



# HOUSE BILL No. 4298

February 17, 1993, Introduced by Rep. Gagliardi and referred to the Committee on Transportation.

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. 223 of the Public Acts of 1992, being section 247.660 of the Michigan Compiled Laws.

**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. 223 of the Public Acts of 1992, being  
3 section 247.660 of the Michigan Compiled Laws, is amended to read  
4 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  
15 fee provided in section 801(1)(k) of Act No. 300 of the Public

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

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

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

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

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

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

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

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

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

15       (b) Except as provided in ~~subparagraphs (v) and~~  
16 SUBPARAGRAPH (vi), for the fiscal years ending September 30, 1993  
17 through September 30, 1998:

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

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

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

1 (iv) Not less than \$20,000,000.00 for FY 1992-93, not more  
2 than \$33,000,000.00 for FY 1993-94 and 1994-95, not less than  
3 \$33,000,000.00 for FY 1995-96, as may be annually appropriated,  
4 based on actual increased revenues from motor fuel tax collec-  
5 tions beginning in FY 1992-93, for deposit in the state trunk  
6 line fund for subsequent deposit in the local program fund cre-  
7 ated in section 11e.

8 (v) \$36,775,000.00 to the state trunk line fund for subse-  
9 quent deposit in the transportation economic development fund, or  
10 allocation to debt service on bonds issued to fund transportation  
11 economic development fund projects. ~~through March 31, 1993.~~

12 (vi) The balance of the Michigan transportation fund as fol-  
13 lows, after deduction of the amounts appropriated in subpara-  
14 graphs (i) through (v) and section 11b:

15 (A) 39.1% to the state trunk line fund for the purposes  
16 described in section 11. From this amount, after the payment of  
17 debt service pursuant to section 11(1)(a), a state grant of not  
18 more than \$78,000,000.00 shall be annually appropriated each  
19 fiscal year through the fiscal year ending September 30, 1995 to  
20 the local program fund created in section 11e. Beginning October  
21 1, 1995, a state grant of not less than \$33,000,000.00, as may be  
22 annually appropriated each fiscal year, after the payment of debt  
23 service pursuant to section 11(1)(a), shall be made to the local  
24 program fund created in section 11e.

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

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

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

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

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

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

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

26       (3) The money appropriated pursuant to this section shall be  
27 used for the purposes as provided in this act and any other

1 applicable act. The department shall develop programs to assist  
2 small businesses as defined by law in becoming qualified to bid.

3 (4) The distribution formula enacted into law after  
4 September 30, 1998 shall not adversely affect the ability of the  
5 state or a city, village, county, or county road commission which  
6 has issued bonds or notes payable from the Michigan transporta-  
7 tion fund or the motor vehicle highway fund to pay the debt serv-  
8 ice on those bonds or notes.

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