# Legislative Analysis

**REDIRECTION OF CERTAIN DRIVERS' LICENSEE FEES FROM THE TEDF TO STATE GENERAL FUND**

**House Bill 4847 with House committee amendment**
**Sponsor: Rep. Morris Hood III**
**Committee: Appropriations**

**Complete to 9-25-07**

**A SUMMARY OF HOUSE BILL 4847 AS REPORTED FROM COMMITTEE 9-25-07**

House Bill 4847 would amend Section 819 (MCL 257.819) of the Michigan Vehicle Code (1949 PA 300 of) to redirect to the state General Fund a portion of drivers' license fee revenue currently dedicated to the Transportation Economic Development Fund (TEDF). The bill as introduced would have made the fund shift for two fiscal years; $6.0 million in FY 2006-07 and $13.0 million FY 2007-08. The bill as reported from committee would make the redirection for one fiscal year only; $6.0 million in FY 2006-07.

The $6.0 million transfer for FY 2006-07 represents the amount that the TEDF was already reduced through Executive Order 2007-3. EO 2007-3 reduced the TEDF Target Industries program (Category "A") by $6.0 million. House Bill 4847 would simply effect in statute the redirection to the state General Fund, i.e. it does not cause an additional reduction in the TEDF program beyond the $6.0 million reduction already made in EO 2007-3.

A related bill, Senate Bill 794 would amend 1987 PA 231, the act that established the TEDF, to make the $6.0 million reduction from the Target Industries program category.

**FISCAL IMPACT:**

The bill as reported from committee would redirect $6.0 million from the TEDF to the state General Fund for FY 2006-07 only. There would be no impact on total state revenue. According to the Michigan Department of Transportation's annual financial report, the TEDF had a balance at September 30, 2006 of $100.6 million.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.