



SENATE BILL No. 393

February 16, 1993, Introduced by Senators CARL and
MC MANUS and referred to the Committee on
Transportation and Tourism.

A bill to amend sections 10 and 25 of Act No. 51 of the
Public Acts of 1951, entitled as amended

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state

trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal certain acts and parts of acts,"

section 10 as amended by Act No. 223 of the Public Acts of 1992 and section 25 as added by Act No. 348 of the Public Acts of 1988, being sections 247.660 and 247.675 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6 Sec. 10. (1) A fund to be known as the Michigan transporta-
7 tion fund is established and shall be set up and maintained in
8 the state treasury as a separate fund. Money received and col-
9 lected under Act No. 150 of the Public Acts of 1927, as amended,
10 being sections 207.101 to 207.202 of the Michigan Compiled Laws,
11 except a license fee provided in that act, and a tax, fee,
12 license, and other money received and collected under sections
13 801 to 810 of the Michigan vehicle code, Act No. 300 of the

1 Public Acts of 1949, as amended, being sections 257.801 to
2 257.810 of the Michigan Compiled Laws, except a truck safety fund
3 fee provided in section 801(1)(k) of Act No. 300 of the Public
4 Acts of 1949, being section 257.801 of the Michigan Compiled
5 Laws, and money received under the motor carrier act, Act No. 254
6 of the Public Acts of 1933, as amended, being sections 475.1 to
7 479.20 of the Michigan Compiled Laws, shall be deposited in the
8 state treasury to the credit of the Michigan transportation
9 fund. In addition, income or profit derived from the investment
10 of money in the Michigan transportation fund shall be deposited
11 in the Michigan transportation fund. Except as provided in this
12 act, no other money, whether appropriated from the general fund
13 of this state or any other source, shall be deposited in the
14 Michigan transportation fund. The legislature shall appropriate
15 funds for the necessary expenses incurred in the administration
16 and enforcement of Act No. 150 of the Public Acts of 1927, as
17 amended, Act No. 254 of the Public Acts of 1933, as amended, and
18 sections 801 to 810 of Act No. 300 of the Public Acts of 1949, as
19 amended. After deduction of the amount as appropriated pursuant
20 to section 91 of Act No. 150 of the Public Acts of 1927, being
21 section 207.191 of the Michigan Compiled Laws, all money in the
22 Michigan transportation fund is apportioned and appropriated in
23 the following manner:

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

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

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

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

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

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

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

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

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

25 (ii) Not less than \$3,000,000.00 each year to the critical
26 bridge fund established in section 11b for the purpose of payment
27 of the principal, interest, and redemption premium on any notes

1 or bonds issued by the state transportation commission under
2 section 11b.

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

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

12 (v) \$36,775,000.00 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. ~~through March 31, 1993.~~

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

19 (A) 39.1% to the state trunk line fund for the purposes
20 described in section 11. From this amount, after the payment of
21 debt service pursuant to section 11(1)(a), a state grant of not
22 more than \$78,000,000.00 shall be annually appropriated each
23 fiscal year through the fiscal year ending September 30, 1995 to
24 the local program fund created in section 11e. Beginning October
25 1, 1995, a state grant of not less than \$33,000,000.00, as may be
26 annually appropriated each fiscal year, after the payment of debt

1 service pursuant to section 11(1)(a), shall be made to the local
2 program fund created in section 11e.

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

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

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

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

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

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

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

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

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

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

26 Sec. 25. (1) The truck safety fund is established and shall
27 be maintained in the state treasury. The truck safety fund shall

1 be administered by the office of highway safety planning within
2 the department of state police.

3 (2) The Michigan truck safety commission is established in
4 the office of highway safety planning within the department of
5 state police. The commission shall control the expenditures of
6 the truck safety fund. The commission shall consist of the fol-
7 lowing members:

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

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

13 (c) The secretary of state.

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

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

18 (i) One individual representing Michigan community
19 colleges.

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

22 (iii) One individual representing the Michigan trucking
23 association.

24 (iv) One individual representing private motor carriers.

25 (v) One individual representing organized labor.

26 (vi) Two individuals representing the general public.

1 (3) The appointed members of the Michigan truck safety
2 commission shall be appointed for 2-year terms. The chairperson
3 of the Michigan truck safety commission shall be elected by a
4 majority of the members serving on the Michigan truck safety
5 commission. A vacancy shall be filled for the balance of the
6 unexpired term in the same manner as the original appointment.
7 The business which the Michigan truck safety commission shall
8 perform shall be conducted at a quarterly meeting held in compli-
9 ance with the open meetings act, Act No. 267 of the Public Acts
10 of 1976, being sections 15.261 to 15.275 of the Michigan Compiled
11 Laws. Public notice of the meeting shall be given in the manner
12 required under Act No. 267 of the Public Acts of 1976. A major-
13 ity of the commission members serving shall be required to con-
14 stitute a quorum.

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

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

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

25 (i) Establishing truck driver safety education programs.

26 (ii) Encouraging, coordinating, and administering grants for
27 research and demonstration projects to develop the application of

1 new ideas and concepts in truck driver safety education as
2 applied to state, as opposed to nationwide, problems.

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

11 (c) Not less than \$750,000.00 of the balance of the money
12 deposited in the truck safety fund shall be expended for the
13 establishment of special transportation enforcement team opera-
14 tions within the motor carrier division of the department of
15 state police and any expenses incurred by the special transporta-
16 tion enforcement team including, but not limited to, required
17 equipment. The motor carrier division of the department of state
18 police shall submit an annual report of the activities of the
19 special transportation enforcement team operations and expendi-
20 tures of the fund for those operations provided by this
21 subdivision.

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

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

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

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

4 (5) The commission shall make an annual report to the chair-
5 persons of the house transportation and senate ~~state affairs,~~
6 ~~tourism, and~~ transportation AND TOURISM committees on the status
7 of the fund. The report shall be submitted within 45 days after
8 the end of the fiscal year and shall include the year end balance
9 of the fund and the disbursements made from the fund during the
10 previous fiscal year.