

# SENATE BILL No. 690

November 28, 1989, Introduced by Senators CROPSEY, BARCIA, WELBORN, SHINKLE and POSTHUMUS and referred to the Committee on Local Government and Veterans.

A bill to amend sections 12 and 19 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,"

section 12 as amended by Act No. 234 of the Public Acts of 1987, being sections 247.662 and 247.669 of the Michigan Compiled Laws.

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

1       Section 1. Sections 12 and 19 of Act No. 51 of the Public  
2 Acts of 1951, section 12 as amended by Act No. 234 of the Public  
3 Acts of 1987, being sections 247.662 and 247.669 of the Michigan  
4 Compiled Laws, are amended to read as follows:

5       Sec. 12. (1) The amount distributed to the county road com-  
6 missions shall be returned to the county treasurers in the  
7 manner, for the purposes, and under the terms and conditions  
8 specified in this section.

9       (2) Each county road commission shall be reimbursed in an  
10 amount up to \$10,000.00 per year for the sum paid to a licensed  
11 professional engineer employed or retained by the county road  
12 commission in the previous year. The sum shall be returned to  
13 each county road commission certified by the state transportation

1 department as complying with this subsection regarding the  
2 employment of an engineer.

3 (3) An amount equal to 1% of the total amount returned to  
4 the county road commissions from the Michigan transportation fund  
5 during the prior calendar year shall be withheld annually from  
6 the counties' November monthly distribution provided for in sec-  
7 tion 17, and the amount shall be returned to the county road com-  
8 missions for snow removal purposes as provided in section 12a.

9 (4) An amount equal to 10% of the total amount returned to  
10 the county road commissions from the Michigan transportation fund  
11 shall be returned to each county road commission having county  
12 primary, or county local road, or both, mileage in the urban  
13 areas as determined pursuant to section 12b. This sum shall be  
14 distributed pursuant to section 12b. The return shall be in  
15 addition to the amounts provided in subsections (6) and (7) and  
16 for the purposes stated in those subsections.

17 (5) An amount equal to 4% of the total amount returned to  
18 the county road commissions from the Michigan transportation fund  
19 shall be returned to the county road commissions in the same per-  
20 centages as provided in subsection (7). All money returned to  
21 the county road commissions as provided in this subsection shall  
22 be expended by the county road commissions for the maintenance,  
23 improvement, construction, reconstruction, acquisition, and  
24 extension of county local road systems and shall be in addition  
25 to the amounts provided in subsection (7).

26 (6) ~~Seventy-five percent~~ EXCEPT AS PROVIDED IN SUBSECTION  
27 (20), 75% of the remainder of the total amount to be returned to

1 the counties shall be expended by each county road commission for  
2 the maintenance, improvement, construction, reconstruction,  
3 acquisition, and extension of the county primary road system,  
4 including the acquisition of a necessary right of way for the  
5 system, work incidental to the system, and a roadside park or  
6 motor parkway appurtenant to the system, and shall be returned to  
7 the counties as follows:

8 (a) Three-fourths of the amount in proportion to the amount  
9 received within the respective county during the 12 months next  
10 preceding the date of each monthly distribution, as specific  
11 taxes upon registered motor vehicles under the Michigan vehicle  
12 code, Act No. 300 of the Public Acts of 1949, as amended, being  
13 sections 257.1 to 257.923 of the Michigan Compiled Laws.

14 (b) One-tenth of the amount in the same proportion that the  
15 total mileage in the county primary road system of each county  
16 bears to the total mileage in all of the county primary road sys-  
17 tems of the state.

18 (c) One eighty-third of the remaining 15% of the amount to  
19 each county.

20 (7) ~~The~~ EXCEPT AS PROVIDED IN SUBSECTION (20), THE balance  
21 of the remainder of the total amount to be returned to counties  
22 shall be expended by each county road commission for the mainte-  
23 nance, improvement, construction, reconstruction, acquisition,  
24 and extension of the county local road system as defined by this  
25 act, including the acquisition of a necessary right of way for  
26 the system, work incidental to the system, and a roadside park or

1 motor parkway appurtenant to the system, and shall be returned to  
2 the counties as follows:

3 (a) Sixty-five percent of the amount in the same proportion  
4 that the total mileage in the county local road system of each  
5 county bears to the total mileage in all of the county local road  
6 systems of the state.

7 (b) Thirty-five percent of the amount in the same proportion  
8 that the total population outside of incorporated municipalities  
9 in each county bears to the total population outside of incorpo-  
10 rated municipalities in all of the counties of the state, accord-  
11 ing to the most recent statewide federal census preceding the  
12 distribution.

13 (8) Money deposited in, or becoming a part of the county  
14 road funds of a board of county road commissioners shall be  
15 expended first for the payment of principal and interest on the  
16 bonds, for the payment of contractual contributions pledged for  
17 the payment of bonds, for debt service requirements for the pay-  
18 ment of contractual contributions pledged for the payment of  
19 bonds, and for debt service requirements for the payment of notes  
20 and loans in the following order of priority:

21 (a) For the payment of contributions required to be made by  
22 a board of county road commissioners under a contract entered  
23 into under Act No. 205 of the Public Acts of 1941, as amended,  
24 being sections 252.51 to 252.64 of the Michigan Compiled Laws,  
25 which contributions have been pledged for the payment of the  
26 principal and interest on bonds issued under ~~that act,~~ ACT  
27 NO. 205 OF THE PUBLIC ACTS OF 1941 or for the payment of total

1 debt service requirements upon notes issued by a board of county  
2 road commissioners under Act No. 143 of the Public Acts of 1943,  
3 as amended, being sections 141.251 to 141.254 of the Michigan  
4 Compiled Laws.

5 (b) For the payment of principal and interest upon bonds  
6 issued under section 18c, and the payment of contributions of a  
7 board of county road commissioners to be made pursuant to con-  
8 tracts entered into under section 18d, which contributions are  
9 pledged to the payment of principal and interest on bonds issued  
10 after June 30, 1957, under the authorization of section 18c and  
11 contracts executed pursuant to its provisions.

12 (c) For the payment of principal and interest upon loans  
13 received pursuant to section 11(7), to the extent other funds  
14 have not been made available for that payment.

15 (9) Not to exceed 30% per year of the amount returned to a  
16 county for use on the county primary road system may be expended,  
17 with or without matching, on the county local road system of that  
18 county. Not to exceed 15% per year of the amount returned to a  
19 county for expenditure on the county local road system may be  
20 used, with or without matching, on the county primary road system  
21 of that county, and not to exceed an additional 15% per year of  
22 the amount returned to a county for expenditure on the county  
23 local road system, may, in case of an emergency or with the  
24 approval of the state transportation department, be expended,  
25 with or without matching, on the county primary road system of  
26 that county. An amount returned to a county for and on account  
27 of county local roads, under this section, in excess of the total

1 amount paid into the county treasury each year by all of the  
2 townships of that county for and on account of the county local  
3 roads pursuant to section 14(6) may be transferred to and  
4 expended on the county primary road system of that county.

5 (10) Not less than 20% per year of the funds returned to a  
6 county by this section shall be expended for snow and ice remov-  
7 al, the construction or reconstruction of a new highway or exist-  
8 ing highway, and the acquisition of a necessary right of way for  
9 those highways, and work incidental to those highways, or for the  
10 servicing of bonds issued by the county for these purposes.  
11 Surplus funds may be expended for the development, construction,  
12 or repair of an off-street parking facility.

13 (11) Not more than 5% per year of the funds returned to a  
14 county for the county primary road system and the county local  
15 road system shall be expended for the maintenance, improvement,  
16 or acquisition of appurtenant roadside parks and motor parkways.

17 (12) Funds returned to a county shall be expended by the  
18 county road commission for the purposes provided in this section  
19 and shall be deposited by the county treasurer in a designated  
20 county depository, in a separate account to the credit of the  
21 county road fund, and shall be paid out only upon the order of  
22 the county road commission, and interest accruing on the money  
23 shall become a part of, and be deposited with the county road  
24 fund.

25 (13) In a county to which the funds are returned the func-  
26 tion of the county road commission shall be limited to the  
27 formation of policy and the performance of the official duties

1 imposed by law and delegated by the county board of  
2 commissioners. A member of the county road commission shall not  
3 be employed individually in any other capacity for other duties  
4 with the county road commission.

5 (14) A county road commission may enter into an agreement  
6 with a county road commission of an adjacent county and with a  
7 city or village to perform work on a highway, road, or street,  
8 and with the state transportation department with respect to a  
9 state trunk line and connecting links of the state trunk line  
10 within the limits of the county or adjacent to the county. The  
11 agreement may provide for the performance by each contracting  
12 party of the work contemplated by the contract including engi-  
13 neering services and the acquisition of rights of way in connec-  
14 tion with the work contemplated, by purchase or condemnation, by  
15 any of the contracting parties in its own name and the agreement  
16 may provide for joint participation in the costs.

17 (15) Money distributed from the Michigan transportation fund  
18 may be expended for construction purposes on county local roads  
19 only to the extent matched by money from other sources. However,  
20 Michigan transportation funds may be expended for the construc-  
21 tion of bridges on the county local roads in an amount not to  
22 exceed 75% of the cost of the construction of local road  
23 bridges. This subsection does not apply to section 11b.

24 (16) Notwithstanding any other provision of this act, at  
25 least 90% of the state revenue returned annually to the county  
26 road commission from the Michigan transportation fund less the  
27 amounts described in subdivisions (a) to ~~-(e)-~~ (D) shall be



1 expended annually by the county road commission for the  
2 maintenance of highways, roads, streets, and bridges, and for the  
3 payment of contractual contributions pledged for the payment of  
4 bonds or portions of bonds, debt service requirements for the  
5 payment of bonds or portions of bonds, and debt service require-  
6 ments for the payment of notes and loans or portions of notes and  
7 loans issued or received after July 1, 1983, for the purpose of  
8 providing funds for the maintenance of highways, roads, streets,  
9 and bridges. If an appropriate certificate is filed under sub-  
10 section (19) but only to the extent necessary, this subsection  
11 shall not prohibit the use of any amount of state revenue  
12 returned annually to the county road commissions for the payment  
13 of contractual contributions pledged for the payment of bonds,  
14 for debt service requirements for the payment of bonds, and for  
15 debt service requirements for the payment of notes or loans,  
16 whenever issued or received, as specified under subsection (8).  
17 The amounts which are deducted from the state revenue returned to  
18 a county road commission from the Michigan transportation fund,  
19 for the purpose of the calculation required by this subsection  
20 are as follows:

21 (a) Amounts expended for the purposes described in subsec-  
22 tion (8) for bonds, notes, loans, or other obligations issued or  
23 received before July 2, 1983.

24 (b) Amounts expended for the administrative costs of the  
25 county road commission.

26 (c) Amounts expended for capital outlay projects for  
27 equipment and buildings, and for the payment of contractual

1 contributions pledged for the payment of bonds, for debt service  
2 requirements for the payment of bonds, and for debt service  
3 requirements for the payment of notes and loans issued or  
4 received after July 1, 1983, for the purpose of providing funds  
5 for capital outlay projects for equipment and buildings.

6 (d) Amounts expended for projects vital to the economy of  
7 the local area or the safety of the public in the local area.  
8 Before these amounts can be deducted, the governing body over the  
9 county road commission or the county road commission, as applica-  
10 ble, shall pass a resolution approving these projects. This res-  
11 olution shall state which projects will be funded and the cost of  
12 each project. A copy of each approved resolution shall be for-  
13 warded immediately to the department.

14 (17) As used in this subsection, "urban routes" means those  
15 portions of 2 lane county primary roads within an urban area  
16 which has average daily traffic in excess of 15,000.  
17 Notwithstanding any other provision of this act, except as pro-  
18 vided in this subsection, a county road commission shall expend  
19 annually at least 90% of the federal revenue distributed to the  
20 use of the county road commission for highways, roads, streets,  
21 and bridges, less the amount expended on urban routes for other  
22 than maintenance purposes and the amount expended for  
23 hard-surfacing of gravel roads on the federal-aid system, on the  
24 maintenance of highways, roads, streets, and bridges. A county  
25 road commission may expend in a year less than 90% of the federal  
26 revenue distributed to the use of the county road commission for  
27 highways, roads, streets, and bridges, less the amount expended

1 on urban routes for other than maintenance purposes and the  
2 amount expended for hard-surfacing of gravel roads on the  
3 federal-aid system, on the maintenance of highways, roads,  
4 streets, and bridges, if that year is part of a 3-year period in  
5 which at least 90% of the total federal revenue distributed in  
6 the 3-year period to the use of the county road commission for  
7 highways, roads, streets, and bridges, less the amount expended  
8 on urban routes for other than maintenance purposes and the  
9 amount expended for hard-surfacing of gravel roads on the  
10 federal-aid system, is expended on the maintenance of highways,  
11 roads, streets, and bridges. If a county road commission expends  
12 in a year less than 90% of the federal revenue distributed to the  
13 use of the county road commission for highways, roads, streets,  
14 and bridges, less the amount expended on urban routes for other  
15 than maintenance purposes and the amount expended for  
16 hard-surfacing of gravel roads on the federal-aid system, on the  
17 maintenance of highways, roads, streets, and bridges and that  
18 year is not a part of a 3-year period in which at least 90% of  
19 the total federal revenue distributed in the 3-year period to the  
20 use of the county road commission for highways, roads, streets,  
21 and bridges, less the amount expended on urban routes for other  
22 than maintenance purposes and the amount expended for  
23 hard-surfacing of gravel roads on the federal-aid system, is  
24 expended on the maintenance of highways, roads, streets, and  
25 bridges, the county road commission shall expend in each year  
26 subsequent to the 3-year period 100%, or less in 1 year if  
27 sufficient for the purposes of this subsection, of the federal

1 revenue distributed to the use of the county road commission for  
2 highways, roads, streets, and bridges, less the amount expended  
3 on urban routes for other than maintenance purposes and the  
4 amount expended for hard-surfacing of gravel roads on the  
5 federal-aid system, on the maintenance of highways, roads,  
6 streets, and bridges until the average percentage spent on the  
7 maintenance of highways, roads, streets, and bridges in the  
8 3-year period and the subsequent years, less the amount expended  
9 on urban routes for other than maintenance purposes and the  
10 amount expended for hard-surfacing of gravel roads on the  
11 federal-aid system, is at least 90%. A year may be included in  
12 only one 3-year period for the purposes of this subsection. The  
13 requirements of this subsection shall be waived if compliance  
14 would cause the county road commission to be ineligible according  
15 to federal law for federal revenue, but only to the extent neces-  
16 sary to make the county road commission eligible according to  
17 federal law for that revenue. For the purpose of the calcula-  
18 tions required by this subsection, the amount expended on urban  
19 routes by a county road commission for other than maintenance  
20 purposes and the amount expended for hard-surfacing of gravel  
21 roads on the federal-aid system shall be deducted from the total  
22 federal revenue distributed to the use of the county road  
23 commission.

24 (18) As used in this section:

25 (a) "Maintenance" and "maintaining" means snow removal;  
26 erection of traffic control devices and traffic signals and  
27 payment of monthly electrical costs for those signals; street

1 cleaning and drainage; seal coating; patching and ordinary  
2 repairs; erection and maintenance of traffic signs and markings;  
3 safety projects which do not increase through traffic capacity;  
4 and the preservation, reconstruction, resurfacing, restoration,  
5 and rehabilitation of highways, roads, streets, and bridges.  
6 However, maintenance and maintaining do not include projects  
7 which increase the capacity of a highway facility to accommodate  
8 that part of the traffic having neither origin nor destination  
9 within the local area.

10 (b) "Maintenance" and "maintaining" include widening less  
11 than lane width; adding auxiliary turning lanes of 1/2 mile or  
12 less; adding auxiliary weaving, climbing, or speed change lanes;  
13 and correcting substandard intersections.

14 (19) A county road commission shall certify, which certifi-  
15 cation shall, for purposes of the validity of bonds and notes, be  
16 conclusive as to the matters stated ~~therein~~ IN THE  
17 CERTIFICATION, to the state transportation department on or  
18 before the issuance of any bonds or notes issued after July 1,  
19 1983, pursuant to Act No. 143 of the Public Acts of 1943, Act  
20 No. 205 of the Public Acts of 1941, or section 18c or 18d, for  
21 purposes other than the maintenance of highways, roads, streets,  
22 and bridges and purposes other than the purposes specified in  
23 subsection (16)(c) that its average annual debt service require-  
24 ments for all bonds and notes or portions of bonds and notes  
25 issued after July 1, 1983, for purposes other than the mainte-  
26 nance of highways, roads, streets, and bridges and other than for  
27 the purposes specified in subsection (16)(c), including the bond

1 or note to be issued does not exceed 10% of the funds returned to  
2 the county road commission pursuant to this act, less the amounts  
3 specified in subsection (16)(a), (b), ~~and~~ (c), AND (D) during  
4 the last completed fiscal year of the county road commission. If  
5 the purpose for which the bonds or notes are issued is changed  
6 after the issuance of the notes or bonds, the change shall be  
7 made in such a manner to maintain compliance with the certifica-  
8 tion required by this subsection, as of the date the certificate  
9 was originally issued, but no such change shall invalidate or  
10 otherwise affect the bonds or notes with respect to which the  
11 certificate was issued or the obligation to pay debt service on  
12 the bonds or notes.

13 (20) A PERCENTAGE OF ALL AMOUNTS DISTRIBUTED TO THE COUNTY  
14 ROAD COMMISSIONS AND RETURNED TO THE COUNTY TREASURERS UNDER SUB-  
15 SECTIONS (4) TO (7) SHALL BE DISTRIBUTED TO A TOWNSHIP THAT  
16 ELECTS TO CONTROL, MAINTAIN, AND REGULATE THE USE OF COUNTY PRI-  
17 MARY AND LOCAL ROADS WITHIN THE BOUNDARIES OF THE TOWNSHIP AS  
18 AUTHORIZED BY SECTION 2A OF CHAPTER 16 OF THE REVISED STATUTES OF  
19 1846, BEING SECTION 41.2A OF THE MICHIGAN COMPILED LAWS. A TOWN-  
20 SHIP SHALL NOTIFY THE COUNTY ROAD COMMISSION THAT THE TOWNSHIP  
21 HAS ELECTED TO CONTROL, MAINTAIN, AND REGULATE THE USE OF COUNTY  
22 PRIMARY AND LOCAL ROADS WITHIN THE BOUNDARIES OF THE TOWNSHIP.  
23 THE COUNTY ROAD COMMISSION SHALL DETERMINE WHAT PERCENTAGE OF ALL  
24 COUNTY PRIMARY AND LOCAL ROADS THE TOWNSHIP HAS ELECTED TO CON-  
25 TROL, MAINTAIN, AND REGULATE. THE COUNTY ROAD COMMISSION SHALL  
26 DIRECT THE COUNTY TREASURER TO DISTRIBUTE THAT PERCENTAGE OF ALL  
27 AMOUNTS RECEIVED UNDER SUBSECTIONS (4) TO (7) THAT ARE APPLICABLE

1 TO THE COUNTY PRIMARY AND LOCAL ROADS THAT ARE CONTROLLED,  
2 MAINTAINED, AND REGULATED BY THE TOWNSHIP. THE COUNTY TREASURER  
3 SHALL DISTRIBUTE THAT AMOUNT TO THE TOWNSHIP NOT LATER THAN 30  
4 DAYS AFTER THE COUNTY TREASURER RECEIVES THOSE FUNDS UNDER THIS  
5 SECTION.

6 Sec. 19. The board of county road commissioners in each ~~of~~  
7 ~~the several counties shall, within 1 year from the effective date~~  
8 ~~of this act,~~ COUNTY NOT LATER THAN JUNE 1, 1951 SHALL complete  
9 the taking over as county roads of all roads, streets, and alleys  
10 ~~heretofore~~ required to be taken over as county roads by ~~the~~  
11 ~~provisions of~~ FORMER Act No. 130 of the Public Acts of 1931. ~~—~~  
12 ~~as amended, being sections 247.1 to 247.13, inclusive, of the~~  
13 ~~Compiled Laws of 1948. Said~~ THE board of county road commis-  
14 sioners in each ~~of the several counties~~ COUNTY shall take over  
15 as county roads all streets and alleys lying outside the limits  
16 of incorporated cities and villages and dedicated to the public  
17 in recorded plats approved by ~~said~~ THE board of county road  
18 commissioners, within 30 days after the recording of the plat.  
19 ~~or the effective date of this act, whichever may be the later.~~  
20 ~~Such~~ ANY dedicated streets and alleys, when taken over by the  
21 county road commission, shall be county roads in all respects and  
22 for all purposes and shall be classified as county primary roads  
23 or county local roads pursuant to ~~the provisions of~~ this act.  
24 THIS SECTION DOES NOT APPLY TO ANY ROADS LOCATED WITHIN THE  
25 BOUNDARIES OF A TOWNSHIP IF THE TOWNSHIP ELECTS TO CONTROL THOSE  
26 ROADS PURSUANT TO SECTION 2A OF CHAPTER 16 OF THE REVISED

1 STATUTES OF 1846, BEING SECTION 41.2A OF THE MICHIGAN COMPILED  
2 LAWS.

3 Section 2. This amendatory act shall not take effect unless  
4 Senate Bill No. 688  
5 of the 85th Legislature is enacted into law.