

**SUBSTITUTE FOR  
SENATE BILL NO. 1164**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; 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. 1164 as amended May 18, 2010

1 transportation department and certain state purposes designated in  
 2 this act for the fiscal year ending September 30, 2011, 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.....	3,016.3	
9	GROSS APPROPRIATION.....		\$ <<3,244,145,700>>
10	Interdepartmental grant revenues:.....		878,300
11	Total interdepartmental grants and intradepartmental		
12	transfers .....		878,300
13	ADJUSTED GROSS APPROPRIATION.....		\$ <<3,243,267,400>>
14	Federal revenues:		
15	DOT, federal transit act.....		61,285,000
16	DOT, federal aviation administration.....		102,927,900
17	DOT-FHWA, highway research, planning, and construction		1,060,167,700
18	DOT-FRA, local rail service assistance.....		100,000
19	DOT-FRA, rail passenger/HSGT.....		3,000,000
20	Total federal revenues.....		1,227,480,600
21	Special revenue funds:		
22	Local funds.....		56,496,000
23	Total local revenues.....		56,496,000
24	Total private revenues.....		0
25	Blue Water Bridge fund.....		14,882,300
26	Comprehensive transportation fund.....		<<232,049,400>>
27	Economic development fund.....		42,134,000

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1	Intercity bus equipment fund.....		2,000,000
2	IRS debt service rebate.....		7,523,400
3	Local bridge fund.....		30,061,300
4	Michigan transportation fund.....		942,648,100
5	Rail freight fund.....		2,000,000
6	State aeronautics fund.....		16,401,300
7	State trunkline fund.....		666,615,600
8	Other state restricted funds.....		2,975,400
9	Total other state restricted revenues.....		<<1,959,290,800>>
10	State general fund/general purpose.....	\$	0
11	<b>Sec. 102. DEBT SERVICE</b>		
12	State trunkline.....	\$	198,853,000
13	Economic development.....		9,173,400
14	Local bridge fund.....		3,261,500
15	Blue Water Bridge.....		2,216,400
16	Airport safety and protection plan.....		3,456,000
17	Comprehensive transportation.....		<u>29,852,700</u>
18	GROSS APPROPRIATION.....	\$	246,813,000
19	Appropriated from:		
20	Federal revenues:		
21	DOT-FHWA, highway research, planning, and construction		45,832,100
22	Special revenue funds:		
23	Blue Water Bridge fund.....		2,216,400
24	Comprehensive transportation fund.....		29,852,700
25	Economic development fund.....		9,173,400
26	IRS debt service rebate.....		7,523,400
27	Local bridge fund.....		3,261,500

1	State aeronautics fund.....		3,456,000
2	State trunkline fund.....		145,497,500
3	State general fund/general purpose.....	\$	0
4	<b>Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS</b>		
5	Michigan transportation fund (MTF)		
6	MTF grant to department of natural resources and		
7	environment .....	\$	1,132,600
8	MTF grant to department of state for collection of		
9	revenue and fees .....		20,000,000
10	MTF grant to department of treasury.....		
			8,383,600
11	MTF grant to legislative auditor general.....		
			204,300
12	State trunkline fund (STF)		
13	STF grant to department of attorney general.....		
			2,867,300
14	STF grant to civil service commission.....		
			5,697,000
15	STF grant to department of technology, management,		
16	and budget .....		1,218,600
17	STF grant to department of state police.....		
			10,203,200
18	STF grant to department of treasury.....		
			142,200
19	STF grant to legislative auditor general.....		
			474,600
20	State aeronautics fund (SAF)		
21	SAF grant to department of attorney general.....		
			169,500
22	SAF grant to civil service commission.....		
			150,000
23	SAF grant to department of technology, management,		
24	and budget .....		32,800
25	SAF grant to department of treasury.....		
			76,100
26	SAF grant to legislative auditor general.....		
			19,600
27	Comprehensive transportation fund (CTF)		

1	CTF grant to attorney general.....	171,700
2	CTF grant to civil service commission.....	200,000
3	CTF grant to department of technology, management,	
4	and budget .....	37,400
5	CTF grant to department of treasury.....	6,500
6	CTF grant to legislative auditor general.....	<u>25,200</u>
7	GROSS APPROPRIATION.....	\$ 51,212,200
8	Appropriated from:	
9	Special revenue funds:	
10	Comprehensive transportation fund.....	440,800
11	Michigan transportation fund.....	29,720,500
12	State aeronautics fund.....	448,000
13	State trunkline fund.....	20,602,900
14	State general fund/general purpose.....	\$ 0
15	<b>Sec. 104. EXECUTIVE DIRECTION</b>	
16	Full-time equated unclassified positions..... 6.0	
17	Full-time equated classified positions..... 31.3	
18	Unclassified salaries.....	\$ 583,800
19	Asset management council.....	1,626,400
20	Commission audit--31.3 FTE positions.....	<u>3,485,600</u>
21	GROSS APPROPRIATION.....	\$ 5,695,800
22	Appropriated from:	
23	Special revenue funds:	
24	Michigan transportation fund.....	1,626,400
25	State trunkline fund.....	4,069,400
26	State general fund/general purpose.....	\$ 0
27	<b>Sec. 105. BUSINESS SUPPORT</b>	

1	Full-time equated classified positions.....	58.0	
2	Business support services--49.0 FTE positions .....		\$ 6,001,400
3	Economic development and enhancement programs--9.0		
4	FTE positions .....		1,146,100
5	Property management.....		7,364,600
6	Worker's compensation.....		<u>1,784,600</u>
7	GROSS APPROPRIATION.....		\$ 16,296,700
8	Appropriated from:		
9	Special revenue funds:		
10	Comprehensive transportation fund.....		1,278,600
11	Economic development fund.....		457,900
12	Michigan transportation fund.....		197,000
13	State aeronautics fund.....		612,500
14	State trunkline fund.....		13,750,700
15	State general fund/general purpose.....		\$ 0
16	<b>Sec. 106. INFORMATION TECHNOLOGY</b>		
17	Information technology services and projects .....		<u>\$ 28,439,000</u>
18	GROSS APPROPRIATION.....		\$ 28,439,000
19	Appropriated from:		
20	Federal revenues:		
21	DOT-FHWA, highway research, planning, and construction		520,500
22	Special revenue funds:		
23	Blue Water Bridge fund.....		48,300
24	Comprehensive transportation fund.....		192,400
25	Economic development fund.....		37,200
26	Michigan transportation fund.....		254,200
27	State aeronautics fund.....		150,200

1	State trunkline fund.....		27,236,200
2	State general fund/general purpose.....	\$	0
3	<b>Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES</b>		
4	Full-time equated classified positions.....	250.5	
5	Financial operations--87.0 FTE positions.....	\$	8,884,800
6	Contract services--53.6 FTE positions.....		4,813,500
7	Departmental services--41.9 FTE positions.....		4,845,900
8	Performance excellence--13.0 FTE positions.....		1,516,700
9	Welcome center operations--55.0 FTE positions.....		<u>2,335,600</u>
10	GROSS APPROPRIATION.....	\$	22,396,500
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	IDG for accounting service center user charges.....		878,300
14	Special revenue funds:		
15	Michigan transportation fund.....		1,753,300
16	State trunkline fund.....		19,764,900
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.....	\$	13,385,300
21	Data collection services--52.0 FTE positions.....		5,951,300
22	Specialized planning services and local studies.....		16,229,100
23	Grants to regional planning councils.....		<u>488,800</u>
24	GROSS APPROPRIATION.....	\$	36,054,500
25	Appropriated from:		
26	Federal revenues:		
27	DOT-FHWA, highway research, planning, and construction		22,000,000

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1	Special revenue funds:		
2	Comprehensive transportation fund.....		903,500
3	Michigan transportation fund.....		5,947,500
4	State aeronautics fund.....		13,700
5	State trunkline fund.....		7,189,800
6	State general fund/general purpose.....	\$	0
7	<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>		
8	Full-time equated classified positions.....	1,492.8	
9	Engineering services--800.1 FTE positions.....	\$	61,302,900
10	Program services--680.7 FTE positions.....		36,848,500
11	Intelligent transportation systems operations--12.0		
12	FTE positions .....		<u>10,378,300</u>
13	GROSS APPROPRIATION.....	\$	108,529,700
14	Appropriated from:		
15	Federal revenues:		
16	DOT-FHWA, highway research, planning, and construction		23,529,800
17	Special revenue funds:		
18	Michigan transportation fund.....		6,113,900
19	State trunkline fund.....		78,886,000
20	State general fund/general purpose.....	\$	0
21	<b>Sec. 110. HIGHWAY MAINTENANCE</b>		
22	Full-time equated classified positions.....	836.7	
23	<<State trunkline operations--836.7 FTE positions ....		112,604,500
	Contract operations.....	\$	<u>123,474,100</u> >>
24	GROSS APPROPRIATION.....	\$	236,078,600
25	Appropriated from:		
26	Special revenue funds:		
27	State trunkline fund.....		236,078,600



1	State general fund/general purpose .....	0
2	<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>	
3	State trunkline federal aid and road and bridge	
4	construction .....	\$ 857,636,800
5	Local federal aid and road and bridge construction ...	248,751,000
6	Grants to local programs .....	33,000,000
7	Rail grade crossing .....	3,000,000
8	Local bridge program .....	26,799,800
9	County road commissions .....	551,352,700
10	Cities and villages .....	<u>307,403,800</u>
11	GROSS APPROPRIATION .....	\$ 2,027,944,100
12	Appropriated from:	
13	Federal revenues:	
14	DOT-FHWA, highway research, planning, and construction	961,770,500
15	Special revenue funds:	
16	Local funds .....	30,000,000
17	Blue Water Bridge fund .....	7,107,300
18	Local bridge fund .....	26,799,800
19	Michigan transportation fund .....	894,756,500
20	State trunkline fund .....	107,510,000
21	State general fund/general purpose .....	\$ 0
22	<b>Sec. 112. BLUE WATER BRIDGE</b>	
23	Full-time equated classified positions .....	41.0
24	Blue Water Bridge operations--41.0 FTE positions .....	<u>\$ 5,510,300</u>
25	GROSS APPROPRIATION .....	\$ 5,510,300
26	Appropriated from:	
27	Special revenue funds:	

1	Blue Water Bridge fund.....		5,510,300
2	State general fund/general purpose.....	\$	0
3	<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>		
4	Forest roads.....	\$	5,040,000
5	Rural county urban system.....		2,500,000
6	Target industries/economic redevelopment.....		7,212,700
7	Urban county congestion.....		8,356,400
8	Rural county primary.....		8,356,400
9	Nonprofit street railways.....		<u>1,000,000</u>
10	GROSS APPROPRIATION.....	\$	32,465,500
11	Appropriated from:		
12	Special revenue funds:		
13	Economic development fund.....		32,465,500
14	State general fund/general purpose.....	\$	0
15	<b>Sec. 114. AERONAUTICS AND FREIGHT SERVICES</b>		
16	Full-time equated classified positions.....	84.0	
17	Airport improvement services--30.0 FTE positions.....	\$	3,030,100
18	Aviation services--26.0 FTE positions.....		4,353,700
19	Freight and safety services--28.0 FTE positions.....		3,647,000
20	Air service program.....		<u>464,600</u>
21	GROSS APPROPRIATION.....	\$	11,495,400
22	Appropriated from:		
23	Special revenue funds:		
24	Comprehensive transportation fund.....		1,577,900
25	Michigan transportation fund.....		2,069,100
26	State aeronautics fund.....		7,848,400
27	State general fund/general purpose.....	\$	0

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1	<b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>		
2	Full-time equated classified positions.....	46.0	
3	Passenger transportation services--46.0 FTE positions		\$ <u>5,010,300</u>
4	GROSS APPROPRIATION.....		\$ 5,010,300
5	Appropriated from:		
6	Federal revenues:		
7	DOT, federal transit act.....		862,100
8	Special revenue funds:		
9	Comprehensive transportation fund.....		3,938,500
10	Michigan transportation fund.....		209,700
11	State general fund/general purpose.....		\$ 0
12	<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>		
13	Local bus operating.....		\$ 166,624,000
14	Nonurban operating/capital.....		<u>22,787,900</u>
15	GROSS APPROPRIATION.....		\$ 189,411,900
16	Appropriated from:		
17	Federal revenues:		
18	DOT, federal transit act.....		21,987,900
19	Special revenue funds:		
20	Local funds.....		800,000
21	Comprehensive transportation fund.....		166,624,000
22	State general fund/general purpose.....		\$ 0
23	<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>		
24	Freight property management.....		\$ 950,000
25	Detroit/Wayne County port authority.....		<<468,200>>
26	Intercity services.....		<<7,250,000>>
27	Rail passenger service.....		11,667,000

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1	Freight preservation and development.....	2,691,400
2	Marine passenger services.....	340,000
3	Terminal development.....	<u>127,500</u>
4	GROSS APPROPRIATION.....	\$ <<23,494,100>>
5	Appropriated from:	
6	Federal revenues:	
7	DOT, federal transit act.....	4,500,000
8	DOT-FRA, local rail service assistance.....	100,000
9	DOT-FRA, rail passenger/HSGT.....	3,000,000
10	Special revenue funds:	
11	Local funds.....	50,000
12	Comprehensive transportation fund.....	<<11,844,100>>
13	Intercity bus equipment fund.....	2,000,000
14	Rail freight fund.....	2,000,000
15	State general fund/general purpose.....	\$ 0
16	<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
17	Specialized services.....	\$ 6,922,700
18	Municipal credit program.....	1,700,000
19	Bus capital.....	41,300,000
20	Van pooling.....	<<56,900>>
21	Service initiatives.....	1,400,000
22	Transportation to work.....	<u>7,152,300</u>
23	GROSS APPROPRIATION.....	\$ <<58,531,900>>
24	Appropriated from:	
25	Federal revenues:	
26	DOT, federal transit act.....	33,935,000
27	Special revenue funds:	

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1	Local funds.....	9,200,000
2	Comprehensive transportation fund.....	<<15,396,900>>
3	State general fund/general purpose.....	\$ 0
4	<b>Sec. 119. CAPITAL OUTLAY</b>	
5	<b>(1) BUILDINGS AND FACILITIES</b>	
6	Salt storage buildings and containment control	
7	systems - contract agencies .....	\$ 1,000,000
8	Port Huron replacement welcome center, inspection	
9	station, Blue Water Bridge administration and	
10	maintenance satellite facilities.....	11,518,300
11	Miscellaneous special maintenance, remodeling, and	
12	additions .....	<u>3,001,500</u>
13	GROSS APPROPRIATION.....	\$ 15,519,800
14	Appropriated from:	
15	Federal revenues:	
16	DOT-FHWA, highway research, planning, and construction	6,514,800
17	Special revenue funds:	
18	Other state restricted funds.....	2,975,400
19	State trunkline fund.....	6,029,600
20	State general fund/general purpose.....	\$ 0
21	<b>(2) AIRPORT IMPROVEMENT PROGRAMS</b>	
22	Airport safety, protection, and improvement program..	\$ <u>123,246,400</u>
23	GROSS APPROPRIATION.....	\$ 123,246,400
24	Appropriated from:	
25	Federal revenues:	
26	DOT, federal aviation administration.....	102,927,900
27	Special revenue funds:	

1	Local funds.....	16,446,000
2	State aeronautics fund.....	3,872,500
3	State general fund/general purpose.....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$1,966,266,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,141,628,800.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

15	Grants to local programs.....	\$ 33,000,000
16	Rail grade crossing.....	3,000,000
17	Economic development fund.....	31,465,500
18	Grants to cities and villages.....	307,403,800
19	Grants to county road commissions.....	551,352,700
20	Local bridge fund.....	26,799,800
21	Grants to regional planning councils.....	488,800
22	Air service program.....	464,600
23	Local bus operating.....	166,624,000
24	Bus capital.....	8,000,000
25	Marine passenger service.....	340,000

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1	Terminal development.....	127,500
2	Detroit/Wayne County port authority.....	<<468,200>>
3	Municipal credit program.....	1,700,000
4	Specialized services.....	3,437,700
5	Service initiatives.....	50,000
6	Transportation to work.....	2,152,300
7	Salt/sand storage and secondary containment	
8	facilities - contract agency locations.....	1,000,000
9	Airport safety, protection, and improvement	
10	program.....	<u>3,872,500</u>
11	Total payments to local units of government.....	\$<<1,141,747,400>>

12       Sec. 202. The appropriations authorized under this act are  
 13 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
 14 to 18.1594.

15       Sec. 203. As used in this act:

16       (a) "AASHTO" means American association of state highway and  
 17 transportation officials.

18       (b) "ASTM" means American society for testing and materials.

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

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

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

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

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

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

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

- 1 (j) "FTE" means full-time equated.  
2 (k) "IRS" means internal revenue service.  
3 (l) "MTF" means Michigan transportation fund.  
4 (m) "RIF" means recreation improvement fund.  
5 (n) "SAF" means state aeronautics fund.  
6 (o) "STF" means state trunkline fund.

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

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

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



1 the number of exceptions to the hiring freeze approved during the  
2 previous quarter and the reasons to justify the exception.

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

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

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

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

27       Sec. 207. When beginning any effort to privatize, the

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

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

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

1 businesses owned and operated by veterans, if they are  
2 competitively priced and of comparable quality.

3       Sec. 210. The director of each department receiving  
4 appropriations in part 1 shall take all reasonable steps to ensure  
5 businesses in deprived and depressed communities compete for and  
6 perform contracts to provide services or supplies, or both. The  
7 director shall encourage firms with which the department contracts  
8 to subcontract with certified businesses in deprived and depressed  
9 communities for services, supplies, or both.

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

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 technology, management, and budget for technology-  
18 related services and projects. The user fees shall be subject to  
19 provisions of an interagency agreement between the department and  
20 the department of technology, management, and budget.

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

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

26       (b) The travel is necessary to protect the health or safety of  
27 Michigan citizens or visitors or to assist other states in similar

1 circumstances.

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

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

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

9 (f) The travel is financed entirely by federal or nonstate  
10 funds.

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

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

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

27 (b) The destination of each travel occurrence.

1 (c) The dates of each travel occurrence.

2 (d) A brief statement of the reason for each travel  
3 occurrence.

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

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

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

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

20 Sec. 263. (1) The department shall report no later than April  
21 1, 2011 on each specific policy change made to implement a public  
22 act affecting the department that took effect during the prior  
23 calendar year to the house and senate appropriations subcommittees  
24 on the budget for the department, the joint committee on  
25 administrative rules, and the senate and house fiscal agencies.

26 (2) Funds appropriated in part 1 shall not be used by the  
27 department to adopt a rule that will apply to a small business and

1 that will have a disproportionate economic impact on small  
2 businesses because of the size of those businesses if the  
3 department fails to reduce the disproportionate economic impact of  
4 the rule on small businesses as provided under section 40 of the  
5 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

6 (3) As used in this section:

7 (a) "Rule" means that term as defined under section 7 of the  
8 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

9 (b) "Small business" means that term as defined under section  
10 7a of the administrative procedures act of 1969, 1969 PA 306, MCL  
11 24.207a.

12 Sec. 264. The department shall continue its efforts to  
13 implement continuous process improvement programs. On or before  
14 March 1, 2011, the department shall report to the state budget  
15 director, the house and senate appropriations subcommittees on  
16 transportation, and the house and senate fiscal agencies on  
17 department activities to increase efficiency in the delivery of  
18 core programs. The report shall include a description of activities  
19 of the performance excellence section in identifying and  
20 implementing business process improvements.

21 Sec. 265. The department shall not approve the travel of more  
22 than 1 departmental employee to a specific professional development  
23 conference or training seminar that is located outside of this  
24 state unless a professional development conference or training  
25 seminar that is funded by a federal or private funding source and  
26 requires more than 1 person from a department to attend or the  
27 conference or training seminar includes more than 1 issue in which

1 1 employee from the department does not have expertise.

2       Sec. 266. From the funds appropriated in part 1, the  
3 department shall use an amount not to exceed \$10,000.00 to develop,  
4 post, and maintain, on a publicly accessible Internet site, all  
5 expenditures made by the agency within a fiscal year. The posting  
6 must include the purpose for which each expenditure is made. The  
7 department shall not be required to hire additional employees to  
8 comply with this section.

9       **DEPARTMENTAL SECTIONS**

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

17       (2) A bridge authority shall hold 3 public hearings on an  
18 increase in any toll charged by the authority at least 30 days  
19 before the toll change will become effective. Two of the hearings  
20 shall be held within 5 miles of the bridge over which the bridge  
21 authority has jurisdiction. One hearing shall be held in Lansing.  
22 Public hearings held under this section shall be conducted in  
23 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to  
24 15.275, and shall be conducted so as to provide a reasonable  
25 opportunity for public comment, including both spoken and written  
26 comments.

1           Sec. 303. On request, the department shall provide to a  
2 legislator, in writing, a report on the amount of money to be  
3 received by each city and village and the county road commission of  
4 each county, that is included in whole or in part within the  
5 legislator's legislative district.

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 and improve 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 (4).

20 (3) In addition to the requirements of subsection (2), the  
21 state treasurer shall develop a cost allocation plan to identify  
22 the actual costs of work based on time and effort performed by the  
23 Michigan department of treasury for state-restricted transportation  
24 funds. The cost allocation plan shall specifically identify the  
25 costs of collecting constitutionally restricted motor fuel taxes.  
26 The cost allocation plan shall be submitted to the senate and house  
27 of representatives standing committees on appropriations

1 subcommittees on general government, the senate and house fiscal  
2 agencies, the auditor general, and the state budget director by  
3 November 1. The cost allocation plan shall be subject to audit by  
4 the auditor general.

5 (4) Biennially, in each even-numbered fiscal year, the auditor  
6 general shall conduct an audit of charges to transportation funds  
7 by state departments for the 2 preceding fiscal years. The audit  
8 shall include both charges governed by interdepartmental contracts  
9 as well as miscellaneous charges from other state departments not  
10 governed by contracts. The auditor general shall prepare a detailed  
11 report, with recommendations and conclusions, including a summary  
12 of charges and related services to transportation funds by  
13 department, the appropriateness of those charges, the cost  
14 allocation methodologies used in determining the level of funding,  
15 and any unreimbursed transportation-related costs, if any. The  
16 report shall be provided to the senate and house of representatives  
17 committees on appropriations, the senate and house fiscal agencies,  
18 and the state budget director 9 months after publication of the  
19 state of Michigan comprehensive annual financial report.

20 Sec. 307. Before March 1 of each year, the department will  
21 provide to the legislature, the state budget office, and the house  
22 and senate fiscal agencies its rolling 5-year plan listing by  
23 county or by county road commission all highway construction  
24 projects for the fiscal year and all expected projects for the  
25 ensuing fiscal years.

26 Sec. 308. The department and local road agencies that receive  
27 appropriations under this act shall pursue compliance with contract

1 specifications for construction and maintenance of state highways  
2 and local roads and streets. Work shall not be accepted and paid  
3 for until it complies with contract requirements. Contractors with  
4 unsatisfactory performance ratings shall be restricted from future  
5 bidding through the prequalification process established by the  
6 department or a local road agency. The department, county road  
7 commissions, and cities and villages shall report to the house of  
8 representatives and senate appropriations subcommittees on  
9 transportation, the senate and house fiscal agencies, and the state  
10 budget director on their respective activities, including those  
11 with respect to any applicable warranties, under this section.

12       Sec. 309. The department shall continue its efforts to reduce  
13 administrative costs and provide the maximum funding possible for  
14 construction projects.

15       Sec. 310. The department shall provide in a timely manner  
16 copies of the agenda and approved minutes of monthly transportation  
17 commission meetings to the members of the house and senate  
18 appropriations subcommittees on transportation, the house and  
19 senate fiscal agencies, and the state budget director.

20       Sec. 312. At the close of the fiscal year, any unencumbered  
21 and unexpended balance in the state trunkline fund shall remain in  
22 the state trunkline fund and shall carry forward and is  
23 appropriated for federal aid road and bridge programs for projects  
24 contained in the annual state transportation program.

25       Sec. 313. (1) From funds appropriated in part 1, the  
26 department may increase a state infrastructure bank program and  
27 grant or loan funds in accordance with regulations of the state

1 infrastructure bank program of the United States department of  
2 transportation. The state infrastructure bank is to be administered  
3 by the department for the purpose of providing a revolving, self-  
4 sustaining resource for financing transportation infrastructure  
5 projects.

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

16 Sec. 314. The department shall provide a report prepared by  
17 the department's internal auditor on the activities of the internal  
18 auditor for the previous fiscal year. The report shall be due on  
19 February 1 of each year and shall be submitted to the senate and  
20 house of representatives appropriations committees, the senate and  
21 house fiscal agencies, the director of the state budget office, and  
22 the auditor general. This report shall include a list of all of the  
23 following:

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

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

1 (c) A listing of which audits, reviews, and investigations  
2 have been completed and which audits, reviews, and investigations  
3 have had reports of the results issued.

4 Sec. 319. The department shall post signs at each rest area to  
5 identify the agency or contractor responsible for maintenance of  
6 the rest area. The signs shall include a department telephone  
7 number and shall indicate that unsafe or unclean conditions at the  
8 rest area may be reported to that telephone number.

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

17 Sec. 334. The department shall continue its program to  
18 increase the use of women- and minority-owned businesses in state  
19 and local road construction projects. This program shall comprise,  
20 at a minimum, outreach and education efforts to inform women- and  
21 minority-owned firms of department competitive bidding processes  
22 and requirements, and an assessment of the availability of surety  
23 for women- and minority-owned businesses. The department shall  
24 report by September 30 of each year to the house and senate  
25 appropriations subcommittees on transportation and the house and  
26 senate fiscal agencies of its progress in complying with this  
27 section.

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

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

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

15           Sec. 374. The department shall produce and distribute all  
16 employee newsletters electronically.

17           Sec. 375. The department is prohibited from reimbursing  
18 contractors or consultants for costs associated with groundbreaking  
19 ceremonies, receptions, open houses, or press conferences related  
20 to transportation projects funded, in whole or in part, by revenue  
21 appropriated in part 1.

22           Sec. 376. No later than March 1 of each year, the department  
23 shall report to the senate and house appropriations subcommittees  
24 on transportation on the status of the 17 projects that were  
25 initially deferred in the department's 5-year plan in 2003 and  
26 subsequently restored.

27           Sec. 383. (1) The department shall prepare a quarterly report

1 on all travel by executive branch employees, and others including  
2 local public officials, university employees, and other public  
3 employees on department-owned aircraft. The report shall include,  
4 by department, the name of the traveler, the travel origination  
5 location, the travel destination location, type of aircraft, and  
6 the total estimated costs associated with the air travel.

7 (2) The report shall be submitted to the senate and house  
8 appropriations subcommittees on transportation and the house and  
9 senate fiscal agencies.

10 (3) From the funds appropriated in part 1, the department is  
11 prohibited from transporting legislators or legislative staff on  
12 state-owned aircraft without prior approval from the senate  
13 majority leader or the speaker of the house of representatives and  
14 only when the aircraft is already scheduled by state employees on  
15 related official state business.

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

19 Sec. 384. On or before March 1, 2011, the department shall  
20 report to the state budget director, the house and senate  
21 appropriations subcommittees on transportation, and the house and  
22 senate fiscal agencies on department activities related to the  
23 Detroit River International Crossing. The department shall not make  
24 any expenditure, commit to an expenditure, or bind the state to an  
25 expenditure, related to the Detroit River International Crossing  
26 (DRIC) unless the legislature has enacted specific enabling  
27 legislation to allow for the construction of DRIC.

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

4           (a) Transit vehicle rehabilitation to reduce life-cycle cost  
5 of public transportation through mid-life rehabilitation of transit  
6 buses.

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

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

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

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

23          Sec. 394. (1) From the funds appropriated in part 1, the  
24 department shall conduct a study, in consultation with the county  
25 road association of Michigan and the Michigan municipal league, of  
26 the current statutory formulae for the distribution of state and  
27 federal revenue for surface transportation programs. The study



1 shall include an analysis of alternative distribution strategies  
2 and a discussion of the extent to which current and alternative  
3 distribution formulae contribute to statewide transportation goals.

4 The study shall include all of the following:

5 (a) A discussion of alternative distribution strategies for  
6 state and local road and street programs, including distribution  
7 methods based on vehicle miles traveled as compared to lane miles.  
8 The study shall include a comparison of vehicle miles traveled to  
9 lane miles for the sampled geographical areas as well as  
10 comparisons to other states and an evaluation of best practices.

11 (b) A discussion of alternative methods of distributing state  
12 operating assistance for local bus transit programs, including an  
13 analysis of incentives for those agencies which demonstrate  
14 efficient use of resources and increasing ridership levels.

15 (c) An analysis of the fiscal impact of alternative strategies  
16 to individual transit and road agencies.

17 (2) The department shall deliver a report on the findings of  
18 the study by March 1, 2011 to the house and senate appropriations  
19 subcommittees on transportation, the house and senate  
20 transportation committees, the house and senate fiscal agencies,  
21 and the state budget director.

22 Sec. 395. It is the intent of the legislature that the  
23 department assume jurisdiction of county road C-56 between US-31 at  
24 Charlevoix and M-75 at Boyne City in Charlevoix County.

25 Sec. 398. (1) The appropriation included in part 1 to a  
26 nonprofit street railway is pursuant to section 10e(22) of 1951 PA  
27 51, MCL 247.660e. A nonprofit street railway receiving

1 appropriations from part 1 shall submit a quarterly report to the  
2 department, including but not limited to, the construction  
3 spending, operating cost, revenue and ridership, for the prior  
4 fiscal quarter no later than 60 days after the end of the quarter.

5 (2) In addition to the appropriation in part 1 to a nonprofit  
6 street railway, there is appropriated \$150.00 from the  
7 transportation economic development fund to provide matching funds  
8 for transit-oriented development projects, including, but not  
9 limited to, high-speed rail, commuter and light rail, or fixed-  
10 guideway projects.

11 Sec. 399. (1) From the funds appropriated in part 1 for  
12 welcome centers, the department shall continue to maintain  
13 operation of these facilities as standard rest areas. Should the  
14 appropriation in part 1 be insufficient to continue operation of  
15 these 14 facilities as rest areas, then the department may  
16 permanently or seasonally close the necessary number of facilities  
17 to reflect available funds. When considering a welcome center for  
18 closure, the department shall only close those centers with the  
19 lowest annual attendance rates according to the records maintained  
20 by Travel Michigan.

21 (2) The department, in coordination with Travel Michigan,  
22 shall develop an alternative to state funding and operation of the  
23 welcome centers, including, but not limited to, relocating the  
24 centers to alternative sites to allow for private entities to  
25 operate similar facilities.

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 appropriations 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) In addition to the funds appropriated in part 1, the  
21 department of transportation economic development fund and local  
22 bridge fund may receive federal, local, or private funds or  
23 restricted source funds such as interest earnings. These funds are  
24 appropriated for projects that are consistent with the purposes of  
25 the respective funds.

26           (4) None of the funds statutorily dedicated to the  
27 transportation economic development fund and local bridge fund

1 shall be diverted to other projects.

2       Sec. 504. Funds from the Michigan transportation fund (MTF)  
3 shall be distributed to the comprehensive transportation fund  
4 (CTF), the economic development fund (EDF), the recreation  
5 improvement fund (RIF), and the state trunkline fund (STF), in  
6 accordance with this act and part 711 of the natural resources and  
7 environmental protection act, 1994 PA 451, MCL 324.71101 to  
8 324.71108, and may only be used as specified in this act, 1951 PA  
9 51, MCL 247.651 to 247.675, and part 711 of the natural resources  
10 and environmental protection act, 1994 PA 451, MCL 324.71101 to  
11 324.71108.

#### 12       STATE TRUNKLINE FUND

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

23       Sec. 602. If the department uses manufactured pipe for road  
24 construction drainage, the department shall require that pipe used  
25 under certain load-bearing conditions beneath the roadway meets the  
26 standards established by the American society for testing and

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

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

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

23       Sec. 612. The department shall establish guidelines governing  
24 incentives and disincentives provided under contracts for state  
25 trunkline projects. The guidelines shall include specific financial  
26 information concerning incentives and disincentives. On or before  
27 January 1 of each year, the department shall prepare a report for

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

10       Sec. 615. It is the intent of the legislature that the  
11 department shall proceed with the construction of a full  
12 interchange at the intersection of M-48 and I-75 in Chippewa  
13 County. It is the intent of the legislature that the department  
14 develop design plans and award the construction contract for this  
15 project during the fiscal year ending September 30, 2011.

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

19       Sec. 656. It is the intent of the legislature that the  
20 department upgrade that section of M-49 from M-99 to US-12 to  
21 standards necessary for designation as a designated highway as  
22 provided under sections 717 and 718 of the Michigan vehicle code,  
23 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a  
24 "green" special designated highway on the department's truck  
25 operator's map.

26       Sec. 658. It is the intent of the legislature that the  
27 department proceed with the reconstruction of the interchange at I-

## Senate Bill No. 1164 as amended May 18, 2010

1 196 and Phoenix Road in South Haven.

2 Sec. 659. For pavement projects for which there are no  
3 Michigan actual historic project maintenance, repair, and  
4 resurfacing schedules and costs as recorded by the pavement  
5 management system, the department may use actual historical and  
6 comparable data for equivalent designs from states with similar  
7 climates, soil structures, and vehicle traffic.

8 Sec. 660. The legislature encourages the department to examine  
9 the use of alternative road surface materials, including recycled  
10 materials, and to develop criteria and specifications for its use  
11 in both department-managed and contracted projects.

12 Sec. 661. It is the intent of the legislature that the  
13 department complete engineering design work and right-of-way  
14 acquisitions for the proposed expressway project along US-127 from  
15 St. Johns in Clinton County to Ithaca in Gratiot County.

16 Sec. 662. The department shall work with the Graafschap Fire  
17 Department and Laketown Township to develop a gated, limited access  
18 point along US 31 in Allegan County in order to improve emergency  
19 response times along this highway.

20 Sec. 663. To provide a portion of the funds appropriated in  
21 part 1 for road and bridge programs, it is the intent of the  
22 legislature to do the following:

23 (a) Transfer <<\$15,877,500.00>> of the balance of the  
24 transportation economic development fund, established in section 2  
25 of 1987 PA 231, MCL 247.902, to the state trunk line fund,  
26 established in section 11 of 1951 PA 51, MCL 247.661.

27 (b) Transfer \$12,000,000.00 of driver license fee revenue



1 received during state fiscal year 2010-2011 for deposit in the  
2 transportation economic development fund, established in section 2  
3 of 1987 PA 231, MCL 247.902, to the state trunk line fund,  
4 established in section 11 of 1951 PA 51, MCL 247.661.

5 (c) Transfer \$5,572,900.00 in sales tax revenue deposited  
6 under section 25(4)(a) of the general sales tax act, 1933 PA 167,  
7 MCL 205.75, in the comprehensive transportation fund, established  
8 in section 10b of 1951 PA 51, MCL 247.660b, to the state trunk line  
9 fund, established in section 11 of 1951 PA 51, MCL 247.661.

10 Sec. 664. It is the intent of the legislature that if actual  
11 state-restricted revenue deposited to the Michigan transportation  
12 fund exceeds the revenue estimates upon which the appropriations in  
13 part 1 of this act were based, the department shall give priority  
14 to reinstating delayed and deferred projects.

15 **COMPREHENSIVE TRANSPORTATION FUND**

16 Sec. 701. Money that is received by the state as a lease  
17 payment for state-owned intercity bus equipment is not money to be  
18 deposited in the comprehensive transportation fund under section  
19 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in  
20 an intercity bus equipment fund for appropriation for the purchase  
21 and repair of intercity bus equipment. Proceeds received by the  
22 state from the sale of intercity bus equipment are deposited in an  
23 intercity bus equipment fund for appropriation for the purchase and  
24 repair of intercity bus equipment. Security deposits from the lease  
25 of state-owned intercity bus equipment not returned to the lessee  
26 of the equipment under terms of the lease agreement are deposited

1 in an intercity bus equipment fund for appropriation for the repair  
2 of intercity bus equipment. At the close of the fiscal year, any  
3 funds remaining in the intercity bus equipment fund shall remain in  
4 the fund and be carried forward into the succeeding fiscal year.

5       Sec. 702. Money that is received by the state as repayment for  
6 loans made for rail or water freight capital projects, and as a  
7 result of the sale of property or equipment used or projected to be  
8 used for rail or water freight projects shall be deposited in the  
9 fund created by section 17 of the state transportation preservation  
10 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal  
11 year, any funds remaining in the rail freight fund shall remain in  
12 the fund and be carried forward into the succeeding fiscal year.

13       Sec. 703. After receiving notification from a railroad company  
14 pursuant to section 8 of the state transportation preservation act  
15 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately  
16 notify the house of representatives and senate appropriations  
17 subcommittees on transportation and the state budget office that  
18 the railroad company has filed with the appropriate governmental  
19 agencies for abandonment of a line.

20       Sec. 706. The Detroit/Wayne County port authority shall issue  
21 a complete operations assessment and a financial disclosure  
22 statement. The operations assessment shall include operational  
23 goals for the next 5 years and recommendations to improve land  
24 acquisition and development efficiency. The report shall be  
25 completed and submitted to the house of representatives and senate  
26 appropriations subcommittees on transportation, the state budget  
27 director, and the house and senate fiscal agencies by February 15

1 of each fiscal year for the prior fiscal year.

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

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

8	Between St. Ignace and Escanaba	US-2
9	Between Escanaba and Duluth	US-2 through Ironwood to the
10		state line
11	Between Calumet and Escanaba	US-41
12	Between Escanaba and Milwaukee	US-41 through Menominee to
13		the state line
14	Between St. Ignace and	
15	Sault Ste. Marie	I-75
16	Between Detroit and Chicago	I-94 from Detroit to the
17		state line
18	Between Detroit and Muskegon	I-96
19	Between Grand Rapids, Holland,	
20	and Benton Harbor	I-196 to I-94
21	Between Muskegon and Grand	
22	Rapids	US-31, I-96
23	Between Detroit and Bay City	I-75
24	Between Bay City and Mount	
25	Pleasant	US-10, M-20
26	Between Jackson and Traverse	US-127, US-27, I-75,
27	City	Grayling,

1		Gaylord, M-72 to Traverse
2		City
3	Between Jackson and	I-69, I-94 to the state line
4	Indianapolis	through Albion, Marshall,
5		and Coldwater
6	Between Houghton Lake and	
7	Cadillac	M-55 and M-66
8	Between Detroit and Toledo	I-75 to the state line
9	Between the Indiana state line	
10	and Traverse City	US-31 and I-196
11	Between Detroit and Port Huron	I-375 and I-94
12	Between Toledo and Bay City	US-23, I-75, and I-675, I-75
13	Between Bay City and Chicago	I-75, Flint, I-69, I-94,
14		Battle Creek, I-94 to the
15		state line
16	Between Flint and Lansing	I-69, M-21, Owosso, M-52,
17		I-69
18	Between Bay City and St. Ignace	I-75, US-23
19	Between Grand Rapids and	US-131, Cadillac, M-115,
20	St. Ignace	Mesick, M-37 to Traverse
21		City, US-31, Acme, M-72,
22		Kalkaska, US-131, Boyne
23		Falls, M-75, Walloon Lake,
24		US-131, Petoskey, US-31,
25		I-75, St. Ignace
26	Between Kalamazoo and Grand	
27	Rapids	US-131

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

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

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

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

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

23           (4) No state subsidy shall be provided from the funds  
24 appropriated in part 1 if the chosen rail carrier is Amtrak and  
25 Amtrak discontinued service or any portion of the service between  
26 Port Huron and Chicago or Grand Rapids and Chicago during the  
27 preceding fiscal year, unless the discontinuance of service was for

1 track maintenance or was caused by acts of God.

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

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

1 subcommittees on transportation of the senate and house of  
2 representatives if the state is unable to provide sufficient  
3 matching funds for this section to take effect.

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

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

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

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

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

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

19       (d) Maintain sufficient local and community funding.

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

23       Sec. 740. The department shall report by March 1 of each year  
24 to the house of representatives and senate appropriations  
25 subcommittees on transportation, the house and senate fiscal  
26 agencies, and the state budget director the encumbered and  
27 unencumbered balances of the comprehensive transportation fund.

1           Sec. 741. The department shall report by March 1, 2011 to the  
2 house of representatives and senate appropriations subcommittees on  
3 transportation, the house and senate fiscal agencies, and the state  
4 budget director on progress of operations on the Ann Arbor and NW  
5 Michigan railroad, particularly concerning any use of the track  
6 infrastructure for the purpose of supporting a passenger train  
7 speed of 59 miles per hour.

8           Sec. 745. From the funds appropriated in part 1 for  
9 comprehensive transportation fund debt service up to \$13,200,000.00  
10 shall be transferred to a restricted account in compliance with the  
11 internal revenue code of 1986, as required by comprehensive  
12 transportation refunding bonds series 2009.

### 13    AERONAUTICS FUND

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

### 21    CAPITAL OUTLAY

22           Sec. 901. (1) From federal-state-local project appropriations  
23 contained in part 1 for the purpose of assisting political entities  
24 and subdivisions of this state in the construction and improvement  
25 of publicly used airports and landing fields within this state, the



1 state transportation department may permit the award of contracts  
2 on behalf of units of local government for the authorized locations  
3 not to exceed the indicated amounts, of which the state allocated  
4 portion shall not exceed the amount appropriated in part 1.

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

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

23 Sec. 902. Before the end of each fiscal year, the state  
24 transportation department shall report to the house and senate  
25 appropriations subcommittees on transportation the status of  
26 airport improvement projects funded in part 1 with the estimated  
27 dollars allocated for each project. If there has to be a delay in

1 reporting, the state transportation department shall notify the  
2 house and senate appropriations subcommittees on transportation in  
3 writing of the date the report will be received.

4 Sec. 903. The appropriations in part 1 for capital outlay  
5 shall be carried forward at the end of the fiscal year consistent  
6 with the provisions of section 248 of the management and budget  
7 act, 1984 PA 431, MCL 18.1248.

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

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