

HOUSE BILL NO. 5922

September 11, 2024, Introduced by Reps. Jaime Greene, Mentzer and St. Germaine and referred to the Committee on Transportation, Mobility and Infrastructure.

A bill to amend 1987 PA 231, entitled

"An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds,"

by amending section 11 (MCL 247.911), as amended by 2020 PA 204.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) Bonds may be issued as authorized by the
2 commission for the purpose of funding projects under this act in
3 the manner provided in sections 18b and 18k of 1951 PA 51, MCL

1 247.668b and 247.668k, and in accordance with the adopted policies
2 of the commission. Bonds ~~shall~~**must** not be committed for any
3 project under this act until the requirements under section 3(1)
4 have been satisfied.

5 (2) After the payment of interest and principal on bonds
6 issued under this act and the appropriation for costs of
7 administration of the fund as provided under this act, fund revenue
8 ~~shall be~~**is** annually appropriated as follows:

9 (a) The first \$5,000,000.00 for a forest roads program. Forest
10 roads program funds ~~shall~~**must** be distributed each fiscal year to
11 each qualified county in a percentage amount equal to the same
12 percentage amount that the number of acres of commercial forest,
13 national park, and national lakeshore land in each qualified county
14 bears to the total number of acres of commercial forest, national
15 park, and national lakeshore land in all qualified counties in this
16 state. Revenue distributed under this subdivision ~~shall~~**must** be
17 used for the construction or reconstruction of roads.

18 (b) The next \$2,500,000.00 of the fund ~~shall~~**must** be
19 distributed each fiscal year for improvements within rural counties
20 to roads and streets that are eligible for federal aid and are
21 located inside the boundaries of an urban area or an urbanized area
22 as determined by the most recent federal decennial census and as
23 adjusted by the department.

24 (3) Of the balance remaining after funding projects under
25 subsection (2), projects ~~shall~~**must** be funded in the categories
26 described in section 9 based on the following percentages:

27 (a) 50% for economic development road projects in any of the
28 targeted industries. For the fiscal years ending September 30, 2019
29 through September 30, 2023 only, the allocation made under this

1 subdivision ~~shall~~**must** be reduced by \$3,000,000.00 and allocated to
 2 projects described in section 9(1)(b). The office of economic
 3 development shall use geographic distribution as a grant selection
 4 criterion for projects described in section 9(1)(b). An eligible
 5 city or village may apply for a grant for a project described in
 6 section 9(1)(b) in consecutive fiscal years. For the fiscal years
 7 ending September 30, 2020 and September 30, 2021 only, the
 8 allocation made under this subdivision ~~shall~~**must** be reduced by an
 9 additional \$13,000,000.00.

10 (b) 25% for projects to reduce congestion on county primary
 11 and city major streets within urban counties including advanced
 12 traffic management systems. The funds ~~shall~~**must** be distributed to
 13 counties with populations in excess of 400,000 in accordance with
 14 the following formula:

| <u>Population</u> | <u>Percentage of Funds</u> |
|--|----------------------------|
| 1,750,000 or more | 16% |
| 1,000,000 to 1,749,999 | 40% |
| 650,001 700,000 to 999,999 | 20% |
| 400,000 to 650,000 699,999 | 24% |

20 When 2 or more counties occupy the same category, the funds
 21 ~~shall~~**must** be divided equally.

22 Projects funded under this category ~~shall~~**must** be used for the
 23 widening of county primary roads or city major streets or for
 24 advanced traffic management systems in eligible counties.

25 (c) 25% for projects within rural counties. These revenues
 26 ~~shall~~**must** be distributed for the improvement of rural primary
 27 roads in rural counties and major streets in cities and villages
 28 with a population of 5,000 or less that are located outside the
 29 boundaries of an urban area or an urbanized area as determined by

1 the most recent federal decennial census and as adjusted by the
2 department. ~~Funds~~ **The commission shall allocate funds** distributed
3 under this subdivision ~~shall be allocated by the commission~~ to the
4 regional rural task force areas described in section 12a in the
5 same proportion that the rural primary mileage of the regional
6 rural task force area bears to the total rural primary mileage of
7 all counties. Each rural county ~~shall~~ **must** be credited with an
8 allocation in the proportion that the county's rural primary
9 mileage is to the total rural primary mileage of those rural
10 counties within the same regional rural task force area. Projects
11 funded under this subdivision ~~shall~~ **must** be limited to upgrading
12 rural primary roads and major streets to create an all-season road
13 network.