

The Comprehensive Transportation Fund and State Support for Local Public Transit Agencies

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Overview

The Comprehensive Transportation Fund (CTF) is a state-restricted fund created in Section 10b of Public Act 51 of 1951 (Act 51). The fund is restricted for public transportation purposes.¹

CTF revenue is appropriated in annual state transportation budgets for various public transportation programs in accordance with the provisions of Section 10e of Act 51. CTF-funded programs include targeted transit programs (e.g. transportation-to-work, specialized services), intercity bus, rail passenger, and rail freight programs, as well as funding for the Michigan Department of Transportation's (MDOT) public transportation administrative and planning functions.²

However, the largest share of CTF revenue is appropriated for operating and capital assistance to the state's 81 public transit agencies. State operating assistance to local transit agencies represents approximately sixty percent of FY 2015-16 CTF appropriations; the total of transit capital and state operating assistance represents seventy percent of FY 2015-16 CTF appropriations.

An eight-year history of CTF-funded line items in the transportation budget is shown as **Appendix A**, at the end of this memo.

The balance of this memo will describe in additional detail sources of CTF revenue and the use of CTF revenue to provide operating and capital assistance to local public transit agencies.

¹ Section 10c(h) of Act 51 provides the following definition of public transportation: "Public transportation", "comprehensive transportation", "public transportation service", "comprehensive transportation service", "public transportation purpose", or "comprehensive transportation purpose" means the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, aircraft, rapid transit vehicle, taxicab, or other conveyance which provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively for school purposes. Public transportation, public transportation services, or public transportation purposes; and comprehensive transportation, comprehensive transportation services, or comprehensive transportation purposes as defined in this subdivision are declared by law to be transportation purposes within the meaning of section 9 of article IX of the state constitution of 1963.

² CTF revenue has also been used for other public transportation purposes, broadly understood. The CTF provided funding for expansion of the Detroit/Wayne County Metro Airport (Midfield Terminal) in Capital Outlay appropriations from FY 1995-96 through FY 2002-03. These appropriations included \$9.6 million in direct CTF support, and \$15.7 million in CTF-supported bond proceeds. In addition, the FY 2003-04 Capital Outlay bill, HB 4386 (enacted as 2003 PA 193), included \$130,000 in CTF funding for repairs to the British Island dock on Mackinac Island.

CTF Revenue

The CTF has two primary revenue sources:

10% MTF Earmark – The largest source of CTF revenue is an earmark of Michigan Transportation Fund (MTF) revenue made in Section 10 of Act 51. The MTF is the main collection and distribution fund for approximately \$2.0 billion in dedicated transportation revenue (FY 2015-16 estimate) – revenue generated from motor fuel taxes and vehicle registration taxes.

Section 10 of Act 51 provides for the appropriation of MTF revenue. Specifically, Subsection 1 of Section 10 prescribes specific MTF earmarks or funding levels for various programs and recipients. Subdivision f within the subsection directs 10% of MTF money to the CTF. However, because this earmark comes after – at least with respect to the organization of the subsection – a number of other directives, the CTF actual share of gross MTF revenue is approximately 8.5%.^{3, 4}

The estimated MTF transfer to the CTF for FY 2015-16 is \$169.3 million.

Auto-Related Sales Tax – Section 25 of the General Sales Tax Act directs that "not less than 27.9% of 25% of the collections of the general sales tax imposed at a rate of 4%" on the sales motor fuels, motor vehicles, and automotive parts and accessories be deposited each year into the CTF. This earmark is commonly described as the "auto-related sales tax."^{5, 6}

³ The two main sources of MTF revenue, motor fuel excise taxes and vehicle registrations taxes, are *constitutionally* restricted for transportation. Article IX, Section 9 of the 1963 Michigan Constitution indicates that these two revenue sources, "after payment of necessary collection expenses [shall] be used exclusively for transportation purposes as set forth in this section." The section goes on to indicate that *not less than 90%* of revenue from motor fuel taxes and vehicle registration taxes shall be used for state and local roads, streets, and bridges. The section also provides that the balance, *if any*, of the revenue from motor fuel taxes and vehicle registration taxes, after the payment of necessary collection expenses, shall be used exclusively for comprehensive transportation purposes as defined by law.

The constitutional language cited above effectively sets a funding floor for state and local road programs of not less than 90% of motor fuel tax and vehicle registration tax revenue. There is no such funding floor for public transportation programs. The Constitution effectively creates a funding *ceiling* for public transportation programs of not more than 10% of motor fuel tax and vehicle registration tax revenue. As a result, the revenue from motor fuel taxes and vehicle registration taxes is *constitutionally* restricted for transportation, but the designation of a part of those taxes for public transportation purposes (in the CTF) is a *statutory* restriction only, as provided in Act 51.

⁴ When the current framework for the distribution of MTF revenue was first established in Section 10 of Act 51 by 1982 PA 438, the 10% CTF share came directly "off-the-top" before any other statutory earmarks. Public Act 348 of 1988 amended Section 10 to establish an MTF earmark, beginning in FY 1987-88, of not more than \$3.0 million for the rail grade crossing account. This earmark came prior in distribution order to the CTF's 10% share, as did a subsequent earmark, established through Public Act 223 of 1992 and beginning with FY 1992-93, which earmarked not less than \$3.0 million for local/critical bridge fund debt service. Additional earmarks were added as a result of a 1997 amendment to Act 51, Public Act 79 of 1997, specifically: \$43.0 million for State Trunkline Fund debt service; revenue equal to one cent of the gas tax for state bridge programs – subsequently amended to include local bridge programs; and revenue equal to 3 cents of the gasoline tax for distribution to state and local road agencies. These 1997 earmarks effectively channeled new revenue generated from the 1997 increase in gasoline taxes to state and local road agencies, by-passing the CTF and public transportation programs. Advocates for public transportation programs have argued that the CTF should receive "the full 10%" of all money in the MTF, i.e. that the 10% MTF transfer to the CTF be made prior to other statutory deductions from the MTF. This would result in an increase in CTF revenue of approximately \$30.0 million per year, with a corresponding decrease in MTF revenue available for state and local road programs.

⁵ In addition to restricting the use of motor fuel taxes and vehicle registration taxes, Article IX, Section 9 of the Constitution provides that not more than 25 percent of auto-related sales taxes, after payment of necessary collection expenses, be used for comprehensive transportation purposes. Again, this constitutional language creates an upper limit to the CTF's portion of auto-related sales tax; there is no constitutional minimum. The current earmark of auto-related sales tax in the General Sales Tax Act is well below the 25% constitutional limit.

For development of the FY 2015-16 transportation budget, the auto-related sales tax earmark was estimated to total \$97.1 million.

Other Revenue Sources – Interest on the CTF fund balance and other miscellaneous revenue sources account for the balance of CTF revenue. As shown below, CTF revenue as estimated for development of FY 2015-16 transportation appropriations totaled \$267.3 million. (Michigan Department of Treasury transportation revenue estimates made January 2015.)

<u>CTF Revenue Estimate – FY 2015-16</u>	
MTF Transfer	\$169,303,000
Auto-Related Sales Tax	97,100,000
Interest & Misc.	<u>939,000</u>
CTF Total	\$267,342,000

In addition to the baseline CTF revenue sources described above, starting in FY 2012-13 and through FY 2015-16, a total of \$59.4 million in state General Fund revenue has been appropriated for public transportation programs – primarily to ensure sufficient funding to match federal grants for transit capital and rail infrastructure programs.

See **Appendix B** for an eight-year history of CTF revenue. See **Appendix C** for a history of General Fund appropriations for public transportation programs.

Local Bus Operating Assistance

State operating assistance to eligible transit agencies represents the largest annual appropriation of CTF revenue. Section 10 of Act 51 establishes the payment of operating grants to "eligible authorities and eligible governmental agencies" as the third CTF appropriation priority, after CTF-related debt service and payment of the department's costs of administering the CTF. Local bus operating assistance represents approximately sixty percent of annual CTF appropriations.⁷

Funding for the *Local bus operating* line item has been in fairly narrow range for a number of years. From FY 2006-07 through FY 2013-14 the baseline appropriation was \$166.6 million – although in both FYs 2012-13 and 2013-14 this baseline funding was supplemented with \$5.4 million appropriated in a *Discretionary state operating* line item. The *Local bus operating* appropriation for both FYs 2014-15 and 2015-16 was \$167.4 million.

Although this analysis uses the term "transit agencies," Act 51 refers to "eligible authorities and eligible governmental agencies." These terms are defined in Section 10c of Act 51 through reference to the various statutes under which transit agencies are organized. There are 81 transit agencies eligible for state operating assistance under provisions of Section 10e of Act 51 and the related definitions of Section 10c.

⁶ Although the statutory language provides for "not less than," in practice, the amount of auto-related sales tax credited to CTF has always been equal to or less than the amount calculated at 27.9% of 25% of the auto-related sales tax collected at 4% - never more.

⁷ From FY 2001-02 through FY 2011-12, *Local bus operating* represented between 66% and 71% of CTF appropriations. Starting with FY 2012-13 and through FY 2015-16, the *Local bus operating* share of CTF appropriations fell to roughly 62%. The reduction in the *Local bus operating* relative share of CTF appropriations did not reflect reductions in the amounts appropriated for Local bus operating but was rather due to increased CTF operating and capital support for other programs, specifically, rail passenger programs, as well as transit capital.

The state of Michigan does not own or operate any transit agencies in the state. All 81 transit agencies are local units of government in some sense; each is either a unit of county, township, or city government, or is an authority organized under one of several authorizing statutes. A list of the state's 81 eligible transit agencies and related form of organization is shown in **Appendices D and E**.

Of the 81 eligible transit agencies, some provide scheduled fixed route service in metropolitan or urban areas. These urban systems include the Detroit Department of Transportation (DDOT), the Suburban Mobility Authority for Regional Transportation (SMART), the Ann Arbor Transportation Authority (AATA), the Detroit Transportation Corporation (DTC/*People Mover*), Capital Area Transit Authority (CATA/Lansing), The Interurban Transit Partnership (*The Rapid*/Grand Rapids), Flint Mass Transportation Authority, Kalamazoo Transit, Saginaw Transit, and the Muskegon Area Transit System.

Some eligible transit agencies are small city systems; others are township or county-wide demand-response systems.

The service provided by a transit agency depends on the goals of the agency's governing body and the characteristics of the service population. While all agencies provide some form of general public service, many agencies also provide targeted service, including service targeted for people commuting to work; for college student populations; or for elderly and disabled populations.

Local bus operating assistance is distributed among the 81 transit agencies based on provisions of Section 10e of Act 51 as amended by Public Act 79 of 1997. Those provisions direct that operating assistance reimburse of *up to* 50% of eligible operating expense for transit agencies that provide service in urbanized areas, defined as having a Michigan population greater than 100,000. Section 10e also provides for the reimbursement of *up to* 60% of eligible operating expense for service provided by transit agencies to non-urbanized areas, i.e. service areas with a population of less than 100,000.

Act 51 establishes the 50% and 60% reimbursements as ceilings. Except for FY 1997-98, state operating assistance to transit agencies has not reached the 50% and 60% ceilings.

Public Act 79 of 1997 also established a funding floor for all agencies; no agency could receive less than the amount it received in FY 1996-97. However, this funding floor is subject to another provision of Section 10e that requires that *"the ratio between CTF and local funds in the fiscal year ending September 30, 1989 shall be maintained for all fiscal years by the eligible authority or eligible governmental agency. Reductions in this ratio shall require a proportionate reduction in CTF provided for any fiscal year."*

Public Act 79 also directed that service provided by water vehicle (i.e. ferry service) be reimbursed at 50% of eligible operating expense.

The current year (FY 2015-16) state appropriation of \$167.4 million is not large enough to fund transit agencies at the 50% and 60% levels. As a result, the Michigan Department of Transportation prorates the distribution. Using the department's proration methodology, (and ignoring the impact of agencies funded at the 50% level for ferry service, and agencies funded at the 1997 funding floor), FY 2015-16 state operating assistance would reimburse urban transit agencies at 30.2% of eligible operating expense, and non-urban agencies at 36.3% of eligible operating expense. These figures are based on transit agency *budgeted* eligible operating expense as submitted to the department in accordance with MDOT's *Revenue and Expense Manual*.

See **Exhibit A** for a model of the department's distribution method.

Note that because agencies that provide ferry service are reimbursed at 50% of eligible operating expense, and some agencies are at their 1997 funding floor, the actual distribution to urban and non-urban transit agencies will be somewhat different from the 30.2% and 36.3% calculated in our example. In fact, the actual FY 2015-16

provisional distribution percentages to urban and non-urban systems are 29.0%, and 35.8%, respectively. Our calculated figures are simply used to illustrate the department's method of prorating operating assistance.

The department makes monthly distributions during the fiscal year based on the above calculation and each agency's budgeted eligible operating expense. This provisional distribution is adjusted twice: the first redistribution is based on reconciled transit agency expenditure reports are filed shortly after the end of the fiscal year. The final distribution is made after audited financial statements are received from all agencies, typically a year or more after the close of the fiscal year. **The department anticipates making the final FY 2012-13 distribution by the end of February 2016.**

After the final distribution is made, the entire *Local bus operating* appropriation will have been distributed to transit agencies; the department does not hold back or lapse any of the funds in this line item.

As noted above, and as shown in Appendix A, state funding for the *Local bus operating* line item has remained steady for some time. However, as transit agency budgets have grown, the state percentage share of operating cost has declined. For FY 1997-98, state support provided approximately 50% and 60% reimbursement to urban and non-urban transit agencies respectively. The estimated reimbursement percentages for FY 2015-16 will be 29.0% for urban systems and 35.8% for non-urban systems – other than those agencies that provide ferry service and those agencies at their 1997 floor.

It is sometimes stated that the current state assistance formula, which reimburses based on eligible operating expense, creates an incentive for transit agencies to spend money, and that the distribution formula does not provide an incentive for transit agencies to be efficient. It should be noted that state assistance only covers a portion of eligible operating expense – 29.0% for urban systems and 35.8% for non-urban systems per the FY 2015-16 estimate. The portion of transit agency expense not reimbursed from the state operating assistance must be recovered from other sources, generally farebox revenue, local contributions, or federal funds.

It might be more accurate to say that the state operating assistance formula rewards local cost participation. Agencies that receive support through local transit millages, or who are able access other sources of local funding, can expand service, e.g. expand hours of service or add new routes, and effectively use local funding to leverage additional state funding. Since state funding is capped at the appropriated amount, every additional dollar of state assistance a transit agency can capture comes at the expense of other transit agencies. Under this formula, agencies that receive support through transit millages or other sources of locally-generated revenue, have tended to capture an increasing share of state assistance. This is another consequence of Public Act 79 of 1997, which eliminated a "growth cap" on local transit agencies.

Transit Capital

In addition to operating assistance to local transit agencies, the CTF also provides capital assistance through the *Transit capital* line item.

The CTF revenue in the *Transit capital* line item provides the non-federal match for federal transit grants to local transit agencies. CTF revenue is used to both to match federal funds appropriated in the state transportation budget (for non-urban transit systems), and for federal grants made directly by the Federal Transit Administration (FTA) to local transit agencies.

FTA grants are typically for capital improvements, including bus acquisition or technology upgrades. And FTA grants typically require a 20% non-federal match.

Section 10e (4) of Act 51 effectively requires that not less than \$8.0 million from the CTF be distributed each year for matching federal capital grants. Section 10b (3)(f) of Act 51 further requires that the state pay not less than 66 2/3% of the local match required for FTA capital grants to local transit agencies. For a number of years,

appropriations for the transit capital program provided more than these statutory minimums, in fact, for a number of years state CTF appropriations provided 100% of the non-federal match for local transit agency capital grants.

From FY 2004-05 through FY 2010-11, reductions in CTF revenue resulted in reduced appropriations for transit capital programs. During this period, the department used other sources to provide the non-federal match for local transit agency transit grants. Those other sources included bond proceeds and toll credits – a type of “soft match” authorized by federal law.

Increases in Transit capital appropriations starting in FY 2011-12, as well as the appropriation of General Fund revenue for transit capital starting in FY 2012-13, has allowed the department to again provide 100% the non-federal match required for local agency federal transit capital grants.

Exhibit A – Computation of Local Bus Operating Distribution

When the Michigan Department of Transportation distributes state operating assistance, it computes the maximum possible state assistance based on the submitted budgets of all eligible transit agencies – 50% for urban agencies, and 60% for non-urban agencies. The department then reduces the computed distribution amounts proportionally to hit the amount of the actual appropriation. For example, the current fiscal year appropriation of \$167.4 million is 60.4% of the \$277.1 million needed for reimbursement at the 50% and 60% ceilings. As a result, the department computes the distribution to urban agencies at 60.4% of the 50% ceiling, and the distribution to non-urban at 60.4% of the 60% ceiling. See below.

FY 2015-16 Distribution of Local Bus Operating Assistance Based on Budget Estimates			
To Compute Maximum Reimbursement (per Act 51)	Eligible Operating Expense	Act 51 % Ceilings	Maximum Reimbursement
Urban Systems	\$395,652,800	50.00%	\$197,826,400
Non-Urban Systems	<u>132,081,400</u>	60.00%	<u>79,248,800</u>
Total	\$527,734,200		\$277,075,200
Appropriation as a Percent of Maximum Reimbursement			
Appropriation	\$167,400,000		
Maximum Reimbursement	277,075,200		
Percentage of Maximum	60.4%		
To Compute Actual Reimbursement Percentages *	Act 51 % Ceilings	Percentage of Maximum of Maximum	Computed % Reimbursement
Urban Systems	50.0%	60.4%	30.2%
Non-Urban Systems	60.0%	60.4%	36.3%

** The actual reimbursement percentage for many systems will be lower than the computed percentage because some agencies receive floor funding based on FY 1996-97 distribution, and water services are reimbursed at 50% of eligible operating expense. To the extent that some agencies receive more than the computed reimbursement %, some agencies will receive less.*

Appendix A
Comprehensive Transportation Fund Appropriations/Expenditures
FY 2008-09 through FY 2015-16

<u>Line Item</u>	<u>FY 2008-09</u> <i>Actual Expended</i>	<u>FY 2009-10</u> <i>Actual Expended</i>	<u>FY 2010-11</u> <i>Actual Expended</i>	<u>FY 2011-12</u> <i>Actual Expended</i>	<u>FY 2012-13</u> <i>Actual Expended</i>	<u>FY 2013-14</u> <i>Actual Expended</i>	<u>FY 2014-15</u> <i>Budget YTD</i>	<u>FY 2015-16</u> <i>Budget Enacted</i>
Debt Service								
Debt service	\$29,891,600	\$29,843,198	\$29,852,647	\$19,917,203	\$18,553,762	\$19,052,255	\$18,215,500	\$18,202,200
Planning/Administration								
Interdepartmental grants	271,949	277,936	215,816	214,282	266,903	298,504	501,600	484,000
Business Support	1,097,000	1,102,900	1,304,700	1,590,300	1,114,800	1,369,700	1,550,700	1,742,700
Info Technology/MAIN Support	68,321	58,180	44,455	195,900	174,182	195,728	218,100	217,800
Transportation Planning	688,754	777,653	617,491	741,663	326,298	329,697	610,500	610,500
Public Transportation Services	5,171,465	4,634,326	3,838,800	3,958,733	3,407,062	3,395,584	4,727,400	4,717,400
Subtotal - Planning/Administrative	7,297,489	6,850,995	6,021,262	6,700,878	5,289,245	5,589,213	7,608,300	7,772,400
Statutory Operating								
Local Bus Operating	166,624,000	166,624,000	166,624,000	166,624,000	166,624,000	166,624,000	167,400,000	167,400,000
Discretionary state operating (Appropriated)					5,396,600	5,400,000		
Subtotal - Bus Operating	166,624,000	166,624,000	166,624,000	166,624,000	172,020,600	172,024,000	167,400,000	167,400,000
Intercity Passenger & Freight								
Office of Rail					1,458,956	3,517,794	3,648,300	3,640,900
Rail passenger (operations/infrastructure)	6,800,000	8,200,000	8,667,000	8,667,000	19,292,000	39,495,870	40,722,400	36,790,400
Rail passenger - Supplemental capital (1)			18,750,000					
Freight preservation and development	2,992,900	1,264,200	1,264,200	3,999,999				
Rail infrastructure loan program	300,000							
Freight property management	999,516	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Intercity bus/Intercity services	1,874,999	1,304,084	700,000	1,334,284	3,000,000	1,250,000	1,000,000	1,000,000
Detroit/Wayne County port authority	500,000	468,200	468,200	468,200	320,923	446,043	468,200	468,200
Marine passenger service	400,000	398,100	400,000	400,000	400,000	400,000	400,000	400,000
Terminal development	549,999	180,698	150,000	460,999	460,474	460,998	150,000	150,000
Subtotal - Intercity	14,417,414	12,815,282	31,399,400	16,330,482	25,932,353	46,570,705	47,388,900	43,449,500
Public Transportation Development								
Specialized services	3,952,713	3,906,562	3,843,642	3,838,139	3,842,371	3,844,214	3,853,900	3,853,900
Municipal credit program	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Bus capital/Transit capital	9,402,999	8,474,500	7,999,248	16,748,400	33,642,900	25,981,308	25,895,300	24,610,800
Van pooling	195,000	195,000	190,899	149,539	748,885	799,470	195,000	195,000
Service development/Initiatives (2)	93,635	350,000	50,000	65,000	763,200	318,205	2,847,300	999,800
Work first initiative/Transportation to work	3,346,133	4,064,630	4,463,620	4,595,894	4,650,840	4,627,290	4,700,000	3,900,000
Subtotal - Public Transportation Development	18,990,480	18,990,692	18,547,409	27,396,972	45,648,196	37,570,487	39,491,500	35,559,500
Total Expended/Appropriation	\$237,220,983	\$235,124,167	\$252,444,718	\$236,969,535	\$267,444,156	\$280,806,660	\$280,104,200	\$272,383,600

Notes:

1. This represented state matching funds related to the purchase of Norfolk Southern track between Dearborn and Battle Creek Michigan, authorized in 2011.
2. FY 2012-13 includes \$250,000 in Service initiatives made in 2012 PA 387 to establish the regional Transportation Authority.

The above schedule shows line-item appropriations from the CTF, and excludes federal, local, or other fund sources.

Appendix B
Comprehensive Transportation Fund
Revenue History
FY 2008-09 through FY 2015-16

<u>Revenue Source</u>	<u>FY 2008-09</u> <i>Actual</i>	<u>FY 2009-10</u> <i>Actual</i>	<u>FY 2010-11</u> <i>Actual</i>	<u>FY 2011-12</u> <i>Actual</i>	<u>FY 2012-13</u> <i>Actual</i>	<u>FY 2013-14</u> <i>Actual</i>	<u>FY 2014-15</u> <i>Budget</i>	<u>FY 2015-16</u> <i>Budget</i>
<i>MTF Transfer</i>	\$155,288,492	\$155,205,057	\$156,716,840	\$157,031,863	\$161,417,613	\$165,492,369	\$164,222,300	\$169,303,000
<i>Auto-Related Sales Tax</i>	82,886,802	76,778,121	90,025,103	98,100,559	102,969,619	102,025,859	101,500,000	97,100,000
<i>Interest/Misc.</i>	881,669	1,202,960	1,037,399	642,166	1,050,543	1,120,570	642,000	939,000
<i>CTF Revenue Total</i>	\$239,056,963	\$233,186,138	\$247,779,342	\$255,774,588	\$265,437,775	\$268,638,798	\$266,364,300	\$267,342,000

This table shows actual CTF revenue for FYs 2008-09 through 2013-14, and estimated revenue for FYs 2014-15, 2015-16.

Source: Michigan Department of Transportation, Bureau of Finance.

Appendix C**General Fund Appropriations for Public Transportation Programs
FY 2012-13 through FY 2015-16**

<u>Line Item</u>	<u>FY 2012-13</u> <i>Actual Expended</i>	<u>FY 2013-14</u> <i>Actual Expended</i>	<u>FY 2014-15</u> <i>Appropriation</i>	<u>FY 2015-16</u> <i>Appropriation</i>	<u>Four-Year Total</u>
Transit Capital	\$12,000,000				\$12,000,000
Rail Infrastructure	11,000,000				11,000,000
Transit capital/rail infrastructure			\$10,000,000	\$25,000,000	35,000,000
Beaver Island Ferry		\$300,000			300,000
Regional Transit Authority			1,100,000		1,100,000
Total	\$23,000,000	\$300,000	\$11,100,000	\$25,000,000	\$59,400,000

Appendix D
List of Public Transit Agencies in Michigan and Legal Basis of Organization

<u>Agency</u>	<u>Public Act</u> (see Appendix C)
Adrian	279
Allegan County	94
Alma	279
Altran Transit Authority	196
Alpena	279
*Ann Arbor Transportation Authority	55
Antrim County	94
Barry County	94
Battle Creek	279
Bay Area Transportation Authority (Grand Traverse & Leelanau counties)	196
Bay Metropolitan Transportation Authority (Bay County)	196
Beaver Island Transportation Authority	196
Belding	279
Benzie Transportation Authority	196
Berrien County	94
City of Big Rapids	279
Blue Water Area Transportation Commission (Port Huron)	7
Branch Area Transit Authority	196
Buchanan	279
Cadillac/Wexford Transit Authority	7
Capital Area Transportation Authority (Lansing)	55
Caro Transit Authority	196
Cass County Transportation Authority	196
Charlevoix County	94
Cheboygan County	94
Clare County	94
Clinton Area Transit System	196
Crawford County Transportation Authority	196
Delta Area Transit Authority	196
*Detroit Department of Transportation (DDOT)	279
*Detroit Transportation Corporation (People Mover)	7
Dowagiac	279
Eaton County Transportation Authority	7
Eastern Upper Peninsula Transportation Authority (Chippewa County)	7
Gladwin County	94
Gogebic County Transit	196
Grand Haven	279
Greater Lapeer Transportation Authority	196
Greenville	279
Hancock	279
Hillsdale	279
Houghton	279
Huron County	94
Ionia	279
Iosco County	94
Interurban Transit Authority (Saugatuck)	196
Interurban Transit Partnership (Grand Rapids)	196
Ironton Ferry	196
Isabella County Transportation Commission	7

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<u>Agency</u>	<u>Public Act</u> (see Appendix C)
Jackson Transportation Authority, City of Kalamazoo	196
Kalamazoo	279
Kalkaska Public Transit Authority	196
Lenawee County	94
Livingston County	94
Ludington Mass Transportation Authority	196
Macatawa Area Express (Holland Area)	196
Mackinac Island	279
Manistee County	94
Marquette County Transit Authority	7
Marshall	279
Mass Transportation Authority (Flint)	55
Mecosta Osceola Transit Authority	196
Midland County	94
Midland	279
Muskegon County	94
Niles	279
Ogemaw County	94
Ontonagon County	94
Otsego County	94
Roscommon County Transportation Authority	196
St. Joseph County Transit Authority	196
Saginaw Transit Authority Regional Services	196
Sanilac County	94
Sault Ste. Marie	279
Schoolcraft County	94
Shiawassee Area Transportation Agency	7
*Suburban Mobility Authority for Regional Transportation (SMART) (Wayne, Oakland, Macomb, Monroe counties)	204
Thunder Bay Transportation Authority (Alcona, Alpena, Montmorency counties)	196
Twin Cities Area Transportation Authority (Benton Harbor)	55
Van Buren County	94
Yates Township	359
<ul style="list-style-type: none"> • A transit service provider under the Regional Transit Authority (RTA) 	

Source: List provided October 19, 2015, by the Michigan Department of Transportation, Passenger Transportation Services Division

Appendix E
Public Acts Governing Michigan Public Transit Agencies

Public Act 7 of 1967, Urban Cooperation Act

Authorizes authorities organized under interlocal agreements

Public Act 55 of 1963, Mass Transportation Authorities Act

Authorizes authorities in cities of less than 300,000

Public Act 94 of 1933, Revenue Bond Act

Authorizes public corporations to make public improvements, including transportation systems. Many county transportation systems are organized under this act.

Public Act 196 of 1986, Public Transportation Authority Act

Authorizes two or more political subdivisions (counties, cities, villages, townships) to form a public authority

Public Act 204 of 1967, Metropolitan Transportation Authorities Act

Authorizes regional transportation authorities formed by two or more counties in metropolitan. Governing statute for SMART and the Regional Transit Coordinating Council (RTCC) southeast Michigan.

Public Act 279 of 1909, Home Rule City Act

Authorizes city transit systems

Public Act 359 of 1947, Charter Township Act

Provides authority for charter townships



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