

SENATE BILL NO. 578

September 18, 2025, Introduced by Senator KLINEFELT and referred to 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; to investigate and study the tolling of roads, streets, highways, or bridges; and to repeal acts and parts of acts,"

by amending sections 10a and 11g (MCL 247.660a and 247.661g), section 10a as amended by 1992 PA 137 and section 11g as added by 2016 PA 246.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10a. (1) Annually the ~~state transportation~~ department
 2 shall determine the miles of state trunk line highways, county
 3 primary and local roads, and city and village major and local
 4 streets transferred to and from state, county, city, or village

1 jurisdiction during the preceding period of July 1 to June 30. In
2 each year after that determination, the transferred mileage ~~shall~~
3 **must** be accumulated and added to the mileage transferred in each
4 subsequent July 1 to June 30 period.

5 (2) The current average revenue worth per mile of a county
6 primary road and a county local road ~~shall~~**must** be determined
7 annually by dividing the total county primary and local road
8 mileages respectively as of the first day of the preceding July 1
9 to June 30 period into the total amount of Michigan transportation
10 funds returned to counties pursuant to this act for use on county
11 primary and local roads respectively during that period, except
12 money returned to counties pursuant to section 12(2) and (3).

13 (3) The total amount of money to be transferred from and to
14 the state trunk line fund, the counties, cities, and villages ~~shall~~
15 **must** be determined annually by multiplying the current revenue
16 worth per mile of a county primary road and a county local road
17 respectively by the number of accumulated miles in each category
18 transferred from and to state, county, city, or village
19 jurisdiction. If the transferred facility becomes classified as
20 part of the local road or street system of the receiving
21 jurisdiction, the transfer of money ~~shall~~**must** be calculated on the
22 basis of the revenue worth per mile of a county local road. In any
23 other category of jurisdictional transfer, the transfer of money
24 ~~shall~~**must** be calculated on the basis of the revenue worth per mile
25 of a county primary road.

26 (4) For jurisdictional transfers made from ~~the~~**this** state to a
27 county, city, or village after July 1, 1992, the amount in the
28 state trunk line fund to be transferred ~~shall~~**must** be transferred
29 to the county, city, or village receiving jurisdiction. If the

transferred highway is then classified as part of the local road or street system of the receiving jurisdiction, the transfer of money to the receiving jurisdiction ~~shall~~**must** be calculated on the basis of the revenue worth per mile of a county local road as determined in subsection (2). If the transferred highway is then classified as part of the primary road or major street system of the receiving jurisdiction, the transfer of money to the receiving jurisdiction ~~shall~~**must** be calculated on the basis of the revenue worth per mile of a county primary road as determined in subsection (2). This subsection and subsection (5) ~~shall not be construed to effect~~**do not affect** contracts entered into ~~before or after the effective date of this subsection pursuant to Act No. 166 of the Public Acts of 1965, being sections 408.551 to 408.558 of the Michigan Compiled Laws, for the maintenance of a transferred highway.~~**pursuant to either of the following:**

(a) **Former 1965 PA 166.**

(b) **2023 PA 10, MCL 408.1101 to 408.1126.**

(5) In cities and villages with a population of 25,000 or more, trunk line mileage that is transferred to local jurisdiction after July 1, 1992 and is then classified as a major street ~~shall~~**must** be certified at twice its measured length.

(6) The transfer of ~~funds~~**money** under this section ~~shall~~**must** be included each year in the October appropriation of the Michigan transportation fund.

Sec. 11g. (1) The movable bridge fund is created in the state treasury as a separate fund. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund

1 investments. Money in the fund at the close of the fiscal year
2 ~~shall remain~~ **remains** in the fund and ~~shall~~ **does** not lapse to the
3 general fund. The department ~~shall be~~ **is** the administrator of the
4 fund for ~~auditing purposes~~ **audits of the fund**.

5 (2) The department may enter into a contract with a person or
6 agency that has jurisdiction of a publicly owned movable bridge for
7 the operation of that bridge. A contract entered into under this
8 subsection ~~shall~~ **must** require any contractor hired by the
9 department to operate the bridge to maintain insurance in an amount
10 specified by the department. This subsection does not require the
11 department to assume ownership or jurisdiction of a publicly owned
12 movable bridge as part of a contract described in this subsection.

13 (3) Each person or agency other than the department that owns
14 or has jurisdiction of a publicly owned movable bridge shall submit
15 to the department the operational procedures for that bridge and
16 the operational costs incurred by the person or agency in operating
17 the bridge on an annual basis. The department shall develop
18 procedures to govern the operation of and to determine the
19 operational costs of all publicly owned movable bridges in this
20 state. The department shall annually develop an estimate for the
21 operational cost of each publicly owned movable bridge in this
22 state for each fiscal year. For each publicly owned movable bridge
23 that is owned by or under the jurisdiction of a person or agency
24 other than the department, the department shall use the operational
25 procedures and operational costs submitted by that person or agency
26 under this subsection in developing the procedures and estimates
27 required by this subsection. Using the estimates developed under
28 this subsection, the department shall distribute a percentage of
29 money from the movable bridge fund to each person or agency

1 responsible for the operation of a publicly owned movable bridge.
2 If the department is responsible for the operation of a publicly
3 owned movable bridge, the money distributed under this subsection
4 ~~shall~~**must** be distributed to the department. **Before September 30,**
5 **2029, both of the following apply:**

6 (a) The department shall annually develop an estimate for the
7 cost of local federal bridge load analysis, inspection, or other
8 local federal bridge mandates.

9 (b) If additional money remains in the movable bridge fund in
10 a fiscal year after the distribution required by this subsection
11 for operational costs is made, the department may use that
12 remaining money to cover other costs for any required local federal
13 bridge load analysis, inspection, or other local federal bridge
14 mandate if no other source of funding is available.

15 (4) If the department offers to enter into a contract
16 described in subsection (2) and the owner or agency that has
17 jurisdiction of the bridge declines, the owner or agency ~~shall~~**must**
18 continue to receive the amount of money that it otherwise would
19 have received for the operation of that bridge under this act.

20 (5) As used in this section, "operational costs" includes all
21 reasonable and customary costs associated with the operation of a
22 publicly owned moveable bridge. Operational costs do not include
23 routine maintenance costs, capital improvement costs, or emergency
24 structural, mechanical, electrical, or hydraulic repairs.