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BILL ANALYSIS

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Senate Bill 539 (as introduced 6-4-03)  
Sponsor: Senator Judson Gilbert II  
Committee: Appropriations

Date Completed: 6-10-03

### **CONTENT**

The bill would amend Public Act (PA) 51 of 1951 to require that the necessary expenses incurred by the Department of State and the Department of Treasury in the administration and enforcement of the Motor Fuel Tax Act, the Motor Carrier Act, and Sections 801 to 810 of the Michigan Vehicle Code be appropriated from funds in the Transportation Administration Collection Fund (contemplated in Senate Bill 554). Currently, PA 51 provides that these expenses are covered by appropriations from the Michigan Transportation Fund (MTF).

MCL 247.660

### **FISCAL IMPACT**

The bill would increase State-restricted transportation revenue available to the Comprehensive Transportation Fund (CTF), the State Trunkline Fund (STF), county road commissions, and cities and villages. In the current-year budget, appropriations from the MTF to the Department of State and the Department of Treasury total \$104,725,000 to cover necessary transportation-related expenses associated with tax/fee collections. Under the bill, these costs would be covered by the Transportation Administration Collection Fund and the MTF funds made available to the CTF, STF, county road commissions, and cities and villages pursuant to the formula in PA 51.

The Transportation Administration Collection Fund contemplated in Senate Bill 554 will receive approximately \$56,400,000 currently deposited in the MTF. Therefore, the amount of net MTF revenue available to the CTF, STF, county road commissions, and cities and villages would be \$48,325,000.

The following table illustrates the fiscal impact of the bill based on current-year appropriation levels. This table assumes that all MTF appropriations to the Department of State and the Department of Treasury would be eliminated.

<b><u>MTF Recipient</u></b>	<b><u>% of "net" MTF</u></b>	<b><u>Amount</u></b>
Comprehensive Transportation Fund	10%	\$4,832,500
State Trunkline Fund	35%	\$16,913,750
County Road Commissions	35%	\$16,913,750
Cities and Villages	20%	\$9,665,000
<b>Total</b>	<b>100%</b>	<b>\$48,325,000</b>

Fiscal Analyst: Craig Thiel

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.