

Act No. 273
Public Acts of 2016
Approved by the Governor
June 29, 2016
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July 1, 2016
EFFECTIVE DATE: July 1, 2016

**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2016**

Introduced by Rep. Canfield

ENROLLED HOUSE BILL No. 4440

AN ACT 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:

Sec. 11. (1) Bonds may be issued as authorized by the commission for the purpose of funding projects under this act in the manner provided in sections 18b and 18k of 1951 PA 51, MCL 247.668b and 247.668k, and in accordance with the adopted policies of the commission. Bonds shall not be committed for any project under this act until the requirements under section 3(1) have been satisfied.

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

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

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

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

(a) Except as otherwise provided in subsection (4), 50% for economic development road projects in any of the targeted industries. For the fiscal year ending September 30, 2017 only, the allocation made under this subdivision shall be reduced by \$9,423,700.00.

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

<u>Population</u>	<u>Percentage of Funds</u>
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%

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

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

(c) 25% for development projects within rural counties. These revenues shall be distributed for the improvement of rural primary roads in rural counties and major streets in cities and villages with a population of 5,000 or less. Funds distributed under this subdivision shall be allocated by the commission to the regional rural task force areas defined in section 12a in the same proportion that the rural primary mileage of the regional rural task force area bears to the total rural primary mileage of all counties. Each rural county shall be credited with an allocation in the proportion that the county's rural primary mileage is to the total rural primary mileage of those rural counties within the same regional rural task force area. Projects funded under this subdivision shall be limited to upgrading rural primary roads and major streets to create an all-season road network. For the fiscal year ending September 30, 2017 only, the allocation made under this subdivision shall be reduced by \$2,000,000.00.

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

(5) Beginning October 1, 2015, for the fiscal year ending September 30, 2016 only, the following amounts are appropriated from the fund and the distribution to targeted industries under subsection (3)(a) shall be reduced accordingly:

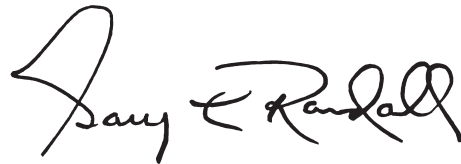
(a) \$2,000,000.00 for credit to the state trunk line fund established in section 11 of 1951 PA 51, MCL 247.661, for the purposes of matching available federal-aid highway funds.

(b) \$2,000,000.00 for credit to the state aeronautics fund established in section 34 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.34, for the purpose of a 1-time airport safety appropriation.

(6) Beginning October 1, 2016, for the fiscal year ending September 30, 2017 only, \$10,400,000.00 is appropriated from the fund for credit to the state trunk line fund established in section 11 of 1951 PA 51, MCL 247.661, for the purpose of road and bridge construction, and the distribution to targeted industries under subsection (3)(a) shall be reduced accordingly.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor