



**House
Legislative
Analysis
Section**

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EXTEND SUNSET ON TED FUND

House Bill 4257 as introduced
First Analysis (3-9-93)

Sponsor: Rep. Terry London
Committee: Transportation

THE APPARENT PROBLEM:

Public Act 51 of 1951 created the Michigan Transportation Fund (MTF) to provide for funding of state and local transportation projects. Among other things, the act provides for \$36,775,000 to be directed each fiscal year from the MTF into the Transportation Economic Development Fund (TEDF) or to pay down the debt on bonds issued to fund TEDF projects until March 31, 1993. Legislation is needed to delete this sunset from the act to allow the TEDF to continue to receive these funds from the MTF.

THE CONTENT OF THE BILL:

The bill would amend Public Act 51 of 1951 to delete the expiration date of March 31, 1993, that applies to the portion of monies (\$36,775,000) that is directed each fiscal year from the MTF into the TEDF or to pay for debt service on bonds issued for TEDF projects. Thus, this amount would be directed each fiscal year from the MTF into the TEDF or to pay for debt service on bonds issued for TEDF projects until September 30, 1998 (when the general apportionment formula for the MTF is set to expire).

MCL 247.660 and 247.675

FISCAL IMPLICATIONS:

The Department of Transportation says that by deleting the March 31, 1993, sunset that applies to the Transportation Economic Development Fund the bill would allow for the fund to continue to receive \$36,750,000 each fiscal year from the Michigan Transportation Fund until September 30, 1998. (3-3-93)

ARGUMENTS:

For:

The bill simply would delete the March 31, 1993, sunset date that applies to the TEDF and, thus,

would allow the fund to continue receiving \$36,775,000 from the MTF each fiscal year until September 30, 1998. TEDF monies are used to help develop and maintain transportation projects throughout the state that help contribute to economic development within those areas (such as roads near shopping centers).

POSITIONS:

The Department of Transportation supports the bill. (3-3-93)

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