

SENATE BILL No. 1132

March 14, 2006, Introduced by Senators PRUSI, SCHAUER, LELAND, BASHAM, JACOBS, OLSHOVE, CHERRY, CLARKE, THOMAS, BRATER, SWITALSKI, BARCIA, SCOTT, GARCIA, CLARK-COLEMAN, EMERSON, VAN WOERKOM and GEORGE and referred to the Committee on Transportation.

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and

certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending section 11e (MCL 247.661e), as added by 1992 PA 223.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11e. (1) There is created within the state trunk line
2 fund a local program fund for the purpose of receiving funds
3 allocated from the Michigan transportation fund and from the state
4 trunk line fund. Funds ~~so~~ received shall be distributed 64.2% to
5 the county road commissions of the state to be administered
6 according to section 12 and 35.8% to the cities and villages of the
7 state to be administered according to section 13.

8 (2) **THERE IS CREATED WITHIN THE STATE TRUNK LINE FUND A LOCAL**
9 **FEDERAL MATCH PROGRAM FOR THE PURPOSE OF RECEIVING THE PROCEEDS OF**
10 **BONDS ISSUED UNDER SECTION 18B THAT ARE TO BE REPAID UNDER SECTION**
11 **11(1) (A) (iii) . FUNDS RECEIVED SHALL BE GRANTED TO LOCAL**
12 **MUNICIPALITIES AND OTHER LOCAL AGENCIES TO MATCH FEDERAL AID**
13 **PROJECTS AS PROVIDED IN THIS SUBSECTION. FUNDS DEPOSITED INTO THE**
14 **LOCAL FEDERAL MATCH PROGRAM IN THE AGGREGATE SHALL NOT EXCEED**
15 **\$80,000,000.00. PROJECTS SHALL BE SUBMITTED TO THE STATE**
16 **TRANSPORTATION DEPARTMENT BY THE LOCAL MUNICIPALITY OR OTHER**
17 **AGENCY. SUBJECT TO SUBSECTION (3) , IF THE PROJECTS MEET THE**

1 CRITERIA, THE STATE TRANSPORTATION DEPARTMENT SHALL AWARD GRANTS TO
2 THE EXTENT OF AVAILABLE FUNDS. AN INDIVIDUAL GRANT SHALL NOT EXCEED
3 25% OF THE AMOUNT OF FEDERAL FUNDS AVAILABLE FOR THE PROJECT.

4 PROJECTS SELECTED FOR FUNDING SHALL MEET ALL OF THE FOLLOWING
5 CRITERIA:

6 (A) THE PROJECT SHALL BE UNDER CONSTRUCTION OR CONTRACT FOR
7 CONSTRUCTION BY SEPTEMBER 30, 2007.

8 (B) THE APPLICANT SHALL HAVE IDENTIFIED ALL OF THE NECESSARY
9 FUNDING TO COMPLETE THE PROJECT.

10 (C) THE PROJECT SHALL BE FOR THE OPENING, WIDENING, IMPROVING,
11 CONSTRUCTION, AND RECONSTRUCTION OF A FEDERAL AID ELIGIBLE ROAD OR
12 STREET, INCLUDING THE WORK INCIDENTAL TO THAT OPENING, WIDENING,
13 IMPROVING, CONSTRUCTION, AND RECONSTRUCTION.

14 (3) IF THE NUMBER OF ELIGIBLE FEDERALLY FUNDED PROJECTS
15 EXCEEDS THE AMOUNT OF AVAILABLE FUNDS IN THE LOCAL FEDERAL FUND
16 PROGRAM, THE DEPARTMENT, IN CONSULTATION WITH LOCAL MUNICIPALITIES
17 AND LOCAL AGENCIES, SHALL ESTABLISH ADDITIONAL CRITERIA FOR
18 DETERMINING FINAL PROJECT SELECTION TAKING INTO ACCOUNT THE NEEDS
19 OF HIGHWAY, ROAD, AND STREET SYSTEMS AND AN EQUITABLE ALLOCATION OF
20 AVAILABLE FUNDS. ALL BOND PROCEEDS NOT NEEDED TO FUND GRANTS
21 AWARDED BY SEPTEMBER 30, 2007 ARE APPROPRIATED FOR THE PURPOSES
22 DESCRIBED IN SECTION 11(1)(F).