

Legislative Analysis



REDIRECTION OF TARGET INDUSTRIES PROGRAM FUNDS & TRANSPORTATION ECON. DEV. FUND

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House Bill 6336 as introduced
Sponsor: Rep. Lee Gonzales
Committee: Appropriations

Complete to 11-13-08

A SUMMARY OF HOUSE BILL 6336 AS INTRODUCED 7-23-08

House Bill 6336 would amend Section 11 of 1987 PA 231 (MCL 247.911), an act which created and governs the Transportation Economic Development Fund (TEDF). The TEDF is a state-restricted transportation fund created to help fund highway, road, and street improvements related to either a specific type of economic activity or a specific type of road system. The bill would reduce the amount allocated to the Targeted Industries ("Category A") program category for the 2007-08 fiscal year by \$13.0 million.

The \$13.0 million reduction represents the amount that would be shifted to the state General Fund as agreed to in the target agreements for the FY 2007-08 and 2008-09 budgets. A related bill, (either House Bill 4847 or House Bill 6335 – at the time this analysis was written it was not clear which bill would be used) would amend the Michigan Vehicle Code to redirect the \$13.0 million to the state General Fund. These bills would simply effect in statute the agreement related to the TEDF in the General Fund target-setting for the FY 2007-08 and 2008-09 budgets.

A bill passed late last year, Senate Bill 794, reduced the amount allocated to the Targeted Industries program category for the 2006-07 fiscal year by \$6.0 million.

FISCAL IMPACT:

The bill, in concert with a related bill to amend the Michigan Vehicle Code, would have no impact on total state revenue. The bills, taken together, would shift revenue from a state restricted fund to the state General Fund and direct that the reduction come from the Targeted Industries program ("Category A"). If the TEDF act were not so amended, a redirection in TEDF revenue would cause a reduction in program categories "C," Urban Congestion Relief, and "D," Rural County Primary, as well as Category A. Program Categories "C" and "D" are considered local programs.

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