



Senate Fiscal Agency
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House Bill 5861 (as discharged)
Sponsor: Representative Jason M. Sheppard
House Committee: Government Operations
Senate Committee: Transportation and Infrastructure (discharged)

CONTENT

The bill would amend Public Act 51 of 1951, the Michigan Transportation Fund law, to do the following:

- Require the Department of Transportation (MDOT) to establish a local grade separation grant program, and to provide grants to cities, villages, and county road commissions.
- Require MDOT to establish a review process for considering applications for grant money and to notify applicants within 120 days after receiving the application whether it was approved or rejected.
- Require MDOT, before releasing local grade separation grant funds, to enter into an agreement with the recipient, and specify the provisions that would have to be included in the agreement including a local, private, or Federal match of at least 20%.
- Require MDOT to issue a report to the Legislature pertaining to the use of funds from the grant program.
- Create the "Local Grade Separation Fund" within the State Treasury and provide for the disposition of money from the Fund.

"Grade separation" would mean an intersection of a railroad and roadway at different levels with the railroad either above or below the highway.

Proposed MCL 247.661i

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The Department of Treasury would incur minimal administrative costs to create and maintain the Fund. The ongoing administrative cost of less than \$100 would be absorbed within current appropriations.

Otherwise, as currently drafted, the bill would have no fiscal impact on State or local government. Although the bill would create the Fund for the specific purpose of distributing matching grants to local agencies (county road commissions, cities, and villages) for rail grade separation projects, the bill would not appropriate any money for the Fund. Should it receive an appropriation in the future, the cost to the State, and the positive fiscal impact to individual local units whose applications for funding were approved, would be equal to the amount of funding appropriated.

Date Completed: 12-16-20

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