

# HOUSE BILL No. 5383

November 1, 2001, Introduced by Reps. George and Gilbert and referred to the Committee on Transportation.

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 sections 1b, 10c, 11, and 12 (MCL 247.651b, 247.660c, 247.661, and 247.662), section 1b as amended by 1989 PA 188, section 10c as amended by 1990 PA 73, section 11 as amended by 2000 PA 188, and section 12 as amended by 1997 PA 79, and by adding section 10p.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1b. (1) The state transportation department shall bear  
 2 the entire cost of maintaining, in accordance with standards and  
 3 specifications of the department, all state trunk line highways  
 4 including highways within incorporated cities and villages except  
 5 that the cost of maintaining additional width for local purposes  
 6 as provided in section 1c shall be borne by the city or village.  
 7 ~~For the purposes of this act except for sections 11 and 12,~~  
 8 ~~maintaining of state trunk line highways shall include, by way of~~  
 9 ~~enumeration but not limitation, snow removal, street cleaning and~~  
 10 ~~drainage, seal coating, patching and ordinary repairs, erection~~  
 11 ~~and maintenance of traffic signs and markings, freeway lighting~~  
 12 ~~for traffic safety in cities and villages having a population of~~  
 13 ~~less than 30,000 and the trunk line share of the erection and~~

~~1 maintenance of traffic signals, but shall not include street  
2 lighting, resurfacing, new curb and gutter structures for  
3 widening. On and after January 1, 1970, maintaining of state  
4 trunk line highways shall include all freeway lighting for traf-  
5 fic safety.~~

6       (2) Notwithstanding any provision of law to the contrary, as  
7 part of the construction or reconstruction of a state trunk line  
8 highway which abuts a location designated as a national historic  
9 landmark pursuant to the national historic preservation act,  
10 Public Law 89-665, 80 Stat. 915, and 36 C.F.R. part 65, the  
11 department may include within the project, expenditures deemed  
12 necessary to mitigate the adverse impact of the state trunk line  
13 highway on the aesthetic and historic character of that abutting  
14 area. The installation or maintenance of lighting to preserve  
15 the aesthetic and historic character of the abutting area shall  
16 not impose a duty on the department to provide or maintain light-  
17 ing for the improved portion of the highway designed for vehicu-  
18 lar travel.

19       (3) The state transportation department shall not use funds  
20 allocated under this act for the development or construction of a  
21 service plaza.

22       Sec. 10c. As used in this act:

23       (a) "Urban or rural area" means a contiguous developed area,  
24 including the immediate surrounding area, where transportation  
25 services should reasonably be provided presently or in the  
26 future; the area within the jurisdiction of an eligible  
27 authority; or for the purpose of receiving funds for public

1 transportation, a contiguous developed area having a population  
2 of less than 50,000 population that has an urban public transpor-  
3 tation program approved by the state transportation department  
4 and for which the state transportation commission determines that  
5 public transportation services should reasonably be provided  
6 presently or in the future.

7 (b) "Eligible authority" means an authority organized pursu-  
8 ant to the metropolitan transportation authorities act of 1967,  
9 Act No. 204 of the Public Acts of 1967, as amended, being sec-  
10 tions 124.401 to 124.426 of the Michigan Compiled Laws.

11 (c) "Eligible governmental agency" means a county, city, or  
12 village or an authority created pursuant to ~~Act No. 55 of the~~  
13 ~~Public Acts of 1963, as amended, being sections 124.351 to~~  
14 ~~124.359 of the Michigan Compiled Laws~~ 1963 PA 55, MCL 124.351 TO  
15 124.359; the urban cooperation act of 1967, ~~Act No. 7 of the~~  
16 ~~Public Acts of the Extra Session of 1967, being sections 124.501~~  
17 ~~to 124.512 of the Michigan Compiled Laws~~ 1967 (EX SESS) PA 7,  
18 MCL 124.501 TO 124.512; ~~Act No. 8 of the Public Acts of the~~  
19 ~~Extra Session of 1967, being sections 124.531 to 124.536 of the~~  
20 ~~Michigan Compiled Laws~~ 1967 (EX SESS) PA 8, MCL 124.1 TO 124.13;  
21 ~~Act No. 35 of the Public Acts of 1951, as amended, being sec-~~  
22 ~~tions 124.1 to 124.13 of the Michigan Compiled Laws~~ 1951 PA 35,  
23 MCL 124.1 TO 124.13; the public transportation authority act,  
24 ~~Act No. 196 of the Public Acts of 1986, being sections 124.451~~  
25 ~~to 124.479 of the Michigan Compiled Laws~~ 1986 PA 196, MCL  
26 124.451 TO 124.479; or the revenue bond act of 1933, ~~Act No. 94~~  
27 ~~of the Public Acts of 1933, as amended, being sections 141.101 to~~

1 ~~141.140 of the Michigan Compiled Laws~~ 1933 PA 94, MCL 141.101 TO  
2 141.140.

3 (d) "Transit vehicle" means a bus, rapid transit vehicle,  
4 railroad car, water vehicle, taxicab, or other type of public  
5 transportation vehicle or individual unit, whether operated  
6 singly or in a group which provides public transportation.

7 (e) "Transit vehicle mile" means a transit vehicle operated  
8 for 1 mile in public transportation service including demand  
9 actuated and line-haul vehicle miles.

10 (f) "Demand actuated vehicle" means a bus or smaller transit  
11 vehicle operated for providing group rides to members of the gen-  
12 eral public paying fares individually, and on demand rather than  
13 in regularly scheduled route service.

14 (g) "Demand actuated vehicle mile" means a demand actuated  
15 vehicle operated for 1 mile in service to the general public.

16 (h) "Public transportation", "comprehensive transportation",  
17 "public transportation service", "comprehensive transportation  
18 service", "public transportation purpose", or "comprehensive  
19 transportation purpose" means the movement of people and goods by  
20 publicly or privately owned water vehicle, bus, railroad car,  
21 aircraft, rapid transit vehicle, taxicab, or other conveyance  
22 which provides general or special service to the public, but not  
23 including charter or sightseeing service or transportation which  
24 is exclusively for school purposes. Public transportation,  
25 public transportation services, or public transportation pur-  
26 poses; and comprehensive transportation, comprehensive  
27 transportation services, or comprehensive transportation purposes

1 as defined in this subdivision are declared by law to be  
2 transportation purposes within the meaning of section 9 of arti-  
3 cle IX of the state constitution of 1963.

4 (i) "State transportation commission" means the state trans-  
5 portation commission or the state highway commission as estab-  
6 lished in section 28 of article V of the state constitution of  
7 1963.

8 (j) "Governmental unit" means the state transportation  
9 department, state highway commission or the state transportation  
10 commission, or a county road commission.

11 (k) "Department" or "department of transportation" means the  
12 state transportation department, which may be referred to admin-  
13 istratively as the department of transportation.

14 (l) "MAINTENANCE" MEANS REACTIVE MAINTENANCE, ROUTINE MAIN-  
15 TENANCE, OR BOTH REACTIVE AND ROUTINE MAINTENANCE. MAINTENANCE  
16 DOES NOT INCLUDE PREVENTIVE MAINTENANCE, ROAD CONSTRUCTION  
17 PROJECTS, OR THE UPGRADING OF AGGREGATE SURFACE ROADS TO HARD  
18 SURFACE ROADS.

19 (M) "PREVENTIVE MAINTENANCE" MEANS A PLANNED STRATEGY OF  
20 COST-EFFECTIVE TREATMENTS TO AN EXISTING ROADWAY SYSTEM AND ITS  
21 APPURTENANCES THAT PRESERVE THE SYSTEM FOR NOT LESS THAN 5 YEARS  
22 BY RETARDING DETERIORATION AND MAINTAINING FUNCTIONAL CONDITION  
23 WITHOUT SIGNIFICANTLY INCREASING STRUCTURAL CAPACITY. PREVENTIVE  
24 MAINTENANCE INCLUDES, BUT IS NOT LIMITED TO, 1 OR MORE OF THE  
25 FOLLOWING:

26 (i) PAVEMENT CRACK SEALING.

- 1       (ii) MICRO SURFACING.
- 2       (iii) CHIP SEALING.
- 3       (iv) CONCRETE JOINT RESEALING.
- 4       (v) CONCRETE JOINT REPAIR.
- 5       (vi) FILLING SHALLOW PAVEMENT CRACKS.
- 6       (vii) PATCHING CONCRETE.
- 7       (viii) SHOULDER RESURFACING.
- 8       (ix) CONCRETE DIAMOND GRINDING.
- 9       (x) DOWEL BAR RETROFIT.
- 10      (xi) BITUMINOUS OVERLAYS OF THICKNESS LESS THAN 1 FOOT.
- 11      (xii) RESTORATION OF DRAINAGE.
- 12      (xiii) BRIDGE CRACK SEALING.
- 13      (xiv) BRIDGE JOINT REPAIR.
- 14      (xv) BRIDGE SEISMIC RETROFIT.
- 15      (xvi) BRIDGE SCOUR COUNTERMEASURES.
- 16      (xvii) BRIDGE PAINTING.
- 17      (xviii) POLLUTION PREVENTION.
- 18      (xix) ANY OF THE ABOVE ACTIONS APPLIED TO A BUILDING OWNED
- 19 BY THE DEPARTMENT OR A LOCAL ROAD AGENCY.
- 20      (N) "REACTIVE MAINTENANCE" MEANS ACTION PERFORMED IN
- 21 RESPONSE TO UNCONTROLLABLE EVENTS UPON THE CONDITION OF A HIGH-
- 22 WAY, ROAD, STREET, OR BRIDGE OR THE IMMEDIATE ENVIRONS WITHIN THE
- 23 RIGHT-OF-WAY OF THE HIGHWAY, ROAD, STREET, OR BRIDGE. REACTIVE
- 24 MAINTENANCE INCLUDES, BUT IS NOT LIMITED TO, 1 OR MORE OF THE
- 25 FOLLOWING:
- 26      (i) SNOW AND ICE REMOVAL.

- 1       (ii) POTHOLE PATCHING.
- 2       (iii) UNPLUGGING DRAIN FACILITIES.
- 3       (iv) REPLACING DAMAGED SIGN AND PAVEMENT MARKINGS.
- 4       (v) REPLACING DAMAGED GUARDRAILS.
- 5       (vi) REPAIRING STORM DAMAGE.
- 6       (vii) REPLACING LIGHTING.
- 7       (viii) REPAIR OR REPLACEMENT OF DAMAGED TRAFFIC SIGNALS.
- 8       (ix) ENVIRONMENTAL CLEANUP.
- 9       (x) EMERGENCY REPAIRS.
- 10      (xi) EMERGENCY MANAGEMENT OF ROAD CLOSURES THAT RESULT FROM
- 11 UNCONTROLLABLE EVENTS.
- 12      (o) "ROUTINE MAINTENANCE" MEANS ACTIONS PERFORMED ON A REGU-
- 13 LAR OR CONTROLLABLE BASIS IN ORDER TO KEEP A HIGHWAY, ROAD,
- 14 STREET, OR BRIDGE SAFE AND FIT FOR TRAVEL, ACTIONS PERFORMED TO
- 15 PREVENT DETERIORATION WHERE POSSIBLE, AND ACTIONS PERFORMED TO
- 16 RETURN THE APPEARANCE OF THE ROAD SURFACE AND ROADSIDE TO GOOD
- 17 CONDITION. ROUTINE MAINTENANCE INCLUDES, BUT IS NOT LIMITED TO,
- 18 1 OR MORE OF THE FOLLOWING:
- 19      (i) CLEANING STREETS AND ASSOCIATED DRAINAGE.
- 20      (ii) INSTALLING TRAFFIC SIGNS AND SIGNALS.
- 21      (iii) MOWING ROADSIDE.
- 22      (iv) CONTROL OF ROADSIDE BRUSH AND VEGETATION.
- 23      (v) CLEANING ROADSIDE.
- 24      (vi) INSTALLING LIGHTING.
- 25      (vii) REPAIRING SIDEWALKS.
- 26      (viii) GRADING SHOULDERS.



- 1           *(ix)* UPGRADING TRAFFIC SIGNALS.
- 2           *(x)* ENVIRONMENTAL SERVICES.
- 3           *(xi)* BUILDING SERVICES.
- 4           (P) "PRESERVATION" MEANS AN ACTIVITY UNDERTAKEN TO PROVIDE  
5 AND MAINTAIN SERVICEABLE ROADWAYS. PRESERVATION DOES NOT INCLUDE  
6 A PROJECT THAT INCREASES THE CAPACITY OF A HIGHWAY FACILITY TO  
7 ACCOMMODATE THAT PART OF TRAFFIC HAVING NEITHER AN ORIGIN NOR  
8 DESTINATION WITHIN THE LOCAL AREA, WIDENING OF MORE THAN A LANE  
9 WIDTH, ADDING TURN LANES OF MORE THAN 1/2 MILE IN LENGTH, OR  
10 IMPROVEMENTS TO BUILDINGS OWNED OR OPERATED BY THE DEPARTMENT, A  
11 COUNTY ROAD COMMISSION, A COUNTY DEPARTMENT OF PUBLIC WORKS, OR A  
12 CITY OR VILLAGE. PRESERVATION INCLUDES, BUT IS NOT LIMITED TO, 1  
13 OR MORE OF THE FOLLOWING:
- 14           *(i)* MAINTENANCE.
- 15           *(ii)* PREVENTIVE MAINTENANCE.
- 16           *(iii)* GRADING.
- 17           *(iv)* SAFETY PROJECTS.
- 18           (v) MINOR REHABILITATION BY MULTIPLE COURSE RESURFACING OR  
19 BY CONCRETE RESTORATION.
- 20           (vi) FUEL STORAGE TANK UPGRADES.
- 21           (Q) "ROAD CONSTRUCTION PROJECT" MEANS A PROJECT THAT IS NOT  
22 MAINTENANCE, PREVENTIVE MAINTENANCE, OR PRESERVATION. ROAD CON-  
23 STRUCTION PROJECT INCLUDES, BUT IS NOT LIMITED TO, 1 OR MORE OF  
24 THE FOLLOWING:
- 25           *(i)* RECONSTRUCTION.
- 26           *(ii)* RESURFACING.

1 (iii) RESTORATION.

2 (iv) REHABILITATION.

3 (v) NEW CONSTRUCTION OF HIGHWAYS, ROADS, STREETS, OR  
4 BRIDGES.

5 (vi) ANY PROJECT THAT IS ELIGIBLE FOR FEDERAL HIGHWAY FUNDS.

6 SEC. 10P. A PUBLIC ROAD AGENCY SHALL USE THE DEFINITION OF  
7 "MAINTENANCE" IN SECTION 10C TO DESCRIBE ITS DUTIES IN ALL CON-  
8 TRACTS BETWEEN THE PUBLIC ROAD AGENCY AND A LOCAL UNIT OF GOVERN-  
9 MENT FOR MAINTENANCE.

10 Sec. 11. (1) A fund to be known as the state trunk line  
11 fund is established and shall be set up and maintained in the  
12 state treasury as a separate fund. The money deposited in the  
13 state trunk line fund is appropriated to the state transportation  
14 department for the following purposes in the following order of  
15 priority:

16 (a) For the payment, but only from money restricted as to  
17 use by section 9 of article IX of the state constitution of 1963,  
18 of bonds, notes, or other obligations in the following order of  
19 priority:

20 (i) For the payment of contributions required to be made by  
21 the state highway commission or the state transportation commis-  
22 sion under contracts entered into before July 18, 1979, under  
23 1941 PA 205, MCL 252.51 to 252.64, which contributions have been  
24 pledged before July 18, 1979, for the payment of the principal  
25 and interest on bonds issued under 1941 PA 205, MCL 252.51 to  
26 252.64, for the payment of which a sufficient sum is irrevocably  
27 appropriated.

1           (ii) For the payment of the principal and interest upon  
2 bonds designated "State of Michigan, State Highway Commissioner,  
3 Highway Construction Bonds, Series I", dated September 1, 1956,  
4 in the aggregate principal amount of \$25,000,000.00, issued pur-  
5 suant to former 1955 PA 87 and the resolution of the state admin-  
6 istrative board adopted August 6, 1956, for the payment of which  
7 a sufficient sum is irrevocably appropriated.

8           (iii) For the payment of the principal and interest on bonds  
9 issued under section 18b for transportation purposes other than  
10 comprehensive transportation purposes as defined by law and the  
11 payment of contributions of the state highway commission or state  
12 transportation commission to be made pursuant to contracts  
13 entered into under section 18d, which contributions are pledged  
14 to the payment of principal and interest on bonds issued under  
15 the authorization of section 18d and contracts executed pursuant  
16 to that section. A sufficient portion of the fund is irrevocably  
17 appropriated to pay, when due, the principal and interest on  
18 bonds or notes issued under section 18b for purposes other than  
19 comprehensive transportation purposes as defined by law, and to  
20 pay the annual contributions of the state highway commission and  
21 the state transportation commission as are pledged for the pay-  
22 ment of bonds issued pursuant to contracts authorized by section  
23 18d.

24           (b) For the transfer of funds appropriated pursuant to sec-  
25 tion 10(1)(g) to the transportation economic development fund,  
26 but the transfer shall be reduced each fiscal year by the amount  
27 of debt service to be paid in that year from the state trunk line

1 fund for bonds, notes, or other obligations issued to fund  
2 projects of the transportation economic development fund, which  
3 amount shall be certified by the department.

4 (c) For the transfer of funds appropriated pursuant to sec-  
5 tion 10(1)(a) to the railroad grade crossing account in the state  
6 trunk line fund for expenditure to meet the cost, in whole or in  
7 part, of providing for the improvement, installation, and retire-  
8 ment of new or existing safety devices or other rail grade cross-  
9 ing improvements at rail grade crossings on public roads and  
10 streets under the jurisdiction of the state, counties, or cities  
11 and villages. Projects shall be selected for funding in accord-  
12 ance with the following:

13 (i) Not more than 50% or less than 30% of these funds and  
14 matched federal funds shall be expended for state trunk line  
15 projects.

16 (ii) In prioritizing projects for these funds, in whole or  
17 in part, the department shall consider train and vehicular traf-  
18 fic volumes, accident history, traffic control device improvement  
19 needs, and the availability of funding.

20 (iii) Consistent with the other requirements for these  
21 funds, the first priority for funds deposited pursuant to this  
22 subdivision for rail grade crossing improvements and retirement  
23 shall be to match federal funds from the railroad-highway grade  
24 crossing improvement program or other comparable federal  
25 programs.

26 (iv) If federal funds from the railroad-highway grade  
27 crossing improvement program or other comparable federal programs

1 have been exhausted, funds deposited pursuant to this subdivision  
2 shall be used to fund 100% of grade crossing projects that  
3 receive the highest priority of unfunded projects pursuant to  
4 criteria established by the department.

5       (v) State railroad grade crossing funds shall not be used,  
6 either as 100% of project cost or to match federal  
7 railroad-highway grade crossing improvement funds, for a crossing  
8 that is determined by the department pursuant to the criteria  
9 established by the department to be a lower priority than other  
10 projects that have not yet been funded. However, if sufficient  
11 funds are available, these state railroad grade crossing account  
12 funds may be used for not more than 50% of a project's cost for a  
13 crossing that is determined by the department pursuant to the  
14 criteria established by the department to be a lower priority if  
15 the balance of not less than 50% of the project's cost is pro-  
16 vided by the road authority, railroad, or other sources.

17       (vi) The type of railroad grade crossing improvement,  
18 installation, relocation, or retirement of grade crossing sur-  
19 faces, active and passive traffic control devices, pavement mark-  
20 ing, or other related work shall be eligible for these railroad  
21 grade crossing account funds in the same manner as the project  
22 type eligibility provided by the federal funds from the  
23 railroad-highway grade crossing improvement program, except for  
24 the following:

25       (A) For new railroad crossings, these funds may be used for  
26 the crossing surface, active and passive traffic control devices,

1 pavement marking, and other improvements necessitated by the new  
2 crossing.

3 (B) These funds may be used for the modification, reloca-  
4 tion, or modernization of railroad grade crossing facilities  
5 necessitated by roadway improvement projects.

6 (C) If the department and the road authority with jurisdic-  
7 tion over a public road or street crossing formally agree that  
8 the grade crossing should be eliminated by permanent closing of  
9 the public road or street, the road authority making the closing  
10 shall receive \$5,000.00 from the railroad grade crossing  
11 account. In addition, any connecting road improvements necessi-  
12 tated by the grade crossing closure are reimbursable on an actual  
13 cost basis not to exceed \$10,000.00 per crossing closed. The  
14 physical removal of the crossing, roadway within railroad rights  
15 of way and street termination treatment will be negotiated  
16 between the road authority and railroad company. The funds pro-  
17 vided to the road authority as a result of the crossing closure  
18 will be credited to its account representing the same road or  
19 street system on which the crossing is located.

20 (d) For the total operating expenses of the state trunk line  
21 fund for each fiscal year as appropriated by the legislature.

22 (e) For the maintenance of state trunk line highways and  
23 bridges.

24 (f) For the opening, widening, improving, construction, and  
25 reconstruction of state trunk line highways and bridges, includ-  
26 ing the acquisition of necessary rights of way and the work  
27 incidental to that opening, widening, improving, construction, or

1 reconstruction. Those sums in the state trunk line fund not  
2 otherwise appropriated, distributed, determined, or set aside by  
3 law shall be used for the construction or reconstruction of the  
4 national system of interstate and defense highways, referred to  
5 in this act as "the interstate highway system" to the extent nec-  
6 essary to match federal aid funds as the federal aid funds become  
7 available for that purpose; and, for the construction and recon-  
8 struction of the state trunk line system.

9 (g) The state transportation department may enter into  
10 agreements with county road commissions and with cities and vil-  
11 lages to perform work on a highway, road, or street. The agree-  
12 ments may provide for the performance by any of the contracting  
13 parties of any of the work contemplated by the contract including  
14 engineering services and the acquisition of rights of way in con-  
15 nection with the work, by purchase or condemnation by any of the  
16 contracting parties in its own name, and for joint participation  
17 in the costs, but only to the extent that the contracting parties  
18 are otherwise authorized by law to expend money on the highways,  
19 roads, or streets. The state transportation department also may  
20 contract with a county road commission, city, and village to  
21 advance money to a county road commission, city, and village to  
22 pay their costs of improving railroad grade crossings on the  
23 terms and conditions agreed to in the contract. A contract may  
24 be executed before or after the state transportation commission  
25 borrows money for the purpose of advancing money to a county road  
26 commission, city, or village, but the contract shall be executed  
27 before the advancement of any money to a county road commission,

1 city, or village by the state transportation commission, and  
2 shall provide for the full reimbursement of any advancement by a  
3 county road commission, city, or village to the state transporta-  
4 tion department, with interest, within 15 years after advance-  
5 ment, from any available revenue sources of the county road com-  
6 mission, city, or village or, if provided in the contract, by  
7 deduction from the periodic disbursements of any money returned  
8 by the state to the county road commission, city, or village.

9 (h) For providing inventories of supplies and materials  
10 required for the activities of the state transportation  
11 department. The state transportation department may purchase  
12 supplies and materials for these purposes, with payment to be  
13 made out of the state trunk line fund to be charged on the basis  
14 of issues from inventory in accordance with the accounting and  
15 purchasing laws of the state.

16 (2) Notwithstanding any other provision of this act, at  
17 least 90% of state revenue appropriated annually to the state  
18 trunk line fund less the amounts described in subdivisions (a) to  
19 (i) shall be expended annually by the state transportation  
20 department for the maintenance of highways, roads, streets, and  
21 bridges and for the payment of debt service on bonds, notes, or  
22 other obligations described in subsection (1)(a) issued after  
23 July 1, 1983, for the purpose of providing funds for the mainte-  
24 nance of highways, roads, streets, and bridges. Of the amounts  
25 appropriated for state trunk line projects, the department shall,  
26 where possible, secure warranties of not less than 5-year full  
27 replacement guarantee for contracted construction work. If an



1 appropriate certificate is filed under section 18e but only to  
2 the extent necessary, this subsection shall not prohibit the use  
3 of any amount of money restricted as to use by section 9 of arti-  
4 cle IX of the state constitution of 1963 and deposited in the  
5 state trunk line fund for the payment of debt service on bonds,  
6 notes, or other obligations pledging for the payment thereof  
7 money restricted as to use by section 9 of article IX of the  
8 state constitution of 1963 and deposited in the state trunk line  
9 fund, whenever issued, as specified under subsection (1)(a). The  
10 amounts which are deducted from the state trunk line fund for the  
11 purpose of the calculation required by this subsection are as  
12 follows:

13       (a) Amounts expended for the purposes described in subsec-  
14 tion (1)(a) for the payment of debt service on bonds, notes, or  
15 other obligations issued before July 2, 1983.

16       (b) Amounts expended to provide the state matching require-  
17 ment for projects on the national highway system and for the pay-  
18 ment of debt service on bonds, notes, or other obligations issued  
19 after July 1, 1983, for the purpose of providing funds for the  
20 state matching requirements for projects on the national highway  
21 system.

22       (c) Amounts expended for the construction of a highway,  
23 street, road, or bridge to 1 or more of the following or for the  
24 payment of debt service on bonds, notes, or other obligations  
25 issued after July 1, 1983, for the purpose of providing funds for  
26 the construction of a highway, street, road, or bridge to 1 or  
27 more of the following:

1 (i) A location for which a building permit has been obtained  
2 for the construction of a manufacturing or industrial facility.

3 (ii) A location for which a building permit has been  
4 obtained for the renovation of, or addition to, a manufacturing  
5 or industrial facility.

6 (d) Amounts expended for capital outlay other than for high-  
7 ways, roads, streets, and bridges or to pay debt service on  
8 bonds, notes, or other obligations issued after July 1, 1983, for  
9 the purpose of providing funds for capital outlay other than for  
10 highways, roads, streets, and bridges.

11 (e) Amounts expended for the operating expenses of the state  
12 transportation department other than the units of the department  
13 performing the functions assigned on January 1, 1983 to the  
14 bureau of highways.

15 (f) Amounts expended pursuant to contracts entered into  
16 before January 1, 1983.

17 (g) Amounts expended for the purposes described in subsec-  
18 tion (5).

19 (h) Amounts appropriated for deposit in the transportation  
20 economic development fund and the rail grade crossing account  
21 pursuant to section 10(1)(g) and 10(1)(a).

22 (i) Upon the affirmative recommendation of the director of  
23 the state transportation department and the approval by resolu-  
24 tion of the state transportation commission, those amounts  
25 expended for projects vital to the economy of the state, a  
26 region, or local area or the safety of the public. The

1 resolution shall state the cost of the project exempted from this  
2 subsection.

3       (3) Notwithstanding any other provision of this act, the  
4 state transportation department shall expend annually at least  
5 90% of the federal revenue distributed to the credit of the state  
6 trunk line fund in that year, except for federal revenue expended  
7 for the purposes described in subsection (2)(b), (c), (f), and  
8 (i) on the maintenance of highways, roads, streets, and bridges.  
9 The requirement of this subsection shall be waived if compliance  
10 would cause the state to be ineligible according to federal law  
11 for federal revenue, but only to the extent necessary to make the  
12 state eligible according to federal law for that revenue.

13       ~~(4) As used in this section:~~

14       ~~(a) "Maintenance" and "maintaining" mean snow removal;~~  
15 ~~street cleaning and drainage; seal coating; patching and ordinary~~  
16 ~~repairs; erection and maintenance of traffic signs and markings;~~  
17 ~~safety projects; and the preservation, reconstruction, resurfac-~~  
18 ~~ing, restoration, and rehabilitation of highways, roads, streets,~~  
19 ~~and bridges. For the purposes of this section, maintenance and~~  
20 ~~maintaining shall not be limited to the repair and replacement of~~  
21 ~~a road but shall include maintaining the original intent of a~~  
22 ~~construction project. If traffic patterns indicate that this~~  
23 ~~intent is no longer being met, the department may expend funds to~~  
24 ~~take corrective action and continue to fulfill its obligation of~~  
25 ~~maintaining the department's original objective for the construc-~~  
26 ~~tion project. However, maintenance and maintaining do not~~  
27 ~~include projects which increase the capacity of a highway~~

1 ~~facility to accommodate that part of the traffic having neither~~  
2 ~~origin nor destination within the local area.~~

3 ~~(b) "Maintenance" and "maintaining" include widening less~~  
4 ~~than lane width; adding auxiliary turning lanes of 1/2 mile or~~  
5 ~~less; adding auxiliary weaving, climbing, or speed change lanes;~~  
6 ~~and correcting substandard intersections.~~

7 ~~(c) "Maintenance" and "maintaining" do not include the~~  
8 ~~upgrading of aggregate surface roads to hard surface roads.~~

9 ~~(d) "Maintenance" and "maintaining" include the portion of~~  
10 ~~the costs of the units of the department performing the functions~~  
11 ~~assigned on January 1, 1983, to the bureau of highways expended~~  
12 ~~for the purposes described in subdivisions (a) and (b).~~

13 ~~(4) -(5)-~~ Notwithstanding any other provision of this sec-  
14 tion, the state transportation department may loan money to  
15 county road commissions, cities, and villages for paying capital  
16 costs of transportation purposes described in the second para-  
17 graph of section 9 of article IX of the state constitution of  
18 1963 from the proceeds of bonds or notes issued pursuant to sec-  
19 tion 18b or from the state trunk line fund. Loans made directly  
20 from the state trunk line fund shall be made only after provision  
21 of funds for the purposes specified in subsection (1)(a) to (f).

22 ~~(5) -(6)-~~ County road commissions, cities, and villages may  
23 borrow money from the proceeds of bonds or notes issued under  
24 section 18b or the state trunk line fund for the purposes set  
25 forth in subsection ~~-(5)-~~ (4) that shall be repayable, with  
26 interest, from 1 or more of the following:

1           (a) The money to be received by the county road commission,  
2 city, or village from the Michigan transportation fund, except to  
3 the extent the money has been or may in the future be pledged by  
4 contract in accordance with 1941 PA 205, MCL 252.51 to 252.64, or  
5 has been or may in the future be pledged for the payment of the  
6 principal and interest upon notes issued pursuant to 1943 PA 143,  
7 MCL 141.251 to 141.254, or has been or may in the future be  
8 pledged for the payment of principal and interest upon bonds  
9 issued under section 18c or 18d, or has been or may in the future  
10 be pledged for the payment of the principal and interest upon  
11 bonds issued pursuant to 1952 PA 175, MCL 247.701 to 247.707.

12           (b) Any other legally available funds of the city, village,  
13 or county road commission, other than the general funds of the  
14 county.

15           (6) ~~-(7)-~~ Loans made pursuant to subsection ~~-(5)-~~ (4) if  
16 required by the state transportation department may be payable by  
17 deduction by the state treasurer, upon direction of the state  
18 transportation department, from the periodic disbursements of any  
19 money returned by the state under this act to the county road  
20 commission, city, or village, but only after sufficient money has  
21 been returned to the county road commission, city, or village to  
22 provide for the payment of contractual obligations incurred or to  
23 be incurred and principal and interest on notes and bonds issued  
24 or to be issued under 1941 PA 205, MCL 252.51 to 252.64, 1943  
25 PA 143, MCL 141.251 to 141.254, 1952 PA 175, MCL 247.701 to  
26 247.707, or section 18c or 18d. The interest rates and payment  
27 schedules of any loans made from the proceeds of bonds or notes

1 issued pursuant to section 18b shall be established by the state  
2 transportation department to conform as closely as practicable to  
3 the interest rate and repayment schedules on the bonds or notes  
4 issued to make the loans. However, the state transportation  
5 department may allow for the deferral of the first payment of  
6 interest or principal on the loans for a period of not to exceed  
7 1 year after the respective first payment of interest or princi-  
8 pal on the bonds or notes issued to make the loans.

9       (7) ~~(8)~~ The amount borrowed by a county road commission,  
10 city, or village pursuant to subsection ~~(6)~~ (5) shall not be  
11 included in, or charged against, any constitutional, statutory,  
12 or charter debt limitation of the county, city, or village and  
13 shall not be included in the determination of the maximum annual  
14 principal and interest requirements of, or the limitations upon,  
15 the maximum annual principal and interest incurred under 1941  
16 PA 205, MCL 252.51 to 252.64, 1943 PA 143, MCL 141.251 to  
17 141.254, 1952 PA 175, MCL 247.701 to 247.707, or section 18c or  
18 18d.

19       (8) ~~(9)~~ The county road commission, city, or village is  
20 not required to seek or obtain the approval of the electors, the  
21 municipal finance commission or its successor agency, or, except  
22 as provided in this subsection, the department of treasury to  
23 borrow money pursuant to subsection ~~(6)~~ (5). The borrowing is  
24 not subject to the municipal finance act, 1943 PA 202, MCL 131.1  
25 to 139.3, THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL  
26 141.2101 TO 141.2821, or to section 5(g) of the home rule city  
27 act, 1909 PA 279, MCL 117.5. The state transportation department

1 shall give at least 10 days' notice to the state treasurer of its  
2 intention to make a loan under subsection ~~-(5)-~~ (4). If the  
3 state treasurer gives notice to the director of the state trans-  
4 portation department within 10 days of receiving the notice from  
5 the state transportation department, that, based upon the then  
6 existing financial or credit situation of the county road commis-  
7 sion, city, or village, it would not be in the best interests of  
8 the state to make a loan under subsection ~~-(5)-~~ (4) to the county  
9 road commission, city, or village, the loan shall not be made  
10 unless the state treasurer, after a hearing, if requested by the  
11 affected county road commission, city, or village, subsequently  
12 gives notice to the director of the state transportation depart-  
13 ment that the loan may be made on the conditions that the state  
14 treasurer specifies.

15       (9) ~~-(10)-~~ The state transportation commission may borrow  
16 money and issue bonds and notes under, and pursuant to the  
17 requirements of, section 18b to make loans to county road commis-  
18 sions, cities, and villages for the purposes described in the  
19 second paragraph of section 9 of article IX of the state consti-  
20 tution of 1963, as provided in subsection ~~-(5)-~~ (4). A single  
21 issue of bonds or notes may be issued for the purposes specified  
22 in subsection ~~-(5)-~~ (4) and for the other purposes specified in  
23 section 18b. The house and senate transportation appropriations  
24 subcommittees shall be notified by the department if there are  
25 extras and overruns sufficient to require approval of either the  
26 state administrative board or the commission, or both, on any

1 contract between the department and a local road agency or a  
2 private business.

3       (10) ~~(11)~~ The director of the state transportation depart-  
4 ment, after consultation with representatives of the interests of  
5 county road commissions, cities, and villages, shall establish,  
6 by intergovernmental communication, procedures for the implemen-  
7 tation and administration of the loan program established under  
8 subsections ~~(5)~~ (4) to ~~(10)~~ (9).

9       (11) ~~(12)~~ Not more than 10% per year of all of the funds  
10 received by and returned to the state transportation department  
11 from any source for the purposes of this section may be expended  
12 for administrative expenses. The department shall be subject to  
13 section 14(5) if more than 10% per year is expended for adminis-  
14 trative expenses. As used in this subsection, "administrative  
15 expenses" means those expenses that are not assigned including,  
16 but not limited to, specific road construction or maintenance  
17 projects and are often referred to as general or supportive  
18 services. Administrative expenses shall not include net equip-  
19 ment expense, net capital outlay, debt service principal and  
20 interest, and payments to other state or local offices which are  
21 assigned, but not limited to, specific road construction projects  
22 or maintenance activities.

23       (12) ~~(13)~~ Any performance audits of the department shall  
24 be conducted according to government auditing standards issued by  
25 the United States general accounting office.

26       Sec. 12. (1) The amount distributed to the county road  
27 commissions shall be returned to the county treasurers in the



1 manner, for the purposes, and under the terms and conditions  
2 specified in this section. The department and the county road  
3 association of Michigan shall jointly develop incentives for  
4 counties to establish statewide purchasing pools for the more  
5 efficient use of Michigan transportation funds.

6 (2) Each county road commission shall be reimbursed in an  
7 amount up to \$10,000.00 per year for the sum paid to a licensed  
8 professional engineer employed or retained by the county road  
9 commission in the previous year. The sum shall be returned to  
10 each county road commission certified by the state transportation  
11 department as complying with this subsection regarding the  
12 employment of an engineer.

13 (3) An amount equal to 1% of the total amount returned to  
14 the county road commissions from the Michigan transportation fund  
15 during the prior calendar year shall be withheld annually from  
16 the counties' November monthly distribution provided for in sec-  
17 tion 17, and the amount shall be returned to the county road com-  
18 missions for snow removal purposes as provided in section 12a.

19 (4) An amount equal to 10% of the total amount returned to  
20 the county road commissions from the Michigan transportation fund  
21 shall be returned to each county road commission having county  
22 primary, or county local road, or both, mileage in the urban  
23 areas as determined pursuant to section 12b. This sum shall be  
24 distributed pursuant to section 12b. The return shall be in  
25 addition to the amounts provided in subsections (6) and (7) and  
26 for the purposes stated in those subsections.

1           (5) An amount equal to 4% of the total amount returned to  
2 the county road commissions from the Michigan transportation fund  
3 shall be returned to the county road commissions in the same per-  
4 centages as provided in subsection (7). All money returned to  
5 the county road commissions as provided in this subsection shall  
6 be expended by the county road commissions for the maintenance,  
7 improvement, construction, reconstruction, acquisition, and  
8 extension of county local road systems and shall be in addition  
9 to the amounts provided in subsection (7).

10           (6) Seventy-five percent of the remainder of the total  
11 amount to be returned to the counties shall be expended by each  
12 county road commission for the maintenance, improvement, con-  
13 struction, reconstruction, acquisition, and extension of the  
14 county primary road system, including the acquisition of a neces-  
15 sary right of way for the system, work incidental to the system,  
16 and a roadside park or motor parkway appurtenant to the system,  
17 and shall be returned to the counties as follows:

18           (a) Three-fourths of the amount in proportion to the amount  
19 received within the respective county during the 12 months next  
20 preceding the date of each monthly distribution, as specific  
21 taxes upon registered motor vehicles under the Michigan vehicle  
22 code, 1949 PA 300, MCL 257.1 to 257.923.

23           (b) One-tenth of the amount in the same proportion that the  
24 total mileage in the county primary road system of each county  
25 bears to the total mileage in all of the county primary road sys-  
26 tems of the state.

1 (c) One eighty-third of the remaining 15% of the amount to  
2 each county.

3 (7) The balance of the remainder of the total amount to be  
4 returned to counties shall be expended by each county road com-  
5 mission for the maintenance, improvement, construction, recon-  
6 struction, acquisition, and extension of the county local road  
7 system as defined by this act, including the acquisition of a  
8 necessary right of way for the system, work incidental to the  
9 system, and a roadside park or motor parkway appurtenant to the  
10 system, and shall be returned to the counties as follows:

11 (a) Sixty-five percent of the amount in the same proportion  
12 that the total mileage in the county local road system of each  
13 county bears to the total mileage in all of the county local road  
14 systems of the state.

15 (b) Thirty-five percent of the amount in the same proportion  
16 that the total population outside of incorporated municipalities  
17 in each county bears to the total population outside of incorpo-  
18 rated municipalities in all of the counties of the state, accord-  
19 ing to the most recent statewide federal census as certified at  
20 the beginning of the state fiscal year.

21 (8) Money deposited in, or becoming a part of the county  
22 road funds of a board of county road commissioners shall be  
23 expended first for the payment of principal and interest on the  
24 bonds, for the payment of contractual contributions pledged for  
25 the payment of bonds, for debt service requirements for the pay-  
26 ment of contractual contributions pledged for the payment of

1 bonds, and for debt service requirements for the payment of notes  
2 and loans in the following order of priority:

3 (a) For the payment of contributions required to be made by  
4 a board of county road commissioners under a contract entered  
5 into under 1941 PA 205, MCL 252.51 to 252.64, which contributions  
6 have been pledged for the payment of the principal and interest  
7 on bonds issued under that act, or for the payment of total debt  
8 service requirements upon notes issued by a board of county road  
9 commissioners under 1943 PA 143, MCL 141.251 to 141.254.

10 (b) For the payment of principal and interest upon bonds  
11 issued under section 18c, and the payment of contributions of a  
12 board of county road commissioners to be made pursuant to con-  
13 tracts entered into under section 18d, which contributions are  
14 pledged to the payment of principal and interest on bonds issued  
15 after June 30, 1957, under the authorization of section 18c and  
16 contracts executed pursuant to its provisions.

17 (c) For the payment of principal and interest upon loans  
18 received pursuant to section 11(7), to the extent other funds  
19 have not been made available for that payment.

20 (9) Not to exceed 30% per year of the amount returned to a  
21 county for use on the county primary road system may be expended,  
22 with or without matching, on the county local road system of that  
23 county. Not to exceed 15% per year of the amount returned to a  
24 county for expenditure on the county local road system may be  
25 used, with or without matching, on the county primary road system  
26 of that county, and not to exceed an additional 15% per year of  
27 the amount returned to a county for expenditure on the county

1 local road system, may, in case of an emergency or with the  
2 approval of the state transportation department, be expended,  
3 with or without matching, on the county primary road system of  
4 that county. An amount returned to a county for and on account  
5 of county local roads, under this section, in excess of the total  
6 amount paid into the county treasury each year by all of the  
7 townships of that county for and on account of the county local  
8 roads pursuant to section 14(6) may be transferred to and  
9 expended on the county primary road system of that county.

10 (10) Not less than 20% per year of the funds returned to a  
11 county by this section shall be expended for snow and ice remov-  
12 al, the construction or reconstruction of a new highway or exist-  
13 ing highway, and the acquisition of a necessary right of way for  
14 those highways, and work incidental to those highways, or for the  
15 servicing of bonds issued by the county for these purposes.  
16 Surplus funds may be expended for the development, construction,  
17 or repair of an off-street parking facility.

18 (11) Not more than 5% per year of the funds returned to a  
19 county for the county primary road system and the county local  
20 road system shall be expended for the maintenance, improvement,  
21 or acquisition of appurtenant roadside parks and motor parkways.

22 (12) Funds returned to a county shall be expended by the  
23 county road commission for the purposes provided in this section  
24 and shall be deposited by the county treasurer in a designated  
25 county depository, in a separate account to the credit of the  
26 county road fund, and shall be paid out only upon the order of  
27 the county road commission, and interest accruing on the money

1 shall become a part of, and be deposited with the county road  
2 fund.

3 (13) In a county to which the funds are returned the func-  
4 tion of the county road commission shall be limited to the forma-  
5 tion of policy and the performance of the official duties imposed  
6 by law and delegated by the county board of commissioners. A  
7 member of the county road commission shall not be employed indi-  
8 vidually in any other capacity for other duties with the county  
9 road commission.

10 (14) A county road commission may enter into an agreement  
11 with a county road commission of an adjacent county and with a  
12 city or village to perform work on a highway, road, or street,  
13 and with the state transportation department with respect to a  
14 state trunk line and connecting links of the state trunk line  
15 within the limits of the county or adjacent to the county. The  
16 agreement may provide for the performance by each contracting  
17 party of the work contemplated by the contract including engi-  
18 neering services and the acquisition of rights of way in connec-  
19 tion with the work contemplated, by purchase or condemnation, by  
20 any of the contracting parties in its own name and the agreement  
21 may provide for joint participation in the costs.

22 (15) Money distributed from the Michigan transportation fund  
23 may be expended for construction purposes on county local roads  
24 only to the extent matched by money from other sources. However,  
25 Michigan transportation funds may be expended for the construc-  
26 tion of bridges on the county local roads in an amount not to

1 exceed 75% of the cost of the construction of local road  
2 bridges. This subsection does not apply to section 11b.

3 (16) Notwithstanding any other provision of this act, at  
4 least 90% of the state revenue returned annually to the county  
5 road commission from the Michigan transportation fund less the  
6 amounts described in subdivisions (a) to (e) shall be expended  
7 annually by the county road commission for the maintenance of  
8 highways, roads, streets, and bridges, and for the payment of  
9 contractual contributions pledged for the payment of bonds or  
10 portions of bonds, debt service requirements for the payment of  
11 bonds or portions of bonds, and debt service requirements for the  
12 payment of notes and loans or portions of notes and loans issued  
13 or received after July 1, 1983, for the purpose of providing  
14 funds for the maintenance of highways, roads, streets, and  
15 bridges. If an appropriate certificate is filed under  
16 subsection (19) but only to the extent necessary, this subsection  
17 shall not prohibit the use of any amount of state revenue  
18 returned annually to the county road commissions for the payment  
19 of contractual contributions pledged for the payment of bonds,  
20 for debt service requirements for the payment of bonds, and for  
21 debt service requirements for the payment of notes or loans,  
22 whenever issued or received, as specified under subsection (8).  
23 The amounts which are deducted from the state revenue returned to  
24 a county road commission from the Michigan transportation fund,  
25 for the purpose of the calculation required by this subsection  
26 are as follows:

1 (a) Amounts expended for the purposes described in  
2 subsection (8) for bonds, notes, loans, or other obligations  
3 issued or received before July 2, 1983.

4 (b) Amounts expended for the administrative costs of the  
5 county road commission.

6 (c) Amounts expended for capital outlay projects for equip-  
7 ment and buildings, and for the payment of contractual contribu-  
8 tions pledged for the payment of bonds, for debt service require-  
9 ments for the payment of bonds, and for debt service requirements  
10 for the payment of notes and loans issued or received after  
11 July 1, 1983, for the purpose of providing funds for capital  
12 outlay projects for equipment and buildings.

13 (d) Amounts expended for projects vital to the economy of  
14 the local area or the safety of the public in the local area.  
15 Before these amounts can be deducted, the governing body over the  
16 county road commission or the county road commission, as applica-  
17 ble, shall pass a resolution approving these projects. This res-  
18 olution shall state which projects will be funded and the cost of  
19 each project. A copy of each approved resolution shall be for-  
20 warded immediately to the department.

21 (e) Amounts expended in urban areas as determined pursuant  
22 to section 12b.

23 (17) As used in this subsection, "urban routes" means those  
24 portions of 2 lane county primary roads within an urban area  
25 which has average daily traffic in excess of 15,000.  
26 Notwithstanding any other provision of this act, except as  
27 provided in this subsection, a county road commission shall



1 expend annually at least 90% of the federal revenue distributed  
2 to the use of the county road commission for highways, roads,  
3 streets, and bridges, less the amount expended on urban routes  
4 for other than maintenance purposes and the amount expended for  
5 hard-surfacing of gravel roads on the federal-aid system, on the  
6 maintenance of highways, roads, streets, and bridges. A county  
7 road commission may expend in a year less than 90% of the federal  
8 revenue distributed to the use of the county road commission for  
9 highways, roads, streets, and bridges, less the amount expended  
10 on urban routes for other than maintenance purposes and the  
11 amount expended for hard-surfacing of gravel roads on the  
12 federal-aid system, on the maintenance of highways, roads,  
13 streets, and bridges, if that year is part of a 3-year period in  
14 which at least 90% of the total federal revenue distributed in  
15 the 3-year period to the use of the county road commission for  
16 highways, roads, streets, and bridges, less the amount expended  
17 on urban routes for other than maintenance purposes and the  
18 amount expended for hard-surfacing of gravel roads on the  
19 federal-aid system, is expended on the maintenance of highways,  
20 roads, streets, and bridges. If a county road commission expends  
21 in a year less than 90% of the federal revenue distributed to the  
22 use of the county road commission for highways, roads, streets,  
23 and bridges, less the amount expended on urban routes for other  
24 than maintenance purposes and the amount expended for  
25 hard-surfacing of gravel roads on the federal-aid system, on the  
26 maintenance of highways, roads, streets, and bridges and that  
27 year is not a part of a 3-year period in which at least 90% of

1 the total federal revenue distributed in the 3-year period to the  
2 use of the county road commission for highways, roads, streets,  
3 and bridges, less the amount expended on urban routes for other  
4 than maintenance purposes and the amount expended for  
5 hard-surfacing of gravel roads on the federal-aid system, is  
6 expended on the maintenance of highways, roads, streets, and  
7 bridges, the county road commission shall expend in each year  
8 subsequent to the 3-year period 100%, or less in 1 year if suffi-  
9 cient for the purposes of this subsection, of the federal revenue  
10 distributed to the use of the county road commission for high-  
11 ways, roads, streets, and bridges, less the amount expended on  
12 urban routes for other than maintenance purposes and the amount  
13 expended for hard-surfacing of gravel roads on the federal-aid  
14 system, on the maintenance of highways, roads, streets, and  
15 bridges until the average percentage spent on the maintenance of  
16 highways, roads, streets, and bridges in the 3-year period and  
17 the subsequent years, less the amount expended on urban routes  
18 for other than maintenance purposes and the amount expended for  
19 hard-surfacing of gravel roads on the federal-aid system, is at  
20 least 90%. A year may be included in only one 3-year period for  
21 the purposes of this subsection. The requirements of this sub-  
22 section shall be waived if compliance would cause the county road  
23 commission to be ineligible according to federal law for federal  
24 revenue, but only to the extent necessary to make the county road  
25 commission eligible according to federal law for that revenue.  
26 For the purpose of the calculations required by this subsection,  
27 the amount expended on urban routes by a county road commission

1 for other than maintenance purposes and the amount expended for  
2 hard-surfacing of gravel roads on the federal-aid system shall be  
3 deducted from the total federal revenue distributed to the use of  
4 the county road commission.

5 ~~(18) As used in this section:~~

6 ~~(a) "Maintenance" and "maintaining" mean snow removal; erec-~~  
7 ~~tion of traffic control devices and traffic signals and payment~~  
8 ~~of monthly electrical costs for those signals; street cleaning~~  
9 ~~and drainage; seal coating; patching and ordinary repairs; erec-~~  
10 ~~tion and maintenance of traffic signs and markings; safety~~  
11 ~~projects which do not increase through traffic capacity; and the~~  
12 ~~preservation, reconstruction, resurfacing, restoration, and reha-~~  
13 ~~bilitation of highways, roads, streets, and bridges. However,~~  
14 ~~maintenance and maintaining do not include projects which~~  
15 ~~increase the capacity of a highway facility to accommodate that~~  
16 ~~part of the traffic having neither origin nor destination within~~  
17 ~~the local area.~~

18 ~~(b) "Maintenance" and "maintaining" include widening less~~  
19 ~~than lane width; adding auxiliary turning lanes of 1/2 mile or~~  
20 ~~less; adding auxiliary weaving, climbing, or speed change lanes;~~  
21 ~~and correcting substandard intersections.~~

22 (18) ~~(19)~~ A county road commission shall certify, which  
23 certification shall, for purposes of the validity of bonds and  
24 notes, be conclusive as to the matters stated therein, to the  
25 state transportation department on or before the issuance of any  
26 bonds or notes issued after July 1, 1983, pursuant to 1943 PA  
27 143, MCL 141.251 to 141.254, 1941 PA 205, MCL 252.51 to 252.64,

1 or section 18c or 18d, for purposes other than the maintenance of  
2 highways, roads, streets, and bridges and purposes other than the  
3 purposes specified in subsection (16)(c) that its average annual  
4 debt service requirements for all bonds and notes or portions of  
5 bonds and notes issued after July 1, 1983, for purposes other  
6 than the maintenance of highways, roads, streets, and bridges and  
7 other than for the purposes specified in subsection (16)(c),  
8 including the bond or note to be issued does not exceed 10% of  
9 the funds returned to the county road commission pursuant to this  
10 act, less the amounts specified in subsection (16)(a), (b), and  
11 (c) during the last completed fiscal year of the county road  
12 commission. If the purpose for which the bonds or notes are  
13 issued is changed after the issuance of the notes or bonds, the  
14 change shall be made in such a manner to maintain compliance with  
15 the certification required by this subsection, as of the date the  
16 certificate was originally issued, but no such change shall  
17 invalidate or otherwise affect the bonds or notes with respect to  
18 which the certificate was issued or the obligation to pay debt  
19 service on the bonds or notes.

20       (19) ~~-(20)-~~ In each charter county to which funds are  
21 returned under this section, the responsibility for road improve-  
22 ment, maintenance, and traffic operation work, and the develop-  
23 ment, construction, or repair of off-road parking facilities and  
24 construction or repair of road lighting shall be coordinated by a  
25 single administrator to be designated by the county executive who  
26 shall be responsible for and shall represent the charter county

1 in transactions with the state transportation department pursuant  
2 to this act.

3       (20) ~~-(21)-~~ Not more than 10% per year of all of the funds  
4 received by and returned to a county from any source for the pur-  
5 poses of this section may be expended for administrative  
6 expenses. A county that expends more than 10% for administrative  
7 expenses in a year shall be subject to section 14(5) unless a  
8 waiver is granted by the department of treasury. As used in this  
9 subsection, "administrative expenses" means those expenses that  
10 are not assigned including, but not limited to, specific road  
11 construction or maintenance projects and are often referred to as  
12 general or supportive services. Administrative expenses shall  
13 not include net equipment expense, net capital outlay, debt serv-  
14 ice principal and interest, and payments to other state or local  
15 offices which are assigned, but not limited to, specific road  
16 construction projects or maintenance activities.

17       (21) ~~-(22)-~~ In addition to the financial compliance audits  
18 required by law, the department of treasury shall conduct per-  
19 formance audits and make investigations of the disposition of all  
20 state funds received by county road commissions, county boards of  
21 commissioners, or any other county governmental agency acting as  
22 the county road authority, for transportation purposes to deter-  
23 mine compliance with the terms and conditions of this act.  
24 Performance audits shall be conducted according to government  
25 auditing standards issued by the United States general accounting  
26 office. The department of treasury shall provide 6 months notice  
27 to the county road commission or county board of commissioners,

1 as applicable, of the standards to be used for audits performed  
2 under this subsection prior to the fiscal year in which the audit  
3 is conducted. The department shall notify the county road com-  
4 mission or county board of commissioners of any subsequent  
5 changes to the standards. County road commissions or county  
6 boards of commissioners, as applicable, shall make available to  
7 the department of treasury the pertinent records for the audit.