



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 557 (as reported without amendment)
Sponsor: Senator Marty Knollenberg
Committee: Transportation

CONTENT

The bill would amend the Michigan Transportation Fund law to eliminate a requirement that incorporated cities and villages participate with the Department of Transportation in paying the cost of opening, widening, and improving State trunk line highways within cities and villages to which streets that are connecting links of trunk line highways or streets that are made connecting links of trunk line highways may be added, subject to the approval of the State Transportation Commission.

The cost participation must be based on the schedule shown in Table 1, depending on the population of the city or village.

Table 1

Population	Local Share	State Share
≥50,000	12.5%	87.5%
40,000 to <50,000	11.25%	88.75%
25,000 to <40,000	8.75%	91.25%
≤25,000	0.0%	100.0%

The bill would take effect 90 days after it was enacted.

MCL 247.651c

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would not affect State or local revenue, but would change the allocation of expenditures by both the State and affected local units of government. Over the last five years, local cost sharing under the provisions affected by the bill has totaled between \$2.0 million and \$5.0 million each year. Presumably, given the road funding legislation enacted in late 2015, the number of road projects will expand, and, under current law, local cost sharing will increase from historical levels. The bill would effectively decrease the number of projects the State could support by increasing the State's cost for projects. Similarly, the bill would effectively increase the number of projects affected local units could pursue by allowing revenue that otherwise would have been allocated to meet local cost sharing requirements to be directed to other projects.

Date Completed: 5-27-16

Fiscal Analyst: David Zin