



HOUSE BILL No. 5637

April 18, 2000, Introduced by Reps. Hager, Gilbert, LaSata, Rivet, Richardville, Mortimer, Kowall, Birkholz, Neumann, Mans, Garcia, Rick Johnson, Woronchak, Tesanovich, Mead, Middaugh and Shackleton and referred to the Committee on Appropriations.

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive

transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending section 10 (MCL 247.660), as amended by 1998 PA 308.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. (1) A fund to be known as the Michigan transporta-
2 tion fund is established and shall be set up and maintained in
3 the state treasury as a separate fund. Money received and col-
4 lected under 1927 PA 150, MCL 207.101 to 207.202, except a
5 license fee provided in that act, and a tax, fee, license, and
6 other money received and collected under sections 801 to 810 of
7 the Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810,
8 except a truck safety fund fee provided in section 801(1)(k) of
9 THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.801, and money
10 received under the motor carrier act, 1933 PA 254, MCL 475.1 to
11 479.43, shall be deposited in the state treasury to the credit of
12 the Michigan transportation fund. In addition, income or profit
13 derived from the investment of money in the Michigan transporta-
14 tion fund shall be deposited in the Michigan transportation
15 fund. Except as provided in this act, no other money, whether
16 appropriated from the general fund of this state or any other
17 source, shall be deposited in the Michigan transportation fund.

1 Except as otherwise provided in this section, the legislature
2 shall appropriate funds for the necessary expenses incurred in
3 the administration and enforcement of 1927 PA 150, MCL 207.101 to
4 207.202, THE MOTOR CARRIER ACT, 1933 PA 254, MCL 475.1 to 479.43,
5 and sections 801 to 810 of the Michigan vehicle code, 1949
6 PA 300, MCL 257.801 to 257.810. Funds appropriated for necessary
7 expenses shall be based upon established cost allocation method-
8 ology that reflects actual costs. Beginning with the fiscal year
9 ending September 30, 1998 and the next 2 succeeding fiscal years
10 thereafter, funds appropriated for these administrative expenses
11 for all state agencies and departments, other than the depart-
12 ment, the commission, the department of environmental quality
13 expedited permit processing program for road agencies, the
14 department of state, and the attorney general shall be phased out
15 until further funds are no longer appropriated for this purpose.
16 All money in the Michigan transportation fund is apportioned and
17 appropriated, for the fiscal years ending September 30, 1993
18 through September 30, 2000, in the following manner:

19 (a) Not more than \$3,000,000.00 as may be annually appropri-
20 ated each fiscal year to the state trunk line fund for subsequent
21 deposit in the rail grade crossing account.

22 (b) Not less than \$3,000,000.00 each year to the critical
23 bridge fund established in section 11b for the purpose of payment
24 of the principal, interest, and redemption premium on any notes
25 or bonds issued by the state transportation commission under
26 section 11b.

1 (c) Revenue from 3 cents of the tax levied under
2 section 2(1) of 1950 PA 127, MCL 207.102, to the state trunk line
3 fund, county road commissions, and cities and villages in the
4 percentages provided in subdivision ~~(h)~~ (I).

5 (d) Revenue from 1 cent of the tax levied under section 2(1)
6 of 1950 PA 127, MCL 207.102, to the state trunk line fund for
7 repair of state bridges under section 11.

8 (e) \$43,000,000.00 to the state trunk line fund for debt
9 service costs on state of Michigan projects.

10 (f) 10% to the comprehensive transportation fund for the
11 purposes described in section 10e.

12 (g) \$36,775,000.00 to the state trunk line fund for subse-
13 quent deposit in the transportation economic development fund,
14 and, as of September 30, 1997, with first priority for allocation
15 to debt service on bonds issued to fund transportation economic
16 development fund projects. In addition, beginning October 1,
17 1997, \$3,500,000.00 is appropriated from the Michigan transporta-
18 tion fund to the state trunk line fund for subsequent deposit in
19 the transportation economic development fund to be used for eco-
20 nomic development road projects in any of the targeted industries
21 described in section 9(1)(a) of 1987 PA 231, MCL 247.909.

22 (H) AN AMOUNT EQUAL TO \$6,500,000.00 EACH FISCAL YEAR TO THE
23 STATE TRUNK LINE FUND FOR THE OPERATION, MAINTENANCE, AND REHA-
24 BILITATION OF MOVABLE BRIDGES IN THIS STATE.

25 (I) ~~(h)~~ The balance of the Michigan transportation fund as
26 follows, after deduction of the amounts appropriated in
27 subdivisions (a) through ~~(g)~~ (H) and section 11b:

1 (i) 39.1% to the state trunk line fund for the purposes
2 described in section 11. Beginning October 1, 1995, a state
3 grant of not less than \$33,000,000.00, as may be annually appro-
4 priated each fiscal year, after the payment of debt service pur-
5 suant to section 11(1)(a), shall be made to the local program
6 fund created in section 11e.

7 (ii) 39.1% to the county road commissions of the state.

8 (iii) 21.8% to the cities and villages of the state.

9 (2) If a distribution formula is not enacted into law for
10 any time period beginning after September 30, 2000, the following
11 amounts are appropriated each fiscal year thereafter with the
12 balance reverting to the Michigan transportation fund until a
13 distribution formula is enacted:

14 (a) An amount is apportioned and appropriated to the compre-
15 hensive transportation fund sufficient to pay the principal and
16 interest payments due on bonds and notes issued for comprehensive
17 transportation purposes under section 18b.

18 (b) An amount is apportioned and appropriated to the state
19 trunk line fund sufficient to pay the principal and interest pay-
20 ments due on bonds and notes issued for those purposes for which
21 the state transportation commission may issue bonds and notes
22 under section 18b, except for those bonds and notes issued for
23 comprehensive transportation purposes, and sufficient to pay the
24 obligations of the state trunk line fund pursuant to contracts
25 entered into under section 18d, which contributions are pledged
26 for the payment of principal and interest on bonds issued under
27 section 18d.

1 (c) An amount is apportioned and appropriated to county road
2 commissions sufficient to pay the principal and interest payments
3 due on bonds and notes described in section 12(8).

4 (d) An amount is apportioned and appropriated to cities and
5 villages sufficient to pay the principal and interest payments
6 due on bonds and notes described in section 13(3)(a).

7 (3) The money appropriated pursuant to this section shall be
8 used for the purposes as provided in this act and any other
9 applicable act. Subject to the requirements of section 9b, the
10 department shall develop programs in conjunction with the
11 Michigan state chamber of commerce and the Michigan minority
12 business development council to assist small businesses, includ-
13 ing those located in enterprise zones and those located in empow-
14 erment zones as determined under federal law, as defined by law
15 in becoming qualified to bid.

16 (4) The distribution formula enacted into law after
17 September 30, 2000 shall not adversely affect the ability of the
18 state or a city, village, county, or county road commission which
19 has issued bonds or notes payable from the Michigan transporta-
20 tion fund or the motor vehicle highway fund to pay the debt serv-
21 ice on those bonds or notes.

22 (5) Thirty-one and one-half percent of the funds appropri-
23 ated to this state from the federal government pursuant to 23
24 U.S.C. 157, commonly known as minimum guarantee funds, shall be
25 allocated to the transportation economic development fund, if
26 such an allocation is consistent with federal law. These funds
27 shall be distributed 16-1/2% for development projects for rural

1 counties as defined by law and 15% for capacity improvement or
2 advanced traffic management systems in urban counties as defined
3 by law. Federal funds allocated for distribution under this sec-
4 tion shall be eligible for obligation and use by all recipients
5 as defined by the intermodal surface transportation efficiency
6 act of 1991, Public Law 102-240, 105 Stat. 1914.