

# SENATE BILL No. 814

March 18, 1992, Introduced by Senators N. SMITH, WARTNER, SCHWARZ, STABENOW and FAUST and referred to the Committee on Transportation and Tourism.

A bill to amend section 10 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. 348 of the Public Acts of 1988, being section 247.660 of the Michigan Compiled Laws; and to add section 11e.

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

1       Section 1. Section 10 of Act No. 51 of the Public Acts of  
2 1951, as amended by Act No. 348 of the Public Acts of 1988, being  
3 section 247.660 of the Michigan Compiled Laws, is amended and  
4 section 11e is added to read as follows:  
5       Sec. 10. (1) A fund to be known as the Michigan transporta-  
6 tion fund is established and shall be set up and maintained in  
7 the state treasury as a separate fund. Money received and col-  
8 lected under Act No. 150 of the Public Acts of 1927, as amended,  
9 being sections 207.101 to 207.202 of the Michigan Compiled Laws,  
10 except a license fee provided in that act, and a tax, fee,  
11 license, and other money received and collected under sections  
12 801 to 810 of the Michigan vehicle code, Act No. 300 of the  
13 Public Acts of 1949, as amended, being sections 257.801 to  
14 257.810 of the Michigan Compiled Laws, except a truck safety fund

1 fee provided in section 801(1)(k) of Act No. 300 of the Public  
2 Acts of 1949, being section 257.801 of the Michigan Compiled  
3 Laws, and money received under the motor carrier act, Act No. 254  
4 of the Public Acts of 1933, as amended, being sections 475.1 to  
5 479.20 of the Michigan Compiled Laws, shall be deposited in the  
6 state treasury to the credit of the Michigan transportation  
7 fund. In addition, income or profit derived from the investment  
8 of money in the Michigan transportation fund shall be deposited  
9 in the Michigan transportation fund. Except as provided in this  
10 act, no other money, whether appropriated from the general fund  
11 of this state or any other source, shall be deposited in the  
12 Michigan transportation fund. The legislature shall appropriate  
13 funds for the necessary expenses incurred in the administration  
14 and enforcement of Act No. 150 of the Public Acts of 1927, as  
15 amended, Act No. 254 of the Public Acts of 1933, as amended, and  
16 sections 801 to 810 of Act No. 300 of the Public Acts of 1949, as  
17 amended. After deduction of the amount as appropriated pursuant  
18 to section 91 of Act No. 150 of the Public Acts of 1927, being  
19 section 207.191 of the Michigan Compiled Laws, all money in the  
20 Michigan transportation fund is apportioned and appropriated in  
21 the following manner:

22 (a) For the fiscal years ending September 30, 1985, through  
23 September 30, 1987, and for the period from October 1, 1987 to  
24 October 30, 1987:

25 (i) 10.0% to the comprehensive transportation fund for the  
26 purposes described in section 10e.

1 (ii) The balance of the Michigan transportation fund as  
2 follows, after the deduction of the amounts appropriated in  
3 subdivision (a) and section 11b:

4 (A) 39.1% to the state trunk line fund for the purposes  
5 described in section 11.

6 (B) 39.1% to the county road commissions of the state.

7 (C) 21.8% to the cities and villages of the state.

8 (b) Beginning October 31, 1987 and for the fiscal years  
9 ending September 30, 1988 through September 30, 1993:

10 (i) Not more than \$3,000,000.00 as may be annually appropri-  
11 ated each fiscal year to the state trunk line fund for subsequent  
12 deposit in the rail grade crossing account.

13 (ii) 10% to the comprehensive transportation fund for the  
14 purposes described in section 10e.

15 (iii) \$21,550,000.00 to the state trunk line fund for subse-  
16 quent deposit in the transportation economic development fund, or  
17 allocation to debt service on bonds issued to fund transportation  
18 economic development fund projects for the fiscal year ending  
19 September 30, 1988, and \$36,775,000.00 for each fiscal year  
20 thereafter through the fiscal year ending September 30, ~~1993~~  
21 1998.

22 (iv) The balance of the Michigan transportation fund as fol-  
23 lows, after deduction of the amounts appropriated in subpara-  
24 graphs (i), (ii), and (iii) and section 11b:

25 (A) 39.1% to the state trunk line fund for the purposes  
26 described in section 11 LESS AN AMOUNT EQUAL TO THE REVENUE  
27 GENERATED EACH YEAR FROM 1 CENT OF THE TAX LEVIED ON GASOLINE

1 PURSUANT TO SECTION 2 OF ACT NO. 150 OF THE PUBLIC ACTS OF 1927,  
2 BEING SECTION 207.102 OF THE MICHIGAN COMPILED LAWS, FOR SUBSE-  
3 QUENT DEPOSIT IN THE LOCAL ROAD IMPROVEMENT FUND.

4 (B) 39.1% to the county road commissions of the state.

5 (C) 21.8% to the cities and villages of the state.

6 (2) If a distribution formula is not enacted into law for  
7 any time period beginning after September 30, 1993, the following  
8 amounts are appropriated each fiscal year thereafter with the  
9 balance reverting to the Michigan transportation fund until a  
10 distribution formula is enacted:

11 (a) An amount is apportioned and appropriated to the compre-  
12 hensive transportation fund sufficient to pay the principal and  
13 interest payments due on bonds and notes issued for comprehensive  
14 transportation purposes under section 18b.

15 (b) An amount is apportioned and appropriated to the state  
16 trunk line fund sufficient to pay the principal and interest pay-  
17 ments due on bonds and notes issued for those purposes for which  
18 the state transportation commission may issue bonds and notes  
19 under section 18b, except for those bonds and notes issued for  
20 comprehensive transportation purposes, and sufficient to pay the  
21 obligations of the state trunk line fund pursuant to contracts  
22 entered into under section 18d, which contributions are pledged  
23 for the payment of principal and interest on bonds issued under  
24 section 18d.

25 (c) An amount is apportioned and appropriated to county road  
26 commissions sufficient to pay the principal and interest payments  
27 due on bonds and notes described in section 12(8).

1 (d) An amount is apportioned and appropriated to cities and  
2 villages sufficient to pay the principal and interest payments  
3 due on bonds and notes described in section 13(3)(a).

4 (3) The money appropriated pursuant to this section shall be  
5 used for the purposes as provided in this act and any other  
6 applicable act. The department shall develop programs to assist  
7 small businesses as defined by law in becoming qualified to bid.

8 (4) The distribution formula enacted into law after  
9 September 30, 1993 shall not adversely affect the ability of the  
10 state or a city, village, county, or county road commission which  
11 has issued bonds or notes payable from the Michigan transporta-  
12 tion fund or the motor vehicle highway fund to pay the debt serv-  
13 ice on those bonds or notes.

14 (5) Thirty percent of the funds appropriated to this state  
15 from the federal government pursuant to 23 U.S.C. 157, commonly  
16 known as 85% minimum floor funds, shall be allocated to the  
17 transportation economic development fund, if such an allocation  
18 is consistent with federal law. These funds shall be divided  
19 equally between development projects for rural counties as  
20 defined by law and for capacity improvement in urban counties as  
21 defined by law.

22 SEC. 11E. THERE IS CREATED WITHIN THE STATE TRUNK LINE FUND  
23 A LOCAL ROAD IMPROVEMENT FUND FOR THE PURPOSE OF RECEIVING FUNDS  
24 ALLOCATED FROM THE STATE TRUNK LINE FUND PURSUANT TO SECTION  
25 10(1)(B)(iv)(A). FUNDS SO RECEIVED SHALL BE DISTRIBUTED 64.2% TO  
26 THE COUNTY ROAD COMMISSIONS OF THE STATE TO BE ADMINISTERED

1 ACCORDING TO SECTION 12 AND 35.8% TO THE CITIES AND VILLAGES OF  
2 THE STATE TO BE ADMINISTERED ACCORDING TO SECTION 13.