

AUTHORITY FOR TOLL ROADS TO CASINOS

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House Bill 6038

Sponsor: Rep. Mike Pumford

Committee: Government Operations

Complete to 8-23-04

A SUMMARY OF HOUSE BILL 6038 AS INTRODUCED 6-22-04

The bill would amend Public Act 51 of 1951 (Act 51) by adding three new sections, sections 660p, 660q, and 660r. Section 660p would authorize the imposition of a toll of \$5.00 per vehicle on visitors to a casino where gaming is conducted by a federally recognized Indian tribe. Section 660q would direct net toll revenue collected from highways under state jurisdiction to the Michigan Transportation Fund (MTF), and net toll revenue from highways under local jurisdiction to the applicable county, city, or village to be used for highways under the jurisdiction of the county, city, or village. Section 660r would authorize the Michigan Department of Transportation, or a county, city, or village, to construct and establish toll booths and barriers within 1 mile of the casino. The section would also give the department authority to issue guidelines for the construction and operation of toll booths, and authority to issue permits for the construction and operation of toll collection booths.

MCL 247.660p-660r

FISCAL IMPACT:

We can not readily estimate the amount of toll revenue which could be generated by the bill. The amount of net toll revenue would depend on the number of toll facilities constructed, the number of vehicles using the facilities to visit casinos, and the cost of constructing and operating toll facilities. There appear to be 18 casinos in the state operated by federally recognized Indian tribes, of which 12 appear to be on roads under the jurisdiction of the state, with the other 6 on roads under local jurisdiction.

Funds credited to the MTF are distributed to the State Trunkline Fund, the Comprehensive Transportation Fund, and to counties, cities, and villages in accordance with provisions of Act 51.

Roads which have been constructed or reconstructed with federal aid cannot be converted to toll facilities unless a toll agreement is executed with the Federal Highway Administration. The toll agreement must require that all toll revenues are first used for debt service, reasonable return on private investment, operation and maintenance, including reconstruction, resurfacing, restoring, and rehabilitation work. Generally, toll

facilities are limited-access highways or bridges where access to the facility can be readily restricted to those paying the toll.

Fiscal Analyst: William Hamilton

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