

# SENATE BILL No. 157

March 18, 1987, Introduced by Senators FESSLER and BINSFELD and referred to the Committee on State Affairs, Tourism, and Transportation.

A bill to authorize the imposition of taxes and fees for the purpose of road improvements or operations; to provide for the powers and duties of political subdivisions regarding those taxes and fees and road improvements and operations within their jurisdictions; to authorize certain road agencies to promulgate rules or adopt an ordinance regarding road improvements or operations necessitated by development; to prescribe certain provisions of those rules and ordinances; and to earmark certain revenues for road improvements or operations or for public transportation purposes.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "local road improvements and operations revenue act".

3       Sec. 2. As used in this act:

1 (a) "County road commission" means the county road  
2 commission or a county official, agency, or department that has  
3 the powers and duties of a county road commission in that  
4 county.

5 (b) "Jurisdiction" means the territorial range of authority  
6 and control.

7 (c) "Local government" means a city, village, or township.

8 (d) "Motor fuel" means that term as defined in section 82 of  
9 Act No. 150 of the Public Acts of 1927, being section 207.182 of  
10 the Michigan Compiled Laws.

11 (e) "Road agency" means the department of transportation, a  
12 board of county road commissioners, a local government, or  
13 another agency or political subdivision with jurisdiction over a  
14 road, street, or bridge affected by development. For the pur-  
15 poses of this act, a township has exclusive jurisdiction over a  
16 road, street, or bridge within its boundaries.

17 (f) "Road improvements and operations" means on-site or  
18 off-site improvements, operations, maintenance, or preservation  
19 of roads, streets, highways, or public transportation related to  
20 traffic safety needs or increased traffic volume resulting from a  
21 development including, but not limited to, construction, repair,  
22 or widening of roads, streets, or bridges; construction of accel-  
23 eration, deceleration, and turning lanes; construction, exten-  
24 sion, or maintenance of drainage facilities; installation or  
25 maintenance of lighting; installation or maintenance of traffic  
26 signs or signals; snow removal, salting, or sanding; grading;  
27 control of weed growth; and street cleaning.

1       Sec. 3. (1) A county with a population of 600,000 or less  
2 may levy as provided in section 7 a tax of not more than 2 cents  
3 per gallon on motor fuel.

4       (2) A county with a population of more than 600,000, or 2 or  
5 more contiguous counties in conjunction regardless of population,  
6 may levy as provided in section 7 a tax of not more than 5 cents  
7 per gallon on motor fuel.

8       Sec. 4. (1) A county may establish a countywide road  
9 authority. A road authority established under this section may  
10 levy an ad valorem property tax of not more than 5 mills for not  
11 more than 5 years, the revenue from which is specifically ear-  
12 marked for road improvements and operations. The authority shall  
13 return money collected under a tax levied under this subsection  
14 to the local government in which the property on which the tax is  
15 levied is located for use for road improvements and operations in  
16 that local government.

17       (2) By resolution of its governing body before the vote on  
18 the question, a local government may elect not to participate in  
19 a tax proposed under subsection (1). If a local government  
20 resolves not to participate, the vote on the proposition shall  
21 not be held in that local government.

22       (3) If a local government participates in a countywide vote  
23 on a tax proposed under subsection (1) that is rejected or if a  
24 countywide tax is not proposed under subsection (1), notwith-  
25 standing any millage limitation, the local government may levy as  
26 provided in section 7 an ad valorem property tax on property  
27 within that local government, the revenue from which is

1 specifically earmarked for road improvements or operations within  
2 that local government.

3       Sec. 5. (1) In addition to the fee for registration under  
4 the Michigan vehicle code, Act No. 300 of the Public Acts of  
5 1949, being sections 257.1 to 257.923 of the Michigan Compiled  
6 Laws, a county may impose as provided in section 7 a registration  
7 fee of up to \$10.00 on a motor vehicle registered to an owner  
8 residing in the county, the revenue from which is specifically  
9 earmarked for road improvements or operations. Upon payment of  
10 the registration fee, the county shall issue a registration  
11 sticker to be attached to the motor vehicle stating the county in  
12 which the vehicle is registered.

13       (2) If a local government participates in a countywide vote  
14 on a fee proposed under subsection (1) that is rejected or if a  
15 countywide fee is not proposed under subsection (1), in addition  
16 to the fee for registration under Act No. 300 of the Public Acts  
17 of 1949, a local government may impose as provided in section 7 a  
18 registration fee of up to \$10.00 on a motor vehicle registered to  
19 an owner residing in the local government, the revenue from which  
20 is specifically earmarked for road improvements or operations  
21 within that local government.

22       (3) The secretary of state shall collect a fee imposed under  
23 this section as part of the registration fee for a motor vehicle  
24 registered to an owner residing in a county or local government  
25 imposing a fee under this subsection. After subtracting 50 cents  
26 for administrative expenses for each fee collected, the secretary  
27 of state shall return money collected under a fee levied under

1 this section to the local government in which the owner from whom  
2 the fee is collected resides for use for road improvements and  
3 operations in that local government.

4       Sec. 6. (1) In addition to the real estate transfer tax  
5 levied under Act No. 134 of the Public Acts of 1966, being sec-  
6 tions 207.501 to 207.513 of the Michigan Compiled Laws, a county  
7 may levy as provided in section 7 a fee of up to \$10.00 for each  
8 real estate transfer or a real estate transfer tax of not more  
9 than \$3.00 for each \$1,000.00 or fraction of \$1,000.00 of the  
10 total value on property transfers within the county, the revenue  
11 from which is specifically earmarked for road improvements and  
12 operations.

13       (2) By resolution of its governing body before the vote on  
14 the question, a local government may elect not to participate in  
15 a tax proposed under subsection (1). If a local government  
16 resolves not to participate, the vote on the proposition shall  
17 not be held in that local government.

18       (3) In addition to the real estate transfer tax levied under  
19 Act No. 134 of the Public Acts of 1966, if a local government  
20 participates in a countywide vote on a tax proposed under subsec-  
21 tion (1) that is rejected or if a countywide tax is not proposed  
22 under subsection (1), the local government may levy as provided  
23 in section 7 a fee of up to \$10.00 for each real estate transfer  
24 or a real estate transfer tax of not more than \$3.00 for each  
25 \$1,000.00 or fraction of \$1,000.00 of the total value on property  
26 transfers within that local government, the revenue from which is

1 specifically earmarked for road improvements or operations within  
2 that local government.

3       (4) The county treasurer shall collect a tax levied under  
4 this section as part of the real estate transfer tax levied under  
5 Act No. 134 of the Public Acts of 1966. After subtracting 50  
6 cents for administrative expenses for each transfer, the county  
7 treasurer shall return money collected under a tax levied under  
8 this section to the local government in which the property on  
9 which the tax is levied is located for use for road improvements  
10 and operations in that local government.

11       Sec. 7. (1) Within 60 days after the effective date of this  
12 act, the county board of commissioners may resolve to place the  
13 question of levying a tax authorized under section 3 or of impos-  
14 ing a fee authorized under section 5 or 6, or both, on a county-  
15 wide special or regular election ballot.

16       (2) Within 60 days after rejection of a ballot question pro-  
17 posed under subsection (1) or, if the county board of commission-  
18 ers does not place a question on the particular tax or fee on the  
19 ballot, within 120 days after the effective date of this act, the  
20 county road commission may resolve to place the question of levy-  
21 ing a tax authorized under section 3 or of imposing a fee autho-  
22 rized under section 5 or 6, or both, on a countywide special or  
23 regular election ballot.

24       (3) Within 60 days after rejection of a ballot question pro-  
25 posed under subsection (2) or, if the county road commission does  
26 not place a question on the particular tax or fee on the ballot,  
27 within 180 days after the effective date of this act, a local

1 government may resolve to place the question of levying a tax  
2 authorized under section 4 or of imposing a fee authorized under  
3 section 5 or 6, or both, on a ballot for a special or regular  
4 election held throughout that local government.

5 (4) For each tax or fee authorized by sections 3 to 6 that  
6 is not levied in a county or local government, the time periods  
7 and conditions specified in subsections (1) to (3) for deciding  
8 to place a question on the tax or fee on the ballot begin again  
9 on January 1 of each year.

10 (5) An authority established under section 4 may resolve to  
11 place the question of levying a tax authorized under section 4 on  
12 a countywide special or regular election ballot.

13 Sec. 8. If a county or local government that levies a tax  
14 or imposes a fee under sections 3 to 6 is part of an authority  
15 incorporated under Act No. 55 of the Public Acts of 1963, being  
16 sections 124.351 to 124.359 of the Michigan Compiled Laws, or an  
17 authority incorporated under the metropolitan transportation  
18 authorities act of 1967, Act No. 204 of the Public Acts of 1967,  
19 being sections 124.401 to 124.425 of the Michigan Compiled Laws,  
20 and does not levy a tax specifically earmarked for that authori-  
21 ty, that county or local government shall use not less than 10%  
22 of the money collected from a tax or fee under sections 3 to 6  
23 for public transportation purposes.

24 Sec. 10. (1) A road agency may promulgate rules or adopt an  
25 ordinance that prescribes the requirements, procedures, and fees  
26 relating to road improvements required for the public health,  
27 safety, and welfare, which road improvements are necessitated by

1 residential, commercial, industrial, or other type of  
2 development. The rules or ordinance shall include, but are not  
3 limited to, those provisions required by sections 11 and 12.

4 (2) A state agency authorized to promulgate a rule under  
5 this act shall promulgate the rule in accordance with the admin-  
6 istrative procedures act of 1969, Act No. 306 of the Public Acts  
7 of 1969, being sections 24.201 to 24.328 of the Michigan Compiled  
8 Laws.

9 Sec. 11. (1) The rules or ordinance may require the devel-  
10 oper to dedicate land or pay fees or cash, or both, for comple-  
11 tion of all or a portion of road improvements or operations  
12 required by a development. A rule or ordinance requiring a dedi-  
13 cation or payment shall prescribe at which point in the procedure  
14 the dedication or payment is required. The value of land dedi-  
15 cated by a developer under this act shall be credited against the  
16 fee to be paid by that developer.

17 (2) The rules or ordinance shall prescribe the bases on  
18 which a dedication or payment is required based on a traffic  
19 impact analysis of present road capacity and future traffic gen-  
20 erated by the development and a cost estimate for the necessary  
21 road improvements or operations. A fee required under a rule or  
22 ordinance may include the cost of required traffic studies.

23 Sec. 12. The rules or ordinance shall provide that land  
24 dedicated or money collected under the rules or ordinance shall  
25 be used exclusively for road improvements or operations necessi-  
26 tated by the development from which the land or money is  
27 received. Fees paid by the developer shall be kept in trust and

1 used exclusively for road improvements determined necessary by  
2 the traffic impact analysis.

3       Sec. 13. The decision of a road agency regarding a road,  
4 street, or bridge within its jurisdiction may be made in conjunc-  
5 tion with, but shall not be superseded by, another agency or  
6 political subdivision.

7       Sec. 14. A road agency may make a rule or ordinance that  
8 requires a dedication or fee as authorized by section 10 applica-  
9 ble to developments that are under construction before the effec-  
10 tive date of the rule or ordinance.

11       Sec. 20. A county or local government that does not levy  
12 its total authorized millage on the effective date of this act  
13 may earmark that millage or a portion of that millage specifi-  
14 cally for road improvements or operations at the time the county  
15 or local government levies the millage.

16       Sec. 29. This act shall not take effect unless Senate Bill  
17 No. 150 of the  
18 84th Legislature is enacted into law.