

# HOUSE BILL NO. 5550

February 25, 2020, Introduced by Rep. Farrington and referred to the Committee on Government Operations.

A bill to amend 2012 PA 387, entitled  
"Regional transit authority act,"  
by amending sections 6 and 10 (MCL 124.546 and 124.550), section 6  
as amended by 2014 PA 246, and by adding section 7a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 6. (1) Within 30 days after the appointment of the  
2 **initial** members of a board under section 5, the board shall hold  
3 its first meeting at a date and time to be determined by the  
4 governor's representative. The governor's representative shall  
5 serve without vote ~~and shall serve as~~ chairperson of the board. The



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board members shall elect officers as necessary. The board shall elect all officers annually.

(2) The business of a board ~~shall~~**must** be conducted at a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the date, time, and place of the meeting ~~shall~~**must** be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. A board shall adopt bylaws consistent with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. After organization, a board shall adopt a schedule of regular meetings. A board shall meet at least once each quarter. A special meeting of a board may be called by the chairperson of the board or as provided in the bylaws of the board.

(3) A majority of the voting members of a board constitute a quorum for the transaction of the business of an authority. Actions of a board ~~shall be by~~**require the approval of at least a** simple majority vote of all voting members of the board **including the affirmative vote of at least 1 member from each participating county and a member appointed under section 5(1)(f), except as provided in section 7a and** as follows:

(a) A board shall provide in its bylaws that the following actions require the approval of 7/9 of the voting members, and the 7/9 must include the affirmative vote of at least 1 member from each participating county and a member appointed under section 5(1)(f):

(i) The placing of a question of the levy of an assessment under section 10(2) on the ballot by an authority **throughout its entire public transit region.**

(ii) The determination of the rate of, or amount of, any assessment to be requested by an authority at an election



1 **throughout its entire public transit region.**

2 (iii) The placing of a question of approving a motor vehicle  
3 registration tax on the ballot by an authority.

4 (iv) The determination of the rate of, or amount of, any motor  
5 vehicle registration tax to be requested by an authority at an  
6 election.

7 (v) Beginning on July 1, 2024, approval of an agreement for  
8 the transfer to the authority of assets of a nonprofit street  
9 railway corporation organized under ~~the nonprofit street railway~~  
10 ~~act, former 1867 PA 35, MCL 472.1 to 472.27.~~ **or part 5 of the**  
11 **recodified tax increment financing act, 2018 PA 57, MCL 125.4503 to**  
12 **125.4527.**

13 (vi) ~~A~~ **Except as otherwise provided in section 7a, a**  
14 determination to acquire, construct, operate, or maintain a  
15 commuter rail line operating between the city with the largest  
16 population within a county described in section 5(1)(d) and a city  
17 described in section 5(1)(f).

18 (b) A board shall provide in its bylaws that the following  
19 actions require the unanimous approval of all voting members of the  
20 board **serving at the time of the action, excluding any member**  
21 **prohibited from voting due to a conflict of interest:**

22 (i) Except as otherwise provided in subdivision (a)(vi) **or**  
23 **section 7a,** a determination to acquire, construct, operate, or  
24 maintain any form of rail passenger service within a public transit  
25 region. Beginning on July 1, 2024, this subparagraph does not apply  
26 to a street railway system organized under ~~the nonprofit street~~  
27 ~~railway act, former 1867 PA 35, MCL 472.1 to 472.27.~~ **or part 5 of**  
28 **the recodified tax increment financing act, 2018 PA 57, MCL**  
29 **125.4503 to 125.4527.**



1           (ii) A determination to acquire a public transportation  
2 provider. Unless an authority secures the affirmative vote of a  
3 majority of the electors of each member county in the public  
4 transit region as provided in section 7(2), the authority shall not  
5 acquire a public transportation provider that does business in a  
6 public transit region unless both of the following conditions are  
7 satisfied:

8           (A) All accrued liabilities, funded and unfunded, of the  
9 public transportation provider being acquired have been paid or are  
10 required to be paid by a person other than the authority.

11           (B) The board unanimously agrees to comply with all **applicable**  
12 requirements for obtaining federal operating and capital assistance  
13 grants under the moving ahead for progress in the 21st century act,  
14 Public Law 112-141, and the regulations promulgated under the  
15 moving ahead for progress in the 21st century act, Public Law 112-  
16 141, with respect to the public transportation provider being  
17 acquired.

18           (iii) A determination to place on a ballot the question of  
19 acquiring, accepting responsibility for, or obligating itself to  
20 assume liability for or to pay any legacy costs, including, but not  
21 limited to, costs associated with litigation, claims, assessments,  
22 worker's compensation awards or charges, swap losses, pensions,  
23 health care, or other postemployment benefits, of a public  
24 transportation provider that may be purchased, merged with,  
25 assumed, or otherwise acquired by an authority.

26           (4) A board shall keep a written or printed record of each  
27 meeting. A written or printed record of each meeting and any other  
28 document or record prepared, owned, used, in the possession of, or  
29 retained by an authority in the performance of an official function



1 ~~shall~~**must** be made available to the public under the freedom of  
2 information act, 1976 PA 442, MCL 15.231 to 15.246.

3 (5) A board shall provide for a uniform system of accounts for  
4 an authority to conform to and for the auditing of the authority's  
5 accounts. The board shall obtain an annual audit of an authority by  
6 an independent certified public accountant and report on the audit  
7 and auditing procedures under sections 6 to 13 of the uniform  
8 budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.433.

9 The audit ~~shall~~**must** be in accordance with generally accepted  
10 government auditing standards and ~~shall~~**must** satisfy federal  
11 regulations regarding federal grant compliance audit requirements.  
12 An audit obtained under this subsection ~~shall~~**must** be filed with  
13 the state treasurer and the department.

14 (6) Within 90 days after the first board meeting, a board  
15 shall adopt and maintain a budget for the fiscal year in accordance  
16 with the uniform budget and accounting act, 1968 PA 2, MCL 141.421  
17 to 141.440a.

18 (7) Within 90 days after the first board meeting, a board  
19 shall establish policies and procedures for the purchase of, the  
20 contracting for, and the providing of supplies, materials,  
21 services, insurance, utilities, third-party financing, equipment,  
22 printing, and all other items as needed by an authority to  
23 efficiently and effectively meet its needs using competitive  
24 procurement methods to secure the best value for the authority. A  
25 board shall make all discretionary decisions concerning the  
26 solicitation, award, amendment, cancellation, and appeal of  
27 authority contracts. In establishing policies and procedures under  
28 this subsection, a board shall provide for the acquisition of  
29 professional services, including, but not limited to, architectural



1 services, consulting services, engineering services, surveying  
2 services, accounting services, services related to the issuance of  
3 bonds, and legal services, in accordance with a competitive,  
4 qualifications-based selection process and procedure for the type  
5 of professional service required by an authority.

6 (8) Beginning 1 calendar year after the creation of an  
7 authority under this act, the board shall submit a report to the  
8 house of representatives and senate appropriations subcommittees on  
9 transportation and the house of representatives and senate  
10 committees on transportation on March 31 of each year that includes  
11 all of the following information from the preceding calendar year:

12 (a) Financial status of the authority.

13 (b) Financial status of public transportation providers within  
14 the public transit region.

15 (c) Operating costs of the authority.

16 (d) The status of any rolling rapid transit system.

17 (e) The average daily and annual ridership of a rolling rapid  
18 transit system.

19 (f) The dashboard developed by the authority under subsection  
20 (9) (d) .

21 (g) The number and severity of any accidents that occur that  
22 involve a rolling rapid transit system.

23 (9) Within 120 days after the first board meeting, a board  
24 shall establish a website for the authority and the authority shall  
25 post on the website its budget, policies and procedures, and  
26 updates on authority activities and transactions and the progress  
27 of any project, including, but not limited to, a proposed rolling  
28 rapid transit system, as they become available. An authority shall  
29 also post all of the following information on a website established



1 under this subsection:

2 (a) An asset management plan for all revenue vehicles and  
3 facilities, major facility components, and major pieces of  
4 equipment as defined by the department. An authority shall update  
5 the asset management plan annually.

6 (b) The method used by the authority to determine the  
7 percentage of operating costs that will be funded with local funds  
8 and the percentage that will be funded with fares. An authority  
9 shall update this information every 3 years.

10 (c) A plan and a commitment to conduct a survey of user  
11 satisfaction and a survey of general public satisfaction with the  
12 services and performance of the authority once every 3 years. An  
13 authority shall provide results for the most recent completed  
14 surveys under this subdivision to the department.

15 (d) A dashboard of the authority's performance that includes,  
16 at a minimum, the information required under subdivisions (a)  
17 through (c). The dashboard ~~shall~~**must** also include annual  
18 performance indicators for the authority that have been established  
19 by the board. The dashboard ~~shall~~**must** be readily available to the  
20 public, and the authority shall update the dashboard annually.

21 (10) A board may not enter into a cost plus construction  
22 contract unless all of the following apply:

23 (a) The contract cost is less than \$50,000.00.

24 (b) The contract is for emergency repair or construction  
25 caused by unforeseen circumstances.

26 (c) The repair or construction is necessary to protect life or  
27 property.

28 (d) The contract complies with state and federal law.

29 (11) Within 90 days after the first board meeting, a board



1 shall adopt a procurement policy consistent with the requirements  
 2 of this act and federal and state laws relating to procurement.  
 3 Preference ~~shall~~**must** be given to firms based in a public transit  
 4 region and each county within a public transit region, consistent  
 5 with applicable law.

6 (12) ~~Nothing in this~~**This** section ~~shall be construed as~~  
 7 ~~creating~~**does not create** a quota or set-aside for any city or any  
 8 county in a public transit region. ~~, and no~~**An authority must not**  
 9 **create a** quota or set-aside. ~~shall be created.~~

10 (13) An authority shall issue an annual report to the board  
 11 and each member jurisdiction within a public transit region  
 12 detailing all contracts entered into and listing the names and  
 13 headquarters of all authority vendors with whom the authority has  
 14 contracted for services during the previous fiscal year.

15 (14) Within 90 days after the first board meeting, a board  
 16 shall establish and adopt all of the following:

17 (a) A policy to govern the control, supervision, management,  
 18 and oversight of each contract to which an authority is a party.

19 (b) Procedures to monitor the performance of each contract to  
 20 assure execution of the contract within the budget and time periods  
 21 provided under the contract. The monitoring ~~shall~~**must** include  
 22 oversight as to whether the contract is being performed in  
 23 compliance with the terms of the contract, this act, and federal  
 24 and state law. The chief executive officer or other authorized  
 25 employee of an authority shall not sign or execute a contract until  
 26 the contract is approved by the board.

27 (c) Policies to ensure that an authority does not enter into a  
 28 procurement or employment contract with a person who has been  
 29 convicted of a criminal offense related to the application for or





1 performance of a contract or subcontract with a governmental entity  
2 in any state. As used in this subdivision and subdivision (d),  
3 "person" includes affiliates, subsidiaries, officers, directors,  
4 and managerial employees of a business entity, or an individual or  
5 entity who, indirectly or directly, holds a pecuniary interest in a  
6 business entity of 20% or more.

7 (d) Polices to ensure that the authority does not enter into a  
8 procurement or employment contract with a person who has been  
9 convicted of a criminal offense, or held liable in a civil  
10 proceeding, in this state or any other state, that negatively  
11 reflects on the person's business integrity, based on a finding of  
12 embezzlement, theft, forgery, bribery, falsification or destruction  
13 of records, receiving stolen property, violation of state or  
14 federal antitrust statutes, or similar laws.

15 (15) An authority is not required to use competitive bidding  
16 when acquiring proprietary services, equipment, or information  
17 available from a single source, such as a software license  
18 agreement. An authority may enter into a competitive purchasing  
19 agreement with the federal government, this state, or other public  
20 entities for the purchase of necessary goods or services. An  
21 authority may enter into lease purchases or installment purchases  
22 for periods not exceeding the useful life of the items purchased  
23 unless otherwise prohibited by law. In all purchases made by an  
24 authority, if consistent with applicable federal and state law,  
25 preference ~~shall~~ **must** be given first to products manufactured or  
26 services offered by firms based in the authority's public transit  
27 region, including, but not limited to, the cities and counties in a  
28 public transit region, and second to firms based in this state. An  
29 authority shall actively solicit lists of potential bidders for



1 authority contracts from each city and each county in a public  
2 transit region. Except as otherwise provided in this section, an  
3 authority shall utilize competitive solicitation for all purchases  
4 authorized under this act unless 1 or more of the following apply:

5 (a) An emergency directly and immediately affecting service or  
6 public health, safety, or welfare requires the immediate  
7 procurement of supplies, materials, equipment, or services to  
8 mitigate an imminent threat to public health, safety, or welfare,  
9 as determined by an authority or its chief executive officer.

10 (b) Procurement of goods or services is for emergency repair  
11 or construction caused by unforeseen circumstances when the repair  
12 or construction is necessary to protect life or property.

13 (c) Procurement of goods or services is in response to a  
14 declared state of emergency or state of disaster under the  
15 emergency management act, 1976 PA 390, MCL 30.401 to 30.421.

16 (d) Procurement of goods or services is in response to a  
17 declared state of emergency under 1945 PA 302, MCL 10.31 to 10.33.

18 (e) Procurement of goods or services is in response to a  
19 declared state of energy emergency under 1982 PA 191, MCL 10.81 to  
20 10.89.

21 (f) Procurement of goods or services is under a cooperative  
22 purchasing agreement with the federal government, this state, or  
23 another public entity for the purchase of necessary goods and  
24 services at fair and reasonable prices using a competitive  
25 procurement method for authority operations.

26 (g) The value of the procurement is less than \$25,000.00, and  
27 the board has established policies or procedures to ensure that  
28 goods or services with a value of less than \$25,000.00 are  
29 purchased by the board at fair and reasonable prices, including a



1 requirement that for purchases and sales of \$25,000.00 or less, but  
2 over \$5,000.00, written price quotations from at least 3 qualified  
3 and responsible vendors ~~shall~~**must** be obtained or a memorandum  
4 ~~shall~~**must** be kept on file showing that fewer than 3 qualified and  
5 responsible vendors exist in the market area within which it is  
6 practicable to obtain quotations. Procurement of goods or services  
7 with a value of less than \$5,000.00 may be negotiated with or  
8 without using competitive bidding as authorized in a procurement  
9 policy adopted by the board.

10 (16) Notwithstanding any other requirement of this act, if an  
11 authority applies for and receives state or federal money that  
12 requires the authority to comply with procurement or contracting  
13 requirements that are in conflict with this act, the state or  
14 federal requirements ~~shall~~ take precedence over the requirements of  
15 this act.

16 (17) A board may employ personnel as it considers necessary to  
17 assist the board in performing the powers, duties, and  
18 jurisdictions of the authority, including, but not limited to,  
19 employment of a chief executive officer and other senior executive  
20 and administrative staff. A board shall hire a chief executive  
21 officer and any necessary support staff for the chief executive  
22 officer. Individual board members shall not hire or be assigned  
23 personal staff.

24 (18) A board shall establish policies to ensure that the board  
25 and an authority do not do either of the following:

26 (a) Fail or refuse to hire, recruit, or promote; demote;  
27 discharge; or otherwise discriminate against an individual with  
28 respect to employment, compensation, or a term, condition, or  
29 privilege of employment, or a contract with the authority in a



1 manner that is not in compliance with state or federal law.

2 (b) Limit, segregate, or classify an employee, a contractor,  
3 or an applicant for employment or a contract in a way that deprives  
4 or tends to deprive the employee, contractor, or applicant of an  
5 employment opportunity or otherwise adversely affects the status of  
6 an employee, contractor, or applicant in a manner that is not in  
7 compliance with state or federal law.

8 (19) A board shall create a citizens' advisory committee that  
9 consists of public transit region residents. The citizens' advisory  
10 committee ~~shall~~**must** be composed as follows:

11 (a) Forty percent of the committee ~~shall~~**must** be made up of  
12 users of public transportation, as follows:

13 (i) At least 25% of the users of public transportation on the  
14 committee ~~shall~~**must** be senior citizens or persons with  
15 disabilities.

16 (ii) Two users of public transportation from each of the  
17 following counties within the public transit region for the  
18 authority:

19 (A) The qualified county.

20 (B) The county with the second largest population according to  
21 the most recent decennial census.

22 (C) The county with the third largest population according to  
23 the most recent decennial census.

24 (D) The county with the fourth largest population according to  
25 the most recent decennial census.

26 (iii) Two users of public transportation from the city in the  
27 qualified county with the largest population according to the most  
28 recent decennial census.

29 (iv) Two users of public transportation from each additional



1 county participating in the authority under section 4 and not  
2 listed in subparagraph (ii).

3 (b) Twenty percent of the committee ~~shall~~**must** be made up of  
4 individuals from organizations representing senior citizens and  
5 persons with disabilities.

6 (c) Forty percent of the committee ~~shall~~**must** be made up of  
7 individuals representing business, labor, community, and faith-  
8 based organizations.

9 (20) A citizens' advisory committee created under subsection  
10 (19) may meet at least once every quarter. The citizens' advisory  
11 committee may make reports to a board, including recommendations,  
12 at each board meeting. A citizens' advisory committee may do all of  
13 the following:

14 (a) Review and comment on the comprehensive regional public  
15 transit service plan for a public transit region and all annual  
16 updates.

17 (b) Advise a board regarding the coordination of functions  
18 between different owners and operators of public transportation  
19 facilities within a public transit region.

20 (c) Review and comment on a specialized services coordination  
21 plan required by section 10e of 1951 PA 51, MCL 247.660e.

22 (d) Upon request of a board, provide recommendations on other  
23 matters that concern public transportation in a public transit  
24 region.

25 (21) A board shall create a public transportation provider  
26 advisory council that consists of 2 members appointed by each  
27 public transportation provider in the public transit region. The  
28 public transportation provider advisory council may make reports to  
29 a board, including recommendations, at each board meeting. The



public transportation provider advisory council shall only make recommendations to a board on the following issues:

- (a) Coordination of service.
- (b) Funding.
- (c) Plans.
- (d) Specialized services.
- (e) Other matters as requested by a board.

(22) To secure federal money for an authority or activities of an authority under this act, the board may enter into an agreement with a street railway organized under ~~the nonprofit street railway act, former~~ 1867 PA 35, ~~MCL 472.1 to 472.27, or part 5 of the~~ **recodified tax increment financing act, 2018 PA 57, MCL 125.4503 to 125.4527**, or take other action necessary for the recognition by the United States ~~department~~ **Department** of ~~transportation~~ **Transportation** of activities or functions of the authority or the street railway as a connected project.

(23) The board shall ensure that 100% of federal matching money or aid received by the authority for the construction or operation of a street railway system under ~~the nonprofit street railway act, former~~ 1867 PA 35, ~~MCL 472.1 to 472.27, or part 5 of~~ **the recodified tax increment financing act, 2018 PA 57, MCL 125.4503 to 125.4527**, within a public transit region is expended on public transportation service routes located in the county or counties in which the street railway system was constructed. If the authority accepts a transfer of assets of a street railway organized under ~~the nonprofit street railway act, former~~ 1867 PA 35, ~~MCL 472.1 to 472.27, or part 5 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4503 to 125.4527, as provided in subsection (3) (a) (v) and the street railway operates exclusively on~~



1 routes located within a qualified county, the authority shall  
2 ensure that any operational deficit related to the operation of  
3 that street railway is paid with money raised in the qualified  
4 county or a member jurisdiction within the qualified county.

5 (24) The authority shall ensure that any operational deficit  
6 related to the operation of a commuter rail line described in  
7 subsection (3) (a) (vi) is paid with money raised in each county or a  
8 member jurisdiction of each county within which the commuter rail  
9 line operates.

10 **Sec. 7a. (1) One or more service areas that do not include**  
11 **each county in a public transit region may be created within the**  
12 **public transit region under this section for the purpose of**  
13 **performing or exercising within that service area any function,**  
14 **service, power, or privilege that the authority may perform or**  
15 **exercise under this act or other law.**

16 (2) Before approval by the board of a tax within a service  
17 area under this section, a county within a public transit region  
18 may elect not to participate in that service area if all of the  
19 following apply:

20 (a) The board of county commissioners for the county adopts a  
21 resolution electing not to participate in the service area.

22 (b) If the county has a county executive, the resolution  
23 described in subdivision (a) is approved by the county executive.

24 (c) A copy of the resolution described in subdivision (a) is  
25 transmitted to the board.

26 (3) If a county elects not to participate in a service area  
27 under subsection (2), that county must not be included in the  
28 service area. When creating a service area, an authority board  
29 member from a county not within the proposed service area or



1 electing not to participate in the service area under subsection  
2 (2) shall not participate in the vote on the creation of the  
3 service area.

4 (4) If only a portion of a public transit region is included  
5 in a service area, only those electors residing in those counties  
6 included within the service area may vote on a ballot proposal for  
7 an assessment within the service area under section 10(4) and that  
8 tax assessment only may be levied against the property within that  
9 service area.

10 (5) If a service area is amended to include a county not  
11 included in the service area, the amendment expanding the service  
12 area is not effective until the assessment levied by the authority  
13 within the service area under section 10(4) is approved by the  
14 board of county commissioners of that county, with the approval of  
15 the county executive if the county has a county executive, and by a  
16 majority of the electors of that county voting on the assessment at  
17 the first general or special election held on a regular election  
18 date described in section 641 of the Michigan election law, 1954 PA  
19 116, MCL 168.641, to occur at least 71 days after the board  
20 approves the expansion of the service area.

21 (6) The following actions related to a service area require  
22 the approval of at least a majority of the voting members appointed  
23 by a county or a city within the proposed service area, including  
24 the affirmative vote of at least 1 member of the board from each  
25 county and city that appoints an authority board member within the  
26 proposed service area:

27 (a) The creation or amendment of the service area.

28 (b) The placing of a question of the levy or renewal of an  
29 assessment under section 10(4) within the service area on the





1 ballot within the service area by an authority.

2 (c) The determination of the rate of, or amount of, any  
3 assessment to be requested by an authority within the service area.

4 (d) Adoption or amendment of any implementation plan required  
5 for the service area by the Federal Transit Administration.

6 (e) A determination to construct, operate, maintain, or own  
7 any form of rail passenger service within the service area.

8 (f) The expenditure of revenue from a tax levied within the  
9 service area under section 10(4).

10 (7) As used in this section, "service area" means a contiguous  
11 geographic area within a public transit region that includes 2 or  
12 more counties and is created under this section.

13 Sec. 10. (1) An authority may raise revenues to fund all of  
14 its activities, operations, and investments consistent with its  
15 purposes. The sources of revenue available to an authority include,  
16 but are not limited to, all of the following:

17 (a) Fees, fares, rents, or other charges for use of a public  
18 transportation system.

19 (b) Federal, state, or local government grants, loans,  
20 appropriations, payments, or contributions.

21 (c) Proceeds from the sale, exchange, mortgage, lease, or  
22 other disposition of property acquired by the authority.

23 (d) Grants, loans, appropriations, payments, proceeds from  
24 repayments of loans made by the authority, or contributions from  
25 public or private sources.

26 (e) The proceeds of an assessment levied under subsection (2)  
27 or (4).

28 (f) The proceeds of a motor vehicle registration tax collected  
29 under subsection (3).



(g) Investment earnings on the revenues described in subdivisions (a) to (f).

(2) An authority may levy an assessment ~~within~~ **throughout** the **entire** public transit region only as approved by the board **under section 6(3)** and a majority of the electors of the public transit region voting on the assessment at a general election held on the ~~regular~~ **regular** election date as provided in section ~~641(1)(d)~~ **641** of the Michigan election law, 1954 PA 116, MCL 168.641. An assessment approved by the board and a majority of electors of the public transit region **voting on the assessment** under this subsection ~~shall~~ **must** be **levied as a tax within the public transit region and** collected and enforced ~~in the same manner as taxes are collected and enforced under~~ **within the public transit region pursuant to** the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. ~~When submitting a proposal on the question of authorizing an assessment to be levied under this act, the ballot shall state all of the following:~~

~~(a) The assessment rate to be authorized.~~

~~(b) The duration of the assessment.~~

~~(c) A clear statement of the purpose for the assessment.~~

~~(d) A clear statement indicating whether the proposed assessment is a renewal of a previously authorized assessment or the authorization of a new additional assessment.~~

(3) An authority may collect a motor vehicle registration tax dedicated to the purpose of public transportation, if authorized under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(4) An authority may levy an assessment within a service area only as approved by the authorized board members under section 7a and a majority of the electors of the service area voting on the



1 assessment at a general election held on the November regular  
 2 election date as described in section 641 of the Michigan election  
 3 law, 1954 PA 116, MCL 168.641. An assessment approved by the  
 4 applicable portion of the authorized board under section 7a and a  
 5 majority of electors of the service area voting on the assessment  
 6 under this subsection must be levied as a tax within the service  
 7 area only and collected and enforced within the service area  
 8 pursuant to the general property tax act, 1893 PA 206, MCL 211.1 to  
 9 211.155.

10 (5) When submitting a proposal on the question of authorizing  
 11 an assessment to be levied under subsection (2) or (4), the ballot  
 12 must include the information required by section 24f of the general  
 13 property tax act, 1893 PA 206, MCL 211.24f, including all of the  
 14 following:

15 (a) The assessment rate to be authorized.

16 (b) The duration of the assessment.

17 (c) A clear statement of the purpose for the assessment.

18 (d) A clear statement indicating whether the proposed  
 19 assessment is a renewal of a previously authorized assessment or  
 20 the authorization of a new additional assessment.

21 (6) ~~(4)~~—An authority shall ensure that not less than 85% of  
 22 the money raised in each member jurisdiction through either an  
 23 assessment under subsection (2) **or (4)** or a motor vehicle  
 24 registration tax under subsection (3), or both, is expended on the  
 25 public transportation service routes located in that member  
 26 jurisdiction. **An authority shall use revenue from an assessment**  
 27 **under subsection (4) within the service area in which it is levied**  
 28 **for purposes authorized by this act.**

29 (7) ~~(5)~~—Starting in the fiscal year ~~that begins at least 12~~



1 ~~months after the effective date of this act, ending September 30,~~  
2 **2015**, an authority shall submit to the department an asset  
3 management plan for all revenue vehicles and facilities, major  
4 facility components, and major pieces of equipment as defined by  
5 the department. An authority shall update the asset management plan  
6 annually.

7       **(8) ~~(6)~~**After the first 12 months of operation of a rolling  
8 rapid transit system, and annually thereafter, an authority shall  
9 provide a report to the legislative body of each member  
10 jurisdiction showing the cost of service and revenue generated in  
11 each member jurisdiction.

12       **(9) The total of assessments levied under subsections (2) and**  
13 **(4) within any portion of a public transit region must not exceed 3**  
14 **mills upon each dollar of taxable value of property within that**  
15 **portion of the public transit region at any 1 time.**

16       **(10) A tax assessment levied under subsection (2) or (4) and**  
17 **any specific tax attributable to that assessment must not be**  
18 **attributed or transmitted to or retained or captured by any other**  
19 **governmental entity for purposes not authorized by this act.**

