# SUBSTITUTE FOR

## HOUSE BILL NO. 4440

#### 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 2014 PA 302.

#### 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 policies
- 5 of the commission. Bonds shall not be committed for any project
- 6 under this act until the requirements under section 3(1) have been
- 7 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 revenue
- 4 shall be annually appropriated as follows:
- 5 (a) The first \$5,000,000.00 for a forest roads program. Forest
- 6 roads program funds shall be distributed each fiscal year to each
- 7 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 county
- 10 bears to the total number of acres of commercial forest, national
- 11 park, and national lakeshore land in all qualified counties in this
- 12 state. Revenue distributed under this subdivision shall be used for
- 13 the construction or reconstruction of roads.
- 14 (b) The next \$2,500,000.00 of the fund shall be distributed
- 15 each fiscal year for improvements to roads and streets that are
- 16 eligible for federal aid in cities and villages having a population
- 17 of 5,000 or greater within rural counties.
- 18 (3) Of the balance remaining after funding projects <del>pursuant</del>
- 19 to UNDER subsection (2), projects shall be funded in the categories
- 20 described in section 9 based on the following percentages:
- 21 (a) Except as otherwise provided in subsection (4), 50% for
- 22 economic development road projects in any of the targeted
- 23 industries.
- 24 (b) 25% for projects to reduce congestion on county primary
- 25 and city major streets within urban counties including advanced
- 26 traffic management systems. The funds shall be distributed to
- 27 counties with populations in excess of 400,000 in accordance with

### 1 the following formula:

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

- 7 When 2 or more counties occupy the same category, the funds
- 8 shall be divided equally.
- 9 Projects funded under this category shall be used for the
- 10 widening of county primary roads or city major streets or for
- 11 advanced traffic management systems in eligible counties.
- 12 (c) 25% for development projects within rural counties. These
- 13 revenues shall be distributed for the improvement of rural primary
- 14 roads in rural counties and major streets in cities and villages
- 15 with a population of 5,000 or less. Funds distributed under this
- 16 subdivision shall be allocated by the commission to the regional
- 17 rural task force areas defined in section 12a in the same
- 18 proportion that the rural primary mileage of the regional rural
- 19 task force area bears to the total rural primary mileage of all
- 20 counties. Each rural county shall be credited with an allocation in
- 21 the proportion that the county's rural primary mileage is to the
- 22 total rural primary mileage of those rural counties within the same
- 23 regional rural task force area. Projects funded under this
- 24 subdivision shall be limited to upgrading rural primary roads and
- 25 major streets to create an all-season road network.
- 26 (4) For the fiscal years ending September 30, 2011, September

- 1 30, 2012, September 30, 2013, and September 30, 2014, AND SEPTEMBER
- 2 30, 2016 only, there is appropriated \$12,000,000.00 from the fund
- 3 for credit to the state trunk line fund established in section 11
- 4 of 1951 PA 51, MCL 247.661, for the purposes of matching available
- 5 federal-aid highway funds, and the distribution to targeted
- 6 industries under subsection (3)(a) shall be reduced accordingly.
- 7 (5) The obligation authority for any federal funds allocated
- 8 under section 10 of 1951 PA 51, MCL 247.660, shall be distributed
- 9 equally among urban task forces and regional rural task forces
- 10 according to the distribution formula outlined in subsection (3)(b)
- 11 and (c). An additional 1.5% of the obligation authority for federal
- 12 funds identified in section 10 of 1951 PA 51, MCL 247.660, shall be
- 13 distributed among the regional rural task forces according to the
- 14 distribution formula outlined in subsection (3)(c). These funds
- 15 shall be obligated and used consistent with section 10 of 1951 PA
- **16** 51, MCL 247.660.
- 17 Enacting section 1. This amendatory act takes effect October
- **18** 1, 2015.