



HOUSE BILL No. 5541

March 23, 2000, Introduced by Reps. Jellema, Kuipers, Pappageorge, Howell, Bovin, Baird, Rick Johnson, Clarke, Rivet, Byl, Hart, Van Woerkom, Allen, Hager, Stallworth, Kelly, Richardville, Scranton, Basham and Raczkowski and referred to the Committee on Appropriations.

A bill to amend 1976 PA 295, entitled
"State transportation preservation act of 1976,"
(MCL 474.51 to 474.70) by amending the title, as amended by 1984
PA 210, and by adding section 15a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

1
2 An act to improve and maintain transportation services in
3 this state; to provide for the acquisition and use of funds; to
4 provide for the acquisition of certain railroad facilities and
5 certain property; to provide for the disposition and use of
6 facilities and property acquired under this act; to provide for
7 financial assistance to certain private transportation services;
8 to prescribe the powers and duties of certain state departments
9 and agencies; to provide for the transfer of certain funds; to

1 provide for the creation of ~~a fund~~ CERTAIN FUNDS; and to
2 provide for appropriations.

3 SEC. 15A. (1) SUBJECT TO THE MAXIMUM ESTABLISHED BY THIS
4 SECTION, THE LEGISLATURE SHALL APPROPRIATE \$3,000,000.00 PLUS THE
5 INTEREST EARNED EACH YEAR AND CREDITED TO THE FUND EACH YEAR
6 UNTIL THE MAXIMUM IN SUBSECTION (5) IS MET. AFTER THE MAXIMUM IN
7 SUBSECTION (5) IS MET, INTEREST EARNED AND REPAYMENTS RECEIVED
8 AND ANY PENALTIES ASSESSED AND RECEIVED FOR FAILURE TO REPAY
9 LOANS ON TIME SHALL CONTINUE TO BE CREDITED TO THE FUND. THE
10 RAIL INFRASTRUCTURE LOAN FUND IS A SELF-FUNDED, REVOLVING LOAN
11 FUND TO FINANCE INFRASTRUCTURE IMPROVEMENTS AND CONSTRUCTION FOR
12 THE PURPOSES OF PRESERVING, REBUILDING, REHABILITATING, OR CON-
13 STRUCTING FACILITIES OR IMPROVEMENTS ON RAILROAD OPERATING PROP-
14 ERTY IN THIS STATE. CONSTRUCTION IS LIMITED TO THOSE FACILITIES
15 OR IMPROVEMENTS REQUIRED TO CONTINUE RAIL SERVICE ON A PARTICULAR
16 LINE, TO IMPROVE THE EFFICIENCY OF EXISTING RAIL SERVICE, OR TO
17 PROVIDE ALTERNATIVE RAIL SERVICE WHEN A LINE HAS BEEN ABANDONED.
18 IF THE DEPARTMENT DETERMINES THAT THE PUBLIC INTEREST REQUIRES, A
19 LOAN MAY BE MADE TO 1 OF THE ELIGIBLE APPLICANTS PROVIDED BY SUB-
20 SECTION (2) TO ACQUIRE RAIL PROPERTY FOR THE PURPOSE OF PRESERV-
21 ING FREIGHT RAIL SERVICE OR IMPROVING THE EFFICIENCY OF EXISTING
22 FREIGHT RAIL SERVICE.

23 (2) THE FUND SHALL PROVIDE NONINTEREST BEARING LOANS FOR THE
24 PURPOSES DESCRIBED IN THIS SECTION. THE DEPARTMENT SHALL EVALU-
25 ATE LOAN APPLICATIONS ACCORDING TO THE RELATIVE MERIT OF THE
26 PROJECT IN CONJUNCTION WITH PROGRAM GOALS AND MAKE
27 RECOMMENDATIONS TO THE COMMISSION REGARDING EACH LOAN

1 APPLICATION. THE COMMISSION SHALL APPROVE OR DENY THE LOANS. A
2 LOAN SHALL FUND NOT MORE THAN 90% OF THE RAIL PORTION OF PROJECT
3 COSTS, AND THE LOAN REPAYMENT PERIOD SHALL NOT EXCEED 10 YEARS.
4 A COUNTY, CITY, TOWNSHIP, VILLAGE, ECONOMIC DEVELOPMENT CORPORA-
5 TION, AND RAILROAD AND CURRENT OR POTENTIAL USERS OF FREIGHT
6 RAILROAD SERVICES ARE ELIGIBLE APPLICANTS.

7 (3) AT THE END OF EACH FISCAL YEAR, UNEXPENDED FUNDS SHALL
8 REMAIN IN THE RAIL INFRASTRUCTURE LOAN FUND AND SHALL BE AVAIL-
9 ABLE TO BE ALLOCATED FOR THE PURPOSES OF THE PROGRAM IN THE SUC-
10 CEEDING FISCAL YEAR. THE STATE TREASURER SHALL INVEST THE MONEY
11 IN THE FUND. INTEREST ACCRUED FROM MONEY IN THE FUND SHALL
12 REMAIN IN THE FUND. THE FUND MAY RECEIVE GIFTS OR GRANTS FOR THE
13 PURPOSES OF THE FUND. ANY PENALTIES ASSESSED AND RECEIVED FOR
14 FAILURE TO REPAY A LOAN ON TIME AND MONEY THAT IS RECEIVED BY
15 THIS STATE AS REPAYMENT FOR RAIL INFRASTRUCTURE LOANS MADE PURSU-
16 ANT TO THIS PROGRAM SHALL REMAIN WITHIN THE RAIL INFRASTRUCTURE
17 LOAN FUND AND SHALL ONLY BE USED FOR THE PURPOSES OF RAIL INFRA-
18 STRUCTURE LOANS AS PROVIDED IN THIS SECTION.

19 (4) BY DECEMBER 31 EACH YEAR, THE DEPARTMENT SHALL REPORT TO
20 THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON TRANSPORTA-
21 TION AND THE HOUSE AND SENATE FISCAL AGENCIES THE FOLLOWING
22 INFORMATION, AS APPROPRIATE, REGARDING THIS SECTION AND ON A SEP-
23 ARATE REPORT THE RAIL FREIGHT FUND UNDER SECTION 17:

24 (A) THE BEGINNING FUND BALANCE OF EACH FUND, REVENUES
25 RECEIVED, EXPENDITURES AND ENCUMBRANCES INCURRED, AND THE ENDING
26 FUND BALANCE FOR EACH FUND FOR THE PRECEDING FISCAL YEAR.

1 (B) THE PROJECTS FUNDED DURING THE PREVIOUS FISCAL YEAR.

2 (C) THE STATUS OF PROJECTS FUNDED IN THE IMMEDIATELY
3 PRECEDING FISCAL YEAR INCLUDING THE DEGREE TO WHICH THE PROJECTS
4 FUNDED HAVE ACHIEVED THE OBJECTIVES OF THIS ACT.

5 (D) STATUS OF ALL OUTSTANDING LOANS.

6 (E) ANY OTHER INFORMATION CONSIDERED NECESSARY BY THE
7 DEPARTMENT.

8 (5) THE STATE'S TOTAL CONTRIBUTION TO THE RAIL INFRASTRUC-
9 TURE LOAN FUND SHALL NOT EXCEED \$15,000,000.00 EXCLUSIVE OF
10 INTEREST CREDITED TO THE FUND.