

# SENATE BILL No. 521

May 31, 2001, Introduced by Senators GOSCHKA, HAMMERSTROM and BULLARD and referred to the Committee on Transportation and Tourism.

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 1993 PA 149.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 11. (1) Bonds may be issued as authorized by the com-  
2 mission for the purpose of funding projects under this act in the  
3 manner provided in sections 18b and 18k of ~~Act No. 51 of the~~  
4 ~~Public Acts of 1951, being sections 247.668b and 247.668k of the~~  
5 ~~Michigan Compiled Laws~~ 1951 PA 51, MCL 247.668 AND 247.668K, and  
6 in accordance with the adopted policies of the commission. Bonds  
7 shall not be committed for any project under this act until the  
8 requirements set forth under section 3(1) have been satisfied.

1 (2) Projects shall be funded in the following categories in  
2 the following amounts:

3 (a) The first \$5,000,000.00 of the fund shall be distributed  
4 each fiscal year to each qualified county in a percentage amount  
5 equal to the same percentage amount that the number of acres of  
6 commercial forest, national park, and national lakeshore land in  
7 each qualified county bears to the total number of acres of com-  
8 mercial forest, national park, and national lakeshore land in all  
9 qualified counties in this state. Revenue distributed under this  
10 subdivision shall be used for the construction or reconstruction  
11 of roads.

12 (b) The next \$2,500,000.00 of the fund shall be distributed  
13 each fiscal year for improvements to roads and streets that are  
14 eligible for federal aid in cities and villages having a popula-  
15 tion of 5,000 or greater within rural counties.

16 (3) Of the balance remaining after funding projects pursuant  
17 to subsection (2), projects shall be funded in the categories  
18 described in section 9 based on the following percentages:

19 (a) 50% for economic development road projects in any of the  
20 targeted industries.

21 (c) 25%, BUT NOT LESS THAN \$9,800,000.00, for projects to  
22 reduce congestion on county primary and city major streets within  
23 urban counties including advanced traffic management systems.  
24 The funds shall be distributed to counties with populations in  
25 excess of 400,000 in accordance with the following formula:

|   | <u>Population</u>      | <u>Percentage of Funds</u> |
|---|------------------------|----------------------------|
| 1 |                        |                            |
| 2 | 1,750,000 or more      | 16%                        |
| 3 | 1,000,000 to 1,750,000 | 40%                        |
| 4 | 600,000 to 1,000,000   | 20%                        |
| 5 | 400,000 to 600,000     | 24%                        |

6 When 2 or more counties occupy the same category, the funds  
7 shall be divided equally.

8 Projects funded under this category shall be used for the  
9 widening of county primary roads or city major streets or for  
10 advanced traffic management systems in eligible counties.

11 (d) 25%, BUT NOT LESS THAN \$9,800,000.00, for development  
12 projects within rural counties. These revenues shall be distrib-  
13 uted for the improvement of rural primary roads in rural counties  
14 and major streets in cities and villages with a population of  
15 5,000 or less. Funds distributed under this subdivision shall be  
16 allocated by the commission to the regional rural task force  
17 areas defined in section 12a in the same proportion that the  
18 rural primary mileage of the regional rural task force area bears  
19 to the total rural primary mileage of all counties. Each rural  
20 county shall be credited with an allocation in the proportion  
21 that the county's rural primary mileage is to the total rural  
22 primary mileage of those rural counties within the same regional  
23 rural task force area. Projects funded under this subdivision  
24 shall be limited to upgrading rural primary roads and major  
25 streets to create an all-season road network.

26 (4) The obligation authority for any federal funds allocated  
27 under section 10 of ~~Act No. 51 of the Public Acts of 1951, being~~

1 ~~section 247.660 of the Michigan Compiled Laws~~ 1951 PA 51, MCL  
2 247.660, shall be distributed equally among urban task forces and  
3 regional rural task forces according to the distribution formula  
4 outlined in subsection (3)(c) and (d). An additional 1.5% of the  
5 obligation authority for federal funds identified in section 10  
6 of ~~Act No. 51 of the Public Acts of 1951~~ 1951 PA 51, MCL  
7 247.660, shall be distributed among the regional rural task  
8 forces according to the distribution formula outlined in subsec-  
9 tion (3)(d). These funds shall be obligated and used consistent  
10 with the provisions of section 10 of ~~Act No. 51 of the Public~~  
11 ~~Acts of 1951~~ 1951 PA 51, MCL 247.660.