

# Legislative Analysis



## TRANSPORTATION ECONOMIC DEVELOPMENT FUND – FUNDING SHIFT TO STATE TRUNKLINE FUND

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**Senate Bill 1016, as passed the Senate**  
**Sponsor: Sen. Roger Kahn**  
**Committee: Appropriations**

**Complete to 9-29-14**

### **SUMMARY OF SENATE BILL 1016 AS PASSED THE SENATE, 9-24-14**

Senate Bill 1016 would amend Section 11 of 1987 PA 231 (MCL 247.911), the act that created and governs the Transportation Economic Development Fund (TEDF), to appropriate \$12.0 million from the TEDF to the State Trunkline Fund (STF) “for the purposes of matching available federal-aid highway funds.” The bill would make the appropriation for the fiscal year ending September 30, 2014. The reduction in funding for the TEDF would be taken from the TEDF Targeted Industries program ("Category A").

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. In each of the prior three fiscal years (FYs 2010-11, 2011-12, and 2012-13), \$12.0 million in TEDF revenue had been redirected to the STF for the purpose of matching available federal aid highway funds.

Senate Bill 1016 would make the \$12.0 million appropriation from the TEDF to the STF for one additional fiscal year, the fiscal year ending September 30, 2014. The \$12.0 million reduction in TEDF revenue would again be taken from Targeted Industries program and the bill retains language indicating the appropriation is for the purpose of matching available federal aid highway funds. The \$12.0 million redirection to the STF was assumed in the FY 2013-14 transportation budget and this bill is needed to implement that budget.

### **FISCAL IMPACT:**

The \$12.0 million redirection of TEDF revenue proposed in Senate Bill 1016 would have 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 funding mechanisms used to ensure that the Michigan Department of Transportation would be able to match all available federal-aid highway funds in FY 2013-14.

Note that this redirection is not assumed in the FY 2014-15 budget and a statutory redirection of TEDF funds is not needed to implement the FY 2014-15 budget. FY 2014-15 appropriations for the TEDF Targeted Industries program reflect the increase in available TEDF revenue.

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