

HOUSE BILL No. 4147

January 29, 1997, Introduced by Reps. Kelly, DeHart, Freeman, Schermesser, Schauer, Hanley, Bogardus, Kaza, Prusi, Tesanovich, Anthony, LaForge, Scott, Gagliardi and Pitoniak and referred to the Committee on Transportation.

A bill to amend 1951 PA 51, entitled

"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,"

by amending section 10 (MCL 247.660), as amended by 1993 PA 294.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. (1) A fund to be known as the Michigan transporta-
 2 tion fund is established and shall be set up and maintained in
 3 the state treasury as a separate fund. Money received and col-
 4 lected under ~~Act No. 150 of the Public Acts of 1927, as amended,~~
 5 ~~being sections 207.101 to 207.202 of the Michigan Compiled Laws~~
 6 1927 PA 150, MCL 207.101 TO 207.202, except a license fee pro-
 7 vided in that act, and a tax, fee, license, and other money
 8 received and collected under sections 801 to 810 of the Michigan
 9 vehicle code, ~~Act No. 300 of the Public Acts of 1949, as~~
 10 ~~amended, being sections 257.801 to 257.810 of the Michigan~~
 11 ~~Compiled Laws~~ 1949 PA 300, MCL 257.801 TO 257.810, except a
 12 truck safety fund fee provided in section 801(1)(k) of ~~Act~~
 13 ~~No. 300 of the Public Acts of 1949, being section 257.801 of the~~
 14 ~~Michigan Compiled Laws~~ 1949 PA 300, MCL 257.801, and money
 15 received under the motor carrier act, ~~Act No. 254 of the Public~~
 16 ~~Acts of 1933, as amended, being sections 475.1 to 479.20 of the~~
 17 ~~Michigan Compiled Laws~~ 1933 PA 254, MCL 475.1 TO 479.43, shall
 18 be deposited in the state treasury to the credit of the Michigan

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1 transportation fund. In addition, income or profit derived from
2 the investment of money in the Michigan transportation fund shall
3 be deposited in the Michigan transportation fund. Except as pro-
4 vided in this act, no other money, whether appropriated from the
5 general fund of this state or any other source, shall be depos-
6 ited in the Michigan transportation fund. ~~The legislature shall~~
7 ~~appropriate funds for the necessary expenses incurred in the~~
8 ~~administration and enforcement of Act No. 150 of the Public Acts~~
9 ~~of 1927, as amended, Act No. 254 of the Public Acts of 1933, as~~
10 ~~amended, and sections 801 to 810 of Act No. 300 of the Public~~
11 ~~Acts of 1949, as amended. After deduction of the amount as~~
12 ~~appropriated pursuant to section 91 of Act No. 150 of the Public~~
13 ~~Acts of 1927, being section 207.191 of the Michigan Compiled~~
14 ~~Laws, all~~ BEGINNING OCTOBER 1, 1997, FUNDS DEPOSITED IN THE
15 STATE TREASURY TO THE CREDIT OF THE MICHIGAN TRANSPORTATION FUND
16 INCLUDING THOSE FUNDS SUBSEQUENTLY APPORTIONED TO THE COMPREHEN-
17 SIVE TRANSPORTATION FUND CREATED IN SECTION 10B OR THE STATE
18 TRUNK LINE FUND CREATED IN SECTION 11 SHALL NOT BE APPROPRIATED
19 FOR EXPENDITURES FOR SERVICES RENDERED BY ANY DEPARTMENT OR
20 AGENCY OTHER THAN THE STATE TRANSPORTATION DEPARTMENT OR THE
21 STATE TRANSPORTATION COMMISSION. ALL money in the Michigan
22 transportation fund is apportioned and appropriated, EXCEPT AS
23 PROVIDED IN SUBDIVISION (E), FOR THE FISCAL YEARS ENDING
24 SEPTEMBER 30, 1993 THROUGH SEPTEMBER 30, 1998 in the following
25 manner:

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

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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 subparagraph (vi), for the fiscal~~
20 ~~years ending September 30, 1993 through September 30, 1998:—~~

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

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

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

3 (C) ~~(iii)~~ 10% to the comprehensive transportation fund for
4 the 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 (D) ~~(v)~~ \$36,775,000.00 to the state trunk line fund for
13 subsequent deposit in the transportation economic development
14 fund, or allocation to debt service on bonds issued to fund
15 transportation economic development fund projects.

16 (E) ~~(vi)~~ The balance of the Michigan transportation fund
17 as follows, after deduction of the amounts appropriated in
18 ~~subparagraphs (i) through (v)~~ SUBDIVISIONS (A) THROUGH (D) and
19 section 11b:

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

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

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

5 (iii) ~~(C)~~ 21.8% to the cities and villages of the state.

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

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

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

25 (c) An amount is apportioned and appropriated to county road
26 commissions sufficient to pay the principal and interest payments
27 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-one and one-half percent of the funds appropri-
15 ated to this state from the federal government pursuant to 23
16 U.S.C. 157, commonly known as minimum allocation and donor state
17 bonus funds, shall be allocated to the transportation economic
18 development fund, if such an allocation is consistent with fed-
19 eral law. These funds shall be distributed 16-1/2% for develop-
20 ment projects for rural counties as defined by law and 15% for
21 capacity improvement or advanced traffic management systems in
22 urban counties as defined by law. Federal funds allocated for
23 distribution under this section shall be eligible for obligation
24 and use by all recipients as defined by the intermodal surface
25 transportation efficiency act of 1991, Public Law 102-240, 105
26 Stat. 1914.