



## Legislation Details (With Text)

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|-----------|------|------------------------------|--------|--------|
| 2/24/2020 | 1    | City Council Regular Meeting |        |        |

### Request for Approval of an Opt-Out provision for House Bill 5229

**Whereas**, the Regional Transit Authority ("RTA") was established in 2012 to manage and secure transportation resources, significantly enhance mobility options, improve quality of life for residents, and increase economic viability for the City of Detroit, Wayne County, Macomb County, Oakland County, and Washtenaw County; and

**Whereas**, House Bill 5229 would amend the Municipal Partnership Act (the "Act"). HB 5229, if passed, will allow Wayne, Oakland, and Washtenaw counties to create a three-county regional transit plan by a majority vote of the electors within each jurisdiction, not count millages levied by municipal partnerships toward constitutional and statutory tax limitations, and restrict municipal partnership tax revenue funds to be used only for the transportation purposes or other purpose approved by voters; and

**Whereas**, in 2016, a regional 20-year, 1.2 mill property tax increase ballot proposal was defeated in Macomb and Oakland, while Wayne and Washtenaw voters approved it; and

**Whereas**, HB 5229 would exempt Macomb County due to its voters' strong opposition to the 2016 ballot proposal; and

**Whereas**, the RTA's vision is to create a region with sufficient and secure funding to support enhanced public transportation options that will ensure accessibility; satisfy the integrated mobility needs of the community; and promote livable, healthy, and sustainable growth. Passage of HB 5229 by the legislature is likely to undermine the RTA's vision; and

**Whereas**, the RTA's primary role will be to link communities where gaps in service exist with the AARTA, DDOT, and SMART bus systems; and

**Whereas**, as stated by the late Oakland County Executive L. Brooks Patterson and confirmed by the Crain's Detroit Business article dated November 19, 2010 and the current RTA website program map, the RTA plan is unlikely to provide any discernable benefit for the City of Rochester Hills or its residents; and

**Whereas**, based on 2019 total real and personal property values and the proposed 2018 transit tax millage rate of 1.5 mill, the City of Rochester Hills has a total 2019 taxable value of over \$3.6 billion, and would contribute over \$5.2 million in transit taxes in the first year alone; and

**Whereas**, if it is decided that 1.5 mills will not generate adequate tax revenue due to Macomb County's exemption, HB 5229 will allow the transit tax millage to be increased; and

**Whereas**, if a conservative 2% annual growth factor is applied over the life of the 20-year 1.5 mills timeframe, the City of Rochester Hills transit tax contribution grows to an estimated \$126 million with no discernable benefit to the taxpayers. (The 2019 City of Rochester Hills year-over-year change in taxable value was 4.7%); and

**Whereas**, if the Oakland County Board of Commissioners decide to levy the maximum millage of 5 mill for 20-years allowed under the Act, the total transit tax contribution from the City of Rochester Hills increases to an estimated \$422 million with no discernable benefit to the taxpayers; and

**Whereas**, A proposed tax rate for the 2020 ballot in November has not yet been determined; and

**Whereas**, RTA and County Officials have refused to confirm whether or not transportation funds levied under the Act will be diverted to buy down a balloon loan for the Q Line rail on Woodward Avenue, or used to pay off unfunded Pension and OPEB liabilities for AARTA, SMART, or DDOT transportation authorities; and

**Whereas**, both the RTA General Manager and Oakland County Executive went on record to state the intent of the RTA is not to combine services with AARTA, SMART, or DDOT for purposes of improving operational efficiencies of achieving cost reductions; and

**Whereas**, there has not been a definitive RTA plan, a specific list of associated costs, and a viable operational plan shared with the City of Rochester Hills for review; and

**Whereas**, the northern and western members of the Oakland County Association of Township Supervisors vehemently oppose the current transit tax millage plan because, based on available information, there is not expected to be a tangible return on their communities' millage investment if the ballot question were to pass.

**Now, Therefore, Be It Resolved**, the City of Rochester Hills implores the members of the Michigan Legislature and the Oakland County Board of Commissioners to oppose HB 5229 unless an opt-out clause is added, which would allow Oakland County communities that are not expected to receive any direct benefit from the RTA plan to be exempt from the millage, or alternatively, to allow the residents of an Oakland County community the right to vote on an opt-in or opt-out option.

**Be It Further Resolved**, a certified copy of this Resolution shall be forwarded to the following: Governor Whitmer, Oakland County Executive Coulter, Oakland County Commissioners Kochenderfer and Kuhn, State Senator McMorro, State Representative Webber, State Transportation Commission, Northern Oakland County Communities, Michigan Townships Association, Michigan Municipal League, SEMCOG Executive Director, and Executive Director of RTA, for the purposes of requesting the State and County to allow Oakland County communities the ability to opt-out of the RTA plan, or alternatively, to allow the residents of the affected Oakland County community the right to vote on an opt-in or opt-out option.