



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 25 (Substitute S-1 as reported)
Senate Bill 1049 (Substitute S-1 as reported)
Sponsor: Senator Mike Kowall
Committee: Economic Development and International Investment

CONTENT

Senate Bill 25 (S-1) would amend Public Act 231 of 1987, which provides for the Transportation Economic Development Fund and the funding of five different categories of economic development road projects, to do the following:

- Add medical research or medical tourism facilities of not less than 50,000 square feet to the list of targeted industries within Category A.
- Change the population criteria from less than 5,000 to more than 5,000 for projects relating to development within rural counties on county rural primary roads or major streets within incorporated villages and cities (Category D), and refer to improvements rather than developments.

Senate Bill 1049 (S-1) would amend Public Act 231 of 1987 to do the following:

- Require funds distributed to Category F projects to be distributed for improvements within rural counties to roads and streets that are eligible for Federal aid, and are located inside the boundaries of an urban area or an urbanized area.
- Require funds distributed to Category D projects to be distributed for the improvement of rural primary roads in rural counties and major streets in cities and villages with a population of 5,000 or less that are located outside the boundaries of an urban area or an urbanized area.
- Allow the urban task force that represents the majority of the communities in the urban area of each county to designate for eligibility Category C projects, instead of Category D projects.
- Allow an urban task force, in the case of widening projects, to designate project eligibility using the most current traffic count; and permit projects for the construction of new roads with three or more lanes where the traffic count would exceed 10,000 vehicles per day.
- Require programs and projects authorized under Category C, instead of Category D, to be administered in a manner similar to current Federal aid projects and in accordance with the policies of the State Transportation Commission.
- Modify reporting requirements for the Commission related to job creation and economic benefits of certain projects.

Senate Bill 1049 (S-1) is tie-barred to Senate Bill 25.

(The Act authorizes the State Transportation Commission to approve funding from the Transportation Economic Development Fund for five categories of projects, which are referred to as Categories A, C, D, E, and F. A project must relate to one of the categories, which are described below:

- Category A: Economic development road projects related to targeted industry development and redevelopment opportunities.
- Category C: Road improvements in urban counties to reduce traffic congestion.
- Category D: Road improvements in rural counties to create an all-season road network.
- Category E: Road improvements for the development of commercial forests in the State.
- Category F: Road improvements that support an all-season road network in the urban areas of rural counties.)

MCL 247.909 (S.B. 25)
247.901 et al. (S.B. 1049)

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bills would have no fiscal impact on State or local government. The bills would not create additional revenue or costs to the State budget.

Senate Bill 25 (S-1) would expand the list of projects qualifying for Category A funding to include medical research or medical tourism facilities of not less than 50,000 square feet. This would not reduce or increase the amount of funding in Category A; however, it could make the grant process for those awards more competitive.

Senate Bill 1049 (S-1) would add more specificity to urban/rural boundary definitions, make updated data available to the Department of Transportation, and remove outdated language and sections from Public Act 231 of 1987. These changes would not result in new revenue or costs.

Date Completed: 9-29-16

Fiscal Analyst: Michael Siracuse

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.