

**SUBSTITUTE FOR
HOUSE BILL NO. 4230**

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; to investigate and study the tolling of roads, streets, highways, or bridges; and to repeal acts and parts of acts,"

(MCL 247.651 to 247.675) by adding section 13c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 13c. (1) The neighborhood road fund is created in the**
2 **state treasury.**

3 **(2) Subject to subsection (5), the state treasurer shall**
4 **deposit money and other assets received from any source in the**
5 **fund. The state treasurer shall direct the investment of money in**
6 **the fund and credit interest and earnings from the investments to**
7 **the fund.**

8 **(3) Money in the fund at the close of the fiscal year does not**
9 **lapse to the general fund.**

1 (4) The department is the administrator of the fund for audits
2 of the fund.

3 (5) Beginning with the 2025-2026 state fiscal year through the
4 2029-2030 state fiscal year, \$100,000,000.00 of the money received
5 in the fund each state fiscal year under section 695 of the income
6 tax act of 1967, 1967 PA 281, MCL 206.695, must be deposited and
7 maintained in an account separate from all other money received in
8 the fund. The local bridge advisory board shall expend money from
9 the account described in this subsection on appropriation, only for
10 the repair of closed, restricted, and critical bridges as
11 determined by the local bridge advisory board.

12 (6) The department shall expend the remainder of the money
13 from the fund on appropriation, only to distribute the money to
14 road agencies using the following formula:

15 (a) Road agencies are divided into the following categories:

16 (i) County road commissions.

17 (ii) City and village road agencies.

18 (b) The fund must be allocated to each category of road agency
19 described in subdivision (a) in the same proportion that the
20 mileage under each category of road agency bears to the total
21 combined mileage under both categories of road agency.

22 (c) The portion of the fund allocated to each category of road
23 agency must be distributed to each individual road agency within
24 that category as follows:

25 (i) For county road commissions, as follows:

26 (A) \$100,000.00 must be distributed to each county road
27 commission.

28 (B) The amount remaining after the distribution in sub-
29 subparagraph (A) must be distributed to each county road commission

1 in the same proportion that the mileage under that individual
2 county road commission bears to the total combined mileage under
3 all county road commissions.

4 (ii) For city and village road agencies, in the same proportion
5 that the mileage under that individual city or village road agency
6 bears to the total combined mileage under all city and village road
7 agencies.

8 (7) A county road commission shall use money distributed under
9 this section only for the preservation, maintenance, routine
10 maintenance, and preventative maintenance of the county local road
11 system.

12 (8) Matching funds shall not be required from a local unit of
13 government or county road commission as a condition for the use of
14 money distributed under this section.

15 (9) As used in this section:

16 (a) "Fund" means the neighborhood road fund created in
17 subsection (1).

18 (b) "Mileage" means either of the following:

19 (i) For a county road commission, the number of miles of county
20 urban local roads under the jurisdiction of that county road
21 commission as determined under section 12b.

22 (ii) For a city or village road agency, the number of miles of
23 local roads under the jurisdiction of that city or village road
24 agency.

25 (c) "Preservation", "maintenance", "routine maintenance", and
26 "preventative maintenance" mean those terms as defined in section
27 10c.

28 Enacting section 1. This amendatory act does not take effect
29 unless all of the following bills of the 103rd Legislature are

1 enacted into law:

2 (a) House Bill No. 4180.

3 (b) House Bill No. 4181.

4 (c) House Bill No. 4182.

5 (d) House Bill No. 4183.

6 (e) House Bill No. 4184.

7 (f) House Bill No. 4185.

8 (g) House Bill No. 4186.

9 (h) House Bill No. 4187.