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**BILL ANALYSIS**

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Senate Bill 1168 (as introduced 4-27-2004)

Sponsor: Senator Shirley Johnson

Committee: Appropriations

Date Completed: 5-17-04

CONTENT

The bill would amend Public Act 51 of 1951 to require legislative approval of State Transportation Commission bond resolutions prior to issuance of transportation notes or bonds. Under the bill, the State Transportation Commission would be required to submit all bond resolutions to the Legislature for approval, which, by concurrent resolution adopted by a majority of the Senate and the House of Representatives, could approve, alter, amend, or reject a resolution of the Commission. The Legislature would have 60 days from the date a resolution was submitted by the Commission to the Legislature to approve, alter, amend, or reject a resolution. If the Legislature does not take action during the 60 day timeframe, the resolution would not be approved. If the Legislature alters or amends a bond resolution submitted by the State Transportation Commission, the note or bond proceeds would have to be used in accordance with the modified resolution.

Under the Act, State Transportation Commission bond resolutions are required to contain the following:

- An irrevocable pledge providing for the payment of principal and interest on the notes bonds from restricted revenues.
- A brief description of the projects for which the notes or bonds are to be issued.
- The estimated costs of the projects.
- The details of the notes or bonds.

The Legislature's authority to amend or alter a bond resolution would not be limited to any specific aspect of the resolution.

MCL 247.668b

FISCAL IMPACT

There would be a fiscal impact to the State associated with the requirement to obtain legislative approval of State Transportation Commission bond resolutions prior to the issuance of transportation notes or bonds. Specifically, the availability of note or bond proceed revenue could be delayed if the Legislature altered or amended a resolution. Similarly, note or bond proceed revenue would not be available to the Michigan Department of Transportation in the event that the Legislature rejected a resolution. These revenue assumptions are key components of the Department's annual Five Year Transportation Program. At the same time, the timing of expenditures for specific projects associated with the use of the proposed note or bond proceeds could be delayed.

Fiscal Analyst: Craig Thiel

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