



# HOUSE BILL No. 4425

March 3, 1993, Introduced by Reps. Porreca and Profit and referred to the Committee on Transportation.

A bill to amend sections 9, 10, 11, and 12 of Act No. 231 of the Public Acts of 1987, entitled as amended

"An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds,"

sections 9, 11, and 12 as amended by Act No. 188 of the Public Acts of 1991 and section 10 as amended by Act No. 218 of the Public Acts of 1989, being sections 247.909, 247.910, 247.911, and 247.912 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 9, 10, 11, and 12 of Act No. 231 of the  
2 Public Acts of 1987, sections 9, 11, and 12 as amended by Act  
3 No. 188 of the Public Acts of 1991 and section 10 as amended by  
4 Act No. 218 of the Public Acts of 1989, being sections 247.909,

1 247.910, 247.911, and 247.912 of the Michigan Compiled Laws, are  
2 amended to read as follows:

3       Sec. 9. (1) A project shall relate to 1 or more of the fol-  
4 lowing categories:

5       (a) Economic development road projects in any of the follow-  
6 ing targeted industries:

7       (i) Agriculture or food processing.

8       (ii) Tourism.

9       (iii) Forestry.

10       (iv) High technology research.

11       (v) Manufacturing.

12       (vi) Office centers solely occupied by the owner or not less  
13 than 50,000 square feet occupying more than 3 acres of land.

14       (vii) INTERNATIONAL OR USER FEE, OR BOTH, AIRPORTS AS  
15 DEFINED BY THE CUSTOMS BUREAU OF THE UNITED STATES DEPARTMENT OF  
16 TREASURY IN COUNTIES WITH A POPULATION GREATER THAN 500,000.

17       (b) Projects that result in the addition of county roads or  
18 city or village streets to the state trunk line system.

19       (c) Projects for reducing congestion on county primary and  
20 city major streets within urban counties including advanced traf-  
21 fic management systems.

22       (d) Projects for development within rural counties on county  
23 rural primary roads or major streets within incorporated villages  
24 and cities with a population of less than 5,000.

25       (2) A project that is within 1 or more of the categories in  
26 subsection (1) shall also meet the criteria developed for that  
27 category pursuant to section 5.

1       Sec. 10. (1) The costs of a project that are eligible to be  
2 funded under section 11(3)(a), (b), and (c) shall be developed by  
3 the administrator in accordance with the adopted policies of the  
4 commission and shall include at a minimum those costs normally  
5 associated with highway construction projects such as project  
6 planning, design, right-of-way acquisition, and construction, but  
7 excluding routine maintenance.

8       (2) The costs of a project that are eligible to be funded  
9 for rural counties as provided by law shall be developed by the  
10 administrator in accordance with the adopted policies of the com-  
11 mission and shall exclude right-of-way acquisition, design, engi-  
12 neering, and routine maintenance.

13       (3) Matching funds of not less than ~~25%~~ 20% of the total  
14 eligible costs of a project shall be required for those projects  
15 described in section 9(1)(a) and (c). This requirement may be  
16 set aside in the case of extreme economic hardship for projects  
17 described in section 9(1)(a) and (c) in the local unit in which  
18 the project is located. Evaluation criteria for projects  
19 described in section 9(1)(a) shall include whether there is a  
20 contribution of more than the required ~~25%~~ 20% matching funds  
21 as part of the determination of which projects are to be funded.

22       Sec. 11. (1) Bonds may be issued as authorized by the com-  
23 mission for the purpose of funding projects under this act in the  
24 manner provided in sections 18b and 18k of Act No. 51 of the  
25 Public Acts of 1951, being sections 247.668b and 247.668k of the  
26 Michigan Compiled Laws, and in accordance with the adopted  
27 policies of the commission. Bonds shall not be committed for any

1 project under this act until the requirements set forth under  
2 section 3(1) have been satisfied.

3 (2) Projects shall be funded in the following categories in  
4 the following amounts:

5 (a) The first \$5,000,000.00 of the fund shall be distributed  
6 each fiscal year to each qualified county in a percentage amount  
7 equal to the same percentage amount that the number of acres of  
8 commercial forest, national park, and national lakeshore land in  
9 each qualified county bears to the total number of acres of com-  
10 mercial forest, national park, and national lakeshore land in all  
11 qualified counties in this state.

12 (b) The next \$2,500,000.00 of the fund shall be distributed  
13 each fiscal year for county roads and city and village street  
14 improvement on the federal aid to urban system in rural  
15 counties.

16 (3) Of the balance remaining after funding projects pursuant  
17 to subsection (2), projects shall be funded in the categories  
18 described in section 9 based on the following percentages:

19 (a) Not more than 50% for economic development road projects  
20 in any of the targeted industries.

21 (b) Not more than 50% for projects that result in the addi-  
22 tion of local roads to the state trunk line system. NOT LESS  
23 THAN \$5,000,000.00 OF THE FUNDS PROVIDED UNDER THIS SUBDIVISION  
24 SHALL BE TRANSFERRED EACH YEAR TO FUND PROJECTS UNDER  
25 SUBDIVISION (C) IN COUNTIES WITH A POPULATION OF 1,750,000 OR  
26 MORE.

(c) 25% for projects to reduce congestion on county primary and city major streets within urban counties. The funds shall be distributed for the widening of county primary roads or city major streets or for advanced traffic management systems in counties with populations in excess of 400,000 in accordance with the following formula:

	<u>Population</u>	<u>Percentage of Funds</u>
	1,750,000 or more	16%
	1,000,000 to 1,750,000	40%
	600,000 to 1,000,000	20%
	400,000 to 600,000	24%

When 2 or more counties occupy the same category, the funds shall be divided equally.

(4) JURISDICTION OVER THE DAVISON FREEWAY SHALL BE TRANSFERRED TO THE STATE TRANSPORTATION DEPARTMENT NOT LATER THAN SEPTEMBER 30, 1993.

Sec. 12. (1) The federal ~~aid to urban system (FAUS)~~ SURFACE TRANSPORTATION PROGRAM task force which represents the majority of the communities in the urban area of each county shall select and designate for eligibility widening projects or capital expenditures for advanced traffic management systems for funding under section 11(3)(c) within their respective allocations. One nonvoting member of each task force shall be a designee of and represent the administrator. In the case of widening projects only, the task forces shall designate projects for eligibility as follows:

1 (a) Projects shall be on ~~the federal aid urban, federal aid~~  
2 ~~primary or federal aid secondary systems~~ COUNTY PRIMARY ROADS OR  
3 CITY OR VILLAGE MAJOR STREETS.

4 (b) Projects shall consist of adding travel lanes, left turn  
5 lanes, and intersectional improvements to roads with 2 travel  
6 lanes carrying more than 10,000 vehicles per day or roads with  
7 more than 2 travel lanes carrying more than 25,000 vehicles per  
8 day in accordance with traffic counts done on or before ~~July 1,~~  
9 ~~1987~~ MARCH 1, 1993.

10 (2) If any task force fails to submit sufficient qualified  
11 projects to obligate its allocation by July 1 of any fiscal year,  
12 those funds shall be made available to the remaining urban task  
13 forces in the same proportion as the original allocation.

14 (3) The individual ~~urban~~ SURFACE TRANSPORTATION PROGRAM  
15 task forces shall propose project result evaluation criteria for  
16 all projects to the administrator and the commission for review  
17 and comment.

18 (4) The ~~urban~~ SURFACE TRANSPORTATION PROGRAM task forces  
19 shall report to the administrator on an annual basis the status  
20 of all projects selected for funding.

21 (5) The programs and projects authorized in section 11(3)(c)  
22 shall be administered in a similar manner as current local fed-  
23 eral aid programs and in accordance with the adopted policies of  
24 the commission.