



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1192 (Substitute S-2 as reported)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

CONTENT

The bill would amend Public Act 51 of 1951, the Michigan Transportation Fund law, to require funds received under the local Federal match program (which Senate Bill 1132 would create) to be granted to municipalities and other local road agencies to match Federal aid projects. An individual grant could not exceed 25% of the amount of Federal funds available for the project.

The local municipality or agency would have to submit projects to the Michigan Department of Transportation (MDOT). If the projects met the bill's criteria, MDOT would have to award grants to the extent of available funds. Projects selected for funding would have to meet all of the following criteria:

- The project would have to be under construction or contract for construction by September 30, 2007.
- The applicant would have to have identified all of the necessary funding to complete the project.
- The project would have to be for the opening, widening, improvement, construction, and reconstruction of a Federal aid-eligible road or street, including the work incidental to that opening, widening, improvement, construction, and reconstruction.

Beginning February 1, 2007, MDOT would have to submit to the Legislature an annual report containing the balance contained in the program, a list of all projects currently funded under it, and a list of all Federal high-priority projects eligible for program funding. Once half of the money received by the program was spent, MDOT would have to submit a report containing the same information. The Department would have to provide additional criteria, if necessary, for selecting the remaining projects to be funded in a fiscal year. All bond proceeds not needed to fund grants awarded by September 30, 2007, would have to be appropriated for specific purposes described in the Act.

The bill is tie-barred to Senate Bill 1132, which would create the match program to receive the proceeds of certain bonds issued by the State Transportation Commission.

MCL 247.661e

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would cost the State an indeterminate amount in administrative costs. The Department would incur administrative costs for implementing the local Federal match program and meeting the reporting requirements proposed in the bill.

Date Completed: 4-20-06

Fiscal Analyst: Jessica Runnels