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BILL ANALYSIS

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Senate Bill 98 (as introduced 1-25-07)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

Date Completed: 4-30-07

CONTENT

The bill would amend Public Act 51 of 1951, the Michigan Transportation Fund law, to do the following:

- Require the regional bridge councils to determine what bridge projects would be eligible for funding from the Local Bridge Fund and make a list available to interested parties.**
- Allow a county road commission, city, or village to implement a bridge project if it were eligible for funding but the regional bridge council had not allocated funds to the project for the year it was on the list of bridge projects eligible for funding.**
- Allow the road commission, city, or village to borrow funds to implement the project, and to reapply for inclusion on the list of projects eligible for funding in the following fiscal year.**

The Act establishes the Local Bridge Fund to provide financial assistance to highway authorities for the preservation, improvement, or reconstruction of existing bridges or the construction of bridges to replace existing bridges. Between 5% and 15% of the money in the Fund may be used for critical repair of large bridges and emergencies, as determined by the Local Bridge Advisory Board. Remaining funds must be distributed to the regional bridge councils (which the Act creates for each Michigan Department of Transportation region in the State).

The bill would require the regional bridge councils, beginning October 1, 2008, to determine what bridge projects were eligible for funding from the Local Bridge Fund, and make a list of eligible projects available to interested parties in the region. A determination that a bridge was eligible for funding in a given fiscal year would not be approval to disburse the funds.

Beginning October 1, 2008, a county road commission, city, or village could implement a bridge project if it were eligible for funding but the regional bridge council had not allocated funds to the project for the fiscal year in which it was on the list of bridge projects eligible for funding. The road commission, city, or village could borrow money to implement the project.

If no funds were allocated for a fiscal year for a project that was eligible for funding and that was implemented with borrowed money, a county road commission, city, or village could reapply for inclusion on the list of bridge projects eligible for funding in the following fiscal year. The fact that the project was eligible for funding in the previous fiscal year would not be a factor in a determination of eligibility for funding in the following fiscal year.

The fact that the project actually was implemented with borrowed funds would not prevent its inclusion on the list of bridge projects eligible for funding in subsequent fiscal years. If a project that was implemented with borrowed funds were allocated funding in a subsequent fiscal year, the funding could be used only to repay the principal amount borrowed.

MCL 247.660

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have no fiscal impact on State government.

The bill would allow county road commissions, cities, and counties to borrow money under certain conditions to implement local bridge projects. Local units choosing to do so would see an increase in debt service expenditures unless the projects were funded through the Local Bridge Fund in subsequent years.

Fiscal Analyst: Debra Hollon

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.