

**SUBSTITUTE FOR  
SENATE BILL NO. 240**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2008; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

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

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state

## Senate Bill No. 240 as amended August 22, 2007

1 transportation department and certain state purposes designated in  
 2 this act for the fiscal year ending September 30, 2008, from the  
 3 funds indicated in this part. The following is a summary of the  
 4 appropriations in this part:

5 **STATE TRANSPORTATION DEPARTMENT**

## 6 APPROPRIATION SUMMARY:

7	Full-time equated unclassified positions.....	6.0	
8	Full-time equated classified positions.....	3,029.3	
9	GROSS APPROPRIATION.....		\$ <<3,378,255,700
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers .....		0
13	ADJUSTED GROSS APPROPRIATION.....		\$ <<3,378,255,700
14	Federal revenues:		
15	DOT, federal transit act.....	59,262,100	
16	DOT-FHWA, highway research, planning, and construction	1,140,378,500	
17	DOT-FRA, local rail service assistance.....	100,000	
18	DOT-FRA, rail passenger/HSGT.....	1,000,000	
19	Total federal revenues.....	1,200,740,600	
20	Special revenue funds:		
21	Local funds.....	42,850,000	
22	Total local revenues.....	42,850,000	
23	Total private revenues.....	0	
24	Blue Water Bridge fund.....	15,672,000	
25	Comprehensive transportation fund.....	247,729,500	
26	Economic development fund.....	57,275,000	
27	Intercity bus equipment fund.....	1,000,000	

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1	Local bridge fund.....		32,618,400
2	Michigan transportation fund.....		1,054,150,500
3	Rail preservation fund.....		2,000,000
4	State aeronautics fund.....		<<12,705,100>>
5	State trunkline fund.....		711,514,600
6	Total other state restricted revenues.....		<<2,134,665,100
7	State general fund/general purpose.....	\$	0
8	TOTAL STATE SPENDING.....		<<2,134,665,100
9	<b>Sec. 102. DEBT SERVICE</b>		
10	State trunkline.....	\$	170,934,500
11	Economic development.....		14,609,400
12	Local bridge fund.....		3,000,000
13	Blue Water Bridge.....		1,751,800
14	Airport safety and protection plan.....		3,474,600
15	Comprehensive transportation.....		<u>29,841,900</u>
16	GROSS APPROPRIATION.....	\$	223,612,200
17	Appropriated from:		
18	Federal revenues:		
19	DOT-FHWA, highway research, planning, and construction		55,080,000
20	Special revenue funds:		
21	Blue Water Bridge fund.....		1,751,800
22	Comprehensive transportation fund.....		29,841,900
23	Economic development fund.....		14,609,400
24	Local bridge fund.....		3,000,000
25	State aeronautics fund.....		3,474,600
26	State trunkline fund.....		115,854,500
27	State general fund/general purpose.....	\$	0

1	<b>Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS</b>	
2	Michigan transportation fund (MTF)	
3	MTF grant to department of environmental quality .....	\$ 1,057,000
4	MTF grant to department of state for collection of	
5	revenue and fees .....	20,000,000
6	MTF grant to department of treasury .....	8,004,600
7	MTF grant to legislative auditor general .....	204,300
8	State trunkline fund (STF)	
9	STF grant to department of attorney general .....	2,807,200
10	STF grant to department of civil service .....	2,700,000
11	STF grant to department of history, arts, and	
12	libraries .....	133,100
13	STF grant to department of management and budget .....	1,502,200
14	STF grant to department of state police .....	9,564,800
15	STF grant to department of treasury .....	199,500
16	STF grant to legislative auditor general .....	474,600
17	State aeronautics fund (SAF)	
18	SAF grant to department of attorney general .....	156,900
19	SAF grant to department of civil service .....	55,000
20	SAF grant to department of history, arts, and	
21	libraries .....	2,300
22	SAF grant to department of management and budget .....	38,700
23	SAF grant to department of treasury .....	73,600
24	SAF grant to legislative auditor general .....	19,600
25	Comprehensive transportation fund (CTF)	
26	CTF grant to attorney general .....	159,000
27	CTF grant to department of civil service .....	95,000

1	CTF grant to department of history, arts, and		
2	libraries .....		3,800
3	CTF grant to department of management and budget .....		62,100
4	CTF grant to department of treasury .....		1,300
5	CTF grant to legislative auditor general .....		<u>25,200</u>
6	GROSS APPROPRIATION .....	\$	47,339,800
7	Appropriated from:		
8	Special revenue funds:		
9	Comprehensive transportation fund .....		346,400
10	Michigan transportation fund .....		29,265,900
11	State aeronautics fund .....		346,100
12	State trunkline fund .....		17,381,400
13	State general fund/general purpose .....	\$	0
14	<b>Sec. 104. EXECUTIVE DIRECTION</b>		
15	Full-time equated unclassified positions..... 6.0		
16	Full-time equated classified positions..... 31.3		
17	Unclassified salaries .....	\$	532,200
18	Asset management council .....		1,626,400
19	Commission audit--31.3 FTE positions .....		<u>3,498,100</u>
20	GROSS APPROPRIATION .....	\$	5,656,700
21	Appropriated from:		
22	Special revenue funds:		
23	Michigan transportation fund .....		1,626,400
24	State trunkline fund .....		4,030,300
25	State general fund/general purpose .....	\$	0
26	<b>Sec. 105. BUSINESS SUPPORT</b>		
27	Full-time equated classified positions..... 78.0		

1	Business support services--48.0 FTE positions .....	\$	5,817,300
2	Human resources--21.0 FTE positions .....		2,441,800
3	Economic development and enhancement programs--9.0		
4	FTE positions .....		1,151,700
5	Property management .....		9,266,800
6	Human resources optimization user charges .....		205,000
7	Worker's compensation .....		<u>2,146,000</u>
8	GROSS APPROPRIATION .....	\$	21,028,600
9	Appropriated from:		
10	Special revenue funds:		
11	Comprehensive transportation fund .....		1,324,000
12	Economic development fund .....		494,200
13	Michigan transportation fund .....		179,000
14	State aeronautics fund .....		668,700
15	State trunkline fund .....		18,362,700
16	State general fund/general purpose .....	\$	0
17	<b>Sec. 106. INFORMATION TECHNOLOGY</b>		
18	Information technology services and projects .....	\$	<u>28,483,300</u>
19	GROSS APPROPRIATION .....	\$	28,483,300
20	Appropriated from:		
21	Federal revenues:		
22	DOT-FHWA, highway research, planning, and construction		1,446,900
23	Special revenue funds:		
24	Blue Water Bridge fund .....		46,800
25	Comprehensive transportation fund .....		183,500
26	Economic development fund .....		37,100
27	Michigan transportation fund .....		242,600

1	State aeronautics fund.....		143,200
2	State trunkline fund.....		26,383,200
3	State general fund/general purpose.....	\$	0
4	<b>Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES</b>		
5	Full-time equated classified positions.....	243.5	
6	Financial and contractual services		
7	Financial operations--80.0 FTE positions.....	\$	7,904,800
8	Contract services--53.6 FTE positions.....		5,127,100
9	Technical and support services--42.9 FTE positions...		5,346,000
10	Performance excellence--12.0 FTE positions.....		1,435,500
11	Welcome center operations--55.0 FTE positions.....		<u>4,860,700</u>
12	GROSS APPROPRIATION.....	\$	24,674,100
13	Appropriated from:		
14	Special revenue funds:		
15	Michigan transportation fund.....		1,894,700
16	State trunkline fund.....		22,779,400
17	State general fund/general purpose.....	\$	0
18	<b>Sec. 108. TRANSPORTATION PLANNING</b>		
19	Full-time equated classified positions.....	176.0	
20	Statewide planning services--124.0 FTE positions.....	\$	13,013,500
21	Data collection services--52.0 FTE positions.....		5,637,200
22	Specialized planning services and local studies.....		16,698,200
23	Grants to regional planning councils.....		<u>488,800</u>
24	GROSS APPROPRIATION.....	\$	35,837,700
25	Appropriated from:		
26	Federal revenues:		
27	DOT-FHWA, highway research, planning, and construction		22,000,000

1	Special revenue funds:		
2	Comprehensive transportation fund.....		960,300
3	Michigan transportation fund.....		6,304,500
4	State aeronautics fund.....		261,900
5	State trunkline fund.....		6,311,000
6	State general fund/general purpose.....	\$	0
7	<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>		
8	Full-time equated classified positions.....	1,500.8	
9	Engineering services--785.1 FTE positions.....	\$	58,279,800
10	Program services--704.7 FTE positions.....		39,350,100
11	Intelligent transportation systems operations--11.0		
12	FTE positions .....		<u>10,091,100</u>
13	GROSS APPROPRIATION.....	\$	107,721,000
14	Appropriated from:		
15	Federal revenues:		
16	DOT-FHWA, highway research, planning, and construction		18,909,800
17	Special revenue funds:		
18	Michigan transportation fund.....		5,597,400
19	State trunkline fund.....		83,213,800
20	State general fund/general purpose.....	\$	0
21	<b>Sec. 110. HIGHWAY MAINTENANCE</b>		
22	Full-time equated classified positions.....	828.7	
23	State trunkline operations--828.7 FTE positions.....	\$	131,976,500
24	Contract operations.....		<u>146,631,200</u>
25	GROSS APPROPRIATION.....	\$	278,607,700
26	Appropriated from:		
27	Special revenue funds:		



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1	State trunkline fund.....	278,607,700
2	State general fund/general purpose.....	\$ 0
3	<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>	
4	State trunkline federal aid and road and bridge	
5	construction .....	\$ 951,515,600
6	Local federal aid and road and bridge construction...	268,570,000
7	Grants to local programs.....	33,000,000
8	Rail grade crossing.....	3,000,000
9	Local bridge fund.....	<<29,618,300>>
	<<Structurally deficient bridges.....	100>>
10	County road commissions.....	623,396,400
11	Cities and villages.....	<u>347,571,400</u>
12	GROSS APPROPRIATION.....	\$ 2,256,671,800
13	Appropriated from:	
14	Federal revenues:	
15	DOT-FHWA, highway research, planning, and construction	1,042,941,800
16	Special revenue funds:	
17	Local funds.....	30,000,000
18	Blue Water Bridge fund.....	8,553,200
19	Local bridge fund.....	29,618,400
20	Michigan transportation fund.....	1,006,967,800
21	State trunkline fund.....	138,590,600
22	State general fund/general purpose.....	\$ 0
23	<b>Sec. 112. BLUE WATER BRIDGE</b>	
24	Full-time equated classified positions.....	41.0
25	Blue Water Bridge operations--41.0 FTE positions .....	\$ <u>5,320,200</u>
26	GROSS APPROPRIATION.....	\$ 5,320,200
27	Appropriated from:	

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1	Special revenue funds:		
2	Blue Water Bridge fund.....		5,320,200
3	State general fund/general purpose.....	\$	0
4	<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>		
5	Forest roads.....	\$	5,040,000
6	Rural county urban system.....		2,500,000
7	Target industries/economic redevelopment.....		19,047,100
8	Urban county congestion.....		7,773,600
9	Rural county primary.....		<u>7,773,600</u>
10	GROSS APPROPRIATION.....	\$	42,134,300
11	Appropriated from:		
12	Special revenue funds:		
13	Economic development fund.....		42,134,300
14	State general fund/general purpose .....		0
15	<b>Sec. 114. AERONAUTICS SERVICES</b>		
16	Full-time equated classified positions.....	84.0	
17	Airport improvement services--30.0 FTE positions.....	\$	2,850,700
	<<Airport infrastructure, safety, protection, and operations .....		100>>
18	Aviation services--26.0 FTE positions.....		4,259,800
19	Freight and safety services--28.0 FTE positions.....		3,305,100
20	Air service program.....		<u>700,000</u>
21	GROSS APPROPRIATION.....	\$	<<11,115,700>>
22	Appropriated from:		
23	Special revenue funds:		
24	Comprehensive transportation fund.....		1,429,900
25	Michigan transportation fund.....		1,875,200
26	State aeronautics fund.....		<<7,810,600>>
27	State general fund/general purpose.....	\$	0

1       **Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT**

2       **SERVICES**

3       Full-time equated classified positions..... 46.0

4       Passenger transportation services--46.0 FTE positions     \$     5,316,500

5       GROSS APPROPRIATION.....                                     \$           5,316,500

6       Appropriated from:

7       Federal revenues:

8       DOT, federal transit act.....                                     762,100

9       Special revenue funds:

10      Comprehensive transportation fund.....                             4,357,400

11      Michigan transportation fund.....                                     197,000

12      State general fund/general purpose.....                             \$           0

13      **Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING**

14      Local bus operating.....   \$     166,624,000

15      Nonurban operating/capital.....                                     18,200,000

16      GROSS APPROPRIATION.....                                     \$     184,824,000

17      Appropriated from:

18      Federal revenues:

19      DOT, federal transit act.....                                     17,000,000

20      Special revenue funds:

21      Local funds.....   1,200,000

22      Comprehensive transportation fund.....                             166,624,000

23      State general fund/general purpose.....                             \$           0

24      **Sec. 117. INTERCITY PASSENGER AND FREIGHT**

25      Freight property management.....                                     \$           900,000

26      Detroit/Wayne County port authority.....                             500,000

27      Intercity bus equipment.....   2,600,000

1	Rail passenger service.....	8,100,000
2	Freight preservation and development.....	5,092,900
3	Rail infrastructure loan program.....	1,000,000
4	Intercity bus service development.....	5,750,000
5	Marine passenger services.....	499,900
6	Ann Arbor & NW Michigan railroad.....	100,000
7	Terminal development.....	<u>1,200,000</u>
8	GROSS APPROPRIATION.....	\$ 25,742,800
9	Appropriated from:	
10	Federal revenues:	
11	DOT, federal transit act.....	4,500,000
12	DOT-FRA, local rail service assistance.....	100,000
13	DOT-FRA, rail passenger/HSGT.....	1,000,000
14	Special revenue funds:	
15	Local funds.....	50,000
16	Comprehensive transportation fund.....	17,092,800
17	Intercity bus equipment fund.....	1,000,000
18	Rail preservation fund.....	2,000,000
19	State general fund/general purpose.....	\$ 0
20	<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
21	Specialized services.....	\$ 9,500,100
22	Municipal credit program.....	2,000,000
23	Bus capital.....	49,388,700
24	Van pooling.....	120,000
25	Service initiatives.....	916,500
26	Transportation to work.....	<u>12,244,000</u>
27	GROSS APPROPRIATION.....	\$ 74,169,300

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1	Appropriated from:	
2	Federal revenues:	
3	DOT, federal transit act.....	37,000,000
4	Special revenue funds:	
5	Local funds.....	11,600,000
6	Comprehensive transportation fund.....	25,569,300
7	State general fund/general purpose.....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

11 Sec. 201. Pursuant to section 30 of article IX of the state  
12 constitution of 1963, total state spending from state resources  
13 under part 1 for fiscal year 2007-2008 is <<\$2,134,665,100.00>> and  
14 state spending from state resources to be paid to local units of  
15 government for fiscal year 2007-2008 is \$1,250,118,900.00. The  
16 itemized statement below identifies appropriations from which  
17 spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

18		
19	Grants to local programs.....	\$ 33,000,000
20	Economic development fund.....	23,087,200
21	Grants to cities and villages.....	347,571,400
22	Grants to county road commissions.....	623,396,400
23	Local bridge fund.....	29,618,400
24	Grants to regional planning councils.....	488,800
25	Local bus operating.....	166,624,000

1	Bus capital.....	14,388,700
2	Marine passenger service.....	499,900
3	Detroit/Wayne County port authority.....	500,000
4	Municipal credit program.....	2,000,000
5	Specialized services.....	4,100,100
6	Transportation to work.....	<u>4,844,000</u>
7	Total payments to local units of government.....	\$ 1,250,118,900

8       Sec. 202. The appropriations authorized under this act are  
9 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
10 to 18.1594.

11       Sec. 203. As used in this act:

12       (a) "CTF" means comprehensive transportation fund.

13       (b) "Department" means the department of transportation.

14       (c) "DOT" means the United States department of  
15 transportation.

16       (d) "DOT-FHWA" means DOT, federal highway administration.

17       (e) "DOT-FRA" means DOT, federal railroad administration.

18       (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad  
19 administration, high-speed ground transportation.

20       (g) "EDF" means economic development fund.

21       (h) "FTE" means full-time equated.

22       (i) "MTF" means Michigan transportation fund.

23       (j) "RIF" means recreation improvement fund.

24       (k) "SAF" means state aeronautics fund.

25       (l) "STF" means state trunkline fund.

26       Sec. 204. The department of civil service shall bill the  
27 departments and agencies at the end of the first fiscal quarter for

1 the 1% charge authorized by section 5 of article XI of the state  
2 constitution of 1963. Payments shall be made for the total amount  
3 of the billing by the end of the second fiscal quarter.

4 <<Sec. 205. (1) A hiring freeze is imposed on the state classified  
5 civil service. State departments and agencies are prohibited from hiring  
6 employees into the classified state civil service or unclassified  
7 positions within the executive branch of state government; creating new  
8 positions within the classified state civil service or new unclassified  
9 positions; and filling new or existing vacant positions by external hire  
10 from outside of state government, transfer or promotion between state  
11 departments or agencies, or internal promotions within a department or  
12 agency. The hiring freeze described in this section applies regardless of  
13 the fund source financing the position but does not apply to appointments  
14 required by law.

15 (2) The state budget director may grant exceptions to the hiring  
16 freeze if 1 or more of the following apply:

17 (a) The creation of a position or filling a vacant position by any  
18 method is required by legal mandate, federal mandate, or court order.

19 (b) The creation of a position or filling a vacant position by any  
20 method is necessary to protect the health or safety of Michigan citizens.

21 (c) The creation of a position or filling a vacant position by any  
22 method is necessary to produce budgetary savings or to protect existing  
state revenue or secure additional state revenue.

(d) The creation of a position or filling a vacant position by any  
method is necessary to provide for the basic daily living requirements of  
residents of a state institution or facility.

(3) The state budget director shall report quarterly to the  
chairpersons of the senate and house of representatives standing  
committees on appropriations and the respective fiscal agencies the  
number of exceptions to the hiring freeze approved for each state  
department or agency during the immediately preceding quarter and the  
reasons to justify the exception.

(4) The attorney general and secretary of state may grant  
exceptions to the hiring freeze for their respective departments under

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the same criteria that the state budget director is able to grant exceptions.>>

23       Sec. 207. At least 90 days before beginning any effort to  
24 privatize, the department shall submit a complete project plan to  
25 the appropriate senate and house of representatives appropriations  
26 subcommittees and the senate and house fiscal agencies. The plan  
27 shall include the criteria under which the privatization initiative



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1 will be evaluated. The evaluation shall be completed and submitted  
2 to the appropriate senate and house of representatives  
3 appropriations subcommittees and the senate and house fiscal  
4 agencies within 6 months. As used in this section, "privatize" or  
5 "privatization" means the transfer of state highway maintenance  
6 functions or activities currently performed by department forces,  
7 or by boards of county road commissioners, county boards of  
8 commissioners, or local units of government under contract with the  
9 department, to private contractors.

10 Sec. 208. Unless otherwise specified, the department shall use  
11 the Internet to fulfill the reporting requirements of this act.  
12 This requirement may include transmission of reports via electronic  
13 mail to the recipients identified for each reporting requirement or  
14 it may include placement of reports on an Internet or Intranet  
15 site.

16 <<Sec. 209. Funds appropriated in part 1 shall not be used for the  
17 purchase of foreign goods or services, or both, if competitively priced  
18 and of comparable quality American goods or services, or both, are  
19 available. Preference should be given to goods or services, or both,  
20 manufactured or provided by Michigan businesses, if they are  
21 competitively priced and of comparable quality. In addition, preference  
22 should be given to goods or services, or both, that are manufactured or  
23 provided by Michigan businesses owned and operated by veterans, if they  
24 are competitively priced and of comparable quality.>>

23 Sec. 210. The director of each department receiving  
24 appropriations in part 1 may take all reasonable steps to ensure  
25 businesses in deprived and depressed communities compete for and  
26 perform contracts to provide services or supplies, or both. The  
27 director shall encourage firms with which the department contracts

1 to subcontract with certified businesses in deprived and depressed  
2 communities for services, supplies, or both.

3       Sec. 211. The departments and state agencies receiving  
4 appropriations under this act shall receive and retain copies of  
5 all reports funded from appropriations in part 1. These departments  
6 and state agencies shall follow federal and state guidelines for  
7 short-term and long-term retention of these reports and records.

8       Sec. 258. Amounts appropriated in part 1 for information  
9 technology may be designated as work projects and carried forward  
10 to support technology projects under the direction of the  
11 department of information technology. Funds designated in this  
12 manner are not available for expenditure until approved as work  
13 projects under section 451a of the management and budget act, 1984  
14 PA 431, MCL 18.1451a.

15       Sec. 259. From the funds appropriated in part 1 for  
16 information technology, the department shall pay user fees to the  
17 department of information technology for technology-related  
18 services and projects. The user fees shall be subject to provisions  
19 of an interagency agreement between the department and the  
20 department of information technology.

21       Sec. 260. (1) Due to the current budgetary problems in this  
22 state, out-of-state travel for the fiscal year ending September 30,  
23 2008 shall be limited to situations in which 1 or more of the  
24 following conditions apply:

25       (a) The travel is required by legal mandate or court order or  
26 for law enforcement purposes.

27       (b) The travel is necessary to protect the health or safety of

1 Michigan citizens or visitors or to assist other states in similar  
2 circumstances.

3 (c) The travel is necessary to produce budgetary savings or to  
4 increase state revenues, including protecting existing federal  
5 funds or securing additional federal funds.

6 (d) The travel is necessary to comply with federal  
7 requirements.

8 (e) The travel is necessary to secure specialized training for  
9 staff that is not available within this state, or through the  
10 Internet, computer classes, or correspondence.

11 (f) The travel is financed entirely by federal or nonstate  
12 funds.

13 (2) If out-of-state travel is necessary but does not meet 1 or  
14 more of the conditions in subsection (1), the state budget director  
15 may grant an exception to allow the travel. Any exceptions granted  
16 by the state budget director shall be reported on a monthly basis  
17 to the house and senate appropriations committees.

18 (3) Not later than January 1 of each year, each department  
19 shall prepare a travel report listing all travel by classified and  
20 unclassified employees outside this state in the immediately  
21 preceding fiscal year that was funded in whole or in part with  
22 funds appropriated in the department's budget. The report shall be  
23 submitted to the chairs and members of the house and senate  
24 appropriations committees, the fiscal agencies, and the state  
25 budget director. The report shall include the following  
26 information:

27 (a) The name of each person receiving reimbursement for travel

1 outside this state or whose travel costs were paid by this state.

2 (b) The destination of each travel occurrence.

3 (c) The dates of each travel occurrence.

4 (d) A brief statement of the reason for each travel  
5 occurrence.

6 (e) The transportation and related costs of each travel  
7 occurrence, including the proportion funded with state general  
8 fund/general purpose revenues, the proportion funded with state  
9 restricted revenues, the proportion funded with federal revenues,  
10 and the proportion funded with other revenues.

11 (f) A total of all out-of-state travel funded for the  
12 immediately preceding fiscal year.

13 Sec. 261. A department or state agency shall not take  
14 disciplinary action against an employee for communicating with a  
15 member of the legislature or their staff.

16 Sec. 262. Funds appropriated in part 1 shall not be used by a  
17 principal executive department, state agency, or authority to hire  
18 a person to provide legal services that are the responsibility of  
19 the attorney general.

20 Sec. 263. (1) The department shall report no later than April  
21 1, 2008 on each specific policy change made to implement enacted  
22 legislation to the senate and house appropriations subcommittees on  
23 the department budget, the senate and house standing committees on  
24 the department budget, the chairperson of the joint committee on  
25 administrative rules, and the senate and house fiscal agencies and  
26 policy offices.

27 (2) Funds appropriated in part 1 shall not be used to prepare

1 regulatory plans or promulgate rules that fail to reduce the  
2 disproportionate economic impact on small businesses pursuant to  
3 section 40 of the administrative procedures act of 1969, 1969 PA  
4 306, MCL 24.240.

5 **DEPARTMENTAL SECTIONS**

6       Sec. 301. (1) The department may establish a fee schedule and  
7 collect fees sufficient to cover the costs to issue the permits  
8 that the department is authorized by law to issue upon request, and  
9 for fees associated with freedom of information requests. Unless  
10 otherwise authorized by statute, all fee revenue shall be credited  
11 to the state trunkline fund to recover the direct and indirect  
12 costs of receiving, reviewing, and processing the requests.

13       (2) A bridge authority shall hold 3 public hearings on an  
14 increase in any toll charged by the authority at least 30 days  
15 before the toll change will become effective. Two of the hearings  
16 shall be held within 5 miles of the bridge over which the bridge  
17 authority has jurisdiction. One hearing shall be held in Lansing.  
18 Public hearings held under this section shall be conducted in  
19 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to  
20 15.275, and shall be conducted so as to provide a reasonable  
21 opportunity for public comment, including both spoken and written  
22 comments.

23       Sec. 303. On request, the department shall provide to a  
24 legislator, in writing, a report on the amount of money to be  
25 received by each city and village and the county road commission of  
26 each county, that is included in whole or in part within the

1 legislator's legislative district.

2       Sec. 304. If, as a requirement of bidding on a highway  
3 project, the department requires a contractor to submit financial  
4 or proprietary documentation as to how the bid was calculated, that  
5 bid documentation shall be kept confidential and shall not be  
6 disclosed other than to a department representative without the  
7 contractor's written consent. The department may disclose the bid  
8 documentation if necessary to address or defend a claim by a  
9 contractor.

10       Sec. 305. The department shall permit space on public  
11 passenger transportation properties to be occupied by public or  
12 private tenants on a competitive market rate basis. The department  
13 shall require that revenue from the tenants be placed in an account  
14 to be used to pay the costs to maintain the property.

15       Sec. 306. Biennially, in each even-numbered fiscal year, the  
16 auditor general shall conduct an audit of charges to transportation  
17 funds by state departments for the 2 preceding fiscal years. The  
18 auditor general shall prepare a detailed report, with  
19 recommendations and conclusions, including a list of services  
20 charged to transportation funds, the appropriateness of those  
21 charges, the cost allocation methodologies used in determining the  
22 level of funding, and any unreimbursed costs. The report shall be  
23 provided to the senate and house of representatives committees on  
24 appropriations, the senate and house fiscal agencies, and the state  
25 budget director 9 months after publication of the state of Michigan  
26 comprehensive annual financial report.

27       Sec. 307. Before February 1 of each year, the department will

1 provide to the legislature, the state budget office, and the house  
2 and senate fiscal agencies its rolling 5-year plan listing by  
3 county or by county road commission all highway construction  
4 projects for the fiscal year and all expected projects for the  
5 ensuing fiscal years.

6       Sec. 308. The department and local road agencies that receive  
7 appropriations under this act shall pursue compliance with contract  
8 specifications for construction and maintenance of state highways  
9 and local roads and streets. Work shall not be accepted and paid  
10 for until it complies with contract requirements. Contractors with  
11 unsatisfactory performance ratings shall be restricted from future  
12 bidding through the prequalification process established by the  
13 department or a local road agency. The department, county road  
14 commissions, and cities and villages shall report to the house of  
15 representatives and senate appropriations subcommittees on  
16 transportation, the senate and house fiscal agencies, and the state  
17 budget director on their respective activities under this section.

18       Sec. 309. The department shall reduce administrative costs and  
19 provide the maximum funding possible for construction projects.

20       Sec. 310. The department shall provide in a timely manner  
21 copies of the agenda and approved minutes of monthly transportation  
22 commission meetings to the members of the house and senate  
23 appropriations subcommittees on transportation, the house and  
24 senate fiscal agencies, and the state budget director.

25       Sec. 312. At the close of the fiscal year, any unencumbered  
26 and unexpended balance in the state trunkline fund shall remain in  
27 the state trunkline fund and shall carry forward and is

1 appropriated for federal aid road and bridge programs for projects  
2 contained in the annual state transportation program.

3       Sec. 313. (1) From funds appropriated in part 1, the  
4 department may increase a state infrastructure bank program and  
5 grant or loan funds in accordance with regulations of the state  
6 infrastructure bank program of the United States department of  
7 transportation. The state infrastructure bank is to be administered  
8 by the department for the purpose of providing a revolving, self-  
9 sustaining resource for financing transportation infrastructure  
10 projects.

11       (2) In addition to funds provided in subsection (1), money  
12 received by the state as federal grants, repayment of state  
13 infrastructure bank loans, or other reimbursement or revenue  
14 received by the state as a result of projects funded by the program  
15 and interest earned on that money shall be deposited in the  
16 revolving state infrastructure bank fund and shall be available for  
17 transportation infrastructure projects. At the close of the fiscal  
18 year, any unencumbered funds remaining in the state infrastructure  
19 bank fund shall remain in the fund and be carried forward into the  
20 succeeding fiscal year.

21       Sec. 314. The department shall provide a report prepared by  
22 the department's internal auditor on the activities of the internal  
23 auditor for the previous fiscal year. The report shall be due on  
24 February 1, 2008 and shall be submitted to the senate and house of  
25 representatives appropriations committees, the senate and house  
26 fiscal agencies, the director of the state budget office, and the  
27 auditor general. This report shall include a list of all of the



1 following:

2 (a) All work activities conducted by the internal auditor,  
3 including a listing of all audits, reviews, and investigations.

4 (b) The time charged to each work activity, including time  
5 charged to each audit, review, or investigation.

6 (c) A listing of which audits, reviews, and investigations  
7 have been completed and which audits, reviews, and investigations  
8 have had reports of the results issued.

9 Sec. 319. The department shall post signs at each rest area to  
10 identify the agency or contractor responsible for maintenance of  
11 the rest area. The signs shall include a department telephone  
12 number and shall indicate that unsafe or unclean conditions at the  
13 rest area may be reported to that telephone number.

14 Sec. 324. From the funds appropriated in part 1, \$500,000.00  
15 from the state trunkline fund shall be used for enhanced  
16 construction zone traffic law enforcement and the "give 'em a  
17 brake" campaign. The funding shall be used to reimburse law  
18 enforcement agencies for costs associated with construction zone  
19 traffic enforcement. The funding shall be provided based on  
20 approved memoranda of understanding between the department and  
21 participating law enforcement agencies.

22 Sec. 334. The department shall continue its program to  
23 increase the use of women- and minority-owned businesses in state  
24 and local road construction projects. This program shall comprise,  
25 at a minimum, outreach and education efforts to inform women- and  
26 minority-owned firms of department competitive bidding processes  
27 and requirements, and an assessment of the availability of surety

1 for women- and minority-owned businesses. The department shall  
2 report by March 31, 2008, to the house and senate appropriations  
3 subcommittees on transportation and the house and senate fiscal  
4 agencies of its progress in complying with this section.

5       Sec. 353. The department shall review its contractor payment  
6 process and ensure that all prime contractors are paid promptly.  
7 The department shall ensure that prime contractors are in  
8 compliance with special provision 109.10 regarding the prompt  
9 payment of subcontractors.

10       Sec. 357. When presented with complete local federal aid  
11 project submittals, the department shall complete all necessary  
12 reviews and inspections required to let local federal aid projects  
13 within 120 days of receipt. The department shall implement a system  
14 for monitoring the local federal aid project review process.

15       Sec. 361. The department will notify the senate and house  
16 appropriations subcommittees on transportation, the senate and  
17 house fiscal agencies, and the state budget director of any changes  
18 to the services or function of the multi-modal transportation  
19 services program as approved by the state transportation  
20 commission.

21       Sec. 370. From the funds appropriated in part 1, the  
22 department shall maintain a complaint process to enforce the  
23 charter service prohibition contained in section 10e of 1951 PA 51,  
24 MCL 247.660e. The complaint process shall be independent from the  
25 charter service complaint process administered by the federal  
26 department of transportation, federal transit administration under  
27 49 CFR part 604. The process shall allow complainants to file

1 written complaints with the director, either through the United  
2 States mail or through the department's Internet site. The process  
3 shall allow complainants and respondents to provide evidence to the  
4 director regarding the alleged complaint. The director shall  
5 dispose of all complaints within 120 days after receipt.

6 Sec. 374. The department shall produce and distribute all  
7 employee newsletters electronically.

8 Sec. 375. The department is prohibited from reimbursing  
9 contractors or consultants for costs associated with groundbreaking  
10 ceremonies, receptions, open houses, or press conferences related  
11 to transportation projects funded, in whole or in part, by revenue  
12 appropriated in part 1.

13 Sec. 376. No later than October 15, 2007, the department shall  
14 report to the senate and house of representatives appropriations  
15 subcommittees on transportation on the status of the 17 projects  
16 that were initially deferred in the department's 5-year plan in  
17 2003 and subsequently restored.

18 Sec. 379. The department shall not spend any comprehensive  
19 transportation fund revenue appropriated in part 1 on operational  
20 planning for an eligible authority or eligible governmental agency  
21 in accordance with section 10b(3) of 1951 PA 51, MCL 247.660b.

22 Sec. 380. (1) The department only shall use those  
23 appropriations contained in sections 114 and 115 to support the  
24 operations of the multi-modal transportation services bureau.  
25 Except as provided in subsection (2), the department is prohibited  
26 from charging any costs associated with the multi-modal  
27 transportation services bureau to any appropriation in part 1,

1 other than the appropriations contained in sections 114 and 115,  
2 regardless of their funding source without an approved legislative  
3 transfer or an enacted supplemental appropriations bill.

4 (2) Funds not appropriated in sections 114 and 115 may be used  
5 to fund costs associated with multi-modal transportation services,  
6 aeronautics, or freight safety services activities related to  
7 federally eligible costs for project management, inspection, and  
8 administration of federally funded projects and for construction of  
9 safety inspections of rail projects.

10 Sec. 381. No funds appropriated in part 1 shall be used to pay  
11 for the costs associated with the production or airing of a  
12 television program by the department, unless the program addresses  
13 traffic or safety advisories.

14 Sec. 383. (1) The department, with assistance from the  
15 departments of state police, natural resources, and military and  
16 veterans affairs, shall prepare a quarterly report on all travel by  
17 executive branch employees on state-owned, noncombat aircraft. The  
18 report shall include, by department, the name of the traveler, the  
19 travel origination location, the travel destination location, type  
20 of aircraft, and the total estimated costs associated with the air  
21 travel.

22 (2) From the funds appropriated in part 1, the department is  
23 prohibited from transporting employees of institutions of higher  
24 education on state-owned aircraft.

25 (3) From the funds appropriated in part 1, the department is  
26 prohibited from transporting legislators or legislative staff on  
27 state-owned aircraft without prior approval from the senate

1 majority leader and/or the speaker of the house of representatives.

2 (4) From the funds appropriated in part 1, the department is  
3 prohibited from transporting local government employees on state-  
4 owned aircraft.

5 (5) It is the intent of the legislature that state elected  
6 officials use commercial or other private air service, unless air  
7 travel on state-owned aircraft is part of official state business.

8 (6) This section does not apply to transportation that is  
9 related to law enforcement or homeland security activities.

10 <<Sec. 384. (1) Notwithstanding any other provision of law, the  
11 state transportation department shall not, directly or indirectly, expend  
12 any funds appropriated in part 1 of this bill to continue the Detroit  
13 River international crossing study project nor further participate in any  
manner whatsoever with the border transportation partnership, unless the  
following conditions are met:

(a) The senate and house appropriations committees hold hearings on  
the involvement of the department on the Detroit River international  
crossing study project at which time the department shall present an  
accounting of past and future, direct and indirect expenditure of funds.

(b) The passage of a concurrent resolution that acknowledges that  
the department has justified past and future, direct and indirect  
appropriations of the Detroit River international crossing study project.

(2) Notwithstanding any other provision of law, the state  
transportation department shall not, directly or indirectly, expend any  
funds appropriated in 2006 PA 345, 2005 PA 158, 2004 PA 361, 2003 PA 162,  
or 2002 PA 561 to continue the Detroit River international crossing study  
project nor further participate in any manner whatsoever with the border  
transportation partnership, unless the following conditions are met:

(a) The senate and house appropriations committees hold hearings on  
the involvement of the department on the Detroit River international  
crossing study project at which time the department shall present an  
accounting of past and future, direct and indirect expenditure of funds.

(b) The passage of a concurrent resolution that acknowledges that  
the department has justified past and future, direct and indirect  
appropriations of the Detroit River international crossing study project.

(3) Within 10 days of the effective date of this act, the  
department shall submit a report to the senate and house of  
representatives appropriations subcommittees on transportation and to the  
state transportation commission that identifies the source and use of all  
funds attributable to or expended in furtherance of the Detroit River  
international crossing study or the border transportation partnership.  
The report shall include copies of all contracts, agreements, and

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expenses associated with the project from October 1, 2003 to June 30, 2007.>>

14 **FEDERAL**

15           Sec. 401. When the department receives authorization from the  
16 federal government to commit transportation funds pursuant to  
17 federal appropriations, it shall present to the senate and house of  
18 representatives appropriations transportation subcommittees and the  
19 senate and house fiscal agencies, the federal amounts and  
20 categories authorized and the department's recommendation for  
21 distribution of these funds. If a recommendation or recommendations  
22 are not approved within 30 business days by both the senate and  
23 house of representatives appropriations transportation  
24 subcommittees, then the recommendation or recommendations shall be  
25 considered as disapproved. If either the senate or house of  
26 representatives appropriations transportation subcommittees

1 disapproves the proposed distribution, then the senate and house of  
2 representatives appropriations transportation subcommittees and the  
3 department shall hold a joint meeting to develop a final  
4 distribution.

5       Sec. 402. A portion of the federal DOT-FHWA highway research,  
6 planning, and construction funds made available to the state shall  
7 be allocated to transportation programs administered by local  
8 jurisdictions in accordance with section 10o of 1951 PA 51, MCL  
9 247.660o. A local road agency, with respect to a project approved  
10 for federal aid funding in a state transportation improvement  
11 program, may enter into a voluntary buyout agreement with the  
12 department or with another local road agency to exchange the  
13 federal aid with state restricted transportation funds as agreed to  
14 by the respective parties. The state-restricted transportation  
15 funds received in exchange for federal aid funds shall be used for  
16 the same purpose as the federal aid funds were originally intended.

17 **MICHIGAN TRANSPORTATION FUND**

18       Sec. 501. The money received under the motor carrier act, 1933  
19 PA 254, MCL 475.1 to 479.43, and not appropriated to the department  
20 of labor and economic growth or the department of state police is  
21 deposited in the Michigan transportation fund.

22       Sec. 502. The department of treasury shall perform audits and  
23 make investigations of the disposition of all state funds received  
24 by county road commissions or county boards of commissioners, as  
25 applicable, and cities and villages for transportation purposes to  
26 determine compliance with the terms and conditions of 1951 PA 51,

1 MCL 247.651 to 247.675. County road commissions or county boards of  
2 commissioners, as applicable, and cities and villages shall make  
3 available to the department of treasury the pertinent records for  
4 the audit.

5       Sec. 503. (1) The funds appropriated in part 1 for the  
6 economic development and local bridge programs shall not lapse at  
7 the end of the fiscal year but shall carry forward each fiscal year  
8 for the purposes for which appropriated in accordance with 1987 PA  
9 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL  
10 247.660.

11       (2) Interest earned in the department of transportation  
12 economic development fund and local bridge fund shall remain in the  
13 respective funds and shall be allocated to the respective programs  
14 based on actual interest earned at the end of each fiscal year.

15       (3) The department of transportation economic development fund  
16 and local bridge fund may receive and expend federal, local, or  
17 private funds or restricted source funds such as interest earnings  
18 for projects that are consistent with the programmatic mission of  
19 the respective funds in addition to funds appropriated in part 1.

20       (4) None of the funds statutorily dedicated to the  
21 transportation economic development fund and local bridge fund  
22 shall be diverted to other projects.

23       Sec. 504. (1) Funds from the Michigan transportation fund  
24 (MTF) shall be distributed to the comprehensive transportation fund  
25 (CTF), the economic development fund (EDF), the recreation  
26 improvement fund (RIF), and the state trunkline fund (STF), in  
27 accordance with this act and part 711 of the natural resources and



1 environmental protection act, 1994 PA 451, MCL 324.71101 to  
2 324.71108, and may only be used as specified in this act, 1951 PA  
3 51, MCL 247.651 to 247.675, and part 711 of the natural resources  
4 and environmental protection act, 1994 PA 451, MCL 324.71101 to  
5 324.71108.

6 (2) The amounts appropriated and transferred to various state  
7 agencies from part 1 shall be expended from the transportation  
8 funds pursuant to annual contracts between the department and state  
9 agencies providing tax and fee collection and other services  
10 applicable to transportation funds. The contracts shall be executed  
11 prior to the transfer of these funds. The contracts shall provide,  
12 but are not limited to, the following data applicable to each state  
13 agency:

14 (a) Estimated costs to be recovered from transportation funds.

15 (b) Description of services financed with transportation  
16 funds.

17 (c) Detailed cost allocation methods that are appropriate to  
18 the type of services being provided and the activities financed  
19 with transportation funds.

20 (3) Two months after publication of the state of Michigan  
21 comprehensive annual financial report, each state agency receiving  
22 an interdepartment and statutory contract from the department shall  
23 submit a written report to the department, the state budget  
24 director, and the house and senate fiscal agencies stating by  
25 spending authorization account the amount of estimated funds  
26 contracted with the department, the amount of funds expended, the  
27 amount of funds returned to the transportation funds, and any

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1 unreimbursed transportation-related costs incurred but not billed  
2 to transportation funds. A copy of the report shall be submitted to  
3 the auditor general and the report shall be subject to audit by the  
4 auditor general.

5 (4) In addition to the requirements of subsection (3), the  
6 state treasurer shall develop a cost allocation plan to identify  
7 the actual costs of work based on time and effort performed by the  
8 Michigan department of treasury for state-restricted transportation  
9 funds. The cost allocation plan shall specifically identify the  
10 costs of collecting constitutionally restricted motor fuel taxes.  
11 The cost allocation plan shall be submitted to the senate and house  
12 of representatives standing committees on appropriations  
13 subcommittees on general government, the senate and house fiscal  
14 agencies, the auditor general, and the state budget director by  
15 November 1. The cost allocation plan shall be subject to audit by  
16 the auditor general.

<<Sec. 505. From the funds appropriated in part 1 for structurally  
deficient bridges, the department shall utilize such appropriations to  
repair or replace bridges in Michigan which have been rated as  
structurally deficient under the national bridge inventory ratings  
scale.>>

17 **STATE TRUNKLINE FUND**

18 Sec. 601. The department shall work with the road construction  
19 industry and engineering consulting community to develop  
20 performance and road construction warranties for construction  
21 contracts. The development of warranties shall include warranties  
22 on materials, workmanship, performance criteria, and design/build  
23 projects. The department will report by September 30 of each  
24 calendar year to the house of representatives and senate  
25 appropriations subcommittees on transportation, the state budget  
26 director, and the house and senate fiscal agencies on the status of  
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1 efforts to develop performance and road construction warranties.

2       Sec. 602. If the department uses manufactured pipe for road  
3 construction drainage, the department shall require that pipe used  
4 under certain load-bearing conditions beneath the roadway meets the  
5 standards established by the American society for testing and  
6 materials (ASTM) or American association of state highway and  
7 transportation officials (AASHTO). The department may also use the  
8 mandrel test for manufactured pipe 60 days after installation and  
9 provide a summary of the results of these inspections to the house  
10 of representatives and senate appropriations subcommittees on  
11 transportation and house and senate fiscal agencies.

12       Sec. 603. The department shall use traffic congestion as 1 of  
13 the criteria in determining the priorities for designating which  
14 roads shall be remediated in its 5-year road plan, which must be  
15 submitted on or before February 1, 2008. Criteria for evaluating  
16 traffic congestion shall include, but not be limited to,  
17 coordination with local, county, and regional planning, improvement  
18 in traffic operations, improvement in physical roadway conditions,  
19 accident reduction, and coordination with area public  
20 transportation planning.

21       Sec. 607. Funding shall be made available for the remediation  
22 of unsafe pedestrian crossings on state highways. Funds from this  
23 appropriation may be expended only as matching funds for up to 50%  
24 of project cost with additional project funding to be provided by  
25 local units of government or through private contributions.  
26 Selected projects shall require the approval of the transportation  
27 commission. Maintenance of pedestrian overpasses constructed from

1 funds made available through this appropriation shall be the  
2 responsibility of a local unit of government or public or private  
3 institutions of higher education.

4       Sec. 608. From the amounts appropriated in part 1 for forest  
5 roads from the transportation economic development fund, \$40,000.00  
6 shall be used for the purpose of establishing 2 additional truck  
7 inspection stations. The department shall work directly with  
8 representatives of the timber industry to educate truck drivers on  
9 the use of the stations. The department shall report on the status  
10 of this program.

11       Sec. 610. It is the intent of the legislature that the  
12 department have as a priority the removal of dead deer and other  
13 large animal remains from the traveled portion and shoulder of  
14 state highways. The department, and counties that perform state  
15 highway maintenance under contract, shall remove animal remains,  
16 wherever practicable, away from the traveled portion and shoulder  
17 of state highways.

18       Sec. 611. From the appropriations in part 1, the department  
19 shall use high-quality pavement marking materials for all state  
20 trunkline projects with a design life of 10 years or greater. The  
21 department shall coordinate with material suppliers, equipment  
22 manufacturers, and application contractors to ensure cost-effective  
23 improvements in durability and retro-reflectivity.

24       Sec. 612. The department shall establish guidelines governing  
25 incentives and disincentives provided under contracts for state  
26 trunkline projects. The guidelines shall include specific financial  
27 information concerning incentives and disincentives. On or before

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1 January 1, <<2008>>, the department shall prepare a report for the  
2 immediately preceding fiscal year regarding contract incentives and  
3 disincentives. This report shall include a list, by project, of the  
4 contractors that received contract incentives and/or disincentives,  
5 the amount of the incentives and/or disincentives, and the number  
6 of days that each project was completed either ahead or past the  
7 contracted completion date. This report shall be provided to the  
8 senate and house appropriations subcommittees on transportation,  
9 the senate and house standing committees on transportation, and the  
10 senate and house fiscal agencies.

11 Sec. 613. From the funds appropriated in part 1, not less than  
12 \$50,000.00 shall be expended for the implementation of a  
13 comprehensive signage program on I-94, US-127, US-223, M-50, US-23,  
14 and I-69 to assist traffic coming from all directions to locate the  
15 Michigan international speedway.

16 Sec. 615. From the funds appropriated in part 1, the  
17 department shall proceed with the construction of a full  
18 interchange at the intersection of M-48 and I-75 in Chippewa  
19 County. The department shall develop design plans and award the  
20 construction contract for this project during the fiscal year  
21 ending September 30, 2008.

22 Sec. 616. From the funds appropriated in part 1, the  
23 department shall reimburse the city of Petoskey for installation of  
24 a traffic light on US-31 at the intersection with Bay Harbor in  
25 Emmet County.

26 Sec. 639. The department shall develop a plan and schedule to  
27 place signs on state highways that direct motorists to drive on the

1 right half of the roadway in accordance with section 634 of the  
2 Michigan vehicle code, 1949 PA 300, MCL 257.634. The plan and  
3 schedule shall be submitted to the senate and house appropriations  
4 committees, the senate and house fiscal agencies, and the state  
5 budget director by November 1, 2007.

6 Sec. 640. The department shall develop a plan and schedule to  
7 place signs on state highways that direct motorists to yield the  
8 right-of-way to approaching emergency vehicles in accordance with  
9 section 653 of the Michigan vehicle code, 1949 PA 300, MCL 257.653.  
10 The plan and schedule shall be submitted to the senate and house  
11 appropriations committees, the senate and house fiscal agencies,  
12 and the state budget director by November 1, 2007.

13 Sec. 654. It is the intent of the legislature that the  
14 Mackinac Bridge Authority work to protect the long-term viability  
15 of the Mackinac Bridge.

16 Sec. 655. It is the intent of the legislature that the  
17 department expend not less than \$32,000.00 for a safe routes to  
18 schools project in Eaton Rapids, Michigan, involving extension of  
19 and improvements to sidewalks along North State Street from Gould  
20 to beyond Greyhound Drive, as well as connecting streets in  
21 neighborhoods near Eaton Rapids High School, Eaton Rapids Middle  
22 School, Greyhound Intermediate School, and Lockwood Elementary  
23 School.

24 Sec. 656. It is the intent of the legislature that the  
25 department upgrade that section of M-49 from M-99 to US-12 to  
26 standards necessary for designation as a designated highway as  
27 provided under sections 717 and 718 of the Michigan vehicle code,

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1 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a  
2 "green" special designated highway on the department's truck  
3 operator's map.

4 Sec. 657. It is the intent of the legislature that the  
5 department proceed with a congestion mitigation corridor study of  
6 US-23 from M-14 to I-96 in Washtenaw and Livingston counties,  
7 including environmental assessment of transportation improvements  
8 to US-23.

9 Sec. 658. It is the intent of the legislature that the  
10 department proceed with the reconstruction of the interchange at I-  
11 196 and Phoenix Road in South Haven.

12 <<Sec. 659. For pavement projects for which there are no Michigan  
13 actual historic project maintenance, repair, and resurfacing schedules  
14 and costs as recorded by the pavement management system, the department  
15 may use actual historical and comparable data for equivalent designs  
16 from states with similar climates, soil structures, and vehicle  
17 traffic.

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21 Sec. 660. The department shall conduct a demonstration  
22 inventory project in cooperation with the Grand Valley metropolitan  
23 council utilizing a mobile pavement management data collection  
24 system. The department will report by September 30, 2007, to the  
25 house of representatives and senate appropriations subcommittees on  
26 transportation, the house and senate fiscal agencies, and the state  
27 budget director on the results of the demonstration project.

1     COMPREHENSIVE TRANSPORTATION FUND

2           Sec. 701. Money that is received by the state as a lease  
3 payment for state-owned intercity bus equipment is not money to be  
4 deposited in the comprehensive transportation fund under section  
5 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in  
6 an intercity bus equipment fund for appropriation for the purchase  
7 and repair of intercity bus equipment. Proceeds received by the  
8 state from the sale of intercity bus equipment are deposited in an  
9 intercity bus equipment fund for appropriation for the purchase and  
10 repair of intercity bus equipment. Security deposits from the lease  
11 of state-owned intercity bus equipment not returned to the lessee  
12 of the equipment under terms of the lease agreement are deposited  
13 in an intercity bus equipment fund for appropriation for the repair  
14 of intercity bus equipment. At the close of the fiscal year, any  
15 funds remaining in the intercity bus equipment fund shall remain in  
16 the fund and be carried forward into the succeeding fiscal year.

17           Sec. 702. Money that is received by the state as repayment for  
18 loans made for rail or water freight capital projects, and as a  
19 result of the sale of property or equipment used or projected to be  
20 used for rail or water freight projects shall be deposited in the  
21 fund created by section 17 of the state transportation preservation  
22 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal  
23 year, any funds remaining in the rail preservation fund shall  
24 remain in the fund and be carried forward into the succeeding  
25 fiscal year.

26           Sec. 703. After receiving notification from a railroad company



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1 pursuant to section 8 of the state transportation preservation act  
2 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately  
3 notify the house of representatives and senate appropriations  
4 subcommittees on transportation and the state budget office that  
5 the railroad company has filed with the appropriate governmental  
6 agencies for abandonment of a line.

7       Sec. 705. Funds appropriated in part 1 for the rail  
8 infrastructure loan program shall be credited to the rail  
9 infrastructure loan fund established in section 15a of the state  
10 transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

11       Sec. 706. The Detroit/Wayne County port authority shall issue  
12 a complete operations assessment and a financial disclosure  
13 statement. The operations assessment shall include operational  
14 goals for the next 5 years and recommendations to improve land  
15 acquisition and development efficiency. The report shall be  
16 completed and submitted to the house of representatives and senate  
17 appropriations subcommittees on transportation, the state budget  
18 director, and the house and senate fiscal agencies by February 15  
19 of each fiscal year for the prior fiscal year.

20       Sec. 707. (1) For the fiscal year ending September 30, <<2008>>,  
21 each eligible authority and each eligible governmental agency which  
22 provides public transportation services in urbanized areas with a  
23 Michigan population of less than or equal to 100,000 and  
24 nonurbanized areas under section 5311 of title 49 of the United  
25 States Code, 49 USC 5311, shall receive a grant of up to 60% of its  
26 eligible operating expenses. Each eligible authority and each  
27 eligible government agency which provides public transportation

1 services in urbanized areas with a Michigan population of greater  
 2 than 100,000 under section 5307 of title 49 of the United States  
 3 Code, 49 USC 5307, shall receive a grant of up to 50% of its  
 4 eligible operating expenses.

5 (2) If the department determines that the Detroit  
 6 transportation corporation is an eligible governmental agency as  
 7 defined in section 10c(c) of 1951 PA 51, MCL 247.660c, and is  
 8 eligible for operating grants under section 10e of 1951 PA 51, MCL  
 9 247.660e, the Detroit transportation corporation shall receive an  
 10 operating grant not to exceed the amount of the distribution it  
 11 received for eligible operating expenses for the fiscal year ending  
 12 September 30, 1997 as provided in section 10e(4)(a)(v) of 1951 PA  
 13 51, MCL 247.660e. The funding plan for capital construction costs  
 14 of the Detroit people mover project as described and provided under  
 15 1984 PA 243, 1985 PA 111, 1986 PA 207, 1987 PA 136, 1988 PA 271,  
 16 1989 PA 54, and 1990 PA 202 represents the only funding plan for  
 17 cost overruns and there is no provision or expectation of other  
 18 state money of any nature or character whatsoever for the  
 19 construction or operation of the project.

20 Sec. 708. If funds appropriated in part 1 are used to provide  
 21 state-owned or state-leased buses to private intercity bus  
 22 carriers, the department shall charge not less than \$1,000.00 per  
 23 bus per year for their use.

24 Sec. 709. (1) The following bus routes are designated as an  
 25 essential corridor in Michigan:

26	Between St. Ignace and Escanaba	US-2
27	Between Escanaba and Duluth	US-2 through Ironwood to the

1		state line
2	Between Calumet and Escanaba	US-41
3	Between Escanaba and Milwaukee	US-41 through Menominee to
4		the state line
5	Between St. Ignace and	
6	Sault Ste. Marie	I-75
7	Between Detroit and Chicago	I-94 from Detroit to the
8		state line
9	Between Detroit and Muskegon	I-96
10	Between Grand Rapids, Holland,	
11	and Benton Harbor	I-196 to I-94
12	Between Muskegon and Grand	
13	Rapids	US-31, I-96
14	Between Detroit and Bay City	I-75
15	Between Bay City and Mount	
16	Pleasant	US-10, M-20
17	Between Jackson and Traverse	US-127, US-27, I-75,
18	City	Grayling,
19		Gaylord, M-72 to Traverse
20		City
21	Between Jackson and	I-69, I-94 to the state line
22	Indianapolis	through Albion, Marshall,
23		and Coldwater
24	Between Houghton Lake and	
25	Cadillac	M-55 and M-66
26	Between Detroit and Toledo	I-75 to the state line
27	Between the Indiana state line	

1	and Traverse City	US-31 and I-196
2	Between Detroit and Port Huron	I-375 and I-94
3	Between Toledo and Bay City	US-23, I-75, and I-675, I-75
4	Between Bay City and Chicago	I-75, Flint, I-69, I-94,
5		Battle Creek, I-94 to the
6		state line
7	Between Flint and Lansing	I-69, M-21, Owosso, M-52,
8		I-69
9	Between Bay City and St. Ignace	I-75, US-23
10	Between Grand Rapids and	US-131, Cadillac, M-115,
11	St. Ignace	Mesick, M-37 to Traverse
12		City, US-31, Acme, M-72,
13		Kalkaska, US-131, Boyne
14		Falls, M-75, Walloon Lake,
15		US-131, Petoskey, US-31,
16		I-75, St. Ignace
17	Between Kalamazoo and Grand	
18	Rapids	US-131

19 (2) Any changes to the essential corridor list in subsection  
 20 (1) shall be approved by the house and senate appropriations  
 21 subcommittees on transportation.

22 (3) No entity shall receive operating assistance for a  
 23 scheduled regular route service which is competing with another  
 24 private or public carrier over the same route.

25 Sec. 711. (1) From the funds appropriated in part 1 from the  
 26 comprehensive transportation fund for rail passenger service, the  
 27 department shall negotiate with a rail carrier to provide rail

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1 service between Grand Rapids and Chicago and between Port Huron and  
2 Chicago on a 7-day basis, consistent with the other provisions of  
3 this section.

4 (2) Any state subsidy for rail passenger service between Grand  
5 Rapids and Chicago and between Port Huron and Chicago shall be  
6 limited to an amount equal to revenue generated from operation of  
7 these routes, including, but not limited to, revenue from fares and  
8 concessions. The state subsidy shall not exceed \$7,100,000.00.

9 (3) The rail carrier shall, as a condition to receiving a  
10 state operating subsidy, maintain a system to monitor, collect, and  
11 resolve customer complaints and shall make the information  
12 available to the department, the house and senate appropriations  
13 subcommittees on transportation, and the house and senate fiscal  
14 agencies.

15 (4) Future state support for the service between Grand Rapids  
16 and Chicago and Port Huron and Chicago is dependent on the  
17 department's ability to provide a plan and a contract for services  
18 that increase ridership and revenue, reduce operating costs, and  
19 improve on-time performance. <<

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25 (5) No state subsidy shall be provided from the funds  
26 appropriated in part 1 if the chosen rail carrier is Amtrak and  
27 Amtrak discontinued service or any portion of the service between

1 Port Huron and Chicago or Grand Rapids and Chicago during the  
2 preceding fiscal year, unless the discontinuance of service was for  
3 track maintenance or was caused by acts of God.

4 Sec. 714. (1) The department, in cooperation with local  
5 transit agencies, shall work to ensure that demand-response  
6 services are provided throughout Michigan. The department shall  
7 continue to work with local units of government to address the  
8 unmet transit needs in Michigan.

9 (2) The department shall report by March 1, 2008 on its  
10 efforts to implement this section over the past 2 years.

11 Sec. 721. For federal transit administration bus acquisition  
12 capital grants matched with CTF funds appropriated in part 1,  
13 transit agencies shall have 4 years from the federal approval date  
14 to carry out their projects. Contract line items unobligated 4  
15 years after the federal approval date may be matched with CTF funds  
16 only up to 15% in the fifth and subsequent years. "Unobligated"  
17 means any line item in the contract that is not committed to a  
18 third party or purchase order. A waiver shall be granted by the  
19 department for an additional year with documented justification  
20 from the transit agency accompanied by a resolution from the board  
21 or authority seeking a waiver. If a transit agency does not carry  
22 out a line item activity in a specific authorization and the  
23 transit agency requests funds in a new authorization for that same  
24 activity, the line item shall be matched at up to 15%. This section  
25 applies only to bus acquisition capital grants. Lapsed funds under  
26 this section shall remain in the CTF.

27 Sec. 722. From the funds appropriated in part 1 for

1 transportation to work from the CTF, sufficient funds shall be used  
2 as a match for job access reverse commute grants for local transit  
3 agencies.

4 Sec. 729. From the funds appropriated in part 1 for intercity  
5 bus service development, \$100,000.00 shall be used for lost  
6 ridership support and/or marketing efforts to increase awareness of  
7 intercity bus service, increase ridership on intercity bus  
8 carriers, and improve coordination of intercity bus service in  
9 Michigan.

10 Sec. 730. The department shall sell all state-owned intercity  
11 bus equipment within 6 months of termination of lease agreements  
12 with intercity bus carriers. The proceeds from the sale of state-  
13 owned intercity bus equipment under this section shall be deposited  
14 in the intercity bus equipment fund, consistent with section 701.

15 Sec. 731. The department shall charge public transit agencies  
16 and intercity bus carriers equal rates per square foot for leasing  
17 space in state-owned intermodal facilities.

18 Sec. 732. (1) From the funds appropriated in part 1 for local  
19 bus operating, eligible authorities and eligible governmental  
20 agencies receiving grants under section 10e of 1951 PA 51, MCL  
21 247.660e, shall equip vehicles with necessary operational lifts and  
22 certify to the department, in a format specified by the department,  
23 that those lifts are maintained and cycled on a regularly scheduled  
24 basis to ensure operability consistent with authority granted to  
25 the department under 1951 PA 51, MCL 247.651 to 247.675.

26 (2) By October 29, 2007, eligible authorities and eligible  
27 governmental agencies shall forward to the department and the

1 senate and house fiscal agencies a report on the status of their  
2 fleet with respect to operational lifts pursuant to subsection (1).  
3 Eligible authorities and eligible governmental agencies shall  
4 specifically include information in the report on the number and  
5 percentage of the fleet with operational lifts, and the number and  
6 percentage of the fleet with operational lifts that are not in  
7 working order.

8 (3) An eligible authority or eligible governmental agency that  
9 reports, pursuant to subsection (2), that vehicles currently  
10 eligible for or in active service have lifts that are not  
11 operational, shall certify to the department by December 31, 2007  
12 that the nonoperational lifts have been repaired or replaced and  
13 are operational.

14 (4) By April 1, 2008, the department director shall certify,  
15 in writing, to the senate and house appropriations subcommittees on  
16 transportation, senate and house fiscal agencies, and the state  
17 budget director that the information provided by each eligible  
18 authority or eligible governmental agency under subsections (2) and  
19 (3) is accurate to the best of the director's knowledge. In the  
20 event that the department director finds that the information  
21 provided by each eligible authority or eligible governmental agency  
22 under subsections (2) and (3) is inaccurate, the director shall  
23 notify the eligible authority or eligible governmental agency of  
24 the inaccuracies and require submission of a corrected report.

25 (5) Eligible authorities and eligible governmental agencies  
26 that report, pursuant to subsection (2), nonoperational lifts on  
27 vehicles currently eligible for or in active service, and who are



1 unable to certify, pursuant to subsection (3), that lifts have been  
2 repaired or replaced by December 31, 2007, shall not receive 25% of  
3 their monthly local bus operating grant, beginning January 1, 2007.  
4 Persons 65 years of age or older and persons with disabilities  
5 shall be exempt from fare box charges for the period an eligible  
6 authority or eligible governmental agency has funds withheld  
7 pursuant to this subsection.

8 (6) If the eligible authority or eligible governmental agency  
9 certifies on or before April 30, 2008 that lifts reported as  
10 nonoperational pursuant to subsections (3) and (4) are now  
11 operational, funds withheld during the period subsequent to  
12 December 31, 2007 shall be forwarded to the applicable eligible  
13 authority or eligible governmental agency. If the applicable lifts  
14 are not operational by April 30, 2008, funds withheld pursuant to  
15 subsection (4) shall be forfeited and deposited to the  
16 comprehensive transportation fund.

17 (7) The department shall report to the senate and house  
18 appropriations subcommittees on transportation, senate and house  
19 fiscal agencies, and the state budget director on September 30,  
20 2008, regarding actions taken with respect to implementation of  
21 this section.

22 (8) The department shall ensure that transit agencies have  
23 adequate wheelchair lifts available on demand response vehicles to  
24 meet the needs of persons with disabilities.

25 (9) Eligible authorities and eligible governmental agencies  
26 which have been certified by the department director for 3  
27 consecutive years are exempt from the reporting requirements in

1 subsections (2) and (3) unless a complaint has been filed.

2       Sec. 734. (1) The department shall ensure that all public  
3 transit agencies provide the highest quality public transit service  
4 by moving people in a cost-effective, safe, and user-friendly  
5 manner that maintains and attracts residents and businesses.

6       (2) Public transit agencies receiving funds under part 1 shall  
7 do all of the following:

8       (a) Provide efficient, cost-effective, safe, well-maintained,  
9 reliable, customer-driven transportation services.

10       (b) Provide a quality work environment that has and fulfills  
11 employee performance, productivity, and development standards.

12       (c) Identify and capture all available funding or create cost-  
13 effective programs to eliminate debt and have a balanced budget.

14       (d) Maintain sufficient local and community funding.

15       (e) Support business development by providing transportation  
16 to areas of employment and commerce, emerging or established  
17 businesses, and health care facilities.

18       Sec. 736. From the funds appropriated in part 1, the  
19 department shall work with intercity rail and bus passenger  
20 carriers to coordinate intercity passenger transportation in  
21 Michigan. The department shall assist in the coordination of  
22 intercity routes, schedules, and facilities.

23       Sec. 737. It is the intent of the legislature that the  
24 department proceed with the construction of a Birmingham/Troy  
25 intermodal passenger facility.

26       Sec. 740. The department shall report by March 1 of each year  
27 to the house of representatives and senate appropriations

1 subcommittees on transportation, the house and senate fiscal  
2 agencies, and the state budget director the encumbered and  
3 unencumbered balances of the comprehensive transportation fund.

4       Sec. 741. The department shall report by October 1, 2007 to  
5 the house of representatives and senate appropriations  
6 subcommittees on transportation, the house and senate fiscal  
7 agencies, and the state budget director on progress made to improve  
8 the Ann Arbor & NW Michigan railroad's track infrastructure for the  
9 purpose of supporting passenger train speed of 59 miles per hour.

10       **AERONAUTICS FUND**

11       Sec. 801. At the close of the fiscal year, any unobligated and  
12 unexpended balance in the state aeronautics fund created in the  
13 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1  
14 to 259.208, shall lapse to the state aeronautics fund and be  
15 appropriated by the legislature in the immediately succeeding  
16 fiscal year.

17       Sec. 805. State aeronautics funds appropriated in part 1 for  
18 airport safety and protection plan debt service are transferred to  
19 the comprehensive transportation fund and are appropriated for the  
20 purpose of reimbursing comprehensive transportation fund debt  
21 service obligations for the airport safety and protection plan  
22 program.