
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 303 (Substitute S-1 as passed by the Senate)

Sponsor: Senator Philip E. Hoffman

Committee: Appropriations

CONTENT

The bill would make the following changes to Public Act 51 of 1951:

- Prohibit the terms of a settlement of a court action against the State Transportation Department or local road authority from including a provision that prohibited disclosure of the settlement agreement. The bill would also require reports on lawsuit payments by local road authorities.
- Provide that charges to the transportation funds for collection costs would have to be based on established cost allocation methodologies and phase out transportation funding to State departments over 3 years.
- Authorize \$70,000,000 FY 1996-97 supplemental for State Trunkline and local roads from the Comprehensive Transportation Fund and Michigan Transportation Fund.
- Require the Department of Transportation to secure warranties, where possible, for contracted construction work.
- Limit administrative costs of the Department and counties to 10% of total funds received.
- Require the Department to continue efforts to privatize functions that can be efficiently and effectively performed by the private sector. This bill also would require an annual report.
- Eliminate restrictions on local road authorities regarding the amount of funds that can be spent on primary, major, and local roads.
- Provide for performance audits of local road authorities.
- Require the Department of Transportation to develop and implement a pavement management system for each mile of roadway on the National Highway System.
- Require the Department of Transportation to develop and implement a life-cycle cost analysis for each State funded road project.
- Require the Department to design and award paving projects utilizing materials having the lowest life-cycle cost. Also require pavement design life to be 30 years or more.
- Eliminate local match requirements for construction purposes on city and village local streets.
- Prohibit local road authorities from using Michigan Transportation Fund revenue for reimbursement for services rendered by other local departments or agencies other than the road authority.

MCL 247.660 et al.

FISCAL IMPACT

The bill would provide more flexibility to local road authorities regarding how they allocate funds to primary, major, and local roads. It also would require increased accountability through performance audits and would limit spending on administrative functions.

Date Completed: 3-19-97

Fiscal Analyst: B. Bowerman

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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.