

Act No. 294  
Public Acts of 1993  
Approved by the Governor  
December 23, 1993  
Filed with the Secretary of State  
December 28, 1993

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

Introduced by Reps. Hill, Goschka, Kukuk, Rhead, Hammerstrom, London and Bullard  
Reps. Allen, Bandstra, Bodem, Clack, Curtis, Dalman, DeMars, Fitzgerald, Freeman, Gernaat, Gnodtke,  
Jersevic, Johnson, Lowe, McBryde, McManus, Middleton, Olshove, Porreca, Stille, Vorva and Wetters  
named co-sponsors

# **ENROLLED HOUSE BILL No. 4900**

AN ACT to amend sections 10, 11, 11c, 12, 13, and 17 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. 20 of the Public Acts of 1993, sections 11 and 12 as amended by Act No. 224 of the Public Acts of 1992, section 11c as added by Act No. 438 of the Public Acts of 1982, section 13 as amended by Act No. 82 of the Public Acts of 1992, and section 17 as amended by Act No. 234 of the Public Acts of 1987, being sections 247.660, 247.661, 247.661c, 247.662, 247.663, and 247.667 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Sections 10, 11, 11c, 12, 13, and 17 of Act No. 51 of the Public Acts of 1951, section 10 as amended by Act No. 20 of the Public Acts of 1993, sections 11 and 12 as amended by Act No. 224 of the Public Acts of 1992, section 11c

as added by Act No. 438 of the Public Acts of 1982, section 13 as amended by Act No. 82 of the Public Acts of 1992, and section 17 as amended by Act No. 234 of the Public Acts of 1987, being sections 247.660, 247.661, 247.661c, 247.662, 247.663, and 247.667 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-one and one-half percent of the funds appropriated to this state from the federal government pursuant to 23 U.S.C. 157, commonly known as 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 distributed 16-1/2% for development projects for rural counties as defined by law and 15% 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. 11. (1) A fund to be known as the state trunk line fund is established and shall be set up and maintained in the state treasury as a separate fund. The money deposited in the state trunk line fund is appropriated to the state transportation department for the following purposes in the following order of priority:

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

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

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

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

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

(c) For the transfer of funds appropriated pursuant to section 10(1)(b)(i) to the railroad grade crossing account in the state trunk line fund for expenditure to meet the cost, in whole or in part, of providing for the improvement, installation, and retirement of new or existing safety devices or other rail grade crossing improvements at rail grade crossings on public roads and streets under the jurisdiction of the state, counties, or cities and villages. Projects shall be selected for funding in accordance with the following:

(i) Not more than 50% or less than 30% of these funds and matched federal funds shall be expended for state trunk line projects.

(ii) In prioritizing projects for these funds, in whole or in part, the department shall consider train and vehicular traffic volumes, accident history, traffic control device improvement needs, and the availability of funding.

(iii) Consistent with the other requirements for these funds, the first priority for funds deposited pursuant to this subdivision for rail grade crossing improvements and retirement shall be to match federal funds from the railroad-highway grade crossing improvement program or other comparable federal programs.

(iv) If federal funds from the railroad-highway grade crossing improvement program or other comparable federal programs have been exhausted, funds deposited pursuant to this subdivision shall be used to fund 100% of grade crossing projects that receive the highest priority of unfunded projects pursuant to criteria established by the department.

(v) State railroad grade crossing funds shall not be used, either as 100% of project cost or to match federal railroad-highway grade crossing improvement funds, for a crossing that is determined by the department pursuant to the criteria established by the department to be a lower priority than other projects that have not yet been funded. However, if sufficient funds are available, these state railroad grade crossing account funds may be used for not more than 50% of a project's cost for a crossing that is determined by the department pursuant to the criteria established by the department to be a lower priority if the balance of not less than 50% of the project's cost is provided by the road authority, railroad, or other sources.

(vi) The type of railroad grade crossing improvement, installation, relocation, or retirement of grade crossing surfaces, active and passive traffic control devices, pavement marking, or other related work shall be eligible for these railroad grade crossing account funds in the same manner as the project type eligibility provided by the federal funds from the railroad-highway grade crossing improvement program, except for the following:

(A) For new railroad crossings, these funds may be used for the crossing surface, active and passive traffic control devices, pavement marking, and other improvements necessitated by the new crossing.

(B) These funds may be used for the modification, relocation, or modernization of railroad grade crossing facilities necessitated by roadway improvement projects.

(C) If the department and the road authority with jurisdiction over a public road or street crossing formally agree that the grade crossing should be eliminated by permanent closing of the public road or street, the road authority making the closing shall receive \$5,000.00 from the railroad grade crossing account. In addition, any connecting road improvements necessitated by the grade crossing closure are reimbursable on an actual cost basis not to exceed \$10,000.00 per crossing closed. The physical removal of the crossing, roadway within railroad rights of way and street termination treatment will be negotiated between the road authority and railroad company. The funds provided to the road authority as a result of the crossing closure will be credited to its account representing the same road or street system on which the crossing is located.

(vii) This subdivision shall apply through September 30, 1998.

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

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

(f) For the opening, widening, improving, construction, and reconstruction of state trunk line highways and bridges, including the acquisition of necessary rights of way and the work incidental to that opening, widening, improving, construction, or reconstruction. Those sums in the state trunk line fund not otherwise appropriated, distributed, determined, or set aside by law shall be used for the construction or reconstruction of the national system of interstate and defense highways, referred to in this act as "the interstate highway system" to the extent necessary to match federal aid funds as the federal aid funds become available for that purpose; and, for the construction and reconstruction of the state trunk line system.

(g) The state transportation department may enter into agreements with county road commissions and with cities and villages to perform work on a highway, road, or street. The agreements may provide for the performance by any of the contracting parties of any of the work contemplated by the contract including engineering services and the acquisition of rights of way in connection with the work, by purchase or condemnation by any of the contracting parties in its own name, and for joint participation in the costs, but only to the extent that the contracting parties are otherwise authorized by law to expend money on the highways, roads, or streets. The state transportation department also may contract with a county road commission, city, and village to advance money to a county road commission, city, and

village to pay their costs of improving railroad grade crossings on the terms and conditions agreed to in the contract. A contract may be executed before or after the state transportation commission borrows money for the purpose of advancing money to a county road commission, city, or village, but the contract shall be executed before the advancement of any money to a county road commission, city, or village by the state transportation commission, and shall provide for the full reimbursement of any advancement by a county road commission, city, or village to the state transportation department, with interest, within 15 years after advancement, from any available revenue sources of the county road commission, city, or village or, if provided in the contract, by deduction from the periodic disbursements of any money returned by the state to the county road commission, city, or village.

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

(2) Notwithstanding any other provision of this act, at least 90% of state revenue appropriated annually to the state trunk line fund less the amounts described in subdivisions (a) to (i) shall be expended annually by the state transportation department for the maintenance of highways, roads, streets, and bridges and for the payment of debt service on bonds, notes, or other obligations described in subsection (1)(a) issued after July 1, 1983, for the purpose of providing funds for the maintenance of highways, roads, streets, and bridges. If an appropriate certificate is filed under section 18e but only to the extent necessary, this subsection shall not prohibit the use of any amount of money restricted as to use by section 9 of article IX of the state constitution of 1963 and deposited in the state trunk line fund for the payment of debt service on bonds, notes, or other obligations pledging for the payment thereof money restricted as to use by section 9 of article IX of the state constitution of 1963 and deposited in the state trunk line fund, whenever issued, as specified under subsection (1)(a). The amounts which are deducted from the state trunk line fund for the purpose of the calculation required by this subsection are as follows:

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

(b) Amounts expended to provide the state matching requirement for projects on the national highway system and for the payment of debt service on bonds, notes, or other obligations issued after July 1, 1983, for the purpose of providing funds for the state matching requirements for projects on the national highway system.

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

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

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

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

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

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

(g) Amounts expended for the purposes described in subsection (5).

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

(i) Upon the affirmative recommendation of the director of the state transportation department and the approval by resolution of the state transportation commission, those amounts expended for projects vital to the economy of the state, a region, or local area or the safety of the public. The resolution shall state the cost of the project exempted from this subsection.

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

(4) As used in this section:

(a) "Maintenance" and "maintaining" means snow removal; street cleaning and drainage; seal coating; patching and ordinary repairs; erection and maintenance of traffic signs and markings; safety projects; and the preservation,

reconstruction, resurfacing, restoration, and rehabilitation of highways, roads, streets, and bridges. For the purposes of this section, maintenance and maintaining shall not be limited to the repair and replacement of a road but shall include maintaining the original intent of a construction project. If traffic patterns indicate that this intent is no longer being met, the department may expend funds to take corrective action and continue to fulfill its obligation of maintaining the department's original objective for the construction project. However, maintenance and maintaining do not include projects which increase the capacity of a highway facility to accommodate that part of the traffic having neither origin nor destination within the local area.

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

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

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

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

(6) County road commissions, cities, and villages may borrow money from the proceeds of bonds or notes issued under section 18b or the state trunk line fund for the purposes set forth in subsection (5) which shall be repayable, with interest, from 1 or more of the following:

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

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

(7) Loans made pursuant to subsection (5) if required by the state transportation department may be payable by deduction by the state treasurer, upon direction of the state transportation department, from the periodic disbursements of any money returned by the state under this act to the county road commission, city, or village, but only after sufficient money has been returned to the county road commission, city, or village to provide for the payment of contractual obligations incurred or to be incurred and principal and interest on notes and bonds issued or to be issued under Act No. 205 of the Public Acts of 1941, Act No. 143 of the Public Acts of 1943, Act No. 175 of the Public Acts of 1952, or section 18c or 18d. The interest rates and payment schedules of any loans made from the proceeds of bonds or notes issued pursuant to section 18b shall be established by the state transportation department to conform as closely as practicable to the interest rate and repayment schedules on the bonds or notes issued to make the loans. However, the state transportation department may allow for the deferral of the first payment of interest or principal on the loans for a period of not to exceed 1 year after the respective first payment of interest or principal on the bonds or notes issued to make the loans.

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

(9) The county road commission, city, or village shall not be required to seek or obtain the approval of the electors, the municipal finance commission or its successor agency, or, except as provided in this subsection, the department of treasury to borrow money pursuant to subsection (6). The borrowing shall not be subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws, nor to section 5(g) of Act No. 279 of the Public Acts of 1909, being section 117.5 of the Michigan Compiled Laws. The state transportation department shall give at least 10 days' notice to the state treasurer of its intention to make a loan under subsection (5). If the state treasurer gives notice to the director of the state transportation department within 10 days of receiving the notice from the state transportation department, that, based upon the then existing financial or credit situation of the county road commission, city, or village, it would not be in the best interests of the state to make a loan under subsection (5) to the county road commission, city, or village, the loan shall not be made unless the state treasurer, after

a hearing, if requested by the affected county road commission, city, or village, subsequently gives notice to the director of the state transportation department that the loan may be made on the conditions that the state treasurer specifies.

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

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

Sec. 11c. All federal aid construction projects and all other projects of the department concerning highways, streets, roads, and bridges whose cost exceeds \$20,000.00 for construction or maintenance as defined in section 11 shall be performed by contract awarded by competitive bidding unless the department shall affirmatively find that under the circumstances relating to those projects, some other method is in the public interest. All of those findings shall be reported to the state transportation commission 90 days before work is commenced and promptly in writing to the appropriations committees of the senate and house of representatives. However, in a case in which the department determines emergency action is required, the reports need not be filed before work is commenced but shall be promptly filed.

Sec. 12. (1) The amount distributed to the county road commissions shall be returned to the county treasurers in the manner, for the purposes, and under the terms and conditions specified in this section.

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

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

(4) An amount equal to 10% of the total amount returned to the county road commissions from the Michigan transportation fund shall be returned to each county road commission having county primary, or county local road, or both, mileage in the urban areas as determined pursuant to section 12b. This sum shall be distributed pursuant to section 12b. The return shall be in addition to the amounts provided in subsections (6) and (7) and for the purposes stated in those subsections.

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

(6) Seventy-five percent of the remainder of the total amount to be returned to the counties shall be expended by each county road commission for the maintenance, improvement, construction, reconstruction, acquisition, and extension of the county primary road system, including the acquisition of a necessary right of way for the system, work incidental to the system, and a roadside park or motor parkway appurtenant to the system, and shall be returned to the counties as follows:

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

(b) One-tenth of the amount in the same proportion that the total mileage in the county primary road system of each county bears to the total mileage in all of the county primary road systems of the state.

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

(7) The balance of the remainder of the total amount to be returned to counties shall be expended by each county road commission for the maintenance, improvement, construction, reconstruction, acquisition, and extension of the county local road system as defined by this act, including the acquisition of a necessary right of way for the system, work incidental to the system, and a roadside park or motor parkway appurtenant to the system, and shall be returned to the counties as follows:



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

(b) Thirty-five percent of the amount in the same proportion that the total population outside of incorporated municipalities in each county bears to the total population outside of incorporated municipalities in all of the counties of the state, according to the most recent statewide federal census as certified at the beginning of the state fiscal year.

(8) Money deposited in, or becoming a part of the county road funds of a board of county road commissioners shall be expended first for the payment of principal and interest on the bonds, for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of contractual contributions pledged for the payment of bonds, and for debt service requirements for the payment of notes and loans in the following order of priority:

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

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

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

(9) Not to exceed 30% per year of the amount returned to a county for use on the county primary road system may be expended, with or without matching, on the county local road system of that county. Not to exceed 15% per year of the amount returned to a county for expenditure on the county local road system may be used, with or without matching, on the county primary road system of that county, and not to exceed an additional 15% per year of the amount returned to a county for expenditure on the county local road system, may, in case of an emergency or with the approval of the state transportation department, be expended, with or without matching, on the county primary road system of that county. An amount returned to a county for and on account of county local roads, under this section, in excess of the total amount paid into the county treasury each year by all of the townships of that county for and on account of the county local roads pursuant to section 14(6) may be transferred to and expended on the county primary road system of that county.

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

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

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

(13) In a county to which the funds are returned the function of the county road commission shall be limited to the formation of policy and the performance of the official duties imposed by law and delegated by the county board of commissioners. A member of the county road commission shall not be employed individually in any other capacity for other duties with the county road commission.

(14) A county road commission may enter into an agreement with a county road commission of an adjacent county and with a city or village to perform work on a highway, road, or street, and with the state transportation department with respect to a state trunk line and connecting links of the state trunk line within the limits of the county or adjacent to the county. The agreement may provide for the performance by each contracting party of the work contemplated by the contract including engineering services and the acquisition of rights of way in connection with the work contemplated, by purchase or condemnation, by any of the contracting parties in its own name and the agreement may provide for joint participation in the costs.

(15) Money distributed from the Michigan transportation fund may be expended for construction purposes on county local roads only to the extent matched by money from other sources. However, Michigan transportation funds may be



expended for the construction of bridges on the county local roads in an amount not to exceed 75% of the cost of the construction of local road bridges. This subsection does not apply to section 11b.

(16) Notwithstanding any other provision of this act, at least 90% of the state revenue returned annually to the county road commission from the Michigan transportation fund less the amounts described in subdivisions (a) to (e) shall be expended annually by the county road commission for the maintenance of highways, roads, streets, and bridges, and for the payment of contractual contributions pledged for the payment of bonds or portions of bonds, debt service requirements for the payment of bonds or portions of bonds, and debt service requirements for the payment of notes and loans issued or received after July 1, 1983, for the purpose of providing funds for the maintenance of highways, roads, streets, and bridges. If an appropriate certificate is filed under subsection (19) but only to the extent necessary, this subsection shall not prohibit the use of any amount of state revenue returned annually to the county road commissions for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of bonds, and for debt service requirements for the payment of notes or loans, whenever issued or received, as specified under subsection (8). The amounts which are deducted from the state revenue returned to a county road commission from the Michigan transportation fund, for the purpose of the calculation required by this subsection are as follows:

(a) Amounts expended for the purposes described in subsection (8) for bonds, notes, loans, or other obligations issued or received before July 2, 1983.

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

(c) Amounts expended for capital outlay projects for equipment and buildings, and for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of bonds, and for debt service requirements for the payment of notes and loans issued or received after July 1, 1983, for the purpose of providing funds for capital outlay projects for equipment and buildings.

(d) Amounts expended for projects vital to the economy of the local area or the safety of the public in the local area. Before these amounts can be deducted, the governing body over the county road commission or the county road commission, as applicable, shall pass a resolution approving these projects. This resolution shall state which projects will be funded and the cost of each project. A copy of each approved resolution shall be forwarded immediately to the department.

(e) Amounts expended in urban areas as determined pursuant to section 12b.

(17) As used in this subsection, "urban routes" means those portions of 2 lane county primary roads within an urban area which has average daily traffic in excess of 15,000. Notwithstanding any other provision of this act, except as provided in this subsection, a county road commission shall expend annually at least 90% of the federal revenue distributed to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the maintenance of highways, roads, streets, and bridges. A county road commission may expend in a year less than 90% of the federal revenue distributed to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the maintenance of highways, roads, streets, and bridges, if that year is part of a 3-year period in which at least 90% of the total federal revenue distributed in the 3-year period to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is expended on the maintenance of highways, roads, streets, and bridges. If a county road commission expends in a year less than 90% of the federal revenue distributed to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the maintenance of highways, roads, streets, and bridges and that year is not a part of a 3-year period in which at least 90% of the total federal revenue distributed in the 3-year period to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is expended on the maintenance of highways, roads, streets, and bridges, the county road commission shall expend in each year subsequent to the 3-year period 100%, or less in 1 year if sufficient for the purposes of this subsection, of the federal revenue distributed to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the maintenance of highways, roads, streets, and bridges until the average percentage spent on the maintenance of highways, roads, streets, and bridges in the 3-year period and the subsequent years, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is at least 90%. A year may be included in only one 3-year period for the purposes of this subsection. The requirements of this subsection shall be waived if compliance would cause the county road commission to be ineligible according to federal law for federal revenue, but only to the extent necessary to make the county road commission eligible according to federal law for that revenue. For the purpose of

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

(18) As used in this section:

(a) "Maintenance" and "maintaining" means snow removal; erection of traffic control devices and traffic signals and payment of monthly electrical costs for those signals; street cleaning and drainage; seal coating; patching and ordinary repairs; erection and maintenance of traffic signs and markings; safety projects which do not increase through traffic capacity; and the preservation, reconstruction, resurfacing, restoration, and rehabilitation of highways, roads, streets, and bridges. However, maintenance and maintaining do not include projects which increase the capacity of a highway facility to accommodate that part of the traffic having neither origin nor destination within the local area.

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

(19) A county road commission shall certify, which certification shall, for purposes of the validity of bonds and notes, be conclusive as to the matters stated therein, to the state transportation department on or before the issuance of any bonds or notes issued after July 1, 1983, pursuant to Act No. 143 of the Public Acts of 1943, Act No. 205 of the Public Acts of 1941, or section 18c or 18d, for purposes other than the maintenance of highways, roads, streets, and bridges and purposes other than the purposes specified in subsection (16)(c) that its average annual debt service requirements for all bonds and notes or portions of bonds and notes issued after July 1, 1983, for purposes other than the maintenance of highways, roads, streets, and bridges and other than for the purposes specified in subsection (16)(c), including the bond or note to be issued does not exceed 10% of the funds returned to the county road commission pursuant to this act, less the amounts specified in subsection (16)(a), (b), and (c) during the last completed fiscal year of the county road commission. If the purpose for which the bonds or notes are issued is changed after the issuance of the notes or bonds, the change shall be made in such a manner to maintain compliance with the certification required by this subsection, as of the date the certificate was originally issued, but no such change shall invalidate or otherwise affect the bonds or notes with respect to which the certificate was issued or the obligation to pay debt service on the bonds or notes.

(20) In each charter county to which funds are returned under this section, the responsibility for road improvement, maintenance, and traffic operation work, and the development, construction, or repair of off-road parking facilities and construction or repair of road lighting shall be coordinated by a single administrator to be designated by the county executive who shall be responsible for and shall represent the charter county in transactions with the state transportation department pursuant to this act.

Sec. 13. (1) The amount distributed to cities and villages shall be returned to the treasurers of the cities and villages in the manner, for the purposes, and under the terms and conditions specified in this section. As used in this section, "population" means the population according to the most recent statewide federal census as certified at the beginning of the state fiscal year, except that, if a municipality has been newly incorporated since completion of the census, the population of the municipality for purposes of the distribution of funds before completion of the next census shall be the population as determined by special federal census, if there is a census, and if not, by the population as determined by the official census in connection with the incorporation, if there is such a census and, if not, by a special state census to be taken at the expense of the municipality by the secretary of state pursuant to section 6 of Act No. 279 of the Public Acts of 1909, as amended, being section 117.6 of the Michigan Compiled Laws. The amount received by the newly incorporated municipality shall be in place of any other direct distribution of funds from the Michigan transportation fund. The population of the newly incorporated municipality as determined under this section shall be added to the total population of all incorporated cities and villages in the state in computing the amounts to be returned under this section to each municipality in the state. Major street mileage, local street mileage, and equivalent major mileage, if applicable, shall be determined by the state transportation department before the next month for which distribution is made following the effective date of incorporation of a newly incorporated municipality.

(2) From the amount available for distribution to cities and villages during each December, an amount equal to 0.7% of the total amount returned to all cities and villages under subsections (3) and (4) during the previous calendar year shall be withheld. The amount withheld shall be used to partially reimburse those cities and villages located in those counties that are eligible for snow removal funds pursuant to section 12a and that have costs for winter maintenance on major and local streets that are greater than the statewide average. The distributions shall be made annually during February and shall be calculated separately for the major and local street systems but may be paid in a combined warrant. The distribution to a city or village shall be equal to 1/2 of its winter maintenance expenditures after deducting the product of its total earnings under subsections (3) and (4) multiplied by 2 times the average municipal winter maintenance factor. Winter maintenance expenditures shall be determined from the street financial reports for the most current fiscal years ending before July 1. A city or village that does not submit a street financial report for the fiscal year ending before July 1 by the subsequent December 31 shall be ineligible for the winter maintenance payment that is to be based on that street financial report. The average municipal winter maintenance factor shall be determined annually by the state transportation department by dividing the total expenditures of all cities and villages on winter maintenance of streets and highways by the total amount earned by all cities and villages under subsections (3) and (4)

during the 12 months. If the sum of the distributions to be made under this subsection exceeds the amount withheld, the distributions to each eligible city and village shall be reduced proportionately. If the sum is less than the amount withheld, the balance shall be added to the amount available for distribution under subsections (3) and (4) during the next month. The distributions shall be for use on the major and local street systems respectively and shall be subject to the same provisions as funds returned under subsections (3) and (4).

(3) Seventy-five percent of the remaining amount to be returned to the cities and villages, after deducting the amounts withheld pursuant to subsection (2), shall be returned 60% in the same proportion that the population of each bears to the total population of all cities and villages, and 40% in the same proportion that the equivalent major mileage in each bears to the total equivalent major mileage in all cities and villages. As used in this section, "equivalent major mileage" means the sum of 2 times the state trunk line mileage certified by the state transportation department as of March 31 of each year, as being within the boundaries of each city and village having a population of 25,000 or more, plus the major street mileage in each city and village, multiplied by the following factor:

- 1.0 for cities and villages of 2,000 or less population;
- 1.1 for cities and villages from 2,001 to 10,000 population;
- 1.2 for cities and villages from 10,001 to 20,000 population;
- 1.3 for cities and villages from 20,001 to 30,000 population;
- 1.4 for cities and villages from 30,001 to 40,000 population;
- 1.5 for cities and villages from 40,001 to 50,000 population;
- 1.6 for cities and villages from 50,001 to 65,000 population;
- 1.7 for cities and villages from 65,001 to 80,000 population;
- 1.8 for cities and villages from 80,001 to 95,000 population;
- 1.9 for cities and villages from 95,001 to 160,000 population;
- 2.0 for cities and villages from 160,001 to 320,000 population;

and for cities over 320,000 population, by a factor of 2.1 increased successively by 0.1 for each 160,000 population increment over 320,000. The amount returned under this subsection shall be used by each city and village for the following purposes in the following order of priority:

(a) For the payment of contributions required to be made by a city or village under the provisions of contracts previously entered into under Act No. 205 of the Public Acts of 1941, as amended, being sections 252.51 to 252.64 of the Michigan Compiled Laws, which contributions have been previously pledged for the payment of the principal and interest on bonds issued under that act; or for the payment of the principal and interest upon bonds issued by a city or village pursuant to Act No. 175 of the Public Acts of 1952, as amended, being sections 247.701 to 247.707 of the Michigan Compiled Laws.

(b) Payment of obligations of the city or village on highway projects undertaken by the city or village jointly with the state transportation department.

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

(d) For the maintenance, improvement, construction, reconstruction, acquisition, and extension of the major street system as defined by this act including the acquisition of a necessary right of way for the system, work incidental to the system, and an appurtenant roadside park or motor parkway, of the city or village and for the payment of the principal and interest on that portion of the city's or village's general obligation bonds which are attributable to the construction or reconstruction of the city's or village's major street system. Not more than 5% per year of the funds returned to a city or village by this subsection shall be expended for the maintenance, improvement, or acquisition of appurtenant roadside parks and motor parkways. Surplus funds may be expended for the development, construction, or repair of off-street parking facilities, and the construction or repair of street lighting.

(4) The remaining amount to be returned to incorporated cities and villages shall be expended in each city or village for the maintenance, improvement, construction, reconstruction, acquisition, and extension of the local street system of the city or village, as defined by this act, including the acquisition of a necessary right of way for the system. Work incidental to the system, and subject to subsection (5), for the payment of the principal and interest on that portion of the city's or village's general obligation bonds which are attributable to the construction or reconstruction of the city's or village's local street system. The amount returned under this subsection shall be returned to the cities and villages 60% in the same proportion that the population of each bears to the total population of all incorporated cities and villages in the state, and 40% in the same proportion that the total mileage of the local street system of each bears to the total mileage in the local street systems of all cities and villages of the state. The payment of the principal and interest upon bonds issued by a city or village pursuant to Act No. 175 of the Public Acts of 1952, as amended, and after that payment, the payment of debt service on loans received under section 11(7), shall have priority in the expenditure of money returned under this subsection.

(5) Money distributed to each city and village for the maintenance and improvement of its local street system under this act represents the total responsibility of the state for local street system support. Funds distributed from the Michigan transportation fund shall not be expended for construction purposes on city and village local streets except to the extent matched from local revenues including other money returned to a city or village by the state under the state constitution of 1963 and statutes of the state, from funds that can be raised by taxation in cities and villages for street purposes within the limitations of the state constitution of 1963 and statutes of the state, from special assessments, or from any other source. This subsection does not apply to section 11b.

(6) Money returned under this section to a city or village shall be expended as follows:

(a) Not to exceed 25% per year of the amount returned to a city or village for use on the major street system, may be expended on the local street system of that city or village and not to exceed an additional 15% per year of the amount returned to an incorporated city or village for expenditure on the major street system, may, in case of an emergency or with the approval of the state transportation department, be expended on the local street system of that city or village.

(b) Money returned for expenditure on the major street system may be expended on the local street system in an amount equal to the amount of local revenues, as provided in subsection (5), expended by the city or village on the major street system or on state trunk line highways, and to the extent that that amount of major street money is not transferred for expenditure on the local street system in that year, major street money received during the next succeeding 2 years may be transferred for expenditure on the local system until the amount so authorized for transfer is fully expended.

(c) The amount returned to a city or village for expenditure on the local system or a portion of that amount may be expended on the major street system of that city or village.

(d) Not more than 10% per year of the funds returned under subsections (3) and (4) to a city or village may be expended for administrative expenses. A city or village which in a year expends more than 10% for administrative expenses shall be subject to section 14(5).

(7) In each city and village to which funds are returned under this section, the responsibility for street improvement, maintenance, and traffic operation work, and the development, construction, or repair of off-street parking facilities and construction or repair of street lighting shall be coordinated by a single administrator to be designated by the governing body who shall be responsible for and shall represent the municipality in transactions with the state transportation department pursuant to this act.

(8) Cities and villages may provide for consolidated street administration. A city or a village may enter into an agreement with other cities or villages, the county road commission, or with the state transportation commission for the performance of street or highway work on a road or street within the limits of the city or village or adjacent to the city or village. The agreement may provide for the performance by any of the contracting parties of the work contemplated by the contracts including services and acquisition of rights of way, by purchase or condemnation by any of the contracting parties in its own name. The agreement may provide for joint participation in the costs if appropriate.

(9) Interest earned on funds returned to a city or a village for purposes provided in this section shall be credited to the appropriate street fund.

Sec. 17. (1) At the end of each month, the secretary of state shall certify to the state transportation department and the director of the department of management and budget the amounts received from the counties for motor vehicle taxes during the preceding month pursuant to the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, as amended, being sections 257.1 to 257.923 of the Michigan Compiled Laws, and also the total amount deposited in the Michigan transportation fund pursuant to this act during the preceding month, after deducting the amount appropriated for the payment of the necessary expenses incurred in the enforcement of Act No. 150 of the Public Acts of 1927, as amended, being sections 207.101 to 207.202 of the Michigan Compiled Laws, and sections 801 to 810 of Act No. 300 of the Public Acts of 1949, as amended, being sections 257.801 to 257.810 of the Michigan Compiled Laws. The state transportation department shall certify to the director of the department of management and budget the amounts to be returned to the state transportation department from the Michigan transportation fund monthly, and the amounts to be returned to each county road commission and each city and village of the state monthly, pursuant to this act, and the director of the department of management and budget shall certify these amounts to the state treasurer, who shall draw a warrant monthly for the net amounts as are due the state transportation department, the county road commissions, and the cities and villages of the state under this act. The state treasurer shall issue checks for the amounts due, within 30 days after the end of each month, to the state transportation department, the county road commissions, and the cities and villages. If the amount due is not returned to a county road commission, city, or village within 30 days after the end of each month, the county road commission, city, or village may bring an action in the nature of mandamus to compel the various officials to perform their duties in connection with the return as provided in this section.

(2) The state transportation department, within 120 days after the close of each fiscal year of the state shall furnish to the legislature and the governor a detailed report of revenues credited to the Michigan transportation fund and distributions under this act and a detailed report of the interest earnings and allocations of each fund created or

appropriated money under this act, showing the amounts distributed to each county road commission, city, and village and the purposes for which those amounts were expended.

This act is ordered to take immediate effect.

-----  
Co-Clerk of the House of Representatives.

-----  
Secretary of the Senate.

Approved -----

-----  
Governor.