

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 254

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2010; 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. 254 (H-1) as amended June 24, 2009

1 transportation department and certain state purposes designated in  
 2 this act for the fiscal year ending September 30, 2010, 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.....	3,008.3	
9	GROSS APPROPRIATION.....		\$ [3,256,660,900]
10	Total interdepartmental grants and intradepartmental		
11	transfers .....		0
12	ADJUSTED GROSS APPROPRIATION.....		\$ [3,256,660,900]
13	Federal revenues:		
14	DOT, federal transit act.....		59,062,100
15	DOT-FHWA, highway research, planning, and construction		[1,060,167,700]
16	DOT-FRA, local rail service assistance.....		100,000
17	DOT-FRA, rail passenger/HSGT.....		3,000,000
18	DOT, federal aviation administration.....		104,874,700
19	Total federal revenues.....		[1,227,204,500]
20	Special revenue funds:		
21	Local revenues.....		56,073,400
22	Total local and private revenues.....		56,073,400
23	Blue Water Bridge fund.....		14,706,300
24	Comprehensive transportation fund.....		230,507,500
25	Economic development fund.....		43,515,000
26	Intercity bus equipment fund.....		2,000,000
27	Local bridge fund.....		30,223,700

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1	Michigan transportation fund.....	[967,840,400]
2	Rail freight fund.....	2,000,000
3	State aeronautics fund.....	14,869,000
4	State trunkline fund.....	667,721,100
5	Total other state restricted revenues.....	[1,973,383,000]
6	State general fund/general purpose.....	\$ 0
7	<b>Sec. 102. DEBT SERVICE</b>	
8	State trunkline.....	\$ [203,625,200]
9	Economic development.....	9,228,200
10	Local bridge fund.....	3,318,700
11	Blue Water Bridge fund.....	2,149,600
12	Airport safety and protection plan.....	3,472,400
13	Comprehensive transportation.....	<u>29,843,200</u>
14	GROSS APPROPRIATION.....	\$ [251,637,300]
15	Appropriated from:	
16	Federal revenues:	
17	DOT-FHWA, highway research, planning, and construction	[58,163,500]
18	Special revenue funds:	
19	Blue Water Bridge fund.....	2,149,600
20	Comprehensive transportation fund.....	29,843,200
21	Economic development fund.....	9,228,200
22	Local bridge fund.....	3,318,700
23	State aeronautics fund.....	3,472,400
24	State trunkline fund.....	145,461,700
25	State general fund/general purpose.....	\$ 0
26	<b>Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY</b>	
27	<b>SUPPORT SERVICES</b>	

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1	MTF grant to department of state for collection of		
2	revenue and fees .....	\$	19,999,900
3	MTF grant to department of treasury.....		7,440,700
4	MTF grant to legislative auditor general.....		204,300
5	[MTF grant to department of environmental quality....		100]
5	STF grant to department of attorney general.....		2,867,400
6	STF grant to civil service commission.....		5,697,000
7	STF grant to department of history, arts, and		
8	libraries .....		83,100
9	STF grant to department of management and budget .....		1,105,200
10	STF grant to department of state police.....		9,808,000
11	STF grant to department of treasury.....		179,100
12	STF grant to legislative auditor general.....		474,600
13	SAF grant to department of attorney general.....		160,300
14	SAF grant to civil service commission.....		150,000
15	SAF grant to department of history, arts, and		
16	libraries .....		1,900
17	SAF grant to department of management and budget .....		22,800
18	SAF grant to department of treasury.....		74,700
19	SAF grant to legislative auditor general.....		19,600
20	CTF grant to department of attorney general.....		162,400
21	CTF grant to civil service commission.....		200,000
22	CTF grant to department of history, arts, and		
23	libraries .....		2,700
24	CTF grant to department of management and budget .....		32,100
25	CTF grant to department of treasury.....		4,100
26	CTF grant to legislative auditor general.....		25,200
27	GROSS APPROPRIATION.....	\$	[48,715,200]

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1	Appropriated from:		
2	Special revenue funds:		
3	Comprehensive transportation fund.....		426,500
4	Michigan transportation fund.....		[27,645,000]
5	State aeronautics fund.....		429,300
6	State trunkline fund.....		20,214,400
7	State general fund/general purpose.....	\$	0
8	<b>Sec. 104. EXECUTIVE DIRECTION</b>		
9	Full-time equated unclassified positions.....	6.0	
10	Full-time equated classified positions.....	31.3	
11	Unclassified salaries.....		\$ 602,800
12	Asset management council.....		1,626,400
13	Commission audit--31.3 FTE positions.....		<u>3,574,600</u>
14	GROSS APPROPRIATION.....	\$	5,803,800
15	Appropriated from:		
16	Special revenue funds:		
17	Michigan transportation fund.....		1,626,400
18	State trunkline fund.....		4,177,400
19	State general fund/general purpose.....	\$	0
20	<b>Sec. 105. BUSINESS SUPPORT</b>		
21	Full-time equated classified positions.....	57.0	
22	Business support services--48.0 FTE positions.....		\$ 6,076,300
23	Economic development and enhancement programs--9.0 FTE		
24	positions .....		1,175,200
25	Property management.....		8,642,100
26	Worker's compensation.....		<u>1,726,700</u>
27	GROSS APPROPRIATION.....	\$	17,620,300

1	Appropriated from:	
2	Special revenue funds:	
3	Comprehensive transportation fund.....	1,128,300
4	Economic development fund.....	482,700
5	Michigan transportation fund.....	185,000
6	State aeronautics fund.....	549,600
7	State trunkline fund.....	15,274,700
8	State general fund/general purpose.....	\$ 0
9	<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
10	Information technology services and projects.....	\$ <u>29,313,200</u>
11	GROSS APPROPRIATION.....	\$ 29,313,200
12	Appropriated from:	
13	Federal revenues:	
14	DOT-FHWA, highway research, planning, and construction	510,800
15	Special revenue funds:	
16	Blue Water Bridge fund.....	48,200
17	Comprehensive transportation fund.....	188,800
18	Economic development fund.....	37,100
19	Michigan transportation fund.....	249,400
20	State aeronautics fund.....	147,400
21	State trunkline fund.....	28,131,500
22	State general fund/general purpose.....	\$ 0
23	<b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>	
24	Full-time equated classified positions..... 243.5	
25	Finance, contracts, and support	
26	services--188.5 FTE positions.....	\$ 20,071,800
27	Welcome center operations--55.0 FTE positions.....	<u>4,986,500</u>

1	GROSS APPROPRIATION.....	\$	25,058,300
2	Appropriated from:		
3	Special revenue funds:		
4	Michigan transportation fund.....		1,625,200
5	State trunkline fund.....		23,433,100
6	State general fund/general purpose.....	\$	0
7	<b>Sec. 108. TRANSPORTATION PLANNING</b>		
8	Full-time equated classified positions.....		176.0
9	Transportation planning services--176.0 FTE positions	\$	19,429,600
10	Specialized planning services and local studies.....		16,698,200
11	Grants to regional planning councils.....		<u>488,800</u>
12	GROSS APPROPRIATION.....	\$	36,616,600
13	Appropriated from:		
14	Federal revenues:		
15	DOT-FHWA, highway research, planning, and construction		22,000,000
16	Special revenue funds:		
17	Comprehensive transportation fund.....		960,300
18	Michigan transportation fund.....		6,304,500
19	State aeronautics fund.....		75,000
20	State trunkline fund.....		7,276,800
21	State general fund/general purpose.....	\$	0
22	<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>		
23	Full-time equated classified positions.....		1,494.8
24	Engineering services--787.1 FTE positions.....	\$	62,992,700
25	Program services--695.7 FTE positions.....		40,423,400
26	Intelligent transportation systems operations--12.0		
27	FTE positions .....		<u>10,785,400</u>

1	GROSS APPROPRIATION.....	\$	114,201,500
2	Appropriated from:		
3	Federal revenues:		
4	DOT-FHWA, highway research, planning, and construction		23,529,800
5	Special revenue funds:		
6	Michigan transportation fund.....		5,835,200
7	State trunkline fund.....		84,836,500
8	State general fund/general purpose.....	\$	0
9	<b>Sec. 110. HIGHWAY MAINTENANCE</b>		
10	Full-time equated classified positions..... 834.7		
11	State trunkline operations--834.7 FTE positions.....	\$	136,667,800
12	Contract operations.....		<u>149,860,300</u>
13	GROSS APPROPRIATION.....	\$	286,528,100
14	Appropriated from:		
15	Special revenue funds:		
16	State trunkline fund.....		286,528,100
17	State general fund/general purpose.....	\$	0
18	<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>		
19	State trunkline federal aid and road and bridge		
20	construction .....	\$	794,418,800
21	Local federal aid and road and bridge construction...		248,751,000
22	Grants to local programs.....		33,000,000
23	Rail grade crossing.....		3,000,000
24	Local bridge program.....		26,905,000
25	County road commissions.....		568,937,400
26	Cities and villages.....		<u>317,208,000</u>
27	GROSS APPROPRIATION.....	\$	1,992,220,200



1	Appropriated from:		
2	Federal revenues:		
3	DOT-FHWA, highway research, planning, and construction		955,963,600
4	Special revenue funds:		
5	Local funds.....		30,000,000
6	Blue Water Bridge fund.....		7,107,300
7	Local bridge fund.....		26,905,000
8	Michigan transportation fund.....		922,145,400
9	State trunkline fund.....		50,098,900
10	State general fund/general purpose.....	\$	0
11	<b>Sec. 112. BLUE WATER BRIDGE</b>		
12	Full-time equated classified positions.....	41.0	
13	Blue Water Bridge operations--41.0 FTE positions.....	\$	<u>5,401,200</u>
14	GROSS APPROPRIATION.....	\$	5,401,200
15	Appropriated from:		
16	Special revenue funds:		
17	Blue Water Bridge fund.....		5,401,200
18	State general fund/general purpose.....	\$	0
19	<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT</b>		
20	Forest roads.....	\$	5,040,000
21	Rural county urban system.....		2,500,000
22	Target industries/economic redevelopment.....		8,863,400
23	Urban county congestion.....		8,681,800
24	Rural county primary.....		<u>8,681,800</u>
25	GROSS APPROPRIATION.....	\$	33,767,000
26	Appropriated from:		
27	Special revenue funds:		

1	Economic development fund.....		33,767,000
2	State general fund/general purpose.....	\$	0
3	<b>Sec. 114. AERONAUTICS AND FREIGHT SERVICES</b>		
4	Full-time equated classified positions.....		84.0
5	Aeronautics services--56.0 FTE positions.....	\$	7,203,100
6	Freight and safety services--28.0 FTE positions.....		3,562,700
7	Air service program.....		<u>464,600</u>
8	GROSS APPROPRIATION.....	\$	11,230,400
9	Appropriated from:		
10	Special revenue funds:		
11	Comprehensive transportation fund.....		1,541,400
12	Michigan transportation fund.....		2,021,300
13	State aeronautics fund.....		7,667,700
14	State general fund/general purpose.....	\$	0
15	<b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>		
16	Full-time equated classified positions.....		46.0
17	Passenger transportation services--46.0 FTE positions	\$	<u>5,455,400</u>
18	GROSS APPROPRIATION.....	\$	5,455,400
19	Appropriated from:		
20	Federal revenues:		
21	DOT, federal transit act.....		762,100
22	Special revenue funds:		
23	Comprehensive transportation fund.....		4,490,300
24	Michigan transportation fund.....		203,000
25	State general fund/general purpose.....	\$	0
26	<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>		
27	Local bus operating.....	\$	166,624,000

1	Nonurban operating/capital.....		<u>21,800,000</u>
2	GROSS APPROPRIATION.....	\$	188,424,000
3	Appropriated from:		
4	Federal revenues:		
5	DOT, federal transit act.....		21,000,000
6	Special revenue funds:		
7	Comprehensive transportation fund.....		166,624,000
8	Local funds.....		800,000
9	State general fund/general purpose.....	\$	0
10	<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>		
11	Freight property management.....	\$	1,000,000
12	Detroit/Wayne County port authority.....		468,200
13	Intercity services.....		7,250,000
14	Rail passenger service.....		8,667,000
15	Freight preservation and development.....		3,364,200
16	Marine passenger service.....		374,600
17	Terminal development.....		<u>150,000</u>
18	GROSS APPROPRIATION.....	\$	21,274,000
19	Appropriated from:		
20	Federal revenues:		
21	DOT, federal transit act.....		4,500,000
22	DOT-FRA, local rail service assistance.....		100,000
23	DOT-FRA, rail passenger/HSGT.....		3,000,000
24	Special revenue funds:		
25	Local funds.....		50,000
26	Comprehensive transportation fund.....		9,624,000
27	Intercity bus equipment fund.....		2,000,000

1	Rail freight fund.....		2,000,000
2	State general fund/general purpose.....	\$	0
3	<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>		
4	Specialized services.....	\$	7,248,100
5	Municipal credit program.....		1,873,000
6	Bus capital.....		38,178,200
7	Van pooling.....		195,000
8	Service initiatives.....		1,050,000
9	Transportation to work.....		<u>9,136,400</u>
10	GROSS APPROPRIATION.....	\$	57,680,700
11	Appropriated from:		
12	Federal revenues:		
13	DOT, federal transit act.....		32,800,000
14	Special revenue funds:		
15	Local funds.....		9,200,000
16	Comprehensive transportation fund.....		15,680,700
17	State general fund/general purpose.....	\$	0
18	<b>Sec. 119. CAPITAL OUTLAY</b>		
19	<b>(1) BUILDINGS AND FACILITIES</b>		
20	Special maintenance, remodeling, and additions.....	\$	2,288,000
21	GROSS APPROPRIATION.....		2,288,000
22	Appropriated from:		
23	Special revenue funds:		
24	State trunkline fund.....		2,288,000
25	State general fund/general purpose.....	\$	0
26	<b>(2) AIRPORT IMPROVEMENT PROGRAMS</b>		
27	Airport safety, protection and improvement program...	\$	123,425,700

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1	GROSS APPROPRIATION.....	123,425,700
2	Appropriated from:	
3	Federal revenues:	
4	DOT, federal aviation administration.....	104,874,700
5	Special revenue funds:	
6	Local funds.....	16,023,400
7	State aeronautics fund.....	2,527,600
8	State general fund/general purpose.....	\$          0

9  PART 2

10                                      PROVISIONS CONCERNING APPROPRIATIONS

11    GENERAL SECTIONS

12          Sec. 201. Pursuant to section 30 of article IX of the state  
13 constitution of 1963, total state spending from state resources  
14 under part 1 for fiscal year 2009-2010 is [\$1,973,383,000.00] and  
15 state spending from state resources to be paid to local units of  
16 government for fiscal year 2009-2010 is \$1,159,512,500.00. The  
17 itemized statement below identifies appropriations from which  
18 spending to units of local government will occur:

19    DEPARTMENT OF TRANSPORTATION

20	Grants to local programs.....	\$          33,000,000
21	Economic development fund.....	24,903,600
22	Cities and villages.....	317,208,000
23	County road commissions.....	568,937,400
24	Local bridge program.....	26,905,000
25	Grants to regional planning councils.....	488,800

1	Local bus operating.....	166,624,000
2	Bus capital.....	5,178,200
3	Marine passenger service.....	374,600
4	Detroit/Wayne County port authority.....	468,200
5	Municipal credit program.....	1,873,000
6	Specialized services.....	3,848,100
7	Transportation to work.....	4,536,400
8	Terminal development.....	75,000
9	Air service program.....	464,600
10	Rail grade crossing.....	2,100,000
11	CAPITAL OUTLAY	
12	Airport safety, protection, and improvement	
13	program.....	<u>2,527,600</u>
14	Total payments to local units of government.....	\$ 1,159,512,500

15       Sec. 202. The appropriations authorized under this act are  
16 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
17 to 18.1594.

18       Sec. 203. As used in this act:

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

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

21       (c) "DOT" means the United States department of  
22 transportation.

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

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

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

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

- 1 (h) "FTE" means full-time equated.  
2 (i) "MTF" means Michigan transportation fund.  
3 (j) "RIF" means recreation improvement fund.  
4 (k) "SAF" means state aeronautics fund.  
5 (l) "STF" means state trunkline fund.

6 Sec. 204. The civil service commission shall bill the  
7 departments and agencies at the end of the first fiscal quarter for  
8 the 1% charge authorized by section 5 of article XI of the state  
9 constitution of 1963. Payments shall be made for the total amount  
10 of the billing by the end of the second fiscal quarter.

11 Sec. 205. (1) A hiring freeze is imposed on the state  
12 classified civil service. State departments and agencies are  
13 prohibited from hiring any new full-time state classified civil  
14 service employees and prohibited from filling any vacant state  
15 classified civil service positions. This hiring freeze does not  
16 apply to internal transfers of classified employees from 1 position  
17 to another within a department.

18 (2) The state budget director may grant exceptions to this  
19 hiring freeze when the state budget director believes that the  
20 hiring freeze will result in rendering a state department or agency  
21 unable to deliver basic services, causes loss of revenue to the  
22 state, would result in the inability of the state to receive  
23 federal funds, or would necessitate additional expenditures that  
24 exceed any savings from maintaining a vacancy. The state budget  
25 director shall report quarterly to the chairpersons of the senate  
26 and house standing committees on appropriations the number of  
27 exceptions to the hiring freeze approved during the previous

1 quarter and the reasons to justify the exception.

2       Sec. 206. (1) In addition to the funds appropriated in part 1,  
3 there is appropriated an amount not to exceed \$200,000,000.00 for  
4 federal contingency funds. These funds are not available for  
5 expenditure until they have been transferred to another line item  
6 in this act pursuant to section 393(2) of the management and budget  
7 act, 1984 PA 431, MCL 18.1393.

8       (2) In addition to the funds appropriated in part 1, there is  
9 appropriated an amount not to exceed \$40,000,000.00 for state  
10 restricted contingency funds. These funds are not available for  
11 expenditure until they have been transferred to another line item  
12 in this act pursuant to section 393(2) of the management and budget  
13 act, 1984 PA 431, MCL 18.1393.

14       (3) In addition to the funds appropriated in part 1, there is  
15 appropriated an amount not to exceed \$1,000,000.00 for local  
16 contingency funds. These funds are not available for expenditure  
17 until they have been transferred to another line item in this act  
18 pursuant to section 393(2) of the management and budget act, 1984  
19 PA 431, MCL 18.1393.

20       (4) In addition to the funds appropriated in part 1, there is  
21 appropriated an amount not to exceed \$1,000,000.00 for private  
22 contingency funds. These funds are not available for expenditure  
23 until they have been transferred to another line item in this act  
24 pursuant to section 393(2) of the management and budget act, 1984  
25 PA 431, MCL 18.1393.

26       Sec. 207. When beginning any effort to privatize, the  
27 department shall submit a complete project plan to the house and



1 senate appropriations subcommittees on transportation, the state  
2 budget office, and the house and senate fiscal agencies. The plan  
3 shall include the rationale for privatization, including a cost-  
4 benefit analysis if appropriate. The evaluation shall be completed  
5 and submitted to the appropriate senate and house of  
6 representatives appropriations subcommittees and the senate and  
7 house fiscal agencies. As used in this section, "privatize" or  
8 "privatization" means the transfer of state highway maintenance or  
9 activities currently performed by department forces, or by boards  
10 of county road commissioners, county boards of commissioners, or  
11 local units of government under contract with the department, to  
12 private contractors.

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

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

1 competitively priced and of comparable quality.

2       Sec. 210. The director shall take all reasonable steps to  
3 ensure businesses in deprived and depressed communities compete for  
4 and perform contracts to provide services or supplies, or both. The  
5 director shall encourage firms with which the department contracts  
6 to subcontract with certified businesses in deprived and depressed  
7 communities for services, supplies, or both.

8       Sec. 211. The departments and state agencies receiving  
9 appropriations under this act shall receive and retain copies of  
10 all reports funded from appropriations in part 1. These departments  
11 and state agencies shall follow federal and state guidelines for  
12 short-term and long-term retention of these reports and records.

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

20       Sec. 259. From the funds appropriated in part 1 for  
21 information technology, the department shall pay user fees to the  
22 department of information technology for technology-related  
23 services and projects. The user fees shall be subject to provisions  
24 of an interagency agreement between the department and the  
25 department of information technology.

26       Sec. 260. (1) Due to the current budgetary problems in this  
27 state, out-of-state travel shall be limited to situations in which

1 1 or more of the following conditions apply:

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

4 (b) The travel is necessary to protect the health or safety of  
5 Michigan citizens or visitors or to assist other states in similar  
6 circumstances.

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

10 (d) The travel is necessary to comply with federal  
11 requirements.

12 (e) The travel is necessary to secure specialized training for  
13 staff that is not available within this state.

14 (f) The travel is financed entirely by federal or nonstate  
15 funds.

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

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

1 budget director. The report shall include the following  
2 information:

3 (a) The name of each person receiving reimbursement for travel  
4 outside this state or whose travel costs were paid by this state.

5 (b) The destination of each travel occurrence.

6 (c) The dates of each travel occurrence.

7 (d) A brief statement of the reason for each travel  
8 occurrence.

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

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

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

19 Sec. 262. Funds appropriated in part 1 shall not be used by a  
20 principal executive department, state agency, or authority to hire  
21 a person to provide legal services that are the responsibility of  
22 the attorney general. This prohibition does not apply to legal  
23 services for bonding activities and for those activities that the  
24 attorney general authorizes.

25 Sec. 264. The department shall continue its efforts to  
26 implement continuous process improvement programs. On or before  
27 March 1, 2010, the department shall report to the state budget

1 director, the house and senate appropriations subcommittees on  
2 transportation, and the house and senate fiscal agencies on  
3 department activities to increase efficiency in the delivery of  
4 core programs. The report shall include a description of activities  
5 of the performance excellence section in identifying and  
6 implementing business process improvements.

7       Sec. 265. From the funds appropriated in part 1, the  
8 department shall use an amount not to exceed \$10,000.00 to develop,  
9 post, and maintain, on a publicly accessible Internet site, all  
10 expenditures made by the agency within a fiscal year. The posting  
11 must include the purpose for which each expenditure is made. The  
12 department shall not be required to hire additional employees to  
13 comply with this section.

#### 14 **DEPARTMENTAL SECTIONS**

15       Sec. 301. (1) The department may establish a fee schedule and  
16 collect fees sufficient to cover the costs to issue the permits  
17 that the department is authorized by law to issue upon request,  
18 unless otherwise stipulated by law. All permit fees are  
19 nonrefundable application fees and shall be credited to the  
20 appropriate fund to recover the direct and indirect costs of  
21 receiving, reviewing, and processing the requests.

22       (2) A bridge authority shall hold 3 public hearings on an  
23 increase in any toll charged by the authority at least 30 days  
24 before the toll change will become effective. Two of the hearings  
25 shall be held within 5 miles of the bridge over which the bridge  
26 authority has jurisdiction. One hearing shall be held in Lansing.

1 Public hearings held under this section shall be conducted in  
2 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to  
3 15.275, and shall be conducted so as to provide a reasonable  
4 opportunity for public comment, including both spoken and written  
5 comments.

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

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

19 Sec. 306. (1) The amounts appropriated in section 103 to  
20 support tax and fee collection, law enforcement, and other program  
21 services provided to the department and to transportation funds by  
22 other state departments shall be expended from transportation funds  
23 pursuant to annual contracts between the department and those other  
24 state departments. The contracts shall be executed prior to the  
25 expenditure or obligation of those funds. The contracts shall  
26 provide, but are not limited to, the following data applicable to  
27 each state department:

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

2 (b) Description of services provided to the department and/or  
3 transportation funds and financed with transportation funds.

4 (c) Detailed cost allocation methods appropriate to the type  
5 of services being provided and the activities financed with  
6 transportation funds.

7 (2) Not later than 2 months after publication of the state of  
8 Michigan comprehensive annual financial report, each state  
9 department receiving funding pursuant to an interdepartment  
10 contract with the department shall submit a written report to the  
11 department, the state budget director, and the house and senate  
12 fiscal agencies stating by spending authorization account the  
13 amount of estimated funds contracted with the department, the  
14 amount of funds expended, the amount of funds returned to the  
15 transportation funds, and any unreimbursed transportation-related  
16 costs incurred but not billed to transportation funds. A copy of  
17 the report shall be submitted to the auditor general, and the  
18 report shall be subject to audit by the auditor general as provided  
19 in subsection (3).

20 (3) Biennially, in each even-numbered fiscal year, the auditor  
21 general shall conduct an audit of charges to transportation funds  
22 by state departments for the 2 preceding fiscal years. The audit  
23 shall include both charges governed by interdepartmental contracts  
24 as well as miscellaneous charges from other state departments not  
25 governed by contracts. The auditor general shall prepare a detailed  
26 report, with recommendations and conclusions, including a summary  
27 of charges and related services to transportation funds by

1 department, the appropriateness of those charges, the cost  
2 allocation methodologies used in determining the level of funding,  
3 and any unreimbursed transportation-related costs, if any. The  
4 report shall be provided to the senate and house of representatives  
5 committees on appropriations, the senate and house fiscal agencies,  
6 and the state budget director 9 months after publication of the  
7 state of Michigan comprehensive annual financial report.

8       Sec. 307. Before March 1 of each year, the department will  
9 provide to the legislature, the state budget office, and the house  
10 and senate fiscal agencies its rolling 5-year plan listing by  
11 county or by county road commission all highway construction  
12 projects for the fiscal year and all expected projects for the  
13 ensuing fiscal years.

14       Sec. 308. (1) The department and local road agencies that  
15 receive appropriations under this act shall pursue compliance with  
16 contract specifications for construction and maintenance of state  
17 highways and local roads and streets. Work shall not be accepted  
18 and paid for until it complies with contract requirements.  
19 Contractors with unsatisfactory performance ratings shall be  
20 restricted from future bidding through the prequalification process  
21 established by the department or a local road agency. The  
22 department, county road commissions, and cities and villages shall  
23 report to the house of representatives and senate appropriations  
24 subcommittees on transportation, the senate and house fiscal  
25 agencies, and the state budget director on their respective  
26 activities under this section.

27       (2) A contractor's prequalification rating shall not be



1 reduced or restricted until all administrative appeals have been  
2 completed.

3       Sec. 309. The department shall continue its efforts to reduce  
4 administrative costs and provide the maximum funding possible for  
5 construction projects.

6       Sec. 310. The department shall provide in a timely manner  
7 copies of the agenda and approved minutes of monthly transportation  
8 commission meetings to the members of the house and senate  
9 appropriations subcommittees on transportation, the house and  
10 senate fiscal agencies, and the state budget director.

11       Sec. 312. At the close of the fiscal year, any unencumbered  
12 and unexpended balance in the state trunkline fund shall remain in  
13 the state trunkline fund and shall carry forward and is  
14 appropriated for federal aid road and bridge programs for projects  
15 contained in the annual state transportation program.

16       Sec. 313. (1) From funds appropriated in part 1, the  
17 department may increase a state infrastructure bank program and  
18 grant or loan funds in accordance with regulations of the state  
19 infrastructure bank program of the United States department of  
20 transportation. The state infrastructure bank is to be administered  
21 by the department for the purpose of providing a revolving, self-  
22 sustaining resource for financing transportation infrastructure  
23 projects.

24       (2) In addition to funds provided in subsection (1), money  
25 received by the state as federal grants, repayment of state  
26 infrastructure bank loans, or other reimbursement or revenue  
27 received by the state as a result of projects funded by the program

1 and interest earned on that money shall be deposited in the  
2 revolving state infrastructure bank fund and shall be available for  
3 transportation infrastructure projects. At the close of the fiscal  
4 year, any unencumbered funds remaining in the state infrastructure  
5 bank fund shall remain in the fund and be carried forward into the  
6 succeeding fiscal year.

7       Sec. 314. The department shall provide a report prepared by  
8 the department's internal auditor on the activities of the internal  
9 auditor for the previous fiscal year. The report shall be due on  
10 February 1 of each year and shall be submitted to the senate and  
11 house of representatives appropriations committees, the senate and  
12 house fiscal agencies, the director of the state budget office, and  
13 the auditor general. This report shall include a list of all of the  
14 following:

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

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

19       (c) A listing of which audits, reviews, and investigations  
20 have been completed and which audits, reviews, and investigations  
21 have had reports of the results issued.

22       Sec. 319. The department shall post signs at each rest area to  
23 identify the agency or contractor responsible for maintenance of  
24 the rest area. The signs shall include a department telephone  
25 number and shall indicate that unsafe or unclean conditions at the  
26 rest area may be reported to that telephone number.

27       Sec. 324. From the funds appropriated in part 1, \$500,000.00

1 from the state trunkline fund shall be used for enhanced  
2 construction zone traffic law enforcement and the "give 'em a  
3 brake" campaign. The funding shall be used to reimburse law  
4 enforcement agencies for costs associated with construction zone  
5 traffic enforcement. The funding shall be provided based on  
6 approved memoranda of understanding between the department and  
7 participating law enforcement agencies.

8       Sec. 334. The department shall continue its program to  
9 increase the use of women- and minority-owned businesses in state  
10 and local road construction projects. This program shall comprise,  
11 at a minimum, outreach and education efforts to inform women- and  
12 minority-owned firms of department competitive bidding processes  
13 and requirements, and an assessment of the availability of surety  
14 for women- and minority-owned businesses. The department shall  
15 report by September 30 of each year to the house and senate  
16 appropriations subcommittees on transportation and the house and  
17 senate fiscal agencies of its progress in complying with this  
18 section.

19       Sec. 353. The department shall review its contractor payment  
20 process and ensure that all prime contractors are paid promptly.  
21 The department shall ensure that prime contractors are in  
22 compliance with special provision 109.10 regarding the prompt  
23 payment of subcontractors.

24       Sec. 357. When presented with complete local federal aid  
25 project submittals, the department shall complete all necessary  
26 reviews and inspections required to let local federal aid projects  
27 within 120 days of receipt. The department shall implement a system

1 for monitoring the local federal aid project review process.

2       Sec. 358. On a bimonthly basis, the department shall report on  
3 the number of FTEs in pay status by civil service classification to  
4 the house and senate appropriations subcommittees on transportation  
5 and the house and senate fiscal agencies.

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. 383. (1) The department shall prepare a quarterly report  
14 on all travel by executive branch employees, and others including  
15 local public officials, university employees, and other public  
16 employees on department-owned aircraft. The report shall include,  
17 by department, the name of the traveler, the travel origination  
18 location, the travel destination location, type of aircraft, and  
19 the total estimated costs associated with the air travel.

20       (2) The report shall be submitted to the senate and house  
21 appropriations subcommittees on transportation and the house and  
22 senate fiscal agencies.

23       (3) From the funds appropriated in part 1, the department is  
24 prohibited from transporting legislators or legislative staff on  
25 state-owned aircraft without prior approval from the senate  
26 majority leader or the speaker of the house of representatives and  
27 only when the aircraft is already scheduled by state employees on

1 related official state business.

2 (4) The department shall maintain a system for recovering the  
3 cost of operating department-owned aircraft through charges to  
4 aircraft users.

5 Sec. 384. (1) The state transportation department is allowed  
6 to continue preliminary work on the Detroit River International  
7 Crossing (DRIC) project as long as those activities associated with  
8 the DRIC project shall not bind the state in any way to  
9 construction.

10 (2) The department may continue those preliminary activities  
11 which are necessary to prepare a proposal for a decision by the  
12 legislature as long as they do not bind the state. Those activities  
13 include all of the following:

14 (a) Applications for permits and approvals.

15 (b) Preliminary design engineering work.

16 (c) Preliminary utility planning and relocation.

17 (d) Preliminary financial and funding arrangements.

18 (3) In addition, advanced property acquisitions that are  
19 hardship or opportunity purchases are allowed as long as they do  
20 not bind the state. The department will notify, in writing, both  
21 the house and senate appropriations committees within 30 days of  
22 any advanced property acquisition purchases. The department cannot  
23 enter into any binding commitment to construct the crossing until  
24 authorizing legislation is enacted into law.

25 (4) The department shall report on a quarterly basis to both  
26 the house and senate appropriations committees on any expenditures  
27 relative to the process identified in subsection (2). These

Senate Bill No. 254 (H-1) as amended June 24, 2009

1 expenditures shall be reported individually for each specific  
2 activity category as listed in subsection (2) and shall include  
3 descriptions of any consultant services utilized.

[(5) Before the department can take any actions that would bind the state to the construction of a publicly owned international bridge, it shall enter into a community benefits agreement with the residents of the affected community. The agreement shall address, but is not limited to economic development, housing, air quality, environmental mitigation, and community representation in the governance structure of the bridge.]

4 Sec. 393. The department shall promote best practices for  
5 public transportation services in this state, including, but not  
6 limited to, the following:

7 (a) Transit vehicle rehabilitation to reduce life-cycle cost  
8 of public transportation through mid-life rehabilitation of transit  
9 buses.

10 (b) Coordination with the Michigan economic development  
11 corporation to promote transition of bus fleets hybrid transit  
12 vehicles with a view to promotion of fuel economy.

13 (c) Cooperation between entities using transit, including  
14 school districts, cities, townships, and counties with a view to  
15 promoting cost savings through joint purchasing of fuel and other  
16 procurements.

17 (d) Coordination of transportation dollars among state  
18 departments which provide transit-related services, including the  
19 department of human services and the department of community  
20 health. Priority should be given to use of public transportation  
21 services where available.

22 (e) Promotion of intelligent transportation services for buses  
23 that incorporate computer and navigation technology to make  
24 transit systems more efficient, including stoplight coordinating,  
25 vehicle tracking, data tracking, and computerized scheduling.

26 Sec. 398. For the fiscal year ending September 30, 2010, the  
27 appropriation to a street railway pursuant to section 10e(22) of

1 1951 PA 51, MCL 247.660e, is \$0.

2       Sec. 399. (1) The department and local road agencies that  
3 receive appropriations under this act shall adopt complete street  
4 policies. In planning, design, construction, maintenance, and  
5 operation of streets and highways, the department and local road  
6 agencies shall adhere to the adopted complete street policy.

7       (2) As used in this section, "complete street" means a roadway  
8 that accommodates all travelers, particularly public transit users,  
9 bicyclists, pedestrians, including individuals of all ages and  
10 individuals with mobility, sensory, neurological, or hidden  
11 disabilities, and motorists, to enable all travelers to use the  
12 roadway safely and efficiently.

13       (3) As used in this section, "complete street policy" means a  
14 state or local law, ordinance, or policy that ensures both of the  
15 following:

16       (a) The adequate accommodation, in all phases of project  
17 planning and development, of all users of the transportation  
18 system, including pedestrians, bicyclists, public transit users,  
19 children, older individuals, motorists, and individuals with  
20 disabilities.

21       (b) The consideration of the safety and convenience of all  
22 users in all phases of project planning and development.

23       (4) The department shall provide assistance to and coordinate  
24 with local road agencies and metropolitan planning organizations in  
25 developing complete street policies.

26 **FEDERAL**

1           Sec. 401. Within 30 days of receiving the applicable fiscal  
2 year authorization from the federal government to commit  
3 transportation funds, the department shall notify local agency  
4 representatives, the senate and house of representatives  
5 appropriation transportation subcommittees, the senate and house  
6 fiscal agencies, and the state budget director regarding the amount  
7 of federal aid for categorical allocations to state and local  
8 agency programs not specifically allocated in either federal or  
9 state law.

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

22           **MICHIGAN TRANSPORTATION FUND**

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



1           Sec. 502. The department of treasury shall perform audits and  
2 make investigations of the disposition of all state funds received  
3 by county road commissions or county boards of commissioners, as  
4 applicable, and cities and villages for transportation purposes to  
5 determine compliance with the terms and conditions of 1951 PA 51,  
6 MCL 247.651 to 247.675. County road commissions or county boards of  
7 commissioners, as applicable, and cities and villages shall make  
8 available to the department of treasury the pertinent records for  
9 the audit.

10           Sec. 503. (1) The funds appropriated in part 1 for the  
11 economic development and local bridge programs shall not lapse at  
12 the end of the fiscal year but shall carry forward each fiscal year  
13 for the purposes for which appropriated in accordance with 1987 PA  
14 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL  
15 247.660.

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

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

25           (4) None of the funds statutorily dedicated to the  
26 transportation economic development fund and local bridge fund  
27 shall be diverted to other projects.

1           Sec. 504. Funds from the Michigan transportation fund (MTF)  
2 shall be distributed to the comprehensive transportation fund  
3 (CTF), the economic development fund (EDF), the recreation  
4 improvement fund (RIF), and the state trunkline fund (STF), in  
5 accordance with this act and part 711 of the natural resources and  
6 environmental protection act, 1994 PA 451, MCL 324.71101 to  
7 324.71108, and may only be used as specified in this act, 1951 PA  
8 51, MCL 247.651 to 247.675, and part 711 of the natural resources  
9 and environmental protection act, 1994 PA 451, MCL 324.71101 to  
10 324.71108.

11           **STATE TRUNKLINE FUND**

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

22           Sec. 602. If the department uses manufactured pipe for road  
23 construction drainage, the department shall require that pipe used  
24 under certain load-bearing conditions beneath the roadway meets the  
25 standards established by the American society for testing and  
26 materials (ASTM) or American association of state highway and

1 transportation officials (AASHTO). The department may also use the  
2 mandrel test for manufactured pipe 60 days after installation and  
3 provide a summary of the results of these inspections to the house  
4 of representatives and senate appropriations subcommittees on  
5 transportation and house and senate fiscal agencies.

6       Sec. 603. The department shall use traffic congestion as 1 of  
7 the criteria in determining the priorities for designating which  
8 roads shall be remediated in its 5-year road plan, which must be  
9 submitted on or before March 1 of each year. Criteria for  
10 evaluating traffic congestion shall include, but not be limited to,  
11 coordination with local, county, and regional planning, improvement  
12 in traffic operations, improvement in physical roadway conditions,  
13 accident reduction, and coordination with area public  
14 transportation planning.

15       Sec. 607. It is the intent of the legislature that the  
16 Michigan department of transportation work to add a southbound  
17 entrance ramp at the interchange of I-75 at Corunna Road in the  
18 charter township of Flint.

19       Sec. 608. From the amounts appropriated in part 1 for forest  
20 roads from the transportation economic development fund, \$40,000.00  
21 shall be used for the purpose of establishing 2 additional truck  
22 inspection stations. The department shall work directly with  
23 representatives of the timber industry to educate truck drivers on  
24 the use of the stations. The department shall report on the status  
25 of this program.

26       Sec. 610. It is the intent of the legislature that the  
27 department have as a priority the removal of dead deer and other

1 large animal remains from the traveled portion and shoulder of  
2 state highways. The department, and counties that perform state  
3 highway maintenance under contract, shall remove animal remains,  
4 wherever practicable, away from the traveled portion and shoulder  
5 of state highways.

6       Sec. 612. The department shall establish guidelines governing  
7 incentives and disincentives provided under contracts for state  
8 trunkline projects. The guidelines shall include specific financial  
9 information concerning incentives and disincentives. On or before  
10 January 1 of each year, the department shall prepare a report for  
11 the immediately preceding fiscal year regarding contract incentives  
12 and disincentives. This report shall include a list, by project, of  
13 the contractors that received contract incentives and/or  
14 disincentives, the amount of the incentives and/or disincentives,  
15 and the number of days that each project was completed either ahead  
16 or past the contracted completion date. This report shall be  
17 provided to the senate and house appropriations subcommittees on  
18 transportation, the senate and house standing committees on  
19 transportation, and the senate and house fiscal agencies.

20       Sec. 615. It is the intent of the legislature that the  
21 department shall proceed with the construction of a full  
22 interchange at the intersection of M-48 and I-75 in Chippewa  
23 County. It is the intent of the legislature that the department  
24 develop design plans and award the construction contract for this  
25 project during the fiscal year ending September 30, 2010.

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

1 of the Mackinac Bridge.

2 **COMPREHENSIVE TRANSPORTATION FUND**

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

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

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

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

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

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

22	Between St. Ignace and Escanaba	US-2
23	Between Escanaba and Duluth	US-2 through Ironwood to the
24		state line
25	Between Calumet and Escanaba	US-41
26	Between Escanaba and Milwaukee	US-41 through Menominee to
27		the state line

1	Between St. Ignace and	
2	Sault Ste. Marie	I-75
3	Between Detroit and Chicago	I-94 from Detroit to the
4		state line
5	Between Detroit and Muskegon	I-96
6	Between Grand Rapids, Holland,	
7	and Benton Harbor	I-196 to I-94
8	Between Muskegon and Grand	
9	Rapids	US-31, I-96
10	Between Detroit and Bay City	I-75
11	Between Bay City and Mount	
12	Pleasant	US-10, M-20
13	Between Jackson and Traverse	US-127, US-27, I-75,
14	City	Grayling,
15		Gaylord, M-72 to Traverse
16		City
17	Between Jackson and	I-69, I-94 to the state line
18	Indianapolis	through Albion, Marshall,
19		and Coldwater
20	Between Houghton Lake and	
21	Cadillac	M-55 and M-66
22	Between Detroit and Toledo	I-75 to the state line
23	Between the Indiana state line	
24	and Traverse City	US-31 and I-196
25	Between Detroit and Port Huron	I-375 and I-94
26	Between Toledo and Bay City	US-23, I-75, and I-675, I-75
27	Between Bay City and Chicago	I-75, Flint, I-69, I-94,

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

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

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

21 Sec. 711. (1) From the funds appropriated in part 1 from the  
 22 comprehensive transportation fund for rail passenger service, the  
 23 department shall negotiate with a rail carrier to provide rail  
 24 service between Grand Rapids and Chicago and between Port Huron and  
 25 Chicago, consistent with the other provisions of this section.

26 (2) The rail carrier shall, as a condition to receiving a  
 27 state operating subsidy, maintain a system to monitor, collect, and



1 resolve customer complaints and shall make the information  
2 available to the department, the house and senate appropriations  
3 subcommittees on transportation, and the house and senate fiscal  
4 agencies.

5 (3) Future state support for the service between Grand Rapids  
6 and Chicago and Port Huron and Chicago is dependent on the  
7 department's ability to provide a plan and a contract for services  
8 that increase ridership and revenue, reduce operating costs, and  
9 improve on-time performance.

10 (4) No state subsidy shall be provided from the funds  
11 appropriated in part 1 if the chosen rail carrier is Amtrak and  
12 Amtrak discontinued service or any portion of the service between  
13 Port Huron and Chicago or Grand Rapids and Chicago during the  
14 preceding fiscal year, unless the discontinuance of service was for  
15 track maintenance or was caused by acts of God.

16 Sec. 714. The department, in cooperation with local transit  
17 agencies, shall work to ensure that demand-response services are  
18 provided throughout Michigan. The department shall continue to work  
19 with local units of government to address the unmet transit needs  
20 in Michigan.

21 Sec. 721. For federal transit administration bus acquisition  
22 capital grants matched with CTF funds appropriated in part 1,  
23 transit agencies shall have 4 years from the federal approval date  
24 to carry out their projects. Contract line items unobligated 4  
25 years after the federal approval date may be matched with CTF funds  
26 only up to 15% in the fifth and subsequent years. "Unobligated"  
27 means any line item in the contract that is not committed to a

1 third party or purchase order. A waiver shall be granted by the  
2 department for an additional year with documented justification  
3 from the transit agency accompanied by a resolution from the board  
4 or authority seeking a waiver. If a transit agency does not carry  
5 out a line item activity in a specific authorization and the  
6 transit agency requests funds in a new authorization for that same  
7 activity, the line item shall be matched at up to 15%. This section  
8 applies only to bus acquisition capital grants. Lapsed funds under  
9 this section shall remain in the CTF. This section does not take  
10 effect if failure to comply with the provisions of this section by  
11 a transit agency occurs due to the inability of the state to  
12 provide sufficient matching funds for available federal funding  
13 earmarked to that transit agency for the purpose of bus capital  
14 acquisition. The department shall report to the appropriation  
15 subcommittees on transportation of the senate and house of  
16 representatives if the state is unable to provide sufficient  
17 matching funds for this section to take effect.

18       Sec. 722. From the funds appropriated in part 1 for  
19 transportation to work from the CTF, sufficient funds shall be used  
20 as a match for job access reverse commute grants for local transit  
21 agencies.

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

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

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

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

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

7 (d) Maintain sufficient local and community funding.

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

11 Sec. 740. The department shall report by March 1 of each year  
12 to the house of representatives and senate appropriations  
13 subcommittees on transportation, the house and senate fiscal  
14 agencies, and the state budget director the encumbered and  
15 unencumbered balances of the comprehensive transportation fund.

#### 16 **AERONAUTICS FUND**

17 Sec. 801. Except as otherwise provided in section 903 for  
18 capital outlay, at the close of the fiscal year, any unobligated  
19 and unexpended balance in the state aeronautics fund created in the  
20 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1  
21 to 259.208, shall lapse to the state aeronautics fund and be  
22 appropriated by the legislature in the immediately succeeding  
23 fiscal year.

#### 24 **CAPITAL OUTLAY**

25 Sec. 901. (1) From federal-state-local project appropriations

1 contained in part 1 for the purpose of assisting political entities  
2 and subdivisions of this state in the construction and improvement  
3 of publicly used airports and landing fields within this state, the  
4 state transportation department may permit the award of contracts  
5 on behalf of units of local government for the authorized locations  
6 not to exceed the indicated amounts, of which the state allocated  
7 portion shall not exceed the amount appropriated in part 1.

8 (2) Political entities and subdivisions shall provide not less  
9 than 2.5% of the cost of any project under this section, unless a  
10 total nonfederal share greater than 5% is otherwise specified in  
11 federal law. State money shall not be allocated until local money  
12 is allocated. State money for any 1 project shall not exceed 1/3 of  
13 the total appropriation in part 1 from state funds for airport  
14 improvement programs.

15 (3) The Michigan aeronautics commission may take those steps  
16 necessary to match federal money available for airport construction  
17 and improvement within this state and to meet the matching  
18 requirements of the federal government. Whether acting alone or  
19 jointly with another political subdivision or public agency or with  
20 this state, a political subdivision or public agency of this state  
21 shall not submit to any agency of the federal government a project  
22 application for airport planning or development unless it is  
23 authorized in this act and the project application is approved by  
24 the governing body of each political subdivision or public agency  
25 making the application and by the Michigan aeronautics commission.

26 Sec. 903. The appropriations in part 1 for capital outlay  
27 shall be carried forward at the end of the fiscal year consistent

1 with the provisions of section 248 of the management and budget  
2 act, 1984 PA 431, MCL 18.1248.

3       Sec. 904. (1) The director shall allocate lump-sum  
4 appropriations made in this act consistent with statutory  
5 provisions and the purposes for which funds were appropriated.  
6 Lump-sum allocations shall address priority program or facility  
7 needs and may include, but are not limited to, design,  
8 construction, remodeling and addition, special maintenance, major  
9 special maintenance, energy conservation, and demolition.

10       (2) The state budget director may authorize that funds  
11 appropriated for lump-sum appropriations and designated as work  
12 project appropriations shall be available for no more than 3 fiscal  
13 years following the fiscal year in which the original appropriation  
14 was made. Any remaining balance from allocations made in this  
15 section shall lapse to the fund from which it was appropriated  
16 pursuant to the lapsing of funds as provided in the management and  
17 budget act, 1984 PA 431, MCL 18.1101 to 18.1594.