

# HOUSE BILL NO. 4230

March 13, 2025, Introduced by Rep. Outman and referred to Committee on Transportation and Infrastructure.

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety

purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; to investigate and study the tolling of roads, streets, highways, or bridges; and to repeal acts and parts of acts,"

(MCL 247.651 to 247.675) by adding section 13c.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           **Sec. 13c. (1) The neighborhood road fund is created in the**  
 2 **state treasury.**
- 3           **(2) The state treasurer shall deposit money and other assets**  
 4 **received from any source in the fund. The state treasurer shall**  
 5 **direct the investment of money in the fund and credit interest and**

1 earnings from the investments to the fund.

2 (3) The department is the administrator of the fund for audits  
3 of the fund.

4 (4) The department shall expend money from the fund on  
5 appropriation, only to distribute the money in the fund to county  
6 road agencies and city and village road agencies as provided in  
7 subsection (5).

8 (5) The fund must be distributed using the following formula:

9 (a) Road agencies are divided into the following categories:

10 (i) County road agencies.

11 (ii) City and village road agencies.

12 (b) The fund must be allocated to each category of road agency  
13 described in subdivision (a) in the same proportion that the  
14 mileage under each category of road agency bears to the total  
15 combined mileage under both categories of road agency.

16 (c) The portion of the fund allocated to each category of road  
17 agency must be distributed to each individual road agency within  
18 that category in the same proportion that the mileage under that  
19 individual road agency bears to the total combined mileage under  
20 that category of road agency.

21 (6) As used in this section:

22 (a) "Fund" means the neighborhood road fund created in  
23 subsection (1).

24 (b) "Mileage" means either of the following:

25 (i) For a county road agency, the number of miles of county  
26 urban local roads under the jurisdiction of that county road  
27 agency.

28 (ii) For a city or village, the number of miles of local roads  
29 under the jurisdiction of that city or village.