

**SUBSTITUTE FOR
HOUSE BILL NO. 5072**

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 2008 PA 364.

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 set forth under
7 section 3(1) have been satisfied.

1 (2) Projects shall be funded in the following categories in
2 the following amounts:

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

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

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

19 (a) Except as otherwise provided in this subdivision, 50%
20 for economic development road projects in any of the targeted
21 industries. For the period beginning October 1, 2007 and
22 continuing through September 30, 2008, allocations made to
23 targeted industries under this subdivision shall be reduced by
24 \$13,000,000.00. **FOR THE PERIOD BEGINNING OCTOBER 1, 2008 AND**
25 **CONTINUING THROUGH SEPTEMBER 30, 2010, ALLOCATIONS MADE TO**
26 **TARGETED INDUSTRIES UNDER THIS SUBDIVISION SHALL BE REDUCED BY**
27 **\$12,000,000.00.**

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

6	<u>Population</u>	<u>Percentage of Funds</u>
7	1,750,000 or more	16%
8	1,000,000 to 1,750,000	40%
9	600,000 to 1,000,000	20%
10	400,000 to 600,000	24%

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

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

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

1 counties within the same regional rural task force area. Projects
2 funded under this subdivision shall be limited to upgrading rural
3 primary roads and major streets to create an all-season road
4 network.

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