

SENATE BILL No. 1016

July 16, 2014, Introduced by Senator KAHN and referred to the Committee on Appropriations.

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 2012 PA 621.

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 under section 3(1)
7 have been satisfied.

1 (2) After the payment of interest and principal on bonds
2 issued under this act and the appropriation for costs of
3 administration of the fund as provided under this act, fund
4 revenue shall be annually appropriated as follows:

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

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

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

22 (a) Except as otherwise provided in subsection (4), 50% for
23 economic development road projects in any of the targeted
24 industries.

25 (b) 25% for projects to reduce congestion on county primary
26 and city major streets within urban counties including advanced
27 traffic management systems. The funds shall be distributed to

1 counties with populations in excess of 400,000 in accordance with
 2 the following formula:

3	<u>Population</u>	<u>Percentage of Funds</u>
4	1,750,000 or more	16%
5	1,000,000 to 1,749,999	40%
6	650,001 to 999,999	20%
7	400,000 to 650,000	24%

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

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

13 (c) 25% for development projects within rural counties.
 14 These revenues shall be distributed for the improvement of rural
 15 primary roads in rural counties and major streets in cities and
 16 villages with a population of 5,000 or less. Funds distributed
 17 under this subdivision shall be allocated by the commission to
 18 the regional rural task force areas defined in section 12a in the
 19 same proportion that the rural primary mileage of the regional
 20 rural task force area bears to the total rural primary mileage of
 21 all counties. Each rural county shall be credited with an
 22 allocation in the proportion that the county's rural primary
 23 mileage is to the total rural primary mileage of those rural
 24 counties within the same regional rural task force area. Projects
 25 funded under this subdivision shall be limited to upgrading rural
 26 primary roads and major streets to create an all-season road

1 network.

2 (4) For the fiscal years ending September 30, 2011,
3 September 30, 2012, ~~and~~ September 30, 2013, **AND SEPTEMBER 30,**
4 **2014** only, there is appropriated \$12,000,000.00 from the fund for
5 credit to the state trunk line fund established in section 11 of
6 1951 PA 51, MCL 247.661, for the purposes of matching available
7 federal-aid highway funds, and the distribution to targeted
8 industries under subsection (3)(a) shall be reduced accordingly.

9 (5) The obligation authority for any federal funds allocated
10 under section 10 of 1951 PA 51, MCL 247.660, shall be distributed
11 equally among urban task forces and regional rural task forces
12 according to the distribution formula outlined in subsection
13 (3)(b) and (c). An additional 1.5% of the obligation authority
14 for federal funds identified in section 10 of 1951 PA 51, MCL
15 247.660, shall be distributed among the regional rural task
16 forces according to the distribution formula outlined in
17 subsection (3)(c). These funds shall be obligated and used
18 consistent with section 10 of 1951 PA 51, MCL 247.660.