



# HOUSE BILL No. 4107

January 17, 1995, Introduced by Rep. Porreca and referred to the Committee on Transportation.

A bill to amend sections 9, 11, and 12 of Act No. 231 of the Public Acts of 1987, entitled as amended

"An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds,"

as amended by Act No. 149 of the Public Acts of 1993, being sections 247.909, 247.911, and 247.912 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 9, 11, and 12 of Act No. 231 of the  
2 Public Acts of 1987, as amended by Act No. 149 of the Public Acts  
3 of 1993, being sections 247.909, 247.911, and 247.912 of the  
4 Michigan Compiled Laws, are amended to read as follows:

1       Sec. 9. (1) A project shall relate to 1 or more of the  
2 following categories:

3       (a) Economic development road projects in any of the follow-  
4 ing targeted industries:

5       (i) Agriculture or food processing.

6       (ii) Tourism.

7       (iii) Forestry.

8       (iv) High technology research.

9       (v) Manufacturing.

10       (vi) Mining.

11       (vii) Office centers of not less than 50,000 square feet.

12       (viii) INTERNATIONAL OR USER FEE, OR BOTH, AIRPORTS AS  
13 DEFINED BY THE CUSTOMS BUREAU OF THE UNITED STATES DEPARTMENT OF  
14 TREASURY IN COUNTIES WITH A POPULATION OF MORE THAN 500,000.

15       (c) Projects for reducing congestion on county primary and  
16 city major streets within urban counties including advanced traf-  
17 fic management systems.

18       (d) Development projects for the improvement of rural pri-  
19 mary roads in rural counties and major streets in cities and vil-  
20 lages with a population of 5,000 or less.

21       (e) Projects for development within rural counties on county  
22 rural primary roads or major streets within incorporated villages  
23 and cities with a population of less than 5,000.

24       (2) The minimum requirements specified in section 7 for  
25 projects identified in subsection (1)(a) shall ensure that those  
26 projects satisfy the following requirements:

1 (a) Meet a particular transportation need that is shown to  
2 exist.

3 (b) Have an immediate positive impact on local employment  
4 and the economy.

5 (c) Exclude speculative projects with little or no return on  
6 investment. Projects that contribute to the economic development  
7 and redevelopment of areas having experienced or having signifi-  
8 cant potential to experience job loss which meet the criteria for  
9 funding under section 7(3)(b)(ii) shall not be considered specu-  
10 lative for the purposes of this subdivision.

11 (d) Provide cooperation and support between developers and  
12 state and local government.

13 (e) Were evaluated on the basis of impact on the local  
14 community.

15 (3) A project that is within 1 or more of the categories in  
16 subsection (1) shall also meet the criteria developed for that  
17 category.

18 Sec. 11. (1) Bonds may be issued as authorized by the com-  
19 mission for the purpose of funding projects under this act in the  
20 manner provided in sections 18b and 18k of Act No. 51 of the  
21 Public Acts of 1951, being sections 247.668b and 247.668k of the  
22 Michigan Compiled Laws, and in accordance with the adopted poli-  
23 cies of the commission. Bonds shall not be committed for any  
24 project under this act until the requirements set forth under  
25 section 3(1) have been satisfied.

26 (2) Projects shall be funded in the following categories in  
27 the following amounts:

1 (a) The first \$5,000,000.00 of the fund shall be distributed  
 2 each fiscal year to each qualified county in a percentage amount  
 3 equal to the same percentage amount that the number of acres of  
 4 commercial forest, national park, and national lakeshore land in  
 5 each qualified county bears to the total number of acres of com-  
 6 mercial forest, national park, and national lakeshore land in all  
 7 qualified counties in this state. Revenue distributed under this  
 8 subdivision shall be used for the construction or reconstruction  
 9 of roads.

10 (b) The next \$2,500,000.00 of the fund shall be distributed  
 11 each fiscal year for improvements to roads and streets that are  
 12 eligible for federal aid in cities and villages having a popula-  
 13 tion of 5,000 or greater within rural counties.

14 (3) Of the balance remaining after funding projects pursuant  
 15 to subsection (2), projects shall be funded in the categories  
 16 described in section 9 based on the following percentages:

17 (a) 50% for economic development road projects in any of the  
 18 targeted industries.

19 (c) 25% for projects to reduce congestion on county primary  
 20 and city major streets within urban counties including advanced  
 21 traffic management systems. The funds shall be distributed to  
 22 counties with populations in excess of 400,000 in accordance with  
 23 the following formula:

24	<u>Population</u>	<u>Percentage of Funds</u>
25	1,750,000 or more	16%

1	1,000,000 to 1,750,000	40%
2	600,000 to 1,000,000	20%
3	400,000 to 600,000	24%

4 When 2 or more counties occupy the same category, the funds  
5 shall be divided equally.

6 Projects funded under this category shall be used for the  
7 widening of county primary roads or city major streets or for  
8 advanced traffic management systems in eligible counties.

9 (d) 25% for development projects within rural counties.

10 These revenues shall be distributed for the improvement of rural  
11 primary roads in rural counties and major streets in cities and  
12 villages with a population of 5,000 or less. Funds distributed  
13 under this subdivision shall be allocated by the commission to  
14 the regional rural task force areas defined in section 12a in the  
15 same proportion that the rural primary mileage of the regional  
16 rural task force area bears to the total rural primary mileage of  
17 all counties. Each rural county shall be credited with an allo-  
18 cation in the proportion that the county's rural primary mileage  
19 is to the total rural primary mileage of those rural counties  
20 within the same regional rural task force area. Projects funded  
21 under this subdivision shall be limited to upgrading rural pri-  
22 mary roads and major streets to create an all-season road  
23 network.

24 (4) The obligation authority for any federal funds allocated  
25 under section 10 of Act No. 51 of the Public Acts of 1951, being  
26 section 247.660 of the Michigan Compiled Laws, shall be  
27 distributed equally among urban task forces and regional rural

1 task forces according to the distribution formula outlined in  
2 subsection (3)(c) and (d). An additional 1.5% of the obligation  
3 authority for federal funds identified in section 10 of Act  
4 No. 51 of the Public Acts of 1951 shall be distributed among the  
5 regional rural task forces according to the distribution formula  
6 outlined in subsection (3)(d). These funds shall be obligated  
7 and used consistent with the provisions of section 10 of Act  
8 No. 51 of the Public Acts of 1951.

9 (5) JURISDICTION OVER THE DAVISON FREEWAY SHALL BE TRANS-  
10 FERRED TO THE STATE TRANSPORTATION DEPARTMENT NOT LATER THAN  
11 SEPTEMBER 30, 1995.

12 Sec. 12. (1) The urban task force which represents the  
13 majority of the communities in the urban area of each county  
14 shall select and designate for eligibility projects for funding  
15 under section 11(3)(c) within their respective allocations. One  
16 nonvoting member of each task force shall be a designee of and  
17 represent the administrator. In the case of widening projects  
18 only, the task forces shall designate projects for eligibility as  
19 follows:

20 (a) Projects shall be eligible for federal aid.

21 (b) Projects shall consist of adding travel lanes, left turn  
22 lanes, and intersectional improvements to roads with 2 travel  
23 lanes carrying more than 10,000 vehicles per day or roads with  
24 more than 2 travel lanes carrying more than 25,000 vehicles per  
25 day in accordance with traffic counts done on or before April 1,  
26 ~~1993~~ 1995.

1 (2) Projects funded under section 11(4) shall be consistent  
2 with the provisions of section 10 of Act No. 51 of the Public  
3 Acts of 1951, being section 247.660 of the Michigan Compiled  
4 Laws.

5 (3) If any task force fails to submit sufficient qualified  
6 projects to obligate its allocation by July 1 of any fiscal year,  
7 those funds shall be made available to the remaining urban task  
8 forces in the same proportion as the original allocation.

9 (4) The individual urban task forces shall propose project  
10 result evaluation criteria for all projects to the administrator  
11 and the commission for review and comment.

12 (5) The urban task forces shall report to the administrator  
13 on an annual basis the status of all projects selected for  
14 funding.

15 (6) The programs and projects authorized in section 11(3)(c)  
16 shall be administered in a similar manner as current federal aid  
17 projects and in accordance with the adopted policies of the  
18 commission.