

# HOUSE BILL No. 4779

May 28, 2003, Introduced by Rep. Rivet 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 2000 PA 188.

**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 ~~1927 PA 150, MCL 207.101 to~~  
5 ~~207.202~~ **the motor fuel tax act, 2000 PA 403, MCL 207.1001 to**  
6 **207.1170**, except a license fee provided in that act, and a tax,  
7 fee, license, and other money received and collected under  
8 sections 801 to 810 of the Michigan vehicle code, 1949 PA 300,  
9 MCL 257.801 to 257.810, except a truck safety fund fee provided  
10 in section 801(1)(k) of **the Michigan vehicle code**, 1949 PA 300,  
11 MCL 257.801, and money received under the motor carrier act, 1933  
12 PA 254, MCL 475.1 to 479.43, shall be deposited in the state  
13 treasury to the credit of the Michigan transportation fund. In  
14 addition, income or profit derived from the investment of money  
15 in the Michigan transportation fund shall be deposited in the  
16 Michigan transportation fund. Except as provided in this act, no

1 other money, whether appropriated from the general fund of this  
2 state or any other source, shall be deposited in the Michigan  
3 transportation fund. Except as otherwise provided in this  
4 section, the legislature shall appropriate funds for the  
5 necessary expenses incurred in the administration and enforcement  
6 of ~~1927 PA 150, MCL 207.101 to 207.202~~ **the motor fuel tax act,**  
7 **2000 PA 403, MCL 207.1001 to 207.1170, the motor carrier act,**  
8 1933 PA 254, MCL 475.1 to 479.43, and sections 801 to 810 of the  
9 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810.  
10 Funds appropriated for necessary expenses shall be based upon  
11 established cost allocation methodology that reflects actual  
12 costs. Beginning with the fiscal year ending September 30, 1998  
13 and the next 2 succeeding fiscal years thereafter, funds  
14 appropriated for these administrative expenses for all state  
15 agencies and departments, other than the department, the  
16 commission, the department of environmental quality expedited  
17 permit processing program for road agencies, the department of  
18 state, and the attorney general shall be phased out until further  
19 funds are no longer appropriated for this purpose. All money in  
20 the Michigan transportation fund is apportioned and appropriated  
21 in the following manner:

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

25 (b) Not less than \$3,000,000.00 each year to the critical  
26 bridge fund established in section 11b for the purpose of payment  
27 of the principal, interest, and redemption premium on any notes

1 or bonds issued by the state transportation commission under  
2 section 11b.

3 (c) Revenue from 3 cents of the tax levied under section  
4 ~~2(1) of 1950 PA 127, MCL 207.102~~ **8 of the motor fuel tax act,**  
5 **2000 PA 403, MCL 207.1008,** to the state trunk line fund, county  
6 road commissions, and cities and villages in the percentages  
7 provided in subdivision ~~(i)~~ **(j).**

8 (d) Revenue from 1 cent of the tax levied under section ~~2(1)~~  
9 ~~of 1950 PA 127, MCL 207.102~~ **8 of the motor fuel tax act, 2000 PA**  
10 **403, MCL 207.1008,** to the state trunk line fund for repair of  
11 state bridges under section 11.

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

14 (f) 10% to the comprehensive transportation fund for the  
15 purposes described in section 10e.

16 (g) \$36,775,000.00 to the state trunk line fund for  
17 subsequent deposit in the transportation economic development  
18 fund, and, as of September 30, 1997, with first priority for  
19 allocation to debt service on bonds issued to fund transportation  
20 economic development fund projects. In addition, beginning  
21 October 1, 1997, \$3,500,000.00 is appropriated from the Michigan  
22 transportation fund to the state trunk line fund for subsequent  
23 deposit in the transportation economic development fund to be  
24 used for economic development road projects in any of the  
25 targeted industries described in section 9(1)(a) of 1987 PA 231,  
26 MCL 247.909.

27 (h) Not less than \$33,000,000.00 as may be annually

1 appropriated each fiscal year to the local program fund created  
2 in section 11e.

3       **(i) An amount equal to \$6,500,000.00 each fiscal year to the**  
4 **state trunk line fund for the operation, maintenance, and**  
5 **rehabilitation of movable bridges in this state.**

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

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

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

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

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

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

1 counties as defined by law and 15% for capacity improvement or  
2 advanced traffic management systems in urban counties as defined  
3 by law. Federal funds allocated for distribution under this  
4 section shall be eligible for obligation and use by all  
5 recipients as defined by the transportation equity act for the  
6 21st century, Public Law 105-178, 112 Stat. 107.