

# SENATE BILL NO. 1071

August 15, 2020, Introduced by Senator HOLLIER 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 2018 PA 473.

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

**1**           Sec. 11. (1) Bonds may be issued as authorized by the

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

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

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

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

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

29 (a) 50% for economic development road projects in any of the

1 targeted industries. For the fiscal years ending September 30, 2019  
 2 through September 30, 2023 only, the allocation made under this  
 3 subdivision shall be reduced by \$3,000,000.00 and allocated to  
 4 projects described in section 9(1)(b). The office of economic  
 5 development shall use geographic distribution as a grant selection  
 6 criterion for projects described in section 9(1)(b). An eligible  
 7 city or village may apply for a grant for a project described in  
 8 section 9(1)(b) in consecutive fiscal years. **For the fiscal year**  
 9 **ending September 30, 2020 only, the allocation made under this**  
 10 **subdivision shall be reduced by an additional \$13,000,000.00.**

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

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

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

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

26 (c) 25% for projects within rural counties. These revenues  
 27 shall be distributed for the improvement of rural primary roads in  
 28 rural counties and major streets in cities and villages with a  
 29 population of 5,000 or less that are located outside the boundaries

1 of an urban area or an urbanized area as determined by the most  
2 recent federal decennial census and as adjusted by the department.  
3 Funds distributed under this subdivision shall be allocated by the  
4 commission to the regional rural task force areas described in  
5 section 12a in the same proportion that the rural primary mileage  
6 of the regional rural task force area bears to the total rural  
7 primary mileage of all counties. Each rural county shall be  
8 credited with an allocation in the proportion that the county's  
9 rural primary mileage is to the total rural primary mileage of  
10 those rural counties within the same regional rural task force  
11 area. Projects funded under this subdivision shall be limited to  
12 upgrading rural primary roads and major streets to create an all-  
13 season road network.