

Senate Fiscal Agency  
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**SFA**



**BILL ANALYSIS**

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Senate Bill 1156 (as reported by the Committee of the Whole)  
Sponsor: Senator Philip E. Hoffman  
Committee: Appropriations

### **CONTENT**

The bill would amend Public Act 51 of 1951 (which establishes the procedures by which transportation funds are distributed) to do the following:

- Extend by one year (until September 30, 1999) the expiration date on the formulas used to distribute Michigan Transportation Fund dollars.

MCL 247.660 et al.

### **FISCAL IMPACT**

The formula by which Michigan Transportation Fund dollars are distributed is scheduled to expire on September 30, 1998. Under current law, if a new distribution formula is not enacted by the expiration date, only 80% of those revenues can be distributed. This will result in a 20% reduction to the Comprehensive Transportation Fund, State Trunkline Fund, Counties, and Cities and Villages in FY 1998-99. The remainder of these funds will revert to the Michigan Transportation Fund until a new distribution formula is enacted.

Because the FY 1998-99 appropriation has not yet been enacted into law, the fiscal impact of this potential reduction is indeterminate. However, based on FY 1997-98 appropriations, approximately \$342.8 million in transportation funds will be held in escrow until a new formula is enacted. If they were not held in escrow, these funds would be distributed as follows:

State Trunkline Fund	\$126.2 million
Comprehensive Transportation Fund	53.5 million
Counties	104.7 million
Cities and Villages	58.4 million

This bill would extend, by one year, the date on which the current formulas used to distribute the transportation funds expire.

Date Completed: 6-2-98

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