements that the U.S. secretary of labor
5 certifies as fair and equitable in compliance with 49
6 U.S.C. 5333(b).

7 (6) Before beginning to operate any new transit service
8 public transportation facility or entering into any contract or
9 other arrangements for the operations of the transit service or
10 public transportation facility, the authority shall extend to the
11 employees providing public transportation services directly for
12 or by contract with the SMART, in order of the employee's senior-
13 ity with the employee's employer, the first opportunity for rea-
14 sonably comparable employment in any new jobs with respect to the
15 operations for which the employee can qualify after a reasonable
16 training period. SMART shall provide for the first opportunity
17 required under this subsection in any contract to operate a new
18 transit service or public transportation facility. Employers
19 shall comply with all collective bargaining agreements in accord-
20 ance with the national labor relations act, chapter 372, 49
21 Stat. 449, and the public employment relations act of 1947, 1947
22 PA 336, MCL 423.201 to 423.217.

23 Sec. 42. (1) Except as otherwise provided in this section
24 and section 43, competitive bids shall be secured before any pur-
25 chase or sale, by contract or otherwise, is made or before any
26 contract is awarded for construction, alteration, supplies,

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

46

1 equipment, repairs, maintenance, and the rendering of services to
2 SMART.

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

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

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

24 (a) The purchase of unique articles.

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

HB 5467, As Passed Senate, June 5, 2002

House Bill No. 5467

47

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

2 (d) The rendering of professional services.

3 (e) An emergency exists that directly and immediately
4 affects service or public health, safety, or welfare and that
5 requires immediate delivery of supplies, materials, equipment, or
6 services as determined under procedures approved and determined
7 by the SMART board.

8 (5) The SMART board shall expressly approve or deny in
9 advance the purchase of unique articles or articles that cannot
10 be obtained in the open market without competitive bidding if the
11 amount of the purchase in either case is in excess of
12 \$50,000.00.

13 Sec. 43. Concessions for the sale of products or the rendi-
14 tion of services for a consideration on SMART property shall be
15 awarded by SMART only pursuant to written specifications after
16 competitive bidding to the highest responsible bidder under pro-
17 cedures similar to those required under section 42. The require-
18 ment for competitive bidding does not apply to a concession
19 involving the estimated receipt by SMART of less than \$1,000.00
20 over the period for which the concession is granted.

21 Enacting section 1. This act takes effect October 1, 2002.

22 Enacting section 2. The metropolitan transportation author-
23 ities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, is
24 repealed effective October 1, 2002.