



Testimony for House Transportation Committee  
HB 5229 (Sheppard)  
December 3, 2019

Mr. Chairman and members of the committee,

Thank you for the opportunity to address House Bill 5229, sponsored by Representative Jason Sheppard. The bill would amend the Municipal Partnership Act of 2011 (MPA) to allow a joint endeavor for transportation purposes.

The Michigan Public Transit Association is a non-profit statewide association incorporated in 1977 under Section 501(c)6 of the Internal Revenue Code. First organized in 1974, our membership ranges from the largest urban public transit system providers in Michigan to a majority of the smaller rural demand-response systems. Our current membership includes 60 transit agencies and specialized service providers.

The MPTA Board of Directors will meet Thursday, December 12, 2019 and HB 5229 will be on the agenda for the purposes of discussion and taking an official position on the proposed policy change. Absent this, we wanted to offer two observations.

First, HB 5229 provides another locally generated transportation financing tool. We think this is a positive development. While we understand the bill provides a funding mechanism for regional transit in SE Michigan, it is important to point out that the MPA is not geographically limited. For example, Leelanau, Benzie, Manistee, and Mason Counties could use the MPA act to levy a regional tax and support a regional transit service in Chairman O'Malley's district. Furthermore, as proposed, the MPA act is not limited to public transit purposes. Thus it can also be used for financing other transportation modes, including roads, bridges, rail, and ports.

Secondly, while not a direct result of HB 5229, we feel it is imperative to point out that Michigan funds public transportation based on local investment. The more a community or system invests, the more the state contributes to that system/community. However the total amount the state provides is limited. Thus, when one community invests in and grows their public transit system, all other transit systems see an adjustment in state funding.

In the 2019-2020 budget (as enacted) the total amount of Local Bus Operating dollars available from the state to share with systems/communities is \$196,750,000.00; a \$6M increase over the previous year. However, because the total amount spent on transit in the state increased, the total reimbursement to systems/communities as a percentage of operating costs actually decreased from the previous year.



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The proposed RTA millage on the ballot in 2016 was estimated to have raised about \$150M a year. Such a huge increase to the current formula would result in large decreases for all other transit systems across the state. Assuring that transit systems outside of SE Michigan are held harmless as a result of a successful SE MI regional system will be important to address in future budgets.

Should you have questions or concerns, please do not hesitate to contact me,

Respectfully,

A handwritten signature in black ink, appearing to read "Clark Harder", with a long horizontal flourish extending to the right.

Clark Harder  
Executive Director, MPTA