

# HOUSE BILL No. 6037

July 22, 1992, Introduced by Reps. Byrum. Hertel. Profit and DeMars and referred to the Committee on Transportation,

A bill to amend section 12 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,"

as amended by Act No. 234 of the Public Acts of 1987, being section 247.662 of the Michigan Compiled Laws.

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

1       Section 1. Section 12 of Act No. 51 of the Public Acts of  
2 1951, as amended by Act No. 234 of the Public Acts of 1987, being  
3 section 247.662 of the Michigan Compiled Laws, is amended to read  
4 as follows:

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

9       (2) Each county road commission shall be reimbursed in an  
10 amount up to \$10,000.00 per year for the sum paid to a licensed  
11 professional engineer employed or retained by the county road  
12 commission in the previous year. The sum shall be returned to  
13 each county road commission certified by the state transportation  
14 department as complying with this subsection regarding the  
15 employment of an engineer.

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

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

15       (5) An amount equal to 4% of the total amount returned to  
16 the county road commissions from the Michigan transportation fund  
17 shall be returned to the county road commissions in the same per-  
18 centages as provided in subsection (7). All money returned to  
19 the county road commissions as provided in this subsection shall  
20 be expended by the county road commissions for the maintenance,  
21 improvement, construction, reconstruction, acquisition, and  
22 extension of county local road systems and shall be in addition  
23 to the amounts provided in subsection (7).

24       (6) Seventy-five percent of the remainder of the total  
25 amount to be returned to the counties shall be expended by each  
26 county road commission for the maintenance, improvement,  
27 construction, reconstruction, acquisition, and extension of the

1 county primary road system, including the acquisition of a  
2 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) Three-fourths of the amount in proportion to the amount  
6 received within the respective county during the 12 months next  
7 preceding the date of each monthly distribution, as specific  
8 taxes upon registered motor vehicles under the Michigan vehicle  
9 code, Act No. 300 of the Public Acts of 1949, as amended, being  
10 sections 257.1 to 257.923 of the Michigan Compiled Laws.

11 (b) One-tenth of the amount in the same proportion that the  
12 total mileage in the county primary road system of each county  
13 bears to the total mileage in all of the county primary road sys-  
14 tems of the state.

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

17 (7) The balance of the remainder of the total amount to be  
18 returned to counties shall be expended by each county road com-  
19 mission for the maintenance, improvement, construction, recon-  
20 struction, acquisition, and extension of the county local road  
21 system as defined by this act, including the acquisition of a  
22 necessary right of way for the system, work incidental to the  
23 system, and a roadside park or motor parkway appurtenant to the  
24 system, and shall be returned to the counties as follows:

25 (a) Sixty-five percent of the amount in the same proportion  
26 that the total mileage in the county local road system of each

1 county bears to the total mileage in all of the county local road  
2 systems of the state.

3 (b) Thirty-five percent of the amount in the same proportion  
4 that the total population outside of incorporated municipalities  
5 in each county bears to the total population outside of incorpo-  
6 rated municipalities in all of the counties of the state, accord-  
7 ing to the most recent statewide federal census preceding the  
8 distribution.

9 (8) Money deposited in, or becoming a part of the county  
10 road funds of a board of county road commissioners shall be  
11 expended first for the payment of principal and interest on the  
12 bonds, for the payment of contractual contributions pledged for  
13 the payment of bonds, for debt service requirements for the pay-  
14 ment of contractual contributions pledged for the payment of  
15 bonds, and for debt service requirements for the payment of notes  
16 and loans in the following order of priority:

17 (a) For the payment of contributions required to be made by  
18 a board of county road commissioners under a contract entered  
19 into under Act No. 205 of the Public Acts of 1941, as amended,  
20 being sections 252.51 to 252.64 of the Michigan Compiled Laws,  
21 which contributions have been pledged for the payment of the  
22 principal and interest on bonds issued under that act, or for the  
23 payment of total debt service requirements upon notes issued by a  
24 board of county road commissioners under Act No. 143 of the  
25 Public Acts of 1943, as amended, being sections 141.251 to  
26 141.254 of the Michigan Compiled Laws.

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

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

11 (9) Not to exceed 30% per year of the amount returned to a  
12 county for use on the county primary road system may be expended,  
13 with or without matching, on the county local road system of that  
14 county. Not to exceed 15% per year of the amount returned to a  
15 county for expenditure on the county local road system may be  
16 used, with or without matching, on the county primary road system  
17 of that county, and not to exceed an additional 15% per year of  
18 the amount returned to a county for expenditure on the county  
19 local road system, may, in case of an emergency or with the  
20 approval of the state transportation department, be expended,  
21 with or without matching, on the county primary road system of  
22 that county. An amount returned to a county for and on account  
23 of county local roads, under this section, in excess of the total  
24 amount paid into the county treasury each year by all of the  
25 townships of that county for and on account of the county local  
26 roads pursuant to section 14(6) may be transferred to and  
27 expended on the county primary road system of that county.

1 (10) Not less than 20% per year of the funds returned to a  
2 county by this section shall be expended for snow and ice remov-  
3 al, the construction or reconstruction of a new highway or exist-  
4 ing highway, and the acquisition of a necessary right of way for  
5 those highways, and work incidental to those highways, or for the  
6 servicing of bonds issued by the county for these purposes.

7 Surplus funds may be expended for the development, construction,  
8 or repair of an off-street parking facility.

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

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

21 (13) In a county to which the funds are returned the func-  
22 tion of the county road commission shall be limited to the forma-  
23 tion of policy and the performance of the official duties imposed  
24 by law and delegated by the county board of commissioners. A  
25 member of the county road commission shall not be employed indi-  
26 vidually in any other capacity for other duties with the county  
27 road commission.

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

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

20       (16) Notwithstanding any other provision of this act, at  
21 least 90% of the state revenue returned annually to the county  
22 road commission from the Michigan transportation fund less the  
23 amounts described in subdivisions (a) to ~~(c)~~ (D) shall be  
24 expended annually by the county road commission for the mainte-  
25 nance of highways, roads, streets, and bridges, and for the pay-  
26 ment of contractual contributions pledged for the payment of  
27 bonds or portions of bonds, debt service requirements for the



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

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

20       (b) Amounts expended for the administrative costs of the  
21 county road commission.

22       (c) Amounts expended for capital outlay projects for equip-  
23 ment and buildings, and for the payment of contractual contribu-  
24 tions pledged for the payment of bonds, for debt service require-  
25 ments for the payment of bonds, and for debt service requirements  
26 for the payment of notes and loans issued or received after

1 July 1, 1983, for the purpose of providing funds for capital  
2 outlay projects for equipment and buildings.

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

11 (17) As used in this subsection, "urban routes" means those  
12 portions of 2 lane county primary roads within an urban area  
13 which has average daily traffic in excess of 15,000.

14 Notwithstanding any other provision of this act, except as pro-  
15 vided in this subsection, a county road commission shall expend  
16 annually at least 90% of the federal revenue distributed to the  
17 use of the county road commission for highways, roads, streets,  
18 and bridges, less the amount expended on urban routes for other  
19 than maintenance purposes and the amount expended for  
20 hard-surfacing of gravel roads on the federal-aid system, on the  
21 maintenance of highways, roads, streets, and bridges. A county  
22 road commission may expend in a year less than 90% of the federal  
23 revenue distributed to the use of the county road commission for  
24 highways, roads, streets, and bridges, less the amount expended  
25 on urban routes for other than maintenance purposes and the  
26 amount expended for hard-surfacing of gravel roads on the  
27 federal-aid system, on the maintenance of highways, roads,

1 streets, and bridges, if that year is part of a 3-year period in  
2 which at least 90% of the total federal revenue distributed in  
3 the 3-year period 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, is expended on the maintenance of highways,  
8 roads, streets, and bridges. If a county road commission expends  
9 in a year less than 90% of the federal revenue distributed to the  
10 use of the county road commission for highways, roads, streets,  
11 and bridges, less the amount expended on urban routes for other  
12 than maintenance purposes and the amount expended for  
13 hard-surfacing of gravel roads on the federal-aid system, on the  
14 maintenance of highways, roads, streets, and bridges and that  
15 year is not a part of a 3-year period in which at least 90% of  
16 the total federal revenue distributed in the 3-year period to the  
17 use of the county road commission for highways, roads, streets,  
18 and bridges, less the amount expended on urban routes for other  
19 than maintenance purposes and the amount expended for  
20 hard-surfacing of gravel roads on the federal-aid system, is  
21 expended on the maintenance of highways, roads, streets, and  
22 bridges, the county road commission shall expend in each year  
23 subsequent to the 3-year period 100%, or less in 1 year if suffi-  
24 cient for the purposes of this subsection, of the federal revenue  
25 distributed to the use of the county road commission for high-  
26 ways, roads, streets, and bridges, less the amount expended on  
27 urban routes for other than maintenance purposes and the amount

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

20 (18) As used in this section:

21 (a) "Maintenance" and "maintaining" means snow removal;  
22 erection of traffic control devices and traffic signals and pay-  
23 ment of monthly electrical costs for those signals; street clean-  
24 ing and drainage; seal coating; patching and ordinary repairs;  
25 erection and maintenance of traffic signs and markings; safety  
26 projects which do not increase through traffic capacity; and the  
27 preservation, reconstruction, resurfacing, restoration, and

1 rehabilitation of highways, roads, streets, and bridges.  
2 However, maintenance and maintaining do not include projects  
3 which increase the capacity of a highway facility to accommodate  
4 that part of the traffic having neither origin nor destination  
5 within the local area.

6 (b) "Maintenance" and "maintaining" include widening less  
7 than lane width; adding auxiliary turning lanes of ~~1/2 mile~~  
8 1-1/2 MILES or less; adding auxiliary weaving, climbing, or speed  
9 change lanes; and correcting substandard intersections.

10 (19) A county road commission shall certify, which certifi-  
11 cation shall, for purposes of the validity of bonds and notes, be  
12 conclusive as to the matters stated therein, to the state trans-  
13 portation department on or before the issuance of any bonds or  
14 notes issued after July 1, 1983, pursuant to Act No. 143 of the  
15 Public Acts of 1943, Act No. 205 of the Public Acts of 1941, or  
16 section 18c or 18d, for purposes other than the maintenance of  
17 highways, roads, streets, and bridges and purposes other than the  
18 purposes specified in subsection (16)(c) that its average annual  
19 debt service requirements for all bonds and notes or portions of  
20 bonds and notes issued after July 1, 1983, for purposes other  
21 than the maintenance of highways, roads, streets, and bridges and  
22 other than for the purposes specified in subsection (16)(c),  
23 including the bond or note to be issued does not exceed 10% of  
24 the funds returned to the county road commission pursuant to this  
25 act, less the amounts specified in subsection (16)(a), (b), and  
26 (c) during the last completed fiscal year of the county road  
27 commission. If the purpose for which the bonds or notes are

1 issued is changed after the issuance of the notes or bonds, the  
2 change shall be made in such a manner to maintain compliance with  
3 the certification required by this subsection, as of the date the  
4 certificate was originally issued, but no such change shall  
5 invalidate or otherwise affect the bonds or notes with respect to  
6 which the certificate was issued or the obligation to pay debt  
7 service on the bonds or notes.