

Legislative Analysis



TRANSPORTATION ECONOMIC DEVELOPMENT FUND – SHIFT TO OTHER TRANSPORTATION FUNDS

Phone: (517) 373-8080
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House Bill 4440 (H-4)
Sponsor: Rep. Edward J. Canfield
Committee: Appropriations
Complete to 4-19-16

Analysis available at
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BRIEF SUMMARY: House Bill 4440 (H-4) would amend Section 11 of 1987 PA 231 (MCL 247.911), the act that created and governs the Transportation Economic Development Fund (TEDF). The bill would make the following special appropriations from the TEDF:

- For FY 2015-16, a total of \$4.0 million from the TEDF – \$2.0 million for credit to the State Trunkline Fund (STF) "for the purposes of matching available federal-aid highway funds," and \$2.0 million for credit to the State Aeronautics Fund "for the purpose of a 1-time airport safety appropriation."
- For FY 2016-17, a total of \$10.4 million from the TEDF for credit to the STF "for the purpose of road and bridge construction."

The reduction in the TEDF would be taken from only one of the five TEDF categorical programs: Targeted Industries ("Category A").

FISCAL IMPACT: The redirection of TEDF revenue proposed in House Bill 4440 (H-4) would have no impact on total state revenue; the bill would simply shift revenue from one state-restricted transportation fund to another state-restricted transportation fund. The revenue shifts described above are assumed in the enacted FY 2015-16 transportation budget (Article XVII of Public Act 84 of 2015) and provisions of the FY 2016-17 budget reflected in Article XVII of House Bill 5294 (H-1). For FY 2016-17, the funds would replace an equal amount of GF/GP funds proposed for road and bridge construction under the Executive Recommendation.

BACKGROUND INFORMATION: The TEDF is a state-restricted transportation fund created in 1987 to help fund highway, road, and street improvements related to either a specific type of economic activity or a specific type of road system. There are five TEDF categorical programs. Target Industries is a TEDF program dedicated to capital road improvements related to economic development projects in specific industries. Grants are competitively evaluated and may be awarded to any eligible road agency (MDOT, county road commissions, cities, or villages).

The TEDF/Target Industries program is administered jointly by MDOT's Office of Economic Development and Enhancement and the Michigan Economic Development Corporation (MEDC).

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