

Legislative Analysis



TRANSPORTATION ASSET MANAGEMENT COUNCIL

Phone: (517) 373-8080
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House Bill 4971 (H-1) as reported from committee

Sponsor: Rep. Julie Alexander

1st Committee: Transportation

2nd Committee: Ways and Means

Complete to 5-16-20

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

(Enacted as Public Act 164 of 2020)

SUMMARY:

House Bill 4971 would amend section 9a of 1951 PA 51 (“Act 51”) to modify provisions concerning the Transportation Asset Management Council (“Council”) and the asset management plans of local road agencies.

Under amendments to section 9a enacted by 2018 PA 325,¹ the Council must develop, by October 1, 2019, an asset management plan template for use by local road agencies responsible for 100 or more certified miles of road. The template developed by the Council must ensure that local asset management plans include several components, including such things as performance goals and anticipated revenues and expenses.

2018 PA 325 also included requirements that local road agencies submit asset management plans to the Council and provisions requiring the Council to review the submitted plans for compliance with the requirements of the act. The 2018 amendments to section 9a also included provisions for penalizing noncompliant local road agencies. Specifically, section 9a authorizes the withholding of funds from noncompliant local road agencies under some circumstances and, in other circumstances, prohibits a noncompliant local road agency from transferring between county primary and county local road funds, or municipal major street and local street funds, as applicable.

House Bill 4971 would add a new subsection to section 9a indicating that if a local road agency responsible for less than 100 certified miles of road submits an asset management plan to the Council, the plan is considered approved on submission. The bill also includes a new provision indicating that “if a local road agency’s asset management plan is determined to be out of compliance, the local road agency’s asset management plan is disapproved for purposes of sections 12 and 13.” Sections 12 and 13 of Act 51 govern the distribution of Michigan Transportation Fund revenue to county road commissions, and to cities and villages, respectively.

Provisions in the bill as introduced, concerning Council approval of local road agency capacity or lane expansion projects, are not included in the H-1 substitute.

MCL 247.659a

¹ See the House Fiscal Agency summary of 2018 PAs 323, 324, and 325:
<http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-5335-649E76FA.pdf>

FISCAL IMPACT:

The Transportation Asset Management Council is established in section 9a of Act 51. Section 9a indicates that the Council is established “within the State Transportation Commission.” Although the Council is established within the State Transportation Commission, and not within the Michigan Department of Transportation (MDOT), the department provides staff and technical support to the Council. In effect, all staff support to the Council is provided by MDOT employees.

Section 9a directs that funding necessary to support the activities of the Council be provided by an annual appropriation from the Michigan Transportation Fund (MTF) to the State Transportation Commission. The MTF appropriation for the Council was \$1.9 million in both FYs 2018-19 and 2019-20. Funding is used primarily for data collection and training activities. The additional costs of MDOT staff support is provided in other departmental line items.

House Bill 4971 (H-1) does not appear to establish significant new responsibilities for the Council, or local road agencies, beyond those already established under 2018 PA 325.

POSITIONS:

The Michigan Municipal League indicated support for the bill. (12-4-19)

The County Road Association indicated support in concept. (9-17-19)

The Michigan Department of Transportation indicated a neutral position on the bill. (5-13-20)

Fiscal Analyst: William E. Hamilton

■ 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.