

## REDIRECTION FROM TEDF TO STATE TRUNKLINE FUND

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**Senate Bill 1243, as passed the Senate**  
**Sponsor: Sen. John Pappageorge**  
**Committee: Appropriations**

**Complete to 12-4-12**

## SUMMARY OF SENATE BILL 1243 AS PASSED THE SENATE, 11-29-12

Senate Bill 1243 would amend Section 11 of 1987 PA 231 (MCL 247.911), the act which created and governs the Transportation Economic Development Fund (TEDF). The TEDF is a state-restricted transportation fund created to help fund highway, road, and street improvements related to either a specific type of economic activity or a specific type of road system. The bill would appropriate \$12.0 million from the TEDF for credit to the State Trunkline Fund (STF) established in Section 11 of 1951 PA 51 for the fiscal year ending September 30, 2013.

Previously in the 2011-2012 Legislative Session, House Bill 4748, enacted as 2011 PA 145, had amended the same section of law to appropriate \$12.0 million from the TEDF for two fiscal years (FY 2010-11 and FY 2011-12) for credit to the STF. That bill indicated that the \$12.0 million appropriation was for the purpose of matching available federal aid highway funds. The bill also indicated that the \$12.0 million reduction in the TEDF would be taken from the Targeted Industries program ("Category A").

Senate Bill 1243 would simply make the \$12.0 million appropriation from the TEDF to the STF for one additional fiscal year, the fiscal year ending September 30, 2013. The \$12.0 million reduction in the TEDF would again be taken from the Targeted Industries program. Language indicating that the appropriation was for the purpose of matching available federal aid highway funds would remain unchanged. The bill is needed to implement the FY 2012-13 transportation budget.

### FISCAL IMPACT:

The \$12.0 million TEDF revenue redirection proposed in the bill has no impact on total state revenue; the bill simply effects a redirection from one state-restricted transportation fund to another state-restricted transportation fund. This redirection was one of the elements of the Michigan Department of Transportation proposal, reflected in FY 2010-11, FY 2011-12, and FY 2012-13 appropriations, for matching all available federal-aid highway funds.

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