

Act No. 219
Public Acts of 1989
Approved by the Governor
December 1, 1989
Filed with the Secretary of State
December 1, 1989

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1989**

Introduced by Senators Binsfeld and Arthurhultz

ENROLLED SENATE BILL No. 660

AN ACT to amend sections 1 and 2 of Act No. 233 of the Public Acts of 1987, entitled "An act to prescribe certain uses of and distributions from the transportation economic development fund and certain federal funds; and to prescribe the powers and duties of the state transportation commission, the state transportation department, and certain other bodies," section 2 as amended by Act No. 250 of the Public Acts of 1988, being sections 247.931 and 247.932 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 1 and 2 of Act No. 233 of the Public Acts of 1987, section 2 as amended by Act No. 250 of the Public Acts of 1988, being sections 247.931 and 247.932 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 1. As used in this act:

(a) "Administrator" means the person appointed by the department, in accordance with the policies of the commission and civil service rules, to serve as director of the office of economic development.

(b) "Commercial forest land" means land defined as commercial forest in Michigan's fourth forest inventory completed in May 1981 and reported by the United States department of agriculture in the resource bulletin NC-68 available from the United States forest service's north central experiment station.

(c) "Commission" means the state transportation commission.

(d) "Department" means the state transportation department.

(e) "Fund" means the transportation economic development fund created as provided by law.

(f) "National lakeshore" means land conveyed by this state to the United States and which the United States has designated as national lakeshore.

- (g) "National park" means land set aside and designated as a national park by the United States.
- (h) "Project" means a transportation road construction or improvement.
- (i) "Qualified county" means a county in which a national lakeshore or a national park is located, or a county in which 34% or more of all the land is commercial forest land.
- (j) "Rural county" means any county in this state with a population of less than 400,000.

Sec. 2. (1) Projects shall be funded under this subsection in the following categories in the following amounts:

(a) The first \$5,000,000.00 of the fund shall be distributed each fiscal year to each qualified county in a percentage amount equal to the same percentage amount that the number of acres of commercial forest, national park, and national lakeshore land that each qualified county bears to the total number of acres of commercial forest, national park, and national lakeshore land in all qualified counties in this state. Revenue distributed under this subdivision shall be used for the construction or reconstruction of roads.

(b) The next \$2,500,000.00 of the fund shall be distributed each fiscal year for county roads and city and village street improvements on the federal aid to urban system in rural counties. The distribution of these funds shall be determined by the administrator in accordance with policies adopted by the commission. However, funds shall not be committed to any project, nor shall any project be authorized for any funds under this subdivision until the commission notifies the senate and house appropriations subcommittees on transportation in the manner provided in section 18k of Act No. 51 of the Public Acts of 1951, being section 247.668k of the Michigan Compiled Laws. Hearings may be conducted to afford interested parties the opportunity to address aspects of the selection process, the final project list, proposed funding, and related issues. If hearings are not conducted by the senate and house appropriations subcommittees on transportation within 60 days after project notification by the commission, the administrator may proceed with project authorization for funding.

(2) Projects may be funded for development within rural counties utilizing not less than 25% of the balance of the transportation economic development fund revenues after deducting the amounts distributed under subsection (1) and not less than 16.5% of any 85% minimum floor funds pursuant to federal law available in any year. These revenues shall be distributed for the improvement of rural primary roads in rural counties and major streets in cities and villages with a population of 5,000 or less. Projects funded under this subsection shall be limited to upgrading rural primary roads and major streets to create an all-season road network. Funds distributed under this subsection shall be allocated by the commission to the regional rural primary task force areas in the same proportion that the rural primary mileage of the regional rural primary task force area bears to the total rural primary mileage of all counties. Each rural county shall be credited with an allocation in the proportion that the county's rural primary mileage is to the total rural primary mileage of those rural counties within the same regional rural primary task force area.

(3) Matching funds of not less than 25% of the total eligible costs of a project shall be required for those projects authorized in subsection (2). This requirement may be set aside in the case of extreme economic hardship for projects authorized in subsection (2) in the local unit in which the project is located in accordance with the adopted policies of the commission.

(4) The regional rural primary task force which represents each county shall make recommendations to the commission and the administrator for funding projects under subsection (2) within their respective regions. If any county fails to submit sufficient qualified projects to obligate its allocation after 3 consecutive years, those funds shall be reallocated to the remaining counties in the same regional rural primary task force area. The regional rural primary task force areas shall coincide with the boundaries of the 14 state planning and development regions. In a regional rural primary task force area that is composed of 5 or more counties, subtask forces of 2 or more of the counties may be formed with the approval of the primary task force.

(5) The regional rural primary task force shall be composed of a representative of each county road commission within the regional area plus an equal number of representatives from incorporated cities and villages with a population of 5,000 or less within the regional area, and a representative selected by the administrator. The regional rural primary task force shall select the projects for submission to the administrator for funding under subsection (2) as follows:

(a) Projects shall be on the federal aid secondary system unless otherwise waived by the regional rural primary task force.

(b) Projects shall be on existing hard surface roads unless otherwise waived by the regional rural primary task force.

(c) Construction shall be to all-season standards.

(d) These funds shall be used for physical construction only and shall not include costs of right-of-way acquisition and engineering.

(6) The programs and projects authorized in subsection (2) shall be administered in a similar manner as the current local federal aid secondary program and in accordance with the adopted policies of the commission.

(7) The department shall be the contracting agent for all projects to be funded under this act. The department shall award contracts in accordance with the adopted policies of the commission.

This act is ordered to take immediate effect.

.....
Secretary of the Senate.

.....
Clerk of the House of Representatives.

Approved.....

.....
Governor.