

# HOUSE BILL No. 5467

November 29, 2001, Introduced by Reps. Kilpatrick, Thomas, Allen, Lipsey, Wojno, Kolb, McConico, Scranton, Godchaux, Woodward and Reeves and referred to the Committee on Commerce.

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       Sec. 2. As used in this act:

4       (a) "Authority" means the Detroit area regional transporta-  
5 tion authority created under this act. Beginning 450 days from  
6 the effective date of this act, "authority" means the Detroit  
7 area regional transportation authority and the suburban mobility  
8 authority for regional transportation continued under this act.

9       (b) "Board" means the governing and administrative body of  
10 the authority.

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

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

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

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, overpasses and sky-  
8 walks, street railways, motor buses, tramlines, subways, mono-  
9 rails, rail rapid transit, bus rapid transit, and tunnel, bridge,  
10 and parking facilities used in connection with public transporta-  
11 tion facilities. Public transportation facility does not include  
12 taxis, limousines, highways, ports, airports, charter services or  
13 operations that are not acquired by the authority, sightseeing  
14 services, or transportation that is used exclusively for school  
15 purposes.

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

22 (i) "Transit system" means any individual, partnership, cor-  
23 poration, association, municipal corporation, limited liability  
24 company, public authority, public benefit agency, unit of govern-  
25 ment, or any person or entity other than the authority that pro-  
26 vides public transportation.

1 (j) "Unlimited tax general obligation" means both a general  
2 obligation of the state or a political subdivision and the right  
3 to levy an ad valorem or other tax unlimited as to rate or  
4 amount.

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

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

- 11 (a) Planning public transportation facilities.  
12 (b) Designing public transportation facilities.  
13 (c) Constructing public transportation facilities.  
14 (d) Operating public transportation facilities.  
15 (e) Administering public transportation facilities.  
16 (f) Acquiring public transportation facilities.  
17 (g) Contracting to provide public transportation  
18 facilities.

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

21 (i) Exercising the franchise of public transportation facil-  
22 ities, including charter operations that are acquired.

23 (3) Beginning 450 days after the effective date of this act,  
24 the suburban mobility authority for regional transportation, cre-  
25 ated under former 1967 PA 204, shall continue in existence and be  
26 considered as an authority under this act. The suburban mobility  
27 authority for regional transportation shall not exercise any

1 rights, duties, or powers provided to an authority organized  
2 under this act except as is necessary to continue operation under  
3 this act and to receive transportation operating and capital  
4 assistance grants. In the case of a conflict between the subur-  
5 ban mobility authority for regional transportation and the  
6 Detroit area regional transportation authority, the decision of  
7 the Detroit area regional transportation authority under section  
8 8(2) shall be final.

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

13       (2) The authority shall be the designated recipient for pur-  
14 poses of receiving federal funds under chapter 53 of title 49 of  
15 the United States Code, 49 U.S.C. 5307, 5309, 5310, 5311, and  
16 5313, and the regulations promulgated under that chapter. The  
17 authority shall apply for federal and state transportation oper-  
18 ating and capital assistance grants, and the authority may desig-  
19 nate a city with a population of more than 750,000 and other  
20 transit agencies not included in a city of more than  
21 750,000 population as subrecipients of federal and state trans-  
22 portation funds. To the extent required by chapter 53 of title  
23 49 of the United States Code, 49 U.S.C. 5307, 5309, 5310, 5311,  
24 and 5313, the authority shall execute an agreement conferring on  
25 a city with more than 750,000 population and other transit agen-  
26 cies not included in the city of more than 750,000 population the  
27 right to receive and dispense grant funds and containing any

1 other provisions that federal law and regulations require. The  
2 chief executive officer of the authority shall submit in a timely  
3 manner the region's application for federal and state transporta-  
4 tion funds to the responsible federal and state agencies. The  
5 application shall designate the distribution of all capital and  
6 operating funds that are paid directly to the authority, a city  
7 with a population of more than 750,000, and the other transit  
8 agencies not included in a city of more than 750,000 in  
9 population. Except as otherwise provided in 1951 PA 51, MCL  
10 247.651 to 247.675, if the authority is the recipient of federal  
11 or state funds, the chief executive officer of the authority  
12 shall remit to a city with a population of more than 750,000 and  
13 the other transit agencies not included in the city of more than  
14 750,000 in population their designated distribution of funds.

15 (3) The authority shall develop, implement, and update the  
16 comprehensive regional public transportation service plan. The  
17 authority shall present the initial comprehensive regional public  
18 transportation service plan to the legislature and the governor  
19 within 270 days after the selection of the chief executive offi-  
20 cer of the authority. The comprehensive regional public trans-  
21 portation service plan shall be updated annually. The comprehen-  
22 sive regional public transportation service plan shall contain  
23 all of the following:

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

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

1 (c) A demonstration that the plan delivers measurable  
2 benefits.

3 (4) The authority shall provide those services that are  
4 required for the implementation and execution of the comprehen-  
5 sive regional public transportation service plan. The authority  
6 may contract with operators of public transportation within the  
7 region to provide services that the authority considers necessary  
8 for implementation and execution of the comprehensive regional  
9 public transportation service plan.

10 (5) The authority shall coordinate all of the following  
11 functions between different owners and operators of public trans-  
12 portation facilities within the region:

13 (a) Service overlap.

14 (b) Rates.

15 (c) Routing.

16 (d) Scheduling.

17 (e) Any other function that the authority considers neces-  
18 sary to coordinate in order to implement or execute the compre-  
19 hensive regional transportation service plan.

20 (6) The authority shall provide notices of its coordination  
21 decisions under this section to owners and operators of public  
22 transportation facilities in the region. Any owner or operator  
23 of a public transportation facility within the region who fails  
24 to comply with the authority's notice of coordination decision is  
25 ineligible for grant assistance from the authority and shall not  
26 receive any transportation operating or capital assistance grants  
27 from the authority.

1           (7) Within 270 days after the selection of the chief  
2 executive officer of the authority, the authority shall present  
3 to the legislature and the governor its recommendations for leg-  
4 islation to establish a dedicated funding stream for the  
5 authority.

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

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

17           (3) If the county seeking withdrawal under this section has  
18 an elected county executive under 1966 PA 293, MCL 45.501 to  
19 45.521, or 1973 PA 139, MCL 45.551 to 45.573, the county execu-  
20 tive may veto the resolution. A veto may be overridden by a 2/3  
21 vote of the county board of commissioners from the county seeking  
22 to withdraw from the authority.

23           (4) A county that withdraws from the authority shall lose  
24 its seat on the board and shall not, except on the unanimous  
25 affirmative vote of the board, contract for public transportation  
26 services with the authority.



1           (5) If a county elects to withdraw from the authority under  
2 this section, the county shall pay, or make provision to pay that  
3 is satisfactory to the authority, all obligations of the with-  
4 drawing county to the authority. After the county has withdrawn  
5 and paid its obligations to the authority, if any, the state  
6 transportation department shall reduce the level of state funding  
7 to the authority by the amount allocable to the withdrawing  
8 county and transmit these funds directly to the county that  
9 elected to withdraw. If the withdrawing county has a local  
10 authority, the state transportation department shall transmit the  
11 allocable portion of the withdrawing county's funds directly to  
12 the local authority.

13           Sec. 6. (1) A county may become a member of the authority  
14 upon a resolution that is adopted by a majority vote of the  
15 county board of commissioners for the county requesting  
16 membership.

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

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

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

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

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

5 (2) The chief executive officer of each city that is enti-  
6 tled to membership on the board shall select the members to rep-  
7 resent the city. The appointment of a board member shall require  
8 the concurrence of a majority of the city council. The members  
9 that are appointed and approved shall serve on the board at the  
10 pleasure of the chief executive officer and can be removed from  
11 the board by the chief executive officer at any time. A board  
12 member appointed under this subsection shall be a resident of the  
13 city that the board member represents.

14 (3) The chief executive officer of each county that is enti-  
15 tled to membership on the board shall select the member or mem-  
16 bers to represent the county. The appointment of a board member  
17 shall require the concurrence of a majority of the county board  
18 of commissioners. The members that are appointed and approved  
19 shall serve on the board at the pleasure of the chief executive  
20 officer and can be removed from the board by the chief executive  
21 officer at any time. A board member appointed under this subsec-  
22 tion shall be a resident of the county that the board member  
23 represents.

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

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

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

2       (a) Select and retain a chief executive officer of the  
3 authority.

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

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

8       (d) Review and approve the capital and operating budgets to  
9 assure that the budgets are reported and administered in accord-  
10 ance with the uniform budgeting and accounting act, 1968 PA 2,  
11 MCL 141.421 to 141.440a.

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

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

17       (g) Develop performance measures of the efficiency and  
18 effectiveness of the provision of public transportation services  
19 to the region.

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

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

24       (j) Establish and implement a standardized reporting and  
25 accounting system under which transit system operators make quar-  
26 terly reports on revenues and expenditures and submit annual and  
27 proposed budgets to the authority.

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

3 (2) Except as otherwise provided in this subsection, the  
4 board shall act by a majority vote of its membership that is  
5 entitled to vote. A vote for the adoption of bylaws, for the  
6 adoption of rules of procedure, or for the transaction of busi-  
7 ness shall not be effective unless the vote includes at least 1  
8 affirmative vote from a member that represents each city in the  
9 authority that has a population of 750,000 or more and at least 1  
10 affirmative vote from each county in the authority immediately  
11 contiguous to each city in the authority with a population of  
12 750,000 or more. Except as provided in subsection (8), an affir-  
13 mative vote from every member that represents each city in the  
14 authority that has a population of 750,000 or more and from every  
15 member that represents each county in the authority immediately  
16 contiguous to each city in the authority with a population of  
17 750,000 or more shall result in board approval of the matter  
18 being voted on regardless of the number of negative votes cast.

19 (3) The board shall meet regularly but not less than  
20 quarterly.

21 (4) A board member shall not designate another representa-  
22 tive to serve in his or her place on the board.

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

1           (6) The board shall appoint a citizens advisory committee  
2 that consists of region residents. Forty percent of the commit-  
3 tee shall be made up of users of public transportation. At least  
4 25% of the users of public transportation on the committee shall  
5 be seniors or persons with disabilities. Two users of public  
6 transportation from Wayne county, 2 users of public transporta-  
7 tion from Oakland county, 2 users of public transportation from  
8 Macomb county, and 1 user of public transportation from each  
9 additional member county shall be on the committee. Thirty per-  
10 cent of the committee shall be made up of individuals from organ-  
11 izations representing seniors and persons with disabilities.  
12 Thirty percent of the committee shall be made up of individuals  
13 representing business, labor, community, and faith-based  
14 organizations. The citizens advisory committee shall meet at  
15 least on a quarterly basis. The citizens advisory committee  
16 shall do all of the following:

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

19           (b) Advise the board regarding the coordination of functions  
20 between different owners and operators of public transportation  
21 facilities within the region.

22           (c) Jointly develop with the authority the specialized serv-  
23 ices coordination plan required by section 10e(4)(c)(i)(A) of  
24 1951 PA 51, MCL 247.660e.

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

1 (e) Make reports to the board, including recommendations, if  
2 any, at each board meeting.

3 (7) The board shall establish a ridership committee that  
4 consists of a representative group of public transit system  
5 riders who live in the region. The ridership committee shall  
6 report their concerns to the board on a regularly scheduled  
7 basis.

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

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

14 (10) Pursuant to section 10e(4)(v) of 1951 PA 51, MCL  
15 247.660e, the authority shall receive a distribution from the  
16 comprehensive transportation fund for eligible operating expenses  
17 not less than the distribution received by the eligible authori-  
18 ties and eligible governmental agencies that were receiving funds  
19 under section 10e(4)(v) of 1951 PA 51, MCL 247.660e, for the  
20 fiscal year ending September 30, 1997. As it relates to this  
21 section, the ratio between funds from the comprehensive transpor-  
22 tation fund and local funds in the fiscal year ending  
23 September 30, 1989 shall be maintained for all fiscal years by  
24 the eligible authorities and governmental agencies in place at  
25 that time. Reductions in this ratio shall require a proportional  
26 reduction in the funds received from the comprehensive  
27 transportation fund provided to the authority.

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

8 Sec. 9. The authority may:

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

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

17 (c) Acquire and hold, by purchase, lease, grant, gift,  
18 devise, bequest, condemnation, or other legal means, real and  
19 personal property, including, but not limited to, franchises,  
20 easements, and rights-of-way on, under, or above property within  
21 the region. If there is no similar authority established and  
22 operating public transportation authorities within 10 miles  
23 beyond any portion of the region, the authority shall have the  
24 powers enumerated in this subdivision for 10 miles beyond that  
25 portion of the region.

26 (d) Subject to section 23, institute condemnation  
27 proceedings.

1 (e) Apply for and accept grants, loans, or contributions  
2 from the federal government, any of its agencies, this state, any  
3 of its agencies, other public agencies, or private agencies. The  
4 authority may use the proceeds of the grants, loans, or contribu-  
5 tions for any of the purposes of this act. The authority may do  
6 anything within its power to secure the grants, loans, or other  
7 contributions.

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

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

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

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

21 (j) Borrow money and issue bonds to finance and perform its  
22 powers and duties.

23 (k) Receive the proceeds of taxes, special assessments, and  
24 charges imposed, collected, and returned to the authority under  
25 the law.



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

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

8           (2) The authority shall give a public notice of its intent  
9 to apply for money from the comprehensive transportation fund to  
10 the residents of the counties, cities, townships, and villages  
11 affected by the local transportation program. The authority  
12 shall make the application available for review for 30 days by  
13 the residents of the affected counties, cities, townships, and  
14 villages.

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

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

24           Sec. 11. Before any state or federal funds are distributed  
25 to the authority, a financial audit of the operations for the  
26 fiscal year before the most recently completed fiscal year shall  
27 be provided to the state transportation department. The state

1 transportation department may waive this requirement on a  
2 temporary basis. Each audit shall be conducted in accordance  
3 with sections 6 to 13 of the uniform budgeting and accounting  
4 act, 1968 PA 2, MCL 141.426 to 141.433.

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

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

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

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

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

20       Sec. 13. A community or group of communities in the region  
21 may create citizen advisory councils to relate concerns to the  
22 board on a regularly scheduled basis. Citizen advisory councils  
23 shall be composed of members representative of the neighborhoods  
24 within the community or group of communities.

25       Sec. 14. The authority created under this act shall not be  
26 dissolved and its powers shall not be diminished except as  
27 provided in this act.

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

3       (a) The motor carrier act, 1933 PA 254, MCL 475.1 to  
4 479.20.

5       (b) The motor bus transportation act, 1982 PA 432, MCL  
6 474.101 to 474.141.

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

9       Sec. 16. (1) Within 120 days after the effective date of  
10 this act, the board shall select and retain a chief executive  
11 officer.

12       (2) The chief executive officer shall administer the author-  
13 ity in accordance with the comprehensive regional public service  
14 transportation plan, the operating budget, the general policy  
15 guidelines established by the board, the applicable governmental  
16 procedures and policies, and this act. The chief executive offi-  
17 cer is responsible for the supervision of all authority  
18 employees.

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

22       Sec. 17. (1) The authority shall have the right to bargain  
23 collectively and enter into agreements with labor organizations  
24 so long as the authority complies with the requirements of this  
25 section.

26       (2) The rights, privileges, benefits, and other employee  
27 protective conditions and remedies of section 5333(b) of title 49

1 of the United States Code, 49 U.S.C. 5333, shall apply to all of  
2 the following:

3 (a) The operation by the authority, directly or indirectly,  
4 of a public transportation service.

5 (b) The operation by the authority, directly or indirectly,  
6 of a public transportation facility.

7 (c) A contract or other arrangement entered into by the  
8 authority for the operation of a public transportation service or  
9 facility.

10 (3) The authority shall negotiate arrangements to protect  
11 the interests of employees of public transportation services or  
12 facilities if the authority does any of the following:

13 (a) Acquires, constructs, controls, or operates a public  
14 transportation service or facility.

15 (b) Contracts for or leases for the provision of public  
16 transportation services or facilities.

17 (c) Takes action that involves the coordination, reorganiza-  
18 tion, combining, leasing, or merging of public transportation  
19 services or facilities.

20 (d) Takes action that involves the expansion or curtailment  
21 of public transportation services or facilities.

22 (4) The negotiation of arrangements to protect the interests  
23 of employees that are affected by an action of the authority  
24 described in subsection (3) shall include, but not be limited to,  
25 all of the following:

1 (a) The preservation of rights, privileges, and benefits for  
2 employees under existing collective bargaining agreements or  
3 otherwise.

4 (b) The preservation of rights and benefits for employees  
5 under existing pension plans covering prior service.

6 (c) Continued participation in social security, if  
7 applicable.

8 (d) Continued participation in the applicable public retire-  
9 ment system.

10 (e) Continuation of collective bargaining rights.

11 (f) Protection of individual employees against a worsening  
12 of their position with respect to their employment.

13 (g) Assurance of employment to employees of transportation  
14 systems, acquired, leased for, and contracted for by the  
15 authority.

16 (h) Paid training or retraining programs.

17 (i) Signed written labor agreements.

18 (j) Provisions for the submission of labor disputes to final  
19 and binding tripartite arbitration in accordance with rules  
20 established by the American arbitration association.

21 (5) If the authority acquires, purchases, or condemns an  
22 existing transit system or public transportation facility, the  
23 authority shall assume the duties, obligations, and liabilities  
24 arising from all existing labor contracts, including all arrange-  
25 ments under section 5333(b) of title 49 of the United States  
26 Code, 49 U.S.C. 5333, that were agreed to by the system or  
27 facility being acquired, purchased, or condemned, pension

1 obligations, and other obligations. Except for executive or  
2 managerial employees, all employees of a transit system or public  
3 transportation facility acquired or operated in whole or in part  
4 by the authority shall be transferred to and appointed as employ-  
5 ees of the authority subject to all the rights and benefits of  
6 this section. These employees shall be given seniority credit  
7 and sick leave, vacation, insurance, and pension credits in  
8 accordance with the existing agreements from the acquired transit  
9 system or public transportation facility. The authority and  
10 their employees, through their representatives for collective  
11 bargaining purposes, shall take whatever action may be necessary  
12 to have pension funds transferred to a joint trust fund to be  
13 established, maintained, and administered jointly by the author-  
14 ity and participating employees through their collective bargain-  
15 ing representatives, unless, and to the extent that, the employ-  
16 ees were and continue to be eligible to participate in a public  
17 pension plan established by federal or state statute or city  
18 charter. No employee of a transit system or public transporta-  
19 tion facility that is acquired or operated by the authority, in  
20 whole or in part, who was transferred to a position with the  
21 authority, shall, by reason of the transfer, be placed in a worse  
22 position with respect to worker's compensation, unemployment com-  
23 pensation, pension, seniority, wages, sick leave, vacation,  
24 health and welfare insurance, or any other benefit that the  
25 employee of the transit system or public transportation facility  
26 enjoyed when the employee was employed by the acquired or  
27 operated system or facility.

1           (6) If the authority leases a transit system or public  
2 transportation facility or enters into a contract for the opera-  
3 tion of a transit system or public transportation facility under  
4 this act, the lease or contract shall include terms and condi-  
5 tions assuring that employees of the transit system or public  
6 transportation facility have the protections set forth in this  
7 section.

8           (7) Before beginning operation of a new public transporta-  
9 tion service or facility or before entering into a contractual or  
10 other arrangement for the operation of a public transportation  
11 service or facility, the authority shall take whatever action may  
12 be necessary to extend to employees of the authority providing  
13 public transportation services directly or by contract with the  
14 authority the first opportunity for reasonably comparable employ-  
15 ment in any new jobs with respect to operations for which the  
16 employees can qualify after a reasonable training period. The  
17 opportunities shall be extended to employees based on seniority.  
18 The authority shall include a provision providing the opportuni-  
19 ties identified in this subsection in any contract to operate the  
20 service or facility.

21           (8) Employees of the acquired transportation system who left  
22 the acquired transportation system to enter into military service  
23 of the United States shall have the same rights with respect to  
24 the authority under 1951 PA 263, MCL 35.351 to 35.356, as they  
25 would have had as employees of the acquired transportation  
26 system.

1       Sec. 18. (1) Except as otherwise provided in this section,  
2 the authority shall not levy taxes or pledge the credit or taxing  
3 power of the state or any political subdivision. The authority  
4 may pledge the receipts of taxes, special assessments, or charges  
5 that the state or a political subdivision collects so long as the  
6 receipts of the taxes, special assessments, or charges are  
7 returnable and payable by law or contract to the authority. The  
8 authority may pledge the pledge of a political subdivision of  
9 this state of its full faith and credit in support of its con-  
10 tractual obligations to the authority.

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

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

15       (b) Other income or revenue from whatever source available,  
16 including, but not limited to, appropriations and contributions  
17 and other revenue of the participating counties and political  
18 subdivisions in the region.

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

21       (d) Grants, contributions, gifts, devises, or bequests from  
22 any other source.

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

26       Sec. 19. (1) The chief executive officer shall prepare and  
27 the board shall approve an operating budget and a capital budget



1 for each fiscal year. Each budget shall be approved at least 30  
2 days before the first day of the fiscal year.

3 (2) The chief executive officer shall prepare and the board  
4 shall approve a capital program budget to cover 5 years. The  
5 first capital program budget shall be submitted to the board  
6 within 270 days after selection of the chief executive officer of  
7 the authority. The chief executive officer shall revise and  
8 update the capital operating budgets on an annual basis and  
9 submit the revised capital program budget to the board each  
10 fiscal year.

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

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

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

21 (a) Serial bonds or term bonds.

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

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

24 (3) The proceeds of bonds may be used to pay all costs of  
25 the public transportation facility including all engineering  
26 fees, consultant fees, attorney fees, capitalized interest for up

1 to 3 years from the date of issuance, and all other costs related  
2 to any acquisition of public transportation facilities.

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

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

14 (6) If the bonds or notes sold by the authority involve the  
15 pledge or use of state collected or administered funds, the  
16 authority shall seek the approval of the state transportation  
17 commission and, unless an exemption from prior approval is avail-  
18 able, the approval of the department of treasury according to the  
19 revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

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

24 (8) A political subdivision within the region may contract  
25 to make payments, appropriations, or contributions to the author-  
26 ity of the proceeds of taxes, special assessments, or charges  
27 imposed and collected by the political subdivision or out of any

1 funds otherwise available under law and may pledge its limited  
2 tax full faith and credit in support of its contractual obliga-  
3 tion to the authority. If the political subdivision has obtained  
4 the prior approval of its electors, it may pledge its unlimited  
5 tax full faith and credit in support of its contractual obliga-  
6 tions to the authority.

7 (9) If the authority has issued bonds in anticipation of  
8 payments, appropriations, or contributions to be made to the  
9 authority under a contract between the authority and a political  
10 subdivision that has the power to levy and collect ad valorem  
11 taxes, the political subdivision may obligate itself under the  
12 contract and may, after voter approval, levy a tax on all taxable  
13 property in the political subdivision. The tax as to rate or  
14 authority will be as provided in section 6 or article IX of the  
15 state constitution of 1963 for contract obligations in anticipa-  
16 tion of which bonds are issued, to provide sufficient money to  
17 fulfill its contractual obligation to the authority.

18 (10) A political subdivision that desires to enter into a  
19 contract under subsection (8) shall authorize, by resolution of  
20 its governing body, the execution of the contract. The resolu-  
21 tion shall be published in a newspaper of general circulation  
22 within the political subdivision. The contract may be executed  
23 without a vote of the electors on the contract after the expira-  
24 tion of 45 days after the date of publication unless a petition  
25 is filed with the clerk of the political subdivision before the  
26 end of the 45-day period. The petition shall be signed by not  
27 less than 10% or 15,000 of the registered electors, whichever is

1 less, that reside within the political subdivision and shall  
2 request a referendum upon the execution of the contract between  
3 the authority and the political subdivision. Upon the filing of  
4 a valid petition, the contract shall not take effect until it is  
5 approved by a majority vote of the electors of the political sub-  
6 division that are qualified to vote and that do vote on the con-  
7 tract at a general or special election to be held not more than  
8 90 days after the filing of the petition.

9 (11) A petition under this section, including the circula-  
10 tion and signing of the petition, is subject to section 488 of  
11 the Michigan election law, 1954 PA 116, MCL 168.488. A person  
12 who violates a provision of the Michigan election law, 1954  
13 PA 116, MCL 168.1 to 168.992, applicable to a petition described  
14 in this section is subject to the penalties prescribed for that  
15 violation in the Michigan election law, 1954 PA 116, MCL 168.1 to  
16 168.992.

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

23 (2) Except as otherwise provided in this section, all pur-  
24 chases and sales in excess of \$50,000.00 shall be awarded after  
25 advertising in a manner determined by the board and set forth in  
26 a written purchasing policy. Bids shall be publicly opened and  
27 read aloud at a date, time, and place designated in the

1 invitation to bid. Invitations to bid shall be sent at least 1  
2 week before the bid opening to at least 3 potential bidders who  
3 are qualified technically and financially to submit bids, or a  
4 memorandum shall be kept on file showing that less than 3 poten-  
5 tial bidders who are qualified and responsible exist in the gen-  
6 eral market area within which it is practicable to obtain  
7 quotations.

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

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

17 (a) The purchase of unique articles.

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

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

21 (d) The rendering of professional services.

22 (e) An emergency exists that directly and immediately  
23 affects service or public health, safety, or welfare and that  
24 requires immediate delivery of supplies, materials, equipment, or  
25 services as determined under procedures approved and determined  
26 by the board.

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

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

14 Sec. 23. (1) The authority may acquire facilities, assets,  
15 and rights of existing and operating private or public transpor-  
16 tation systems. Except as provided in section 17, no liability,  
17 other than for equipment and facilities, shall be assumed or con-  
18 tracted for. The authority shall not be required to comply with  
19 any statutory or charter limitations or prerequisites to an  
20 acquisition.

21 (2) If the contract between the authority and the existing  
22 and operating private or public transportation system provides  
23 only for operation of the existing system by the authority or  
24 only for acquisition without consideration, the transaction is  
25 not considered a sale of a public utility within any constitu-  
26 tional, statutory, or charter limitation or within any revenue  
27 bond ordinance.

1 (3) If the negotiation between the authority and an existing  
2 private or public transportation system does not reach a conclu-  
3 sion, the authority shall notify the owner of the existing pri-  
4 vate or public transportation system in writing that the matter  
5 shall proceed to condemnation or binding final arbitration. The  
6 owner of the existing private or public transportation system  
7 shall elect in writing between condemnation and binding final  
8 arbitration under the rules and procedures of the American arbi-  
9 tration association not later than 15 days after receipt of the  
10 notice from the authority. The election of the owner of the  
11 existing private or public transportation system is final.

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

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

1           Sec. 26. The authority and its property, real, personal and  
2 mixed, is exempt from local zoning and from assessment, levy, and  
3 collection of all general and special taxes of this state or any  
4 governmental unit.

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

10          Sec. 28. Notwithstanding any other provision of this act,  
11 if an emergency financial manager has been appointed for the  
12 authority under the local government fiscal responsibility act,  
13 1988 PA 101, MCL 141.1101 to 141.1118, then that emergency finan-  
14 cial manager may exercise the authority and responsibilities pro-  
15 vided in this act to the extent authorized by the local govern-  
16 ment fiscal responsibility act, 1988 PA 101, MCL 141.1101 to  
17 141.1118.

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

21          Sec. 30. This act, being necessary for the public peace,  
22 health, safety, and welfare, shall be liberally construed to  
23 implement its purposes, which are declared to be public  
24 purposes.

25          Enacting section 1. The metropolitan transportation author-  
26 ities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, is



1 repealed effective 450 days after the effective date of this  
2 act.