



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 522 (Substitute S-2 as reported)
Sponsor: Senator Dale W. Zorn
Committee: Transportation and Infrastructure

CONTENT

The bill would amend the Michigan Transportation Fund law to do the following:

- Beginning October 1, 2024, require the Michigan Department of Transportation (MDOT) in conjunction with local road agency associations to create and operate an engineering services grant program to provide local road agencies with an engineering services specialist for communication and coordination purposes with certain entities.
- Require MDOT to notify an applicant in writing whether the application was approved or rejected within 120 days after receiving an application.
- Specify the responsibilities for an engineering services specialist.
- Require a grant recipient to report quarterly to MDOT with certain information.

MCL 247.659a

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have a negative fiscal impact on MDOT and a positive fiscal impact on those local road agencies that received grants under the program that would be created by the bill.

The bill would require the Department to establish a grant program, beginning in fiscal year (FY) 2024-25, designed to provide funding to a local agency to hire an engineering specialist. Each grant award would require the Department to provide \$150,000, adjusted annually for inflation, to a local agency for a period of five years to pay for the engineering specialist. The grant money would come from one of two sources: STF or the MTF. The STF is the Department's share of MTF funding through the Public Act 51 formula after it is split between the Department, county road commissions, and cities/villages.

If grants were made from the STF, the Department would be affected negatively at an annual rate of \$150,000 multiplied by the number of annual grants it awarded to local agencies. The Department's STF appropriation for FY 2019-20, for example, was \$1.25 billion. If the number of grants remained relatively small, the impact on the Department would be negligible.

If grants under the program were made from the MTF, the Department, county road commission, and cities/villages all could be affected negatively by an amount equal to the number of grants awarded. If the number of grants remained relatively small, the impact on the Department, county road commissions, and cities/villages would be negligible.

Date Completed: 1-15-20

Fiscal Analyst: Michael Siracuse