



**House  
Legislative  
Analysis  
Section**

Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**SUNSET ON TRANS. FUNDS**

**House Bill 5138 (Substitute H-1)  
First Analysis (11-18-92)**

**Sponsor: Rep. Pat Gagliardi  
Committee: Transportation**

***THE APPARENT PROBLEM:***

The Transportation Economic Development Fund was created in 1987 to help pay for transportation projects that aid economic development throughout the state. The fund is used to help the state and its local governments maintain and upgrade their roads in order to promote economic growth. The fund, which provides almost \$37 million annually to eligible applicants, is scheduled to sunset on March 31, 1993. Legislation has been introduced that would delete the fund's expiration date; thus, the fund would continue to operate until September 30, 1998, when the general transportation funding formula is set to expire.

potential for growth in economic development exists.

***POSITIONS:***

The Department of Transportation supports the bill.  
(11-12-92)

***THE CONTENT OF THE BILL:***

Public Act 51 of 1951 provides for the allocation of monies out of the Michigan Transportation Fund for various transportation needs and, among other things, requires that \$36.775 million be directed from the fund annually, until September 30, 1993, to the state trunk line fund for subsequent deposit into the transportation economic development (TED) fund or to pay down the debt on bonds issued for TED projects. The bill would amend the act to delete the sunset on this provision and, thus, would provide for the fund to continue operating until September 30, 1998.

***FISCAL IMPLICATIONS:***

The Department of Transportation says the bill would not affect state or local budget expenditures.  
(11-12-92)

***ARGUMENTS:***

***For:***

The bill simply would extend the expiration date on the Transportation Economic Development Fund from March 31, 1993, to September 30, 1998. This fund is used to help pay for road maintenance and construction projects in areas of the state where the

House Bill 5138 (11-18-92)