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BILL



ANALYSIS

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House Bill 5826 (as passed the House)
Sponsor: Representative David Agema
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 9-19-12

CONTENT

The bill would amend Public Act 231 of 1987, which created and governs the Transportation Economic Development Fund (TEDF), to reduce by \$12.0 million the amount allocated to the Targeted Industries Program (otherwise known as "Category A" programs). The Act currently redirects funds from the TEDF to the State Trunkline Fund (STF) and the bill would continue this redirection for FY 2012-13 only. The proposed redirection of \$12.0 million in TEDF funds from driver license fee revenue to the STF would be consistent with the implementation of the enacted FY 2012-13 Michigan Department of Transportation budget.

MCL 247.911

FISCAL IMPACT

The bill would continue the redirection of \$12.0 million from the TEDF to the STF for FY 2012-13. The \$12.0 million of TEDF funds would be taken entirely from the Target Industries (Category A) program. Category A is considered a "State" program and thus there would be no impact on the TEDF funds that support local and rural projects, otherwise known as Category "C" and "D" projects. This redirection of funds would be a shift between two State restricted funds and therefore would have no negative effect on State revenue. Finally, the redirection of funds proposed in the bill would reflect the intent of the Legislature in fully funding the Michigan Department of Transportation budget for FY 2012-13. The redirection of funds would allow the Department to match all available Federal-aid highway funds.

Fiscal Analyst: Joe Carrasco

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