

# Legislative Analysis



## ROAD FUND EXPENDITURES

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4965 (proposed substitute H-1)**  
**Sponsor: Rep. Rodney Wakeman**

Analysis available at  
<http://www.legislature.mi.gov>

**House Bill 4966 as introduced**  
**Sponsor: Rep. Andrea K. Schroeder**

**Committee: Transportation**  
**Complete to 9-17-19**

### SUMMARY:

House Bills 4965 and 4966 would amend 1951 PA 51 (“Act 51”) to modify provisions concerning the expenditure of road funds by counties (HB 4965) and by cities and villages (HB 4966). Generally, the bills would require road fund spending to follow an asset management plan if one has been approved.

**House Bill 4965** would require that funds distributed to a county under the act for the preservation, construction, and acquisition of the county road system must be expended as prescribed by the county’s asset management plan if such a plan has been approved. The bill would not earmark distributions for county primary road systems and county local road systems, as under current law, if an asset management plan had been approved, but would make distributions for county road systems to be expended as prescribed by the plan.

Under Act 51, money from the Michigan Transportation Fund (MTF) can be spent on county local roads only to the extent matched by money from other sources. However, when constructing a bridge on a county local road, MTF funds can be used for up to 75% of the cost. The bill would allow MTF funds to exceed 75% of that cost in the case of a public emergency.

MCL 247.661h et seq.

**House Bill 4966** would require that, if an asset management plan has been approved, funds distributed to a city or village under the act and expended for the preservation, construction, and acquisition of its local street system must be spent either as prescribed by the plan or for an emergency as described in section 11c of the act. [Note: The act currently allows such funds to be used, in certain cases, to pay principal and interest on the portion of a city’s or village’s general obligation bonds that is attributable to the construction or reconstruction of its street system. The bill would appear to remove this option if an asset management plan has been approved (unless, presumably, those payments were part of that plan).]

MCL 247.663

**FISCAL IMPACT:**

A fiscal analysis is in progress.

Legislative Analyst: Rick Yuille  
Fiscal Analyst: William E. Hamilton

---

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.