

**HOUSE SUBSTITUTE FOR SENATE 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

1 satisfied.

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

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

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

19 (3) Of the balance remaining after funding projects pursuant
20 ~~to~~ **UNDER** subsection (2), projects shall be funded in the categories
21 described in section 9 based on the following percentages:

22 (a) Except as otherwise provided in subsection (4), 50% for
23 economic development road projects in any of the targeted
24 industries.

25 (b) 25% for projects to reduce congestion on county primary
26 and city major streets within urban counties including advanced
27 traffic management systems. The funds shall be distributed to

1 counties with populations in excess of 400,000 in accordance with
 2 the following formula:

3	<u>Population</u>	<u>Percentage of Funds</u>
4	1,750,000 or more	16%
5	1,000,000 to 1,749,999	40%
6	650,001 to 999,999	20%
7	400,000 to 650,000	24%

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

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

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

1 (4) For the fiscal years ending September 30, 2011, September
2 30, 2012, September 30, 2013, and September 30, 2014 only, there is
3 appropriated \$12,000,000.00 from the fund for credit to the state
4 trunk line fund established in section 11 of 1951 PA 51, MCL
5 247.661, for the purposes of matching available federal-aid highway
6 funds, and the distribution to targeted industries under subsection
7 (3)(a) shall be reduced accordingly.

8 (5) BEGINNING OCTOBER 1, 2015, FOR THE FISCAL YEAR ENDING
9 SEPTEMBER 30, 2016 ONLY, THE FOLLOWING AMOUNTS ARE APPROPRIATED
10 FROM THE FUND AND THE DISTRIBUTION TO TARGETED INDUSTRIES UNDER
11 SUBSECTION (3) (A) SHALL BE REDUCED ACCORDINGLY:

12 (A) \$2,000,000.00 FOR CREDIT TO THE STATE TRUNK LINE FUND
13 ESTABLISHED IN SECTION 11 OF 1951 PA 51, MCL 247.661, FOR THE
14 PURPOSES OF MATCHING AVAILABLE FEDERAL-AID HIGHWAY FUNDS.

15 (B) \$2,000,000.00 FOR CREDIT TO THE STATE AERONAUTICS FUND
16 ESTABLISHED IN SECTION 34 OF THE AERONAUTICS CODE OF THE STATE OF
17 MICHIGAN, 1945 PA 327, MCL 259.34, FOR THE PURPOSE OF A 1-TIME
18 AIRPORT SAFETY APPROPRIATION.

19 (6) BEGINNING OCTOBER 1, 2016, FOR THE FISCAL YEAR ENDING
20 SEPTEMBER 30, 2017 ONLY, \$10,400,000.00 IS APPROPRIATED FROM THE
21 FUND FOR CREDIT TO THE STATE TRUNK LINE FUND ESTABLISHED IN SECTION
22 11 OF 1951 PA 51, MCL 247.661, FOR THE PURPOSE OF ROAD AND BRIDGE
23 CONSTRUCTION, AND THE DISTRIBUTION TO TARGETED INDUSTRIES UNDER
24 SUBSECTION (3) (A) SHALL BE REDUCED ACCORDINGLY.

25 (7) ~~(5)~~—The obligation authority for any federal funds
26 allocated under section 10 of 1951 PA 51, MCL 247.660, shall be
27 distributed equally among urban task forces and regional rural task

1 forces according to the distribution formula outlined in subsection
2 (3)(b) and (c). An additional 1.5% of the obligation authority for
3 federal funds identified in section 10 of 1951 PA 51, MCL 247.660,
4 shall be distributed among the regional rural task forces according
5 to the distribution formula outlined in subsection (3)(c). These
6 funds shall be obligated and used consistent with section 10 of
7 1951 PA 51, MCL 247.660.