

# SENATE BILL NO. 1011

September 19, 2024, Introduced by Senator KLINEFELT and referred to the Committee on Transportation and Infrastructure.

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 2020 PA 204.

**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

1 247.668b and 247.668k, and in accordance with the adopted policies  
2 of the commission. Bonds ~~shall~~**must** not be committed for any  
3 project under this act until the requirements under section 3(1)  
4 have been satisfied.

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

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

18 (b) The next \$2,500,000.00 of the fund ~~shall~~**must** be  
19 distributed each fiscal year for improvements within rural counties  
20 to roads and streets that are eligible for federal aid and are  
21 located inside the boundaries of an urban area or an urbanized area  
22 as determined by the most recent federal decennial census and as  
23 adjusted by the department.

24 (3) ~~Of~~**From** the balance remaining after funding projects under  
25 subsection (2), projects ~~shall~~**must** be funded in the categories  
26 described in section 9 based on the following percentages:

27 (a) 50% for economic development road projects in any of the  
28 targeted industries. For the fiscal years ending September 30, 2019  
29 through September 30, 2023 only, the allocation made under this

1 subdivision ~~shall~~**must** be reduced by \$3,000,000.00 and allocated to  
 2 projects described in section 9(1)(b). The office of economic  
 3 development shall use geographic distribution as a grant selection  
 4 criterion for projects described in section 9(1)(b). An eligible  
 5 city or village may apply for a grant for a project described in  
 6 section 9(1)(b) in consecutive fiscal years. For the fiscal years  
 7 ending September 30, 2020 and September 30, 2021 only, the  
 8 allocation made under this subdivision ~~shall~~**must** be reduced by an  
 9 additional \$13,000,000.00.

10 (b) 25% for projects to reduce congestion on county primary  
 11 **roads** and city major streets within urban counties including  
 12 advanced traffic management systems. The funds ~~shall~~**must** be  
 13 distributed to counties with populations in excess of 400,000 in  
 14 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%
<del>650,001</del> <b>700,000</b> to 999,999	20%
400,000 to <del>650,000</del> <b>699,999</b>	24%

20 When 2 or more counties occupy the same category, the funds  
 21 ~~shall~~**must** be divided equally.

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

25 (c) 25% for projects within rural counties. These revenues  
 26 ~~shall~~**must** be distributed for the improvement of rural primary  
 27 roads in rural counties and major streets in cities and villages  
 28 with a population of 5,000 or less that are located outside the  
 29 boundaries of an urban area or an urbanized area as determined by

1 the most recent federal decennial census and as adjusted by the  
2 department. ~~Funds~~ **The commission shall allocate funds** distributed  
3 under this subdivision ~~shall be allocated by the commission~~ to the  
4 regional rural task force areas described in section 12a in the  
5 same proportion that the rural primary mileage of the regional  
6 rural task force area bears to the total rural primary mileage of  
7 all counties. Each rural county ~~shall~~ **must** be credited with an  
8 allocation in the proportion that the county's rural primary  
9 mileage is to the total rural primary mileage of those rural  
10 counties within the same regional rural task force area. Projects  
11 funded under this subdivision ~~shall~~ **must** be limited to upgrading  
12 rural primary roads and major streets to create an all-season road  
13 network.