

SENATE BILL No. 281

March 20, 2013, Introduced by Senator GREEN and referred to the Committee on Transportation.

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, and by adding section 11g.

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 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

1 provided in this act, no other money, whether appropriated from the
2 general fund of this state or any other source, shall be deposited
3 in the Michigan transportation fund. Except as otherwise provided
4 in this section, the legislature shall appropriate ~~funds~~ **MONEY** for
5 the necessary expenses incurred in the administration and
6 enforcement of the motor fuel tax act, 2000 PA 403, MCL 207.1001 to
7 207.1170, the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43,
8 and sections 801 to 810 of the Michigan vehicle code, 1949 PA 300,
9 MCL 257.801 to 257.810. ~~Funds~~ **MONEY** appropriated for necessary
10 expenses shall be based upon established cost allocation
11 methodology that reflects actual costs. Appropriations for the
12 necessary expenses incurred by the department of state in
13 administration and enforcement of sections 801 to 810 of the
14 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall
15 be made from the Michigan transportation fund and from ~~funds~~ **MONEY**
16 in the transportation administration collection fund created in
17 section 810b of the Michigan vehicle code, 1949 PA 300, MCL
18 257.810b. Appropriations from the Michigan transportation fund for
19 the necessary expenses incurred by department of state in
20 administration and enforcement of sections 801 to 810 of the
21 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall
22 not exceed \$20,000,000.00 per state fiscal year. ~~except for the~~
23 ~~fiscal year ending September 30, 2006. For the fiscal year ending~~
24 ~~September 30, 2006, the legislature may appropriate funds in excess~~
25 ~~of \$20,000,000.00 from the Michigan transportation fund for all~~
26 ~~incremental additional expenses incurred by the department of state~~
27 ~~in enforcing sections 801 to 810 of the Michigan vehicle code, 1949~~

~~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, to the **MOVABLE BRIDGE FUND CREATED IN SECTION 11G, WITH THE REMAINDER TO THE** state trunk line fund, county road commissions, and cities and villages in the percentages provided in subdivision ~~(i)~~ **(J)**.

~~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~~

1 ~~8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, shall~~
2 ~~be appropriated to the local bridge fund created in subsection (5)~~
3 ~~for distribution only to cities, villages, and county road~~
4 ~~commissions. Beginning October 1, 2005, 1/2 ONE-HALF~~ of the revenue
5 from 1 cent of the tax levied under section 8(1)(a) of the motor
6 fuel tax act, 2000 PA 403, MCL 207.1008, ~~shall be~~ **IS** appropriated
7 to the state trunk line fund for the repair of state bridges under
8 section 11, and 1/2 of the revenue from 1 cent of the tax levied
9 under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL
10 207.1008, ~~shall be~~ **IS** appropriated to the local bridge fund created
11 in subsection ~~(5)~~ **(4)** for distribution only to cities, villages,
12 and county road commissions.

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

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

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

22 (h) \$36,775,000.00 to the state trunk line fund for subsequent
23 deposit in the transportation economic development fund, ~~and, as of~~
24 ~~September 30, 1997,~~ with first priority for allocation to debt
25 service on bonds issued to fund transportation economic development
26 fund projects. In addition, ~~beginning October 1, 1997,~~
27 \$3,500,000.00 is appropriated from the Michigan transportation fund

1 to the state trunk line fund for subsequent deposit in the
2 transportation economic development fund to be used for economic
3 development road projects in any of the targeted industries
4 described in section 9(1)(a) of 1987 PA 231, MCL 247.909.

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

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

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

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

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

15 (2) The money appropriated pursuant to this section shall be
16 used for the purposes as provided in this act and any other
17 applicable act. Subject to ~~the requirements of~~ section 9b, the
18 department shall develop programs in conjunction with the Michigan
19 state chamber of commerce and the Michigan minority business
20 development council to assist small businesses, including those
21 located in enterprise zones and those located in empowerment zones
22 as determined under federal law, as defined by law in becoming
23 qualified to bid.

24 (3) Thirty-one and one-half percent of the ~~funds~~**MONEY**
25 appropriated to this state from the federal government pursuant to
26 23 USC 157, commonly known as minimum guarantee funds, shall be
27 allocated to the transportation economic development fund, if ~~such~~

1 ~~an~~ **THE** allocation is consistent with federal law. ~~These funds~~ **THIS**
 2 **MONEY** shall be distributed 16-1/2% for development projects for
 3 rural counties as defined by law and 15% for capacity improvement
 4 or advanced traffic management systems in urban counties as defined
 5 by law. Federal ~~funds~~ **MONEY** allocated for distribution under this
 6 section ~~shall be~~ **IS** eligible for obligation and use by all
 7 recipients as defined by the transportation equity act for the 21st
 8 century, Public Law 105-178.

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

15 (4) ~~(5)~~ A fund to be known as the local bridge fund is
 16 established ~~and is set up and maintained~~ in the state treasury as a
 17 separate fund. The money appropriated to the local bridge fund and
 18 the interest accruing to that fund shall be expended for the local
 19 bridge program. The purpose of the fund is to provide financial
 20 assistance to highway authorities for the preservation,
 21 improvement, or reconstruction of existing bridges or for the
 22 construction of bridges to replace existing bridges in whole or
 23 part. The money in the local bridge fund is not subject to section
 24 12(15) or 13(5). The local bridge advisory board is created and
 25 shall consist of 6 voting members appointed by the state
 26 transportation commission and 2 nonvoting members appointed by the
 27 ~~state transportation department~~. The board shall include 3 members

1 from the county road association of Michigan, 1 member who
 2 represents counties with populations 65,000 or greater, 1 member
 3 who represents counties with populations greater than 30,000 and
 4 less than 65,000, and 1 member who represents counties with
 5 populations of 30,000 or less. Three members shall be appointed
 6 from the Michigan municipal league, 1 member who represents cities
 7 with a population 75,000 or greater, 1 member who represents cities
 8 with a population less than 75,000, and 1 member who represents
 9 villages. Each organization with voting rights shall submit a list
 10 of nominees in each population category to the state transportation
 11 commission. The state transportation commission shall make the
 12 appointments from the lists submitted under this subsection. ~~Names~~
 13 ~~shall be submitted within 45 days after October 1, 2004. The state~~
 14 ~~transportation commission shall make the appointments by January~~
 15 ~~30, 2005.~~ Voting members shall be appointed for 2 years. The
 16 chairperson of the board shall be selected from among the voting
 17 members of the board. In addition to the 2 nonvoting members, the
 18 department shall provide qualified administrative staff and
 19 qualified technical assistance to the board.

20 (5) ~~(6) Beginning October 1, 2005, no~~ **NO** less than 5% and no
 21 more than 15% of the ~~funds~~ **MONEY** received in the local bridge fund
 22 may be used for critical repair of large bridges and emergencies as
 23 determined by the local bridge advisory board. ~~Beginning October 1,~~
 24 ~~2005, funds~~ **MONEY** remaining after the ~~funds~~ **MONEY** allocated for
 25 critical large bridge repair and emergencies ~~are~~ **IS** deducted shall
 26 be distributed by the board to the regional bridge councils created
 27 under this section. One regional council shall be formed for each

1 department of transportation region as those regions exist on
2 October 1, 2004. The regional councils shall consist of 2 members
3 of the county road association of Michigan from counties in the
4 region, 2 members of the Michigan municipal league from cities and
5 villages in the region, and 1 member of the ~~state transportation~~
6 department in each region. The members of the ~~state transportation~~
7 department ~~shall be~~ **ARE** nonvoting members who shall provide
8 qualified administrative staff and qualified technical assistance
9 to the regional councils.

10 (6) ~~(7) Beginning October 1, 2005, funds~~ **MONEY** in the local
11 bridge fund after deduction of the amounts set aside for critical
12 repair of large bridges and emergency repairs shall be distributed
13 among the regional bridge councils according to all of the
14 following ratios, which shall be assigned a weight expressed as a
15 percentage as determined by the board, with each ratio receiving no
16 greater than a 50% weight and no less than a 25% weight:

17 (a) A ratio with a numerator that is the total number of local
18 bridges in the region and a denominator that is the total number of
19 local bridges in this state.

20 (b) A ratio with a numerator that is the total local bridge
21 deck area in the region and a denominator that is the total local
22 bridge deck area in this state.

23 (c) A ratio with a numerator that is the total amount of
24 structurally deficient local bridge deck area in the region and a
25 denominator that is the total amount of structurally deficient
26 local bridge deck area in this state.

27 (7) ~~(8) Beginning October 1, 2005, the~~ **THE** regional bridge

1 councils shall allocate the ~~funds~~**MONEY** received from the board for
2 the preservation, improvement, and reconstruction of existing
3 bridges or for the construction of bridges to replace existing
4 bridges in whole or in part in each region.

5 (8) ~~(9) Beginning January 1, 2007 and each~~**EACH** January, after
6 ~~2007,~~the department shall submit a report to the chair and the
7 minority vice-chair of the appropriations committees of the senate
8 and the house of representatives, and to the standing committees on
9 transportation of the senate and the house of representatives, on
10 all of the following activities for the previous state fiscal year:

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

13 (b) A listing of ~~what~~**THE** emergency and large bridge repair
14 projects **THAT** were funded.

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

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

18 (e) A listing of ~~what~~**THE** specific projects **THAT** were funded
19 pursuant to subsection ~~(8)~~**(7)**.

20 (9) ~~(10)~~The state transportation commission shall borrow
21 money and issue notes or bonds in an amount of not less than
22 \$30,000,000.00 to supplement the funding provided for the local
23 bridge program under subsection ~~(6)~~**(5)**. The bonds or notes issued
24 pursuant to this subsection may be issued by the commission for any
25 purpose for which other local bridge ~~funds~~**MONEY** may be used under
26 this section. The bonds or notes authorized by this subsection
27 shall be issued by resolution of the state transportation

1 commission consistent with the requirements of section 18b.

2 (10) ~~(11) The state transportation department shall promulgate~~
3 rules pursuant to the administrative procedures act of 1969, 1969
4 PA 306, MCL 24.201 to 24.328, governing the administration of the
5 local bridge program. The rules shall set forth the eligibility
6 criteria for financial assistance under the program and other
7 matters related to the program that the department considers
8 necessary and desirable. The department shall take into
9 consideration the availability of federal aid and other financial
10 resources of the highway authority responsible for the bridge, the
11 importance of the bridge to the highway, road, or street network,
12 and the condition of the existing bridge.

13 (11) ~~(12) Beginning October 1, 2004, the revenue~~ **THE MONEY**
14 appropriated to the local bridge fund pursuant to subsection (1)(d)
15 shall be distributed only to the local bridge advisory board, the
16 regional bridge councils, cities, villages, and county road
17 commissions.

18 (12) ~~(13) Beginning October 1, 2008, the~~ **THE** regional bridge
19 councils shall determine ~~what~~ **THE** bridge projects **THAT** are selected
20 for funding from the local bridge fund created in subsection ~~(5)~~
21 **(4)** and shall make a list of selected projects available to
22 interested parties in the region. A determination that a bridge
23 project is selected for funding in a given fiscal year is not
24 approval to disburse the ~~funds~~ **MONEY**.

25 (13) ~~(14) Beginning October 1, 2008, a~~ **A** county road
26 commission, city, or village may implement a bridge project if the
27 bridge project has been selected for funding and is included in the

1 appropriate regional bridge council's current multiyear bridge plan
2 for the local bridge program but the regional bridge council has
3 not allocated ~~funds-MONEY~~ to the bridge project for the fiscal year
4 that the bridge project is on the current multiyear bridge plan. A
5 county road commission, city, or village may borrow ~~funds-MONEY~~ to
6 implement a project that has been selected for funding and is
7 included in the appropriate regional bridge council's current
8 multiyear bridge plan but has not been allocated ~~funds-MONEY~~ by the
9 regional bridge council. Based on available local bridge ~~funds-~~
10 **MONEY**, when a bridge project that was implemented with borrowed
11 ~~funds-MONEY~~ is allocated funding in a subsequent fiscal year, the
12 funding shall only be used to repay the amount approved by the
13 multiyear bridge plan when the ~~funds-were-MONEY WAS~~ borrowed. To be
14 eligible for repayment of the amount borrowed, a bridge project
15 that has been implemented with borrowed ~~funds-MONEY~~ shall be
16 administered through the department's local bridge program.

17 **SEC. 11G. (1) THE MOVABLE BRIDGE FUND IS CREATED IN THE STATE**
18 **TREASURY AS A SEPARATE FUND. THE STATE TREASURER MAY RECEIVE MONEY**
19 **OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE**
20 **STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE**
21 **TREASURER SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND**
22 **INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR**
23 **SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.**
24 **THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE FUND FOR AUDITING**
25 **PURPOSES.**

26 **(2) THE DEPARTMENT SHALL EXPEND MONEY FROM THE MOVABLE BRIDGE**
27 **FUND, UPON APPROPRIATION, ONLY FOR THE PURPOSE OF FUNDING THE**

1 OPERATIONAL COSTS OF ALL PUBLICLY OWNED MOVABLE BRIDGES IN THIS
2 STATE. THE DEPARTMENT SHALL NOT EXPEND MONEY IN THE MOVABLE BRIDGE
3 FUND FOR ROUTINE MAINTENANCE OF A MOVABLE BRIDGE OR SNOW REMOVAL ON
4 A MOVABLE BRIDGE.

5 (3) IF MONEY APPROPRIATED UNDER THIS SECTION IS INSUFFICIENT
6 TO COMPLETELY PAY THE OPERATIONAL COSTS OF ALL PUBLICLY OWNED
7 MOVABLE BRIDGES IN THIS STATE, THE SHORTFALL SHALL BE SPLIT EQUALLY
8 AMONG ALL PUBLICLY OWNED MOVABLE BRIDGES. IF A MOVABLE BRIDGE IS
9 OWNED BY A LOCAL ROAD AGENCY, THE DEPARTMENT SHALL WITHHOLD THE
10 LOCAL ROAD AGENCY'S SHARE OF THE SHORTFALL FROM THE DISTRIBUTION TO
11 THAT LOCAL ROAD AGENCY UNDER SECTION 10(1)(J). IF A MOVABLE BRIDGE
12 IS OWNED BY THIS STATE, THE DEPARTMENT SHALL USE MONEY APPROPRIATED
13 TO THE DEPARTMENT FROM THE STATE TRUNK LINE FUND FOR ROUTINE
14 MAINTENANCE TO FUND ITS SHARE OF THE SHORTFALL.

15 (4) THE DEPARTMENT SHALL DEVELOP PROCEDURES GOVERNING THE
16 OPERATION OF ALL PUBLICLY OWNED MOVABLE BRIDGES IN THIS STATE. IN
17 DEVELOPING PROCEDURES UNDER THIS SUBSECTION, THE DEPARTMENT SHALL
18 NOT TRANSFER JURISDICTION OF ANY LOCAL ROAD OR MOVABLE BRIDGE TO
19 THE DEPARTMENT. THE DEPARTMENT MAY ENTER INTO CONTRACTS FOR THE
20 OPERATION OF ANY PUBLICLY OWNED MOVABLE BRIDGE, OR IT MAY OPERATE
21 ANY PUBLICLY OWNED MOVABLE BRIDGE IN ANY OTHER MANNER.

22 (5) AS USED IN THIS SECTION, "OPERATIONAL COSTS" INCLUDES ALL
23 OF THE FOLLOWING:

24 (A) DAILY OPERATION OF MOVABLE SPANS AND TRAFFIC CONTROL GATES
25 DURING THE NAVIGATION AND OFF-CALL SEASONS.

26 (B) VISUAL INSPECTION OF ALL ELECTRIC, MECHANICAL, AND
27 HYDRAULIC EQUIPMENT.

1 (C) QUALITY ASSURANCE AND QUALITY CONTROL, INCLUDING WEEKLY
2 INSPECTIONS AND OPERATIONAL TESTS.

3 (D) BILLING AND ADMINISTRATIVE COSTS, INCLUDING RECORD
4 KEEPING.

5 (E) MANAGEMENT OF THE DAILY AND ANNUAL OPERATIONS OF A BRIDGE,
6 INCLUDING COMMUNICATION WITH THE UNITED STATES COAST GUARD.

7 (F) OPERATIONAL UTILITY COSTS.

8 (G) DAILY MECHANICAL AND ELECTRICAL MAINTENANCE, INCLUDING
9 LUBRICATION OF MECHANICAL COMPONENTS.

10 (H) TRAINING OF BRIDGE OPERATORS.

11 (I) TOLL COLLECTION.

12 (J) TRAINING IN AND IMPLEMENTATION OF SAFETY PROCEDURES.

13 (K) TRAINING FOR EMERGENCY AND DISASTER PROCEDURES.

14 (L) VESSEL BRIDGE-TO-BRIDGE RADIOTELEPHONE OPERATIONS.

15 (M) PERFORMING SOUND SIGNALS IN ACCORDANCE WITH UNITED STATES
16 COAST GUARD REGULATIONS.

17 (N) FILLING OUT VESSEL, VEHICLE, PEDESTRIAN, AND BICYCLE
18 ACCIDENT REPORTS.

19 (O) CUSTODIAL ACTIVITIES, INCLUDING DAILY CLEANING AND
20 PRESERVATION OF PROPERTY.

21 (P) ANY OTHER COSTS DETERMINED TO BE APPROPRIATE BY THE
22 DEPARTMENT.