

**SUBSTITUTE FOR
HOUSE BILL NO. 5799**

A bill to amend 1987 PA 231, entitled

"An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds,"

by amending section 11 (MCL 247.911), as amended by 1993 PA 149.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) Bonds may be issued as authorized by the
2 commission for the purpose of funding projects under this act in
3 the manner provided in sections 18b and 18k of ~~Act No. 51 of the~~
4 ~~Public Acts of 1951, being sections 247.668b and 247.668k of the~~
5 ~~Michigan Compiled Laws~~ **1951 PA 51, MCL 247.668b and 247.668k,**
6 and in accordance with the adopted policies of the commission.
7 Bonds shall not be committed for any project under this act until
8 the requirements set forth under section 3(1) have been

1 satisfied.

2 (2) Projects shall be funded in the following categories in
3 the following amounts:

4 (a) The first \$5,000,000.00 of the fund shall be distributed
5 each fiscal year to each qualified county in a percentage amount
6 equal to the same percentage amount that the number of acres of
7 commercial forest, national park, and national lakeshore land in
8 each qualified county bears to the total number of acres of
9 commercial forest, national park, and national lakeshore land in
10 all qualified counties in this state. Revenue distributed under
11 this subdivision shall be used for the construction or
12 reconstruction of roads.

13 (b) The next ~~\$2,500,000.00~~ \$5,000,000.00 of the fund shall
14 be distributed each fiscal year for improvements to roads and
15 streets that are eligible for federal aid in cities and villages
16 having a population of 5,000 or greater within rural counties.

17 (3) Of the balance remaining after funding projects pursuant
18 to subsection (2), projects shall be funded in the categories
19 described in section 9 based on the following percentages:

20 (a) 50% for economic development road projects in any of the
21 targeted industries.

22 (c) 25% for projects to reduce congestion on county primary
23 and city major streets within urban counties including advanced
24 traffic management systems. The funds shall be distributed to
25 counties with populations in excess of 400,000 in accordance with
26 the following formula:

27 Population Percentage of Funds

1	1,750,000 or more	16%
2	1,000,000 to 1,750,000	40%
3	600,000 to 1,000,000	20%
4	400,000 to 600,000	24%

5 When 2 or more counties occupy the same category, the funds
6 shall be divided equally.

7 Projects funded under this category shall be used for the
8 widening of county primary roads or city major streets or for
9 advanced traffic management systems in eligible counties.

10 (d) 25% for development projects within rural counties.
11 These revenues shall be distributed for the improvement of rural
12 primary roads in rural counties and major streets in cities and
13 villages with a population of 5,000 or less. Funds distributed
14 under this subdivision shall be allocated by the commission to
15 the regional rural task force areas defined in section 12a in the
16 same proportion that the rural primary mileage of the regional
17 rural task force area bears to the total rural primary mileage of
18 all counties. Each rural county shall be credited with an
19 allocation in the proportion that the county's rural primary
20 mileage is to the total rural primary mileage of those rural
21 counties within the same regional rural task force area.
22 Projects funded under this subdivision shall be limited to
23 upgrading rural primary roads and major streets to create an
24 all-season road network.

25 (4) The obligation authority for any federal funds allocated
26 under section 10 of ~~Act No. 51 of the Public Acts of 1951, being~~
27 ~~section 247.660 of the Michigan Compiled Laws~~ **1951 PA 51, MCL**

1 **247.660**, shall be distributed equally among urban task forces and
2 regional rural task forces according to the distribution formula
3 outlined in subsection (3)(c) and (d). An additional 1.5% of the
4 obligation authority for federal funds identified in section 10
5 of ~~Act No. 51 of the Public Acts of 1951~~ **1951 PA 51, MCL**
6 **247.660**, shall be distributed among the regional rural task
7 forces according to the distribution formula outlined in
8 subsection (3)(d). These funds shall be obligated and used
9 consistent with the provisions of section 10 of ~~Act No. 51 of~~
10 ~~the Public Acts of 1951~~ **1951 PA 51, MCL 247.660**.

11 Enacting section 1. This amendatory act does not take
12 effect unless House Bill No. 5800 of the 92nd Legislature is
13 enacted into law.