

**SUBSTITUTE FOR
HOUSE BILL NO. 5230**

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds;

to provide for the deposits in the state trunk line fund,

critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending section 20a (MCL 247.670a), as amended by 2002 PA 498.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20a. A board of county road commissioners in a county
 2 ~~having a population of not less than 500,000~~ and the township
 3 board of a township having a population of not less than ~~40,000~~
 4 **15,000**, as determined by the most recent statewide federal
 5 census, and which in the prior year and the contract year will
 6 have levied a property tax of not less than 1 mill on each dollar
 7 of assessed valuation of the township for the improvement or
 8 preservation of county roads within the township, may exercise
 9 the provisions of this section only by entering into a written
 10 contract of not more than 1 year providing for the preservation
 11 by the township of all or any part of the county local road
 12 system within that township, subject to, but not limited to, the
 13 following conditions:

14 (a) The contract shall specify the total amount of money that
 15 shall be annually expended by the contracting township for the

1 preservation of the local road system or part thereof. The
2 contracting road commission may pay not more than ~~75%~~ **90%** of
3 the amount specified in the contract to the contracting township
4 annually. The contracting road commission shall not pay more
5 than 66% of an amount equal to the average annual amount of funds
6 expended by the county road commission on the local road system
7 located within the contracting township for construction and
8 preservation purposes over the previous 5-year period from local
9 road funds received by the county under this act. Any funds
10 expended by the contracting road commission on the local road
11 system located within the contracting township in excess of 66%
12 shall be matched by the contracting township. The amount paid
13 the contracting township shall not directly or indirectly include
14 ~~moneys~~ **money** transferred from the primary fund allocation to
15 the county as set forth in section 12(8).

16 (b) The contracting township shall keep separate accounts and
17 accurate and uniform records on all road preservation work and
18 funds, and shall file with the state ~~highway~~ **transportation**
19 commission and the contracting county road commission on or
20 before April 1 of each year, on forms to be provided by the state
21 ~~highway~~ **transportation** commission, a report showing the
22 disposition of funds received and expended for road purposes.
23 ~~The failure of a contracting township to apply moneys returned~~
24 ~~pursuant to this act to the purposes herein prescribed shall~~
25 ~~result in the forfeiture by the contracting county of any and all~~
26 ~~funds to which it may have been entitled under this act and all~~
27 ~~funds so forfeited shall thereafter be apportioned among the~~

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1 ~~other county road commissions in the same manner and proportion~~
 2 ~~as hereinbefore provided for the distribution of the motor~~
 3 ~~vehicle highway fund.~~

4 (c) The contract shall require the contracting township to
 5 provide insurance covering the contracting road commission's
 6 liability for failure to preserve the local roads specified in
 7 the contract.

8 (d) The contracting road commission shall determine and
 9 specify the equipment and personnel necessary to provide the
 10 preservation as set forth in the contract, and the contract shall
 11 not take effect until the contracting township has acquired the
 12 necessary equipment and personnel ~~so~~ specified **in the**
 13 **contract.**

14 [~~(e) As used in this section, the term "preservation" shall be~~
 15 ~~construed to include the same meaning as set forth in~~
 16 ~~section 10c. If the contracting parties intend to give a~~
 17 ~~different meaning than as set forth in section 10c, the~~
 18 ~~contract shall so specify.~~

(e) As used in this section:

(i) "County road commission" means the board of county road commissioners elected or appointed pursuant to section 6 of chapter IV of 1909 PA 283, MCL 224.6, or, in the case of a charter county with a population of 2,000,000 or more with an elected county executive that does not have a board of county road commissioners, the county executive for ministerial functions and the county commission provided for in section 14(1)(d) of 1966 PA 293, MCL 45.514, for legislative functions.

(ii) "Preservation" means that term as defined in section 10c unless the contracting parties specify a different meaning in the contract.]