



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill HB 5706 (as passed by the House)  
Sponsor: Representative Larry Inman  
House Committee: Appropriations  
Senate Committee: Appropriations

Date Completed: 6-6-16

**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 was redirected in fiscal years 2007-08, FY 2008-09 and FY 2009-10, respectively.

MCL 257.819

**FISCAL IMPACT**

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

Fiscal Analyst: David Zin

SAS\S1516\s5706sa

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.