



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 6087 (Substitute H-1 as reported without amendment)
House Bill 6088 (as reported without amendment)
Sponsor: Representative Ben Frederick
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

CONTENT

House Bill 6087 (H-1) would amend the Michigan Transportation Fund law to allow a local road agency or a public transportation system to borrow money from a State infrastructure bank program administered by the Michigan Department of Transportation in accordance with regulations of the State Infrastructure Bank Program of the United States Department of Transportation.

House Bill 6088 would amend the Revised Municipal Finance Act to specify that a municipal security would not include a loan from the State Infrastructure Bank.

House Bill 6088 is tie-barred to House Bill 6087.

Proposed MCL 247.668m (H.B. 6087)
MCL 141.2105 (H.B. 6088)

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

House Bill 6087 (H-1) likely would have no fiscal impact on State or local units of government, as it appears to codify current practice of the Department of Transportation's management of the State Infrastructure Bank (SIB) Program. The proposed language would identify county road commissions/agencies, cities, villages, and light rail systems as eligible for SIB loans. At least one of each type of agency has an outstanding loan from the SIB program, as indicated on the Department's SIB report for fiscal year (FY) 2016-17; however, a majority of these loans currently go to county road commissions and cities. The loans typically have a term of years ranging anywhere from two to 20 years with interest rates that vary from 0.0% to 4.0%.

Per the most recent SIB report for FY 2017-18, the SIB program had \$17.5 million in outstanding loans and \$3.6 million available for new loans to local agencies for FY 2018-19.

House Bill 6088 would have no fiscal impact on State or local government.

Date Completed: 12-18-18

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