



**Senate Fiscal Agency**  
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BILL ANALYSIS



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Senate Bill 1068 (as enacted)  
Sponsor: Senator Marty Knollenberg  
Senate Committee: Transportation  
House Committee: Government Operations

**PUBLIC ACT 459 of 2016**

Date Completed: 4-25-17

**CONTENT**

**The bill amended the Michigan Transportation Fund law to specify that "state trunk line highway" does not include a limited access freeway, for the purposes of city and village participation with the Michigan Department of Transportation (MDOT) in paying the cost of opening, widening, and improving State trunk line highways within the cities and villages.**

Specifically, the law requires incorporated cities and villages to participate with the Department in the cost of opening, widening, and improving, including construction and reconstruction of State trunk line highways within cities and villages to which streets that are connecting links of trunk line highways or streets that are made connecting links of trunk line highways may be added, subject to the approval of the State Transportation Commission.

The cost participation must be based on the schedule shown in Table 1, depending on the population of the city or village.

Table 1

| Population        | Local Share | State Share |
|-------------------|-------------|-------------|
| ≥50,000           | 12.5%       | 87.5%       |
| 40,000 to <50,000 | 11.25%      | 88.75%      |
| 25,000 to <40,000 | 8.75%       | 91.25%      |
| ≤25,000           | 0.0%        | 100.0%      |

The bill specifies that, as used in the local cost participation requirement described above, "state trunk line highway" does not include a limited access freeway.

The bill took effect on April 5, 2017.

MCL 247.651c

Legislative Analyst: Drew Krogulecki

**FISCAL IMPACT**

The bill will not affect State or local revenue, but will change the allocation of expenditures by both the State and affected local units of government. Over the last five years, local cost sharing under the provisions affected by the bill has totaled between \$2.0 million and \$5.0 million each year. Presumably, given the road funding legislation enacted in late 2015, the

number of road projects will expand, and local cost sharing will increase from historical levels. The bill will effectively decrease the number of projects the State may support by increasing the State's cost for projects. Similarly, the bill will effectively increase the number of projects affected local units may pursue by allowing revenue that otherwise would have been allocated to meet local cost sharing requirements to be directed to other projects.

Fiscal Analyst: David Zin

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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.