

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1071**

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 2018 PA 473.

**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



1 under this act until the requirements under section 3(1) have been  
2 satisfied.

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

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

16 (b) The next \$2,500,000.00 of the fund shall be distributed  
17 each fiscal year for improvements within rural counties to roads  
18 and streets that are eligible for federal aid and are located  
19 inside the boundaries of an urban area or an urbanized area as  
20 determined by the most recent federal decennial census and as  
21 adjusted by the department.

22 (3) Of the balance remaining after funding projects under  
23 subsection (2), projects shall be funded in the categories  
24 described in section 9 based on the following percentages:

25 (a) 50% for economic development road projects in any of the  
26 targeted industries. For the fiscal years ending September 30, 2019  
27 through September 30, 2023 only, the allocation made under this  
28 subdivision shall be reduced by \$3,000,000.00 and allocated to  
29 projects described in section 9(1)(b). The office of economic



1 development shall use geographic distribution as a grant selection  
 2 criterion for projects described in section 9(1)(b). An eligible  
 3 city or village may apply for a grant for a project described in  
 4 section 9(1)(b) in consecutive fiscal years. **For the fiscal years**  
 5 **ending September 30, 2020 and September 30, 2021 only, the**  
 6 **allocation made under this subdivision shall be reduced by an**  
 7 **additional \$13,000,000.00.**

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

13	Population	Percentage of Funds
14	1,750,000 or more	16%
15	1,000,000 to 1,749,999	40%
16	650,001 to 999,999	20%
17	400,000 to 650,000	24%

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 projects within rural counties. These revenues  
 24 shall be distributed for the improvement of rural primary roads in  
 25 rural counties and major streets in cities and villages with a  
 26 population of 5,000 or less that are located outside the boundaries  
 27 of an urban area or an urbanized area as determined by the most  
 28 recent federal decennial census and as adjusted by the department.  
 29 Funds distributed under this subdivision shall be allocated by the



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

