

SENATE BILL No. 803

March 17, 1992, Introduced by Senators CARL, PRIDNIA,
MC MANUS and DUNASKISS and referred to the Committee
on Transportation and Tourism.

A bill to amend sections 11 and 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 sections 247.661 and 247.662 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 11 and 12 of Act No. 51 of the Public
2 Acts of 1951, as amended by Act No. 234 of the Public Acts of
3 1987, being sections 247.661 and 247.662 of the Michigan Compiled
4 Laws, are amended to read as follows:

5 Sec. 11. (1) A fund to be known as the state trunk line
6 fund is established and shall be set up and maintained in the
7 state treasury as a separate fund. The money deposited in the
8 state trunk line fund is appropriated to the state transportation
9 department for the following purposes in the following order of
10 priority:

11 (a) For the payment, but only from money restricted as to
12 use by section 9 of article IX of the state constitution of 1963,
13 of bonds, notes, or other obligations in the following order of
14 priority:

1 (i) For the payment of contributions required to be made by
2 the state highway commission or the state transportation
3 commission under contracts entered into before July 18, 1979,
4 under Act No. 205 of the Public Acts of 1941, as amended, being
5 sections 252.51 to 252.64 of the Michigan Compiled Laws, which
6 contributions have been pledged before July 18, 1979, for the
7 payment of the principal and interest on bonds issued under Act
8 No. 205 of the Public Acts of 1941, as amended, for the payment
9 of which a sufficient sum is irrevocably appropriated.

10 (ii) For the payment of the principal and interest upon
11 bonds designated "State of Michigan, State Highway Commissioner,
12 Highway Construction Bonds, Series I", dated September 1, 1956,
13 in the aggregate principal amount of \$25,000,000.00, issued pur-
14 suant to former Act No. 87 of the Public Acts of 1955 and the
15 resolution of the state administrative board adopted August 6,
16 1956, for the payment of which a sufficient sum is irrevocably
17 appropriated.

18 (iii) For the payment of the principal and interest on bonds
19 issued under section 18b for transportation purposes other than
20 comprehensive transportation purposes as defined by law and the
21 payment of contributions of the state highway commission or state
22 transportation commission to be made pursuant to contracts
23 entered into under section 18d, which contributions are pledged
24 to the payment of principal and interest on bonds issued under
25 the authorization of section 18d and contracts executed pursuant
26 to that section. A sufficient portion of the fund is irrevocably
27 appropriated to pay, when due, the principal and interest on

1 bonds or notes issued under section 18b for purposes other than
2 comprehensive transportation purposes as defined by law, and to
3 pay the annual contributions of the state highway commission and
4 the state transportation commission as are pledged for the pay-
5 ment of bonds issued pursuant to contracts authorized by section
6 18d.

7 (b) For the transfer of funds appropriated pursuant to sec-
8 tion 10(1)(b)(iii) to the transportation economic development
9 fund, but the transfer shall be reduced each fiscal year by the
10 amount of debt service to be paid in that year from the state
11 trunk line fund for bonds, notes, or other obligations issued to
12 fund projects of the transportation economic development fund,
13 which amount shall be certified by the department.

14 (c) For the transfer of funds appropriated pursuant to sec-
15 tion 10(1)(b)(i) to the railroad grade crossing account in the
16 state trunk line fund for expenditure to meet the cost, in whole
17 or in part, of providing for the improvement, installation, and
18 retirement of new or existing safety devices at rail grade cross-
19 ings on public roads and streets subject to the following:

20 (i) Funds deposited pursuant to this subdivision for rail
21 grade crossing improvements and retirement may be expended only
22 after all federal funds from the grade crossing improvement pro-
23 gram or other comparable programs have been exhausted or
24 committed.

25 (ii) Funds may be expended only if the affected railroad
26 pays 25% and the local road authority pays 10% of the costs for

1 which appropriations have been made pursuant to this
2 subdivision.

3 (d) For the total operating expenses of the state trunk line
4 fund for each fiscal year as appropriated by the legislature.

5 (e) For the maintenance of state trunk line highways and
6 bridges.

7 (f) For the opening, widening, improving, construction, and
8 reconstruction of state trunk line highways and bridges, includ-
9 ing the acquisition of necessary rights of way and the work inci-
10 dental to that opening, widening, improving, construction, or
11 reconstruction. Those sums in the state trunk line fund not oth-
12 erwise appropriated, distributed, determined, or set aside by law
13 shall be used for the construction or reconstruction of the
14 national system of interstate and defense highways, referred to
15 in this act as "the interstate highway system" to the extent nec-
16 essary to match federal aid funds as the federal aid funds become
17 available for that purpose; and, for the construction and recon-
18 struction of the state trunk line system.

19 (g) The state transportation department may enter into
20 agreements with county road commissions and with cities and vil-
21 lages to perform work on a highway, road, or street. The agree-
22 ments may provide for the performance by any of the contracting
23 parties of any of the work contemplated by the contract including
24 engineering services and the acquisition of rights of way in con-
25 nection with the work, by purchase or condemnation by any of the
26 contracting parties in its own name, and for joint participation
27 in the costs, but only to the extent that the contracting parties

1 are otherwise authorized by law to expend money on the highways,
2 roads, or streets. The state transportation department also may
3 contract with a county road commission, city, and village to
4 advance money to a county road commission, city, and village to
5 pay their costs of improving railroad grade crossings on the
6 terms and conditions agreed to in the contract. A contract may
7 be executed before or after the state transportation commission
8 borrows money for the purpose of advancing money to a county road
9 commission, city, or village, but the contract shall be executed
10 before the advancement of any money to a county road commission,
11 city, or village by the state transportation commission, and
12 shall provide for the full reimbursement of any advancement by a
13 county road commission, city, or village to the state transporta-
14 tion department, with interest, within 15 years after advance-
15 ment, from any available revenue sources of the county road com-
16 mission, city, or village or, if provided in the contract, by
17 deduction from the periodic disbursements of any money returned
18 by the state to the county road commission, city, or village.

19 (h) For providing inventories of supplies and materials
20 required for the activities of the state transportation
21 department. The state transportation department may purchase
22 supplies and materials for these purposes, with payment to be
23 made out of the state trunk line fund to be charged on the basis
24 of issues from inventory in accordance with the accounting and
25 purchasing laws of the state.

26 (2) Notwithstanding any other provision of this act, at
27 least 90% of state revenue appropriated annually to the state

1 trunk line fund less the amounts described in subdivisions (a) to
2 (h) shall be expended annually by the state transportation
3 department for the maintenance of highways, roads, streets, and
4 bridges and for the payment of debt service on bonds, notes, or
5 other obligations described in subsection (1)(a) issued after
6 July 1, 1983, for the purpose of providing funds for the mainte-
7 nance of highways, roads, streets, and bridges. If an appropri-
8 ate certificate is filed under section 18e but only to the extent
9 necessary, this subsection shall not prohibit the use of any
10 amount of money restricted as to use by section 9 of article IX
11 of the state constitution of 1963 and deposited in the state
12 trunk line fund for the payment of debt service on bonds, notes,
13 or other obligations pledging for the payment thereof money
14 restricted as to use by section 9 of article IX of the state con-
15 stitution of 1963 and deposited in the state trunk line fund,
16 whenever issued, as specified under subsection (1)(a). The
17 amounts which are deducted from the state trunk line fund for the
18 purpose of the calculation required by this subsection are as
19 follows:

20 (a) Amounts expended for the purposes described in subsec-
21 tion (1)(a) for the payment of debt service on bonds, notes, or
22 other obligations issued before July 2, 1983.

23 (b) Amounts expended to provide the state matching require-
24 ment for ~~interstate highway construction~~ PROJECTS ON THE
25 NATIONAL HIGHWAY SYSTEM and for the payment of debt service on
26 bonds, notes, or other obligations issued after July 1, 1983, for
27 the purpose of providing funds for the state matching

1 requirements for ~~interstate highway construction~~ PROJECTS ON
2 THE NATIONAL HIGHWAY SYSTEM.

3 (c) Amounts expended for the construction of a highway,
4 street, road, or bridge to 1 or more of the following or for the
5 payment of debt service on bonds, notes, or other obligations
6 issued after July 1, 1983, for the purpose of providing funds for
7 the construction of a highway, street, road, or bridge to 1 or
8 more of the following:

9 (i) A location for which a building permit has been obtained
10 for the construction of a manufacturing or industrial facility.

11 (ii) A location for which a building permit has been
12 obtained for the renovation of, or addition to, a manufacturing
13 or industrial facility.

14 (d) Amounts expended for capital outlay other than for high-
15 ways, roads, streets, and bridges or to pay debt service on
16 bonds, notes, or other obligations issued after July 1, 1983, for
17 the purpose of providing funds for capital outlay other than for
18 highways, roads, streets, and bridges.

19 (e) Amounts expended for the operating expenses of the state
20 transportation department other than the units of the department
21 performing the functions assigned on January 1, 1983 to the
22 bureau of highways.

23 (f) Amounts expended pursuant to contracts entered into
24 before January 1, 1983.

25 (g) Amounts expended for the purposes described in subsec-
26 tion (5).

1 (h) Amounts appropriated for deposit in the transportation
2 economic development fund and the rail grade crossing account
3 pursuant to section 10(1)(b)(i) and (1)(b)(iii).

4 (I) UPON THE AFFIRMATIVE RECOMMENDATION OF THE DIRECTOR OF
5 THE STATE TRANSPORTATION DEPARTMENT AND THE APPROVAL BY RESOLU-
6 TION OF THE STATE TRANSPORTATION COMMISSION, THOSE AMOUNTS
7 EXPENDED FOR PROJECTS VITAL TO THE ECONOMY OF THE STATE, A
8 REGION, OR LOCAL AREA OR THE SAFETY OF THE PUBLIC. THE RESOLU-
9 TION SHALL STATE THE COST OF THE PROJECT EXEMPTED FROM THIS
10 SUBSECTION.

11 (3) Notwithstanding any other provision of this act, the
12 state transportation department shall expend annually at least
13 90% of the federal revenue distributed to the credit of the state
14 trunk line fund in that year, except for federal revenue expended
15 for the purposes described in subsection (2)(b), (c), ~~and~~ (f),
16 AND (I) on the maintenance of highways, roads, streets, and
17 bridges. The requirement of this subsection shall be waived if
18 compliance would cause the state to be ineligible according to
19 federal law for federal revenue, but only to the extent necessary
20 to make the state eligible according to federal law for that
21 revenue.

22 (4) As used in this section:

23 (a) "Maintenance" and "maintaining" means snow removal;
24 street cleaning and drainage; seal coating; patching and ordinary
25 repairs; erection and maintenance of traffic signs and markings;
26 safety projects; and the preservation, reconstruction,
27 resurfacing, restoration, and rehabilitation of highways, roads,

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

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

9 (c) "Maintenance" and "maintaining" do not include the
10 upgrading of aggregate surface roads to hard surface roads.

11 (d) "Maintenance" and "maintaining" include the portion of
12 the costs of the units of the department performing the functions
13 assigned on January 1, 1983, to the bureau of highways expended
14 for the purposes described in subdivisions (a) and (b).

15 (5) Notwithstanding any other provision of this section, the
16 state transportation department may loan money to county road
17 commissions, cities, and villages for paying capital costs of
18 transportation purposes described in the second paragraph of sec-
19 tion 9 of article IX of the state constitution of 1963 from the
20 proceeds of bonds or notes issued pursuant to section 18b or from
21 the state trunk line fund. Loans made directly from the state
22 trunk line fund shall be made only after provision of funds for
23 the purposes specified in subsection (1)(a) to (f).

24 (6) County road commissions, cities, and villages may borrow
25 money from the proceeds of bonds or notes issued under section
26 18b or the state trunk line fund for the purposes set forth in

1 subsection (5) which shall be repayable, with interest, from 1 or
2 more of the following:

3 (a) The money to be received by the county road commission,
4 city, or village from the Michigan transportation fund, except to
5 the extent the money has been or may in the future be pledged by
6 contract in accordance with Act No. 205 of the Public Acts of
7 1941, being sections 252.51 to 252.64 of the Michigan Compiled
8 Laws, or has been or may in the future be pledged for the payment
9 of the principal and interest upon notes issued pursuant to Act
10 No. 143 of the Public Acts of 1943, being sections 141.251 to
11 141.254 of the Michigan Compiled Laws, or has been or may in the
12 future be pledged for the payment of principal and interest upon
13 bonds issued under section 18c or 18d, or has been or may in the
14 future be pledged for the payment of the principal and interest
15 upon bonds issued pursuant to Act No. 175 of the Public Acts of
16 1952, being sections 247.701 to 247.707 of the Michigan Compiled
17 Laws.

18 (b) Any other legally available funds of the city, village,
19 or county road commission, other than the general funds of the
20 county.

21 (7) Loans made pursuant to subsection (5) if required by the
22 state transportation department may be payable by deduction by
23 the state treasurer, upon direction of the state transportation
24 department, from the periodic disbursements of any money returned
25 by the state under this act to the county road commission, city,
26 or village, but only after sufficient money has been returned to
27 the county road commission, city, or village to provide for the

1 payment of contractual obligations incurred or to be incurred and
2 principal and interest on notes and bonds issued or to be issued
3 under Act No. 205 of the Public Acts of 1941, Act No. 143 of the
4 Public Acts of 1943, Act No. 175 of the Public Acts of 1952, or
5 section 18c or 18d. The interest rates and payment schedules of
6 any loans made from the proceeds of bonds or notes issued pursu-
7 ant to section 18b shall be established by the state transporta-
8 tion department to conform as closely as practicable to the
9 interest rate and repayment schedules on the bonds or notes
10 issued to make the loans. However, the state transportation
11 department may allow for the deferral of the first payment of
12 interest or principal on the loans for a period of not to exceed
13 1 year after the respective first payment of interest or princi-
14 pal on the bonds or notes issued to make the loans.

15 (8) The amount borrowed by a county road commission, city,
16 or village pursuant to subsection (6) shall not be included in,
17 or charged against, any constitutional, statutory, or charter
18 debt limitation of the county, city, or village and shall not be
19 included in the determination of the maximum annual principal and
20 interest requirements of, or the limitations upon, the maximum
21 annual principal and interest incurred under Act No. 205 of the
22 Public Acts of 1941, Act No. 143 of the Public Acts of 1943, Act
23 No. 175 of the Public Acts of 1952, or section 18c or 18d.

24 (9) The county road commission, city, or village shall not
25 be required to seek or obtain the approval of the electors, the
26 municipal finance commission or its successor agency, or, except
27 as provided in this subsection, the department of treasury to

1 borrow money pursuant to subsection (6). The borrowing shall not
2 be subject to the municipal finance act, Act No. 202 of the
3 Public Acts of 1943, being sections 131.1 to 139.3 of the
4 Michigan Compiled Laws, nor to section 5(g) of Act No. 279 of the
5 Public Acts of 1909, being section 117.5 of the Michigan Compiled
6 Laws. The state transportation department shall give at least 10
7 days' notice to the state treasurer of its intention to make a
8 loan under subsection (5). If the state treasurer gives notice
9 to the director of the state transportation department within 10
10 days of receiving the notice from the state transportation
11 department, that, based upon the then existing financial or
12 credit situation of the county road commission, city, or village,
13 it would not be in the best interests of the state to make a loan
14 under subsection (5) to the county road commission, city, or vil-
15 lage, the loan shall not be made unless the state treasurer,
16 after a hearing, if requested by the affected county road commis-
17 sion, city, or village, subsequently gives notice to the director
18 of the state transportation department that the loan may be made
19 on the conditions that the state treasurer specifies.

20 (10) The state transportation commission may borrow money
21 and issue bonds and notes under, and pursuant to the requirements
22 of, section 18b to make loans to county road commissions, cities,
23 and villages for the purposes described in the second paragraph
24 of section 9 of article IX of the state constitution of 1963, as
25 provided in subsection (5). A single issue of bonds or notes may
26 be issued for the purposes specified in subsection (5) and for
27 the other purposes specified in section 18b.

1 (11) The director of the state transportation department,
2 after consultation with representatives of the interests of
3 county road commissions, cities, and villages, shall establish,
4 by intergovernmental communication, procedures for the implemen-
5 tation and administration of the loan program established under
6 subsections (5) to (10).

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

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

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

24 (4) An amount equal to 10% of the total amount returned to
25 the county road commissions from the Michigan transportation fund
26 shall be returned to each county road commission having county
27 primary, or county local road, or both, mileage in the urban

1 areas as determined pursuant to section 12b. This sum shall be
2 distributed pursuant to section 12b. The return shall be in
3 addition to the amounts provided in subsections (6) and (7) and
4 for the purposes stated in those subsections.

5 (5) An amount equal to 4% of the total amount returned to
6 the county road commissions from the Michigan transportation fund
7 shall be returned to the county road commissions in the same per-
8 centages as provided in subsection (7). All money returned to
9 the county road commissions as provided in this subsection shall
10 be expended by the county road commissions for the maintenance,
11 improvement, construction, reconstruction, acquisition, and
12 extension of county local road systems and shall be in addition
13 to the amounts provided in subsection (7).

14 (6) Seventy-five percent of the remainder of the total
15 amount to be returned to the counties shall be expended by each
16 county road commission for the maintenance, improvement, con-
17 struction, reconstruction, acquisition, and extension of the
18 county primary road system, including the acquisition of a neces-
19 sary right of way for the system, work incidental to the system,
20 and a roadside park or motor parkway appurtenant to the system,
21 and shall be returned to the counties as follows:

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

1 (b) One-tenth of the amount in the same proportion that the
2 total mileage in the county primary road system of each county
3 bears to the total mileage in all of the county primary road sys-
4 tems of the state.

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

7 (7) The balance of the remainder of the total amount to be
8 returned to counties shall be expended by each county road com-
9 mission for the maintenance, improvement, construction, recon-
10 struction, acquisition, and extension of the county local road
11 system as defined by this act, including the acquisition of a
12 necessary right of way for the system, work incidental to the
13 system, and a roadside park or motor parkway appurtenant to the
14 system, and shall be returned to the counties as follows:

15 (a) Sixty-five percent of the amount in the same proportion
16 that the total mileage in the county local road system of each
17 county bears to the total mileage in all of the county local road
18 systems of the state.

19 (b) Thirty-five percent of the amount in the same proportion
20 that the total population outside of incorporated municipalities
21 in each county bears to the total population outside of incorpo-
22 rated municipalities in all of the counties of the state, accord-
23 ing to the most recent statewide federal census preceding the
24 distribution.

25 (8) Money deposited in, or becoming a part of the county
26 road funds of a board of county road commissioners shall be
27 expended first for the payment of principal and interest on the

1 bonds, for the payment of contractual contributions pledged for
2 the payment of bonds, for debt service requirements for the pay-
3 ment of contractual contributions pledged for the payment of
4 bonds, and for debt service requirements for the payment of notes
5 and loans in the following order of priority:

6 (a) For the payment of contributions required to be made by
7 a board of county road commissioners under a contract entered
8 into under Act No. 205 of the Public Acts of 1941, as amended,
9 being sections 252.51 to 252.64 of the Michigan Compiled Laws,
10 which contributions have been pledged for the payment of the
11 principal and interest on bonds issued under that act, or for the
12 payment of total debt service requirements upon notes issued by a
13 board of county road commissioners under Act No. 143 of the
14 Public Acts of 1943, as amended, being sections 141.251 to
15 141.254 of the Michigan Compiled Laws.

16 (b) For the payment of principal and interest upon bonds
17 issued under section 18c, and the payment of contributions of a
18 board of county road commissioners to be made pursuant to con-
19 tracts entered into under section 18d, which contributions are
20 pledged to the payment of principal and interest on bonds issued
21 after June 30, 1957, under the authorization of section 18c and
22 contracts executed pursuant to its provisions.

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

26 (9) Not to exceed 30% per year of the amount returned to a
27 county for use on the county primary road system may be expended,

1 with or without matching, on the county local road system of that
2 county. Not to exceed 15% per year of the amount returned to a
3 county for expenditure on the county local road system may be
4 used, with or without matching, on the county primary road system
5 of that county, and not to exceed an additional 15% per year of
6 the amount returned to a county for expenditure on the county
7 local road system, may, in case of an emergency or with the
8 approval of the state transportation department, be expended,
9 with or without matching, on the county primary road system of
10 that county. An amount returned to a county for and on account
11 of county local roads, under this section, in excess of the total
12 amount paid into the county treasury each year by all of the
13 townships of that county for and on account of the county local
14 roads pursuant to section 14(6) may be transferred to and
15 expended on the county primary road system of that county.

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

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

1 (12) Funds returned to a county shall be expended by the
2 county road commission for the purposes provided in this section
3 and shall be deposited by the county treasurer in a designated
4 county depository, in a separate account to the credit of the
5 county road fund, and shall be paid out only upon the order of
6 the county road commission, and interest accruing on the money
7 shall become a part of, and be deposited with the county road
8 fund.

9 (13) In a county to which the funds are returned the func-
10 tion of the county road commission shall be limited to the forma-
11 tion of policy and the performance of the official duties imposed
12 by law and delegated by the county board of commissioners. A
13 member of the county road commission shall not be employed indi-
14 vidually in any other capacity for other duties with the county
15 road commission.

16 (14) A county road commission may enter into an agreement
17 with a county road commission of an adjacent county and with a
18 city or village to perform work on a highway, road, or street,
19 and with the state transportation department with respect to a
20 state trunk line and connecting links of the state trunk line
21 within the limits of the county or adjacent to the county. The
22 agreement may provide for the performance by each contracting
23 party of the work contemplated by the contract including engi-
24 neering services and the acquisition of rights of way in connec-
25 tion with the work contemplated, by purchase or condemnation, by
26 any of the contracting parties in its own name and the agreement
27 may provide for joint participation in the costs.

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

8 (16) Notwithstanding any other provision of this act, at
9 least 90% of the state revenue returned annually to the county
10 road commission from the Michigan transportation fund less the
11 amounts described in subdivisions (a) to ~~(e)~~ (D) shall be
12 expended annually by the county road commission for the mainte-
13 nance of highways, roads, streets, and bridges, and for the pay-
14 ment of contractual contributions pledged for the payment of
15 bonds or portions of bonds, debt service requirements for the
16 payment of bonds or portions of bonds, and debt service require-
17 ments for the payment of notes and loans or portions of notes and
18 loans issued or received after July 1, 1983, for the purpose of
19 providing funds for the maintenance of highways, roads, streets,
20 and bridges. If an appropriate certificate is filed under sub-
21 section (19) but only to the extent necessary, this subsection
22 shall not prohibit the use of any amount of state revenue
23 returned annually to the county road commissions for the payment
24 of contractual contributions pledged for the payment of bonds,
25 for debt service requirements for the payment of bonds, and for
26 debt service requirements for the payment of notes or loans,
27 whenever issued or received, as specified under subsection (8).

1 The amounts which are deducted from the state revenue returned to
2 a county road commission from the Michigan transportation fund,
3 for the purpose of the calculation required by this subsection
4 are as follows:

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

8 (b) Amounts expended for the administrative costs of the
9 county road commission.

10 (c) Amounts expended for capital outlay projects for equip-
11 ment and buildings, and for the payment of contractual contribu-
12 tions pledged for the payment of bonds, for debt service require-
13 ments for the payment of bonds, and for debt service requirements
14 for the payment of notes and loans issued or received after
15 July 1, 1983, for the purpose of providing funds for capital
16 outlay projects for equipment and buildings.

17 (d) Amounts expended for projects vital to the economy of
18 the local area or the safety of the public in the local area.
19 Before these amounts can be deducted, the governing body over the
20 county road commission or the county road commission, as applica-
21 ble, shall pass a resolution approving these projects. This res-
22 olution shall state which projects will be funded and the cost of
23 each project. A copy of each approved resolution shall be for-
24 warded immediately to the department.

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

1 Notwithstanding any other provision of this act, except as
2 provided in this subsection, a county road commission shall
3 expend annually at least 90% of the federal revenue distributed
4 to the use of the county road commission for highways, roads,
5 streets, and bridges, 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, on the
8 maintenance of highways, roads, streets, and bridges. A county
9 road commission may expend in a year less than 90% of the federal
10 revenue distributed to the use of the county road commission for
11 highways, roads, streets, and bridges, less the amount expended
12 on urban routes for other than maintenance purposes and the
13 amount expended for hard-surfacing of gravel roads on the
14 federal-aid system, on the maintenance of highways, roads,
15 streets, and bridges, if that year is part of a 3-year period in
16 which at least 90% of the total federal revenue distributed in
17 the 3-year period to the use of the county road commission for
18 highways, roads, streets, and bridges, less the amount expended
19 on urban routes for other than maintenance purposes and the
20 amount expended for hard-surfacing of gravel roads on the
21 federal-aid system, is expended on the maintenance of highways,
22 roads, streets, and bridges. If a county road commission expends
23 in a year less than 90% of the federal revenue distributed to the
24 use of the county road commission for highways, roads, streets,
25 and bridges, less the amount expended on urban routes for other
26 than maintenance purposes and the amount expended for
27 hard-surfacing of gravel roads on the federal-aid system, on the

1 maintenance of highways, roads, streets, and bridges and that
2 year is not a part of a 3-year period in which at least 90% of
3 the total federal revenue distributed in the 3-year period to the
4 use of the county road commission for highways, roads, streets,
5 and bridges, less the amount expended on urban routes for other
6 than maintenance purposes and the amount expended for
7 hard-surfacing of gravel roads on the federal-aid system, is
8 expended on the maintenance of highways, roads, streets, and
9 bridges, the county road commission shall expend in each year
10 subsequent to the 3-year period 100%, or less in 1 year if suffi-
11 cient for the purposes of this subsection, of the federal revenue
12 distributed to the use of the county road commission for high-
13 ways, roads, streets, and bridges, less the amount expended on
14 urban routes for other than maintenance purposes and the amount
15 expended for hard-surfacing of gravel roads on the federal-aid
16 system, on the maintenance of highways, roads, streets, and
17 bridges until the average percentage spent on the maintenance of
18 highways, roads, streets, and bridges in the 3-year period and
19 the subsequent years, less the amount expended on urban routes
20 for other than maintenance purposes and the amount expended for
21 hard-surfacing of gravel roads on the federal-aid system, is at
22 least 90%. A year may be included in only one 3-year period for
23 the purposes of this subsection. The requirements of this sub-
24 section shall be waived if compliance would cause the county road
25 commission to be ineligible according to federal law for federal
26 revenue, but only to the extent necessary to make the county road
27 commission eligible according to federal law for that revenue.

1 For the purpose of the calculations required by this subsection,
2 the amount expended on urban routes by a county road commission
3 for other than maintenance purposes and the amount expended for
4 hard-surfacing of gravel roads on the federal-aid system shall be
5 deducted from the total federal revenue distributed to the use of
6 the county road commission.

7 (18) As used in this section:

8 (a) "Maintenance" and "maintaining" means snow removal;
9 erection of traffic control devices and traffic signals and pay-
10 ment of monthly electrical costs for those signals; street clean-
11 ing and drainage; seal coating; patching and ordinary repairs;
12 erection and maintenance of traffic signs and markings; safety
13 projects which do not increase through traffic capacity; and the
14 preservation, reconstruction, resurfacing, restoration, and reha-
15 bilitation of highways, roads, streets, and bridges. However,
16 maintenance and maintaining do not include projects which
17 increase the capacity of a highway facility to accommodate that
18 part of the traffic having neither origin nor destination within
19 the local area.

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

24 (19) A county road commission shall certify, which certifi-
25 cation shall, for purposes of the validity of bonds and notes, be
26 conclusive as to the matters stated therein, to the state
27 transportation department on or before the issuance of any bonds

1 or notes issued after July 1, 1983, pursuant to Act No. 143 of
2 the Public Acts of 1943, Act No. 205 of the Public Acts of 1941,
3 or section 18c or 18d, for purposes other than the maintenance of
4 highways, roads, streets, and bridges and purposes other than the
5 purposes specified in subsection (16)(c) that its average annual
6 debt service requirements for all bonds and notes or portions of
7 bonds and notes issued after July 1, 1983, for purposes other
8 than the maintenance of highways, roads, streets, and bridges and
9 other than for the purposes specified in subsection (16)(c),
10 including the bond or note to be issued does not exceed 10% of
11 the funds returned to the county road commission pursuant to this
12 act, less the amounts specified in subsection (16)(a), (b), and
13 (c) during the last completed fiscal year of the county road
14 commission. If the purpose for which the bonds or notes are
15 issued is changed after the issuance of the notes or bonds, the
16 change shall be made in such a manner to maintain compliance with
17 the certification required by this subsection, as of the date the
18 certificate was originally issued, but no such change shall
19 invalidate or otherwise affect the bonds or notes with respect to
20 which the certificate was issued or the obligation to pay debt
21 service on the bonds or notes.