



GVMC Legislative Committee

8:30 a.m. Wednesday November 9, 2011 – Metro Council Offices

AGENDA

- 1. Call to Order by Chair**
- 2. Approval of Minutes from the October 12, 2011 Committee meeting (attachment)**
- 3. Issues Update – Lansing and Washington**
 - a. Personal Property Tax**
 - b. Urban Cooperation Acts and the Municipal Partnership Act**
 - c. Federal Transportation Funding Reauthorization: Moving Ahead for Progress in the 21st Century (MAP-21) – summary attached**
- 4. State Transportation Financing – Discussion of Policy Issues**
 - a. Allow county commissions to eliminate County Road Commissions and create County Public Works Departments**
 - b. Amend state funding distribution formulas under Act 51 of 1951 to favor high-traffic and commercial corridors**
 - c. Amend Act 51 to eliminate funding to individual cities and villages receiving less than \$50,000 in state transportation funds**
 - d. Require local road agencies to comply with 2011 P.A. 152 (“hard-cap” / 80/20 employee insurance provisions)**
 - e. Allow local transportation agencies covered by P.A. 51 to open construction and maintenance contracts to competitive bidding from the public and private sectors.**
- 5. State Transportation Financing – Discussion of Funding Options**
 - a. Increase state vehicle registration fees by \$10 / month**
 - b. Allow counties to ask voters for a countywide, \$40-per-year vehicle registration fee**
 - c. Eliminate 19-cent-per-gallon gasoline tax and 15-cent-per-gallon diesel fuels tax and replace with state percentage tax assessed at the wholesale level**

- d. Dedicate the portion of the 6 percent sales tax on the purchase of motor fuels to the Michigan Transportation Fund**
- e. Eliminate 19-cent-per-gallon gasoline tax and 15-cent-per-gallon diesel fuels tax and ask voters to raise the state sales tax by 1% with the yield deposited in the Michigan Transportation Fund.**

6. Other Issues

**GRAND VALLEY METROPOLITAN COUNCIL
LEGISLATIVE COMMITTEE MEETING**

October 12, 2011

8:30 p.m.

GVMC Offices
678 Front Ave., Suite 200
Grand Rapids, MI 49504

MINUTES

1. Call To Order

GVMC Chairman Jim Buck called the meeting to order at 8:35 a.m.

2. Roll Call

Present:

Haris Alibasic	City of Grand Rapids
Alex Arends	Alpine Township
Sam Bolt	City of Wyoming
Andy Bowman	Grand Valley Metro Council
Jim Buck	City of Grandville
Chris Burns	City of Cedar Springs
Bill Cousins	Cascade Township
Daryl Delabbio	Kent County
Mike DeVries	Grand Rapids Township
Don Hilton	Gaines Township
Jay Hoekstra	Grand Valley Metro Council
Denny Hoemke	Algoma Township
Dennis Kent	MDOT
Don Stypula	Grand Valley Metro Council
Keith Van Beek	Ottawa County

3. Approval of Minutes

MOTION – To Approve the Minutes of the September, 2011 GVMC Legislative Committee. MOVE – Arends. SUPPORT – Burns. MOTION CARRIED.

4. Jason Mancini of the MML

Jason Mancini of the MML phoned in to discuss legislative issues in Lansing.

Personal Property Tax – We expect to see a bill in the next couple of weeks. The MML would like to see revenue replacement guaranteed. The Governor spoke Thursday at the MML conference and said he won't guarantee every dollar. He may use expiring battery credits to offset. On the MML website is a sample resolution, talking points, etc. on the issue. It could be a 5 to 10 year phase out process. They are still working on how to find replacement revenue. The phase out would affect just industrial not commercial or utilities.

Transportation Funding – The Governor should give his message on Oct 24 or 25. He will probably propose revenue enhancement. We might see regional registration fees option, closing regulation loopholes, or a wholesale gas tax.

SB8 – The proposed ability to levy 5 mills is the current concern. They are making some progress, but nothing is definite at this time.

(Mike DeVries took over as Chair of the meeting)

5. Update on Infrastructure Financing

Don Stypula reported the Governor is focusing on transportation infrastructure with funding possibly through a local option fee for registration or wholesale gas tax (which would be more stable). Also there is the possibility of dedicating part of the sales tax from the general fund and moving it to the transportation fund.

On the federal level, Senator Mika has given the green light to look at options to increase revenue for transportation. They need \$18 billion to make the transportation trust fund whole. There is a movement to reauthorize funding for two years. If they wait until next year, nothing is likely to happen due to the election cycle.

Mike DeVries reported there is a rumor of a proposal to eliminate the state gas tax and add 1% to the sales tax. It would make a huge impact.

6. Michigan Regional Councils Act

Andy Bowman reported on the regional planning proposal. It includes two different types of councils. One kind is generic, can cover a wide range of services and stakeholders, and would be built around the duties and responsibilities it was created

to handle. It could only handle planning as it is related to these services. The other is a regional planning council which would create a regional development framework. There are proposed to be no more than sixteen and no more than three in the Upper Peninsula. They must cover three or more counties. The Governor's office would mandate how to handle the councils. The first year the geography would follow that of current regions. After that, it would be open to suggestion and change every five years.

The Governor is willing and capable of moving fairly fast on his proposals. Our current structures (MACC, GVMC, MPOs, etc.) really don't fit into proposed structures.

Jay Hoekstra added, if this passes, GVMC will not exist any more.

Haris Alibasic said it would be good to look at how homeland security is working with the current regions. Will there be any funding tied to it? Is the legislation patterned after the Minnesota situation?

Andy Bowman said it is patterned after the Metropolitan Councils Act, which was patterned after Minnesota. It contains provisions for fees for services, dues, etc.

Keith Van Beek asked about further regionalization, health departments, etc., on an even grander scale.

Jay Hoekstra stated at this point, they don't know how far the plan could eventually reach.

Alex Arends said he was concerned about the regional council taking land use into its own hands rather than the locals.

Don Stypula stated he would keep track of the progress of the proposal.

7. Other

8. Adjourn – 9:55 a.m.

SUMMARY OF MOVING AHEAD FOR PROGRESS IN THE 21ST CENTURY (MAP-21)

Bill Highlights

- Moving Ahead for Progress in the 21st Century (MAP-21) reauthorizes the Federal-aid highway program at the Congressional Budget Office's baseline level—equal to current funding levels plus inflation—for two fiscal years.
- MAP-21 consolidates the number of Federal programs by two-thirds, from about 90 programs down to less than 30, to focus resources on key national goals and reduce duplicative programs.
- Eliminates earmarks.
- Expedites project delivery while protecting the environment.
- Creates a new title called “America Fast Forward,” which strengthens the Transportation Infrastructure Finance and Innovation Program (TIFIA) program to leverage federal dollars further than they have been stretched before.
- Consolidates certain programs into a focused freight program to improve the movement of goods.

Authorizations and Programs

MAP-21 continues to provide the majority of Federal-aid highway funds to the states through core programs. However, the core highway programs have been reduced from seven to five, as follows:

- **National Highway Performance Program [New core program]** – This section consolidates existing programs (the Interstate Maintenance, National Highway System, and Highway Bridge programs) to create a single new program, which will provide increased flexibility, while guiding state and local investments to maintain and improve the conditions and performance of the National Highway System (NHS). This program will eliminate the barriers between existing programs that limit states' flexibility to address the most vital needs for highways and bridges and holds states accountable for improving outcomes and using tax dollars efficiently.
- **Transportation Mobility Program [New core program]** – This program replaces the current Surface Transportation Program, but retains the same structure, goals and flexibility to allow states and metropolitan areas to invest in the projects that fit their unique needs and priorities. It also gives a broad eligibility of surface transportation projects that can be constructed. Activities that previously received dedicated funding in SAFETEA-LU, but are being consolidated under MAP-21, will be retained as eligible activities under the Transportation Mobility Program.
- **National Freight Network Program [New core program]** – Our nation's economic health depends on a transportation system that provides for reliable and timely goods movements.

Unfortunately, the condition and capacity of the highway system has failed to keep up with the growth in freight movement and is hampering the ability of businesses to efficiently transport goods due to congestion.

MAP-21 addresses the need to improve goods movement by consolidating existing programs into a new focused freight program that provides funds to the states by formula for projects to improve regional and national freight movements on highways, including freight intermodal connectors.

- **Congestion Mitigation and Air Quality Improvement Program [Existing core program]**
The Congestion Mitigation and Air Quality Improvement (CMAQ) Program provides funds to states for transportation projects designed to reduce traffic congestion and improve air quality.

MAP-21 improves the existing CMAQ program by including particulate matter as one of the pollutants addressed, and by requiring a performance plan in large metropolitan areas to ensure that CMAQ funds are being used to improve air quality and congestion in those regions.

Reforms the Transportation Enhancements program with more flexibility granted to the states on the use of the funds within the program.

- **Highway Safety Improvement Program [Existing core program]** – MAP-21 builds on the successful Highway Safety Improvement Program (HSIP). MAP-21 substantially increases the amount of funding for this program because of the strong results it has achieved in reducing fatalities. Under HSIP, states must develop and implement a safety plan that identifies highway safety programs and a strategy to address them.
- **Transportation Infrastructure Finance and Innovation Program (TIFIA)** – The TIFIA program provides direct loans, loan guarantees, and lines of credit to surface transportation projects at favorable terms. TIFIA will leverage private and other non-federal investment in transportation improvements.

Included in the “America Fast Forward” title of MAP-21 will be provisions that build upon the success of the TIFIA program. MAP-21 modifies the TIFIA program by increasing funding for the program to \$1 billion per year, by increasing the maximum share of project costs from 33 percent to 49 percent, by allowing TIFIA to be used to support a related set of projects, and by setting aside funding for projects in rural areas at more favorable terms.

- **Projects of National and Regional Significance Program** –This bill authorizes a program to fund major projects of national and regional significance which meet rigorous criteria and eligibility requirements. This program authorizes for appropriation \$1 billion in Fiscal Year 2013.
- **Federal Lands and Tribal Transportation Highways Programs** – MAP-21 consolidates the existing program structure by creating a new Federal lands and tribal transportation program. The bill maintains funding for maintenance and construction of roads and bridges that are vital to the federal lands of this country.
- **Territorial and Puerto Rico Highways Program** –This program provides funds to the U.S. territories and Puerto Rico to construct and maintain highway, bridge, and tunnel projects.
- **Administrative Expenses** – Funds the general administrative operations of the Federal Highway Administration.
- **Emergency Relief** – Provides funds to states to repair highways and bridges damaged by natural disasters.
- **Highway Bridge and Tunnel Inventory and Inspection Standards** – Improves the existing highway bridge inspection program and authorizes a national tunnel inspection program to ensure the safety of our nation’s bridges and tunnels.

Performance Management

- Performance Measures and Targets in MAP-21
 - The bill establishes an outcome-driven approach that tracks performance and will hold states and metropolitan planning organizations accountable for improving the conditions and performance of their transportation assets.
- State and Metropolitan Transportation Planning
 - MAP-21 improves statewide and metropolitan planning processes to incorporate a more comprehensive performance-based approach to decision making. Utilizing performance targets will assist states and metropolitan areas in targeting limited resources on projects that will improve the condition and performance of their transportation assets.

Acceleration of Project Delivery

MAP-21 includes program reforms designed to reduce project delivery time and costs while protecting the environment. Examples of improvements include: expanding the use of innovative contracting methods; creating dispute resolution procedures; allowing for early right-of-way acquisitions; reducing bureaucratic hurdles for projects with no significant environmental impact; encouraging early coordination between relevant agencies to avoid delays later in the review process; and accelerating project delivery decisions within specified deadlines.

Research and Education

- **Transportation Research Programs** – MAP-21 funds research and development, technology deployment, training and education, intelligent transportation system (ITS), and university transportation center activities to further innovation in transportation research. The primary research areas include: improving highway safety and infrastructure integrity; strengthening transportation planning and environmental decision-making; reducing congestion, improving highway operations; and enhancing freight productivity.