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BILL ANALYSIS

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Senate Bill 1011 (as introduced 9-19-24)  
Sponsor: Senator Veronica Klinefelt  
Committee: Transportation and Infrastructure

Date Completed: 10-7-24

## **CONTENT**

### **The bill would amend the transportation economic development fund (TEDF) Law to modify urban county population ranges used in distributing TEDF funding for transportation projects meant to reduce congestion on county and city streets.**

The Law establishes the TEDF to enhance the State's ability to compete economically and to improve the quality of life in its rural and urban areas. The Fund consists of revenue allocated from the Michigan Transportation Fund<sup>1</sup> and increases in certain license fees collected by the Secretary of State. The Law prescribes the distribution of the TEDF, and after providing funding for other specified projects, the Law requires the balance of the TEDF to be used for transportation road construction or improvement as follows:

- 50% for economic development road projects in targeted industries, such as agriculture, tourism, and forestry, among others.<sup>2</sup>
- 25% for projects to reduce congestion on county primary roads and city major streets within urban counties, which is a county with a population of more than 400,000.
- 25% for projects within rural counties.

Of the 25% allocated for projects within urban counties, the Law requires the funds to be distributed along the following formula:

- For counties with a population of 1.75 million or more, 16% of the funds.
- For counties with a population of between 1.0 million and 1.74 million, 40% of the funds.
- For counties with a population of between 650,001 and 999,999, 20% of the funds.
- For counties with a population of between 400,000 and 650,000, 24% of the funds.

The bill would modify the formula as follows:

- For counties with a population of 1.75 million or more, 16% of the funds.
- For counties with a population of between 1.0 million and 1.74 million, 40% of the funds.
- For counties with a population of between 700,000 and 999,999, 20% of the funds.
- For counties with a population of between 400,000 and 699,999, 24% of the funds.

MCL 247.911

Legislative Analyst: Abby Schneider

## **FISCAL IMPACT**

The bill would have no fiscal impact on the State and would have a net zero fiscal impact on local units of government. The bill would adjust the population metrics for the county

<sup>1</sup> MCL 247.660

<sup>2</sup> MCL 247.909

congestion road funding, which means some local units could receive more funding while others received less funding; however, total funding would not change.

Fiscal Analyst: Bobby Canell

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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.