

# HOUSE BILL No. 4124

January 30, 2003, Introduced by Rep. Waters and referred to the Committee on Commerce.

A bill to create the Detroit area regional transportation authority; to transfer certain powers of authorities to the Detroit area regional transportation authority; to provide regional transportation for senior citizens, citizens with disabilities, citizens without the economic means to provide their own personal transportation, and all other citizens; to continue the suburban mobility authority for regional transportation; to prescribe certain powers and duties of the authorities; to provide for the addition and withdrawal of certain local entities from the authority; to provide for the powers and duties of certain state agencies with respect to the authority; to provide for the issuance of bonds and notes; to provide for the state to guarantee payment of certain claims against the authority and give the state a lien in satisfaction of payment; to protect the rights of employees of existing public

transportation systems; to provide for the pledge of taxes, revenues, assessments, tax levies, and other funds for bond and note payments; to authorize certain local entities to levy property taxes and make special assessments to fulfill their obligations under certain contracts with the authority; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

## ARTICLE I

2

Sec. 1. This act shall be known and may be cited as the

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"Detroit area regional transportation authority act".

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Sec. 2. As used in this act:

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(a) "Authority" means the Detroit area regional

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transportation authority created under this act.

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(b) "Board" means the governing and administrative body of

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the authority.

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(c) "Chief executive officer" means, with respect to a city,

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the mayor of the city and, with respect to a county, either the

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county executive of the county or, for a county not having a

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county executive, the chairperson of the county board of

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commissioners. Chief executive officer means, with respect to

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the authority or SMART, the chief executive officer of the

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authority or SMART.

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(d) "Comprehensive regional public transportation service

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plan" means the comprehensive regional public transportation

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service plan described in section 4(3).

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(e) "Local governmental consortium" means a legal or

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administrative entity described in section 7 of the urban

1 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.507, and  
2 provided for in an interlocal agreement entered into pursuant to  
3 that act between cities, villages, or townships within a county  
4 in the region that contains a city with a population of 500,000  
5 or more, and in existence prior to January 1, 2002.

6 (f) "Political subdivision" means a county, city, township,  
7 village, local governmental consortium, or school district  
8 located within the region.

9 (g) "Public transportation" means the transportation or  
10 conveyance of persons within the region or SMART region by means  
11 available to the general public, including, but not limited to,  
12 senior citizens, citizens with disabilities, and citizens without  
13 the economic means to provide their own personal transportation.  
14 Public transportation does not include transportation by  
15 automobiles not used for conveyance of the general public as  
16 passengers.

17 (h) "Public transportation facility" means all property, real  
18 and personal, public or private, used for providing public  
19 transportation. Public transportation facility includes, but is  
20 not limited to, automated guideways, overpasses and skywalks,  
21 street railways, buses, tramlines, subways, monorails, rail rapid  
22 transit, bus rapid transit, and tunnel, bridge, and parking  
23 facilities used in connection with public transportation  
24 facilities. Public transportation facility does not include  
25 taxis, limousines, state, county, or local roads, highways,  
26 ports, airports, motor bus charter services or operations that  
27 are not acquired by the authority or SMART, sightseeing services,

1 private intercity bus services, or transportation that is used  
2 exclusively for school or church purposes.

3 (i) "Region" means Macomb, Monroe, Oakland, Washtenaw, and  
4 Wayne counties and those local governmental consortiums, cities,  
5 townships, and villages within those counties. Region includes  
6 any county or local governmental consortium that becomes a member  
7 under section 6. Region does not include any county or local  
8 governmental consortium that has withdrawn from the authority  
9 under section 5.

10 (j) "SMART" means the suburban mobility authority for  
11 regional transportation described in section 30.

12 (k) "SMART board" means the governing and administrative body  
13 of SMART.

14 (l) "SMART region" means Oakland, Wayne, Monroe, and Macomb  
15 counties and the cities, townships, and villages within those  
16 counties. The term does not include any county that has  
17 withdrawn from SMART or the cities, townships, or villages within  
18 that county.

19 (m) "Transit system" means any individual, partnership,  
20 corporation, association, municipal corporation, limited  
21 liability company, public authority, public benefit agency, unit  
22 of government, or any person or entity other than the authority,  
23 or SMART that provides public transportation.

24 ARTICLE II

25 Sec. 3. (1) The authority is established, and the initial  
26 members of the authority are all counties, cities, townships, and  
27 villages within the region.

1           (2) The authority is an agency and instrumentality of the  
2 state and except as provided in this act has all of the powers of  
3 a public corporation if exercised for 1 or more of the following  
4 purposes:

5           (a) Planning public transportation facilities.

6           (b) Designing public transportation facilities.

7           (c) Constructing public transportation facilities.

8           (d) Operating public transportation facilities.

9           (e) Administering public transportation facilities.

10          (f) Acquiring public transportation facilities.

11          (g) Contracting to provide public transportation facilities.

12          (h) Maintaining, replacing, improving, and extending public  
13 transportation facilities.

14          (i) Exercising the powers of a public transportation  
15 facility.

16          (3) The authority shall not have the authority to design,  
17 construct, or operate ports or airports. The authority may  
18 provide service to and at ports and airports for the purpose of  
19 conveying the public to ports and airports.

20          (4) The authority shall not spend any public funds on  
21 political activities.

22          (5) The authority shall take all reasonable measures to  
23 provide regional transportation for senior citizens, citizens  
24 with disabilities, and citizens without the economic means to  
25 provide their own personal transportation. The authority shall  
26 take all reasonable measures to see that regional transportation  
27 services for those citizens are the first services provided by

1 the authority and that regional transportation services for those  
2 citizens are the last services reduced by the authority if the  
3 authority reduces services.

4 (6) The authority shall take all reasonable measures to  
5 provide adequate transportation services to citizens other than  
6 senior citizens, citizens with disabilities, or citizens without  
7 the economic means to provide their own personal transportation.

8 Sec. 4. (1) The authority shall provide for public  
9 transportation facilities for the region. In providing for  
10 public transportation facilities, the authority may exercise the  
11 powers enumerated in section 3(2). The authority shall fulfill  
12 its obligations under section 3(5), and shall take all reasonable  
13 and necessary measures to ensure that it meets its obligations  
14 under section 3(5) and (6) in the most cost-effective manner  
15 possible.

16 (2) It is the intent of the legislature that, by October 1,  
17 2003, the board shall become the designated recipient for  
18 purposes of receiving federal funds under chapter 53 of title 49  
19 of the United States Code, 49 U.S.C. 5307, 5308, 5309, 5310,  
20 5311, and 5313, and the regulations promulgated under that  
21 chapter. As the designated recipient, the board shall apply for  
22 federal and state transportation operating and capital assistance  
23 grants, and the board may designate the authority, a city with a  
24 population of more than 750,000, SMART, and other transit systems  
25 not included in a city of more than 750,000 population as  
26 subrecipients of federal and state transportation funds. To the  
27 extent required by chapter 53 of title 49 of the United States

1 Code, 49 U.S.C. 5307, 5308, 5309, 5310, 5311, and 5313, the board  
2 shall execute an agreement conferring on a city with more than  
3 750,000 population, SMART, and other transit systems not included  
4 in the city of more than 750,000 population the right to receive  
5 and dispense grant funds and containing any other provisions that  
6 federal law and regulations require. On behalf of the board, the  
7 secretary of the board shall submit in a timely manner the  
8 region's application for federal and state transportation funds  
9 to the responsible federal and state agencies. The application  
10 shall designate the distribution of all capital and operating  
11 funds that are paid directly to the authority, a city with a  
12 population of more than 750,000, SMART, and the other transit  
13 systems not included in a city of more than 750,000 in  
14 population. Except as otherwise provided in 1951 PA 51,  
15 MCL 247.651 to 247.675, and subject to subsections (5) and (6),  
16 if the authority is the recipient of federal or state funds, the  
17 chief executive officer of the authority shall remit to a city  
18 with a population of more than 750,000, SMART, and the other  
19 transit systems not included in the city of more than 750,000 in  
20 population their designated distribution of those funds in a  
21 manner consistent with the application.

22 (3) The authority shall develop, implement, and update a  
23 comprehensive regional public transportation service plan for  
24 providing public transit services in the region. The authority  
25 shall present the initial comprehensive regional public  
26 transportation service plan to the legislature, the governor, and  
27 the state transportation department within 1 year after the

1 selection of the chief executive officer of the authority. In  
2 each succeeding year, the authority shall update the  
3 comprehensive regional public transportation service plan and  
4 present it to the legislature, the governor, and the state  
5 transportation department. The comprehensive regional public  
6 transportation service plan shall contain all of the following:

7 (a) A specific plan for providing regional transportation for  
8 senior citizens, citizens with disabilities, and citizens without  
9 the economic means to provide their own personal transportation.

10 (b) A cost-benefit analysis of the necessity and  
11 effectiveness of the proposed plan, including an average cost per  
12 mile of services provided and an average cost per rider of  
13 services provided.

14 (c) An economic impact analysis of the ratio of public  
15 dollars expended on public transit services relative to the  
16 amount of private dollars invested in the region as a result of  
17 public transit services.

18 (d) A full accounting of all funding sources for the plan  
19 and, if any new taxes or special assessments are called for, an  
20 analysis of how much each individual taxpayer, participating  
21 local municipality, and county will pay versus what they  
22 currently pay for mass transit, and an analysis of how much of  
23 the tax or special assessment will be returned to the individual  
24 taxpayer, local municipality, and county in the form of public  
25 transit services.

26 (e) A discussion of how the plan provides for a fair  
27 distribution of services throughout the region.



1 (f) A discussion of how the specific and identifiable public  
2 transportation needs of the region are addressed in the plan.

3 (g) A discussion of how the plan delivers measurable  
4 benefits.

5 (4) Subject to the availability of funds, the authority shall  
6 provide or contract to provide those services that are required  
7 for the implementation and execution of the comprehensive  
8 regional public transportation service plan. The authority may  
9 contract with transportation operators within the region to  
10 provide services that the authority considers necessary for  
11 implementation and execution of the comprehensive regional public  
12 transportation service plan.

13 (5) This subsection does not apply to any private transit  
14 entities that have not contracted with the authority. If the  
15 coordination of any of the following functions does not result in  
16 the reduction in the number of represented employees employed by  
17 SMART or DDOT, the authority shall coordinate all of the  
18 following functions between different owners and operators of  
19 public transportation facilities within the region relative to  
20 transit services:

21 (a) Service overlap.

22 (b) Rates.

23 (c) Routing.

24 (d) Scheduling.

25 (e) Any other function that the authority considers necessary  
26 to coordinate in order to implement or execute the comprehensive  
27 regional transportation service plan.

1           (6) The authority shall provide notices of its coordination  
2 decisions under this section to owners and operators of public  
3 transportation facilities in the region. Any owner or operator  
4 of a public transportation facility within the region who fails  
5 to comply with the authority's notice of coordination decision  
6 may be declared ineligible for grant assistance from the  
7 authority, and, if the authority declares that the owner or  
8 operator is ineligible for grant assistance, shall not receive  
9 any transportation operating or capital assistance grants from  
10 the authority.

11           (7) To the extent possible, the authority shall facilitate  
12 and encourage connections with other forms of transportation,  
13 including, but not limited to, taxicabs.

14           (8) Within 1 year after the selection of the chief executive  
15 officer of the authority, the authority shall present to the  
16 legislature, the members of the appropriations committees of the  
17 house of representatives and the senate, and the governor its  
18 recommendations for legislation to fund the implementation of the  
19 comprehensive regional public transportation service plan and for  
20 legislation to establish a dedicated funding stream for the  
21 authority. The recommendations for legislation shall include an  
22 analysis of the availability of funding sources for the dedicated  
23 funding stream and the information described in subsection (3).

24           Sec. 5. (1) Subject to subsection (5), a county in the  
25 region with a population of 750,000 or less that chooses not to  
26 participate in the authority may withdraw from the authority by a  
27 resolution of withdrawal that is approved by a majority vote of

1 the members of the county board of commissioners.

2 (2) Subject to subsection (5), on January 1, 2006, a county  
3 in the region that does not contain a city with a population of  
4 more than 750,000, but is a county that has a population of more  
5 than 750,000, may withdraw from the authority by meeting both of  
6 the following:

7 (a) Within 60 days, the county board of commissioners by a  
8 2/3 vote adopts a resolution to place the question of withdrawing  
9 from the authority on the ballot of the next regularly scheduled  
10 November general election in the county. If the county seeking  
11 withdrawal under this subsection has an elected executive under  
12 1966 PA 293, MCL 45.501 to 45.521, or 1973 PA 139, MCL 45.551 to  
13 45.573, the county executive may veto the resolution.

14 (b) A majority of the electorate within each local unit of  
15 government within the county approves of the question of  
16 withdrawal from the authority at the next regularly scheduled  
17 November general election.

18 (3) Subject to subsection (5), on January 1, 2006, a local  
19 governmental consortium may withdraw from the authority by  
20 meeting both of the following:

21 (a) Within 60 days, the governing board of the local  
22 governmental consortium by a majority vote adopts a resolution to  
23 place the question of withdrawing from the authority on the  
24 ballot of the local governmental units in the local governmental  
25 consortium.

26 (b) A majority of the electorate of each local governmental  
27 unit within the consortium approves of the question of withdrawal

1 from the authority at the next regularly scheduled November  
2 general election.

3 (4) A county or local governmental consortium that withdraws  
4 from the authority shall lose its seat on the board and shall  
5 not, except on the unanimous affirmative vote of the board,  
6 contract for public transportation services with the authority.

7 (5) If a county or local governmental consortium elects to  
8 withdraw from the authority under this section, both of the  
9 following apply:

10 (a) The county or local governmental consortium shall pay or  
11 make provision to pay all of its obligations to the authority.  
12 Beginning 60 days after the withdrawing county or local  
13 governmental consortium gives notice of its intent to withdraw,  
14 the withdrawing county or local governmental consortium shall  
15 incur no further obligation to the authority until the withdrawal  
16 has been completed. Obligations of a transit system within the  
17 withdrawing county or local governmental consortium owed directly  
18 to the authority are not obligations of the county or local  
19 governmental consortium for purposes of this subsection. After  
20 the county or local governmental consortium has withdrawn from  
21 the authority, the state transportation department shall reduce  
22 the level of state funding to the authority by the amount  
23 allocable directly to the withdrawing county or local  
24 governmental consortium and transmit those funds directly to the  
25 withdrawing county or local governmental consortium.

26 (b) Any transit system within the withdrawing county or local  
27 governmental consortium shall pay or make provision to pay all of

1 its obligations to the authority. After the county or local  
2 governmental consortium has withdrawn from the authority, the  
3 state transportation department shall reduce the level of state  
4 funding to the authority by the amount allocable directly to that  
5 transit system and transmit those funds directly to that transit  
6 system.

7       Sec. 6. (1) A county may become a member of the authority  
8 if all of the following are met:

9       (a) Any part of the county is not more than 90 miles from the  
10 city limits of a city with a population of more than 750,000.

11       (b) The county is contiguous to another county that is a  
12 member of the authority.

13       (c) A resolution is adopted by a majority vote of the county  
14 board of commissioners of the county requesting membership.

15       (2) If the county seeking membership under this section has  
16 an elected county executive under 1966 PA 293, MCL 45.501 to  
17 45.521, or 1973 PA 139, MCL 45.551 to 45.573, the county  
18 executive may veto the resolution. The county board of  
19 commissioners for the county seeking membership under this  
20 section may override the veto by a 2/3 vote of the county board  
21 of commissioners.

22       Sec. 7. (1) The authority shall be governed by a board that  
23 shall consist of the following:

24       (a) Two members from each city in the region that has a  
25 population over 750,000.

26       (b) Two members from each county in the region that has a  
27 population over 750,000 and less than 1,750,000.

1 (c) One member from each county in the region that has a  
2 population of 750,000 or less.

3 (d) Two members from each county in the region that has a  
4 population over 1,750,000 so long as those members are not  
5 residents of a city in that county that has a population over  
6 750,000.

7 (e) One member and 1 alternate from each governmental  
8 consortium, selected by a majority vote of its governing board.  
9 A member or alternate described in this subdivision is a  
10 nonvoting member of the board.

11 (2) The chief executive officer of each city that is entitled  
12 to membership on the board shall select the members to represent  
13 the city. The appointment of a board member shall require the  
14 concurrence of a majority of the city council. The members that  
15 are appointed and approved shall serve on the board at the  
16 pleasure of the chief executive officer and can be removed from  
17 the board by the chief executive officer at any time. A board  
18 member appointed under this subsection shall be a resident of the  
19 city that the board member represents.

20 (3) The chief executive officer of each county that is  
21 entitled to membership on the board shall select the member or  
22 members to represent the county. The appointment of a board  
23 member shall require the concurrence of a majority of the county  
24 board of commissioners. The members that are appointed and  
25 approved shall serve on the board at the pleasure of the chief  
26 executive officer and can be removed from the board by the chief  
27 executive officer at any time. A board member appointed under

1 this subsection shall be a resident of the county that the board  
2 member represents.

3 (4) The first board shall be appointed within 30 days after  
4 the effective date of this act.

5 (5) The board shall conduct its first meeting within 60 days  
6 after the effective date of this act.

7 Sec. 8. (1) The board shall do all of the following:

8 (a) Select and retain a chief executive officer of the  
9 authority.

10 (b) Adopt bylaws and rules and procedures governing the board  
11 meetings.

12 (c) Establish policies to implement day-to-day operation of  
13 the authority.

14 (d) Review and approve the authority's capital and operating  
15 budgets to assure that the budgets are reported and administered  
16 in accordance with the uniform budgeting and accounting act, 1968  
17 PA 2, MCL 141.421 to 141.440a.

18 (e) As required by state or federal law to receive or  
19 disburse funds to SMART or any transit system in the region,  
20 review, or review and approve, the capital or operating budgets  
21 of SMART or that transit system.

22 (f) Conduct an annual audit in accordance with the uniform  
23 budgeting and accounting act, 1968 PA 2, MCL 141.421 to  
24 141.440a.

25 (g) Adopt the comprehensive regional public transportation  
26 service plan developed by the authority under section 4.

27 (h) Develop performance measures of the efficiency and

1 effectiveness of the provision of public transportation services  
2 to the region.

3 (i) Develop and specify uniform data requirements to assess  
4 the costs and benefits of public transportation services.

5 (j) Formulate procedures for establishing priorities in the  
6 allocation of funds for public transportation services.

7 (k) Establish and implement a standardized reporting and  
8 accounting system under which transit systems that receive funds  
9 directly or indirectly from the authority make quarterly reports  
10 on revenues and expenditures and submit annual and proposed  
11 budgets to the authority.

12 (l) Establish and implement standards relating to operating  
13 efficiency and cost control of transit systems.

14 (m) Establish public transportation policy for the region.

15 (2) Except as otherwise provided in this subsection, the  
16 board shall act by a majority vote of its membership that is  
17 entitled to vote. A vote for the adoption of bylaws, for the  
18 adoption of rules of procedure, or for the transaction of  
19 business shall not be effective unless the vote includes at least  
20 1 affirmative vote from a member that represents each city in the  
21 authority that has a population of 750,000 or more and at least 1  
22 affirmative vote from each county in the authority immediately  
23 contiguous to each city in the authority with a population of  
24 750,000 or more.

25 (3) The board shall meet regularly but not less than  
26 quarterly.

27 (4) Except as provided in this subsection, a board member



1 shall not designate another representative to serve in his or her  
2 place on the board. Each county and city entitled to membership  
3 on the board in the region shall have the ability to appoint 1  
4 alternate to serve if a permanent member is absent from a board  
5 meeting. The board shall not engage in proxy voting.

6 (5) The board shall conduct the business that it may perform  
7 at meetings held in compliance with the open meetings act, 1976  
8 PA 267, MCL 15.261 to 15.275. Public notice of the time, date,  
9 and place of the meetings shall be given in the manner required  
10 by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

11 (6) The board shall appoint a citizens advisory committee  
12 that consists of region residents. Forty percent of the  
13 committee shall be made up of users of public transportation. At  
14 least 25% of the users of public transportation on the committee  
15 shall be seniors or persons with disabilities. Two users of  
16 public transportation from Wayne county, 2 users of public  
17 transportation from Oakland county, 2 users of public  
18 transportation from Macomb county, 2 users of public  
19 transportation from each city in the authority region that has a  
20 population of 750,000 or more, and 1 user of public  
21 transportation from each additional member county shall be on the  
22 committee. Thirty percent of the committee shall be made up of  
23 individuals from organizations representing seniors and persons  
24 with disabilities. Thirty percent of the committee shall be made  
25 up of individuals representing business, labor, community, and  
26 faith-based organizations. The citizens advisory committee shall  
27 meet at least on a quarterly basis. The citizens advisory

1 committee may make reports to the board, including  
2 recommendations, if any, at each board meeting. The citizens  
3 advisory committee shall do all of the following:

4 (a) Review and comment on the comprehensive regional public  
5 transportation service plan and all annual updates.

6 (b) Advise the board regarding the coordination of functions  
7 between different owners and operators of public transportation  
8 facilities within the region.

9 (c) Review and comment on the specialized services  
10 coordination plan required by section 10e(4)(c)(i)(A) of 1951  
11 PA 51, MCL 247.660e.

12 (d) Provide recommendations on other matters that concern  
13 public transportation in the region.

14 (7) The board shall establish a ridership committee that  
15 consists of a representative group of transit system riders who  
16 live in the region. The ridership committee shall report their  
17 concerns to the board on a regularly scheduled basis.

18 (8) The board may change the name of the authority by a  
19 unanimous vote of the members. The board shall notify the state  
20 transportation department within 10 days after a name change is  
21 implemented.

22 (9) The authority may give assistance to transit systems that  
23 are operated within the region by any city or public agency.

24 (10) The board shall employ an independent certified public  
25 accounting firm to provide annual financial audits for the  
26 authority and to review the audits of SMART and other operators  
27 of transit systems that receive funds directly or indirectly from

1 the authority. The cost associated with the audits and reviews  
2 required under this subsection shall be the responsibility of the  
3 operator of the transit system being audited.

4 (11) The board may elect to become a participating  
5 municipality on behalf of all authority employees, including  
6 acquired employees under section 17, but only pursuant to section  
7 2c(2) of the municipal employees retirement act of 1984, 1984  
8 PA 427, MCL 38.1502c.

9 Sec. 9. The authority may:

10 (a) Adopt rules to accomplish the purposes of this act.

11 (b) Plan, acquire, construct, operate, maintain, replace,  
12 improve, extend, and contract for transportation facilities  
13 within the region. If there is no transit system established or  
14 operating public transportation facilities within 10 miles beyond  
15 any portion of the region, the authority shall have the powers  
16 stated in this subdivision for 10 miles beyond that portion of  
17 the region.

18 (c) Acquire and hold, by purchase, lease, grant, gift,  
19 devise, bequest, condemnation, or other legal means, real and  
20 personal property, including, but not limited to, franchises,  
21 easements, and rights-of-way on, under, or above property within  
22 the region. If there is no transit system established and  
23 operating public transportation facilities within 10 miles beyond  
24 any portion of the region, the authority shall have the powers  
25 enumerated in this subdivision for 10 miles beyond that portion  
26 of the region.

27 (d) Apply for and accept grants, loans, or contributions from

1 any source. The authority shall use the proceeds of the grants,  
2 loans, or contributions solely for the purposes of this act. The  
3 authority may do anything within its power to secure the grants,  
4 loans, or other contributions.

5 (e) Sell, lease, or use any property that the authority  
6 acquires. For purposes of this subdivision, "use" includes, but  
7 is not limited to, the leasing of advertising space and the  
8 granting of concessions for the sale of articles or for  
9 services.

10 (f) Grant to public or privately owned utilities the right to  
11 use any property that the authority has acquired.

12 (g) Grant to any other public transportation facility the  
13 right to use the property that the authority has acquired.

14 (h) Contract with, or enter into agreements with, any unit of  
15 government including transportation authorities or transit  
16 systems located inside or outside the region or private  
17 enterprise for service contracts, joint use contracts, and  
18 contracts for the construction or operation of any part of the  
19 transportation facilities or for any other reason the authority  
20 determines is necessary.

21 (i) Borrow money to finance and perform its powers and  
22 duties.

23 (j) Receive the proceeds of taxes, special assessments, and  
24 charges imposed, collected, and returned to the authority under  
25 the law.

26 (k) Exercise all other powers that are necessary, incidental,  
27 or convenient for the carrying out of the purposes of this

1 article.

2       Sec. 10. (1) The authority shall fix rates, fares, tolls,  
3 rents, and other charges for the use of public transportation  
4 facilities and the services provided by the authority within the  
5 region that the authority owns, has contracted for, or operates.

6       (2) The authority shall give a public notice of its intent to  
7 apply for money from the comprehensive transportation fund to the  
8 residents of the counties, cities, townships, and villages  
9 affected by the local transportation program. The authority  
10 shall make the application available for review for 30 days by  
11 the residents of the affected counties, cities, townships, and  
12 villages. All public comments that the authority receives under  
13 this subsection shall be included in its application for  
14 comprehensive transportation funds and transmitted to the board  
15 and the state transportation department.

16       (3) The authority shall hold a public meeting annually on the  
17 comprehensive regional transportation service plan and all plan  
18 updates. The public meeting shall be held before the adoption of  
19 the plan or update by the board. A summary of the comments made  
20 at the public meeting shall be provided to the board.

21       (4) The authority shall conduct a public hearing before the  
22 implementation of changes to the fares charged for authority  
23 services. A transcript of the public hearing shall be  
24 transmitted to the board before consideration of proposed fare  
25 changes.

26       Sec. 11. Before any state or federal funds are distributed  
27 to the authority, a financial audit of the operations for the

1 fiscal year before the most recently completed fiscal year shall  
2 be provided to the department of treasury. The department of  
3 treasury may waive this requirement on a temporary basis. Each  
4 audit shall be conducted in accordance with sections 6 to 13 of  
5 the uniform budgeting and accounting act, 1968 PA 2, MCL 141.426  
6 to 141.433.

7       Sec. 12. (1) This state guarantees the payment of claims  
8 for benefits arising under the worker's disability compensation  
9 act of 1969, 1969 PA 317, MCL 418.101 to 418.941, during the time  
10 the authority is approved as a self-insured employer if all of  
11 the following occur:

12       (a) The authority ceases to exist or is dissolved.

13       (b) A successor agency is not created to assume the assets  
14 and liabilities and perform the functions of the authority.

15       (c) The authority is authorized to secure the payment of  
16 compensation under section 611(1)(a) of the worker's disability  
17 compensation act of 1969, 1969 PA 317, MCL 418.611.

18       (2) This state shall be entitled to a lien that shall take  
19 precedence over all other liens in the amount of all the payment  
20 of claims made by this state on behalf of the authority under  
21 this section. The lien shall be on the assets of the authority.

22       Sec. 13. A community or group of communities in the region  
23 may create citizen advisory councils to relate concerns to the  
24 board on a regularly scheduled basis. Citizen advisory councils  
25 shall be composed of members representative of the neighborhoods  
26 within the community or group of communities.

27       Sec. 14. The authority created under this act shall not be

1 dissolved and its powers shall not be diminished except as  
2 provided in this act.

3       Sec. 15. In the exercise of its powers within the region,  
4 the authority is exempt from all of the following acts:

5       (a) The motor carrier act, 1933 PA 254, MCL 475.1 to 479.43.

6       (b) The motor bus transportation act, 1982 PA 432,  
7 MCL 474.101 to 474.141.

8       (c) The township and village public improvement and public  
9 service act, 1923 PA 116, MCL 41.411 to 41.419.

10       Sec. 16. (1) By March 20, 2004, the board shall select and  
11 retain a chief executive officer.

12       (2) The chief executive officer shall administer the  
13 authority in accordance with the comprehensive regional public  
14 transportation service plan, the operating budget, the general  
15 policy guidelines established by the board, the applicable  
16 governmental procedures and policies, and this act. The chief  
17 executive officer is responsible for the supervision of all  
18 authority employees.

19       (3) All terms and conditions of the chief executive officer's  
20 employment, including length of service, shall be specified in a  
21 written contract.

22       Sec. 17. (1) The authority shall have the right to bargain  
23 collectively and enter into agreements with labor organizations.

24       (2) The authority shall be bound by existing collective  
25 bargaining agreements with publicly or privately owned entities  
26 that are acquired, purchased, or condemned by the authority.  
27 Members and beneficiaries of any pension or retirement system

1 established by the acquired transportation system, and  
2 beneficiaries of any of the benefits established by the acquired  
3 transportation system shall continue to have rights, privileges,  
4 benefits, obligations, and status under the acquired pension or  
5 retirement system or benefits. The authority shall assume the  
6 obligations of public transportation facilities or transit  
7 systems that the authority acquires with regard to all of the  
8 following:

9 (a) Wages and salaries.

10 (b) Hours and working conditions.

11 (c) Sick leave and health and welfare benefits.

12 (d) Pension or retirement benefits, including retiree health  
13 care benefits.

14 (3) No employee of an acquired transportation system who is  
15 transferred to a position with the authority shall, by reason of  
16 the transfer, be placed in a worse position with respect to any  
17 of the following:

18 (a) Worker's compensation.

19 (b) Pension.

20 (c) Seniority.

21 (d) Wages.

22 (e) Sick leave.

23 (f) Vacation.

24 (g) Health and welfare benefits.

25 (h) Any other benefits that he or she enjoyed as an employee  
26 of the acquired transportation system.

27 (4) Employees of the acquired transportation system who left



1 the acquired transportation system to enter into military service  
2 of the United States shall have the same rights with respect to  
3 the authority under 1951 PA 263, MCL 35.351 to 35.356, as they  
4 would have had as employees of the acquired transportation  
5 system.

6 (5) For federally funded activities, the authority shall  
7 enter into and comply with the arrangements that the  
8 U.S. secretary of labor certifies as fair and equitable in  
9 compliance with 49 U.S.C. 5333(b).

10 (6) Before beginning to operate any new transit service or  
11 public transportation facility or entering into any contract or  
12 other arrangements for the operations of the transit service or  
13 public transportation facility, the authority shall extend to the  
14 employees providing public transportation services directly for  
15 or by contract with the authority, in order of the employee's  
16 seniority with the employee's employer, the first opportunity for  
17 reasonably comparable employment in any new jobs with respect to  
18 the operations for which the employee can qualify after a  
19 reasonable training period. The authority shall provide for the  
20 first opportunity required under this subsection in any contract  
21 to operate a new transit service or public transportation  
22 facility. Employers shall comply with all collective bargaining  
23 agreements in accordance with the national labor relations act,  
24 chapter 372, 49 Stat. 449, and the public employment relations  
25 act of 1947, 1947 PA 336, MCL 423.201 to 423.217.

26 (7) The authority shall contract only with SMART and DDOT for  
27 any public transportation or related service that SMART or DDOT

1 offered as of May 22, 2002 unless DDOT or SMART has been declared  
2 ineligible for grant assistance under section 4(6) of this act.  
3 Nothing in this act requires the authority to provide funds to  
4 either DDOT or SMART beyond those received by the authority as  
5 the designated recipient under section 4(2).

6       Sec. 18. (1) The authority shall not levy taxes. Except as  
7 otherwise provided in this section, the authority shall not  
8 pledge the credit or taxing power of the state or any political  
9 subdivision. The authority may pledge the receipts of taxes,  
10 special assessments, or charges that the state or a political  
11 subdivision collects so long as the receipts of the taxes,  
12 special assessments, or charges are returnable and payable by law  
13 or contract to the authority. The authority may pledge the  
14 pledge of a political subdivision of this state of its full faith  
15 and credit in support of its contractual obligations to the  
16 authority.

17       (2) In addition to any other method of financing authorized  
18 by law, public transportation facilities may be financed by 1 or  
19 more of the following:

20       (a) Fares, rates, tolls, and rents.

21       (b) Other income or revenue from whatever source available,  
22 including, but not limited to, appropriations and contributions  
23 and other revenue of the participating counties and political  
24 subdivisions in the region.

25       (c) Grants, loans, and contributions from federal, state, or  
26 other governmental units.

27       (d) Grants, contributions, gifts, devises, or bequests from

1 any other source.

2 (e) Taxes, special assessments, or charges that are imposed  
3 by law and collected by a state or political subdivision and  
4 returned or paid to the authority under the law or pursuant to  
5 contract.

6 Sec. 19. (1) The chief executive officer shall prepare and  
7 the board shall approve an operating budget and a capital budget  
8 for the authority for each fiscal year. Each budget shall be  
9 approved by the February 1 immediately preceding the beginning of  
10 the fiscal year of the authority.

11 (2) The chief executive officer shall prepare and the board  
12 shall approve a capital program and an operating budget to cover  
13 5 years. The first capital program and operating budgets shall  
14 be submitted to the board within 270 days after selection of the  
15 chief executive officer of the authority. The chief executive  
16 officer shall revise and update the capital program and operating  
17 budgets on an annual basis and submit the revised capital program  
18 and operating budgets to the board each fiscal year.

19 (3) The authority shall submit its annual operating and  
20 capital budget, financial audits, and construction plans to a  
21 regional governmental and coordinating agency if a regional  
22 governmental and coordinating agency exists in the region. The  
23 submittal shall allow a reasonable time for review and comment.

24 Sec. 20. (1) Except as otherwise provided in this section  
25 and section 21, competitive bids shall be secured before any  
26 purchase or sale, by contract or otherwise, is made or before any  
27 contract is awarded, or before any contract is renewed, for

1 construction, alteration, supplies, equipment, repairs,  
2 maintenance, and the rendering of services to the authority.

3 (2) Except as otherwise provided in this section, all  
4 purchases and sales in excess of \$50,000.00 shall be awarded  
5 after advertising in a manner determined by the board and set  
6 forth in a written purchasing policy. Bids shall be publicly  
7 opened and read aloud at a date, time, and place designated in  
8 the invitation to bid. Invitations to bid shall be sent at least  
9 1 week before the bid opening to at least 3 potential bidders who  
10 are qualified technically and financially to submit bids, or a  
11 memorandum shall be kept on file showing that less than 3  
12 potential bidders who are qualified and responsible exist in the  
13 general market area within which it is practicable to obtain  
14 quotations.

15 (3) Except as otherwise provided in this section, written  
16 price quotations from at least 3 qualified and responsible  
17 vendors shall be obtained for all purchases and sales of  
18 \$50,000.00 or less but greater than \$5,000.00, or a memorandum  
19 shall be kept on file showing that less than 3 qualified and  
20 responsible vendors exist in the market area within which it is  
21 practicable to obtain quotations.

22 (4) Competitive bidding is not required in 1 or more of the  
23 following circumstances:

24 (a) The purchase of unique articles.

25 (b) The purchase of articles that cannot be obtained in the  
26 open market.

27 (c) Purchases or sales under \$5,000.00.

1 (d) The rendering of professional services.

2 (e) An emergency exists that directly and immediately affects  
3 service or public health, safety, or welfare and that requires  
4 immediate delivery of supplies, materials, equipment, or services  
5 as determined under procedures approved and determined by the  
6 board.

7 (5) The board shall expressly approve or deny in advance the  
8 purchase of unique articles or articles that cannot be obtained  
9 in the open market without competitive bidding if the amount of  
10 the purchase in either case is in excess of \$50,000.00.

11 Sec. 21. Concessions for the sale of products or the  
12 rendition of services for a consideration on authority property,  
13 and renewal of any of those concessions, shall be awarded by the  
14 authority only pursuant to written specifications after  
15 competitive bidding to the highest responsible bidder under  
16 procedures similar to those required under section 20. The  
17 requirement for competitive bidding does not apply to a  
18 concession involving the estimated receipt by the authority of  
19 less than \$1,000.00 over the period for which the concession is  
20 granted.

21 Sec. 22. (1) The authority may acquire facilities, assets,  
22 and rights of existing and operating private or public  
23 transportation systems. Except as provided in section 17, no  
24 liability, other than for equipment and facilities, shall be  
25 assumed or contracted for. Except as otherwise provided in this  
26 subsection, the authority shall not be required to comply with  
27 any statutory or charter limitations or prerequisites to an

1 acquisition.

2 (2) If the contract between the authority and the existing  
3 and operating private or public transportation system provides  
4 only for operation of the existing system by the authority or  
5 only for acquisition without consideration, the transaction is  
6 not considered a sale of a public utility within any  
7 constitutional, statutory, or charter limitation or within any  
8 revenue bond ordinance.

9 (3) If the negotiation between the authority and an existing  
10 private or public transportation system does not reach a  
11 conclusion, the authority shall notify the owner of the existing  
12 private or public transportation system in writing that the  
13 matter shall proceed to binding final arbitration under the rules  
14 and procedures of the American arbitration association.

15 Sec. 23. Except as otherwise provided in this section,  
16 claims that arise in connection with the authority shall be  
17 presented as ordinary claims against a common carrier of  
18 passengers for hire. Written notice of any claim based on injury  
19 to persons or property shall be served on the authority not later  
20 than 60 days after the occurrence that gave rise to the claim.  
21 The disposition of the claim shall rest in the discretion of the  
22 authority. Claims that may be allowed and final judgment shall  
23 be paid from authority funds. Claims against the authority shall  
24 only be brought in a court of competent jurisdiction in a county  
25 in the region in which the authority principally carries on its  
26 functions.

27 Sec. 24. All counties and other political subdivisions and



1 in the metropolitan transportation authorities act of 1967, 1967  
2 PA 204, MCL 124.401 to 124.426, is continued under this article.  
3 The chief executive officer of SMART and SMART board serving  
4 under that act on October 1, 2003, shall continue as the first  
5 chief executive officer of SMART and SMART board under this  
6 article. The members of SMART are Oakland, Wayne, Monroe, and  
7 Macomb counties.

8 (2) Subject to subsections (3) and (4), a county with a  
9 population of 750,000 or less that chooses not to participate in  
10 SMART may withdraw from SMART by a resolution of withdrawal that  
11 is approved by a majority vote of the members of the county board  
12 of commissioners.

13 (3) If the county seeking withdrawal under this section has  
14 an elected county executive under 1966 PA 293, MCL 45.501 to  
15 45.521, or 1973 PA 139, MCL 45.551 to 45.573, the county  
16 executive may veto the resolution. A veto may be overridden by a  
17 2/3 vote of the county board of commissioners from the county  
18 seeking to withdraw from SMART.

19 (4) A county that withdraws from SMART shall lose its seat on  
20 the SMART board and shall not, except on the unanimous  
21 affirmative vote of the SMART board, contract for public  
22 transportation services with SMART.

23 (5) SMART is an agency and instrumentality of the state and  
24 except as provided in this article has all of the powers of a  
25 public corporation if exercised for 1 or more of the following  
26 purposes:

27 (a) Planning public transportation facilities.



- 1 (b) Designing public transportation facilities.  
2 (c) Constructing public transportation facilities.  
3 (d) Operating public transportation facilities.  
4 (e) Administering public transportation facilities.  
5 (f) Acquiring public transportation facilities.  
6 (g) Contracting to provide public transportation facilities.  
7 (h) Maintaining, replacing, improving, and extending public  
8 transportation facilities.  
9 (i) Exercising the powers of a public transportation  
10 facility.

11 (6) If SMART ceases to operate or is dissolved and a  
12 successor agency is not created to assume its assets and  
13 liabilities, and perform its functions, and if SMART is  
14 authorized to secure the payment of compensation under  
15 section 611(1)(a) of the worker's disability compensation act of  
16 1969, 1969 PA 317, MCL 418.611, then the state guarantees the  
17 payment of claims for benefits arising under the worker's  
18 disability compensation act of 1969, 1969 PA 317, MCL 418.101 to  
19 418.941, against SMART during the time they were approved as a  
20 self-insured employer. The state shall be entitled to a lien  
21 which shall take precedence over all other liens on its portion  
22 of the assets of SMART in satisfaction of the payment of claims  
23 for benefits under the worker's disability compensation act of  
24 1969, 1969 PA 317, MCL 418.101 to 418.941.

25 (7) A community or group of communities in the SMART region  
26 may create citizens planning and advisory councils to relate  
27 their particular concerns to the SMART board on a regularly

1 scheduled basis. These councils shall have memberships  
2 representative of the various neighborhoods within those cities.

3       Sec. 32. (1) The SMART board shall be composed of the chief  
4 executive officers of each county in which a city having a  
5 population of 750,000 or more is located within the area served  
6 by SMART and of all other counties immediately contiguous to that  
7 city, and the representative of each chief executive officer to  
8 be designated in the sole discretion of, and serve at the sole  
9 pleasure of, that chief executive officer. Every county with a  
10 population of less than 750,000 that is served by SMART shall  
11 have 1 seat on the SMART board. A chief executive officer may  
12 designate an alternate to serve in his or her place on the SMART  
13 board.

14       (2) The SMART board by a majority vote shall adopt bylaws and  
15 rules of procedure governing its meetings. A majority vote for  
16 the adoption of bylaws and rules of procedure and for the  
17 transaction of business shall not be effective unless it includes  
18 at least 1 vote from each county in which a city having a  
19 population of 750,000 or more is located, and at least 1 vote  
20 from each county immediately contiguous to that city.

21       (3) The business of the SMART board shall be conducted at a  
22 public meeting of the board held in compliance with the open  
23 meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice  
24 of the time, date, and place of the meeting shall be given in the  
25 manner required by the open meetings act, 1976 PA 267, MCL 15.261  
26 to 15.275.

27       (4) Records and other writings prepared, owned, used, in the

1 possession of, or retained by SMART in the performance of an  
2 official function shall be available in compliance with the  
3 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

4 (5) SMART may:

5 (a) Adopt rules to accomplish the purposes of this act.

6 (b) Plan, acquire, construct, operate, maintain, replace,  
7 improve, extend, and contract for transportation facilities  
8 within the SMART region. If there is no authority or transit  
9 system established or operating public transportation facilities  
10 within 10 miles beyond any portion of the SMART region, SMART  
11 shall have the powers stated in this subdivision for 10 miles  
12 beyond that portion of the SMART region.

13 (c) Acquire and hold, by purchase, lease, grant, gift,  
14 devise, bequest, condemnation, or other legal means, real and  
15 personal property, including, but not limited to, franchises,  
16 easements, and rights-of-way on, under, or above property within  
17 the SMART region. If there is no authority or transit system  
18 established and operating public transportation facilities within  
19 10 miles beyond any portion of the SMART region, SMART shall have  
20 the powers enumerated in this subdivision for 10 miles beyond  
21 that portion of the SMART region.

22 (d) Apply for and accept grants, loans, or contributions from  
23 any source. SMART may use the proceeds of the grants, loans, or  
24 contributions for any of the purposes of this act. SMART may do  
25 anything within its power to secure the grants, loans, or other  
26 contributions.

27 (e) Sell, lease, or use any property that SMART acquires.

1 For purposes of this subdivision, "use" includes, but is not  
2 limited to, the leasing of advertising space and the granting of  
3 concessions for the sale of articles or for services.

4 (f) Grant to public or privately owned utilities the right to  
5 use any property that SMART has acquired.

6 (g) Grant to any other public transportation facility the  
7 right to use the property that SMART has acquired.

8 (h) Contract with any unit of government or private  
9 enterprise for service contracts, joint use contracts, and  
10 contracts for the construction or operation of any part of the  
11 transportation facilities.

12 (i) Receive the proceeds of taxes, special assessments, and  
13 charges imposed, collected, and returned to SMART under the law.

14 (j) Elect to become a participating municipality for acquired  
15 employees under section 34, pursuant to section 2c(2) of the  
16 municipal employees retirement act of 1984, 1984 PA 427,  
17 MCL 38.1502c.

18 (k) Exercise all other powers that are necessary, incidental,  
19 or convenient for the carrying out of the purposes of this  
20 article.

21 (6) SMART shall not spend any public funds on political  
22 activities.

23 (7) SMART shall take all reasonable measures to provide  
24 regional transportation for senior citizens, citizens with  
25 disabilities, and citizens without the economic means to provide  
26 their own personal transportation. SMART shall take all  
27 reasonable measures to see that regional transportation services

1 for those citizens are the first services provided by SMART and  
2 that regional transportation services for those citizens are the  
3 last services reduced by SMART if SMART reduces services.

4 (8) SMART may provide adequate transportation services to  
5 citizens other than senior citizens, citizens with disabilities,  
6 or citizens without the economic means to provide their own  
7 personal transportation only to the extent it does not impair or  
8 preclude SMART's obligations under subsection (7).

9 Sec. 33. The SMART board shall do all of the following:

10 (a) Adopt bylaws and rules and procedures governing the SMART  
11 board meetings.

12 (b) Establish or continue broad policies to implement  
13 day-to-day operation of SMART.

14 (c) Review and approve the capital and operating budgets of  
15 SMART to assure that the budgets are reported and administered in  
16 accordance with the uniform budgeting and accounting act, 1968  
17 PA 2, MCL 141.421 to 141.440a.

18 (d) Conduct an annual audit in accordance with the uniform  
19 budgeting and accounting act, 1968 PA 2, MCL 141.421 to  
20 141.440a.

21 (e) Employ a general manager of SMART.

22 Sec. 34. (1) The SMART board shall appoint a general  
23 manager who shall be the chief executive and operating officer of  
24 SMART. The general manager shall have management of the  
25 properties and business of SMART and its employees. He or she  
26 shall direct the enforcement of all resolutions, rules, and  
27 regulations of the SMART board, and shall enter into contracts as

1 necessary under the general control of the SMART board. The  
2 general manager shall serve at the pleasure of the SMART board.

3 (2) The general manager shall have the authority to appoint  
4 officers, employees, and agents necessary to carry out the  
5 purposes of SMART under the general policy direction of the SMART  
6 board. The general manager shall classify all the offices,  
7 positions, and grades of regular employment required under a  
8 merit rating system; except that a maximum of 5% of the employees  
9 and officers shall be exempt from the provisions of the merit  
10 rating system.

11 Sec. 35. (1) The general manager shall prepare and the  
12 SMART board shall approve a separate operating and capital budget  
13 for each fiscal year. These budgets shall be approved at least  
14 30 days before the beginning of each new fiscal year. In  
15 addition, capital program and operating budgets shall be prepared  
16 to cover periods of 5 years. These shall be revised and updated  
17 annually before submission to the SMART board.

18 (2) SMART shall submit its annual operating and capital  
19 budget, financial audits, and construction plans to the  
20 authority, far enough in advance of any final approval  
21 requirement for the board to have a reasonable time for review,  
22 comments, and revision.

23 Sec. 36. SMART shall not levy taxes nor shall it pledge the  
24 credit or taxing power of the state or any political subdivision  
25 except for the pledging of receipts of taxes, special  
26 assessments, or charges collected by the state or a political  
27 subdivision and returnable or payable by law or by contract to

1 SMART and except for the pledge by a political subdivision of the  
2 state of its full faith and credit in support of its contractual  
3 obligations to SMART as authorized by law. Transportation  
4 facilities shall be financed, in addition to other methods of  
5 financing provided by law, by 1 or more of the following  
6 methods:

7 (a) By fares, rates, tolls, and rents.

8 (b) By other income or revenues from whatever source  
9 available, including appropriations or contributions of whatever  
10 nature or other revenues of the participating counties and  
11 political subdivisions within the geographical boundaries of  
12 SMART.

13 (c) By loans from any public agency and grants,  
14 contributions, gifts, devises, or bequests from any source.

15 (d) By proceeds of taxes, special assessments, or charges  
16 imposed pursuant to law and collected by the state or a political  
17 subdivision and returned or paid to SMART pursuant to law or  
18 contract.

19 Sec. 37. All claims that may arise in connection with SMART  
20 shall be presented as ordinary claims against a common carrier of  
21 passengers for hire. Written notice of any claim based upon  
22 injury to persons or property shall be served upon SMART no later  
23 than 60 days from the occurrence through which such injury is  
24 sustained. Disposition of the claim shall rest in the discretion  
25 of SMART, and all claims that may be allowed and final judgment  
26 obtained shall be paid from SMART funds. Only the courts located  
27 in the counties in which SMART principally carries on its

1 function are the proper counties in which to commence and try  
2 action against SMART.

3       Sec. 38. (1) SMART may fix rates, fares, tolls, rents, and  
4 other charges for the use of public transportation facilities and  
5 the services provided by SMART within the SMART region.

6       (2) SMART shall give a public notice of its intent to apply  
7 for money from the comprehensive transportation fund to the  
8 residents of the counties, townships, villages, and cities  
9 affected by the local transportation program and shall make its  
10 application available for a period of 30 days. All comments  
11 received by SMART shall be transmitted to the board, the SMART  
12 board, and the state transportation department along with the  
13 application for funds.

14       (3) SMART shall conduct a public hearing before the SMART  
15 board implements changes to the fares charged for the services  
16 provided by SMART. A transcript of the public hearing shall be  
17 transmitted to the SMART board before the consideration of the  
18 fare changes.

19       Sec. 39. (1) SMART may borrow money and issue bonds to  
20 finance and to carry out its powers and duties. The bonds shall  
21 be payable from and may be issued in anticipation of payment of  
22 the proceeds of any of the methods of financing as may be  
23 provided by law. A political subdivision within the geographical  
24 boundaries of SMART may contract to make payments,  
25 appropriations, or contributions to SMART of the proceeds of  
26 taxes, special assessments, or charges imposed and collected by  
27 the political subdivision or out of any other funds legally



1 available and may pledge its full faith and credit in support of  
2 its contractual obligation to SMART. The contractual obligation  
3 shall not constitute an indebtedness of a political subdivision  
4 within a statutory or charter debt limitation. If SMART has  
5 issued bonds in anticipation of payments, appropriations, or  
6 contributions to be made to SMART pursuant to contract by a  
7 political subdivision having the power to levy and collect ad  
8 valorem taxes, the political subdivision may obligate itself by  
9 the contract, and thereupon may levy a tax on all taxable  
10 property in the political subdivision, which tax as to rate or  
11 amount will be as provided in section 6 of article IX of the  
12 state constitution of 1963 for contract obligations in  
13 anticipation of which bonds are issued, to provide sufficient  
14 money to fulfill its contractual obligation to SMART.

15 (2) The bonds of SMART shall be issued and sold in compliance  
16 with the revised municipal finance act, 2001 PA 34, MCL 141.2101  
17 to 141.2821, except that the bonds may be issued for any period  
18 of years, not exceeding 40 years.

19 (3) A political subdivision may advance or deliver property  
20 to SMART to finance or carry out its powers and duties. SMART  
21 may agree to repay the advances or pay for the property within a  
22 period not exceeding 10 years, from the proceeds of its bonds or  
23 from other funds legally available to SMART, with or without  
24 interest as may be agreed to at the time of advance or  
25 repayment. The obligation of SMART to make the payment or  
26 repayment may be evidenced by a contract or note that may pledge  
27 the full faith and credit of SMART. The contract or note that is

1 evidence of SMART's obligation shall not be an obligation under  
2 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
3 141.2821.

4 (4) A political subdivision desiring to enter into a contract  
5 under subsection (1) shall authorize, by resolution of its  
6 governing body, the execution of the contract, which resolution  
7 shall be published in a newspaper of general circulation within  
8 the political subdivision, and the contract may be executed  
9 without a vote of the electors on the contract upon the  
10 expiration of 90 days after the date of the publication unless,  
11 within the 90-day period, a petition signed by not less than 5%  
12 of the registered electors residing within the limits of the  
13 political subdivision is filed with the clerk of the political  
14 subdivision requesting a referendum upon the execution of the  
15 contract, and in that event the contract shall not be executed  
16 until approved by the vote of a majority of the electors of the  
17 political subdivision qualified to vote and voting on the  
18 contract at a general or special election to be held not more  
19 than 90 days after the filing of the petition.

20 (5) If the bonds or notes sold by SMART involve the pledge or  
21 use of state collected or administered funds, SMART shall seek  
22 the approval of the board and the state transportation  
23 commission.

24 (6) Notwithstanding any other provision of this section,  
25 SMART shall not issue bonds, nor use the revenues of the sale of  
26 bonds, for the construction, reconstruction, maintenance, or  
27 operation of a subway unless approved by concurrent resolution by

1 the legislature.

2 Sec. 40. In the exercise of its powers within the SMART  
3 region, SMART is exempt from all of the following acts:

4 (a) The motor carrier act, 1933 PA 254, MCL 475.1 to 479.43.

5 (b) The motor bus transportation act, 1982 PA 432,  
6 MCL 474.101 to 474.141.

7 (c) The township and village public improvement and public  
8 service act, 1923 PA 116, MCL 41.411 to 41.419.

9 Sec. 41. (1) SMART shall have the right to bargain  
10 collectively and enter into agreements with labor organizations.

11 (2) SMART shall be bound by existing collective bargaining  
12 agreements with publicly or privately owned entities that are  
13 acquired, purchased, or condemned by SMART. Members and  
14 beneficiaries of any pension or retirement system established by  
15 the acquired transportation system, and beneficiaries of any of  
16 the benefits established by the acquired transportation system  
17 shall continue to have rights, privileges, benefits, obligations,  
18 and status under the acquired pension or retirement system or  
19 benefits. SMART shall assume the obligations of public  
20 transportation facilities or transit systems that SMART acquires  
21 with regard to all of the following:

22 (a) Wages and salaries.

23 (b) Hours and working conditions.

24 (c) Sick leave and health and welfare benefits.

25 (d) Pension or retirement benefits, including retiree health  
26 care benefits.

27 (3) No employee of an acquired transportation system who is

1 transferred to a position with SMART shall, by reason of the  
2 transfer, be placed in a worse position with respect to any of  
3 the following:

4 (a) Worker's compensation.

5 (b) Pension.

6 (c) Seniority.

7 (d) Wages.

8 (e) Sick leave.

9 (f) Vacation.

10 (g) Health and welfare benefits.

11 (h) Any other benefits that he or she enjoyed as an employee  
12 of the acquired transportation system.

13 (4) Employees of the acquired transportation system who left  
14 the acquired transportation system to enter into military service  
15 of the United States shall have the same rights with respect to  
16 SMART under 1951 PA 263, MCL 35.351 to 35.356, as they would have  
17 had as employees of the acquired transportation system.

18 (5) For federally funded activities, SMART shall enter into  
19 and comply with the arrangements that the U.S. secretary of labor  
20 certifies as fair and equitable in compliance with 49  
21 U.S.C. 5333(b).

22 (6) Before beginning to operate any new transit service  
23 public transportation facility or entering into any contract or  
24 other arrangements for the operations of the transit service or  
25 public transportation facility, the authority shall extend to the  
26 employees providing public transportation services directly for  
27 or by contract with the SMART, in order of the employee's

1 seniority with the employee's employer, the first opportunity for  
2 reasonably comparable employment in any new jobs with respect to  
3 the operations for which the employee can qualify after a  
4 reasonable training period. SMART shall provide for the first  
5 opportunity required under this subsection in any contract to  
6 operate a new transit service or public transportation facility.  
7 Employers shall comply with all collective bargaining agreements  
8 in accordance with the national labor relations act, chapter 372,  
9 49 Stat. 449, and the public employment relations act of 1947,  
10 1947 PA 336, MCL 423.201 to 423.217.

11       Sec. 42. (1) Except as otherwise provided in this section  
12 and section 43, competitive bids shall be secured before any  
13 purchase or sale, by contract or otherwise, is made or before any  
14 contract is awarded for construction, alteration, supplies,  
15 equipment, repairs, maintenance, and the rendering of services to  
16 SMART.

17       (2) Except as otherwise provided in this section, all  
18 purchases and sales in excess of \$50,000.00 shall be awarded  
19 after advertising in a manner determined by the SMART board and  
20 set forth in a written purchasing policy. Bids shall be publicly  
21 opened and read aloud at a date, time, and place designated in  
22 the invitation to bid. Invitations to bid shall be sent at least  
23 1 week before the bid opening to at least 3 potential bidders who  
24 are qualified technically and financially to submit bids, or a  
25 memorandum shall be kept on file showing that less than 3  
26 potential bidders who are qualified and responsible exist in the  
27 general market area within which it is practicable to obtain

1 quotations.

2 (3) Except as otherwise provided in this section, written  
3 price quotations from at least 3 qualified and responsible  
4 vendors shall be obtained for all purchases and sales of  
5 \$50,000.00 or less but greater than \$5,000.00, or a memorandum  
6 shall be kept on file showing that less than 3 qualified and  
7 responsible vendors exist in the market area within which it is  
8 practicable to obtain quotations.

9 (4) Competitive bidding is not required in 1 or more of the  
10 following circumstances:

11 (a) The purchase of unique articles.

12 (b) The purchase of articles that cannot be obtained in the  
13 open market.

14 (c) Purchases or sales under \$5,000.00.

15 (d) The rendering of professional services.

16 (e) An emergency exists that directly and immediately affects  
17 service or public health, safety, or welfare and that requires  
18 immediate delivery of supplies, materials, equipment, or services  
19 as determined under procedures approved and determined by the  
20 SMART board.

21 (5) The SMART board shall expressly approve or deny in  
22 advance the purchase of unique articles or articles that cannot  
23 be obtained in the open market without competitive bidding if the  
24 amount of the purchase in either case is in excess of  
25 \$50,000.00.

26 Sec. 43. Concessions for the sale of products or the  
27 rendition of services for a consideration on SMART property shall

1 be awarded by SMART only pursuant to written specifications after  
2 competitive bidding to the highest responsible bidder under  
3 procedures similar to those required under section 42. The  
4 requirement for competitive bidding does not apply to a  
5 concession involving the estimated receipt by SMART of less than  
6 \$1,000.00 over the period for which the concession is granted.

7 Enacting section 1. This act takes effect October 1, 2003.

8 Enacting section 2. The metropolitan transportation  
9 authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, is  
10 repealed effective October 1, 2003.