

SENATE BILL No. 149

February 5, 2013, Introduced by Senator KAHN and referred to the Committee on Appropriations.

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 promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; 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 section 10 (MCL 247.660), as amended by 2007 PA 210.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. (1) A fund to be known as the Michigan transportation
2 fund is established ~~and shall be set up and maintained~~ in the state
3 treasury as a separate fund. Money received and collected under the
4 motor fuel tax act, 2000 PA 403, MCL 207.1001 to 207.1170, except a
5 license fee provided in that act, and a tax, fee, license, and
6 other money received and collected under sections 801 to 810 of the
7 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, except
8 a truck safety fund fee ~~provided in~~ **UNDER** section 801(1)(k) of the
9 Michigan vehicle code, 1949 PA 300, MCL 257.801, and money received
10 under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43,
11 shall be deposited in the state treasury to the credit of the
12 Michigan transportation fund. In addition, income or profit derived
13 from the investment of money in the Michigan transportation fund
14 shall be deposited in the Michigan transportation fund. Except as
15 provided in this act, no other money, whether appropriated from the

1 general fund of this state or any other source, shall be deposited
2 in the Michigan transportation fund. Except as otherwise provided
3 in this section, the legislature shall appropriate ~~funds~~ **MONEY** for
4 the necessary expenses incurred in the administration and
5 enforcement of the motor fuel tax act, 2000 PA 403, MCL 207.1001 to
6 207.1170, the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43,
7 and sections 801 to 810 of the Michigan vehicle code, 1949 PA 300,
8 MCL 257.801 to 257.810. ~~Funds~~ **MONEY** appropriated for necessary
9 expenses shall be based upon established cost allocation
10 methodology that reflects actual costs. Appropriations for the
11 necessary expenses incurred by the department of state in
12 administration and enforcement of sections 801 to 810 of the
13 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall
14 be made from the Michigan transportation fund and from ~~funds~~ **MONEY**
15 in the transportation administration collection fund created in
16 section 810b of the Michigan vehicle code, 1949 PA 300, MCL
17 257.810b. Appropriations from the Michigan transportation fund for
18 the necessary expenses incurred by **THE** department of state in
19 administration and enforcement of sections 801 to 810 of the
20 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall
21 not exceed \$20,000,000.00 per state fiscal year. ~~except for the~~
22 ~~fiscal year ending September 30, 2006. For the fiscal year ending~~
23 ~~September 30, 2006, the legislature may appropriate funds in excess~~
24 ~~of \$20,000,000.00 from the Michigan transportation fund for all~~
25 ~~incremental additional expenses incurred by the department of state~~
26 ~~in enforcing sections 801 to 810 of the Michigan vehicle code, 1949~~
27 ~~PA 300, MCL 257.801 to 257.810, that arise because of the~~

~~replacement of standard design registration license plates as provided in section 224 of the Michigan vehicle code, 1949 PA 300, MCL 257.224. All money in the Michigan transportation fund is apportioned and appropriated in the following manner:~~

(a) Not more than \$3,000,000.00 as may be annually appropriated each fiscal year to the state trunk line fund for subsequent deposit in the rail grade crossing account.

(b) Not less than \$3,000,000.00 each year to the local bridge fund established in subsection ~~(5)~~ **(4)** for the purpose of payment of the principal, interest, and redemption premium on any notes or bonds issued by the state transportation commission under former section 11b or subsection ~~(10)~~ **(9)**.

~~(c) Revenue from 3 cents of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008 5% OF THE REVENUE FROM THE ADDITIONAL 2% SALES TAX AND USE TAX DEDICATED EXCLUSIVELY FOR TRANSPORTATION PURPOSES UNDER SECTION 8 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963, to the state trunk line fund, county road commissions, and cities and villages in the percentages provided in subdivision (i).~~ **(K)**.

~~(d) Until September 30, 2004, all of the revenue from 1 cent of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, to the state trunk line fund for repair of state bridges under section 11. Beginning October 1, 2004 and continuing through September 30, 2005, 3/4 of the revenue from 1 cent of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, shall be appropriated to the state trunk line fund for the repair of state bridges under section 11,~~

~~and 1/4 of the revenue from 1 cent of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, shall be appropriated to the local bridge fund created in subsection (5) for distribution only to cities, villages, and county road commissions. Beginning October 1, 2005, 1/2 of the revenue from 1 cent of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, ONE PERCENT OF THE REVENUE FROM THE ADDITIONAL 2% SALES TAX AND USE TAX DEDICATED EXCLUSIVELY FOR TRANSPORTATION PURPOSES UNDER SECTION 8 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 shall be appropriated to the state trunk line fund for the repair of state bridges under section 11, and 1/2 of the revenue from 1 cent of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, 1% OF THE REVENUE FROM THE ADDITIONAL 2% SALES TAX AND USE TAX DEDICATED EXCLUSIVELY FOR TRANSPORTATION PURPOSES UNDER SECTION 8 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 shall be appropriated to the local bridge fund created in subsection (5) (4) for distribution only to cities, villages, and county road commissions.~~

(e) \$43,000,000.00 to the state trunk line fund for debt service costs on state of Michigan projects.

(f) ~~Except as provided in subsection (4), 10% to the comprehensive transportation fund for the purposes described in section 10e.~~

(g) \$5,000,000.00 to the local bridge fund established in subsection (5) (4) for distribution only to the local bridge advisory board, the regional bridge councils, cities, villages, and county road commissions.

(h) \$36,775,000.00 to the state trunk line fund for subsequent deposit in the transportation economic development fund, ~~and, as of September 30, 1997,~~ with first priority for allocation to debt service on bonds issued to fund transportation economic development fund projects. In addition, ~~beginning October 1, 1997,~~ \$3,500,000.00 is appropriated from the Michigan transportation fund to the state trunk line fund for subsequent deposit in the transportation economic development fund to be used for economic development road projects in any of the targeted industries described in section 9(1)(a) of 1987 PA 231, MCL 247.909.

(i) Not less than \$33,000,000.00 as may be annually appropriated each fiscal year to the local program fund created in section 11e.

(J) \$170,000,000.00 TO THE CAPITAL IMPROVEMENT FUND CREATED IN SUBSECTION (14).

(K) ~~(j)~~ The balance of the Michigan transportation fund as follows, after deduction of the amounts appropriated in subdivisions (a) through ~~(i) and section 11b:~~ **(J)**:

(i) 39.1% to the state trunk line fund for the purposes described in section 11.

(ii) 39.1% to the county road commissions of ~~the~~ **THIS** state.

(iii) 21.8% to the cities and villages of ~~the~~ **THIS** state.

(2) The money appropriated pursuant to this section shall be used for the purposes as provided in this act and any other applicable act. Subject to ~~the requirements of~~ section 9b, the department shall develop programs in conjunction with the Michigan state chamber of commerce and the Michigan minority business

development council to assist small businesses, including those located in enterprise zones and those located in empowerment zones as determined under federal law, as defined by law in becoming qualified to bid.

(3) Thirty-one and one-half percent of the funds appropriated to this state from the federal government pursuant to ~~23 USC 157,~~
~~commonly~~ **THE MOVING AHEAD FOR PROGRESS IN THE 21ST CENTURY ACT,**
PUBLIC LAW 112-141, FORMERLY known as minimum guarantee funds, shall be allocated to the transportation economic development fund, if such an allocation is consistent with federal law. ~~These funds~~
THIS MONEY shall be distributed ~~16 1/2%~~ **16.5%** for development projects for rural counties as defined by law and 15% for capacity improvement or advanced traffic management systems in urban counties as defined by law. Federal ~~funds~~ **MONEY** allocated for distribution under this section shall be eligible for obligation and use by all recipients as defined by the transportation equity act for the 21st century, Public Law 105-178.

~~—— (4) For the fiscal year beginning October 1, 2003 only, the apportionment of 10% of Michigan transportation fund money to the comprehensive transportation fund as provided in subsection (1)(f) shall be reduced by \$10,000,000.00 and the \$10,000,000.00 shall be transferred to the state trunk line fund for capacity improvements to state trunk line highways.~~

(4) ~~(5)~~ A fund to be known as the local bridge fund is established and is set up and maintained in the state treasury as a separate fund. The money appropriated to the local bridge fund and the interest accruing to that fund shall be expended for the local

1 bridge program. The purpose of the fund is to provide financial
2 assistance to highway authorities for the preservation,
3 improvement, or reconstruction of existing bridges or for the
4 construction of bridges to replace existing bridges in whole or
5 part. The money in the local bridge fund is not subject to section
6 12(15) or 13(5). The local bridge advisory board is created and
7 shall consist of 6 voting members appointed by the state
8 transportation commission and 2 nonvoting members appointed by the
9 ~~state transportation department~~. The board shall include 3 members
10 from the county road association of Michigan, 1 member who
11 represents counties with populations 65,000 or greater, 1 member
12 who represents counties with populations greater than 30,000 and
13 less than 65,000, and 1 member who represents counties with
14 populations of 30,000 or less. Three members shall be appointed
15 from the Michigan municipal league, 1 member who represents cities
16 with a population 75,000 or greater, 1 member who represents cities
17 with a population less than 75,000, and 1 member who represents
18 villages. Each organization with voting rights shall submit a list
19 of nominees in each population category to the state transportation
20 commission. The state transportation commission shall make the
21 appointments from the lists submitted under this subsection. ~~Names~~
22 ~~shall be submitted within 45 days after October 1, 2004. The state~~
23 ~~transportation commission shall make the appointments by January~~
24 ~~30, 2005.~~ Voting members shall be appointed for 2 years. The
25 chairperson of the board shall be selected from among the voting
26 members of the board. In addition to the 2 nonvoting members, the
27 department shall provide qualified administrative staff and

1 qualified technical assistance to the board.

2 (5) ~~(6) Beginning October 1, 2005, no~~ **NO** less than 5% and no
3 more than 15% of the ~~funds~~ **MONEY** received in the local bridge fund
4 may be used for critical repair of large bridges and emergencies as
5 determined by the local bridge advisory board. ~~Beginning October 1,~~
6 ~~2005, funds~~ **MONEY** remaining after the ~~funds~~ **MONEY** allocated for
7 critical large bridge repair and emergencies ~~are~~ **IS** deducted shall
8 be distributed by the board to the regional bridge councils created
9 under this section. One regional council shall be formed for each
10 department of transportation region as those regions exist on
11 October 1, 2004. The regional councils shall consist of 2 members
12 of the county road association of Michigan from counties in the
13 region, 2 members of the Michigan municipal league from cities and
14 villages in the region, and 1 member of the ~~state transportation~~
15 department in each region. The members of the ~~state transportation~~
16 department shall be nonvoting members who shall provide qualified
17 administrative staff and qualified technical assistance to the
18 regional councils.

19 (6) ~~(7) Beginning October 1, 2005, funds~~ **MONEY** in the local
20 bridge fund after deduction of the amounts set aside for critical
21 repair of large bridges and emergency repairs shall be distributed
22 among the regional bridge councils according to all of the
23 following ratios, which shall be assigned a weight expressed as a
24 percentage as determined by the board, with each ratio receiving no
25 greater than a 50% weight and no less than a 25% weight:

26 (a) A ratio with a numerator that is the total number of local
27 bridges in the region and a denominator that is the total number of

1 local bridges in this state.

2 (b) A ratio with a numerator that is the total local bridge
3 deck area in the region and a denominator that is the total local
4 bridge deck area in this state.

5 (c) A ratio with a numerator that is the total amount of
6 structurally deficient local bridge deck area in the region and a
7 denominator that is the total amount of structurally deficient
8 local bridge deck area in this state.

9 (7) ~~(8) Beginning October 1, 2005, the~~ **THE** regional bridge
10 councils shall allocate the funds received from the board for the
11 preservation, improvement, and reconstruction of existing bridges
12 or for the construction of bridges to replace existing bridges in
13 whole or in part in each region.

14 (8) ~~(9) Beginning~~ **IN** January 1, 2007 and ~~OF~~ each January after
15 2007, **YEAR**, the department shall submit a report to the chair and
16 the minority vice-chair of the appropriations committees of the
17 senate and the house of representatives, and to the standing
18 committees on transportation of the senate and the house of
19 representatives, on all of the following activities for the
20 previous state fiscal year:

21 (a) A listing of how much money was dedicated for emergency
22 and large bridge repair.

23 (b) A listing of what emergency and large bridge repair
24 projects were funded.

25 (c) The actual weights used in the calculation required under
26 subsection ~~(7)~~ **(6)**.

27 (d) A listing of the total money distributed to each region.

1 (e) A listing of what specific projects were funded pursuant
2 to subsection ~~(8)~~-(7).

3 (9) ~~(10)~~-The state transportation commission shall borrow
4 money and issue notes or bonds in an amount of not less than
5 \$30,000,000.00 to supplement the funding provided for the local
6 bridge program under subsection ~~(6)~~-(5). The bonds or notes issued
7 pursuant to this subsection may be issued by the commission for any
8 purpose for which other local bridge funds may be used under this
9 section. The bonds or notes authorized by this subsection shall be
10 issued by resolution of the state transportation commission
11 consistent with the requirements of section 18b.

12 (10) ~~(11)~~-The ~~state transportation~~ department shall promulgate
13 rules pursuant to the administrative procedures act of 1969, 1969
14 PA 306, MCL 24.201 to 24.328, governing the administration of the
15 local bridge program. The rules shall set forth the eligibility
16 criteria for financial assistance under the program and other
17 matters related to the program that the department considers
18 necessary and desirable. The department shall take into
19 consideration the availability of federal aid and other financial
20 resources of the highway authority responsible for the bridge, the
21 importance of the bridge to the highway, road, or street network,
22 and the condition of the existing bridge.

23 (11) ~~(12) Beginning October 1, 2004, the~~ **THE** revenue
24 appropriated to the local bridge fund pursuant to subsection (1)(d)
25 shall be distributed only to the local bridge advisory board, the
26 regional bridge councils, cities, villages, and county road
27 commissions.

1 (12) ~~(13) Beginning October 1, 2008, the~~ **THE** regional bridge
 2 councils shall determine what bridge projects are selected for
 3 funding from the local bridge fund created in subsection ~~(5)~~ **(4)**
 4 and shall make a list of selected projects available to interested
 5 parties in the region. A determination that a bridge project is
 6 selected for funding in a given fiscal year is not approval to
 7 disburse the ~~funds~~ **MONEY**.

8 (13) ~~(14) Beginning October 1, 2008, a~~ **A** county road
 9 commission, city, or village may implement a bridge project if the
 10 bridge project has been selected for funding and is included in the
 11 appropriate regional bridge council's current multiyear bridge plan
 12 for the local bridge program but the regional bridge council has
 13 not allocated ~~funds~~ **MONEY** to the bridge project for the fiscal year
 14 that the bridge project is on the current multiyear bridge plan. A
 15 county road commission, city, or village may borrow ~~funds~~ **MONEY** to
 16 implement a project that has been selected for funding and is
 17 included in the appropriate regional bridge council's current
 18 multiyear bridge plan but has not been allocated ~~funds~~ **MONEY** by the
 19 regional bridge council. Based on available local bridge ~~funds~~,
 20 **MONEY**, when a bridge project that was implemented with borrowed
 21 ~~funds~~ **MONEY** is allocated ~~funding~~ **MONEY** in a subsequent fiscal year,
 22 the ~~funding~~ **MONEY** shall only be used to repay the amount approved
 23 by the multiyear bridge plan when the ~~funds were~~ **MONEY WAS**
 24 borrowed. To be eligible for repayment of the amount borrowed, a
 25 bridge project that has been implemented with borrowed ~~funds~~ **MONEY**
 26 shall be administered through the department's local bridge
 27 program.

1 (14) A FUND TO BE KNOWN AS THE CAPITAL IMPROVEMENT FUND IS
2 ESTABLISHED IN THE STATE TREASURY AS A SEPARATE FUND. MONEY
3 APPROPRIATED TO THE CAPITAL IMPROVEMENT FUND AND THE INTEREST
4 ACCRUING TO THAT FUND SHALL BE EXPENDED ONLY FOR THE CAPITAL
5 IMPROVEMENT PROJECTS LISTED IN THIS SUBSECTION AND SHALL NOT BE
6 EXPENDED FOR MAINTENANCE, ROUTINE MAINTENANCE, OR PREVENTIVE
7 MAINTENANCE. MONEY IN THE CAPITAL IMPROVEMENT FUND SHALL BE USED BY
8 THE DEPARTMENT FOR THE FOLLOWING CAPITAL IMPROVEMENT PROJECTS:

9 (A) CONSTRUCTION OF NEW HIGHWAYS, ROADS, STREETS, OR BRIDGES.

10 (B) A PROJECT THAT INCREASES THE CAPACITY OF A HIGHWAY
11 FACILITY TO ACCOMMODATE TRAFFIC THAT HAS NEITHER AN ORIGIN NOR A
12 DESTINATION WITHIN THE LOCAL AREA.

13 (C) WIDENING OF A LANE BY 1 LANE WIDTH OR MORE.

14 (D) ADDING TURN LANES LONGER THAN 1/2 MILE IN LENGTH.

15 (E) PROJECTS INVOLVING RECONSTRUCTION OR REHABILITATION.

16 Enacting section 1. This amendatory act does not take effect
17 unless Senate Joint Resolution J

18 of the 97th Legislature becomes a part of
19 the state constitution of 1963 as provided in section 1 of article
20 XII of the state constitution of 1963.