FACT SHEET michigan municipal league

Act 51—Michigan Transportation Fund

Introduction

Public Act 51 of 1951 created the Michigan Transportation Fund (MTF), and it is the main road funding source for most cities and villages. This Act defines the formula by which Michigan distributes money for road maintenance to cities, villages, and counties. The MTF receives federal funds, state fuel taxes, and vehicle registration fees. About 20% of the Act 51 funds support various state agencies; the other 80% is divided among highways (39.1%), county roads (39.1%), and municipal streets (21.8%). Under Act 51, "major" streets in the 533 qualifying cities and villages are the top municipal investment priority. The municipality identifies its major streets according to importance, and the rest are referred to as "local" streets. The major streets are eligible for federal aid. Cities or villages without a transportation asset management plan (TAMP) cannot transfer over 50% of their Act 51 major street funding to use for local street project. To apply more than 50% of its annual major street funding to local streets, the city or village must adopt a resolution stating it follows an asset management process and is maintaining its major streets. Any transfer of Act 51 funding must name the major streets, the amount of the transfer, and the names of the local streets funded with the transfer.

History

In 2002, Act 499 established the Transportation Asset Management Council (TAMC) under the State Transportation Commission and also a Uniform Road Rating to provide a "coordinated, unified effort" for "a statewide asset management strategy." In 2006, Act 338 created a transportation fund allowing use of major street funding for the local street system if a local agency has an approved asset management plan. In 2007, Act 199 set requirements for local agencies to: develop a pavement management system for all federal-aid roads; develop a multi-year capital improvement plan using asset management; and, report projects and expenditures to the TAMC.

Street Financial Report

Each county road commission, village, and city submits an annual report to the TAMC 120 days after the end of its fiscal year. It includes a multiyear program (like a capital improvements program) developed via its asset management process. A city or village does **not** need a TAMP **unless** it plans to transfer over 50% of its MTF allocation to local streets. The TAMP may explain the needs and/or benefits of funding more local streets than major streets in any year, but the needs assessment changes year by year.

Non-Motorized Improvements

Act 51 says recipients can spend a "reasonable amount, but not less than 1%" of the funds it receives on construction/improvement of non-motorized transportation facilities, such as sidewalks, paved shoulders, median refuge islands, and non-motorized paths. The facilities should not be disproportionately expensive to the need or probable use, unsafe, redundant, or without unmatched funds from other sources.

Pavement Surface Evaluation and Ratings (PASER)

The University of Wisconsin-Madison's Transportation Information Center developed PASER. It uses visual inspection to rate pavement surface conditions on a scale of 1-10. A new road receives a rating of 10. Roads with a rating of 9 are in good condition and likely don't need maintenance. Roads with ratings of 7 or 8 likely warrant routine maintenance such as crack sealing or minor patching. Roads with ratings of 4, 5, or 6 are in fair condition and likely need preventive maintenance such as an overlay or joint repairs. Roads with ratings less than 4 require rehabilitation or reconstruction.

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