

## **ALLOW A MUNICIPALITY TO WITHDRAW FROM REGIONAL TRANSIT AUTHORITY**

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**House Bill 5870 as introduced**  
**Sponsor: Rep. Jeff Yaroach**  
**Committee: Tax Policy**  
**Complete to 5-8-18**

Analysis available at  
<http://www.legislature.mi.gov>

### **SUMMARY:**

House Bill 5870 would amend the Regional Transit Authority Act to allow a city, village, or township located within a public transit region and within a county that is a participant in a regional transit authority to withdraw from the authority. The withdrawal would be subject to approval by resolution of the governing body of that city, village, or township.

The bill would take effect 90 days after being enacted into law.

MCL 124.544

### **BACKGROUND INFORMATION:**

Public Act 387 of 2012 created the Regional Transit Authority Act, which established a new regional transit authority within a defined “public transit region.” The initial regional transit authority (RTA) established under the Act was composed of Wayne, Oakland, Macomb, and Washtenaw Counties. Other adjacent counties could join the authority under a process provided in the Act. However, to date, no additional counties have asked to join the RTA.

The RTA serves as a planning and coordinating agency with respect to the providers of public transportation services within the region, specifically: the Detroit Department of Transportation (DDOT), the Suburban Mobility Authority for Regional Transportation (SMART), the Detroit Transportation Corporation (operator of the Detroit People Mover), and the Ann Arbor Area Transportation Authority (TheRide).

The RTA has the authority to coordinate operating and capital transit plans of public transportation providers within the region. The RTA has the sole authority to apply for state operating assistance on behalf of the public transportation providers. The RTA is also the region’s “designated recipient” for purposes of applying for federal operating and capital assistance grants. The RTA has authority to operate public transportation systems but, to date, has not done so.

The RTA also has authority to levy a property tax assessment and/or a local option vehicle registration tax within the public transit region under specific conditions established under

Section 10 of the Act. In November 2016, an RTA millage request was presented to the voters of the region.<sup>1</sup> The millage request was not approved.

**FISCAL IMPACT:**

The Regional Transit Authority Act created a regional transit authority within “a public transit region,” defined as a “qualified region” composed of Wayne, Oakland, Macomb, and Washtenaw Counties. Although the RTA’s boundary is that of the four counties within the qualified region, the RTA is not simply an instrument or creation of those counties. The RTA is a legal public body in its own right. The current Regional Transit Authority Act does not appear to provide a method for a county to withdraw from the RTA.

House Bill 5870 would authorize and provide a process whereby a municipality (city, village, or township) could withdraw from the RTA.

The bill does not appear to have an impact on state costs or revenues.

The bill does not appear to have a direct fiscal impact on local units of government. The bill could affect RTA revenue if a transit millage or local option registration tax is established within the region and some municipalities within the region elect to withdraw from the RTA and are not subject to the tax.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

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<sup>1</sup> For more information, see Citizens Research Council, “Southeast Michigan Ballot Issues: The Regional Transit Authority Millage Request.” [https://crcmich.org/rta\\_millage\\_question-2016/](https://crcmich.org/rta_millage_question-2016/)