

HOUSE BILL No. 5831

April 18, 2018, Introduced by Reps. Camilleri, Kosowski, Chang and Geiss and referred to the Committee on Transportation and Infrastructure.

A bill to amend 1987 PA 231, entitled

"An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds,"

by amending section 11 (MCL 247.911), as amended by 2016 PA 501.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) Bonds may be issued as authorized by the
2 commission for the purpose of funding projects under this act in
3 the manner provided in sections 18b and 18k of 1951 PA 51, MCL
4 247.668b and 247.668k, and in accordance with the adopted policies
5 of the commission. Bonds shall not be committed for any project
6 under this act until the requirements under section 3(1) have been
7 satisfied.

1 (2) After the payment of interest and principal on bonds
2 issued under this act and the appropriation for costs of
3 administration of the fund as provided under this act, fund revenue
4 shall be annually appropriated as follows:

5 (a) The first \$5,000,000.00 for a forest roads program. Forest
6 roads program funds shall be distributed each fiscal year to each
7 qualified county in a percentage amount equal to the same
8 percentage amount that the number of acres of commercial forest,
9 national park, and national lakeshore land in each qualified county
10 bears to the total number of acres of commercial forest, national
11 park, and national lakeshore land in all qualified counties in this
12 state. Revenue distributed under this subdivision shall be used for
13 the construction or reconstruction of roads.

14 (b) The next \$2,500,000.00 of the fund shall be distributed
15 each fiscal year for improvements within rural counties to roads
16 and streets that are eligible for federal aid and are located
17 inside the boundaries of an urban area or an urbanized area as
18 determined by the most recent federal decennial census and as
19 adjusted by the department.

20 (3) Of the balance remaining after funding projects under
21 subsection (2), projects shall be funded in the categories
22 described in section 9 based on the following percentages:

23 (a) 50% for economic development road projects in any of the
24 targeted industries. For the fiscal year ending September 30, 2017
25 only, the allocation made under this subdivision shall be reduced
26 by \$9,423,700.00.

27 (b) 25% for projects to reduce congestion on county primary

1 and city major streets within urban counties including advanced
 2 traffic management systems. The funds shall be distributed to
 3 counties with populations in excess of 400,000 in accordance with
 4 the following formula:

5	Population	Percentage of Funds
6	1,750,000 or more	16%
7	1,000,000 to 1,749,999	40%
8	650,001 to 999,999	20%
9	400,000 to 650,000	24%

10 When 2 or more counties occupy the same category, the funds
 11 shall be divided equally.

12 Projects funded under this category shall be used for the
 13 widening of county primary roads or city major streets or for
 14 advanced traffic management systems in eligible counties.

15 (c) 25% for projects within rural counties. These revenues
 16 shall be distributed for the improvement of rural primary roads in
 17 rural counties and major streets in cities and villages with a
 18 population of 5,000 or less that are located outside the boundaries
 19 of an urban area or an urbanized area as determined by the most
 20 recent federal decennial census and as adjusted by the department.
 21 Funds distributed under this subdivision shall be allocated by the
 22 commission to the regional rural task force areas defined in
 23 section 12a in the same proportion that the rural primary mileage
 24 of the regional rural task force area bears to the total rural
 25 primary mileage of all counties. Each rural county shall be
 26 credited with an allocation in the proportion that the county's
 27 rural primary mileage is to the total rural primary mileage of

1 those rural counties within the same regional rural task force
2 area. Projects funded under this subdivision shall be limited to
3 upgrading rural primary roads and major streets to create an all-
4 season road network. For the fiscal year ending September 30, 2016
5 only, the allocation made under this subdivision shall be reduced
6 by \$2,000,000.00, and \$2,000,000.00 shall be allocated to the
7 appropriated project as described in section 901 of article XX of
8 2016 PA 268.

9 (4) Beginning October 1, 2015, for the fiscal year ending
10 September 30, 2016 only, the following amounts are appropriated
11 from the fund and the distribution to targeted industries under
12 subsection (3) (a) shall be reduced accordingly:

13 (a) \$2,000,000.00 for credit to the state trunk line fund
14 established in section 11 of 1951 PA 51, MCL 247.661, for the
15 purposes of matching available federal-aid highway funds.

16 (b) \$2,000,000.00 for credit to the state aeronautics fund
17 established in section 34 of the aeronautics code of the state of
18 Michigan, 1945 PA 327, MCL 259.34, for the purpose of a 1-time
19 airport safety appropriation.

20 (5) Beginning October 1, 2016, for the fiscal year ending
21 September 30, 2017 only, \$10,400,000.00 is appropriated from the
22 fund for credit to the state trunk line fund established in section
23 11 of 1951 PA 51, MCL 247.661, for the purpose of road and bridge
24 construction, and the distribution to targeted industries under
25 subsection (3) (a) shall be reduced accordingly.

26 **(6) BEGINNING OCTOBER 1, 2018, FOR THE FISCAL YEAR ENDING**
27 **SEPTEMBER 30, 2019 AND EACH FISCAL YEAR THEREAFTER, \$13,000,000.00**

1 IS APPROPRIATED FROM THE FUND FOR CREDIT TO THE MI-TRAIN ACCOUNT
2 CREATED IN SECTION 11I OF 1951 PA 51, MCL 247.661I, AND THE
3 DISTRIBUTION TO TARGETED INDUSTRIES UNDER SUBSECTION (3) (A) SHALL
4 BE REDUCED ACCORDINGLY.

5 Enacting section 1. This amendatory act takes effect 90 days
6 after the date it is enacted into law.

7 Enacting section 2. This amendatory act does not take effect
8 unless all of the following bills of the 99th Legislature are
9 enacted into law:

10 (a) Senate Bill No. _____ or House Bill No. 5832 (request no.
11 05802'18).

12 (b) Senate Bill No. _____ or House Bill No. 5833 (request no.
13 06080'18).