

Legislative Analysis



RAIL GRADE CROSSING MAINTENANCE COSTS

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House Bill 4609 (Substitute H-2 with Senate Amendment)

Sponsor: Rep. Wayne Schmidt

Committee: Transportation

Complete to 12-13-12

A SUMMARY OF HOUSE BILL 4609 (H-2) AS PASSED THE SENATE 12-12-12

House Bill 4609 would amend the amounts that road agencies are obligated to pay annually to railroads under Section 315 of the Railroad Code of 1993 for the maintenance of rail grade crossing traffic control devices, circuitry, and appurtenances. The updated payment amounts established in the bill reflect the results a cost study of railroad grade crossing maintenance costs conducted in 2009 by the Michigan Department of Transportation as required by the Railroad Code, as amended by 2001 PA 5. The current and proposed payment amounts are as follows:

Annual Statutory Railroad Grade Crossing Maintenance Payments		
	Current Law	House Bill 4609
Flashing signals on a single track	\$760.00	\$1,271.00
Flashing signals and gates on a single track	\$830.00	\$1,978.00
Flashing signals with cantilever arm on a single track	\$895.00	\$1,481.00
Flashing signals with cantilever arm with gates on a single track	\$1,215.00	\$2,389.00
Flashing signals and gates on multiple tracks	\$1,230.00	\$2,257.00
Flashing signals with cantilever arms and gates on a multiple tracks	\$1,630.00	\$2,389.00
Flashing signals on a multiple tracks	\$725.00	\$1,269.00
Flashing signals with cantilever arms on a multiple tracks	\$1,005.00	\$1,375.00

The Committee substitute differs from the "as introduced" version of the bill only in that the H-2 substitute added language requiring the department consult with the railroad and the road authority when completing future studies of grade crossing maintenance costs. The Senate-passed bill makes only a minor wording change for purposes of clarification: "The department shall consult with the railroad and the *local* road authority *representatives...*"

BACKGROUND INFORMATION:

Section 315 of the Railroad Code of 1993 (1993 PA 354) establishes the authority of the Michigan Department of Transportation to prescribe active traffic control devices at public railroad grade crossings. The section also requires that the cost of installing,

altering, and modernizing active traffic control devices at railroad crossings, such as flashing lights and gates, be shared equally by the railroad and the road authority (that is, the governmental agency with jurisdiction over public streets and highways; effectively, the Michigan Department of Transportation, a county road commission, a city, or village).

The section further requires that after initial installation, all active traffic control devices, circuitry, and appurtenances be maintained, enhanced, renewed, and replaced by the railroad at its own expense, except that the road authority must annually contribute certain specified amounts to the railroad for such maintenance. (The specified amounts do not apply where an agreement exists between the railroad and the road authority.)

The amounts that the road authorities must contribute vary according to the kind of device. The payments required under current law and under provisions of the bill are shown earlier in the chart on the first page.

When first enacted, the Railroad Code directed the Michigan Department of Transportation to conduct a study of the cost of maintenance for active traffic control devices by January 1, 1999, and to forward a copy of the report to the Legislature.

The 1999 cost study was the basis of the amendments to the act made in House Bill 4234 of the 2001-2002 Legislative Session, enacted as 2001 PA 5. That amending act established the annual maintenance payments of current law and required the department to complete a new study to determine the maintenance costs of active control devices by January 1, 2010, and every ten years thereafter.

The study, conducted in 2009, is the basis for the annual maintenance payments that would be established in House Bill 4609. The proposed new payment schedule represents one-half of the annual maintenance costs as determined by the study.

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MCL 462.315

FISCAL IMPACT:

House Bill 4609 would increase state and local costs to the extent that it would increase the amount the Michigan Department of Transportation and local road agencies would have to pay to railroads for maintenance of traffic control devices at railroad crossings.

The bill does not affect the actual costs of maintaining traffic control devices at public rail grade crossing. It effectively adjusts the share of those costs between private railroad companies and public road agencies. If the bill is not enacted, railroad companies would

bear a higher share of those maintenance costs and public road agencies would bear a lower share.

Under the current provisions of Section 315 of the Railroad Code the Michigan Department of Transportation makes annual payments to railroad companies for its share of grade crossing traffic control device maintenance on state trunkline highways. We do not have an estimate of how much the department's payment costs would increase under the bill. We do not have an estimate of the amounts that local road agencies (county road commission, cities, and villages) currently pay to railroad under the provisions of Section 315, and do not have an estimate of the increased costs to those agencies under the bill.

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