

SENATE BILL No. 105

February 12, 2015, Introduced by Senator GREEN and referred to the Committee on Transportation.

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; and to repeal acts and parts of acts,"

by amending section 10 (MCL 247.660), as amended by 2014 PA 473, and by adding section 11g.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. (1) A fund to be known as the Michigan transportation
2 fund is established in the state treasury as a separate fund. The
3 state treasurer may receive money or other assets from any source
4 for deposit into the fund. The state treasurer shall direct the
5 investment of the fund. The state treasurer shall credit to the
6 fund interest and earnings from fund investments. Except as
7 provided in this act, no other money, whether appropriated from the
8 general fund of this state or any other source, shall be deposited
9 in the Michigan transportation fund. Except as otherwise provided
10 in this section, the legislature shall appropriate money for the
11 necessary expenses incurred in the administration and enforcement
12 of the motor fuel tax act, 2000 PA 403, MCL 207.1001 to 207.1170,
13 the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and
14 sections 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL
15 257.801 to 257.810. Money appropriated for necessary expenses shall

1 be based upon established cost allocation methodology that reflects
2 actual costs. Appropriations for the necessary expenses incurred by
3 the department of state in administration and enforcement of
4 sections 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL
5 257.801 to 257.810, shall be made from the Michigan transportation
6 fund and from money in the transportation administration collection
7 fund created in section 810b of the Michigan vehicle code, 1949 PA
8 300, MCL 257.810b. Appropriations from the Michigan transportation
9 fund for the necessary expenses incurred by the department of state
10 in administration and enforcement of sections 801 to 810 of the
11 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall
12 not exceed \$20,000,000.00 per state fiscal year. Except as provided
13 in section 143 of the motor fuel tax act, 2000 PA 403, MCL
14 207.1143, all money in the Michigan transportation fund is
15 apportioned and appropriated in the following manner:

16 (a) Not more than \$3,000,000.00 as may be annually
17 appropriated each fiscal year to the state trunk line fund for
18 subsequent deposit in the rail grade crossing account.

19 (b) Not more than \$3,000,000.00 as may be annually
20 appropriated each fiscal year to the state trunk line fund for
21 subsequent deposit in the grade crossing surface account.

22 (c) Not less than \$3,000,000.00 each year to the local bridge
23 fund established in subsection (4) for the purpose of payment of
24 the principal, interest, and redemption premium on any notes or
25 bonds issued by the state transportation commission under former
26 section 11b or subsection (9).

27 (d) ~~Revenue~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION,**

1 **\$5,000,000.00 EACH YEAR OF THE REVENUE** from 3 cents of the tax
2 levied under section 8(1)(a) of the motor fuel tax act, 2000 PA
3 403, MCL 207.1008, to the **MOVABLE BRIDGE FUND CREATED IN SECTION**
4 **11G, WITH THE REMAINDER TO THE** state trunk line fund, county road
5 commissions, and cities and villages in the percentages provided in
6 subdivision (k). **THE DEPARTMENT SHALL ANNUALLY ADJUST THE AMOUNT**
7 **ALLOCATED UNDER THIS SUBDIVISION BY AN AMOUNT EQUAL TO THE ANNUAL**
8 **INCREASE IN THE DETROIT CONSUMER PRICE INDEX FOR THE PRECEDING**
9 **YEAR.**

10 (e) One-half of the revenue from 1 cent of the tax levied
11 under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL
12 207.1008, to the state trunk line fund for the repair of state
13 bridges under section 11, and 1/2 of the revenue from 1 cent of the
14 tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA
15 403, MCL 207.1008, to the local bridge fund created in subsection
16 (4) for distribution only to cities, villages, and county road
17 commissions.

18 (f) \$43,000,000.00 to the state trunk line fund for debt
19 service costs on state of Michigan projects.

20 (g) Ten percent to the comprehensive transportation fund for
21 the purposes described in section 10e.

22 (h) \$5,000,000.00 to the local bridge fund established in
23 subsection (4) for distribution only to the local bridge advisory
24 board, the regional bridge councils, cities, villages, and county
25 road commissions.

26 (i) \$36,775,000.00 to the state trunk line fund for subsequent
27 deposit in the transportation economic development fund, with first

1 priority for allocation to debt service on bonds issued to fund
2 transportation economic development fund projects. In addition,
3 \$3,500,000.00 is appropriated from the Michigan transportation fund
4 to the state trunk line fund for subsequent deposit in the
5 transportation economic development fund to be used for economic
6 development road projects in any of the targeted industries
7 described in section 9(1)(a) of 1987 PA 231, MCL 247.909.

8 (j) Not less than \$33,000,000.00 as may be annually
9 appropriated each fiscal year to the local program fund created in
10 section 11e.

11 (k) The balance of the Michigan transportation fund as
12 follows, after deduction of the amounts appropriated in
13 subdivisions (a) to (j) **AND SECTION 11G:**

14 (i) 39.1% to the state trunk line fund for the purposes
15 described in section 11.

16 (ii) 39.1% to the county road commissions of this state.

17 (iii) 21.8% to the cities and villages of this state.

18 (2) The money appropriated pursuant to this section shall be
19 used for the purposes as provided in this act and any other
20 applicable act. Subject to the requirements of section 9b, the
21 department shall develop programs in conjunction with the Michigan
22 state chamber of commerce and the Michigan minority business
23 development council to assist small businesses, including those
24 located in enterprise zones and those located in empowerment zones
25 as determined under federal law, as defined by law in becoming
26 qualified to bid.

27 (3) Thirty-one and one-half percent of the money appropriated

1 to this state from the federal government under 23 USC 157,
2 commonly known as minimum guarantee funds, shall be allocated to
3 the transportation economic development fund, if the allocation is
4 consistent with federal law. This money shall be distributed 16-
5 1/2% for development projects for rural counties as defined by law
6 and 15% for capacity improvement or advanced traffic management
7 systems in urban counties as defined by law. Federal money
8 allocated for distribution under this section is eligible for
9 obligation and use by all recipients as provided in the moving
10 ahead for progress in the 21st century act, Public Law 112-141.

11 (4) A fund to be known as the local bridge fund is established
12 in the state treasury as a separate fund. The money appropriated to
13 the local bridge fund and the interest accruing to that fund shall
14 be expended for the local bridge program. The purpose of the fund
15 is to provide financial assistance to highway authorities for the
16 preservation, improvement, or reconstruction of existing bridges or
17 for the construction of bridges to replace existing bridges in
18 whole or part. The money in the local bridge fund is not subject to
19 section 12(15) or 13(5). The local bridge advisory board is created
20 and shall consist of 6 voting members appointed by the state
21 transportation commission and 2 nonvoting members appointed by the
22 department. The board shall include 3 members from the county road
23 association of Michigan, 1 member who represents counties with
24 populations 65,000 or greater, 1 member who represents counties
25 with populations greater than 30,000 and less than 65,000, and 1
26 member who represents counties with populations of 30,000 or less.
27 Three members shall be appointed from the Michigan municipal

1 league, 1 member who represents cities with a population 75,000 or
2 greater, 1 member who represents cities with a population less than
3 75,000, and 1 member who represents villages. Each organization
4 with voting rights shall submit a list of nominees in each
5 population category to the state transportation commission. The
6 state transportation commission shall make the appointments from
7 the lists submitted under this subsection. Voting members shall be
8 appointed for 2 years. The chairperson of the board shall be
9 selected from among the voting members of the board. In addition to
10 the 2 nonvoting members, the department shall provide qualified
11 administrative staff and qualified technical assistance to the
12 board.

13 (5) No less than 5% and no more than 15% of the money received
14 in the local bridge fund may be used for critical repair of large
15 bridges and emergencies as determined by the local bridge advisory
16 board. Money remaining after the money allocated for critical large
17 bridge repair and emergencies is deducted shall be distributed by
18 the board to the regional bridge councils created under this
19 section. One regional council shall be formed for each department
20 of transportation region as those regions exist on October 1, 2004.
21 The regional councils shall consist of 2 members of the county road
22 association of Michigan from counties in the region, 2 members of
23 the Michigan municipal league from cities and villages in the
24 region, and 1 member of the department in each region. The members
25 of the department are nonvoting members and shall provide qualified
26 administrative staff and qualified technical assistance to the
27 regional councils.

1 (6) Money in the local bridge fund after deduction of the
2 amounts set aside for critical repair of large bridges and
3 emergency repairs shall be distributed among the regional bridge
4 councils according to all of the following ratios, which shall be
5 assigned a weight expressed as a percentage as determined by the
6 board, with each ratio receiving no greater than a 50% weight and
7 no less than a 25% weight:

8 (a) A ratio with a numerator that is the total number of local
9 bridges in the region and a denominator that is the total number of
10 local bridges in this state.

11 (b) A ratio with a numerator that is the total local bridge
12 deck area in the region and a denominator that is the total local
13 bridge deck area in this state.

14 (c) A ratio with a numerator that is the total amount of
15 structurally deficient local bridge deck area in the region and a
16 denominator that is the total amount of structurally deficient
17 local bridge deck area in this state.

18 (7) The regional bridge councils shall allocate the money
19 received from the board for the preservation, improvement, and
20 reconstruction of existing bridges or for the construction of
21 bridges to replace existing bridges in whole or in part in each
22 region.

23 (8) Each January, the department shall submit a report to the
24 chair and the minority vice-chair of the appropriations committees
25 of the senate and the house of representatives, and to the standing
26 committees on transportation of the senate and the house of
27 representatives, on all of the following activities for the

1 previous state fiscal year:

2 (a) A listing of how much money was dedicated for emergency
3 and large bridge repair.

4 (b) A listing of what emergency and large bridge repair
5 projects were funded.

6 (c) The actual weights used in the calculation required under
7 subsection (6).

8 (d) A listing of the total money distributed to each region.

9 (e) A listing of the specific projects that were funded under
10 subsection (7).

11 (9) The state transportation commission shall borrow money and
12 issue notes or bonds in an amount of not less than \$30,000,000.00
13 to supplement the funding provided for the local bridge program
14 under subsection (5). The bonds or notes issued under this
15 subsection may be issued by the commission for any purpose for
16 which other local bridge money may be used under this section. The
17 bonds or notes authorized by this subsection shall be issued by
18 resolution of the state transportation commission consistent with
19 the requirements of section 18b.

20 (10) The department shall promulgate rules under the
21 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
22 24.328, governing the administration of the local bridge program.
23 The rules shall set forth the eligibility criteria for financial
24 assistance under the program and other matters related to the
25 program that the department considers necessary and desirable. The
26 department shall take into consideration the availability of
27 federal aid and other financial resources of the highway authority

1 responsible for the bridge, the importance of the bridge to the
2 highway, road, or street network, and the condition of the existing
3 bridge.

4 (11) The revenue appropriated to the local bridge fund under
5 subsection (1)(e) shall be distributed only to the local bridge
6 advisory board, the regional bridge councils, cities, villages, and
7 county road commissions.

8 (12) The regional bridge councils shall determine what bridge
9 projects are selected for funding from the local bridge fund
10 created in subsection (4) and shall make a list of selected
11 projects available to interested parties in the region. A
12 determination that a bridge project is selected for funding in a
13 given fiscal year is not approval to disburse the money.

14 (13) A county road commission, city, or village may implement
15 a bridge project if the bridge project has been selected for
16 funding and is included in the appropriate regional bridge
17 council's current multiyear bridge plan for the local bridge
18 program but the regional bridge council has not allocated money to
19 the bridge project for the fiscal year that the bridge project is
20 on the current multiyear bridge plan. A county road commission,
21 city, or village may borrow money to implement a project that has
22 been selected for funding and is included in the appropriate
23 regional bridge council's current multiyear bridge plan but has not
24 been allocated money by the regional bridge council. Based on
25 available local bridge money, when a bridge project that was
26 implemented with borrowed money is allocated funding in a
27 subsequent fiscal year, the funding shall only be used to repay the

1 amount approved by the multiyear bridge plan when the money was
2 borrowed. To be eligible for repayment of the amount borrowed, a
3 bridge project that has been implemented with borrowed money shall
4 be administered through the department's local bridge program.

5 SEC. 11G. (1) THE MOVABLE BRIDGE FUND IS CREATED IN THE STATE
6 TREASURY AS A SEPARATE FUND. THE STATE TREASURER MAY RECEIVE MONEY
7 OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE
8 STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE
9 TREASURER SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND
10 INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR
11 SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.
12 THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE FUND FOR AUDITING
13 PURPOSES.

14 (2) THE DEPARTMENT MAY ENTER INTO A CONTRACT WITH A PERSON OR
15 AGENCY THAT HAS JURISDICTION OF A PUBLICLY OWNED MOVABLE BRIDGE FOR
16 THE OPERATION OF THAT BRIDGE. A CONTRACT ENTERED INTO UNDER THIS
17 SUBSECTION SHALL REQUIRE ANY CONTRACTOR HIRED BY THE DEPARTMENT TO
18 OPERATE THE BRIDGE TO MAINTAIN INSURANCE IN AN AMOUNT SPECIFIED BY
19 THE DEPARTMENT. THIS SUBSECTION DOES NOT REQUIRE THE DEPARTMENT TO
20 ASSUME OWNERSHIP OR JURISDICTION OF A PUBLICLY OWNED MOVABLE BRIDGE
21 AS PART OF A CONTRACT DESCRIBED IN THIS SUBSECTION.

22 (3) EACH PERSON OR AGENCY OTHER THAN THE DEPARTMENT THAT OWNS
23 OR HAS JURISDICTION OF A PUBLICLY OWNED MOVABLE BRIDGE SHALL SUBMIT
24 TO THE DEPARTMENT THE OPERATIONAL PROCEDURES FOR THAT BRIDGE AND
25 THE OPERATIONAL COSTS INCURRED BY THE PERSON OR AGENCY IN OPERATING
26 THE BRIDGE ON AN ANNUAL BASIS. THE DEPARTMENT SHALL DEVELOP
27 PROCEDURES TO GOVERN THE OPERATION OF AND TO DETERMINE THE

1 OPERATIONAL COSTS OF ALL PUBLICLY OWNED MOVABLE BRIDGES IN THIS
2 STATE. THE DEPARTMENT SHALL ANNUALLY DEVELOP AN ESTIMATE FOR THE
3 OPERATIONAL COST OF EACH PUBLICLY OWNED MOVABLE BRIDGE IN THIS
4 STATE FOR EACH FISCAL YEAR. FOR EACH PUBLICLY OWNED MOVABLE BRIDGE
5 THAT IS OWNED BY OR UNDER THE JURISDICTION OF A PERSON OR AGENCY
6 OTHER THAN THE DEPARTMENT, THE DEPARTMENT SHALL USE THE OPERATIONAL
7 PROCEDURES AND OPERATIONAL COSTS SUBMITTED BY THAT PERSON OR AGENCY
8 UNDER THIS SUBSECTION IN DEVELOPING THE PROCEDURES AND ESTIMATE
9 REQUIRED BY THIS SUBSECTION. USING THE ESTIMATES DEVELOPED UNDER
10 THIS SUBSECTION, THE DEPARTMENT SHALL DISTRIBUTE A PERCENTAGE OF
11 MONEY FROM THE MOVABLE BRIDGE FUND TO EACH PERSON OR AGENCY
12 RESPONSIBLE FOR THE OPERATION OF A PUBLICLY OWNED MOVABLE BRIDGE.
13 IF THE DEPARTMENT IS RESPONSIBLE FOR THE OPERATION OF A PUBLICLY
14 OWNED MOVABLE BRIDGE, THE MONEY DISTRIBUTED UNDER THIS SUBSECTION
15 SHALL BE DISTRIBUTED TO THE DEPARTMENT.

16 (4) IF THE DEPARTMENT OFFERS TO ENTER INTO A CONTRACT
17 DESCRIBED IN SUBSECTION (2) AND THE OWNER OR AGENCY THAT HAS
18 JURISDICTION OF THE BRIDGE DECLINES, THE OWNER OR AGENCY SHALL
19 CONTINUE TO RECEIVE THE AMOUNT OF MONEY THAT IT OTHERWISE WOULD
20 HAVE RECEIVED FOR THE OPERATION OF THAT BRIDGE UNDER THIS ACT.

21 (5) AS USED IN THIS SECTION, "OPERATIONAL COSTS" INCLUDES ALL
22 REASONABLE AND CUSTOMARY COSTS ASSOCIATED WITH THE OPERATION OF A
23 PUBLICLY OWNED MOVEABLE BRIDGE. OPERATIONAL COSTS DO NOT INCLUDE
24 ROUTINE MAINTENANCE COSTS, CAPITAL IMPROVEMENT COSTS, OR EMERGENCY
25 STRUCTURAL, MECHANICAL, ELECTRICAL, OR HYDRAULIC REPAIRS.

26 Enacting section 1. This amendatory act takes effect 90 days
27 after the date it is enacted into law.