

SUBSTITUTE FOR
SENATE BILL NO. 360

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line

fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending sections 11e and 11f (MCL 247.661e and 247.661f), section 11e as amended by 2006 PA 141 and section 11f as added by 2006 PA 140.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11e. (1) There is created within the state trunk line
2 fund a local program fund for the purpose of receiving funds
3 allocated from the Michigan transportation fund and from the state
4 trunk line fund. Funds received shall be distributed 64.2% to the
5 county road commissions of the state to be administered according
6 to section 12 and 35.8% to the cities and villages of the state to
7 be administered according to section 13.

8 (2) There is created within the state trunk line fund a local
9 federal match program for the purpose of receiving the proceeds of
10 bonds issued under section 18b that are to be repaid under section
11 11(1)(a)(iii). Funds deposited into the local federal match program
12 shall not exceed \$80,000,000.00.

13 (3) The legislature intends that funds in the local federal
14 match program be used for 1 or more of the following:

15 (a) Projects that are the subject of a federal appropriation

1 in Public Law 109-59 or Public Law 105-78 and have been designated
2 as high priority road and bridge projects that have received
3 earmarks in the federal budget, so long as those projects are under
4 construction or let for bid ~~by the end of the fiscal year that~~
5 ~~begins on October 1, 2006~~ **ON OR BEFORE APRIL 4, 2008.**

6 (b) Projects scheduled to be under construction or let for bid
7 during the fiscal year that begins on October 1, 2006 and that can
8 be advanced to the fiscal year that began on October 1, 2005.

9 (c) Any project scheduled for any fiscal year after the fiscal
10 year that begins on October 1, 2006 that can be advanced and under
11 construction or let for bid during the fiscal year that begins on
12 October 1, 2005, ~~or~~ October 1, 2006, **OR OCTOBER 1, 2007.**

13 Sec. 11f. (1) Funds received under the local federal match
14 program created in section 11e shall be granted to local
15 municipalities and other local road agencies to match federal aid
16 projects as provided in this subsection. Projects shall be
17 submitted to the state transportation department by the local
18 municipality or other local road agency. The department shall
19 review the submittals and apply criteria that take into account the
20 needs of highway, road, and street systems and an equitable
21 allocation of available funds considering the geographic location
22 of the proposed project. If the projects meet the criteria, the
23 state transportation department shall award grants to the extent of
24 available funds. An individual grant shall not exceed 25% of the
25 amount of federal funds available for the project. Projects
26 selected for funding shall meet all of the following criteria:

27 (a) The project shall be under construction or let for bid no

1 later than ~~September 30, 2007~~ **APRIL 4, 2008**.

2 (b) The applicant shall have identified all of the necessary
3 funding to complete the project.

4 (c) The project shall be for the opening, widening, improving,
5 construction, or reconstruction of a federal aid eligible road or
6 street, including the work incidental to that opening, widening,
7 improving, construction, or reconstruction.

8 (D) PROJECTS THAT ARE NOT THE SUBJECT OF A FEDERAL
9 APPROPRIATION IN PUBLIC LAW 109-59 OR PUBLIC LAW 105-78 AND HAVE
10 BEEN DESIGNATED AS HIGH-PRIORITY ROAD AND BRIDGE PROJECTS THAT HAVE
11 RECEIVED EARMARKS IN THE FEDERAL BUDGET SCHEDULED TO BE UNDER
12 CONSTRUCTION OR LET FOR BID DURING THE FISCAL YEAR THAT BEGINS
13 OCTOBER 1, 2007 AND THAT CAN BE ADVANCED TO THE FISCAL YEAR THAT
14 BEGINS ON OCTOBER 1, 2006 AND CAN BE LET FOR BID NO LATER THAN
15 SEPTEMBER 30, 2007.

16 (2) All bond proceeds not used to fund grants awarded by
17 ~~September 30, 2007~~ **APRIL 4, 2008** are appropriated for the purposes
18 described in section 11(1)(f).

19 (3) Beginning February 1, 2007, the department shall submit a
20 written report to the legislature by each February 1 containing all
21 of the following information:

22 (a) The balance contained in the program.

23 (b) A list of all projects currently funded under the program.

24 (c) A list of all federal high priority projects eligible for
25 funding under the program.

26 (d) A list of pending requests for funding under the program,
27 if any.

1 (4) The department shall submit a written report to the
2 legislature no later than 30 days after the program has expended
3 \$40,000,000.00. The report shall contain all of the following:

4 (a) A list of all projects currently funded under the program.

5 (b) A list of federal high priority projects eligible to
6 receive funding from the program.

7 (c) A list of pending requests for funding under the program,
8 if any.

9 (5) The department shall provide additional criteria if
10 necessary for selecting the remaining projects to be funded in a
11 fiscal year no later than 30 days after the report required under
12 subsection (4) is issued. In determining the additional criteria to
13 apply to the remaining funds, the department shall consult with
14 interested local road agencies, the Michigan municipal league, and
15 the county road association of Michigan and shall utilize any
16 recommendations made on additional criteria by these entities
17 unless the department determines that the additional criteria are
18 inequitable or impractical. If the additional criteria are deemed
19 inequitable or impractical, the department is directed to work with
20 the interested parties to develop equitable and practical criteria.
21 The department shall apply those criteria that most equitably
22 distribute the remaining funds considering the geographic location
23 of the funded projects. In applying criteria, the department shall
24 take into account the needs of highway, road, and street systems
25 and an equitable allocation of available funds considering the
26 geographic location of the funded project.