

HOUSE BILL No. 5388

December 10, 1991, Introduced by Reps. Alley, Hertel, Ostling and Knight and referred to the Committee on Transportation.

A bill to amend sections 12 and 18k of Act No. 51 of the Public Acts of 1951, entitled as amended

"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 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 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, critical bridge fund, and comprehensive transportation fund; to provide for the deposits in the state trunk line fund, critical

bridge fund, and comprehensive transportation fund 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; and to repeal certain acts and parts of acts,"

section 12 as amended by Act No. 234 of the Public Acts of 1987 and section 18k as amended by Act No. 82 of the Public Acts of 1983, being sections 247.662 and 247.668k of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 12 and 18k of Act No. 51 of the Public
2 Acts of 1951, section 12 as amended by Act No. 234 of the Public
3 Acts of 1987 and section 18k as amended by Act No. 82 of the
4 Public Acts of 1983, being sections 247.662 and 247.668k of the
5 Michigan Compiled Laws, are amended to read as follows:

6 Sec. 12. (1) The amount distributed to the county road com-
7 missions shall be returned to the county treasurers in the
8 manner, for the purposes, and under the terms and conditions
9 specified in this section.

10 (2) Each county road commission shall be reimbursed in an
11 amount up to \$10,000.00 per year for the sum paid to a licensed
12 professional engineer employed or retained by the county road
13 commission in the previous year. The sum shall be returned to

1 each county road commission certified by the state transportation
2 department as complying with this subsection regarding the
3 employment of an engineer.

4 (3) An amount equal to 1% of the total amount returned to
5 the county road commissions from the Michigan transportation fund
6 during the prior calendar year shall be withheld annually from
7 the counties' November monthly distribution provided for in sec-
8 tion 17, and the amount shall be returned to the county road com-
9 missions for snow removal purposes as provided in section 12a.

10 (4) An amount equal to 10% of the total amount returned to
11 the county road commissions from the Michigan transportation fund
12 shall be returned to each county road commission having county
13 primary, or county local road, or both, mileage in the urban
14 areas as determined pursuant to section 12b. This sum shall be
15 distributed pursuant to section 12b. The return shall be in
16 addition to the amounts provided in subsections (6) and (7) and
17 for the purposes stated in those subsections.

18 (5) An amount equal to ~~4%~~ 12% of the total amount returned
19 to the county road commissions from the Michigan transportation
20 fund shall be returned to the county road commissions in the same
21 percentages as provided in subsection (7). All money returned to
22 the county road commissions as provided in this subsection shall
23 be expended by the county road commissions for the maintenance,
24 improvement, construction, reconstruction, acquisition, and
25 extension of county local road systems IN THE VARIOUS TOWNSHIPS
26 WITHIN THE COUNTY and shall be in addition to the amounts
27 provided in subsection (7). MONEY RETURNED TO THE COUNTY ROAD

1 COMMISSIONS UNDER THIS SUBSECTION SHALL BE EXPENDED IN ACCORDANCE
2 WITH A 5-YEAR PLAN SUBMITTED BY EACH TOWNSHIP BEGINNING JANUARY
3 1, 1993 AND EACH 5-YEAR PERIOD THEREAFTER.

4 (6) Seventy-five percent of the remainder of the total
5 amount to be returned to the counties shall be expended by each
6 county road commission for the maintenance, improvement, con-
7 struction, reconstruction, acquisition, and extension of the
8 county primary road system, including the acquisition of a neces-
9 sary right of way for the system, work incidental to the system,
10 and a roadside park or motor parkway appurtenant to the system,
11 and shall be returned to the counties as follows:

12 (a) Three-fourths of the amount in proportion to the amount
13 received within the respective county during the 12 months next
14 preceding the date of each monthly distribution, as specific
15 taxes upon registered motor vehicles under the Michigan vehicle
16 code, Act No. 300 of the Public Acts of 1949, as amended, being
17 sections 257.1 to 257.923 of the Michigan Compiled Laws.

18 (b) One-tenth of the amount in the same proportion that the
19 total mileage in the county primary road system of each county
20 bears to the total mileage in all of the county primary road sys-
21 tems of the state.

22 (c) One eighty-third of the remaining 15% of the amount to
23 each county.

24 (7) The balance of the remainder of the total amount to be
25 returned to counties shall be expended by each county road com-
26 mission for the maintenance, improvement, construction,
27 reconstruction, acquisition, and extension of the county local

1 road system as defined by this act, including the acquisition of
2 a necessary right of way for the system, work incidental to the
3 system, and a roadside park or motor parkway appurtenant to the
4 system, and shall be returned to the counties as follows:

5 (a) Sixty-five percent of the amount in the same proportion
6 that the total mileage in the county local road system of each
7 county bears to the total mileage in all of the county local road
8 systems of the state.

9 (b) Thirty-five percent of the amount in the same proportion
10 that the total population outside of incorporated municipalities
11 in each county bears to the total population outside of incorpo-
12 rated municipalities in all of the counties of the state, accord-
13 ing to the most recent statewide federal census preceding the
14 distribution.

15 (8) Money deposited in, or becoming a part of the county
16 road funds of a board of county road commissioners shall be
17 expended first for the payment of principal and interest on the
18 bonds, for the payment of contractual contributions pledged for
19 the payment of bonds, for debt service requirements for the pay-
20 ment of contractual contributions pledged for the payment of
21 bonds, and for debt service requirements for the payment of notes
22 and loans in the following order of priority:

23 (a) For the payment of contributions required to be made by
24 a board of county road commissioners under a contract entered
25 into under Act No. 205 of the Public Acts of 1941, as amended,
26 being sections 252.51 to 252.64 of the Michigan Compiled Laws,
27 which contributions have been pledged for the payment of the

1 principal and interest on bonds issued under that act, or for the
2 payment of total debt service requirements upon notes issued by a
3 board of county road commissioners under Act No. 143 of the
4 Public Acts of 1943, as amended, being sections 141.251 to
5 141.254 of the Michigan Compiled Laws.

6 (b) For the payment of principal and interest upon bonds
7 issued under section 18c, and the payment of contributions of a
8 board of county road commissioners to be made pursuant to con-
9 tracts entered into under section 18d, which contributions are
10 pledged to the payment of principal and interest on bonds issued
11 after June 30, 1957, under the authorization of section 18c and
12 contracts executed pursuant to its provisions.

13 (c) For the payment of principal and interest upon loans
14 received pursuant to section 11(7), to the extent other funds
15 have not been made available for that payment.

16 (9) Not to exceed 30% per year of the amount returned to a
17 county for use on the county primary road system may be expended,
18 with or without matching, on the county local road system of that
19 county. Not to exceed 15% per year of the amount returned to a
20 county for expenditure on the county local road system may be
21 used, with or without matching, on the county primary road system
22 of that county, and not to exceed an additional 15% per year of
23 the amount returned to a county for expenditure on the county
24 local road system, may, in case of an emergency or with the
25 approval of the state transportation department, be expended,
26 with or without matching, on the county primary road system of
27 that county. An amount returned to a county for and on account

1 of county local roads, under this section, in excess of the total
2 amount paid into the county treasury each year by all of the
3 townships of that county for and on account of the county local
4 roads pursuant to section 14(6) may be transferred to and
5 expended on the county primary road system of that county.

6 (10) Not less than 20% per year of the funds returned to a
7 county by this section shall be expended for snow and ice remov-
8 al, the construction or reconstruction of a new highway or exist-
9 ing highway, and the acquisition of a necessary right of way for
10 those highways, and work incidental to those highways, or for the
11 servicing of bonds issued by the county for these purposes.
12 Surplus funds may be expended for the development, construction,
13 or repair of an off-street parking facility.

14 (11) Not more than 5% per year of the funds returned to a
15 county for the county primary road system and the county local
16 road system shall be expended for the maintenance, improvement,
17 or acquisition of appurtenant roadside parks and motor parkways.

18 (12) Funds returned to a county shall be expended by the
19 county road commission for the purposes provided in this section
20 and shall be deposited by the county treasurer in a designated
21 county depository, in a separate account to the credit of the
22 county road fund, and shall be paid out only upon the order of
23 the county road commission, and interest accruing on the money
24 shall become a part of, and be deposited with the county road
25 fund.

26 (13) In a county to which the funds are returned the
27 function of the county road commission shall be limited to the

1 formation of policy and the performance of the official duties
2 imposed by law and delegated by the county board of
3 commissioners. A member of the county road commission shall not
4 be employed individually in any other capacity for other duties
5 with the county road commission.

6 (14) A county road commission may enter into an agreement
7 with a county road commission of an adjacent county and with a
8 city or village to perform work on a highway, road, or street,
9 and with the state transportation department with respect to a
10 state trunk line and connecting links of the state trunk line
11 within the limits of the county or adjacent to the county. The
12 agreement may provide for the performance by each contracting
13 party of the work contemplated by the contract including engi-
14 neering services and the acquisition of rights of way in connec-
15 tion with the work contemplated, by purchase or condemnation, by
16 any of the contracting parties in its own name and the agreement
17 may provide for joint participation in the costs.

18 (15) Money distributed from the Michigan transportation fund
19 may be expended for construction purposes on county local roads
20 only to the extent matched by money from other sources. However,
21 Michigan transportation funds may be expended for the construc-
22 tion of bridges on the county local roads in an amount not to
23 exceed 75% of the cost of the construction of local road
24 bridges. This subsection does not apply to section 11b.

25 (16) Notwithstanding any other provision of this act, at
26 least 90% of the state revenue returned annually to the county
27 road commission from the Michigan transportation fund less the

1 amounts described in subdivisions (a) to (c) shall be expended
2 annually by the county road commission for the maintenance of
3 highways, roads, streets, and bridges, and for the payment of
4 contractual contributions pledged for the payment of bonds or
5 portions of bonds, debt service requirements for the payment of
6 bonds or portions of bonds, and debt service requirements for the
7 payment of notes and loans or portions of notes and loans issued
8 or received after July 1, 1983, for the purpose of providing
9 funds for the maintenance of highways, roads, streets, and
10 bridges. If an appropriate certificate is filed under subsection
11 (19) but only to the extent necessary, this subsection shall not
12 prohibit the use of any amount of state revenue returned annually
13 to the county road commissions for the payment of contractual
14 contributions pledged for the payment of bonds, for debt service
15 requirements for the payment of bonds, and for debt service
16 requirements for the payment of notes or loans, whenever issued
17 or received, as specified under subsection (8). The amounts
18 which are deducted from the state revenue returned to a county
19 road commission from the Michigan transportation fund, for the
20 purpose of the calculation required by this subsection are as
21 follows:

22 (a) Amounts expended for the purposes described in subsec-
23 tion (8) for bonds, notes, loans, or other obligations issued or
24 received before July 2, 1983.

25 (b) Amounts expended for the administrative costs of the
26 county road commission.

1 (c) Amounts expended for capital outlay projects for
2 equipment and buildings, and for the payment of contractual
3 contributions pledged for the payment of bonds, for debt service
4 requirements for the payment of bonds, and for debt service
5 requirements for the payment of notes and loans issued or
6 received after July 1, 1983, for the purpose of providing funds
7 for capital outlay projects for equipment and buildings.

8 (d) Amounts expended for projects vital to the economy of
9 the local area or the safety of the public in the local area.
10 Before these amounts can be deducted, the governing body over the
11 county road commission or the county road commission, as applica-
12 ble, shall pass a resolution approving these projects. This res-
13 olution shall state which projects will be funded and the cost of
14 each project. A copy of each approved resolution shall be for-
15 warded immediately to the department.

16 (17). As used in this subsection, "urban routes" means those
17 portions of 2 lane county primary roads within an urban area
18 which ~~has~~ HAVE average daily traffic in excess of 15,000.
19 Notwithstanding any other provision of this act, except as pro-
20 vided in this subsection, a county road commission shall expend
21 annually at least 90% of the federal revenue distributed to the
22 use of the county road commission for highways, roads, streets,
23 and bridges, less the amount expended on urban routes for other
24 than maintenance purposes and the amount expended for
25 hard-surfacing of gravel roads on the federal-aid system, on the
26 maintenance of highways, roads, streets, and bridges. A county
27 road commission may expend in a year less than 90% of the federal

1 revenue distributed to the use of the county road commission for
2 highways, roads, streets, and bridges, less the amount expended
3 on urban routes for other than maintenance purposes and the
4 amount expended for hard-surfacing of gravel roads on the
5 federal-aid system, on the maintenance of highways, roads,
6 streets, and bridges, if that year is part of a 3-year period in
7 which at least 90% of the total federal revenue distributed in
8 the 3-year period to the use of the county road commission for
9 highways, roads, streets, and bridges, less the amount expended
10 on urban routes for other than maintenance purposes and the
11 amount expended for hard-surfacing of gravel roads on the
12 federal-aid system, is expended on the maintenance of highways,
13 roads, streets, and bridges. If a county road commission expends
14 in a year less than 90% of the federal revenue distributed to the
15 use of the county road commission for highways, roads, streets,
16 and bridges, less the amount expended on urban routes for other
17 than maintenance purposes and the amount expended for
18 hard-surfacing of gravel roads on the federal-aid system, on the
19 maintenance of highways, roads, streets, and bridges and that
20 year is not a part of a 3-year period in which at least 90% of
21 the total federal revenue distributed in the 3-year period to the
22 use of the county road commission for highways, roads, streets,
23 and bridges, less the amount expended on urban routes for other
24 than maintenance purposes and the amount expended for
25 hard-surfacing of gravel roads on the federal-aid system, is
26 expended on the maintenance of highways, roads, streets, and
27 bridges, the county road commission shall expend in each year

1 subsequent to the 3-year period 100%, or less in 1 year if
2 sufficient for the purposes of this subsection, of the federal
3 revenue distributed to the use of the county road commission for
4 highways, roads, streets, and bridges, less the amount expended
5 on urban routes for other than maintenance purposes and the
6 amount expended for hard-surfacing of gravel roads on the
7 federal-aid system, on the maintenance of highways, roads,
8 streets, and bridges until the average percentage spent on the
9 maintenance of highways, roads, streets, and bridges in the
10 3-year period and the subsequent years, less the amount expended
11 on urban routes for other than maintenance purposes and the
12 amount expended for hard-surfacing of gravel roads on the
13 federal-aid system, is at least 90%. A year may be included in
14 only one 3-year period for the purposes of this subsection. The
15 requirements of this subsection shall be waived if compliance
16 would cause the county road commission to be ineligible according
17 to federal law for federal revenue, but only to the extent neces-
18 sary to make the county road commission eligible according to
19 federal law for that revenue. For the purpose of the calcula-
20 tions required by this subsection, the amount expended on urban
21 routes by a county road commission for other than maintenance
22 purposes and the amount expended for hard-surfacing of gravel
23 roads on the federal-aid system shall be deducted from the total
24 federal revenue distributed to the use of the county road
25 commission.

26 (18) As used in this section:

1 (a) "Maintenance" and "maintaining" means snow removal;
2 erection of traffic control devices and traffic signals and
3 payment of monthly electrical costs for those signals; street
4 cleaning and drainage; seal coating; patching and ordinary
5 repairs; erection and maintenance of traffic signs and markings;
6 safety projects which do not increase through traffic capacity;
7 and the preservation, reconstruction, resurfacing, restoration,
8 and rehabilitation of highways, roads, streets, and bridges.
9 However, maintenance and maintaining do not include projects
10 which increase the capacity of a highway facility to accommodate
11 that part of the traffic having neither origin nor destination
12 within the local area.

13 (b) "Maintenance" and "maintaining" include widening less
14 than lane width; adding auxiliary turning lanes of 1/2 mile or
15 less; adding auxiliary weaving, climbing, or speed change lanes;
16 and correcting substandard intersections.

17 (19) A county road commission shall certify, which certifi-
18 cation shall, for purposes of the validity of bonds and notes, be
19 conclusive as to the matters stated therein, to the state trans-
20 portation department on or before the issuance of any bonds or
21 notes issued after July 1, 1983, pursuant to Act No. 143 of the
22 Public Acts of 1943, Act No. 205 of the Public Acts of 1941, or
23 section 18c or 18d, for purposes other than the maintenance of
24 highways, roads, streets, and bridges and purposes other than the
25 purposes specified in subsection (16)(c) that its average annual
26 debt service requirements for all bonds and notes or portions of
27 bonds and notes issued after July 1, 1983, for purposes other

1 than the maintenance of highways, roads, streets, and bridges and
2 other than for the purposes specified in subsection (16)(c),
3 including the bond or note to be issued does not exceed 10% of
4 the funds returned to the county road commission pursuant to this
5 act, less the amounts specified in subsection (16)(a), (b), and
6 (c) during the last completed fiscal year of the county road
7 commission. If the purpose for which the bonds or notes are
8 issued is changed after the issuance of the notes or bonds, the
9 change shall be made in such a manner to maintain compliance with
10 the certification required by this subsection, as of the date the
11 certificate was originally issued, but ~~no such~~ THE change shall
12 NOT invalidate or otherwise affect the bonds or notes with
13 respect to which the certificate was issued or the obligation to
14 pay debt service on the bonds or notes.

15 Sec. 18k. If the state transportation commission, by reso-
16 lution, after January 1, 1983, authorizes the issuance of notes
17 or bonds, the state transportation commission shall provide the
18 appropriations committees of the senate and the house of repre-
19 sentatives with a list of the projects for which the notes or
20 bonds are to be issued. The list shall be provided at least ~~30~~
21 45 days before the notes or bonds are issued.