



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1011 (Substitute S-1 as passed the Senate)
 Sponsor: Senator Philip E. Hoffman
 Committee: Appropriations

CONTENT

Senate Bill 1011 would amend Public Act 51 of 1951. The Act currently does the following:

- Creates and provides for the distribution and uses of the Michigan Transportation Fund.
- Creates the State Trunk Line Fund.
- Creates and provides for the distribution of the Comprehensive Transportation Fund.
- Defines public transportation functions and criteria.
- Provides for powers and duties of certain State and local commissions and agencies.
- Provides for local contributions to certain State Trunk Line improvements.
- Provides for ongoing review of transportation needs.
- Authorizes the State Transportation Commission and local road authorities to borrow money and issue bonds for transportation purposes.
- Provides for conditions and limitations regarding bonds and pledges.
- Authorizes contributions by townships for county roads.
- Authorizes joint agreements between governmental units for road improvements.
- Provides for annual reports.

The bill would do the following:

- Appropriate up to \$250,000 for a study of expansion joints on highways.
- Appropriate up to \$100,000 for a study of the State's public transit agencies.
- Provide for audits by the Legislative Auditor General, including performance audits, of State funds received by county road commissions and cities and villages.
- Require the Department of Transportation to continue efforts to privatize functions that can be efficiently and effectively performed by the private sector.
- Define administrative costs and limit administrative costs of State and local transportation agencies to 10%; and provide that annual increases in administrative costs could not exceed the growth in the Detroit Consumer Price Index.
- Eliminate restrictions on local road authorities regarding the percentage of State funds that can be spent on primary, major, and local roads.
- Provides for direct allocation of funding to townships with populations of 10,000 or more from the current county road share of the Michigan Transportation Fund.

MCL 247.651-247.675

FISCAL IMPACT

The bill would not result in additional Michigan Transportation Fund revenue, however, it would change the distribution formula as it relates to counties. Based on the 1990 Census there are 71 townships in 21 counties that would qualify for a direct share of funds currently distributed to the

counties. Funds would be allocated based on the same formula contained in the Act for distribution to counties. The bill would provide more flexibility to local road authorities regarding how they allocate funds to projects. It also would require increased accountability through performance audits and limits spending on administrative functions.

Date Completed: 10-2-96

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.