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USE OF TED FUND MONEY

House Bill 4425
Sponsor: Rep. Vincent J. Porreca
Committee: Transportation

Complete to 3-5-93

A SUMMARY OF HOUSE BILL 4425 AS INTRODUCED 3-3-93

Public Act 231 of 1987 (MCL 247.909 et al.) created the Transportation Economic Development Fund to help pay for certain transportation projects throughout the state that relate to economic development. The act specifies that for a project to qualify for funding it must relate to one of various catagories, including economic development road projects in certain "targeted industries" (i.e., tourism, forestry, high technology research, and certain others). The bill would expand this list of road projects in targeted industries that qualify for funding under the act to include those that relate to "international or user fee airports," or both, as defined by the Customs Bureau of the U.S. Department of Treasury in counties with more than 500,000 people.

The act specifies that after $7.5 million has been paid out of the fund to pay for road projects in counties, cities and villages, the remainder of the fund must be used to fund road projects in various categories, according to the following percentages:

* For economic development road projects in any of the targeted industries, not more than 50 percent of remaining funds;
* For projects that result in the addition of local roads to the state trunk line system, not more than 50 percent of remaining funds; and
* 25 percent for projects to reduce congestion on county primary and city major streets within urban counties, and for "advanced traffic management systems" in counties with more than 400,000 people (based on a special formula).

Out of the category that provides for not more than 50 percent of remaining funds to be used for projects that result in the addition of local roads to the state trunk line system, the bill specifies that not less than $5 million of this would have to be transferred each year to fund projects in the last category (for reducing congestion on roads and streets in urban counties) in counties with more than 1.75 million people--i.e., Wayne County.

The act now requires matching funds of not less than 25 percent of the total cost of a project to be used for projects for targeted industries or projects to reduce congestion on county primary and city major streets within urban counties. The bill, instead, would require matching funds of not less than 20 percent of the total cost of a qualifying project. The bill also provides that, not later than September 30, 1993, jurisdiction over the Davison Freeway (which currently belongs to the Wayne County Road Commission) would have to be transferred to the state Department of Transportation.

Finally, the bill would update language related to the federal surface transportation program to reflect changes in federal law.