

HOUSE BILL NO. 5769

May 30, 2024, Introduced by Reps. Morgan, McFall, Miller, Byrnes, Whitsett, Paiz, Hope, Coffia, Edwards, McKinney, Neeley, O'Neal, Arbit, Xiong, Brabec, Hill, Herzberg, Grant, Wilson, Andrews, Fitzgerald, Rheingans, MacDonell, Price, Dievendorf and Farhat and referred to the Committee on Economic Development and Small Business.

A bill to create a transformational projects authority; to prescribe the powers, duties, and jurisdictions of the transformational projects authority; to provide for the awarding of certain transportation-related grants; to prescribe the powers and duties of certain state governmental officers and entities; and to provide for the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "transformational
2 projects authority act".

1 Sec. 3. As used in this act:

2 (a) "Authority" means the transformational projects authority
3 created under section 5.

4 (b) "Board" means the board of directors of the authority.

5 (c) "Department" means the state transportation department.

6 (d) "Director" means the director of the department.

7 (e) "Fund" means the Michigan mobility trust fund created in
8 section 4a of the Michigan trust fund act, 2000 PA 489, MCL
9 12.254a.

10 (f) "Public transportation" means that term as defined in
11 section 2 of the regional transit authority act, 2012 PA 387, MCL
12 124.542.

13 (g) "Public transportation provider" means that term as
14 defined in section 2 of the regional transit authority act, 2012 PA
15 387, MCL 124.542. Public transportation provider includes a
16 regional transit authority created under the regional transit
17 authority act, 2012 PA 387, MCL 124.541 to 124.558.

18 (h) "Department region" means 1 of the 7 regional service
19 areas established by the department for administrative and planning
20 purposes.

21 (i) "Qualified recipient" means a public transportation
22 provider or a political subdivision of this state.

23 (j) "Qualified investment" means a grant, loan, or other
24 economic assistance provided by the authority to a qualified
25 recipient under section 13 for a project eligible for assistance
26 under 49 USC 101 to 80504 or 23 USC 101 to 611, including operating
27 support for public transportation.

28 (k) "Rolling rapid transit system" means that term as defined
29 in section 2 of the regional transit authority act, 2012 PA 387,

1 MCL 124.542.

2 (l) "Transformational mobility project" means any of the
3 following:

4 (i) For a qualified investment located within a department
5 region with a population of 1,000,000 or more, a qualified
6 investment in public transportation that meets the criteria in
7 section 13(2)(a) to (f).

8 (ii) For a qualified investment located within a department
9 region with a population of 1,000,000 or more that includes a
10 public transportation provider that has before the effective date
11 of this act implemented a robust level of regional public
12 transportation services that includes a rolling rapid transit
13 system, a qualified investment that satisfies the criteria in
14 section 13(2)(d) and would sustain the operation of the regional
15 public transportation services or that meets the criteria in
16 section 13(2)(d) to (g).

17 (iii) For a qualified investment located within a department
18 region with a population of less than 1,000,000, a qualified
19 investment that meets the criteria in section 13(2)(d) to (g).

20 Sec. 5. (1) The transformational projects authority is created
21 within the department.

22 (2) The authority shall exercise its prescribed statutory
23 powers, duties, and functions of rule-making, including the
24 prescription of rules, rates, regulations, and standards and
25 adjudication independently of the director. The authority shall
26 perform the budgeting, procurement, and related management
27 functions of the authority under the direction and supervision of
28 the director.

29 (3) The authority is governed by a board of directors

1 consisting of 5 members appointed by the governor by and with the
2 advice and consent of the senate. The members of the board must
3 include not less than 2 members with expertise in public
4 transportation. The governor shall not appoint an individual as a
5 member of the board if the individual is an officer, employee,
6 contractor, or agent of a public transportation provider.

7 (4) The governor shall appoint 1 of the first members to a 1-
8 year term, 1 of the first members to a 2-year term, 1 of the first
9 members to a 3-year term, and 2 of the first members to 4-year
10 terms. After expiration of the terms of the first appointments, the
11 governor shall appoint members of the board to 4-year terms.

12 (5) If a vacancy occurs on the board for a reason other than
13 expiration of a term, the governor shall appoint an individual to
14 fill the vacancy for the balance of the term in the same manner as
15 the original appointment.

16 (6) The director shall call the first meeting of the board. At
17 the first meeting, the board shall elect from among its members a
18 chairperson and other officers as it considers necessary or
19 appropriate. After the first meeting, the board shall meet not less
20 than twice per year, or more frequently at the call of the
21 chairperson. The board may adopt, amend, and repeal bylaws for the
22 regulation of its affairs and the conduct of its business.

23 (7) A majority of the members of the board constitute a quorum
24 for transacting business. Except as otherwise provided in this
25 subsection, a majority of the members present and serving are
26 required for official action of the board. If 1 or more members of
27 the board recuse themselves, 2/3 of the members present and serving
28 are required for official action of the board.

29 (8) A member of the board is not entitled to compensation for

1 service on the board, but may be reimbursed for actual and
2 necessary expenses incurred in serving. A member of the board is
3 subject to 1968 PA 317, MCL 15.321 to 15.330, and 1973 PA 196, MCL
4 15.341 to 15.348.

5 (9) The director or the director's designee from within the
6 department shall attend meetings of the board. The department shall
7 assist the board in making decisions required under this act as
8 requested by the board.

9 (10) The board shall conduct its business in compliance with
10 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

11 (11) A writing that is prepared, owned, used, in the
12 possession of, or retained by the authority or the board in
13 performing an official function is subject to the freedom of
14 information act, 1976 PA 442, MCL 15.231 to 15.246.

15 Sec. 7. (1) The authority may do all of the following:

16 (a) Adopt and use a corporate seal.

17 (b) Establish and maintain an office.

18 (c) Sue and be sued in the authority's own name and plead and
19 be impleaded.

20 (d) Solicit, receive, and accept gifts, grants, labor, loans,
21 contributions of money, property, or other things of value, and
22 other aid or payment from any federal, state, local, or
23 intergovernmental agency or from any other person or entity, public
24 or private, on terms and conditions acceptable to the authority, or
25 participate in any other way in a federal, state, local, or
26 intergovernmental program.

27 (e) Employ personnel and hire or retain contractors,
28 subcontractors, advisors, consultants, and agents.

29 (f) Make and enter into contracts, agreements, or instruments

1 necessary, incidental, or convenient to the performance of the
2 authority's duties and execution of the authority's powers, duties,
3 functions, and responsibilities under this act with any federal,
4 state, local, or intergovernmental governmental agency or with any
5 other person or entity, public or private, on terms and conditions
6 acceptable to the authority, including, but not limited to,
7 agreements relating to grants and qualified investments authorized
8 under this act.

9 (g) Do all other things necessary or convenient to exercise
10 the powers, duties, functions, and responsibilities of the
11 authority under this act or other laws related to the purposes,
12 powers, duties, functions, and responsibilities of the authority.

13 (2) The board may make inquiries, studies, and investigations,
14 hold hearings, receive public comment, and consult with experts.

15 (3) The board may establish advisory workgroups that may
16 include individuals who are not members of the board, including,
17 but not limited to, experts in matters of interest to the
18 authority, to assist the board in performing its duties. The board
19 may adopt, reject, or modify a recommendation of an advisory
20 workgroup.

21 (4) The board may promulgate rules to implement this act
22 pursuant to the administrative procedures act of 1969, 1969 PA 306,
23 MCL 24.201 to 24.328.

24 Sec. 9. The authority may expend money from the fund only for
25 1 or more of the following purposes:

26 (a) Supplemental operating grants under section 11.

27 (b) Qualified investments in transformational mobility
28 projects under section 13.

29 (c) Administrative costs incurred by the authority under this

1 act.

2 Sec. 11. (1) Subject to subsection (3), of the money deposited
3 into the fund each year, the authority shall expend 20% of the
4 money for payment of supplemental operating grants to eligible
5 authorities and eligible governmental entities under this section.

6 (2) The authority shall allocate supplemental operating grants
7 under this section in a manner that conforms to, supplements, and
8 is proportional to the formula for the payment of operating grants
9 to eligible authorities and eligible governmental entities under
10 section 10e(4) (a) of 1951 PA 51, MCL 247.660e, except for both of
11 the following:

12 (a) The supplemental operating grants allocated under this
13 section must be calculated in a manner that considers a regional
14 transit authority created under the regional transit authority act,
15 2012 PA 387, MCL 124.541 to 124.558, as an eligible authority or
16 eligible governmental entity permitted to receive grants under
17 section 10e(4) (a) of 1951 PA 51, MCL 247.660e.

18 (b) Any restriction on an operating grant under section 7(6)
19 of the regional transit authority act, 2012 PA 387, MCL 124.547,
20 does not apply to the calculation or payment of supplemental
21 operating grants under this section.

22 (3) The authority shall not expend any money under this
23 section in a state fiscal year in which the amount appropriated
24 from the comprehensive transportation fund for payment of operating
25 grants to eligible authorities and eligible governmental entities
26 under section 10e(4) (a) of 1951 PA 51, MCL 247.660e, is less than
27 the amount expended under that subdivision in the state fiscal year
28 ending September 30, 2025.

29 (4) Money granted to a public transportation provider under

1 this section is supplemental and in addition to any money that the
2 public transportation provider may receive from the comprehensive
3 transportation fund established under section 10b of 1951 PA 51,
4 MCL 247.660b.

5 (5) As used in this section:

6 (a) "Eligible authority" means that term as defined in section
7 10c of 1951 PA 51, MCL 247.660c. As used in subsection (1),
8 eligible authority also includes a regional transit authority
9 created under the regional transit authority act, 2012 PA 387, MCL
10 124.541 to 124.558.

11 (b) "Eligible governmental agency" mean that term as defined
12 in section 10c of 1951 PA 51, MCL 247.660c.

13 Sec. 13. (1) After making allocations required under section
14 11 in a state fiscal year, if money remains in the fund, the
15 authority may make qualified investments in transformational
16 mobility projects for qualified recipients under this section.

17 (2) The authority shall consider the following criteria to the
18 extent reasonably applicable as reasonably determined by the
19 authority before entering into a written agreement with a qualified
20 recipient for the qualified investment:

21 (a) Whether the qualified investment is for the development,
22 expansion, or enhancement of high-capacity public transportation,
23 including, but not limited to, a rapid rolling transit system,
24 commuter rail, or intercity rail transportation.

25 (b) Whether the qualified investment is for the development,
26 expansion, or enhancement of regional or multijurisdictional public
27 transportation that connects major population, employment,
28 educational, health care, or other activity centers.

29 (c) Whether the qualified investment is for the development,

1 expansion, or enhancement of innovative and flexible public
2 transportation intended to meet mobility needs in lower density
3 areas, for first and last mile transportation solutions, or for
4 other specialized public transportation purposes, including, but
5 not limited to, access to health care.

6 (d) The extent of support for the qualified investment within
7 the region impacted by the qualified investment, including, but not
8 limited to, support from local government, public transportation
9 providers, and other regional anchor institutions such as major
10 regional employers, local and regional economic development
11 organizations, and educational institutions.

12 (e) The degree of financial participation from regional
13 entities impacted by or supporting the qualified investment,
14 including, but not limited to, local units of governments, public
15 transportation providers, and other regional entities, considering
16 the financial capacity of the regional entities.

17 (f) The readiness, financial feasibility, and financial
18 sustainability of the qualified investment, with the qualified
19 investment facilitating a complete capital and operating financial
20 model for the project supported by the qualified investment, with
21 the highest priority for financial assistance provided when the
22 qualified investment is necessary to meet a capital or operating
23 matching requirement for federal funding through 49 USC 5309.

24 (g) Whether the proposed qualified investment will provide
25 locally or regionally significant benefits for the movement of
26 people or goods, regional economic growth, and the attractiveness
27 of the region for population growth, job growth, or tourism, with
28 priority given to a qualified investment that includes a transit,
29 multimodal, or nonmotorized component.

1 (3) As used in this section, "multimodal" means the movement
2 of persons by multiple forms of transportation.

3 Sec. 15. Grants and qualified investments approved by the
4 authority under this act may be used to match federal aid, grants,
5 or other assistance.

6 Enacting section 1. This act does not take effect unless all
7 of the following bills of the 102nd Legislature are enacted into
8 law:

9 (a) Senate Bill No. 559.

10 (b) Senate Bill No. 562.

11 (c) Senate Bill No. ____ or House Bill No. 5768 (request no.
12 06246'24).

13 (d) Senate Bill No. ____ or House Bill No. 5770 (request no.
14 06247'24).