

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1192

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,

local 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,"

(MCL 247.651 to 247.675) by adding section 11f.

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

1           **SEC. 11F. (1) FUNDS RECEIVED UNDER THE LOCAL FEDERAL MATCH**  
 2 **PROGRAM CREATED IN SECTION 11E SHALL BE GRANTED TO LOCAL**  
 3 **MUNICIPALITIES AND OTHER LOCAL ROAD AGENCIES TO MATCH FEDERAL AID**  
 4 **PROJECTS AS PROVIDED IN THIS SUBSECTION. PROJECTS SHALL BE**  
 5 **SUBMITTED TO THE STATE TRANSPORTATION DEPARTMENT BY THE LOCAL**  
 6 **MUNICIPALITY OR OTHER LOCAL ROAD AGENCY. THE DEPARTMENT SHALL**  
 7 **REVIEW THE SUBMITTALS AND APPLY CRITERIA THAT TAKE INTO ACCOUNT THE**  
 8 **NEEDS OF HIGHWAY, ROAD, AND STREET SYSTEMS AND AN EQUITABLE**  
 9 **ALLOCATION OF AVAILABLE FUNDS CONSIDERING THE GEOGRAPHIC LOCATION**  
 10 **OF THE PROPOSED PROJECT. IF THE PROJECTS MEET THE CRITERIA, THE**  
 11 **STATE TRANSPORTATION DEPARTMENT SHALL AWARD GRANTS TO THE EXTENT OF**  
 12 **AVAILABLE FUNDS. AN INDIVIDUAL GRANT SHALL NOT EXCEED 25% OF THE**  
 13 **AMOUNT OF FEDERAL FUNDS AVAILABLE FOR THE PROJECT. PROJECTS**  
 14 **SELECTED FOR FUNDING SHALL MEET ALL OF THE FOLLOWING CRITERIA:**  
 15           **(A) THE PROJECT SHALL BE UNDER CONSTRUCTION OR LET FOR BID NO**  
 16 **LATER THAN SEPTEMBER 30, 2007.**

1 (B) THE APPLICANT SHALL HAVE IDENTIFIED ALL OF THE NECESSARY  
2 FUNDING TO COMPLETE THE PROJECT.

3 (C) THE PROJECT SHALL BE FOR THE OPENING, WIDENING, IMPROVING,  
4 CONSTRUCTION, OR RECONSTRUCTION OF A FEDERAL AID ELIGIBLE ROAD OR  
5 STREET, INCLUDING THE WORK INCIDENTAL TO THAT OPENING, WIDENING,  
6 IMPROVING, CONSTRUCTION, OR RECONSTRUCTION.

7 (2) ALL BOND PROCEEDS NOT USED TO FUND GRANTS AWARDED BY  
8 SEPTEMBER 30, 2007 ARE APPROPRIATED FOR THE PURPOSES DESCRIBED IN  
9 SECTION 11(1)(F).

10 (3) BEGINNING FEBRUARY 1, 2007, THE DEPARTMENT SHALL SUBMIT A  
11 WRITTEN REPORT TO THE LEGISLATURE BY EACH FEBRUARY 1 CONTAINING ALL  
12 OF THE FOLLOWING INFORMATION:

13 (A) THE BALANCE CONTAINED IN THE PROGRAM.

14 (B) A LIST OF ALL PROJECTS CURRENTLY FUNDED UNDER THE PROGRAM.

15 (C) A LIST OF ALL FEDERAL HIGH PRIORITY PROJECTS ELIGIBLE FOR  
16 FUNDING UNDER THE PROGRAM.

17 (D) A LIST OF PENDING REQUESTS FOR FUNDING UNDER THE PROGRAM,  
18 IF ANY.

19 (4) THE DEPARTMENT SHALL SUBMIT A WRITTEN REPORT TO THE  
20 LEGISLATURE NO LATER THAN 30 DAYS AFTER THE PROGRAM HAS EXPENDED  
21 \$40,000,000.00. THE REPORT SHALL CONTAIN ALL OF THE FOLLOWING:

22 (A) A LIST OF ALL PROJECTS CURRENTLY FUNDED UNDER THE PROGRAM.

23 (B) A LIST OF FEDERAL HIGH PRIORITY PROJECTS ELIGIBLE TO  
24 RECEIVE FUNDING FROM THE PROGRAM.

25 (C) A LIST OF PENDING REQUESTS FOR FUNDING UNDER THE PROGRAM,  
26 IF ANY.

27 (5) THE DEPARTMENT SHALL PROVIDE ADDITIONAL CRITERIA IF

Senate Bill No. 1192 (H-2) as amended May 4, 2006

1 NECESSARY FOR SELECTING THE REMAINING PROJECTS TO BE FUNDED IN A  
2 FISCAL YEAR NO LATER THAN 30 DAYS AFTER THE REPORT REQUIRED UNDER  
3 SUBSECTION (4) IS ISSUED. IN DETERMINING THE ADDITIONAL CRITERIA TO  
4 APPLY TO THE REMAINING FUNDS, THE DEPARTMENT SHALL CONSULT WITH  
5 INTERESTED LOCAL ROAD AGENCIES, THE MICHIGAN MUNICIPAL LEAGUE, AND  
6 THE COUNTY ROAD ASSOCIATION OF MICHIGAN AND SHALL UTILIZE ANY  
7 RECOMMENDATIONS MADE ON ADDITIONAL CRITERIA BY THESE ENTITIES  
8 UNLESS THE DEPARTMENT DETERMINES THAT THE ADDITIONAL CRITERIA ARE  
9 INEQUITABLE OR IMPRACTICAL. [IF THE ADDITIONAL CRITERIA ARE DEEMED  
INEQUITABLE OR IMPRACTICAL, THE DEPARTMENT IS DIRECTED TO WORK WITH THE  
INTERESTED PARTIES TO DEVELOP EQUITABLE AND PRACTICAL CRITERIA.] THE  
DEPARTMENT SHALL APPLY THOSE  
10 CRITERIA THAT MOST EQUITABLY DISTRIBUTE THE REMAINING FUNDS  
11 CONSIDERING THE GEOGRAPHIC LOCATION OF THE FUNDED PROJECTS. IN  
12 APPLYING CRITERIA, THE DEPARTMENT SHALL TAKE INTO ACCOUNT THE NEEDS  
13 OF HIGHWAY, ROAD, AND STREET SYSTEMS AND AN EQUITABLE ALLOCATION OF  
14 AVAILABLE FUNDS CONSIDERING THE GEOGRAPHIC LOCATION OF THE FUNDED  
15 PROJECT.

16 Enacting section 1. This amendatory act does not take effect  
17 unless all of the following bills of the 93rd Legislature are  
18 enacted into law:

19 (a) Senate Bill No. 1132.

20 (b) House Bill No. 6003.