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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4182 (as reported without amendment)  
Sponsor: Representative Gloria Schermesser  
House Committee: Transportation  
Senate Committee: Transportation and Tourism

### **CONTENT**

The bill would amend the Michigan Transportation Fund Act to delete current restrictions on the percentage of money from the Fund for major street systems that a city or village may spend on a local street system; require that money returned to a city or village from the Fund be spent on the major and local street systems of that city or village with the first priority being the major street system; and, require a city or village that transferred more than 25% of its major street money from the Fund to a local street system to adopt a resolution on the use of the funds.

Currently, not more than 25% per year of the amount returned to a city or village for use on the major street system may be spent on a local street system, and not more than an additional 15% per year of the amount returned to an incorporated city or village for expenditure on a major street system may, in case of an emergency or with the approval of the Michigan Department of Transportation be spent on the local street system of that city or village. The bill would delete this provision.

MCL 247.663

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

This bill would have no obvious fiscal impact on the State. The changes outlined in this bill would affect only the use of State transportation revenues by local units of government. The current formulas used to distribute these funds between cities/villages, county road commissions, and the State Transportation Department would remain unchanged.

However, this bill would allow cities and villages the opportunity to allocate State transportation funds among the roads currently under their jurisdiction. Consequently, the dollars annually spent on major versus local road construction, maintenance, and repair, within any given city, could be affected. The change in these expenditure patterns would vary by city, and depend on factors such as existing road mileage, type, and condition, average city road expenditures, and traffic patterns

Date Completed: 5-25-99

Fiscal Analyst: P. Alderfer