



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill HB 5706 (as reported without amendment)
Sponsor: Representative Larry Inman
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

The bill would amend the Michigan Vehicle Code to redirect \$9,423,700 of revenue during fiscal year (FY) 2016-17 from the Transportation Economic Development Fund (TEDF) to the State's General Fund.

Public Act 231 of 1987 created the TEDF to fund government transportation projects related to economic development. Eligible projects must file an application with the State Transportation Commission, and if approved, the TEDF can provide financing for State, local, and joint government projects. Public Act 232 of 1987 increased a variety of driver license fees in order to provide revenue to the TEDF. Once deposited in the TEDF, revenue is directed to various categories, ranging from projects focused on targeted industries to reducing congestion in urban counties to local development projects. In some cases, matching funds are required before a project can be approved.

Revenue has been diverted from the TEDF to the General Fund in previous fiscal years. In FY 1988-89, \$2.5 million of TEDF revenue was transferred to the General Fund. Similarly, \$13.0 million, \$18.0 million, and \$12.0 million were redirected in fiscal years 2007-08, FY 2008-09 and FY 2009-10, respectively.

MCL 257.819

FISCAL IMPACT

The bill would reduce the TEDF by approximately \$9.4 million in FY 2016-17, and increase General Fund revenue by the same amount.

Date Completed: 6-9-16

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