

# Legislative Analysis



## REDIRECTION OF CERTAIN DRIVERS' LICENSE FEE REVENUE FROM TEDF TO TRUNKLINE FUND

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House Bill 4748, ENACTED AS 2011 PA 145

Sponsor: Rep. Dave Agema

Committee: Appropriations

Complete to 11-15-11

### SUMMARY OF HOUSE BILL 4748 AS ENACTED 9-21-11

**House Bill 4748 enacted as 2011 PA 145**, amends 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 appropriates \$12.0 million from the TEDF each year for two fiscal years (FY 2010-11 and FY 2011-12) for credit to the State Trunkline Fund (STF) established in Section 11 of 51 PA 1951. The bill indicates that the distribution to the Targeted Industries program ("Category A") shall be reduced accordingly. These provisions amend statute to conform to FY 2010-11 and FY 2011-12 budget agreements; in effect the bill amends the law governing the distribution of TEDF funds to conform to FY 2010-11 and FY 2011-12 state transportation appropriations.

The bill also amends the subsection prescribing the allocation of funds within the Urban Congestion Relief Program, ("Category C"). Under current law, funds for this category are sub-allocated to five urban counties, Wayne, Oakland, Macomb, Genesee, and Kent, based on population. Because of an increase in census population of Kent County, the distribution among the counties would otherwise change. The bill adjusts the population references to maintain the current distribution formula among the five counties.

### FISCAL IMPACT:

House Bill 4748 was introduced at the same time as House Bill 4747, a bill which would have amended Section 819 of the Michigan Vehicle Code to redirect \$12.0 million in drivers license fee revenue from the TEDF to the STF. The two bills were to have worked together to redirect money from the TEDF to the STF, and to change the distribution from the TEDF so that the reduction would come from Category A only. However, after the bills were introduced, it was determined that the actual language of the bills did not conform to stated legislative intent. [See House Fiscal Analysis "**As Passed the Senate.**"]

House Bill 4748 was subsequently amended to both make the redirection of the \$12.0 million to the STF, and make the reduction from the Category A program only.

The revenue redirection proposed in the bill has no impact on total state revenue; it simply effects a shift between two state-restricted funds.

This redirection was one of the elements of the Michigan Department of Transportation proposal, reflected in FY 2010-11 and FY 2011-12 appropriations, for matching all available federal-aid highway funds.

The distribution from the TEDF as appropriated for FY 2010-11 and FY 2011-12, and as reflected in House Bill 4748 as enacted is shown on the attached charts.

Fiscal Analyst: William E. Hamilton

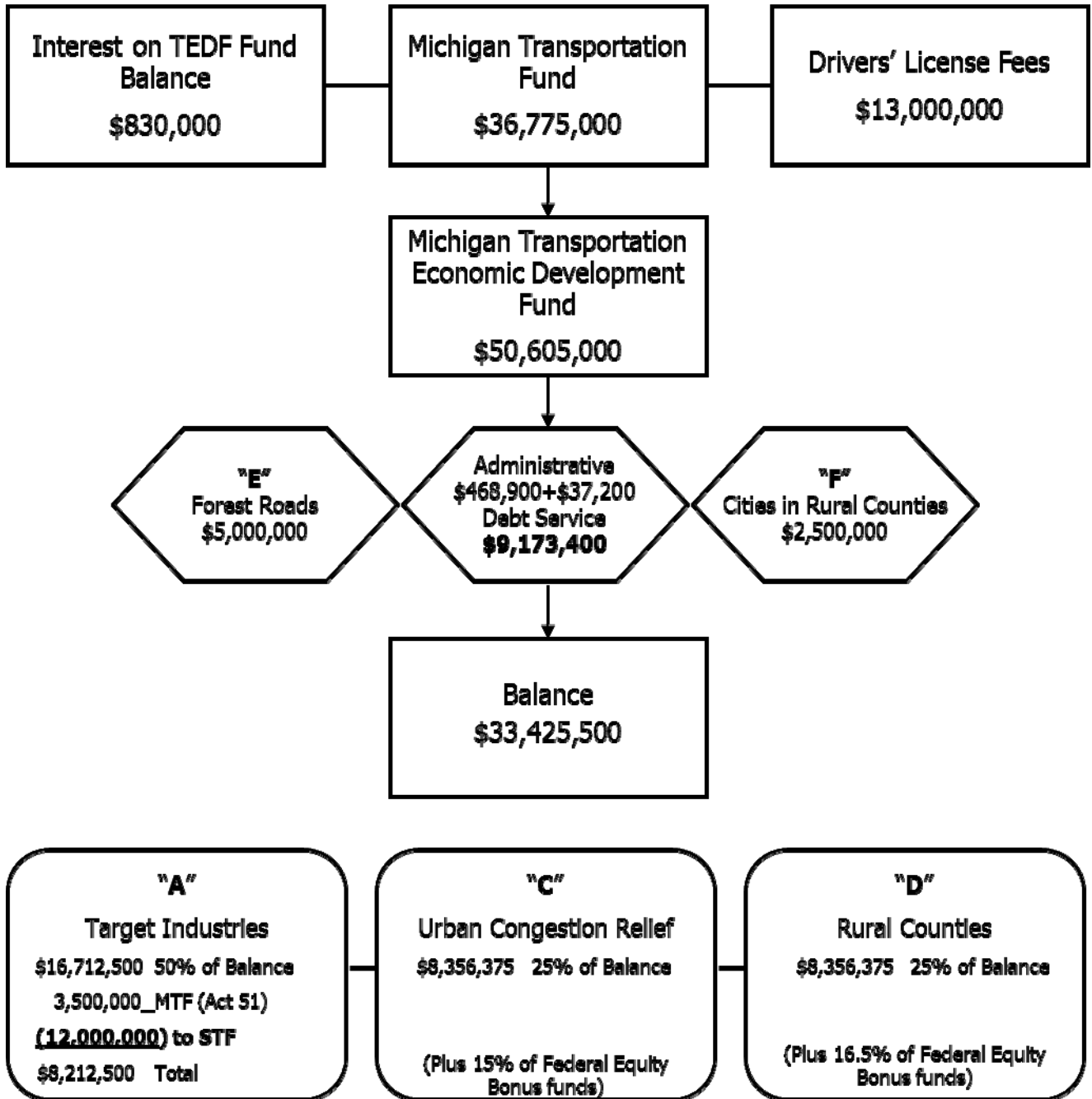
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# Transportation Economic Development Fund

Fiscal Year 2010-11

## HB 4748 Enacted and As Appropriated



# Transportation Economic Development Fund

Fiscal Year 2011-12

## HB 4748 Enacted and As Appropriated

