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BILL ANALYSIS

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Senate Bill 360 (as introduced 3-20-07)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

Date Completed: 4-13-07

CONTENT

The bill would amend the Michigan Transportation Fund (MTF) law to extend from September 30, 2007, to January 1, 2008, the deadline for certain projects to be under construction or let for bid in order to receive funding through the local Federal match program.

The local Federal match program was created by Public Acts 139, 140, and 141 of 2006, to provide grants to local governments for use as matching funds to qualify for Federal funding for road projects. The grant program is financed through the sale of bonds, and the total amount deposited into the program may not exceed \$80 million.

The law specifies that the Legislature intends that funds in the local Federal match program be used for specified projects, including projects that are 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 Act) or Public Law 105-78 (the Transportation Equity Act for the 21st Century, or TEA-21) and have been designated as high-priority road and building projects that have received earmarks in the Federal budget. (Under those Acts, the Federal government will provide 80% of the cost of certain high-priority projects if the local government provides 20% in matching funds.) Presently, those projects must be under construction or let for bid by the end of fiscal year 2006-07. The bill would extend that deadline to January 1, 2008.

Under the law, funds received under the local Federal match program must be granted to local municipalities and other local road agencies to match Federal aid projects according to certain criteria, including a requirement that a project be under construction or let for bid by September 20, 2007. Under the bill, the project would have to be under construction or let for bid by January 1, 2008.

Currently, all bond proceeds not used to fund grants awarded by September 30, 2007, are to be appropriated for purposes described in Section 11(1)(f) of the law, i.e., for the opening, widening, construction, and reconstruction of State trunk line highways and bridges, including the acquisition of rights-of-way and work incidental to those projects. Under the bill, bond proceeds not used for grants by after January 1, 2008, would be appropriated for those purposes.

MCL 247.661e & 247.661f

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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.