



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 1132 (Substitute S-2 as reported)

Sponsor: Senator Mike Prusi

Committee: Transportation

## **CONTENT**

The bill would amend Public Act 51 of 1951, the Michigan Transportation Fund law, to create within the State Trunk Line Fund a "local federal match program" to receive the proceeds of certain bonds issued by the State Transportation Commission. Funds deposited into the program could not exceed \$80.0 million.

The bill specifies a legislative intent that program funds be used for the following:

- Projects that were the subject of a Federal appropriation in Public Law 109-59 (the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, or SAFETEA-LU) or Public Law 105-78 (the Transportation Equity Act for the 21<sup>st</sup> Century, or TEA-21), and had been designated as high-priority road and bridge projects that had received earmarks in the Federal budget, as long as those projects were under construction or let for bid by the end of fiscal year (FY) 2006-07.
- Projects scheduled to be under construction during FY 2006-07 and that could be advanced to FY 2005-06.
- Any project scheduled for any fiscal year after FY 2006-07 that could be advanced and under construction or let for bid during FY 2005-06 or FY 2006-07.

The bill is tie-barred to Senate Bill 1192. Senate Bill 1192 (S-2) would require program funds to be granted to municipalities and other local road agencies to match Federal aid projects.

MCL 247.661e

Legislative Analyst: Julie Koval

## **FISCAL IMPACT**

If the full \$80.0 million of authorized bonds were issued, the bills would cost the State approximately \$7.2 million annually and up to \$110.0 million over the next 15 years from the State Trunk Line Fund in debt service costs. Debt service costs are the first priority of expenditures from the State Trunk Line Fund. Increasing debt service costs of the State Trunk Line Fund would mean that less funding would be available for the opening, widening, improvement, construction, and reconstruction of State trunk line highways and bridges, for rail grade crossings, and for operating expenses of the Fund.

For local units of government, the bills would result in \$400.0 million in additional funds for road and street projects. Of the funding, \$80.0 million would come in the form of grants from the State Trunk Line Fund and \$320.0 million would come from the Federal government.

Date Completed: 4-20-06

Fiscal Analyst: Jessica Runnels