

HOUSE BILL No. 4312

February 18, 1999, Introduced by Reps. Scranton, Jellema, Pappageorge, Jelinek, Mead, Kukuk, Caul, Toy, Godchaux, Byl, Geiger and Jansen and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2000; 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:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this bill, the
4 amounts listed in this part are appropriated for the state
5 transportation department and certain state purposes designated in this
6 bill for the fiscal year ending September 30, 2000, from the funds

1 indicated in this part. The following is a summary of the
2 appropriations in this part:

3 **DEPARTMENT OF TRANSPORTATION**

4 APPROPRIATION SUMMARY:

5 Full-time equated unclassified positions . . . 6.0

6 Full-time equated classified positions . . 3,176.3

7 GROSS APPROPRIATION \$ 2,810,730,900

8 Interdepartmental grant revenues:

9 Total interdepartmental grants and

10 intradepartmental transfers 10,459,500

11 ADJUSTED GROSS APPROPRIATION \$ 2,800,271,400

12 Federal revenues:

13 Total federal revenues 831,671,000

14 Special revenue funds:

15 Total local revenues 5,300,000

16 Total private revenues 0

17 Total other state restricted revenues 1,963,300,400

18 State general fund/general purpose \$ 0

19 **Sec. 102. DEBT SERVICE**

20 State trunkline \$ 35,904,600

21 Trunkline bonds, series 1989A-EDF (\$100,000,000) . 6,608,300

22 Critical bridge 3,000,000

23 Blue water bridge 2,311,900

24 Comprehensive transportation 21,209,300

25 GROSS APPROPRIATION \$ 69,034,100

26 Appropriated from:

27 Special revenue funds:

28 Blue water bridge fund 2,311,900

29 Comprehensive transportation fund 21,209,300

30 Michigan transportation fund 9,608,300

31 State trunkline fund 35,904,600

32 State general fund/general purpose \$ 0

33 **Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS**

34 MICHIGAN TRANSPORTATION FUND (MTF)

35 MTF grant to department of environmental quality . \$ 813,000

1	MTF grant to department of state	56,830,800
2	MTF grant to legislative auditor general	101,800
3	MTF grant to department of attorney general	2,475,200
4	STATE TRUNKLINE FUND (STF)	
5	STF grant to department of civil service	1,320,000
6	STF grant to department of management and budget	768,100
7	STF grant to department of natural resources	37,500
8	STF grant to department of state police	6,305,700
9	STF grant to department of treasury	24,300
10	STF grant to legislative auditor general	381,100
11	STATE AERONAUTICS FUND (SAF)	
12	SAF grant to department of attorney general	114,900
13	SAF grant to department of civil service	50,000
14	SAF grant to department of management and budget	18,200
15	SAF grant to department of treasury	61,500
16	SAF grant to legislative auditor general	15,400
17	COMPREHENSIVE TRANSPORTATION FUND (CTF)	
18	CTF grant to department of civil service	95,000
19	CTF grant to department of management and budget	38,600
20	CTF grant to department of treasury	8,900
21	CTF grant to legislative auditor general	<u>38,900</u>
22	GROSS APPROPRIATION	\$ 69,498,900
23	Appropriated from:	
24	Special revenue funds:	
25	Comprehensive transportation fund	181,400
26	Michigan transportation fund	60,220,800
27	State aeronautics fund	260,000
28	State trunkline fund	8,836,700
29	State general fund/general purpose	\$ 0
30	Sec. 104. EXECUTIVE DIRECTION	
31	Full-time equated unclassified positions	6.0
32	Full-time equated classified positions	33.3
33	Unclassified salaries	\$ 483,700
34	Commission audit--33.3 FTE positions	<u>2,911,900</u>
35	GROSS APPROPRIATION	\$ 3,395,600

1 Appropriated from:

2 Special revenue funds:

3 State trunkline fund 3,395,600

4 State general fund/general purpose \$ 0

5 **Sec. 105. ADMINISTRATIVE SERVICES**

6 Full-time equated classified positions . . . 138.7

7 Administration and data center--103.7 FTE positions \$ 31,190,500

8 Building occupancy charges - property management . 4,582,400

9 Human resources--30.0 FTE positions 2,402,200

10 Economic development administration--5.0

11 FTE positions 407,800

12 Rent 1,940,000

13 Worker's compensation 2,528,600

14 GROSS APPROPRIATION \$ 43,051,500

15 Appropriated from:

16 Federal revenues:

17 DOT-FHWA, highway research, planning, and

18 construction 1,000,000

19 Special revenue funds:

20 Comprehensive transportation fund 1,086,200

21 Michigan transportation fund 435,600

22 State aeronautics fund 631,900

23 State trunkline fund 39,897,800

24 State general fund/general purpose \$ 0

25 **Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION**

26 Full-time equated classified positions . . . 255.5

27 Administration--255.5 FTE positions \$ 20,355,500

28 GROSS APPROPRIATION \$ 20,355,500

29 Appropriated from:

30 Special revenue funds:

31 Michigan transportation fund 1,048,100

32 State trunkline fund 19,307,400

33 State general fund/general purpose \$ 0

34 **Sec. 107. BUREAU OF TRANSPORTATION PLANNING**

35 Full-time equated classified positions . . . 185.1

1	Administration--185.1 FTE positions	\$	20,674,700
2	Grants to regional planning councils		<u>488,800</u>
3	GROSS APPROPRIATION	\$	21,163,500
4	Appropriated from:		
5	Federal revenues:		
6	DOT-FHWA, highway research, planning, and		
7	construction		11,041,000
8	Special revenue funds:		
9	Comprehensive transportation fund		1,679,500
10	Michigan transportation fund		5,755,200
11			
12	State aeronautics fund		267,000
13	State trunkline fund		2,420,800
14	State general fund/general purpose	\$	0
15	Sec. 108. BUREAU OF HIGHWAYS		
16	Full-time equated classified positions	1,658.1	
17	Engineering operations--826.3 FTE positions	\$	23,250,900
18	Maintenance operations--78.0 FTE positions		6,904,700
19	Program services--753.8 FTE positions		<u>35,431,100</u>
20	GROSS APPROPRIATION	\$	65,586,700
21	Appropriated from:		
22	Interdepartmental grants and intradepartmental		
23	transfers:		
24	IDT, intradepartmental charges		207,500
25	Federal revenues:		
26	DOT-FHWA, highway research, planning, and		
27	construction		3,035,000
28	Special revenue funds:		
29	Michigan transportation fund		2,182,200
30	State trunkline fund		60,162,000
31	State general fund/general purpose	\$	0
32	Sec. 109. HIGHWAY MAINTENANCE		
33	Full-time equated classified positions	707.1	
34	State trunkline operations--707.1 FTE positions	\$	<u>228,899,400</u>
35	GROSS APPROPRIATION	\$	228,899,400

1	Appropriated from:	
2	Interdepartmental grants and intradepartmental	
3	transfers:	
4	IDT, intradepartmental charges	10,252,000
5	Special revenue funds:	
6	State trunkline fund	218,647,400
7	State general fund/general purpose	\$ 0
8	Sec. 110. ROAD AND BRIDGE PROGRAMS	
9	State trunkline federal aid and road and	
10	bridge construction	\$ 898,203,700
11	Local federal aid and road and bridge	
12	construction	195,827,000
13	Grants to local programs	33,000,000
14	Rail grade crossing	3,000,000
15	Critical bridge program	5,250,000
16	County road commissions	558,320,300
17	Cities and villages	<u>311,288,600</u>
18	GROSS APPROPRIATION	\$ 2,004,889,600
19	Appropriated from:	
20	Federal revenues:	
21	DOT-FHWA, highway research, planning, and	
22	construction	785,449,000
23	Special revenue funds:	
24	Local funds	5,000,000
25	Michigan transportation fund	910,608,900
26	State trunkline fund	303,831,700
27	State general fund/general purpose	\$ 0
28	Sec. 111. BLUE WATER BRIDGE	
29	Full-time equated classified positions	33.0
30	Blue water bridge operations--33.0 FTE positions	\$ <u>10,083,500</u>
31	GROSS APPROPRIATION	\$ 10,083,500
32	Appropriated from:	
33	Special revenue funds:	
34	Blue water bridge fund	10,083,500
35	State general fund/general purpose	\$ 0

1 Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND

2	Forest roads	\$	5,040,000
3	Rural county urban system		2,500,000
4	Target industries/economic redevelopment		16,629,500
5	Urban county congestion		6,564,700
6	Rural county primary		<u>6,564,700</u>
7	GROSS APPROPRIATION	\$	37,298,900

8 Appropriated from:

9 Special revenue funds:

10	Michigan transportation fund		33,298,900
11	State trunkline fund		4,000,000
12	State general fund/general purpose	\$	0

13 Sec. 113. BUREAU OF AERONAUTICS

14	Full-time equated classified positions	56.0	
15	Administration--56.0 FTE positions	\$	6,732,100
16	Air service program		<u>1,000,000</u>
17	GROSS APPROPRIATION	\$	7,732,100

18 Appropriated from:

19 Special revenue funds:

20	State aeronautics fund		7,732,100
21	State general fund/general purpose	\$	0

22 Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION

23	Full-time equated classified positions	109.5	
24	Administration--109.5 FTE positions	\$	<u>8,650,700</u>
25	GROSS APPROPRIATION	\$	8,650,700

26 Appropriated from:

27 Special revenue funds:

28	Comprehensive transportation fund		7,021,500
29	Michigan transportation fund		1,629,200
30	State general fund/general purpose	\$	0

31 Sec. 115. BUS TRANSIT DIVISION; STATUTORY OPERATING

32	Local bus operating	\$	144,575,400
33	Nonurban operating/capital		<u>6,646,000</u>
34	GROSS APPROPRIATION	\$	151,221,400

35 Appropriated from:

1	Federal revenues:	
2	DOT, federal transit act	6,546,000
3	Special revenue funds:	
4	Comprehensive transportation fund	144,575,400
5	Local funds	100,000
6	State general fund/general purpose	\$ 0
7	Sec. 116. INTERCITY PASSENGER AND FREIGHT	
8	Freight property management	\$ 2,000,000
9	Detroit/Wayne County port authority	301,800
10	Intercity bus equipment	2,824,500
11	Rail passenger service	8,812,700
12	Freight preservation and development	7,500,000
13	Rail infrastructure loan program	2,000,000
14	Intercity bus service development	2,025,500
15	Marine passenger service	800,000
16	Terminal development	<u>1,000,000</u>
17	GROSS APPROPRIATION	\$ 27,264,500
18	Appropriated from:	
19	Federal revenues:	
20	DOT, federal transit act	1,000,000
21	DOT-FRA, local rail freight assistance	2,000,000
22	DOT-FRA, rail passenger/HSGT	3,000,000
23	Special revenue funds:	
24	Comprehensive transportation fund	18,714,500
25	Intercity bus equipment fund	500,000
26	Local funds	50,000
27	Rail preservation fund	2,000,000
28	State general fund/general purpose	\$ 0
29	Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT	
30	Specialized services	\$ 3,600,100
31	Municipal credit program	2,000,000
32	Bus capital	29,400,000
33	Ride sharing	330,700
34	Van pooling	145,000
35	Bus property management	125,000

1	Service development and new technology	1,675,000
2	Planning grants	150,000
3	Audit settlements	200,000
4	Regional service coordination	1,000,000
5	Work first initiative	<u>3,979,200</u>
6	GROSS APPROPRIATION	\$ 42,605,000

7 Appropriated from:

8 Federal revenues:

9	DOT, federal transit act	18,600,000
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10 Special revenue funds:

11	Comprehensive transportation fund	23,855,000
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12	Local funds	150,000
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13	State general fund/general purpose	\$	0
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14 PART 2

15 PROVISIONS CONCERNING APPROPRIATIONS

16 GENERAL SECTIONS

17 Sec. 201. (1) Pursuant to section 30 of article IX of the state
18 constitution of 1963, total state spending under part 1 for fiscal year
19 1999-2000 is \$1,963,300,400.00 and state appropriations to be paid to
20 local units of government are as follows:

21 DEPARTMENT OF TRANSPORTATION

22	Local grant program	\$ 33,000,000
23	Economic development fund	20,669,400
24	Grants to cities and villages	311,288,600
25	Grants to county road commissions	558,320,300
26	Critical bridge program	5,250,000
27	Grants to regional planning councils	488,800
28	Local bus operating	144,575,400
29	Bus capital	12,000,000
30	Marine passenger service	800,000
31	Detroit/Wayne County port authority	301,800
32	Local ride sharing operating grants	330,700
33	Planning grants	150,000
34	Municipal credit program	2,000,000
35	Specialized services	<u>3,600,100</u>
36	Total payments to local units of government . . .	\$ 1,092,775,100

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director.

Sec. 202. The expenditures and funding sources authorized under this bill are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. (1) Beginning October 1, 1999, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from one position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services.

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

Sec. 205. As used in this bill:

(a) "CTF" means comprehensive transportation fund.

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

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

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

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

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

(g) "EDF" means economic development fund.

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

(i) "IDG" means interdepartmental grant.

1 (j) "IDT" means intradepartmental transfer.

2 (k) "MDTR" means Michigan department of treasury.

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

13 (2) In addition to the funds appropriated in part 1, there is
14 appropriated an amount not to exceed \$40,000,000.00 for state
15 restricted contingency funds. These funds are not available for
16 expenditure until they have been transferred to another line item in
17 this bill pursuant to section 393(2) of the management and budget act,
18 1984 PA 431, MCL 18.1393.

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

25 (4) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$1,000,000.00 for private
27 contingency funds. These funds are not available for expenditure until
28 they have been transferred to another line item in this bill pursuant
29 to section 393(2) of the management and budget act, 1984 PA 431, MCL
30 18.1393.

31 **DEPARTMENTAL SECTIONS**

32 Sec. 301. The department may establish a fee schedule and collect
33 fees sufficient to cover the costs to issue the permits that the
34 department is authorized by law to issue upon request, and for which
35 fees are not otherwise stipulated by law. A bridge authority shall
36 hold 3 public hearings on a change in any toll charged by the authority

1 at least 30 days before the toll change will become effective. Two of
2 the hearings shall be held within 5 miles of the bridge over which the
3 bridge authority has jurisdiction. One hearing shall be held in
4 Lansing.

5 Sec. 302. The department shall prepare an official transportation
6 map that shall be distributed without charge.

7 Sec. 303. If, as a requirement of bidding on a highway project, the
8 department requires a contractor to submit financial or proprietary
9 documentation as to how the bid was calculated, that bid documentation
10 shall be kept confidential and shall not be disclosed other than to a
11 department representative without the contractor's written consent.
12 The department may disclose the bid documentation if necessary to
13 address or defend a claim by a contractor.

14 Sec. 304. The department may permit space on public passenger
15 transportation properties to be occupied by public or private tenants
16 on a competitive market rate basis. The department may require that
17 revenue from the tenants be placed in an account to be used to pay the
18 costs to maintain and improve the property.

19 Sec. 305. The department shall aggressively pursue compliance with
20 contract specifications for construction and maintenance of state
21 highways. The department shall identify contractors who fail to meet
22 minimum standards and will actively pursue remuneration efforts.
23 Collections shall be deposited into the appropriate fund accounts.

24 Sec. 306. The department shall continue its efforts to reduce
25 administrative costs and provide the maximum funding possible for
26 construction projects.

27 Sec. 307. The department shall not use funds appropriated under
28 part 1 on behalf of a local governmental unit to pay the amount
29 required for that local governmental unit to participate in the federal
30 advance construct program.

31 Sec. 308. (1) At the close of the fiscal year ending September 30,
32 2000, any unencumbered and unexpended balance in the state trunkline
33 fund shall remain in the state trunkline fund and shall carry forward
34 and be appropriated for federal aid road and bridge programs for
35 projects contained in the annual state transportation program.

36 Sec. 309. (1) From funds appropriated in part 1, the department may

1 increase the state infrastructure bank program and grant or loan funds
2 in accordance with regulations of the state infrastructure bank program
3 of the United States department of transportation. The state
4 infrastructure bank is to be administered by the department for the
5 purpose of providing a revolving, self-sustaining resource for
6 financing transportation infrastructure projects.

7 (2) In addition to funds provided in subsection (1), money received
8 by the state as federal grants, repayment of state infrastructure bank
9 loans, or other reimbursement or revenue received by the state as a
10 result of projects funded by the program 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 funds remaining in the state infrastructure bank fund shall
14 remain in the fund and be carried forward into the succeeding fiscal
15 year.

16 Sec. 310. From funds appropriated in part 1, money received by the
17 department in payment for advanced purchase right-of-way, either as a
18 result of project programming from federal, state, local, or private
19 sources, or from sale as excess property, will be restricted for the
20 purchase of other advanced purchase right-of-way. At the end of the
21 fiscal year, unexpended funds shall remain in the advanced purchase
22 right-of-way fund and shall be used for this purpose in the succeeding
23 fiscal year.

24 Sec. 311. The department shall coordinate with the Michigan
25 information center on the development of right-of-way mapping books.

26 **FEDERAL**

27 Sec. 401. (1) Twenty-three to twenty-seven percent of the remaining
28 DOT-FHWA highway research, planning, and construction federal funds
29 appropriated in section 110 shall be allocated to programs administered
30 by local jurisdictions after deduction of the following:

31 (a) Funds that are specifically allocated at the federal level to
32 the state or local jurisdictions.

33 (b) Funds allocated by the department to the state and to local
34 jurisdictions through a competitive process.

35 (2) Federal aid excluded from the calculation of funding allocated
36 to programs administered by local jurisdictions in subsection (1)

1 includes, but is not limited to, congestion mitigation and air quality
2 funds, federal bridge funds, transportation enhancement funds, funds
3 distributed at the discretion of the United States secretary of
4 transportation, and congressionally designated funds.

5 (3) The funds shall be distributed to eligible local agencies for
6 transportation purposes in a manner consistent with state and federal
7 law.

8 (4) The department will attempt to allocate federal aid to highways
9 distributed to local jurisdictions in subsection (1) in a manner that
10 produces a 25% average allocation of applicable funds to programs for
11 local jurisdictions in each fiscal year through the fiscal year ending
12 September 30, 2005. Beginning in the fiscal year ending September 30,
13 1999, the average allocation of applicable federal aid to highway funds
14 to programs for local jurisdictions shall be the average of the amount
15 distributed to local jurisdictions under subsection (1) and similarly
16 calculated distributions in each succeeding fiscal year.

17 (5) The allocation percentage described in subsection (1) shall be
18 adjusted to reflect any voluntary agreements made by the department
19 with local jurisdictions regarding the transfer of federal aid eligible
20 roadways or the state buyout of local federal aid.

21 **MICHIGAN TRANSPORTATION FUND**

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

26 Sec. 502. The department of treasury shall perform audits and make
27 investigations of the disposition of all state funds received by county
28 road commissions or county boards of commissioners, as applicable, and
29 cities and villages for transportation purposes to determine compliance
30 with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675.
31 County road commissions or county boards of commissioners, as
32 applicable, and cities and villages shall make available to the
33 department of treasury the pertinent records for the audit.

34 Sec. 503. The department shall reimburse a city or township that
35 has received prior approval to eliminate or cut roadside weeds due to
36 negligence on the part of a county or private contractor in performing

1 its contractual obligations and shall deduct that amount from the funds
2 appropriated to the county or paid to the contractor involved.

3 Sec. 504. (1) The funds appropriated in part 1 for the economic
4 development programs shall not lapse at the end of the fiscal year but
5 shall carry forward each fiscal year for the purposes for which
6 appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913.

7 (2) Interest earned in the department of transportation economic
8 development fund shall remain in the fund and shall be allocated to the
9 respective programs based on actual interest earned at the end of each
10 fiscal year.

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

16 Sec. 505. (1) Funds from the Michigan transportation fund (MTF)
17 shall be distributed to the comprehensive transportation fund (CTF),
18 the economic development fund (EDF), the recreational improvement fund
19 (RIF), and the state trunkline fund (STF), in accordance with this bill
20 and part 711 (recreation improvement fund) of the natural resources and
21 environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108,
22 and may only be used as specified in this bill, 1951 PA 51, MCL 247.651
23 to 247.675, and part 711 (recreation improvement fund) of the natural
24 resources and environmental protection act, 1994 PA 451, MCL 324.71101
25 to 324.71108.

26 (2) The amounts appropriated and transferred to various state
27 agencies from part 1 shall be expended from the transportation funds
28 pursuant to annual contracts between the department and state agencies
29 providing tax and fee collection and other services applicable to
30 transportation. The contracts shall be executed prior to the transfer
31 of these funds. The contracts shall provide, but are not limited to,
32 the following data applicable to each state agency:

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

34 (b) Description of services financed with transportation funds.

35 (3) If the spending authorization accounts also are to be used for
36 financing other than transportation fund services, the contracts shall

1 include detailed cost allocation methods that are appropriate to the
2 type of services being provided and the activities financed and
3 supporting rationale for the portion of costs allocated to
4 transportation funds.

5 (4) At the close of each fiscal year and before April 1, each state
6 agency shall submit a written report to the state budget director
7 stating by spending authorization account the amount of estimated funds
8 contracted with the department, the amount of funds expended, and the
9 amount of funds returned to the transportation funds. A copy of the
10 report shall be submitted to the auditor general and the report shall
11 be subject to audit by the auditor general.

12 Sec. 506. Of the amount appropriated in part 1 from the Michigan
13 transportation fund to the department of state, \$186,600.00 represents
14 the additional cost of issuing specialized license plates for veterans
15 and national guard members, as included in 1989 PAs 16, 17, 18, and 19,
16 MCL 257.803i, 257.803j, 257.803k, and 257.803l. The department of
17 state shall prepare an annual report on the number of and the
18 additional costs associated with the veteran license plates to the
19 department, the state budget director, the house and senate fiscal
20 agencies, and the chairpersons of the house and senate appropriations
21 subcommittees on transportation. Any unspent funds based on these
22 annual reports shall lapse to the Michigan transportation fund and be
23 distributed in accordance with 1951 PA 51, MCL 247.651 to 247.675.

24 Sec. 507. (1) Of the amount appropriated in part 1 from the
25 Michigan transportation fund to the department of state, \$187,600.00
26 represents the additional cost of issuing generic license plates for
27 nonprofit fraternal or public service organizations, as included in
28 section 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

29 (2) The department of state shall prepare an annual report on the
30 number of, and the additional costs associated with, the generic
31 license plates to the department, the state budget director, the house
32 and senate appropriations subcommittees on transportation, and the
33 house and senate fiscal agencies.

34 (3) Any unspent funds based on these annual reports shall lapse to
35 the Michigan transportation fund to be distributed in accordance with
36 1951 PA 51, MCL 247.651 to 247.675.

1 Sec. 508. (1) Commemorative and specialty license plate fee revenue
2 collected by the department of state and deposited into the Michigan
3 transportation fund is authorized for expenditure by the department of
4 state up to the amount of revenue collected, but not to exceed
5 \$9,353,300.00, the amount appropriated to the department of state in
6 part 1 to administer the commemorative and specialty license plate
7 program pursuant to section 225 of the Michigan vehicle code, 1949 PA
8 300, MCL 257.225.

9 (2) Commemorative and specialty license plate fee revenue collected
10 by the department of state and deposited in the Michigan transportation
11 fund in addition to that appropriated in part 1 to the department of
12 state shall be available for other Michigan transportation
13 fund-supported programs.

14 **STATE TRUNKLINE FUND**

15 Sec. 601. Of the amount of state funds appropriated for road and
16 bridge projects under this bill, the department, counties, and cities
17 and villages shall, whenever possible, secure warranties for contracted
18 construction work.

19 Sec. 602. From the amounts appropriated in part 1 for urban county
20 congestion from the transportation economic development fund for the
21 fiscal year ending September 30, 2000, \$2,000,000.00 may be used for
22 the purpose of matching, at not more than 50%, private and local funds
23 for the AAA Michigan road improvement program. The AAA Michigan road
24 improvement program, a public/private partnership, was established to
25 fund or assist funding road improvements in urban areas to reduce the
26 number and severity of crashes at high crash locations.

27 Sec. 603. From the amounts appropriated in part 1 for forest roads
28 from the transportation economic development fund in the fiscal year
29 ending September 30, 2000, \$40,000.00 shall be used for the purpose of
30 establishing truck inspection stations.

31 **COMPREHENSIVE TRANSPORTATION FUND**

32 Sec. 701. Money that is returned to the state as repayment for a
33 loan for intercity bus equipment is not money to be deposited in the
34 comprehensive transportation fund under section 10b of 1951 PA 51, MCL
35 247.660b, but is money that is deposited in an intercity bus equipment
36 fund for appropriation for the purchase and repair of intercity bus

1 equipment. Proceeds received by the state from the sale of intercity
2 bus equipment are deposited in an intercity bus equipment fund for
3 appropriation for the purchase and repair of intercity bus equipment.
4 Security deposits from the lease of state-owned intercity bus equipment
5 not returned to the lessee of the equipment under terms of the lease
6 agreement are deposited in an intercity bus equipment fund for
7 appropriation for the repair of intercity bus equipment.

8 Sec. 702. Money that is received by the state as repayment for
9 loans made for rail or water freight capital projects, and as a result
10 of the sale of property or equipment used or projected to be used for
11 rail or water freight projects shall be deposited in the fund created
12 by section 17 of the state transportation preservation act of 1976,
13 1976 PA 295, MCL 474.67.

14 Sec. 703. The appropriation in part 1 for van pooling shall be
15 administered by the department through grants to eligible authorities
16 and eligible governmental agencies to insure coordination between van
17 and car pooling programs and the transit systems operated by the
18 eligible authorities and eligible governmental agencies.

19 Sec. 704. From the funds appropriated in part 1, \$2,000,000.00 is
20 allocated for a rail infrastructure loan program. The program shall
21 provide noninterest bearing loans for rail infrastructure improvements.
22 The department shall evaluate loan applications according to the
23 relative merit of the project in conjunction with program goals. The
24 transportation commission shall approve the loans. The loans shall
25 fund not less than 90% of the rail portion of project costs, and the
26 loan repayment period shall not exceed 10 years. Local governments,
27 railroads, and current or potential users of freight railroad services
28 are eligible applicants. At the end of the fiscal year, unexpended
29 funds shall remain in the rail infrastructure loan program and shall be
30 available to be allocated for the purposes of the program in the
31 succeeding fiscal year. Money that is received by this state as
32 repayment for rail infrastructure loans made pursuant to this program
33 shall remain within the rail infrastructure loan program and shall be
34 allocated for the purposes of the program. The state's total
35 contribution to the rail infrastructure loan program shall not exceed
36 \$15,000,000.00.

1 Sec. 705. Appropriated in part 1 is \$3,979,200.00 for the work
2 first initiative. Funding earmarked for the work first initiative is
3 in addition to current program support for this initiative.

4 Sec. 706. The Detroit/Wayne County port authority shall issue a
5 complete operations assessment and a financial disclosure statement to
6 the department by December 15, 2000.

7 Sec. 707. For the fiscal year ending September 30, 2000, each
8 eligible authority and each eligible governmental agency which provides
9 public transportation services in urbanized areas with a Michigan
10 population of less than or equal to 100,000 and nonurbanized areas
11 under section 5311 of title 49 of the United States Code, 49 U.S.C.
12 5311, shall receive a grant of up to 60% of its eligible operating
13 expenses. Each eligible authority and each eligible government agency
14 which provides public transportation services in urbanized areas with a
15 Michigan population of greater than 100,000 under section 5311 of title
16 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of
17 up to 50% of its eligible operating expenses.

18 Sec. 708. Of the funds appropriated in part 1 for local bus
19 operating and marine passenger services, the department shall not
20 allocate any funds to pay the operating cost of services provided by
21 water vehicles.

22 **AERONAUTICS FUND**

23 Sec. 801. At the close of the fiscal year ending September 30,
24 2000, any unobligated and unexpended balance in the state aeronautics
25 fund created in the aeronautics code of the state of Michigan, 1945 PA
26 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund
27 and be appropriated by the legislature in the immediately succeeding
28 fiscal year.

Final page.