

HOUSE BILL No. 4737

June 17, 2015, Introduced by Reps. McCready, Poleski, Victory, Cox, Muxlow, Yonker and Price and referred to the Committee on Transportation and Infrastructure.

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 2007 PA 210.

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 ~~and shall be set up and maintained~~ in the state
 3 treasury as a separate fund. Money received and collected under the
 4 motor fuel tax act, 2000 PA 403, MCL 207.1001 to 207.1170, except a
 5 license fee provided in that act, and a tax, fee, license, and
 6 other money received and collected under sections 801 to 810 of the
 7 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, except
 8 a truck safety fund fee provided in section 801(1)(k) of the
 9 Michigan vehicle code, 1949 PA 300, MCL 257.801, and money received
 10 under the motor carrier act, 1933 PA 254, MCL 475.1 to ~~479.43,~~
 11 **479.42**, shall be deposited in the state treasury to the credit of
 12 the Michigan transportation fund. In addition, income or profit
 13 derived from the investment of money in the Michigan transportation
 14 fund shall be deposited in the Michigan transportation fund. Except

1 as provided in this act, no other money, whether appropriated from
2 the general fund of this state or any other source, shall be
3 deposited in the Michigan transportation fund. Except as otherwise
4 provided in this section, the legislature shall appropriate funds
5 for the necessary expenses incurred in the administration and
6 enforcement of the motor fuel tax act, 2000 PA 403, MCL 207.1001 to
7 207.1170, the motor carrier act, 1933 PA 254, MCL 475.1 to ~~479.43,~~
8 **479.42**, and sections 801 to 810 of the Michigan vehicle code, 1949
9 PA 300, MCL 257.801 to 257.810. Funds appropriated for necessary
10 expenses shall be based upon established cost allocation
11 methodology that reflects actual costs. Appropriations for the
12 necessary expenses incurred by the department of state in
13 administration and enforcement of sections 801 to 810 of the
14 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall
15 be made from the Michigan transportation fund and from funds in the
16 transportation administration collection fund created in section
17 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.
18 Appropriations from the Michigan transportation fund for the
19 necessary expenses incurred by department of state in
20 administration and enforcement of sections 801 to 810 of the
21 Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall
22 not exceed \$20,000,000.00 per state fiscal year. ~~except for the~~
23 ~~fiscal year ending September 30, 2006. For the fiscal year ending~~
24 ~~September 30, 2006, the legislature may appropriate funds in excess~~
25 ~~of \$20,000,000.00 from the Michigan transportation fund for all~~
26 ~~incremental additional expenses incurred by the department of state~~
27 ~~in enforcing sections 801 to 810 of the Michigan vehicle code, 1949~~

1 ~~PA 300, MCL 257.801 to 257.810, that arise because of the~~
2 ~~replacement of standard design registration license plates as~~
3 ~~provided in section 224 of the Michigan vehicle code, 1949 PA 300,~~
4 ~~MCL 257.224. All money in the Michigan transportation fund is~~
5 ~~apportioned and appropriated in the following manner:~~

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

9 (b) Not less than \$3,000,000.00 each year to the local bridge
10 fund established in subsection ~~(5)~~ **(4)** for the purpose of payment
11 of the principal, interest, and redemption premium on any notes or
12 bonds issued by the state transportation commission under former
13 section 11b or subsection ~~(10)~~ **(9)**.

14 (c) Revenue from 3 cents of the tax levied under section
15 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, to
16 the state trunk line fund, county road commissions, and cities and
17 villages in the percentages provided in subdivision ~~(i)~~ **(J)**.

18 ~~Until September 30, 2004, all of the revenue from 1 cent~~
19 ~~of the tax levied under section 8(1)(a) of the motor fuel tax act,~~
20 ~~2000 PA 403, MCL 207.1008, to the state trunk line fund for repair~~
21 ~~of state bridges under section 11. Beginning October 1, 2004 and~~
22 ~~continuing through September 30, 2005, 3/4 of the revenue from 1~~
23 ~~cent of the tax levied under section 8(1)(a) of the motor fuel tax~~
24 ~~act, 2000 PA 403, MCL 207.1008, shall be appropriated to the state~~
25 ~~trunk line fund for the repair of state bridges under section 11,~~
26 ~~and 1/4 of the revenue from 1 cent of the tax levied under section~~
27 ~~8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, shall~~

1 ~~be appropriated to the local bridge fund created in subsection (5)~~
2 ~~for distribution only to cities, villages, and county road~~
3 ~~commissions. Beginning October 1, 2005, 1/2 **ONE-HALF** of the revenue~~
4 from 1 cent of the tax levied under section 8(1)(a) of the motor
5 fuel tax act, 2000 PA 403, MCL 207.1008, shall be appropriated to
6 the state trunk line fund for the repair of state bridges under
7 section 11, and 1/2 of the revenue from 1 cent of the tax levied
8 under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL
9 207.1008, shall be appropriated to the local bridge fund created in
10 subsection ~~(5)~~**(4)** for distribution only to cities, villages, and
11 county road commissions.

12 (e) \$43,000,000.00 to the state trunk line fund for debt
13 service costs on state of Michigan projects. **BEGINNING ON THE**
14 **EFFECTIVE DATE OF THE 2015 AMENDATORY ACT THAT AMENDED THIS**
15 **SUBDIVISION AND ENDING 5 YEARS AFTER THE EFFECTIVE DATE OF THE 2015**
16 **AMENDATORY ACT THAT AMENDED THIS SUBDIVISION, THE MONEY**
17 **APPROPRIATED UNDER THIS SUBDIVISION SHALL BE APPROPRIATED FROM THE**
18 **MONEY REPRESENTING THE INCREASE IN VEHICLE REGISTRATION FEES**
19 **COLLECTED UNDER SECTION 801(1)(P) (ii) OF THE MICHIGAN VEHICLE CODE,**
20 **1949 PA 300, MCL 257.801.**

21 (f) ~~Except as provided in subsection (4), 10% **TEN PERCENT** to~~
22 the comprehensive transportation fund for the purposes described in
23 section 10e.

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

1 (h) \$36,775,000.00 to the state trunk line fund for subsequent
2 deposit in the transportation economic development fund, ~~and, as of~~
3 ~~September 30, 1997,~~ with first priority for allocation to debt
4 service on bonds issued to fund transportation economic development
5 fund projects. In addition, ~~beginning October 1, 1997,~~
6 \$3,500,000.00 is appropriated from the Michigan transportation fund
7 to the state trunk line fund for subsequent deposit in the
8 transportation economic development fund to be used for economic
9 development road projects in any of the targeted industries
10 described in section 9(1)(a) of 1987 PA 231, MCL 247.909.

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

14 (j) The balance of the Michigan transportation fund as
15 follows, after deduction of the amounts appropriated in
16 subdivisions (a) through (i): ~~and section 11b:~~

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

19 (ii) 39.1% to the county road commissions of ~~the~~ **THIS** state.

20 (iii) 21.8% to the cities and villages of ~~the~~ **THIS** state.

21 (2) The money appropriated ~~pursuant to~~ **UNDER** this section
22 shall be used for the purposes as provided in this act and any
23 other applicable act. Subject to ~~the requirements of~~ section 9b,
24 the department shall develop programs in conjunction with the
25 Michigan ~~state chamber of commerce~~ **CHAMBER OF COMMERCE** and the
26 Michigan ~~minority business development council~~ **MINORITY SUPPLIER**
27 **DEVELOPMENT COUNCIL** to assist small businesses, including those

1 located in enterprise zones and those located in empowerment zones
2 as determined under federal law, as defined by law in becoming
3 qualified to bid.

4 (3) Thirty-one and one-half percent of the funds appropriated
5 to this state from the federal government ~~pursuant to~~ **UNDER** 23 USC
6 157, commonly known as minimum guarantee funds, shall be allocated
7 to the transportation economic development fund, if ~~such an~~ **THE**
8 allocation is consistent with federal law. These funds shall be
9 distributed 16-1/2% for development projects for rural counties as
10 defined by law and 15% for capacity improvement or advanced traffic
11 management systems in urban counties as defined by law. Federal
12 funds allocated for distribution under this section shall be
13 eligible for obligation and use by all recipients as defined by the
14 transportation equity act for the 21st century, Public Law 105-178.

15 ~~—— (4) For the fiscal year beginning October 1, 2003 only, the~~
16 ~~apportionment of 10% of Michigan transportation fund money to the~~
17 ~~comprehensive transportation fund as provided in subsection (1)(f)~~
18 ~~shall be reduced by \$10,000,000.00 and the \$10,000,000.00 shall be~~
19 ~~transferred to the state trunk line fund for capacity improvements~~
20 ~~to state trunk line highways.~~

21 (4) ~~(5)~~—A fund to be known as the local bridge fund is
22 established and is set up and maintained in the state treasury as a
23 separate fund. The money appropriated to the local bridge fund and
24 the interest accruing to that fund shall be expended for the local
25 bridge program. The purpose of the fund is to provide financial
26 assistance to highway authorities for the preservation,
27 improvement, or reconstruction of existing bridges or for the

1 construction of bridges to replace existing bridges in whole or
2 part. The money in the local bridge fund is not subject to section
3 12(15) or 13(5). The local bridge advisory board is created and
4 shall consist of 6 voting members appointed by the state
5 transportation commission and 2 nonvoting members appointed by the
6 ~~state transportation department~~. The board shall include 3 members
7 from the ~~county road association~~ **COUNTY ROAD ASSOCIATION** of
8 Michigan, 1 member who represents counties with populations 65,000
9 or greater, 1 member who represents counties with populations
10 greater than 30,000 and less than 65,000, and 1 member who
11 represents counties with populations of 30,000 or less. Three
12 members shall be appointed from the Michigan ~~municipal league~~,
13 **MUNICIPAL LEAGUE**, 1 member who represents cities with a population
14 75,000 or greater, 1 member who represents cities with a population
15 less than 75,000, and 1 member who represents villages. Each
16 organization with voting rights shall submit a list of nominees in
17 each population category to the state transportation commission.
18 The state transportation commission shall make the appointments
19 from the lists submitted under this subsection. ~~Names shall be~~
20 ~~submitted within 45 days after October 1, 2004.~~ The state
21 ~~transportation commission shall make the appointments by January~~
22 ~~30, 2005.~~ Voting members shall be appointed for 2 years. The
23 chairperson of the board shall be selected from among the voting
24 members of the board. In addition to the 2 nonvoting members, the
25 department shall provide qualified administrative staff and
26 qualified technical assistance to the board.

27 (5) ~~(6) Beginning October 1, 2005, no~~ **NO** less than 5% and no

1 more than 15% of the funds received in the local bridge fund may be
2 used for critical repair of large bridges and emergencies as
3 determined by the local bridge advisory board. ~~Beginning October 1,~~
4 ~~2005, funds~~ **FUNDS** remaining after the funds allocated for critical
5 large bridge repair and emergencies are deducted shall be
6 distributed by the board to the regional bridge councils created
7 under this section. One regional council shall be formed for each
8 department of transportation region as those regions exist on
9 October 1, 2004. The regional councils shall consist of 2 members
10 of the county road association of Michigan from counties in the
11 region, 2 members of the Michigan ~~municipal league~~ **MUNICIPAL LEAGUE**
12 from cities and villages in the region, and 1 member of the state
13 transportation department in each region. The members of the state
14 transportation department shall be nonvoting members who shall
15 provide qualified administrative staff and qualified technical
16 assistance to the regional councils.

17 (6) ~~(7) Beginning October 1, 2005, funds~~ **FUNDS** in the local
18 bridge fund after deduction of the amounts set aside for critical
19 repair of large bridges and emergency repairs shall be distributed
20 among the regional bridge councils according to all of the
21 following ratios, which shall be assigned a weight expressed as a
22 percentage as determined by the board, with each ratio receiving no
23 greater than a 50% weight and no less than a 25% weight:

24 (a) A ratio with a numerator that is the total number of local
25 bridges in the region and a denominator that is the total number of
26 local bridges in this state.

27 (b) A ratio with a numerator that is the total local bridge

1 deck area in the region and a denominator that is the total local
2 bridge deck area in this state.

3 (c) A ratio with a numerator that is the total amount of
4 structurally deficient local bridge deck area in the region and a
5 denominator that is the total amount of structurally deficient
6 local bridge deck area in this state.

7 (7) ~~(8) Beginning October 1, 2005, the~~ **THE** regional bridge
8 councils shall allocate the funds received from the board for the
9 preservation, improvement, and reconstruction of existing bridges
10 or for the construction of bridges to replace existing bridges in
11 whole or in part in each region.

12 (8) ~~(9) Beginning January 1, 2007 and each~~ **EACH** January, after
13 2007, the department shall submit a report to the chair and the
14 minority vice-chair of the appropriations committees of the senate
15 and the house of representatives, and to the standing committees on
16 transportation of the senate and the house of representatives, on
17 all of the following activities for the previous state fiscal year:

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

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

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

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

25 (e) A listing of what specific projects were funded pursuant
26 ~~to~~ **UNDER** subsection ~~(8)~~. **(7)**

27 (9) ~~(10)~~ The state transportation commission shall borrow

1 money and issue notes or bonds in an amount of not less than
2 \$30,000,000.00 to supplement the funding provided for the local
3 bridge program under subsection ~~(6)~~—(5). The bonds or notes issued
4 pursuant to this subsection may be issued by the commission for any
5 purpose for which other local bridge funds may be used under this
6 section. The bonds or notes authorized by this subsection shall be
7 issued by resolution of the state transportation commission
8 consistent with ~~the requirements of~~ section 18b.

9 (10) ~~(11)~~—The ~~state transportation~~ department shall promulgate
10 rules ~~pursuant to~~ **UNDER** the administrative procedures act of 1969,
11 1969 PA 306, MCL 24.201 to 24.328, governing the administration of
12 the local bridge program. The rules shall set forth the eligibility
13 criteria for financial assistance under the program and other
14 matters related to the program that the department considers
15 necessary and desirable. The department shall take into
16 consideration the availability of federal aid and other financial
17 resources of the highway authority responsible for the bridge, the
18 importance of the bridge to the highway, road, or street network,
19 and the condition of the existing bridge.

20 (11) ~~(12)~~ ~~Beginning October 1, 2004, the~~ **THE** revenue
21 appropriated to the local bridge fund ~~pursuant to~~ **UNDER** subsection
22 (1)(d) shall be distributed only to the local bridge advisory
23 board, the regional bridge councils, cities, villages, and county
24 road commissions.

25 (12) ~~(13)~~ ~~Beginning October 1, 2008, the~~ **THE** regional bridge
26 councils shall determine what bridge projects are selected for
27 funding from the local bridge fund created in subsection ~~(5)~~—(4)

1 and shall make a list of selected projects available to interested
2 parties in the region. A determination that a bridge project is
3 selected for funding in a given fiscal year is not approval to
4 disburse the funds.

5 (13) ~~(14) Beginning October 1, 2008, a~~ A county road
6 commission, city, or village may implement a bridge project if the
7 bridge project has been selected for funding and is included in the
8 appropriate regional bridge council's current multiyear bridge plan
9 for the local bridge program but the regional bridge council has
10 not allocated funds to the bridge project for the fiscal year that
11 the bridge project is on the current multiyear bridge plan. A
12 county road commission, city, or village may borrow funds to
13 implement a project that has been selected for funding and is
14 included in the appropriate regional bridge council's current
15 multiyear bridge plan but has not been allocated funds by the
16 regional bridge council. Based on available local bridge funds,
17 when a bridge project that was implemented with borrowed funds is
18 allocated funding in a subsequent fiscal year, the funding shall
19 only be used to repay the amount approved by the multiyear bridge
20 plan when the funds were borrowed. To be eligible for repayment of
21 the amount borrowed, a bridge project that has been implemented
22 with borrowed funds shall be administered through the department's
23 local bridge program.

24 Enacting section 1. This amendatory act does not take effect
25 unless Senate Bill No. ____ or House Bill No. 4736 (request no.
26 02919'15) of the 98th Legislature is enacted into law.