

REQUIRE LEGISLATIVE APPROVAL OF TRANSPORTATION BONDING

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

House Bill 4592

Sponsor: Rep. Shelley Goodman Taub

Committee: Transportation

Complete to 5-2-05

SUMMARY OF HOUSE BILL 4592 AS INTRODUCED

Section 18b of Public Act 51 of 1951 (MCL 247.668b) grants authority to the State Transportation Commission to borrow money and issue notes and bonds by pledging as payment constitutionally restricted transportation revenue from motor fuel taxes and vehicle registration taxes. The section also authorizes the State Transportation Commission to issue notes or bonds in anticipation of federal grants. HB 4592 would amend Section 18b to also require authorization of the Legislature by concurrent resolution before such notes or bonds could be issued.

Section 18b currently provides a process for issuing state transportation notes and bonds. Among other things, it requires that the State Transportation Commission notify the Legislature of the projects for which the notes or bonds are to be issued. The section also requires the State Transportation Commission to notify the Legislature if it determines that a project for which the notes or bonds were issued should be changed. HB 4592 would amend this section to also allow the Legislature to determine if a project for which notes or bonds were issued should be changed.

The bill would add new subsection 13 to require legislative approval, by concurrent resolution, of State Transportation Commission bond resolutions prior to issuance of any notes or bonds. The subsection would allow the Legislature to *"alter, amend, or reject the resolution of the state transportation commission not later than 60 days after the submittal of the resolution to the Legislature."* The subsection indicates that if the Legislature alters or amends the resolution of the State Transportation Commission, *"bonds or notes under this section shall be issued in accordance with the altered or amended resolution."*

BACKGROUND INFORMATION:

For further information on the constitutional and statutory authority for the state's transportation financing program, as well as information on the current process for issuing state transportation notes and bonds, see *"State Transportation Borrowing and Debt Service"* on the House Fiscal Agency's website under "Reports." <http://www.house.mi.gov/hfa/alpha.html>

FISCAL IMPACT:

The fiscal impact of the bill cannot be determined at this time.

Fiscal Analyst: William E. Hamilton

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