

HOUSE SUBSTITUTE FOR SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4748

A bill to amend 1987 PA 231, entitled

"An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds,"

by amending section 11 (MCL 247.911), as amended by 2009 PA 136.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 11. (1) Bonds may be issued as authorized by the  
2 commission for the purpose of funding projects under this act in  
3 the manner provided in sections 18b and 18k of 1951 PA 51, MCL  
4 247.668b and 247.668k, and in accordance with the adopted  
5 policies of the commission. Bonds shall not be committed for any  
6 project under this act until the requirements set forth under  
7 section 3(1) have been satisfied.

1           (2) ~~Projects shall be funded in the following categories in~~  
2 ~~the following amounts:~~**AFTER THE PAYMENT OF INTEREST AND PRINCIPAL**  
3 **ON BONDS ISSUED UNDER THIS ACT AND THE APPROPRIATION FOR COSTS OF**  
4 **ADMINISTRATION OF THE FUND AS PROVIDED UNDER THIS ACT, FUND**  
5 **REVENUE SHALL BE ANNUALLY APPROPRIATED AS FOLLOWS:**

6           (a) The first \$5,000,000.00 ~~of the fund~~**FOR A FOREST ROADS**  
7 **PROGRAM. FOREST ROADS PROGRAM FUNDS** shall be distributed each  
8 fiscal year to each qualified county in a percentage amount equal  
9 to the same percentage amount that the number of acres of  
10 commercial forest, national park, and national lakeshore land in  
11 each qualified county bears to the total number of acres of  
12 commercial forest, national park, and national lakeshore land in  
13 all qualified counties in this state. Revenue distributed under  
14 this subdivision shall be used for the construction or  
15 reconstruction of roads.

16           (b) The next \$2,500,000.00 of the fund shall be distributed  
17 each fiscal year for improvements to roads and streets that are  
18 eligible for federal aid in cities and villages having a  
19 population of 5,000 or greater within rural counties.

20           (3) Of the balance remaining after funding projects pursuant  
21 to subsection (2), projects shall be funded in the categories  
22 described in section 9 based on the following percentages:

23           (a) Except as otherwise provided in ~~this subdivision~~  
24 **SUBSECTION (4)**, 50% for economic development road projects in any  
25 of the targeted industries. ~~For the period beginning October 1,~~  
26 ~~2007 and continuing through September 30, 2008, allocations made~~  
27 ~~to targeted industries under this subdivision shall be reduced by~~

1 ~~\$13,000,000.00. For the period beginning October 1, 2008 and~~  
 2 ~~continuing through September 30, 2010, allocations made to~~  
 3 ~~targeted industries under this subdivision shall be reduced by~~  
 4 ~~\$24,000,000.00.~~

5 (b) 25% for projects to reduce congestion on county primary  
 6 and city major streets within urban counties including advanced  
 7 traffic management systems. The funds shall be distributed to  
 8 counties with populations in excess of 400,000 in accordance with  
 9 the following formula:

10	<u>Population</u>	<u>Percentage of Funds</u>
11	1,750,000 or more	16%
12	1,000,000 to <del>1,750,000</del>	40%
13	<b>1,749,999</b>	
14	<del>600,000</del> <b>650,001</b> to	20%
15	<del>1,000,000</del> <b>999,999</b>	
16	400,000 to <del>600,000</del>	24%
17	<b>650,000</b>	

18 When 2 or more counties occupy the same category, the funds  
 19 shall be divided equally.

20 Projects funded under this category shall be used for the  
 21 widening of county primary roads or city major streets or for  
 22 advanced traffic management systems in eligible counties.

23 (c) 25% for development projects within rural counties.  
 24 These revenues shall be distributed for the improvement of rural  
 25 primary roads in rural counties and major streets in cities and  
 26 villages with a population of 5,000 or less. Funds distributed

1 under this subdivision shall be allocated by the commission to  
2 the regional rural task force areas defined in section 12a in the  
3 same proportion that the rural primary mileage of the regional  
4 rural task force area bears to the total rural primary mileage of  
5 all counties. Each rural county shall be credited with an  
6 allocation in the proportion that the county's rural primary  
7 mileage is to the total rural primary mileage of those rural  
8 counties within the same regional rural task force area. Projects  
9 funded under this subdivision shall be limited to upgrading rural  
10 primary roads and major streets to create an all-season road  
11 network.

12 **(4) FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2011 AND**  
13 **SEPTEMBER 30, 2012 ONLY, THERE IS APPROPRIATED \$12,000,000.00**  
14 **FROM THE FUND FOR CREDIT TO THE STATE TRUNK LINE FUND ESTABLISHED**  
15 **IN SECTION 11 OF 1951 PA 51, MCL 247.661, FOR THE PURPOSES OF**  
16 **MATCHING AVAILABLE FEDERAL-AID HIGHWAY FUNDS, AND THE**  
17 **DISTRIBUTION TO TARGETED INDUSTRIES UNDER SUBSECTION (3) (A) SHALL**  
18 **BE REDUCED ACCORDINGLY.**

19 **(5) ~~(4)~~—**The obligation authority for any federal funds  
20 allocated under section 10 of 1951 PA 51, MCL 247.660, shall be  
21 distributed equally among urban task forces and regional rural  
22 task forces according to the distribution formula outlined in  
23 subsection ~~(3) (c) and (d)~~ **(3) (B) AND (C)**. An additional 1.5% of  
24 the obligation authority for federal funds identified in section  
25 10 of 1951 PA 51, MCL 247.660, shall be distributed among the  
26 regional rural task forces according to the distribution formula  
27 outlined in subsection ~~(3) (d)~~ **(3) (C)**. These funds shall be

- 1 obligated and used consistent with section 10 of 1951 PA 51, MCL
- 2 247.660.