



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 6021 (as reported without amendment)
Sponsor: Representative Jerry O. Kooiman
House Committee: Transportation
Senate Committee: Transportation

CONTENT

The bill would amend Public Transportation Authority Act to do the following:

- Allow a public transportation authority to levy taxes under the Act for up to 25 years if it were seeking the levy for public transit services that included a fixed guideway project authorized under 49 USC 5309 (which authorizes the U.S. Transportation Secretary to make grants to assist state and local governments in financing such projects).
- Require an authority that formed on or after May 1, 2006, to notify all political subdivisions included in the authority of the right to withdraw from it.
- Allow a political subdivision to withdraw from the authority within 30 days after receiving the notice.

The Act allows a public transportation authority, with voter approval, to levy a tax of up to five mills on all of the taxable property within the limits of the authority for authorized public transportation purposes. The tax may be levied for a period of up to five years as determined by the authority in the resolution calling the election and as set forth in the proposition submitted to the electors. The bill would create an exception to the five-year limit, as described above.

Under the Act, a political subdivision that is a member of a public authority or the portion of a city, village, or township that is a member of a public authority may be released from membership if certain conditions are met. A political subdivision or other entity may withdraw from an authority without meeting those conditions until the expiration of the 30th day following the date the authority is incorporated. Under the bill, a political subdivision or other entity also could withdraw until the expiration of the 30th day after receiving the notification required by the bill, without meeting the conditions specified in the Act.

MCL 124.458 & 124.468

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have no fiscal impact on State government.

The bill would allow public authorities to levy property taxes for up to 25 years for fixed guideway projects, which is a new category under the Federal SAFETEA-LU transportation funding program. These public authorities would have debt for a longer period of time and citizens would have to pay the property taxes for a longer period of time, but the levy would have to be approved by the voters before taking effect.

Date Completed: 5-16-06

Fiscal Analyst: Jessica Runnels