

# HOUSE BILL No. 6221

June 18, 2002, Introduced by Rep. Rivet 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

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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 2000 PA 188.

**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       1949 PA 300, MCL 257.801, and money received under the motor car-  
10      rier act, 1933 PA 254, MCL 475.1 to 479.43, shall be deposited in  
11      the state treasury to the credit of the Michigan transportation  
12      fund. In addition, income or profit derived from the investment  
13      of money in the Michigan transportation fund shall be deposited  
14      in the Michigan transportation fund. Except as provided in this  
15      act, no other money, whether appropriated from the general fund  
16      of this state or any other source, shall be deposited in the  
17      Michigan transportation fund. Except as otherwise provided in

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

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

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

25       (c) Revenue from 3 cents of the tax levied under  
26 section 2(1) of 1950 PA 127, MCL 207.102, to the state trunk line

1 fund, county road commissions, and cities and villages in the  
2 percentages provided in subdivision ~~-(i)-~~ (J).

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

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

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

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

20 (h) Not less than \$33,000,000.00 as may be annually appro-  
21 priated each fiscal year to the local program fund created in  
22 section 11e.

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

1       (J) ~~-(i)-~~ The balance of the Michigan transportation fund as  
2 follows, after deduction of the amounts appropriated in  
3 subdivisions (a) through ~~-(h)-~~ (I) and section 11b:

4       (i) 39.1% to the state trunk line fund for the purposes  
5 described in section 11.

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

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

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

17       (3) Thirty-one and one-half percent of the funds appropri-  
18 ated to this state from the federal government pursuant to 23  
19 U.S.C. 157, commonly known as minimum guarantee funds, shall be  
20 allocated to the transportation economic development fund, if  
21 such an allocation is consistent with federal law. These funds  
22 shall be distributed 16-1/2% for development projects for rural  
23 counties as defined by law and 15% for capacity improvement or  
24 advanced traffic management systems in urban counties as defined  
25 by law. Federal funds allocated for distribution under this sec-  
26 tion shall be eligible for obligation and use by all recipients

1 as defined by the transportation equity act for the 21st century,  
2 Public Law 105-178, 112 Stat. 107.