

# HOUSE BILL No. 5314

November 30, 1989, Introduced by Reps. Palamara, Hertel, Stupak, DeBeaussaert, Kosteva, Pitoniak, Porreca, Barns, Ouwinga, DeLange, Muxlow, Runco, DeMars and Jacobetti and referred to the Committee on Transportation.

A bill to amend section 104 of Act No. 51 of the Public Acts of 1951, entitled as amended

"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 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 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, critical bridge fund, and comprehensive transportation fund; to provide for the deposits in the state trunk line fund, critical

bridge fund, and comprehensive transportation fund 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; and to repeal certain acts and parts of acts,"

as amended by Act No. 234 of the Public Acts of 1987, being section 247.6604 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Section 104 of Act No. 51 of the Public Acts of  
2 1951, as amended by Act No. 234 of the Public Acts of 1987, being  
3 section 247.6604 of the Michigan Compiled Laws, is amended to  
4 read as follows:

5 Sec. 104. (1) For each 12-month period beginning October 1,  
6 1987, and each 12-month period thereafter, \$2,000,000.00 shall be  
7 returned from the distribution under section 10e (4)(a) by each  
8 multicounty authority created under the metropolitan transporta-  
9 tion authorities act of 1967, Act No. 204 of the Public Acts of  
10 1967, being sections 124.401 to ~~124.425~~ 124.426 of the Michigan  
11 Compiled Laws, in terms of a credit to those cities, villages,  
12 and townships ~~within each transportation district of the author-~~  
13 ~~ity created under section 16a of Act No. 204 of the Public Acts~~  
14 ~~of 1967, being section 124.416a of the Michigan Compiled Laws,~~  
15 ~~which~~ THAT apply to the authority for the credit in accordance

1 with procedures and standards established by the authority,  
2 except as provided by subsections (2) and (3). The return of  
3 money in terms of a credit shall be based upon the population of  
4 each city, village, or township within the authority.

5 (2) For each 12-month period described in subsection (1), a  
6 city, village, or township described in subsection (1) may apply  
7 to the authority to use its credit for public transportation pur-  
8 poses within the authority's jurisdiction. ~~However, the~~ THE  
9 money returned in terms of a credit to any city, village, or  
10 township which provides public transportation service for that  
11 city, village, or township shall be used ~~exclusively toward~~  
12 ~~reducing the operating deficit of that service. Moreover, any~~  
13 FOR PUBLIC TRANSPORTATION OPERATING PURPOSES OR CAPITAL PURPOSES,  
14 OR BOTH. ANY service provided by the city, township, or village  
15 utilizing the credit received pursuant to this section shall be  
16 operated ~~by~~ PURSUANT TO A CONTRACTUAL AGREEMENT BETWEEN the  
17 authority ~~returning the money in terms of a credit on a contrac-~~  
18 ~~tual basis with~~ AND each city, village, or township or ~~with a~~  
19 combination of cities, villages, and townships. If a city, town-  
20 ship, or village has not applied to the authority to utilize its  
21 credit pursuant to this subsection by the last day of the  
22 12-month period, that municipality's share of the money credited  
23 pursuant to subsection (1) shall be used by the authority for an  
24 expenditure within the county within which the city, village, or  
25 township lies.

26 (3) A city, village, or township which has applied for and  
27 received approval from the authority for use of its credit

1 pursuant to subsection (2) shall have 1 year after the end of the  
2 period in which the application was made to actually expend that  
3 credit. A credit not actually expended by the city, village, or  
4 township by the last day of the year after the end of the period  
5 in which the application was made shall be used by the authority  
6 for an expenditure within the county within which the city, vil-  
7 lage, or township lies.

8       (4) Notwithstanding any other section of this or any other  
9 act, each authority authorized by this section to return money in  
10 terms of a credit shall have the final decision as to what con-  
11 stitutes a proper expenditure, a public transportation service,  
12 or a public transportation purpose under subsections (2) and  
13 (3).

14       (5) The expenditure of the amounts required to be expended  
15 under subsections (2) and (3) shall not be conditioned on an  
16 expenditure by a county in which the expenditure is required to  
17 be expended.

18       (6) The authority shall retain the ability to coordinate  
19 services between contracting cities, villages, and townships or  
20 groups of cities, villages, or townships.

21       ~~(7) As used in this section, "operating deficit" means the~~  
22 ~~operating cost of a public transportation service less the reve-~~  
23 ~~ues generated by the service.~~