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BILL ANALYSIS

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House Bill 5861 (Substitute H-2 as passed by the House)

Sponsor: Representative Mary Valentine

House Committee: Transportation

Senate Committee: Transportation

Date Completed: 3-17-08

CONTENT

The bill would amend the Michigan Transportation Fund law to do the following:

- Extend from April 4, 2008, to September 5, 2008, the deadline for projects to be under construction or let for bid in order to receive funding under the local Federal match program.**
- Identify certain projects that would be eligible under the program and exempt from the deadline.**

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 \$80.0 million.

The law states a legislative intent 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 105-178 (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 April 4, 2008. The bill would extend that deadline to September 5, 2008, with certain exceptions.

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 April 4, 2008. The bill would require the project to be under construction or let for bid by September 5, 2008, except as provided below.

Under the bill, projects that were the subject of a Federal appropriation in SAFETEA-LU or TEA-21 and had been designated as high priority road and bridge projects from the following list, as determined by the Department of Transportation, would be eligible for funding and would not be subject to a deadline:

- Romeo Plank: Construction of five lane concrete pavement with curb, gutter and sewer on Romeo Plank Road from M-59 to 23 Mile Road in Macomb Township.
- Finkbeiner Road: Construction of improvements to Crane and Finkbeiner Road from Patterson Road to Whitneyville Road in Barry County, and a new bridge over the Thornapple River.
- County Road 492, Marquette County: Realignment of 3,200 feet of county road 492 from U.S. 41 North to county road HD.
- H-58, Alger County: Reconstruction, paving, and some realignment of H-58 from 2,600 feet south of Little Beaver Lake Road to 4,600 feet east of Hurricane River.
- Westland: Ann Arbor Trail between Farmington and Middlebelt, Warren/Newburgh intersection, reconstruction.
- Port Huron: NAFTA corridor congestion mitigation project, grade separation, and integrated highway realignment at Port Huron to eliminate road blockages from NAFTA rail traffic.
- Muskegon County, City of Muskegon: Study and implementation of transportation system alternatives in the vicinity of U.S. 31/M 46. Quarterline Road, Laketon to McArther, U.S.-31/M-46 vicinity. Transportation system improvements on Quarterline Road from Laketon Avenue to Stebbins Road. Project description; right-of-way acquisition, road relocation, road reconstruction/resurfacing and signal improvements.

Currently, all bond proceeds not used to fund grants awarded by April 4, 2008, 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 September 5, 2008, would be appropriated for those purposes, except for the specific projects listed above.

MCL 247.661e & 247.661f

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have no fiscal impact on the State. The bill would alter the distribution of bond proceeds, but not the total amount. Any fiscal impact on local units of government would depend upon their participation and eligibility in the program.

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.