

Act No. 20  
Public Acts of 1993  
Approved by the Governor  
April 14, 1993  
Filed with the Secretary of State  
April 14, 1993

**STATE OF MICHIGAN  
87TH LEGISLATURE  
REGULAR SESSION OF 1993**

Introduced by Reps. London, Hill, Whyman and DeLange

# **ENROLLED HOUSE BILL No. 4257**

AN ACT to amend sections 10 and 25 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, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds 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," section 10 as amended by Act No. 223 of the Public Acts of 1992 and section 25 as added by Act No. 348 of the Public Acts of 1988, being sections 247.660 and 247.675 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Sections 10 and 25 of Act No. 51 of the Public Acts of 1951, section 10 as amended by Act No. 223 of the Public Acts of 1992 and section 25 as added by Act No. 348 of the Public Acts of 1988, being sections 247.660 and 247.675 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 10. (1) A fund to be known as the Michigan transportation fund is established and shall be set up and maintained in the state treasury as a separate fund. Money received and collected under Act No. 150 of the Public Acts of 1927, as amended, being sections 207.101 to 207.202 of the Michigan Compiled Laws, except a license fee provided in that act,

and a tax, fee, license, and other money received and collected under sections 801 to 810 of the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, as amended, being sections 257.801 to 257.810 of the Michigan Compiled Laws, except a truck safety fund fee provided in section 801(1)(k) of Act No. 300 of the Public Acts of 1949, being section 257.801 of the Michigan Compiled Laws, and money received under the motor carrier act, Act No. 254 of the Public Acts of 1933, as amended, being sections 475.1 to 479.20 of the Michigan Compiled Laws, shall be deposited in the state treasury to the credit of the Michigan transportation fund. In addition, income or profit derived from the investment of money in the Michigan transportation fund shall be deposited in the Michigan transportation fund. Except as provided in this act, no other money, whether appropriated from the general fund of this state or any other source, shall be deposited in the Michigan transportation fund. The legislature shall appropriate funds for the necessary expenses incurred in the administration and enforcement of Act No. 150 of the Public Acts of 1927, as amended, Act No. 254 of the Public Acts of 1933, as amended, and sections 801 to 810 of Act No. 300 of the Public Acts of 1949, as amended. After deduction of the amount as appropriated pursuant to section 91 of Act No. 150 of the Public Acts of 1927, being section 207.191 of the Michigan Compiled Laws, all money in the Michigan transportation fund is apportioned and appropriated in the following manner:

(a) Beginning October 31, 1987 and for the fiscal years ending September 30, 1988 through September 30, 1992:

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

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

(iii) \$21,550,000.00 to the state trunk line fund for subsequent deposit in the transportation economic development fund, or allocation to debt service on bonds issued to fund transportation economic development fund projects for the fiscal year ending September 30, 1988, and \$36,775,000.00 for each fiscal year thereafter through the fiscal year ending September 30, 1992.

(iv) The balance of the Michigan transportation fund as follows, after deduction of the amounts appropriated in subparagraphs (i), (ii), and (iii) and section 11b:

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

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

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

(b) Except as provided in subparagraph (vi), for the fiscal years ending September 30, 1993 through September 30, 1998:

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

(ii) Not less than \$3,000,000.00 each year to the critical bridge fund established in section 11b for the purpose of payment of the principal, interest, and redemption premium on any notes or bonds issued by the state transportation commission under section 11b.

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

(iv) Not less than \$20,000,000.00 for FY 1992-93, not more than \$33,000,000.00 for FY 1993-94 and 1994-95, not less than \$33,000,000.00 for FY 1995-96, as may be annually appropriated, based on actual increased revenues from motor fuel tax collections beginning in FY 1992-93, for deposit in the state trunk line fund for subsequent deposit in the local program fund created in section 11e.

(v) \$36,775,000.00 to the state trunk line fund for subsequent deposit in the transportation economic development fund, or allocation to debt service on bonds issued to fund transportation economic development fund projects.

(vi) The balance of the Michigan transportation fund as follows, after deduction of the amounts appropriated in subparagraphs (i) through (v) and section 11b:

(A) 39.1% to the state trunk line fund for the purposes described in section 11. From this amount, after the payment of debt service pursuant to section 11(1)(a), a state grant of not more than \$78,000,000.00 shall be annually appropriated each fiscal year through the fiscal year ending September 30, 1995 to the local program fund created in section 11e. Beginning October 1, 1995, a state grant of not less than \$33,000,000.00, as may be annually appropriated each fiscal year, after the payment of debt service pursuant to section 11(1)(a), shall be made to the local program fund created in section 11e.

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

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

(2) If a distribution formula is not enacted into law for any time period beginning after September 30, 1998, the following amounts are appropriated each fiscal year thereafter with the balance reverting to the Michigan transportation fund until a distribution formula is enacted:

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

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

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

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

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

(4) The distribution formula enacted into law after September 30, 1998 shall not adversely affect the ability of the state or a city, village, county, or county road commission which has issued bonds or notes payable from the Michigan transportation fund or the motor vehicle highway fund to pay the debt service on those bonds or notes.

(5) Thirty percent of the funds appropriated to this state from the federal government pursuant to 23 U.S.C. 157, commonly known as 90% minimum allocation and donor state bonus funds, shall be allocated to the transportation economic development fund, if such an allocation is consistent with federal law. These funds shall be divided equally between development projects for rural counties as defined by law and for capacity improvement or advanced traffic management systems in urban counties as defined by law. Federal funds allocated for distribution under this section shall be eligible for obligation and use by all recipients as defined by the intermodal surface transportation efficiency act of 1991, Public Law 102-240, 105 Stat. 1914.

Sec. 25. (1) The truck safety fund is established and shall be maintained in the state treasury. The truck safety fund shall be administered by the office of highway safety planning within the department of state police.

(2) The Michigan truck safety commission is established in the office of highway safety planning within the department of state police. The commission shall control the expenditures of the truck safety fund. The commission shall consist of the following members:

(a) A member of the state transportation commission, or his or her authorized representative who is a member of the state transportation commission.

(b) The director of the office of highway safety planning, within the department of state police.

(c) The secretary of state.

(d) The commanding officer of the motor carrier division within the department of state police.

(e) Seven individuals appointed by the governor with the advice and consent of the senate as follows:

(i) One individual representing Michigan community colleges.

(ii) One individual representing 4-year colleges or universities.

(iii) One individual representing the Michigan trucking association.

(iv) One individual representing private motor carriers.

(v) One individual representing organized labor.

(vi) Two individuals representing the general public.

(3) The appointed members of the Michigan truck safety commission shall be appointed for 2-year terms. The chairperson of the Michigan truck safety commission shall be elected by a majority of the members serving on the Michigan truck safety commission. A vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment. The business which the Michigan truck safety commission shall perform shall be conducted at a quarterly meeting held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the meeting shall be given in the manner required under Act No. 267 of the Public Acts of 1976. A majority of the commission members serving shall be required to constitute a quorum.

(4) The truck safety fund shall be expended in the following order of priority and in the following manner:

(a) Not more than 5% but not more than \$100,000.00 of the money deposited in the truck safety fund shall be expended for the fund's administrative expenses. The office of highway safety planning may employ not more than 2 persons to assist in the administration of the fund.

(b) Not less than 30%, but not less than \$1,000,000.00 of the balance of the money deposited in the truck safety fund shall be expended for the following purposes:

(i) Establishing truck driver safety education programs.

(ii) Encouraging, coordinating, and administering grants for research and demonstration projects to develop the application of new ideas and concepts in truck driver safety education as applied to state, as opposed to nationwide, problems.

(iii) Applying for, receiving, and accepting any grant, gift, contribution, loan, or other assistance in the form of money, property, labor, and any other form from a public or private source for the enhancement of truck driver safety education, including matching funds and other assistance from an agency or instrumentality of the United States and doing each thing as is necessary to apply for, receive, and administer that assistance in accordance with the laws of this state.

(c) Not less than \$750,000.00 of the balance of the money deposited in the truck safety fund shall be expended for the establishment of special transportation enforcement team operations within the motor carrier division of the department of state police and any expenses incurred by the special transportation enforcement team including, but not limited to, required equipment. The motor carrier division of the department of state police shall submit an annual report of the activities of the special transportation enforcement team operations and expenditures of the fund for those operations provided by this subdivision.

(d) The balance of the money deposited in the truck safety fund, if any, shall be expended for the following purposes:

(i) Investigating, performing data collection and analysis, and making recommendations on truck accidents within this state.

(ii) Investigating and making recommendations on the truck safety enforcement procedures of local law enforcement agencies.

(iii) Performing other functions considered necessary by the Michigan truck safety commission for the enhancement of truck and truck driver safety within this state.

(5) The commission shall make an annual report to the chairpersons of the house transportation and senate transportation and tourism committees on the status of the fund. The report shall be submitted within 45 days after the end of the fiscal year and shall include the year end balance of the fund and the disbursements made from the fund during the previous fiscal year.

This act is ordered to take immediate effect.

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Co-Clerk of the House of Representatives.

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Secretary of the Senate.

Approved \_\_\_\_\_

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Governor.