

Legislative Analysis



REDIRECTION OF CERTAIN DRIVERS' LICENSEE FEES FROM THE TEDF TO STATE GENERAL FUND

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4847 (S-3) As passed the Senate
Sponsor: Rep. Morris Hood III
Committee: Appropriations

Complete to 11-13-08

A SUMMARY OF HOUSE BILL 4847 (S-3) AS PASSED THE SENATE 11-13-08

House Bill 4847 (S-3A) would amend Section 819 (MCL 257.819) of the Michigan Vehicle Code (1949 PA 300 of) to redirect to the state General Fund a portion of drivers' license fee revenue currently dedicated to the Transportation Economic Development Fund (TEDF). The bill would make the fund shift for two fiscal years: \$13.0 million FY 2007-08, and \$6.0 million in FY 2008-09. [The bill as introduced would have made the \$6.0 million fund shift in FY 2006-07, rather than FY 2008-09.] This bill would enact into law the General Fund target setting agreements which are already reflected in applicable budgets.

The \$6.0 million transfer for FY 2008-09 represents the amount that the TEDF was reduced for FY 2006-07 through Executive Order 2007-3. In effect, budgetary spending authority was reduced by \$6 million in FY 2006-07 but the actual shift of those funds to the state General Fund would not occur until FY 2008-09.

A related bill, Senate Bill 794 (enacted as 2007 PA 168) amended 1987 PA 231, the act that established the TEDF, to make the \$6.0 million reduction from the Target Industries program category.

A related bill, House Senate 6336 would amend 1987 PA 231 to make the \$6.0 million reduction from the Target Industries program category.

FISCAL IMPACT:

The bill would redirect \$13.0 million and \$6.0 million from the TEDF to the state General Fund. There would be no impact on total state revenue, simply a shift between funds.

Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.