

HOUSE BILL No. 4900

June 29, 1993, Introduced by Reps. Hill, Goschka, Kukuk, Rhead, Hammerstrom, London and Bullard and referred to the Committee on Transportation.

A bill 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:

1 Section 1. Sections 10, 11, 11c, 12, 13, and 17 of Act
2 No. 51 of the Public Acts of 1951, section 10 as amended by Act
3 No. 20 of the Public Acts of 1993, sections 11 and 12 as amended
4 by Act No. 224 of the Public Acts of 1992, section 11c as added
5 by Act No. 438 of the Public Acts of 1982, section 13 as amended
6 by Act No. 82 of the Public Acts of 1992, and section 17 as
7 amended by Act No. 234 of the Public Acts of 1987, being
8 sections 247.660, 247.661, 247.661c, 247.662, 247.663, and
9 247.667 of the Michigan Compiled Laws, are amended to read as
10 follows:

1 Sec. 10. (1) A fund to be known as the Michigan
2 transportation fund is established and shall be set up and main-
3 tained in the state treasury as a separate fund. Money received
4 and collected under Act No. 150 of the Public Acts of 1927, as
5 amended, being sections 207.101 to 207.202 of the Michigan
6 Compiled Laws, except a license fee provided in that act, and a
7 tax, fee, license, and other money received and collected under
8 sections 801 to 810 of the Michigan vehicle code, Act No. 300 of
9 the Public Acts of 1949, as amended, being sections 257.801 to
10 257.810 of the Michigan Compiled Laws, except a truck safety fund
11 fee provided in section 801(1)(k) of Act No. 300 of the Public
12 Acts of 1949, being section 257.801 of the Michigan Compiled
13 Laws, and money received under the motor carrier act, Act No. 254
14 of the Public Acts of 1933, as amended, being sections 475.1 to
15 479.20 of the Michigan Compiled Laws, shall be deposited in the
16 state treasury to the credit of the Michigan transportation
17 fund. In addition, income or profit derived from the investment
18 of money in the Michigan transportation fund shall be deposited
19 in the Michigan transportation fund. Except as provided in this
20 act, no other money, whether appropriated from the general fund
21 of this state or any other source, shall be deposited in the
22 Michigan transportation fund. The legislature shall appropriate
23 funds for the necessary expenses incurred in the administration
24 and enforcement of Act No. 150 of the Public Acts of 1927, as
25 amended, Act No. 254 of the Public Acts of 1933, as amended, and
26 sections 801 to 810 of Act No. 300 of the Public Acts of 1949, as
27 amended. After deduction of the amount as appropriated pursuant

1 to section 91 of Act No. 150 of the Public Acts of 1927, being
2 section 207.191 of the Michigan Compiled Laws, all money in the
3 Michigan transportation fund is apportioned and appropriated in
4 the following manner:

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

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

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

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

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

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

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

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

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

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

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

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

11 (iv) Not less than \$20,000,000.00 for FY 1992-93, not more
12 than \$33,000,000.00 for FY 1993-94 and 1994-95, not less than
13 \$33,000,000.00 for FY 1995-96, as may be annually appropriated,
14 based on actual increased revenues from motor fuel tax collec-
15 tions beginning in FY 1992-93, for deposit in the state trunk
16 line fund for subsequent deposit in the local program fund cre-
17 ated in section 11e.

18 (v) \$36,775,000.00 to the state trunk line fund for subse-
19 quent deposit in the transportation economic development fund, or
20 allocation to debt service on bonds issued to fund transportation
21 economic development fund projects.

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

25 (A) 39.1% to the state trunk line fund for the purposes
26 described in section 11. From this amount, after the payment of
27 debt service pursuant to section 11(1)(a), a state grant of not

1 more than \$78,000,000.00 shall be annually appropriated each
2 fiscal year through the fiscal year ending September 30, 1995 to
3 the local program fund created in section 11e. Beginning October
4 1, 1995, a state grant of not less than \$33,000,000.00, as may be
5 annually appropriated each fiscal year, after the payment of debt
6 service pursuant to section 11(1)(a), shall be made to the local
7 program fund created in section 11e.

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

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

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

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

19 (b) An amount is apportioned and appropriated to the state
20 trunk line fund sufficient to pay the principal and interest pay-
21 ments due on bonds and notes issued for those purposes for which
22 the state transportation commission may issue bonds and notes
23 under section 18b, except for those bonds and notes issued for
24 comprehensive transportation purposes, and sufficient to pay the
25 obligations of the state trunk line fund pursuant to contracts
26 entered into under section 18d, which contributions are pledged

1 for the payment of principal and interest on bonds issued under
2 section 18d.

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

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

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

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

19 (5) ~~Thirty~~ THIRTY-ONE percent of the funds appropriated to
20 this state from the federal government pursuant to 23 U.S.C. 157,
21 commonly known as 90% minimum allocation and donor state bonus
22 funds, shall be allocated to the transportation economic develop-
23 ment fund, if such an allocation is consistent with federal law.
24 These funds shall be divided equally between development projects
25 for rural counties as defined by law and for capacity improvement
26 or advanced traffic management systems in urban counties as
27 defined by law. Federal funds allocated for distribution under

1 this section shall be eligible for obligation and use by all
2 recipients as defined by the intermodal surface transportation
3 efficiency act of 1991, Public Law 102-240, 105 Stat. 1914.

4 Sec. 11. (1) A fund to be known as the state trunk line
5 fund is established and shall be set up and maintained in the
6 state treasury as a separate fund. The money deposited in the
7 state trunk line fund is appropriated to the state transportation
8 department for the following purposes in the following order of
9 priority:

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

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

23 (ii) For the payment of the principal and interest upon
24 bonds designated "State of Michigan, State Highway Commissioner,
25 Highway Construction Bonds, Series I", dated September 1, 1956,
26 in the aggregate principal amount of \$25,000,000.00, issued
27 pursuant to former Act No. 87 of the Public Acts of 1955 and the

1 resolution of the state administrative board adopted August 6,
 2 1956, for the payment of which a sufficient sum is irrevocably
 3 appropriated.

4 (iii) For the payment of the principal and interest on bonds
 5 issued under section 18b for transportation purposes other than
 6 comprehensive transportation purposes as defined by law and the
 7 payment of contributions of the state highway commission or state
 8 transportation commission to be made pursuant to contracts
 9 entered into under section 18d, which contributions are pledged
 10 to the payment of principal and interest on bonds issued under
 11 the authorization of section 18d and contracts executed pursuant
 12 to that section. A sufficient portion of the fund is irrevocably
 13 appropriated to pay, when due, the principal and interest on
 14 bonds or notes issued under section 18b for purposes other than
 15 comprehensive transportation purposes as defined by law, and to
 16 pay the annual contributions of the state highway commission and
 17 the state transportation commission as are pledged for the pay-
 18 ment of bonds issued pursuant to contracts authorized by section
 19 18d.

20 (b) For the transfer of funds appropriated pursuant to sec-
 21 tion ~~10(1)(b)(iii)~~ 10(1)(B)(v) to the transportation economic
 22 development fund, but the transfer shall be reduced each fiscal
 23 year by the amount of debt service to be paid in that year from
 24 the state trunk line fund for bonds, notes, or other obligations
 25 issued to fund projects of the transportation economic develop-
 26 ment fund, which amount shall be certified by the department.

1 (c) For the transfer of funds appropriated pursuant to
 2 section 10(1)(b)(i) to the railroad grade crossing account in the
 3 state trunk line fund for expenditure to meet the cost, in whole
 4 or in part, of providing for the improvement, installation, and
 5 retirement of new or existing safety devices OR OTHER RAIL GRADE
 6 CROSSING IMPROVEMENTS at rail grade crossings on public roads and
 7 streets ~~subject to~~ UNDER THE JURISDICTION OF THE STATE, COUN-
 8 TIES, OR CITIES AND VILLAGES. PROJECTS SHALL BE SELECTED FOR
 9 FUNDING IN ACCORDANCE WITH the following:

10 (i) NOT MORE THAN 50% OR LESS THAN 30% OF THESE FUNDS AND
 11 MATCHED FEDERAL FUNDS SHALL BE EXPENDED FOR STATE TRUNK LINE
 12 PROJECTS.

13 (ii) IN PRIORITIZING PROJECTS FOR THESE FUNDS, IN WHOLE OR
 14 IN PART, THE DEPARTMENT SHALL CONSIDER TRAIN AND VEHICULAR TRAF-
 15 FIC VOLUMES, ACCIDENT HISTORY, TRAFFIC CONTROL DEVICE IMPROVEMENT
 16 NEEDS, AND THE AVAILABILITY OF FUNDING.

17 (iii) ~~(i) Funds~~ CONSISTENT WITH THE OTHER REQUIREMENTS FOR
 18 THESE FUNDS, THE FIRST PRIORITY FOR FUNDS deposited pursuant to
 19 this subdivision for rail grade crossing improvements and retire-
 20 ment ~~may be expended only after all~~ SHALL BE TO MATCH federal
 21 funds from the RAILROAD-HIGHWAY grade crossing improvement pro-
 22 gram or other comparable FEDERAL programs. ~~have been exhausted~~
 23 ~~or committed.~~

24 (iv) ~~(ii) Funds may be expended only if the affected rail~~
 25 ~~road pays 25% and the local road authority pays 10% of the costs~~
 26 ~~for which appropriations have been made pursuant to this~~
 27 ~~subdivision.~~ IF FEDERAL FUNDS FROM THE RAILROAD-HIGHWAY GRADE

1 CROSSING IMPROVEMENT PROGRAM OR OTHER COMPARABLE FEDERAL PROGRAMS
2 HAVE BEEN EXHAUSTED, FUNDS DEPOSITED PURSUANT TO THIS SUBDIVISION
3 SHALL BE USED TO FUND 100% OF GRADE CROSSING PROJECTS THAT
4 RECEIVE A HIGH PRIORITY PURSUANT TO CRITERIA ESTABLISHED BY THE
5 DEPARTMENT.

6 (v) STATE RAILROAD GRADE CROSSING FUNDS SHALL NOT BE USED,
7 EITHER AS 100% OF PROJECT COST OR TO MATCH FEDERAL
8 RAILROAD-HIGHWAY GRADE CROSSING IMPROVEMENT FUNDS, FOR A CROSSING
9 THAT IS DETERMINED BY THE DEPARTMENT PURSUANT TO THE CRITERIA
10 ESTABLISHED BY THE DEPARTMENT TO BE A LOWER PRIORITY THAN OTHER
11 PROJECTS THAT HAVE NOT YET BEEN FUNDED. HOWEVER, IF SUFFICIENT
12 FUNDS ARE AVAILABLE, THESE STATE RAILROAD GRADE CROSSING ACCOUNT
13 FUNDS MAY BE USED FOR NOT MORE THAN 50% OF A PROJECT'S COST FOR A
14 CROSSING THAT IS DETERMINED BY THE DEPARTMENT PURSUANT TO THE
15 CRITERIA ESTABLISHED BY THE DEPARTMENT TO BE A LOWER PRIORITY IF
16 THE BALANCE OF NOT LESS THAN 50% OF THE PROJECT'S COST IS PRO-
17 VIDED BY THE ROAD AUTHORITY, RAILROAD, OR OTHER SOURCES.

18 (vi) THE TYPE OF RAILROAD GRADE CROSSING IMPROVEMENT,
19 INSTALLATION, RELOCATION, OR RETIREMENT OF GRADE CROSSING SUR-
20 FACES, ACTIVE AND PASSIVE TRAFFIC CONTROL DEVICES, PAVEMENT MARK-
21 ING, OR OTHER RELATED WORK SHALL BE ELIGIBLE FOR THESE RAILROAD
22 GRADE CROSSING ACCOUNT FUNDS IN THE SAME MANNER AS THE PROJECT
23 TYPE ELIGIBILITY PROVIDED BY THE FEDERAL FUNDS FROM THE
24 RAILROAD-HIGHWAY GRADE CROSSING IMPROVEMENT PROGRAM, EXCEPT FOR
25 THE FOLLOWING:

26 (A) THESE FUNDS MAY NOT BE EXPENDED ON NEW OR EXISTING GRADE
27 SEPARATION STRUCTURES.

1 (B) FOR NEW RAILROAD CROSSINGS, THESE FUNDS MAY BE USED FOR
2 THE CROSSING SURFACE, ACTIVE AND PASSIVE TRAFFIC CONTROL DEVICES,
3 PAVEMENT MARKING, AND OTHER IMPROVEMENTS NECESSITATED BY THE NEW
4 CROSSING.

5 (C) THESE FUNDS MAY BE USED FOR THE MODIFICATION, RELOCA-
6 TION, OR MODERNIZATION OF RAILROAD GRADE CROSSING FACILITIES
7 NECESSITATED BY ROADWAY IMPROVEMENT PROJECTS.

8 (D) IF THE DEPARTMENT AND ROAD AUTHORITY WITH JURISDICTION
9 OVER A PUBLIC ROAD OR STREET CROSSING FORMALLY AGREE THAT THE
10 GRADE CROSSING SHOULD BE ELIMINATED BY PERMANENT CLOSING OF THE
11 PUBLIC ROAD OR STREET, THE ROAD AUTHORITY MAKING THE CLOSING
12 SHALL RECEIVE \$5,000.00 FROM THE RAILROAD GRADE CROSSING
13 ACCOUNT. IN ADDITION, ANY CONNECTING ROAD IMPROVEMENTS NECESSI-
14 TATED BY THE GRADE CROSSING CLOSURE ARE REIMBURSABLE ON AN ACTUAL
15 COST BASIS NOT TO EXCEED \$10,000.00 PER CROSSING CLOSED. THE
16 PHYSICAL REMOVAL OF THE CROSSING, ROADWAY WITHIN RAILROAD RIGHTS
17 OF WAY AND STREET TERMINATION TREATMENT WILL BE NEGOTIATED
18 BETWEEN THE ROAD AUTHORITY AND RAILROAD COMPANY. THE FUNDS PRO-
19 VIDED TO THE ROAD AUTHORITY AS A RESULT OF THE CROSSING CLOSURE
20 WILL BE CREDITED TO ITS ACCOUNT REPRESENTING THE SAME ROAD OR
21 STREET SYSTEM ON WHICH THE CROSSING IS LOCATED.

22 (vii) THIS SUBDIVISION SHALL APPLY THROUGH SEPTEMBER 30,
23 1998.

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

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

1 (f) For the opening, widening, improving, construction, and
2 reconstruction of state trunk line highways and bridges, includ-
3 ing the acquisition of necessary rights of way and the work inci-
4 dental to that opening, widening, improving, construction, or
5 reconstruction. Those sums in the state trunk line fund not oth-
6 erwise appropriated, distributed, determined, or set aside by law
7 shall be used for the construction or reconstruction of the
8 national system of interstate and defense highways, referred to
9 in this act as "the interstate highway system" to the extent nec-
10 essary to match federal aid funds as the federal aid funds become
11 available for that purpose; and, for the construction and recon-
12 struction of the state trunk line system.

13 (g) The state transportation department may enter into
14 agreements with county road commissions and with cities and vil-
15 lages to perform work on a highway, road, or street. The agree-
16 ments may provide for the performance by any of the contracting
17 parties of any of the work contemplated by the contract including
18 engineering services and the acquisition of rights of way in con-
19 nection with the work, by purchase or condemnation by any of the
20 contracting parties in its own name, and for joint participation
21 in the costs, but only to the extent that the contracting parties
22 are otherwise authorized by law to expend money on the highways,
23 roads, or streets. The state transportation department also may
24 contract with a county road commission, city, and village to
25 advance money to a county road commission, city, and village to
26 pay their costs of improving railroad grade crossings on the
27 terms and conditions agreed to in the contract. A contract may

1 be executed before or after the state transportation commission
2 borrows money for the purpose of advancing money to a county road
3 commission, city, or village, but the contract shall be executed
4 before the advancement of any money to a county road commission,
5 city, or village by the state transportation commission, and
6 shall provide for the full reimbursement of any advancement by a
7 county road commission, city, or village to the state transporta-
8 tion department, with interest, within 15 years after advance-
9 ment, from any available revenue sources of the county road com-
10 mission, city, or village or, if provided in the contract, by
11 deduction from the periodic disbursements of any money returned
12 by the state to the county road commission, city, or village.

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

20 (2) Notwithstanding any other provision of this act, at
21 least 90% of state revenue appropriated annually to the state
22 trunk line fund less the amounts described in subdivisions (a) to
23 (i) shall be expended annually by the state transportation
24 department for the maintenance of highways, roads, streets, and
25 bridges and for the payment of debt service on bonds, notes, or
26 other obligations described in subsection (1)(a) issued after
27 July 1, 1983, for the purpose of providing funds for the

1 maintenance of highways, roads, streets, and bridges. If an
2 appropriate certificate is filed under section 18e but only to
3 the extent necessary, this subsection shall not prohibit the use
4 of any amount of money restricted as to use by section 9 of arti-
5 cle IX of the state constitution of 1963 and deposited in the
6 state trunk line fund for the payment of debt service on bonds,
7 notes, or other obligations pledging for the payment thereof
8 money restricted as to use by section 9 of article IX of the
9 state constitution of 1963 and deposited in the state trunk line
10 fund, whenever issued, as specified under subsection (1)(a). The
11 amounts which are deducted from the state trunk line fund for the
12 purpose of the calculation required by this subsection are as
13 follows:

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

17 (b) Amounts expended to provide the state matching require-
18 ment for projects on the national highway system and for the pay-
19 ment of debt service on bonds, notes, or other obligations issued
20 after July 1, 1983, for the purpose of providing funds for the
21 state matching requirements for projects on the national highway
22 system.

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

1 the construction of a highway, street, road, or bridge to 1 or
2 more of the following:

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

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

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

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

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

19 (g) Amounts expended for the purposes described in subsec-
20 tion (5).

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

24 (i) Upon the affirmative recommendation of the director of
25 the state transportation department and the approval by resolu-
26 tion of the state transportation commission, those amounts
27 expended for projects vital to the economy of the state, a

1 region, or local area or the safety of the public. The
2 resolution shall state the cost of the project exempted from this
3 subsection.

4 (3) Notwithstanding any other provision of this act, the
5 state transportation department shall expend annually at least
6 90% of the federal revenue distributed to the credit of the state
7 trunk line fund in that year, except for federal revenue expended
8 for the purposes described in subsection (2)(b), (c), (f), and
9 (i) on the maintenance of highways, roads, streets, and bridges.
10 The requirement of this subsection shall be waived if compliance
11 would cause the state to be ineligible according to federal law
12 for federal revenue, but only to the extent necessary to make the
13 state eligible according to federal law for that revenue.

14 (4) As used in this section:

15 (a) "Maintenance" and "maintaining" means snow removal;
16 street cleaning and drainage; seal coating; patching and ordinary
17 repairs; erection and maintenance of traffic signs and markings;
18 safety projects; and the preservation, reconstruction, resurfac-
19 ing, restoration, and rehabilitation of highways, roads, streets,
20 and bridges. For the purposes of this section, maintenance and
21 maintaining shall not be limited to the repair and replacement of
22 a road but shall include maintaining the original intent of a
23 construction project. If traffic patterns indicate that this
24 intent is no longer being met, the department may expend funds to
25 take corrective action and continue to fulfill its obligation of
26 maintaining the department's original objective for the
27 construction project. However, maintenance and maintaining do

1 not include projects which increase the capacity of a highway
2 facility to accommodate that part of the traffic having neither
3 origin nor destination within the local area.

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

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

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

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

23 (6) County road commissions, cities, and villages may borrow
24 money from the proceeds of bonds or notes issued under section
25 18b or the state trunk line fund for the purposes set forth in
26 subsection (5) which shall be repayable, with interest, from 1 or
27 more of the following:

1 (a) The money to be received by the county road commission,
2 city, or village from the Michigan transportation fund, except to
3 the extent the money has been or may in the future be pledged by
4 contract in accordance with Act No. 205 of the Public Acts of
5 1941, being sections 252.51 to 252.64 of the Michigan Compiled
6 Laws, or has been or may in the future be pledged for the payment
7 of the principal and interest upon notes issued pursuant to Act
8 No. 143 of the Public Acts of 1943, being sections 141.251 to
9 141.254 of the Michigan Compiled Laws, or has been or may in the
10 future be pledged for the payment of principal and interest upon
11 bonds issued under section 18c or 18d, or has been or may in the
12 future be pledged for the payment of the principal and interest
13 upon bonds issued pursuant to Act No. 175 of the Public Acts of
14 1952, being sections 247.701 to 247.707 of the Michigan Compiled
15 Laws.

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

19 (7) Loans made pursuant to subsection (5) if required by the
20 state transportation department may be payable by deduction by
21 the state treasurer, upon direction of the state transportation
22 department, from the periodic disbursements of any money returned
23 by the state under this act to the county road commission, city,
24 or village, but only after sufficient money has been returned to
25 the county road commission, city, or village to provide for the
26 payment of contractual obligations incurred or to be incurred and
27 principal and interest on notes and bonds issued or to be issued

1 under Act No. 205 of the Public Acts of 1941, Act No. 143 of the
2 Public Acts of 1943, Act No. 175 of the Public Acts of 1952, or
3 section 18c or 18d. The interest rates and payment schedules of
4 any loans made from the proceeds of bonds or notes issued pursu-
5 ant to section 18b shall be established by the state transporta-
6 tion department to conform as closely as practicable to the
7 interest rate and repayment schedules on the bonds or notes
8 issued to make the loans. However, the state transportation
9 department may allow for the deferral of the first payment of
10 interest or principal on the loans for a period of not to exceed
11 1 year after the respective first payment of interest or princi-
12 pal on the bonds or notes issued to make the loans.

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

22 (9) The county road commission, city, or village shall not
23 be required to seek or obtain the approval of the electors, the
24 municipal finance commission or its successor agency, or, except
25 as provided in this subsection, the department of treasury to
26 borrow money pursuant to subsection (6). The borrowing shall not
27 be subject to the municipal finance act, Act No. 202 of the

1 Public Acts of 1943, being sections 131.1 to 139.3 of the
2 Michigan Compiled Laws, nor to section 5(g) of Act No. 279 of the
3 Public Acts of 1909, being section 117.5 of the Michigan Compiled
4 Laws. The state transportation department shall give at least 10
5 days' notice to the state treasurer of its intention to make a
6 loan under subsection (5). If the state treasurer gives notice
7 to the director of the state transportation department within 10
8 days of receiving the notice from the state transportation
9 department, that, based upon the then existing financial or
10 credit situation of the county road commission, city, or village,
11 it would not be in the best interests of the state to make a loan
12 under subsection (5) to the county road commission, city, or vil-
13 lage, the loan shall not be made unless the state treasurer,
14 after a hearing, if requested by the affected county road commis-
15 sion, city, or village, subsequently gives notice to the director
16 of the state transportation department that the loan may be made
17 on the conditions that the state treasurer specifies.

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

26 (11) The director of the state transportation department,
27 after consultation with representatives of the interests of

1 county road commissions, cities, and villages, shall establish,
2 by intergovernmental communication, procedures for the implemen-
3 tation and administration of the loan program established under
4 subsections (5) to (10).

5 Sec. 11c. All federal aid construction projects and all
6 other projects of the department concerning highways, streets,
7 roads, and bridges whose cost exceeds ~~\$20,000.00~~ \$50,000.00 for
8 construction or maintenance as defined in section 11 shall be
9 performed by contract awarded by competitive bidding unless the
10 department shall affirmatively find that under the circumstances
11 relating to those projects, some other method is in the public
12 interest. All of those findings shall be reported to the state
13 transportation commission 90 days before work is commenced and
14 promptly in writing to the appropriations committees of the
15 senate and house of representatives. HOWEVER, IN A CASE IN WHICH
16 THE DEPARTMENT DETERMINES EMERGENCY ACTION IS REQUIRED, THE
17 REPORTS NEED NOT BE FILED BEFORE WORK IS COMMENCED BUT SHALL BE
18 PROMPTLY FILED.

19 Sec. 12. (1) The amount distributed to the county road com-
20 missions shall be returned to the county treasurers in the
21 manner, for the purposes, and under the terms and conditions
22 specified in this section.

23 (2) Each county road commission shall be reimbursed in an
24 amount up to \$10,000.00 per year for the sum paid to a licensed
25 professional engineer employed or retained by the county road
26 commission in the previous year. The sum shall be returned to
27 each county road commission certified by the state transportation

1 department as complying with this subsection regarding the
2 employment of an engineer.

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

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

17 (5) An amount equal to 4% of the total amount returned to
18 the county road commissions from the Michigan transportation fund
19 shall be returned to the county road commissions in the same per-
20 centages as provided in subsection (7). All money returned to
21 the county road commissions as provided in this subsection shall
22 be expended by the county road commissions for the maintenance,
23 improvement, construction, reconstruction, acquisition, and
24 extension of county local road systems and shall be in addition
25 to the amounts provided in subsection (7).

26 (6) Seventy-five percent of the remainder of the total
27 amount to be returned to the counties shall be expended by each

1 county road commission for the maintenance, improvement,
2 construction, reconstruction, acquisition, and extension of the
3 county primary road system, including the acquisition of a neces-
4 sary right of way for the system, work incidental to the system,
5 and a roadside park or motor parkway appurtenant to the system,
6 and shall be returned to the counties as follows:

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

13 (b) One-tenth of the amount in the same proportion that the
14 total mileage in the county primary road system of each county
15 bears to the total mileage in all of the county primary road sys-
16 tems of the state.

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

19 (7) The balance of the remainder of the total amount to be
20 returned to counties shall be expended by each county road com-
21 mission for the maintenance, improvement, construction, recon-
22 struction, acquisition, and extension of the county local road
23 system as defined by this act, including the acquisition of a
24 necessary right of way for the system, work incidental to the
25 system, and a roadside park or motor parkway appurtenant to the
26 system, and shall be returned to the counties as follows:

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

5 (b) Thirty-five percent of the amount in the same proportion
6 that the total population outside of incorporated municipalities
7 in each county bears to the total population outside of incorpo-
8 rated municipalities in all of the counties of the state, accord-
9 ing to the most recent statewide federal census ~~preceding the~~
10 ~~distribution~~ AS CERTIFIED AT THE BEGINNING OF THE STATE FISCAL
11 YEAR.

12 (8) Money deposited in, or becoming a part of the county
13 road funds of a board of county road commissioners shall be
14 expended first for the payment of principal and interest on the
15 bonds, for the payment of contractual contributions pledged for
16 the payment of bonds, for debt service requirements for the pay-
17 ment of contractual contributions pledged for the payment of
18 bonds, and for debt service requirements for the payment of notes
19 and loans in the following order of priority:

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

1 Public Acts of 1943, as amended, being sections 141.251 to
2 141.254 of the Michigan Compiled Laws.

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

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

13 (9) Not to exceed 30% per year of the amount returned to a
14 county for use on the county primary road system may be expended,
15 with or without matching, on the county local road system of that
16 county. Not to exceed 15% per year of the amount returned to a
17 county for expenditure on the county local road system may be
18 used, with or without matching, on the county primary road system
19 of that county, and not to exceed an additional 15% per year of
20 the amount returned to a county for expenditure on the county
21 local road system, may, in case of an emergency or with the
22 approval of the state transportation department, be expended,
23 with or without matching, on the county primary road system of
24 that county. An amount returned to a county for and on account
25 of county local roads, under this section, in excess of the total
26 amount paid into the county treasury each year by all of the
27 townships of that county for and on account of the county local

1 roads pursuant to section 14(6) may be transferred to and
2 expended on the county primary road system of that county.

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

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

15 (12) Funds returned to a county shall be expended by the
16 county road commission for the purposes provided in this section
17 and shall be deposited by the county treasurer in a designated
18 county depository, in ~~a~~ separate ~~account~~ ACCOUNTS FOR PRIMARY
19 ROADS AND LOCAL ROADS to the credit of the county road fund, and
20 shall be paid out only upon the order of the county road commis-
21 sion, and interest accruing on the money shall become a part of,
22 and be deposited with the county road fund.

23 (13) In a county to which the funds are returned the func-
24 tion of the county road commission shall be limited to the forma-
25 tion of policy and the performance of the official duties imposed
26 by law and delegated by the county board of commissioners. A
27 member of the county road commission shall not be employed

1 individually in any other capacity for other duties with the
2 county road commission.

3 (14) A county road commission may enter into an agreement
4 with a county road commission of an adjacent county and with a
5 city or village to perform work on a highway, road, or street,
6 and with the state transportation department with respect to a
7 state trunk line and connecting links of the state trunk line
8 within the limits of the county or adjacent to the county. The
9 agreement may provide for the performance by each contracting
10 party of the work contemplated by the contract including engi-
11 neering services and the acquisition of rights of way in connec-
12 tion with the work contemplated, by purchase or condemnation, by
13 any of the contracting parties in its own name and the agreement
14 may provide for joint participation in the costs.

15 (15) Money distributed from the Michigan transportation fund
16 may be expended for construction purposes on county local roads
17 only to the extent matched by money from other sources. However,
18 Michigan transportation funds may be expended for the construc-
19 tion of bridges on the county local roads in an amount not to
20 exceed 75% of the cost of the construction of local road
21 bridges. This subsection does not apply to section 11b.

22 (16) Notwithstanding any other provision of this act, at
23 least 90% of the state revenue returned annually to the county
24 road commission from the Michigan transportation fund less the
25 amounts described in subdivisions (a) to (e) shall be expended
26 annually by the county road commission for the maintenance of
27 highways, roads, streets, and bridges, and for the payment of

1 contractual contributions pledged for the payment of bonds or
2 portions of bonds, debt service requirements for the payment of
3 bonds or portions of bonds, and debt service requirements for the
4 payment of notes and loans or portions of notes and loans issued
5 or received after July 1, 1983, for the purpose of providing
6 funds for the maintenance of highways, roads, streets, and
7 bridges. If an appropriate certificate is filed under subsection
8 (19) but only to the extent necessary, this subsection shall not
9 prohibit the use of any amount of state revenue returned annually
10 to the county road commissions for the payment of contractual
11 contributions pledged for the payment of bonds, for debt service
12 requirements for the payment of bonds, and for debt service
13 requirements for the payment of notes or loans, whenever issued
14 or received, as specified under subsection (8). The amounts
15 which are deducted from the state revenue returned to a county
16 road commission from the Michigan transportation fund, for the
17 purpose of the calculation required by this subsection are as
18 follows:

19 (a) Amounts expended for the purposes described in subsec-
20 tion (8) for bonds, notes, loans, or other obligations issued or
21 received before July 2, 1983.

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

24 (c) Amounts expended for capital outlay projects for equip-
25 ment and buildings, and for the payment of contractual contribu-
26 tions pledged for the payment of bonds, for debt service
27 requirements for the payment of bonds, and for debt service

1 requirements for the payment of notes and loans issued or
2 received after July 1, 1983, for the purpose of providing funds
3 for capital outlay projects for equipment and buildings.

4 (d) Amounts expended for projects vital to the economy of
5 the local area or the safety of the public in the local area.
6 Before these amounts can be deducted, the governing body over the
7 county road commission or the county road commission, as applica-
8 ble, shall pass a resolution approving these projects. This res-
9 olution shall state which projects will be funded and the cost of
10 each project. A copy of each approved resolution shall be for-
11 warded immediately to the department.

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

14 (17) As used in this subsection, "urban routes" means those
15 portions of 2 lane county primary roads within an urban area
16 which has average daily traffic in excess of 15,000.
17 Notwithstanding any other provision of this act, except as pro-
18 vided in this subsection, a county road commission shall expend
19 annually at least 90% of the federal revenue distributed to the
20 use of the county road commission for highways, roads, streets,
21 and bridges, less the amount expended on urban routes for other
22 than maintenance purposes and the amount expended for
23 hard-surfacing of gravel roads on the federal-aid system, on the
24 maintenance of highways, roads, streets, and bridges. A county
25 road commission may expend in a year less than 90% of the federal
26 revenue distributed to the use of the county road commission for
27 highways, roads, streets, and bridges, less the amount expended

1 on urban routes for other than maintenance purposes and the
2 amount expended for hard-surfacing of gravel roads on the
3 federal-aid system, on the maintenance of highways, roads,
4 streets, and bridges, if that year is part of a 3-year period in
5 which at least 90% of the total federal revenue distributed in
6 the 3-year period to the use of the county road commission for
7 highways, roads, streets, and bridges, less the amount expended
8 on urban routes for other than maintenance purposes and the
9 amount expended for hard-surfacing of gravel roads on the
10 federal-aid system, is expended on the maintenance of highways,
11 roads, streets, and bridges. If a county road commission expends
12 in a year less than 90% of the federal revenue distributed to the
13 use of the county road commission for highways, roads, streets,
14 and bridges, less the amount expended on urban routes for other
15 than maintenance purposes and the amount expended for
16 hard-surfacing of gravel roads on the federal-aid system, on the
17 maintenance of highways, roads, streets, and bridges and that
18 year is not a part of a 3-year period in which at least 90% of
19 the total federal revenue distributed in the 3-year period to the
20 use of the county road commission for highways, roads, streets,
21 and bridges, less the amount expended on urban routes for other
22 than maintenance purposes and the amount expended for
23 hard-surfacing of gravel roads on the federal-aid system, is
24 expended on the maintenance of highways, roads, streets, and
25 bridges, the county road commission shall expend in each year
26 subsequent to the 3-year period 100%, or less in 1 year if
27 sufficient for the purposes of this subsection, of the federal

1 revenue distributed to the use of the county road commission for
2 highways, roads, streets, and bridges, less the amount expended
3 on urban routes for other than maintenance purposes and the
4 amount expended for hard-surfacing of gravel roads on the
5 federal-aid system, on the maintenance of highways, roads,
6 streets, and bridges until the average percentage spent on the
7 maintenance of highways, roads, streets, and bridges in the
8 3-year period and the subsequent years, less the amount expended
9 on urban routes for other than maintenance purposes and the
10 amount expended for hard-surfacing of gravel roads on the
11 federal-aid system, is at least 90%. A year may be included in
12 only one 3-year period for the purposes of this subsection. The
13 requirements of this subsection shall be waived if compliance
14 would cause the county road commission to be ineligible according
15 to federal law for federal revenue, but only to the extent neces-
16 sary to make the county road commission eligible according to
17 federal law for that revenue. For the purpose of the calcula-
18 tions required by this subsection, the amount expended on urban
19 routes by a county road commission for other than maintenance
20 purposes and the amount expended for hard-surfacing of gravel
21 roads on the federal-aid system shall be deducted from the total
22 federal revenue distributed to the use of the county road
23 commission.

24 (18) As used in this section:

25 (a) "Maintenance" and "maintaining" means snow removal;
26 erection of traffic control devices and traffic signals and
27 payment of monthly electrical costs for those signals; street

1 cleaning and drainage; seal coating; patching and ordinary
2 repairs; erection and maintenance of traffic signs and markings;
3 safety projects which do not increase through traffic capacity;
4 and the preservation, reconstruction, resurfacing, restoration,
5 and rehabilitation of highways, roads, streets, and bridges.
6 However, maintenance and maintaining do not include projects
7 which increase the capacity of a highway facility to accommodate
8 that part of the traffic having neither origin nor destination
9 within the local area.

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

14 (19) A county road commission shall certify, which certifi-
15 cation shall, for purposes of the validity of bonds and notes, be
16 conclusive as to the matters stated therein, to the state trans-
17 portation department on or before the issuance of any bonds or
18 notes issued after July 1, 1983, pursuant to Act No. 143 of the
19 Public Acts of 1943, Act No. 205 of the Public Acts of 1941, or
20 section 18c or 18d, for purposes other than the maintenance of
21 highways, roads, streets, and bridges and purposes other than the
22 purposes specified in subsection (16)(c) that its average annual
23 debt service requirements for all bonds and notes or portions of
24 bonds and notes issued after July 1, 1983, for purposes other
25 than the maintenance of highways, roads, streets, and bridges and
26 other than for the purposes specified in subsection (16)(c),
27 including the bond or note to be issued does not exceed 10% of

1 the funds returned to the county road commission pursuant to this
2 act, less the amounts specified in subsection (16)(a), (b), and
3 (c) during the last completed fiscal year of the county road
4 commission. If the purpose for which the bonds or notes are
5 issued is changed after the issuance of the notes or bonds, the
6 change shall be made in such a manner to maintain compliance with
7 the certification required by this subsection, as of the date the
8 certificate was originally issued, but no such change shall
9 invalidate or otherwise affect the bonds or notes with respect to
10 which the certificate was issued or the obligation to pay debt
11 service on the bonds or notes.

12 (20) IN EACH CHARTER COUNTY TO WHICH FUNDS ARE RETURNED
13 UNDER THIS SECTION, THE RESPONSIBILITY FOR ROAD IMPROVEMENT,
14 MAINTENANCE, AND TRAFFIC OPERATION WORK, AND THE DEVELOPMENT,
15 CONSTRUCTION, OR REPAIR OF OFF-ROAD PARKING FACILITIES AND CON-
16 STRUCTION OR REPAIR OF ROAD LIGHTING SHALL BE COORDINATED BY A
17 SINGLE ADMINISTRATOR TO BE DESIGNATED BY THE GOVERNING BODY WHO
18 SHALL BE RESPONSIBLE FOR AND SHALL REPRESENT THE CHARTER COUNTY
19 IN TRANSACTIONS WITH THE STATE TRANSPORTATION DEPARTMENT PURSUANT
20 TO THIS ACT.

21 Sec. 13. (1) The amount distributed to cities and villages
22 shall be returned to the treasurers of the cities and villages in
23 the manner, for the purposes, and under the terms and conditions
24 specified in this section. As used in this section, "population"
25 means the population according to the most recent statewide fed-
26 eral census ~~preceding the distribution~~ AS CERTIFIED AT THE
27 BEGINNING OF THE STATE FISCAL YEAR, except that, if a

1 municipality has been newly incorporated since completion of the
2 census, the population of the municipality for purposes of the
3 distribution of funds before completion of the next census shall
4 be the population as determined by special federal census, if
5 there is a census, and if not, by the population as determined by
6 the official census in connection with the incorporation, if
7 there is such a census and, if not, by a special state census to
8 be taken at the expense of the municipality by the secretary of
9 state pursuant to section 6 of Act No. 279 of the Public Acts of
10 1909, as amended, being section 117.6 of the Michigan Compiled
11 Laws. The amount received by the newly incorporated municipality
12 shall be in place of any other direct distribution of funds from
13 the Michigan transportation fund. The population of the newly
14 incorporated municipality as determined under this section shall
15 be added to the total population of all incorporated cities and
16 villages in the state in computing the amounts to be returned
17 under this section to each municipality in the state. Major
18 street mileage, local street mileage, and equivalent major mile-
19 age, if applicable, shall be determined by the state transporta-
20 tion department before the next month for which distribution is
21 made following the effective date of incorporation of a newly
22 incorporated municipality.

23 (2) From the amount available for distribution to cities and
24 villages during each December, an amount equal to 0.7% of the
25 total amount returned to all cities and villages under subsec-
26 tions (3) and (4) during the previous calendar year shall be
27 withheld. The amount withheld shall be used to partially

1 reimburse those cities and villages located in those counties
2 that are eligible for snow removal funds pursuant to section 12a
3 and that have costs for winter maintenance on major and local
4 streets that are greater than the statewide average. The distri-
5 butions shall be made annually during February and shall be cal-
6 culated separately for the major and local street systems but may
7 be paid in a combined warrant. The distribution to a city or
8 village shall be equal to 1/2 of its winter maintenance expendi-
9 tures after deducting the product of its total earnings under
10 subsections (3) and (4) multiplied by 2 times the average municipi-
11 pal winter maintenance factor. Winter maintenance expenditures
12 shall be determined from the street financial reports for the
13 most current fiscal years ending before July 1. A city or vil-
14 lage that does not submit a street financial report for the
15 fiscal year ending before July 1 by the subsequent December 31
16 shall be ineligible for the winter maintenance payment that is to
17 be based on that street financial report. The average municipal
18 winter maintenance factor shall be determined annually by the
19 state transportation department by dividing the total expendi-
20 tures of all cities and villages on winter maintenance of streets
21 and highways by the total amount earned by all cities and vil-
22 lages under subsections (3) and (4) during the 12 months. If the
23 sum of the distributions to be made under this subsection exceeds
24 the amount withheld, the distributions to each eligible city and
25 village shall be reduced proportionately. If the sum is less
26 than the amount withheld, the balance shall be added to the
27 amount available for distribution under subsections (3) and (4)

1 during the next month. The distributions shall be for use on the
2 major and local street systems respectively and shall be subject
3 to the same provisions as funds returned under subsections (3)
4 and (4).

5 (3) Seventy-five percent of the remaining amount to be
6 returned to the cities and villages, after deducting the amounts
7 withheld pursuant to subsection (2), shall be returned 60% in the
8 same proportion that the population of each bears to the total
9 population of all cities and villages, and 40% in the same pro-
10 portion that the equivalent major mileage in each bears to the
11 total equivalent major mileage in all cities and villages. As
12 used in this section, "equivalent major mileage" means the sum of
13 2 times the state trunk line mileage certified by the state
14 transportation department as of March 31 of each year, as being
15 within the boundaries of each city and village having a popula-
16 tion of 25,000 or more, plus the major street mileage in each
17 city and village, multiplied by the following factor:

18 1.0 for cities and villages of 2,000 or less population;
19 1.1 for cities and villages from 2,001 to 10,000 population;
20 1.2 for cities and villages from 10,001 to 20,000 popula-
21 tion;
22 1.3 for cities and villages from 20,001 to 30,000 popula-
23 tion;
24 1.4 for cities and villages from 30,001 to 40,000 popula-
25 tion;
26 1.5 for cities and villages from 40,001 to 50,000
27 population;

1 1.6 for cities and villages from 50,001 to 65,000
2 population;
3 1.7 for cities and villages from 65,001 to 80,000 popula-
4 tion;
5 1.8 for cities and villages from 80,001 to 95,000 popula-
6 tion;
7 1.9 for cities and villages from 95,001 to 160,000 popula-
8 tion;
9 2.0 for cities and villages from 160,001 to 320,000 popula-
10 tion;
11 and for cities over 320,000 population, by a factor of 2.1
12 increased successively by 0.1 for each 160,000 population incre-
13 ment over 320,000. The amount returned under this subsection
14 shall be used by each city and village for the following purposes
15 in the following order of priority:
16 (a) For the payment of contributions required to be made by
17 a city or village under the provisions of contracts previously
18 entered into under Act No. 205 of the Public Acts of 1941, as
19 amended, being sections 252.51 to 252.64 of the Michigan Compiled
20 Laws, which contributions have been previously pledged for the
21 payment of the principal and interest on bonds issued under that
22 act; or for the payment of the principal and interest upon bonds
23 issued by a city or village pursuant to Act No. 175 of the Public
24 Acts of 1952, as amended, being sections 247.701 to 247.707 of
25 the Michigan Compiled Laws.

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

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

7 (d) For the maintenance, improvement, construction, recon-
8 struction, acquisition, and extension of the major street system
9 as defined by this act including the acquisition of a necessary
10 right of way for the system, work incidental to the system, and
11 an appurtenant roadside park or motor parkway, of the city or
12 village and for the payment of the principal and interest on that
13 portion of the city's or village's general obligation bonds which
14 are attributable to the construction or reconstruction of the
15 city's or village's major street system. Not more than 5% per
16 year of the funds returned to a city or village by this subsec-
17 tion shall be expended for the maintenance, improvement, or
18 acquisition of appurtenant roadside parks and motor parkways.
19 Surplus funds may be expended for the development, construction,
20 or repair of off-street parking facilities, and the construction
21 or repair of street lighting.

22 (4) The remaining amount to be returned to incorporated
23 cities and villages shall be expended in each city or village for
24 the maintenance, improvement, construction, reconstruction,
25 acquisition, and extension of the local street system of the city
26 or village, as defined by this act, including the acquisition of
27 a necessary right of way for the system. Work incidental to the

1 system, and subject to subsection (5), for the payment of the
2 principal and interest on that portion of the city's or village's
3 general obligation bonds which are attributable to the construc-
4 tion or reconstruction of the city's or village's local street
5 system. The amount returned under this subsection shall be
6 returned to the cities and villages 60% in the same proportion
7 that the population of each bears to the total population of all
8 incorporated cities and villages in the state, and 40% in the
9 same proportion that the total mileage of the local street system
10 of each bears to the total mileage in the local street systems of
11 all cities and villages of the state. The payment of the princi-
12 pal and interest upon bonds issued by a city or village pursuant
13 to Act No. 175 of the Public Acts of 1952, as amended, and after
14 that payment, the payment of debt service on loans received under
15 section 11(7), shall have priority in the expenditure of money
16 returned under this subsection.

17 (5) Money distributed to each city and village for the main-
18 tenance and improvement of its local street system under this act
19 ~~represent~~ REPRESENTS the total responsibility of the state for
20 local street system support. Funds distributed from the Michigan
21 transportation fund shall not be expended for construction pur-
22 poses on city and village local streets except to the extent
23 matched from local revenues including other money returned to a
24 city or village by the state under the state constitution of 1963
25 and statutes of the state, from funds that can be raised by taxa-
26 tion in cities and villages for street purposes within the
27 limitations of the state constitution of 1963 and statutes of the

1 state, from special assessments, or from any other source. This
2 subsection does not apply to section 11b.

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

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

13 (b) Money returned for expenditure on the major street
14 system may be expended on the local street system in an amount
15 equal to the amount of local revenues, as provided in subsection
16 (5), expended by the city or village on the major street system
17 or on state trunk line highways, and to the extent that that
18 amount of major street money is not transferred for expenditure
19 on the local street system in that year, major street money
20 received during the next succeeding 2 years may be transferred
21 for expenditure on the local system until the amount so autho-
22 rized for transfer is fully expended.

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

26 (d) Not more than 10% per year of the funds returned under
27 subsections (3) and (4) to a city or village may be expended for

1 administrative expenses. A city or village which in a year
2 expends more than 10% for administrative expenses shall be
3 subject to section 14(5).

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

13 (8) Cities and villages may provide for consolidated street
14 administration. A city or a village may enter into an agreement
15 with other cities or villages, the county road commission, or
16 with the state transportation commission for the performance of
17 street or highway work on a road or street within the limits of
18 the city or village or adjacent to the city or village. The
19 agreement may provide for the performance by any of the contract-
20 ing parties of the work contemplated by the contracts including
21 services and acquisition of rights of way, by purchase or condem-
22 nation by any of the contracting parties in its own name. The
23 agreement may provide for joint participation in the costs if
24 appropriate.

25 Sec. 17. (1) At the end of each month, the secretary of
26 state shall certify to the state transportation department and
27 the director of the department of management and budget the

1 amounts received from the counties for motor vehicle taxes during
2 the preceding month pursuant to the Michigan vehicle code, Act
3 No. 300 of the Public Acts of 1949, as amended, being sections
4 257.1 to 257.923 of the Michigan Compiled Laws, and also the
5 total amount deposited in the Michigan transportation fund pursu-
6 ant to this act during the preceding month, after deducting the
7 amount appropriated for the payment of the necessary expenses
8 incurred in the enforcement of Act No. 150 of the Public Acts of
9 1927, as amended, being sections 207.101 to 207.202 of the
10 Michigan Compiled Laws, and sections 801 to 810 of Act No. 300 of
11 the Public Acts of 1949, as amended, being sections 257.801 to
12 257.810 of the Michigan Compiled Laws. The state transportation
13 department shall certify to the director of the department of
14 management and budget the amounts to be returned to the state
15 transportation department from the Michigan transportation fund
16 monthly, and the amounts to be returned to each county road com-
17 mission and each city and village of the state monthly, pursuant
18 to this act, and the director of the department of management and
19 budget shall certify these amounts to the state treasurer, who
20 shall draw a warrant monthly for the net amounts as are due the
21 state transportation department, the county road commissions, and
22 the cities and villages of the state under this act. The state
23 treasurer shall issue checks for the amounts due, within 30 days
24 after the end of each month, to the state transportation depart-
25 ment, the county road commissions, and the cities and villages.
26 If the amount due is not returned to a county road commission,
27 city, or village within 30 days after the end of each month, the

1 county road commission, city, or village may bring an action in
2 the nature of mandamus to compel the various officials to perform
3 their duties in connection with the return as provided in this
4 section.

5 (2) The state transportation department, within ~~30~~ 120
6 days after the close of each fiscal year of the state shall fur-
7 nish to the legislature and the governor a detailed report of
8 revenues credited to the Michigan transportation fund and distri-
9 butions under this act and a detailed report of the interest
10 earnings and allocations of each fund created or appropriated
11 money under this act, showing the amounts distributed to each
12 county road commission, city, and village and the purposes for
13 which those amounts were expended.