

# HOUSE BILL No. 5800

April 22, 2004, Introduced by Reps. Shackleton, Brown, Milosch, Palsrok, Walker, Casperson, Ward and Stahl 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 establish certain standards for road contracts for certain businesses; 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 acts and parts of acts,"

by amending section 10 (MCL 247.660), as amended by 2003 PA 151.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 10. (1) A fund to be known as the Michigan  
2 transportation fund is established and shall be set up and  
3 maintained in the state treasury as a separate fund. Money  
4 received and collected under the motor fuel tax act, 2000 PA 403,  
5 MCL 207.1001 to 207.1170, except a license fee provided in that  
6 act, and a tax, fee, license, and other money received and  
7 collected under sections 801 to 810 of the Michigan vehicle code,  
8 1949 PA 300, MCL 257.801 to 257.810, except a truck safety fund  
9 fee provided in section 801(1)(k) of the Michigan vehicle code,  
10 1949 PA 300, MCL 257.801, and money received under the motor  
11 carrier act, 1933 PA 254, MCL 475.1 to 479.43, shall be deposited  
12 in the state treasury to the credit of the Michigan  
13 transportation fund. In addition, income or profit derived from  
14 the investment of money in the Michigan transportation fund shall  
15 be deposited in the Michigan transportation fund. Except as  
16 provided in this act, no other money, whether appropriated from

1 the general fund of this state or any other source, shall be  
2 deposited in the Michigan transportation fund. Except as  
3 otherwise provided in this section, the legislature shall  
4 appropriate funds for the necessary expenses incurred in the  
5 administration and enforcement of the motor fuel tax act, 2000 PA  
6 403, MCL 207.1001 to 207.1170, the motor carrier act, 1933 PA  
7 254, MCL 475.1 to 479.43, and sections 801 to 810 of the Michigan  
8 vehicle code, 1949 PA 300, MCL 257.801 to 257.810. Funds  
9 appropriated for necessary expenses shall be based upon  
10 established cost allocation methodology that reflects actual  
11 costs. Appropriations for the necessary expenses incurred by the  
12 department of state in administration and enforcement of sections  
13 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL 257.801  
14 to 257.810, shall be made from the Michigan transportation fund  
15 and from funds in the transportation administration collection  
16 fund created in section 810b of the Michigan vehicle code, 1949  
17 PA 300, MCL 257.810b. Appropriations from the Michigan  
18 transportation fund for the necessary expenses incurred by  
19 department of state in administration and enforcement of sections  
20 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL 257.801  
21 to 257.810, shall not exceed \$20,000,000.00 per state fiscal  
22 year. All money in the Michigan transportation fund is  
23 apportioned and appropriated in the following manner:

24 (a) Not more than \$3,000,000.00 as may be annually  
25 appropriated each fiscal year to the state trunk line fund for  
26 subsequent deposit in the rail grade crossing account.

27 (b) Not less than \$3,000,000.00 each year to the critical

1 bridge fund established in section 11b for the purpose of payment  
2 of the principal, interest, and redemption premium on any notes  
3 or bonds issued by the state transportation commission under  
4 section 11b.

5 (c) Revenue from 3 cents of the tax levied under section ~~8~~  
6 **8(1)(a)** of the motor fuel tax act, 2000 PA 403, MCL 207.1008, to  
7 the state trunk line fund, county road commissions, and cities  
8 and villages in the percentages provided in subdivision (i).

9 (d) Revenue from 1 cent of the tax levied under section ~~8~~  
10 **8(1)(a)** of the motor fuel tax act, 2000 PA 403, MCL 207.1008, to  
11 the state trunk line fund for repair of state bridges under  
12 section 11.

13 (e) \$43,000,000.00 to the state trunk line fund for debt  
14 service costs on state of Michigan projects.

15 (f) Except as provided in subsection (4), 10% to the  
16 comprehensive transportation fund for the purposes described in  
17 section 10e.

18 (g) ~~-\$36,775,000.00~~ **\$39,275,000.00** to the state trunk line  
19 fund for subsequent deposit in the transportation economic  
20 development fund, and, as of September 30, 1997, with first  
21 priority for allocation to debt service on bonds issued to fund  
22 transportation economic development fund projects. In addition,  
23 beginning October 1, 1997, \$3,500,000.00 is appropriated from the  
24 Michigan transportation fund to the state trunk line fund for  
25 subsequent deposit in the transportation economic development  
26 fund to be used for economic development road projects in any of  
27 the targeted industries described in section 9(1)(a) of 1987 PA

1 231, MCL 247.909.

2 (h) Not less than \$33,000,000.00 as may be annually  
3 appropriated each fiscal year to the local program fund created  
4 in section 11e.

5 (i) The balance of the Michigan transportation fund as  
6 follows, after deduction of the amounts appropriated in  
7 subdivisions (a) through (h) and section 11b:

8 (i) 39.1% to the state trunk line fund for the purposes  
9 described in section 11.

10 (ii) 39.1% to the county road commissions of the state.

11 (iii) 21.8% to the cities and villages of the state.

12 (2) The money appropriated pursuant to this section shall be  
13 used for the purposes as provided in this act and any other  
14 applicable act. Subject to the requirements of section 9b, the  
15 department shall develop programs in conjunction with the  
16 Michigan state chamber of commerce and the Michigan minority  
17 business development council to assist small businesses,  
18 including those located in enterprise zones and those located in  
19 empowerment zones as determined under federal law, as defined by  
20 law in becoming qualified to bid.

21 (3) Thirty-one and one-half percent of the funds appropriated  
22 to this state from the federal government pursuant to 23 ~~U.S.C.~~  
23 **USC** 157, commonly known as minimum guarantee funds, shall be  
24 allocated to the transportation economic development fund, if  
25 such an allocation is consistent with federal law. These funds  
26 shall be distributed 16-1/2% for development projects for rural  
27 counties as defined by law and 15% for capacity improvement or

1 advanced traffic management systems in urban counties as defined  
2 by law. Federal funds allocated for distribution under this  
3 section shall be eligible for obligation and use by all  
4 recipients as defined by the transportation equity act for the  
5 21st century, Public Law 105-178, 112 Stat. 107.

6 (4) For the fiscal year beginning October 1, 2003 only, the  
7 apportionment of 10% of Michigan transportation fund money to the  
8 comprehensive transportation fund as provided in subsection  
9 (1)(f) shall be reduced by \$10,000,000.00 and the \$10,000,000.00  
10 shall be transferred to the state trunk line fund for capacity  
11 improvements to state trunk line highways.