



HOUSE BILL No. 5894

June 20, 2000, Introduced by Reps. Kelly, Rick Johnson, Brewer, Kilpatrick, Allen, Daniels, Bovin, Reeves, LaForge, Prusi, Schermesser, Neumann, Jamnick, Byl, Jellema and Lemmons and referred to the Committee on Transportation.

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive

transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending sections 1c, 1h, 2, 6, 9a, 10, 10a, 10e, 10h, 10o, 11, 11b, 12, 13, 13b, 15, and 17 (MCL 247.651c, 247.651h, 247.652, 247.656, 247.659a, 247.660, 247.660a, 247.660e, 247.660h, 247.660o, 247.661, 247.661b, 247.662, 247.663, 247.663b, 247.665, and 247.667), sections 1c, 2, and 10h as amended by 1982 PA 438, section 1h as added and section 12 as amended by 1997 PA 79, sections 9a, 10, and 11 as amended and section 10o as added by 1998 PA 308, section 10a as amended by 1992 PA 137, section 10e as amended by 1998 PA 87, section 11b as amended by 1992 PA 223, section 13 as amended by 1999 PA 54, section 15 as amended by 1999 PA 50, and section 17 as amended by 1993 PA 294; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1c. (1) The state transportation department shall bear
2 the cost of opening, widening, and improving, including construc-
3 tion and reconstruction, in accordance with standards and speci-
4 fications of the department, all state trunk line highways,
5 subject to all of the following provisions:

~~1 (a) Incorporated cities and villages shall participate with
2 the department in the cost of opening, widening, and improving,
3 including construction and reconstruction of state trunk line
4 highways within cities and villages to which may be added,
5 subject to the approval of the state transportation commission,
6 streets that are connecting links of trunk line highways or
7 streets as are made connecting links of trunk line highways,
8 according to the following schedule subject to the definition of
9 population as provided in section 13:~~

~~10 (i) In cities and villages having a population of 50,000 or
11 more, 12.5% of the cost shall be borne by the city or village,
12 and 87.5% by the state transportation department.~~

~~13 (ii) In cities and villages having a population of 40,000 or
14 more and less than 50,000, 11.25% of the cost shall be borne by
15 the city or village, and 88.75% by the state transportation
16 department.~~

~~17 (iii) In cities and villages having a population of 25,000
18 or more and less than 40,000, 8.75% of the cost shall be borne by
19 the city or village, and 91.25% by the state transportation
20 department.~~

~~21 (iv) In cities and villages having a population of less than
22 25,000, the state transportation department shall bear the entire
23 cost.~~

~~24 (b) As used in this act, "opening, widening, and improving,
25 including construction and reconstruction, of state trunk line
26 highways" includes, but is not limited to, the cost of right of
27 way; the cost of removal and replacement of sidewalks, street~~

1 ~~lighting, curbing, where removal and replacement is made~~
2 ~~necessary by construction or reconstruction of a trunk line high-~~
3 ~~way; and the cost of bridges and structures, including that part~~
4 ~~of the cost of grade separation structures not paid by the rail-~~
5 ~~road companies.~~

6 (A) ~~-(a)-~~ In a city or village, the width of a state trunk
7 line highway shall be the width required to serve anticipated
8 future traffic needs for a 20-year period as determined by a
9 department transportation survey, which width, except as pre-
10 scribed by this subdivision, shall not be less than the currently
11 accepted standards prescribed for a 4-lane highway; the width as
12 may be built on the same trunk line route immediately beyond and
13 adjacent to either legal boundary of the city or village; or on
14 trunk lines eligible for federal highway funds, a width as may be
15 prescribed by the federal government, whichever width is
16 greater. However, the department and the governing body of a
17 city or village by mutual agreement may determine that the width
18 of a state trunk line highway shall be less than the width other-
19 wise prescribed by this subdivision.

20 (B) ~~-(d)-~~ If a city or village ~~shall desire~~ DESIRES to
21 widen a state trunk line highway for local purposes beyond the
22 width prescribed in subdivision ~~-(c)-~~ (A), the entire cost of the
23 extra width, less the federal highway funds which may be allo-
24 cated to the portion of the project by the department, shall be
25 borne by the city or village.

26 (C) ~~-(e)-~~ The state transportation commission and the boards
27 of county road commissioners may enter into agreements with

1 townships or private persons for the improvement or widening of
2 state trunk line highways or county roads. The state transporta-
3 tion commission and the boards of county road commissioners may
4 require full or partial participation in the cost of the improve-
5 ment or widening by the requesting party as considered
6 appropriate.

7 (2) AS USED IN THIS ACT, "OPENING, WIDENING, AND IMPROVING,
8 INCLUDING CONSTRUCTION AND RECONSTRUCTION, OF STATE TRUNK LINE
9 HIGHWAYS" INCLUDES, BUT IS NOT LIMITED TO, THE COST OF RIGHT OF
10 WAY; THE COST OF REMOVAL AND REPLACEMENT OF SIDEWALKS, STREET
11 LIGHTING, CURBING, WHERE REMOVAL AND REPLACEMENT IS MADE NECES-
12 SARY BY CONSTRUCTION OR RECONSTRUCTION OF A TRUNK LINE HIGHWAY;
13 AND THE COST OF BRIDGES AND STRUCTURES, INCLUDING THAT PART OF
14 THE COST OF GRADE SEPARATION STRUCTURES NOT PAID BY THE RAILROAD
15 COMPANIES.

16 Sec. 1h. (1) The department shall develop and implement a
17 life-cycle cost analysis for each project ENTERED INTO BY THE
18 DEPARTMENT for which total pavement costs exceed \$1,000,000.00
19 funded in whole, or in part, with state funds. The department
20 shall design and award paving projects utilizing material having
21 the lowest life-cycle cost. All pavement design life shall
22 ensure that state funds are utilized as efficiently as possible.

23 (2) As used in this section, "life-cycle cost" means the
24 total of the cost of the initial project plus all anticipated
25 costs for subsequent maintenance, repair, or resurfacing over the
26 life of the pavement. Life-cycle cost shall also compare
27 equivalent designs and shall be based upon Michigan's actual

1 historic project maintenance, repair, and resurfacing schedules
2 and costs as recorded by the pavement management system, and
3 shall include estimates of user costs throughout the entire pave-
4 ment life.

5 Sec. 2. (1) ~~By December 1, 1951, a tentative system of~~
6 ~~county primary roads shall be selected by the board of county~~
7 ~~road commissioners in each county and certified to the state~~
8 ~~transportation department for its approval. Such tentative~~ THE
9 system of county primary roads shall be selected on the basis of
10 greatest general importance to the county and shall include any
11 ~~such~~ county roads then legally established and existing as such
12 within the limits of incorporated cities and villages. Each
13 ~~such tentative~~ system of county primary roads ~~certified~~ SHALL
14 BE SUBMITTED to the state transportation department. ~~shall be~~
15 ~~checked and reviewed under its direction. Within 6 months after~~
16 ~~receipt by the department of each such certification, the~~ THE
17 state transportation department shall ~~approve such part~~ RETAIN
18 A COPY of ~~that tentative~~ EACH system of county primary roads.
19 ~~as the department determines is appropriate and shall certify to~~
20 ~~that board of county road commissioners the approved portion of~~
21 ~~the tentative system and any deletions therefrom. So much of the~~
22 ~~tentative system of county primary roads of any county as is~~
23 ~~approved by the state transportation~~ THE PORTION SUBMITTED TO
24 THE department shall constitute the county primary road system of
25 that county for all purposes and shall be officially known as the
26 county primary road system of that county.

1 (2) ROADS MAY, FROM TIME TO TIME, BE INCLUDED IN OR DELETED
 2 FROM THE COUNTY PRIMARY ROAD SYSTEM OF ANY COUNTY BY SELECTION OF
 3 THE COUNTY ROAD COMMISSION. THE COUNTY ROAD COMMISSION SHALL
 4 NOTIFY THE DEPARTMENT OF ANY ADDITIONS TO OR DELETIONS FROM THE
 5 COUNTY PRIMARY ROAD SYSTEM.

6 (3) ALL ROADS UNDER THE JURISDICTION OF THE BOARD OF COUNTY
 7 ROAD COMMISSIONERS IN EACH COUNTY OF THE STATE NOT INCLUDED IN
 8 THE COUNTY PRIMARY SYSTEM SHALL CONSTITUTE THE COUNTY LOCAL ROAD
 9 SYSTEM OF THAT COUNTY, WHICH MAY THEREAFTER BE ADDED TO OR
 10 DELETED FROM IN THE SAME MANNER AS PROVIDED IN SUBSECTION (2) FOR
 11 THE COUNTY PRIMARY ROAD SYSTEM.

12 (4) ALL ROADS, STREETS, AND HIGHWAYS INCLUDED IN THE COUNTY
 13 PRIMARY ROAD SYSTEM OF ANY COUNTY SHALL BE OFFICIALLY KNOWN AS
 14 COUNTY PRIMARY ROADS, AND ALL ROADS, STREETS, AND HIGHWAYS
 15 INCLUDED IN THE COUNTY LOCAL ROAD SYSTEM OF ANY COUNTY SHALL BE
 16 OFFICIALLY KNOWN AS COUNTY LOCAL ROADS.

17 Sec. 6. (1) ~~Within 6 months from the effective date of~~
 18 ~~this act, a tentative system of major streets shall be selected~~
 19 ~~in each incorporated city and village of the state and certified~~
 20 ~~to the state highway commissioner for his approval. Such~~
 21 ~~tentative~~ THE system of major streets shall be selected in each
 22 incorporated city and village under the direction of the govern-
 23 ing body ~~thereof~~ on the basis of greatest general importance to
 24 ~~such municipality~~ THAT CITY OR VILLAGE and shall not include
 25 any of the trunk line highways or county roads within the limits
 26 of ~~such municipality~~ THE CITY OR VILLAGE. Each ~~such~~
 27 ~~tentative~~ system of major streets ~~certified~~ SHALL BE SUBMITTED

1 to the ~~state highway commissioner shall be checked and reviewed~~
 2 ~~under his direction~~ DEPARTMENT. ~~Within 6 months after receipt~~
 3 ~~by him of each such certification the state highway commissioner~~
 4 ~~shall approve such part of that tentative system of major streets~~
 5 ~~as complies with the uniform standards and specifications adopted~~
 6 ~~and established as hereinbefore provided and shall reject and~~
 7 ~~delete any part that does not so comply and shall certify to that~~
 8 ~~city or village the approved portion of the tentative system and~~
 9 ~~any deletions therefrom. So much of the tentative system of~~
 10 ~~major streets of any city or village as is approved by the state~~
 11 ~~highway commissioner shall constitute the major street system of~~
 12 ~~that municipality for all purposes, and shall be known officially~~
 13 ~~as the major street system of that city or village as the case~~
 14 ~~may be.~~

15 (2) STREETS MAY, FROM TIME TO TIME, BE INCLUDED IN OR
 16 DELETED FROM THE MAJOR STREET SYSTEM OF ANY CITY OR VILLAGE BY
 17 SELECTION BY THE GOVERNING BODY OF THE CITY OR VILLAGE. THE GOV-
 18 ERNING BODY OF THE CITY OR VILLAGE SHALL NOTIFY THE DEPARTMENT OF
 19 ANY ADDITIONS TO OR DELETIONS FROM THE MAJOR STREET SYSTEM.

20 (3) ALL STREETS WITHIN THE CORPORATE LIMITS AND UNDER THE
 21 JURISDICTION OF EACH CITY OR VILLAGE, EXCLUSIVE OF STATE TRUNK
 22 LINE HIGHWAYS AND COUNTY ROADS, AND NOT INCLUDED IN THE MAJOR
 23 STREET SYSTEM OF THE CITY OR VILLAGE SHALL CONSTITUTE THE LOCAL
 24 STREET SYSTEM OF THAT CITY OR VILLAGE, WHICH MAY THEREAFTER BE
 25 ADDED TO OR DELETED FROM IN THE SAME MANNER AS PROVIDED IN SUB-
 26 SECTION (2) FOR CITY OR VILLAGE MAJOR STREET SYSTEMS.

1 (4) ALL ROADS, STREETS, AND HIGHWAYS INCLUDED IN THE MAJOR
2 STREET SYSTEM OF A CITY OR VILLAGE SHALL BE OFFICIALLY KNOWN AS
3 CITY OR VILLAGE MAJOR STREETS, AND ALL ROADS, STREETS, AND HIGH-
4 WAYS INCLUDED IN THE LOCAL STREET SYSTEM OF A CITY OR VILLAGE
5 SHALL BE OFFICIALLY KNOWN AS CITY OR VILLAGE LOCAL STREETS.

6 Sec. 9a. ~~-(1) By October 1, 1998, the governor shall~~
7 ~~appoint not more than 5 persons who shall serve as a study com-~~
8 ~~mittee to review transportation funding options, transportation~~
9 ~~investment priorities, and potential strategies for maximizing~~
10 ~~returns on transportation investments. The appointments shall be~~
11 ~~subject to the advice and consent of the senate. The committee~~
12 ~~shall include at least 1 representative of the following~~
13 ~~interests:~~

14 ~~(a) Manufacturing.~~

15 ~~(b) Commerce.~~

16 ~~(c) Agriculture.~~

17 ~~(d) Tourism.~~

18 ~~(e) Labor.~~

19 ~~(2) Beginning October 1, 1998, the committee shall also~~
20 ~~include the majority and minority leaders of the senate or a~~
21 ~~member of the senate designated by each leader and the speaker~~
22 ~~and minority leader of the house of representatives or a member~~
23 ~~of the house of representatives designated by each leader.~~

24 ~~(3) By January 1, 1999, the legislative auditor general~~
25 ~~shall review and comment on the data developed by the department~~
26 ~~under subsection (5) in order to assist the citizens advisory~~
27 ~~committee.~~

1 ~~(4) A citizens advisory committee shall be created to~~
2 ~~receive and comment upon all reports, studies, and recommenda=~~
3 ~~tions prepared by the various designated technical subcommittees~~
4 ~~of the citizens advisory committee before but not later than the~~
5 ~~submission of the reports, studies, and recommendations to the~~
6 ~~study committee. The members of the citizens advisory committee~~
7 ~~shall be given sufficient time and opportunity to provide members~~
8 ~~of the study committee their majority, minority, or individual~~
9 ~~views of the reports, studies, and recommendations of the various~~
10 ~~designated technical subcommittees. The governor shall appoint~~
11 ~~not more than 24 persons, who shall serve as a citizens advisory~~
12 ~~committee and shall include at least 1 representative from a list~~
13 ~~of 3 recommendations supplied by each organization of the follow=~~
14 ~~ing organizations:~~

- 15 ~~(a) Michigan farm bureau.~~
- 16 ~~(b) Michigan trucking association.~~
- 17 ~~(c) Michigan association of counties.~~
- 18 ~~(d) Michigan townships association.~~
- 19 ~~(e) Michigan state chamber of commerce.~~
- 20 ~~(f) Michigan tourist association.~~
- 21 ~~(g) County road association of Michigan.~~
- 22 ~~(h) Michigan public transit association.~~
- 23 ~~(i) Michigan association of railroads.~~
- 24 ~~(j) Michigan municipal league.~~
- 25 ~~(k) Michigan motor bus association.~~
- 26 ~~(l) Area agency for aging.~~

~~(m) Michigan association of railroad passengers.~~

~~(n) Nonmotorized advisory commission.~~

~~(o) Michigan association of airport executives.~~

~~(p) American association of aviation businesses.~~

~~(q) American association of retired persons.~~

~~(r) Michigan council for independent living.~~

~~(s) Associated underground contractors of Michigan.~~

~~(t) Asphalt pavers association of Michigan.~~

~~(u) Michigan concrete pavers association.~~

~~(5) The state transportation department shall provide qualified staff, needs, technical oversight, and fiscal analysis subcommittees, and provide by September 30, 1998, a recommended work program to the study committee to enable the committee to carry out its functions.~~

~~(6) By a majority vote of the study committee, the committee shall report to the governor, the state transportation commission, and the legislature on the identified capital and maintenance needs, transportation investment and maintenance priorities, relative use of transportation systems, responsibilities for the identified needs including economic development needs, transportation funding options, historical transportation financing patterns as they relate to total statewide fiscal resources, and strategies for maximizing the returns on transportation investments. All studies and reports relating to highways shall be reported according to functional and legal classification. The committee shall publish a preliminary report of the data and findings by January 1, 2000. The committee, after holding~~

~~1 appropriate public hearings, shall recommend, if it considers it
2 necessary, alterations of formulas for transportation funding and
3 alterations to the distributions of transportation responsibili=
4 ties by July 1, 2000. The report and recommendations shall also
5 include any positions which a minority of the study committee
6 support.~~

7 (1) AS USED IN THIS SECTION:

8 (A) "ANNUAL ROAD AND BRIDGE PROGRAM" MEANS THAT LIST OF
9 HIGHWAY, ROAD, STREET, AND BRIDGE CONSTRUCTION SCHEDULED FOR
10 FUNDING, IN WHOLE OR IN PART WITH STATE OR FEDERAL FUNDS, IN THE
11 CURRENT FISCAL YEAR.

12 (B) "ARTERIAL" MEANS THOSE HIGHWAYS, ROADS, AND STREETS THAT
13 ARE CERTIFIED BY THE AGENCY HAVING JURISDICTION OVER THAT ROAD AS
14 MEETING THE CRITERIA FOR ARTERIAL ROADS AS ESTABLISHED BY FEDERAL
15 LAW.

16 (C) "ASSET MANAGEMENT" MEANS AN ONGOING PROCESS OF PHYSICAL
17 INVENTORY AND ASSESSMENT, AND ANALYSIS OF THE CURRENT CONDITION
18 AND FACILITY VALUE OF ANY HIGHWAY, ROAD, STREET, OR BRIDGE.

19 (D) "BRIDGE" MEANS A STRUCTURE INCLUDING SUPPORTS ERECTED
20 OVER A DEPRESSION OR AN OBSTRUCTION, SUCH AS WATER, A HIGHWAY, OR
21 A RAILWAY, FOR THE PURPOSES OF CARRYING TRAFFIC OR OTHER MOVING
22 LOADS, WITH AN OPENING OF ANY LENGTH AS MEASURED ALONG THE CENTER
23 OF THE ROADWAY.

24 (E) "COLLECTOR" MEANS THOSE HIGHWAYS, ROADS, AND STREETS
25 THAT ARE CERTIFIED BY THE AGENCY HAVING JURISDICTION OVER THAT
26 ROAD AS MEETING THE CRITERIA FOR COLLECTOR ROADS AS ESTABLISHED
27 BY FEDERAL LAW.

1 (F) "COUNCIL" MEANS THE TRANSPORTATION ASSET MANAGEMENT
2 COUNCIL CREATED BY THIS SECTION.

3 (G) "DEPARTMENT" MEANS THE STATE TRANSPORTATION DEPARTMENT.

4 (H) "FUNCTIONAL CLASSIFICATION" MEANS THAT CLASSIFICATION
5 PROCESS REQUIRED BY FEDERAL LAW.

6 (I) "LOCAL" MEANS THOSE PUBLIC HIGHWAYS, ROADS, OR STREETS
7 THAT ARE CERTIFIED BY THE AGENCY HAVING JURISDICTION OVER THOSE
8 ROADS AS MEETING THE CRITERIA FOR LOCAL ROADS AS ESTABLISHED BY
9 THE COUNCIL.

10 (J) "LOCAL GOALS AND OBJECTIVES" MEANS THOSE GOALS AND
11 OBJECTIVES CONTAINED WITHIN THE LOCAL LONG-RANGE PLAN.

12 (K) "LOCAL LONG-RANGE PLAN" MEANS THAT PLAN EITHER REQUIRED
13 BY 23 U.S.C. 135 OR A PLAN DEVELOPED BY A LOCAL ROAD AGENCY OR
14 LOCAL UNIT OF GOVERNMENT.

15 (L) "MAJOR" MEANS THOSE HIGHWAYS, ROADS, AND STREETS THAT
16 ARE CERTIFIED BY THE AGENCY HAVING JURISDICTION OVER THAT ROAD AS
17 MEETING THE CRITERIA FOR MAJOR ROADS AS ESTABLISHED BY THE
18 COUNCIL.

19 (M) "MANAGEMENT SYSTEMS" MEANS A DECISION SUPPORT TOOL OR
20 TOOLS DESIGNED TO FACILITATE THE MONITORING OF VARIOUS ASPECTS OF
21 THE TRANSPORTATION INFRASTRUCTURE.

22 (N) "PERFORMANCE MEASURES" MEANS A MATHEMATICAL METHOD OF
23 EVALUATION TO DETERMINE CURRENT STATUS OF A SPECIFIC ASPECT OF
24 THE TRANSPORTATION INFRASTRUCTURE.

25 (O) "PRIMARY" MEANS THOSE HIGHWAYS, ROADS, AND STREETS THAT
26 ARE CERTIFIED BY THE AGENCY HAVING JURISDICTION OVER THAT ROAD AS

1 MEETING THE CRITERIA FOR PRIMARY ROADS AS ESTABLISHED BY THE
2 COUNCIL.

3 (P) "STANDARDS" MEANS AN IDENTIFIED LEVEL OF ADEQUACY.

4 (Q) "STATE LONG-RANGE PLAN" MEANS THAT PLAN REQUIRED BY 23
5 U.S.C. 135.

6 (R) "STATEWIDE GOALS AND OBJECTIVES" MEANS THOSE GOALS AND
7 OBJECTIVES CONTAINED WITHIN THE STATE LONG-RANGE PLAN.

8 (S) "URBAN AREA LONG-RANGE PLANS" MEANS THOSE PLANS REQUIRED
9 BY 23 U.S.C. 134.

10 (2) BY JANUARY 2, 2001, THE GOVERNOR SHALL APPOINT A TRANS-
11 PORTATION ASSET MANAGEMENT COUNCIL TO CONSIST OF NOT MORE THAN 4
12 PERSONS, 1 EACH FROM A LIST OF 2 RECOMMENDATIONS SUPPLIED BY THE
13 DEPARTMENT, THE MICHIGAN MUNICIPAL LEAGUE, THE COUNTY ROAD ASSO-
14 CIATION OF MICHIGAN, AND THE ASSOCIATION OF VARIOUS METROPOLITAN
15 PLANNING ORGANIZATIONS FOR TERMS OF 4 YEARS. THE DEPARTMENT
16 SHALL PROVIDE QUALIFIED ADMINISTRATIVE STAFF AND THE MICHIGAN
17 MUNICIPAL LEAGUE, COUNTY ROAD ASSOCIATION OF MICHIGAN, AND ASSO-
18 CIATION OF METROPOLITAN PLANNING ORGANIZATIONS SHALL PROVIDE
19 TECHNICAL STAFF TO THE COUNCIL. FUNDING NECESSARY TO SUPPORT
20 OPERATION OF THE COUNCIL SHALL BE PROVIDED BY APPROPRIATIONS FROM
21 THE MICHIGAN TRANSPORTATION FUND. THE COUNCIL SHALL MEET AT
22 LEAST QUARTERLY OR MORE FREQUENTLY AS NEEDED TO CONSIDER THOSE
23 MATTERS THAT MAY AFFECT THE FUTURE PROVISION OF TRANSPORTATION IN
24 THIS STATE OR ANY OTHER ISSUES CONSIDERED NECESSARY BY THE MEM-
25 BERS OF THE COUNCIL. THE COUNCIL SHALL SELECT A CHAIRPERSON,
26 VICE-CHAIRPERSON, AND SECRETARY FROM THEIR MEMBERS. THE
27 CHAIRPERSON SHALL CALL A MEETING IF 3 OF THE MEMBERS NOTIFY THE

1 CHAIRPERSON OF THEIR DESIRE TO MEET. ALL DECISIONS AND
2 RECOMMENDATIONS REQUIRE A 3/4 VOTE OF THE COUNCIL.

3 (3) THE COUNCIL SHALL MAKE RECOMMENDATIONS TO THE LEGISLA-
4 TURE CONCERNING THE FOLLOWING:

5 (A) DETERMINING THE CRITERIA NECESSARY FOR THE ECONOMIC
6 ANALYSIS OF TRANSPORTATION INVESTMENT POLICIES, TRANSPORTATION
7 PRIORITIES, AND STRATEGIES FOR MAXIMIZING TRANSPORTATION
8 INVESTMENTS. THIS ANALYSIS SHALL INCLUDE, BUT NOT BE LIMITED TO,
9 THE ESTABLISHMENT OF STATEWIDE REGIONAL CORRIDOR CLASSIFICATIONS,
10 AN ALL-SEASON PRIMARY ROAD SYSTEM CLASSIFICATION, AN URBAN ECO-
11 NOMIC DEVELOPMENT CORRIDOR CLASSIFICATION, AND A CRITICAL AGRI-
12 CULTURAL LOCAL ROAD CLASSIFICATION FOR THE ROAD SYSTEM IN THIS
13 STATE.

14 (B) DEVELOPING PERFORMANCE MEASURES FOR STATE TRUNK LINE,
15 COUNTY PRIMARY, CITY MAJOR, COUNTY AND CITY LOCAL HIGHWAYS,
16 ROADS, STREETS, AND BRIDGES.

17 (C) DEVELOPING A UNIFORM DEFINITION OF MAINTENANCE.

18 (D) ADOPTING FEDERAL NATIONAL FUNCTIONAL CLASSIFICATION
19 REVIEW STANDARDS AND COOPERATIVELY REVIEW ANNUALLY THE STATE
20 TRUNK LINE, COUNTY, CITY, AND VILLAGE SYSTEMS.

21 (E) IDENTIFYING ESSENTIAL TRANSPORTATION DATA NECESSARY FOR
22 ASSET MANAGEMENT UTILIZING A GEOGRAPHIC INFORMATION SYSTEM AND
23 ESTABLISHING QUALITY CONTROL STANDARDS TO ENSURE UNIFORMITY AND
24 CONSISTENCY OF THAT DATA.

25 (F) ESTABLISHING REPORTING TIMES AND METHODS FOR THE VARIOUS
26 ROAD AGENCIES.

1 (G) EVALUATING THE DATA AGAINST THE PERFORMANCE MEASURES AND
2 DEVELOPING REPORTS FOR THE GOVERNOR, LEGISLATURE, THE DEPARTMENT,
3 COUNTY ROAD COMMISSIONS, AND COUNTY ROAD AGENCIES, CITIES, AND
4 VILLAGES.

5 (4) THE COUNCIL SHALL DISSEMINATE THE PERFORMANCE MEASURES,
6 FUNCTIONAL CLASSIFICATION STANDARDS, UNIFORM DEFINITION OF MAIN-
7 TENANCE AND REPORTING TIMETABLES AND METHODS, ALONG WITH ALL
8 RELATED CRITERIA, TO THE DEPARTMENT, THE COUNTY ROAD COMMISSIONS
9 OR COUNTY ROAD AGENCIES, AND THE CITIES AND VILLAGES BY
10 OCTOBER 1, 2002. THE COUNCIL SHALL ANNUALLY REVIEW THE CRITERIA,
11 STANDARDS, DEFINITIONS, AND MEASURES AND MAKE ANY NECESSARY
12 ADJUSTMENTS. STANDARDS FOR ARTERIALS AND COLLECTORS SHALL BE
13 CONSISTENT WITH ACCEPTED NATIONAL GUIDELINES. CRITERIA FOR FUNC-
14 TIONAL CLASSIFICATION SHALL BE CONSISTENT WITH FEDERAL
15 GUIDELINES.

16 (5) BY OCTOBER 1, 2003, THE DEPARTMENT, COUNTY ROAD COMMIS-
17 SIONS OR COUNTY ROAD AGENCIES, AND CITIES AND VILLAGES SHALL CER-
18 TIFY A SYSTEM OF STATE TRUNK LINE, PRIMARY, MAJOR, AND LOCAL
19 ROADS AND STREETS FROM THE HIGHWAYS, ROADS, AND STREETS UNDER
20 THEIR JURISDICTION. THE CLASSIFICATION SHALL BE BASED UPON CRI-
21 TERIA DEVELOPED BY THE COUNCIL.

22 (6) BY OCTOBER 1, 2003, THE DEPARTMENT, COUNTY ROAD COMMIS-
23 SIONS OR COUNTY ROAD AGENCIES, AND CITIES AND VILLAGES SHALL
24 SUBMIT THEIR SYSTEM OF STATE TRUNK LINE, PRIMARY, MAJOR, AND
25 LOCAL ROADS AND STREETS TO THE COUNCIL FOR REVIEW.

26 (7) BY OCTOBER 1, 2004, THE COUNCIL SHALL APPROVE, IN WHOLE
27 OR IN PART, THE CERTIFIED SYSTEM AS SUPPLIED BY THE ROAD AGENCY

1 AS BEING CONSISTENT WITH THE CRITERIA FOR STATE TRUNK LINE,
2 PRIMARY, MAJOR, AND LOCAL ROADS AND STREETS AS ESTABLISHED BY THE
3 COUNCIL. ONCE APPROVED, THE COUNCIL SHALL SUBMIT THE CERTIFIED
4 MICHIGAN STATEWIDE TRANSPORTATION SYSTEMS TO THE COMMISSION.
5 ONCE SUBMITTED, THE SYSTEMS SHALL BE KNOWN AS THE MICHIGAN STATE
6 TRUNK LINE NETWORK, THE MICHIGAN PRIMARY ROAD NETWORK, THE
7 MICHIGAN MAJOR STREET NETWORK, AND THE MICHIGAN LOCAL ROAD AND
8 STREET NETWORK.

9 (8) THE DEPARTMENT, COUNTY ROAD COMMISSIONS OR COUNTY ROAD
10 AGENCIES, AND CITIES AND VILLAGES SHALL DEVELOP AND MAINTAIN A
11 CONTINUOUS SYSTEM CONDITION ANALYSIS THROUGH THE USE OF PAVEMENT
12 AND BRIDGE MANAGEMENT SYSTEMS. THE SYSTEM CONDITION ANALYSIS
13 SHALL BE BASED ON THE STANDARDS AND PERFORMANCE MEASURES AS
14 DETERMINED BY THE COUNCIL AND RELATED TO ACHIEVING STATEWIDE AND
15 LOCAL TRANSPORTATION GOALS AND OBJECTIVES.

16 (9) THE DATA REQUIREMENTS FOR MAINTAINING AN ONGOING TRANS-
17 PORTATION ASSET MANAGEMENT PROCESS UTILIZING A GEOGRAPHICAL
18 INFORMATION SYSTEM SHALL BE IDENTIFIED BY THE COUNCIL. THE COUN-
19 CIL SHALL BE RESPONSIBLE FOR ESTABLISHING AND DEFINING THE DATA
20 NEEDED; THE QUALITY CONTROL STANDARDS NECESSARY TO ENSURE THAT
21 THE DATA BEING COLLECTED BY THE VARIOUS ENTITIES IS COMPATIBLE
22 AND UNIFORM. THE PROCESS USED TO COLLECT DATA, THE DATA COL-
23 LECTED, AND STANDARDS ESTABLISHED SHALL, AT A MINIMUM, BE CONSIS-
24 TENT WITH ANY EXISTING FEDERAL REQUIREMENTS AND REGULATIONS, AND
25 EXISTING GOVERNMENT ACCOUNTING STANDARDS. EACH ROAD AGENCY SHALL
26 BE RESPONSIBLE FOR THE COLLECTION AND MAINTENANCE OF THE DATA ON
27 THEIR OWN SYSTEM, CONSISTENT WITH THE STANDARDS AND PROCEDURES

1 ESTABLISHED BY THE COUNCIL, NECESSARY FOR CARRYING OUT THE
2 PROVISIONS OF THIS ACT. A ROAD AGENCY MAY CONTRACT WITH ANOTHER
3 ROAD AGENCY FOR THIS PURPOSE. THE COUNCIL SHALL ENSURE THAT THE
4 DATA IS ACCESSIBLE TO THE GENERAL PUBLIC, THE GOVERNOR, THE COM-
5 MISSION, THE LEGISLATURE, AND THE VARIOUS TRANSPORTATION AGENCIES
6 THROUGH A CENTRALIZED DATA SOURCE. FAILURE OF A ROAD AGENCY TO
7 MAKE DATA AVAILABLE FOR THIS PURPOSE MAY RESULT IN THE WITHHOLD-
8 ING OF FUNDS UNTIL SUCH TIME AS THAT ROAD AGENCY COMPLIES WITH
9 THIS REQUIREMENT.

10 (10) BEGINNING OCTOBER 1, 2001, THE DEPARTMENT, EACH COUNTY
11 ROAD COMMISSION OR COUNTY ROAD AGENCY, AND CITY AND VILLAGE OF
12 THIS STATE SHALL ANNUALLY PREPARE AND PUBLISH A 3-YEAR HIGHWAY,
13 STREET, AND BRIDGE CONSTRUCTION PROGRAM, BASED ON LONG-RANGE
14 PLANS, AND DEVELOPED THROUGH THE USE OF THE MANAGEMENT SYSTEMS
15 WITHIN THIS ACT. PROJECTS CONTAINED IN EACH AGENCY'S ANNUAL
16 3-YEAR PROGRAM SHALL BE CONSISTENT WITH THE GOALS AND OBJECTIVES
17 OF THE AGENCY'S LONG-RANGE PLAN. LOCAL LONG-RANGE PLANS, URBAN
18 LONG-RANGE PLANS, AND THE STATE LONG-RANGE PLAN SHALL BE
19 COORDINATED. PROJECTS INCLUDED IN ANY AGENCY'S 3-YEAR ROAD AND
20 BRIDGE PROGRAM SHALL CONSIST OF THOSE HIGHWAY, ROAD, STREET, AND
21 BRIDGE PRESERVATION AND IMPROVEMENT PROJECTS CONSISTENT WITH CUR-
22 RENT PROVISIONS OF STATE AND FEDERAL LAW. A PROJECT, FUNDED IN
23 WHOLE OR PART, WITH STATE OR FEDERAL FUNDS, SHALL BE INCLUDED IN
24 ANY AGENCY'S ANNUAL 3-YEAR ROAD AND BRIDGE PROGRAM.

25 (11) THE DEPARTMENT, EACH COUNTY ROAD COMMISSION OR COUNTY
26 ROAD AGENCY, AND CITY AND VILLAGE SHALL KEEP ACCURATE AND UNIFORM

1 RECORDS ON ALL ROAD, STREET, AND BRIDGE WORK AND FUNDS EXPENDED
2 FOR THOSE PURPOSES AS REQUIRED BY THIS ACT.

3 (12) THE COUNCIL SHALL REPORT ANNUALLY TO THE GOVERNOR, THE
4 COMMISSION, AND THE STATE LEGISLATURE. THE COUNCIL MAY MAKE REC-
5 OMMENDATIONS TO THE LEGISLATURE ON THE IDENTIFIED CAPITAL AND
6 MAINTENANCE NEEDS, TRANSPORTATION INVESTMENT AND MAINTENANCE PRI-
7 ORITIES, RELATIVE USE OF THE TRANSPORTATION SYSTEM, RESPONSIBILI-
8 TIES FOR THE IDENTIFIED NEEDS INCLUDING ECONOMIC DEVELOPMENT
9 NEEDS, TRANSPORTATION FUNDING OPTIONS, HISTORICAL TRANSPORTATION
10 FINANCING PATTERNS AS THEY RELATE TO TOTAL STATEWIDE FISCAL
11 RESOURCES, AND STRATEGIES FOR MAXIMIZING THE RETURNS ON TRANSPOR-
12 TATION INVESTMENTS AND, IF IT CONSIDERS IT NECESSARY, ALTERATIONS
13 OF FORMULAS FOR TRANSPORTATION FUNDING AND ALTERATIONS TO THE
14 DISTRIBUTION OF TRANSPORTATION RESPONSIBILITIES. ALL STUDIES AND
15 REPORTS RELATING TO HIGHWAYS SHALL BE REPORTED ACCORDING TO FUNC-
16 TIONAL AND LEGAL CLASSIFICATION.

17 (13) ALL DISTRIBUTIONS AND RETURN OF FUNDS PROVIDED FOR IN
18 THIS ACT MAY BE WITHHELD FROM THE DEPARTMENT, ELIGIBLE AUTHORI-
19 TIES, COUNTY ROAD COMMISSIONS OR COUNTY ROAD AGENCIES, CITIES AND
20 VILLAGES, OR OTHER ELIGIBLE GOVERNMENTAL AGENCIES FOR FAILURE TO
21 COMPLY WITH THE REQUIREMENTS OF THIS SECTION. THE WITHHOLDING
22 MAY CONTINUE FOR THE PERIOD OF NONCOMPLIANCE. DETERMINATION OF
23 THE NEED TO WITHHOLD REVENUE SHALL BE MADE BY THE COMMISSION UPON
24 RECOMMENDATION FROM THE COUNCIL.

25 Sec. 10. (1) A fund to be known as the Michigan transporta-
26 tion fund is established and shall be set up and maintained in
27 the state treasury as a separate fund. Money received and

1 collected under 1927 PA 150, MCL 207.101 to 207.202, except a
2 license fee provided in that act, and a tax, fee, license, and
3 other money received and collected under sections 801 to 810 of
4 the Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810,
5 except a truck safety fund fee provided in section 801(1)(k) of
6 1949 PA 300, MCL 257.801, and money received under the motor car-
7 rier act, 1933 PA 254, MCL 475.1 to 479.43, shall be deposited in
8 the state treasury to the credit of the Michigan transportation
9 fund. In addition, income or profit derived from the investment
10 of money in the Michigan transportation fund shall be deposited
11 in the Michigan transportation fund. Except as provided in this
12 act, no other money, whether appropriated from the general fund
13 of this state or any other source, shall be deposited in the
14 Michigan transportation fund. Except as otherwise provided in
15 this section, the legislature shall appropriate funds for the
16 necessary expenses incurred in the administration and enforcement
17 of 1927 PA 150, MCL 207.101 to 207.202, 1933 PA 254, MCL 475.1 to
18 479.43, and sections 801 to 810 of the Michigan vehicle code,
19 1949 PA 300, MCL 257.801 to 257.810. Funds appropriated for nec-
20 essary expenses shall be based upon established cost allocation
21 methodology that reflects actual costs. Beginning with the
22 fiscal year ending September 30, 1998 and the next 2 succeeding
23 fiscal years thereafter, funds appropriated for these administra-
24 tive expenses for all state agencies and departments, other than
25 the department, the commission, the department of environmental
26 quality expedited permit processing program for road agencies,
27 the department of state, and the attorney general shall be phased

1 out until further funds are no longer appropriated for this
2 purpose. BEGINNING WITH THE FISCAL YEAR ENDING SEPTEMBER 30,
3 2002 AND THE NEXT 2 SUCCEEDING FISCAL YEARS THEREAFTER, FUNDS
4 APPROPRIATED FOR THESE ADMINISTRATIVE EXPENSES FOR THE DEPARTMENT
5 OF ENVIRONMENTAL QUALITY EXPEDITED PERMIT PROCESSING PROGRAM FOR
6 ROAD AGENCIES, THE DEPARTMENT OF STATE, AND THE DEPARTMENT OF
7 ATTORNEY GENERAL SHALL BE PHASED OUT UNTIL FURTHER FUNDS ARE NO
8 LONGER APPROPRIATED FOR THIS PURPOSE. BEGINNING WITH THE FISCAL
9 YEAR ENDING SEPTEMBER 30, 2002, FUNDS SHALL NOT BE APPROPRIATED
10 TO THE DEPARTMENT FOR ADMINISTRATIVE EXPENSES FOR FEDERAL FUNDS
11 ADMINISTRATION. THE LEGISLATURE SHALL NOT SEPARATELY APPROPRIATE
12 FUNDS TO THE DEPARTMENT FOR PROVIDING LOCAL ADMINISTRATIVE SERV-
13 ICES OR LOCAL PLANNING REQUIRED BY THIS ACT. All money in the
14 Michigan transportation fund is apportioned and appropriated, for
15 the fiscal years ending September 30, 1993 through September 30,
16 ~~2000~~ 2001, in the following manner:

17 (a) Not more than \$3,000,000.00 as may be annually appropri-
18 ated each fiscal year to the state trunk line fund for subsequent
19 deposit in the rail grade crossing account.

20 (b) Not less than \$3,000,000.00 each year to the critical
21 bridge fund established in section 11b for the purpose of payment
22 of the principal, interest, and redemption premium on any notes
23 or bonds issued by the state transportation commission under
24 section 11b.

25 (c) Revenue from 3 cents of the tax levied under
26 section 2(1) of 1950 PA 127, MCL 207.102, to the state trunk line

1 fund, county road commissions, and cities and villages in the
2 percentages provided in subdivision (h).

3 (d) Revenue from 1 cent of the tax levied under section 2(1)
4 of 1950 PA 127, MCL 207.102, to the state trunk line fund for
5 repair of state bridges under section 11.

6 (e) \$43,000,000.00 to the state trunk line fund for debt
7 service costs on state of Michigan projects.

8 (f) 10% to the comprehensive transportation fund for the
9 purposes described in section 10e.

10 (g) \$36,775,000.00 to the state trunk line fund for subse-
11 quent deposit in the transportation economic development fund. —
12 ~~and, as of September 30, 1997, with first priority for allocation~~
13 ~~to debt service on bonds issued to fund transportation economic~~
14 ~~development fund projects.~~ In addition, beginning October 1,
15 1997, \$3,500,000.00 is appropriated from the Michigan transporta-
16 tion fund to the state trunk line fund for subsequent deposit in
17 the transportation economic development fund to be used for eco-
18 nomic development road projects in any of the targeted industries
19 described in section 9(1)(a) of 1987 PA 231, MCL 247.909.

20 (h) The balance of the Michigan transportation fund as fol-
21 lows, after deduction of the amounts appropriated in subdivisions
22 (a) through (g) and section 11b:

23 (i) 39.1% to the state trunk line fund for the purposes
24 described in section 11. Beginning October 1, 1995, a state
25 grant of not less than \$33,000,000.00, as may be annually appro-
26 priated each fiscal year, after the payment of debt service

1 pursuant to section 11(1)(a), shall be made to the local program
2 fund created in section 11e.

3 (ii) 39.1% to the county road commissions of the state.

4 (iii) 21.8% to the cities and villages of the state.

5 (2) ALL MONEY IN THE MICHIGAN TRANSPORTATION FUND IS APPOR-
6 TIONED AND APPROPRIATED, FOR THE FISCAL YEARS ENDING SEPTEMBER
7 30, 2002 THROUGH SEPTEMBER 30, 2004, IN THE FOLLOWING MANNER:

8 (A) NOT MORE THAN \$3,000,000.00 AS MAY BE ANNUALLY APPROPRI-
9 ATED EACH FISCAL YEAR TO THE STATE TRUNK LINE FUND FOR SUBSEQUENT
10 DEPOSIT IN THE RAIL GRADE CROSSING ACCOUNT.

11 (B) REVENUE FROM 1 CENT OF THE TAX LEVIED UNDER SECTION 2(1)
12 OF 1950 PA 127, MCL 207.102, IN THE FOLLOWING MANNER:

13 (i) 0.5 CENTS TO THE STATE TRUNK LINE FUND FOR REPAIR OF
14 STATE BRIDGES.

15 (ii) 0.5 CENTS TO THE CRITICAL BRIDGE FUND UNDER SECTION 11B
16 FOR REPAIR OF LOCAL BRIDGES.

17 (C) 9% FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, 9.5%
18 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2003, AND 10% FOR THE
19 FISCAL YEAR ENDING SEPTEMBER 30, 2004 AND EACH FISCAL YEAR THERE-
20 AFTER, LESS THOSE FUNDS DESIGNATED TO THE RECREATION IMPROVEMENT
21 FUND UNDER SECTION 71106 OF THE NATURAL RESOURCES AND ENVIRONMEN-
22 TAL PROTECTION ACT, 1994 PA 451, MCL 324.71106, TO THE COMPREHEN-
23 SIVE TRANSPORTATION FUND FOR THE PURPOSES DESCRIBED IN SECTION
24 10E.

25 (D) \$36,775,000.00 TO THE STATE TRUNK LINE FUND FOR SUBSE-
26 QUENT DEPOSIT IN THE TRANSPORTATION ECONOMIC DEVELOPMENT FUND.
27 DEBT SERVICE ON BONDS ISSUED TO FUND TRANSPORTATION ECONOMIC

1 DEVELOPMENT FUND PROJECTS IN ANY OF THE TARGETED INDUSTRIES
 2 DESCRIBED IN SECTION 9(1)(A) OF 1987 PA 231, MCL 247.909, SHALL
 3 BE PAID FROM THE FUNDS ALLOCATED TO THE TARGETED INDUSTRIES
 4 DESCRIBED IN SECTION 9(1)(A) OF 1987 PA 231, MCL 247.909. IN
 5 ADDITION, \$3,500,000.00 IS APPROPRIATED FROM THE MICHIGAN TRANS-
 6 PORTATION FUND TO THE STATE TRUNK LINE FUND FOR SUBSEQUENT
 7 DEPOSIT IN THE TRANSPORTATION ECONOMIC DEVELOPMENT FUND TO BE
 8 USED FOR ECONOMIC DEVELOPMENT ROAD PROJECTS IN ANY OF THE TAR-
 9 GETED INDUSTRIES DESCRIBED IN SECTION 9(1)(A) OF 1987 PA 231,
 10 MCL 247.909.

11 (E) THE BALANCE OF THE MICHIGAN TRANSPORTATION FUND AS FOL-
 12 LOWS, AFTER DEDUCTION OF THE AMOUNTS APPROPRIATED IN SUBDIVISIONS
 13 (A) THROUGH (D) AND SECTION 11B:

14 (i) 39.1% TO THE STATE TRUNK LINE FUND FOR THE PURPOSES
 15 DESCRIBED IN SECTION 11.

16 (ii) 39.1% TO THE COUNTY ROAD COMMISSIONS OF THE STATE.

17 (iii) 21.8% TO THE CITIES AND VILLAGES OF THE STATE.

18 (3) ~~—(2)—~~ If a distribution formula is not enacted into law
 19 for any time period beginning after September 30, ~~—2000—~~ 2004,
 20 the following amounts are appropriated each fiscal year thereaf-
 21 ter with the balance reverting to the Michigan transportation
 22 fund until a distribution formula is enacted:

23 (a) An amount is apportioned and appropriated to the compre-
 24 hensive transportation fund sufficient to pay the principal and
 25 interest payments due on bonds and notes issued for comprehensive
 26 transportation purposes under section 18b.

1 (b) An amount is apportioned and appropriated to the state
2 trunk line fund sufficient to pay the principal and interest
3 payments due on bonds and notes issued for those purposes for
4 which the state transportation commission may issue bonds and
5 notes under section 18b, except for those bonds and notes issued
6 for comprehensive transportation purposes, and sufficient to pay
7 the obligations of the state trunk line fund pursuant to con-
8 tracts entered into under section 18d, which contributions are
9 pledged for the payment of principal and interest on bonds issued
10 under section 18d.

11 (c) An amount is apportioned and appropriated to county road
12 commissions sufficient to pay the principal and interest payments
13 due on bonds and notes described in section 12(8).

14 (d) An amount is apportioned and appropriated to cities and
15 villages sufficient to pay the principal and interest payments
16 due on bonds and notes described in section 13(3)(a).

17 (4) ~~-(3)-~~ The money appropriated pursuant to this section
18 shall be used for the purposes as provided in this act and any
19 other applicable act. Subject to the requirements of section 9b,
20 the department shall develop programs in conjunction with the
21 Michigan state chamber of commerce and the Michigan minority
22 business development council to assist small businesses, includ-
23 ing those located in enterprise zones and those located in empow-
24 erment zones as determined under federal law, as defined by law
25 in becoming qualified to bid.

26 (5) ~~-(4)-~~ The distribution formula enacted into law after
27 September 30, ~~-2000-~~ 2004 shall not adversely affect the ability

1 of the state or a city, village, county, or county road
2 commission which has issued bonds or notes payable from the
3 Michigan transportation fund or the motor vehicle highway fund to
4 pay the debt service on those bonds or notes.

5 (6) ~~—(5)—~~ Thirty-one and one-half percent of the funds
6 appropriated to this state from the federal government pursuant
7 to 23 U.S.C. 157, commonly known as minimum guarantee funds,
8 shall be allocated to the transportation economic development
9 fund, if such an allocation is consistent with federal law.
10 These funds shall be distributed 16-1/2% for development projects
11 for rural counties as defined by law and 15% for capacity
12 improvement or advanced traffic management systems in urban coun-
13 ties as defined by law. Federal funds allocated for distribution
14 under this section shall be eligible for obligation and use by
15 all recipients as defined by the ~~intermodal surface transporta-~~
16 ~~tion efficiency act of 1991, Public Law 102-240, 105 Stat. 1914-~~
17 TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY, PUBLIC LAW
18 105-178, 112 STAT. 107.

19 Sec. 10a. (1) Annually the state transportation department
20 shall determine the miles of state trunk line highways, county
21 primary and local roads, and city and village major and local
22 streets transferred to and from state, county, city, or village
23 jurisdiction during the preceding period of July 1 to June 30.
24 In each year after that determination, the transferred mileage
25 shall be accumulated and added to the mileage transferred in each
26 subsequent July 1 to June 30 period.

1 (2) ~~The~~ EACH COUNTY SHALL DETERMINE ANNUALLY THE current
2 average revenue worth per mile of a county primary road and a
3 county local road ~~shall be determined annually~~ by dividing the
4 total county primary and local road mileages respectively as of
5 the first day of the preceding July 1 to June 30 period into the
6 total amount of Michigan transportation funds returned to
7 ~~counties~~ THAT COUNTY pursuant to this act for use on county
8 primary and local roads respectively during that period, except
9 money returned to ~~counties~~ THAT COUNTY pursuant to section
10 12(2) and (3).

11 ~~(3) The total amount of money to be transferred from and to~~
12 ~~the state trunk line fund, the counties, cities, and villages~~
13 ~~shall be determined annually by multiplying the current revenue~~
14 ~~worth per mile of a county primary road and a county local road~~
15 ~~respectively by the number of accumulated miles in each category~~
16 ~~transferred from and to state, county, city, or village~~
17 ~~jurisdiction. If the transferred facility becomes classified as~~
18 ~~part of the local road or street system of the receiving juris-~~
19 ~~diction, the transfer of money shall be calculated on the basis~~
20 ~~of the revenue worth per mile of a county local road. In any~~
21 ~~other category of jurisdictional transfer, the transfer of money~~
22 ~~shall be calculated on the basis of the revenue worth per mile of~~
23 ~~a county primary road.~~

24 (3) EACH CITY AND VILLAGE SHALL DETERMINE ANNUALLY THE CUR-
25 RENT AVERAGE REVENUE WORTH PER MILE OF THEIR MAJOR STREETS AND
26 THEIR LOCAL STREETS BY DIVIDING THEIR TOTAL MAJOR STREET AND
27 LOCAL STREET MILEAGES RESPECTIVELY, AS OF THE FIRST DAY OF THE

1 PRECEDING JULY 1 TO JUNE 30 PERIOD, INTO THE TOTAL AMOUNT OF
2 MICHIGAN TRANSPORTATION FUNDS RETURNED TO THE CITY OR VILLAGE
3 PURSUANT TO THIS ACT FOR USE ON MAJOR AND LOCAL STREETS RESPEC-
4 TIVELY DURING THAT PERIOD, EXCEPT MONEY RETURNED TO THEIR COUNTY
5 PURSUANT TO SECTION 12(2) AND (3).

6 (4) THE STATE TRANSPORTATION DEPARTMENT SHALL DETERMINE
7 ANNUALLY THE CURRENT AVERAGE REVENUE WORTH PER MILE OF STATE
8 TRUNK LINE HIGHWAYS BY DIVIDING THE TOTAL STATE TRUNK LINE HIGH-
9 WAY ROAD MILEAGE AS OF THE FIRST DAY OF THE PRECEDING JULY 1 TO
10 JUNE 30 PERIOD INTO THE TOTAL AMOUNT OF MICHIGAN TRANSPORTATION
11 FUNDS RETURNED TO THE STATE TRUNK LINE FUND PURSUANT TO THIS ACT
12 FOR USE ON STATE TRUNK LINE HIGHWAYS DURING THAT PERIOD.

13 (5) ~~-(4)-~~ For jurisdictional transfers made from the state
14 to a county, city, or village after July 1, 1992, the amount in
15 the state trunk line fund to be transferred shall be transferred
16 to the county, city, or village receiving jurisdiction. ~~-If the~~
17 ~~transferred highway is then classified as part of the local road~~
18 ~~or street system of the receiving jurisdiction, the transfer of~~
19 ~~money to the receiving jurisdiction shall be calculated on the~~
20 ~~basis of the revenue worth per mile of a county local road as~~
21 ~~determined in subsection (2). If the transferred highway is then~~
22 ~~classified as part of the primary road or major street system of~~
23 ~~the receiving jurisdiction, the transfer of money to the receiv-~~
24 ~~ing jurisdiction shall be calculated on the basis of the revenue~~
25 ~~worth per mile of a county primary road as determined in~~
26 ~~subsection (2).~~ THE TRANSFER OF MONEY TO THE RECEIVING
27 JURISDICTION SHALL BE CALCULATED ON THE BASIS OF THE REVENUE

1 WORTH PER MILE OF STATE TRUNK LINE HIGHWAYS AS DETERMINED IN
2 SUBSECTION (4). FOR JURISDICTIONAL TRANSFERS MADE FROM A COUNTY
3 TO THE STATE AFTER JULY 1, 2001, THE AMOUNT TO BE TRANSFERRED
4 SHALL BE TRANSFERRED FROM THE PORTION OF THE MICHIGAN TRANSPORTA-
5 TION FUND RECEIVED BY THE COUNTY THAT IS TRANSFERRING JURISDIC-
6 TION TO THE STATE. THE AMOUNT TRANSFERRED SHALL BE CALCULATED ON
7 THE BASIS OF THE REVENUE WORTH PER MILE OF THE PRIMARY OR LOCAL
8 ROAD TO BE TRANSFERRED AS DETERMINED IN SUBSECTION (2). FOR
9 JURISDICTIONAL TRANSFERS MADE FROM A CITY OR VILLAGE TO THE STATE
10 AFTER JULY 1, 2001, THE AMOUNT TO BE TRANSFERRED SHALL BE TRANS-
11 FERRED FROM THE PORTION OF THE MICHIGAN TRANSPORTATION FUND
12 RECEIVED BY THE CITY OR VILLAGE THAT IS TRANSFERRING JURISDICTION
13 TO THE STATE. THE AMOUNT TRANSFERRED SHALL BE CALCULATED ON THE
14 BASIS OF THE REVENUE WORTH PER MILE OF THE MAJOR OR LOCAL STREET
15 TO BE TRANSFERRED AS DETERMINED IN SUBSECTION (3). This subsec-
16 tion and subsection ~~-(5)-~~ (6) shall not be construed to effect
17 contracts entered into before or after the effective date of this
18 subsection pursuant to ~~Act No. 166 of the Public Acts of 1965,~~
19 ~~being sections 408.551 to 408.558 of the Michigan Compiled Laws~~
20 1965 PA 166, MCL 408.551 TO 408.558, for the maintenance of a
21 transferred highway.

22 (6) ~~-(5)-~~ In cities and villages with a population of 25,000
23 or more, trunk line mileage that is transferred to local juris-
24 diction after July 1, 1992 and is then classified as a major
25 street shall be certified at twice its measured length.

1 (7) ~~—(6)—~~ The transfer of funds under this section shall be
2 included each year in the October appropriation of the Michigan
3 transportation fund.

4 Sec. 10e. (1) The comprehensive transportation fund is
5 appropriated for each fiscal year in the following order of
6 priority.

7 (2) The first priority is to pay, but only from money
8 restricted as to use by section 9 of article IX of the state con-
9 stitution of 1963, the principal and interest on bonds or notes
10 issued under section 18b for comprehensive transportation pur-
11 poses as defined by law. A sufficient portion of the comprehen-
12 sive transportation fund is irrevocably appropriated to pay, when
13 due, the principal and interest on those bonds and notes.

14 (3) After making or setting aside payments required by sub-
15 section (2), the second priority of the comprehensive transporta-
16 tion fund is the payment of the department's cost in administer-
17 ing the comprehensive transportation fund. The amount to be
18 expended pursuant to this subsection shall not exceed the costs
19 appropriated for the administration of the fund in the fiscal
20 year ending September 30, 1987, as adjusted annually on October
21 1, by the change for the preceding 12 months in the Detroit con-
22 sumer price index for urban wage earners and shall be appropri-
23 ated annually by the legislature.

24 (4) After making or setting aside payments required by sub-
25 sections (2) and (3), the balance of the comprehensive transpor-
26 tation fund shall be expended each fiscal year as appropriated

1 annually by the legislature pursuant to the state transportation
2 program approved by the commission as follows:

3 (a) The third priority shall be the payment of operating
4 grants to eligible authorities and eligible governmental agencies
5 according to the following formulations and subject to the fol-
6 lowing requirements:

7 (i) For the fiscal year ending September 30, 1998, and for
8 each fiscal year thereafter, each eligible authority and eligible
9 governmental agency which provides public transportation services
10 in urbanized areas under Public Law 103-272, 49 U.S.C. 5307, with
11 a Michigan population greater than 100,000 shall receive a grant
12 of ~~up to~~ 50% of their eligible operating expenses as defined by
13 the state transportation department.

14 (ii) For the fiscal year ending September 30, 1998, and each
15 fiscal year thereafter, each eligible authority and eligible gov-
16 ernmental agency which provides public transportation services in
17 urbanized areas with a Michigan population less than or equal to
18 100,000 and nonurbanized areas under Public Law 103-272, 49
19 U.S.C. 5311, shall receive a grant of ~~up to~~ 60% of their eligi-
20 ble operating expenses as defined by the state transportation
21 department. For purposes of receiving a grant under this sub-
22 paragraph in nonurbanized areas, eligible costs of services pro-
23 vided by water vehicle shall be reimbursed at not less than 50%
24 of the portion of the costs not eligible for reimbursement by the
25 federal government.

26 (iii) Funds shall not be distributed to an eligible
27 authority or eligible governmental agency under this act unless

1 the eligible authority or eligible governmental agency provides
2 or agrees to provide preferential fares for public transportation
3 services to persons 65 years of age or over or persons with dis-
4 abilities riding in off peak periods of service. As used in this
5 section, "person with disabilities" means an individual with a
6 disability as that term is defined in 61 F.R.P. 56424 (November
7 1, 1996) and 49 C.F.R. part 27. The preferential fares shall not
8 be higher than 50% of the regular 1-way single fare.

9 (iv) Eligible authorities and eligible governmental agencies
10 shall not engage in charter service using vehicles, facilities,
11 or equipment funded under this act except on an incidental basis
12 as defined by 49 C.F.R. part 604.

13 (v) Notwithstanding any other provision of this subsection,
14 for the fiscal year ending September 30, 1998, each eligible
15 authority and eligible governmental agency shall receive a dis-
16 tribution from the comprehensive transportation fund not less
17 than the distribution received for eligible operating expenses
18 for the fiscal year ending September 30, 1997. Beginning with
19 the fiscal year ending September 30, ~~1998~~ 1999 and each fiscal
20 year thereafter, each eligible authority and eligible governmen-
21 tal agency shall receive a distribution from the comprehensive
22 transportation fund for eligible operating expenses not less than
23 the distribution received for the fiscal year ending
24 September 30, ~~1997~~ 1998. As it relates to this subsection the
25 ratio between comprehensive transportation funds and local funds
26 in the fiscal year ending September 30, 1989 shall be maintained
27 for all fiscal years by the eligible authority and eligible

1 governmental agency. Reductions in this ratio shall require a
2 proportionate reduction in the comprehensive transportation funds
3 provided for any fiscal year.

4 (vi) Each eligible authority and eligible governmental
5 agency receiving comprehensive transportation funds shall prepare
6 and submit to the department a quarterly report of the progress
7 made in carrying out its local transportation program within 40
8 days after the end of each fiscal year quarter. The progress
9 report shall be made on forms authorized by the United States
10 department of transportation under the provisions of the surface
11 transportation and uniform relocation assistance act of 1987,
12 Public Law 100-17, 101 Stat. 132.

13 (vii) The department shall periodically adjust or redistrib-
14 ute comprehensive transportation funds previously distributed
15 under this subdivision.

16 (b) For the fiscal year ending September 30, 1997, and each
17 fiscal year thereafter, not less than 10% shall be distributed by
18 the department for intercity passenger and intercity freight
19 transportation purposes.

20 (c) For the fiscal year ending September 30, 1997, and each
21 fiscal year thereafter, funds remaining in the fund after payment
22 of the amounts required by subdivisions (a) and (b) shall be dis-
23 tributed by the department for public transportation purposes.
24 For the fiscal year ending September 30, 1998, and each fiscal
25 year thereafter, funds shall be made available to match all
26 projects for eligible authorities and eligible governmental
27 agencies that are approved for federal funding as provided by

1 federal law and for which an approved transportation improvement
2 program (TIP) and state transportation improvement plan (STIP)
3 exist. Funds distributed under this subdivision shall be
4 expended pursuant to specific line item appropriation for, but
5 are not limited to, the following public transportation
6 purposes:

7 (i) The specialized services assistance program. The spe-
8 cialized services assistance program shall be funded with not
9 less than \$3,600,100.00 from funds distributed under this
10 subdivision. Funds shall be distributed according to guidelines
11 developed by the department based upon the following
12 considerations:

13 (A) Proposals for coordinated specialized services assist-
14 ance funding shall be developed jointly between existing eligible
15 authorities or eligible governmental agencies that provide public
16 transportation services and the area agencies on aging or any
17 other organization representing specialized services interests,
18 as defined in this subdivision. Plans shall be reviewed and
19 approved by the bureau of urban and public transportation of the
20 department. Upon approval, the department shall release the
21 funds to the eligible authority or eligible governmental agency
22 which shall then allocate the funds to the area agency on aging
23 or any other organization representing specialized services
24 interests, as defined in this subdivision for the purchase of
25 services as approved in the plan by the department.

26 (B) If an eligible authority or eligible governmental agency
27 does not exist to provide public transportation service in a

1 county, coordinated proposals for specialized services assistance
2 funding may be submitted by the area agency on aging or any other
3 organization representing specialized services interests, as
4 defined in this subdivision. The proposals shall be reviewed and
5 approved by the bureau of urban and public transportation of the
6 department. Upon approval, the department shall release the
7 funds to the area agency on aging or any other organization rep-
8 resenting specialized services interests, as defined in this sub-
9 division for the purchase of services as approved in the plan by
10 the department.

11 (C) For the purposes of this program, "specialized services"
12 means public transportation primarily designed for persons with
13 disabilities or persons who are 65 years of age or older.

14 (ii) Local bus capital. For the fiscal year ending
15 September 30, 1998 and each fiscal year thereafter, not less than
16 \$8,000,000.00 will be distributed for ~~either matching federal~~
17 ~~funds for local bus capital or~~ 100% capital projects for eligi-
18 ble authorities and eligible governmental agencies that are not
19 eligible to receive federal capital formula funds under section
20 5307 of the federal intermodal surface transportation efficiency
21 act, Public Law 102-240, or any successor act.

22 (iii) Local bus new services.

23 (iv) Not less than \$2,000,000.00 in each fiscal year for the
24 credit program established under section 10/.

25 (v) Public transportation development.

26 (vi) Other public transportation programs approved by the
27 commission.

1 (d) The unappropriated and unencumbered balance of the
2 comprehensive transportation fund lapses at the end of each
3 fiscal year and reverts to the comprehensive transportation fund
4 for appropriation in the following fiscal year.

5 (5) Eligible authorities and eligible governmental agencies
6 shall receive capital grants each fiscal year by the annual pro-
7 cess described in this section. Amounts received by an eligible
8 authority or eligible governmental agency pursuant to this sub-
9 section shall be expended by that authority or agency solely for
10 capital projects which have been approved by the state transpor-
11 tation commission. Any funds approved by distribution to an eli-
12 gible authority or eligible governmental agency pursuant to this
13 section which have not been encumbered by that agency or author-
14 ity for an approved capital project by the end of the following
15 fiscal year in which the funds were approved shall not be
16 expended by the authority or agency and be available for distri-
17 bution from the comprehensive transportation fund for the pur-
18 poses described in this section.

19 (6) The department, in carrying out the policy of the state
20 transportation commission, shall annually prepare and distribute
21 by December 1, instructions to eligible governmental agencies,
22 eligible authorities, and intercity carriers to enable the prepa-
23 ration of a local transportation program. Eligible governmental
24 agencies, eligible authorities, and intercity carriers shall give
25 public notice of their intent to apply for money in the compre-
26 hensive transportation fund to the residents of the counties,
27 townships, villages, and cities affected by the local

1 transportation program and shall make their application available
2 for a period of 30 days. All comments received by the eligible
3 governmental agency, eligible authority, or intercity carrier
4 shall be transmitted to the department.

5 (7) On or before March 1 of each year, each intercity carri-
6 er, eligible authority, and eligible governmental agency shall
7 submit to the department its local transportation program for the
8 next succeeding fiscal year. The format for each local transpor-
9 tation program shall be as prescribed by the federal transporta-
10 tion improvement program insofar as practical and shall include
11 project descriptions, funding sources, and justification for each
12 line item, and summary budgets based on distributions anticipated
13 under subsection (4). The program shall contain at a minimum the
14 contemplated routes, hours of service, estimated transit vehicle
15 miles, costs of public transportation services, and projected
16 capital improvements or projects as exclusively determined by the
17 eligible authority or eligible governmental agency. The costs of
18 service and capital improvements or projects shall be in suffi-
19 cient detail to permit the state transportation department to
20 evaluate and approve the annual public transportation program.
21 Determination of individual projects to be included in the local
22 transportation programs other than those provided in this subsec-
23 tion shall be made by the governing body of the eligible author-
24 ity or eligible governmental agency.

25 (8) On or before March 1 of each year, the department shall
26 prepare and file for public inspection and review the department
27 transportation program. The department transportation program

1 shall be prepared on similar format to the local transportation
2 programs, and shall include a summary description of projects,
3 with funding sources and project justifications for each line
4 item for the fiscal year immediately succeeding the fiscal year
5 in which the program is submitted. In addition, the department
6 transportation program shall include summary, nondetailed budget
7 and project descriptions and justifications excluding projects
8 contained in a local transportation program.

9 (9) On or before April 1 of each year, the department shall
10 prepare and file with the commission the proposed state transpor-
11 tation program for the next succeeding fiscal year. The proposed
12 state transportation program shall contain the local transporta-
13 tion programs of each intercity carrier, eligible authority and
14 eligible governmental agency, the department transportation pro-
15 gram, and the programs for the expenditure of the state trunk
16 line fund as they may have been supplemented, amended, or modi-
17 fied since their original filing. The state transportation pro-
18 gram shall include the estimated amount of money in the funds
19 described in this subsection by revenue source, project justifi-
20 cations, project descriptions funding sources, and budget
21 summaries.

22 (10) On or before May 1 of each year, the state transporta-
23 tion commission shall act on the state transportation program for
24 the fiscal year commencing on the following October 1. In con-
25 sidering approval of the proposed projects of each intercity car-
26 rier, eligible authority, or eligible governmental agency, other
27 than projects which are to be funded pursuant to subsection (5),

1 the state transportation commission shall consider whether the
2 projects comply with state law, are within funds allocated in
3 this section, whether they may be funded within the approved bud-
4 gets, whether there are intercity carriers, eligible authorities,
5 and eligible governmental agencies responsible to implement the
6 projects, and the recommendations of the department on individual
7 projects. Upon making those determinations, the state transpor-
8 tation commission shall approve the projects which best meet the
9 criteria of this subsection.

10 (11) By October 1, the department and each intercity carri-
11 er, eligible authority, or eligible governmental agency shall
12 enter into a contractual agreement or standardized grant memoran-
13 dum of agreement, which may cover 1 or more projects to be made
14 from this section in the applicable fiscal year to the intercity
15 carrier, eligible authority, or eligible governmental agency from
16 the comprehensive transportation fund.

17 (12) After a multiyear public transportation program is
18 approved by the state transportation commission, the state trans-
19 portation department may enter into a grant-in-aid instrument
20 with an eligible authority, intercity carrier, or eligible gov-
21 ernmental agency obligating the state to a minimum level of fund-
22 ing for approved projects to be available over the multiyear
23 period of the program. This obligation shall be binding upon the
24 state transportation department as long as the provisions and
25 conditions of the state transportation commission approved pro-
26 gram are carried out as agreed.

1 (13) Contracts and grant memorandum agreements may be
2 audited by the state transportation commission's office of
3 commission audits using rules promulgated by the United States
4 general accounting office and the terms and conditions of the
5 respective contracts and agreements. Third party agreements are
6 subject to the review and approval of the department.

7 (14) Funds distributed by the department may pay 100% of the
8 portion of the cost not eligible for reimbursement by the federal
9 government for eligible capital projects authorized by the state
10 transportation commission using comprehensive transportation
11 funds or the proceeds of notes and bonds issued under section
12 18b. Priority for funding obligation shall be given to capital
13 projects for which federal funds have been authorized.

14 (15) All approved local bus new services initiated by eligi-
15 ble authorities and eligible governmental agencies not in their
16 fourth year or beyond of funding on October 1, 1988, shall be
17 funded from subsection (4)(c)(iii). Local bus new services shall
18 be funded under subsection (4)(c)(iii) in the following percen-
19 tages of eligible operating expenses as determined by the
20 department:

21 (a) Startup 100%.

22 (b) First year 90%.

23 (c) Second year 80%.

24 (d) Third year 70%.

25 (e) Fourth year and each year thereafter, as determined by
26 and from funds provided under subsection (4)(a). The balance of
27 eligible operating expenses shall be met from local revenue

1 sources including farebox. The department shall pay up to 100%
2 of eligible capital expenses during the startup and first 3 years
3 of service. ~~—after~~ AFTER the third year, the department shall
4 participate in eligible capital expenses in the same percentage
5 as for other eligible authorities and eligible governmental
6 agencies. For the purposes of this subsection, eligible operat-
7 ing and capital expenses means those expenses determined by the
8 department as applicable to existing eligible authorities and
9 eligible governmental agencies. The department shall prioritize
10 annually all requests for comprehensive transportation funds to
11 institute new services under this subsection. First priority
12 shall be given to eligible authorities and eligible governmental
13 agencies who have not completed their first 3 years of service by
14 October 1, 1998. New services initiated by eligible authorities
15 and eligible governmental agencies under this subsection shall
16 meet all of the requirements of section 10.

17 (16) The department shall pay up to 80% of the portion of
18 the cost not eligible for reimbursement by the federal government
19 for intercity passenger operating assistance projects authorized
20 by the commission for the first 2 years of new services. For the
21 third year, eligible costs shall be reimbursed at up to 60% of
22 the portion of the cost not eligible for reimbursement by the
23 federal government. After the third year, eligible costs shall
24 be reimbursed at up to 50% of the portion of the cost not eligi-
25 ble for reimbursement by the federal government. Eligible costs
26 of services provided as of September 30, 1981, shall be
27 reimbursed at up to 50% of the portion of the cost not eligible

1 for reimbursement by the federal government. However, the amount
2 of funds from the comprehensive transportation fund when added to
3 federal funds and local funds shall not exceed the total operat-
4 ing assistance project cost.

5 (17) A vehicle purchased, leased, or rented after
6 November 15, 1976, by an eligible authority or eligible govern-
7 mental agency with funds made available under this act, which
8 funds were not already committed under a contract in existence on
9 November 15, 1976, shall not be used to provide service on a
10 fixed schedule and fixed route for which a passenger fee is
11 charged unless the vehicle is accessible to a person using a
12 wheelchair from a roadway level or curb level, and has accommoda-
13 tions in which 1 or more wheelchairs can be secured.

14 (18) A vehicle shall not be purchased, leased, or rented by
15 an eligible authority or eligible governmental agency after
16 October 1, 1978, with funds made available under this act which
17 vehicle is used to provide demand actuated service unless the
18 eligible authority or eligible governmental agency has submitted
19 a plan to the state transportation department describing the
20 service to be provided by the demand actuated service to persons
21 65 years of age or older and persons with disabilities within the
22 applicable service area and that plan has been approved by the
23 department. The department shall approve the plan as submitted
24 or modified or shall reject the plan within 60 days after the
25 plan is submitted. A plan which describes the service to be pro-
26 vided by the demand actuated service shall not be approved by the
27 department unless that plan provides the following:

1 (a) That demand actuated service will be provided to persons
2 65 years of age or older and persons with disabilities residing
3 in the entire service area subject to the plan.

4 (b) That as a minimum, demand actuated service will be pro-
5 vided to persons 65 years of age or older and persons with dis-
6 abilities during the same hours as service is provided to all
7 other persons in the service area subject to the plan.

8 (c) That the average time period required for demand actu-
9 ated service to persons 65 years of age or older and persons with
10 disabilities from the initiation of a service request to arrival
11 at the destination is equal to the average time period required
12 for demand actuated service provided to all other persons in the
13 service area subject to the plan.

14 (d) That the eligible authority or eligible governmental
15 agency submitting the plan has established a local advisory coun-
16 cil with not less than 50% of its membership representing persons
17 65 years of age or older and persons with disabilities within the
18 service area subject to the plan and that the local advisory
19 council has had an opportunity to review and comment upon the
20 plan before its submission to the department. Each eligible
21 authority or eligible governmental agency jointly with the area
22 agency on aging shall approve at least 1 or the equivalent of 12%
23 of the membership of the local advisory council. Each advisory
24 council comment shall be included in the plan when submitted to
25 the department.

26 (19) Notwithstanding subsection (18), a plan required by
27 subsection (18) which is not approved or rejected by the state

1 transportation department within 60 days after submission shall
2 be considered approved as submitted.

3 (20) Subsections (17), (18), and (19) shall not apply to
4 vehicles or facilities used to transport persons by rail, air, or
5 water or to vehicles of common carriers licensed by the state
6 transportation department.

7 (21) After January 1, 1979, the department shall submit an
8 annual report to the legislature detailing the service provided
9 in the prior year for persons 65 years of age or older and per-
10 sons with disabilities by fixed route service and demand actuated
11 service. This report shall include a record of passenger usage
12 and shall be submitted by April 1 of each year.

13 (22) Notwithstanding any other provision of this section, if
14 the ~~unreserved balance of the~~ comprehensive transportation fund
15 ~~as of September 30, 1997 is greater than \$50,000,000.00, then~~
16 ~~the entire unreserved balance minus \$50,000,000.00 shall be~~
17 ~~appropriated for the fiscal year ending September 30, 1998 only~~
18 ~~to local bus transit authorities for discretionary capital~~
19 ~~expenditures. These funds shall be distributed to individual~~
20 ~~authorities in the same proportion provided for in the provisions~~
21 ~~of section 10e(4)(a)(i) except that the costs of services pro-~~
22 ~~vided by water vehicle shall not be eligible for reimbursement~~
23 CONTAINS AN UNRESERVED BALANCE AS OF THE END OF ANY FISCAL YEAR,
24 THAT BALANCE SHALL BE APPROPRIATED ONLY TO ELIGIBLE AUTHORITIES
25 AND ELIGIBLE GOVERNMENTAL AGENCIES TO MEET THE FUNDING LEVEL
26 SPECIFIED IN SUBSECTION (4)(A)(i) AND (ii). THESE FUNDS SHALL BE
27 DISTRIBUTED IN THE SAME PROPORTION PROVIDED FOR IN SUBSECTION

1 (4)(A)(i) AND (ii) EXCEPT THAT THE COSTS OF SERVICES PROVIDED BY
2 WATER VEHICLE SHALL NOT BE ELIGIBLE FOR REIMBURSEMENT. IF AN
3 UNRESERVED BALANCE STILL REMAINS, THE REMAINING FUNDS SHALL BE
4 APPROPRIATED AND DISTRIBUTED FOR DISCRETIONARY CAPITAL EXPENDI-
5 TURES IN THE SAME PROPORTION PROVIDED FOR IN SUBSECTION (4)(A)(i)
6 AND (ii).

7 Sec. 10h. (1) By May 1 of each year the state transporta-
8 tion commission shall report to each member of the legislature,
9 the governor, and the auditor general its recommendations for a
10 transportation program which the state transportation commission
11 acts on under section 10e(10). The report shall specify the
12 following:

13 (a) The estimated amount of money in the comprehensive
14 transportation fund to be distributed in the following fiscal
15 year and the amount of money in the comprehensive transportation
16 fund to be distributed to each eligible authority, each intercity
17 carrier, each eligible governmental agency, and the state trans-
18 portation department; the estimated amount of money in the state
19 trunk line fund to be distributed to the state transportation
20 department for the maintenance, as defined in section 11, of
21 state trunk line highways; and the estimated amount of money in
22 the state trunk line fund to be distributed to the state trans-
23 portation department for all other purposes in the following
24 fiscal year. The report shall further subdivide the money to be
25 distributed to each eligible authority, each intercity carrier,
26 each eligible governmental agency, the state transportation
27 department from the comprehensive transportation fund, the state

1 transportation department from the state trunk line fund for the
2 maintenance of state trunk line highways, and the state transpor-
3 tation department from the state trunk line fund for all other
4 purposes specifying how much of that money is proposed to be
5 expended for either capital acquisitions, including demonstration
6 projects, or for operating expenses, including demonstration
7 projects.

8 (b) An account of all expenditures of funds distributed from
9 the state trunk line fund and the comprehensive transportation
10 fund to the state transportation department, eligible authori-
11 ties, intercity carriers, and eligible governmental agencies, and
12 the progress made by the state transportation department, eligi-
13 ble authorities, intercity carriers, and eligible governmental
14 agencies in carrying out the approved transportation programs in
15 the preceding fiscal year through the use of those funds. The
16 progress report shall be made based on information supplied to
17 the state transportation department on forms authorized by the
18 federal department of transportation. For those eligible author-
19 ities, intercity carriers, and eligible governmental agencies not
20 receiving federal funds pursuant to the urban mass transportation
21 act of 1964, Public Law 88-365, the progress report shall be made
22 upon forms supplied by the state transportation department. The
23 progress report shall also contain the whole amount of the
24 expenses of the state transportation department for the fiscal
25 year.

26 (c) Each project certified to be eligible for a multiyear
27 funding commitment.

(d) The status of all multiyear funding commitments.

(e) An account of the state transportation department's compliance in the preceding year with the requirements of section 11(2) and (3). The report shall also specify the justification for a waiver of the requirement of section 11(3), if that requirement was waived.

(2) THE FAILURE OF THE COMMISSION TO SUBMIT THE REPORTS REQUIRED BY SUBSECTION (1) SHALL RESULT IN 20% OF THE FUNDS FROM THE STATE TRUNK LINE FUND TO BE WITHHELD FROM THE STATE TRANSPORTATION DEPARTMENT UNTIL SUCH TIME AS THE REPORTS ARE SUBMITTED.

(3) ~~-(2)-~~ The financial transactions and accounts related to distributions made from the comprehensive transportation fund to an eligible authority created under the metropolitan transportation authorities act of 1967, ~~Act No. 204 of the Public Acts of 1967, as amended, being sections 124.401 to 124.425 of the Michigan Compiled Laws~~ 1967 PA 204, MCL 124.401 TO 124.426, shall be audited pursuant to that act. The cost of the audit shall be paid by the eligible authority. The financial transactions and accounts related to distributions made from the fund to an eligible governmental agency, other than a county, shall be audited in accordance with the uniform budgeting and accounting act, ~~Act No. 2 of the Public Acts of 1968, as amended, being sections 141.421 to 141.440a of the Michigan Compiled Laws~~ 1968 PA 2, MCL 141.421 TO 141.440A. The financial transactions and accounts related to distributions made from the fund to a county which is an eligible governmental agency shall be audited in accordance with ~~Act No. 71 of the Public Acts of 1919, as~~

1 amended, being sections 21.41 to 21.54 of the Michigan Compiled
 2 Laws 1919 PA 71, MCL 21.41 TO 21.55. The financial transactions
 3 and accounts relative to distributions made to an intercity car-
 4 rier shall be audited by an independent certified public accoun-
 5 tant in accordance with instructions promulgated by the depart-
 6 ment of treasury. A copy of the complete audit report and man-
 7 agement letter shall be submitted by the eligible authority,
 8 intercity carrier, or eligible governmental agency to the state
 9 transportation department. The department of treasury shall
 10 develop minimum audit standards and requirements.

11 (4) ~~-(3)-~~ There is hereby established a task force composed
 12 of the Michigan public transit association, the Michigan motorbus
 13 association, the Michigan rail users and supporters association,
 14 the Michigan railroad association, a representative of a
 15 state-owned or leased short line railroad, and the office of
 16 auditor general or a certified public accountant appointed by the
 17 auditor general, to assist the department in the development of
 18 the progress report requirements outlined in subsection (1)(b).

19 Sec. 10o. (1) ~~Twenty-three to twenty-seven percent~~ NOT
 20 LESS THAN 25% of the ~~DOT-FHWA~~ FEDERAL highway research, plan-
 21 ning, and construction ~~federal~~ funds appropriated to this state
 22 from the federal government for road ~~and bridge~~ construction
 23 shall be allocated to programs administered by local jurisdic-
 24 tions after deduction of the following:

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

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

3 (2) Federal aid excluded from the calculation of funding
4 allocated to programs administered by local jurisdictions in sub-
5 section (1) includes, but is not limited to, congestion mitiga-
6 tion and air quality funds, ~~federal bridge funds,~~ transporta-
7 tion enhancement funds, SAFETY ENHANCEMENT FUNDS, funds distrib-
8 uted at the discretion of the United States secretary of trans-
9 portation, and congressionally designated funds.

10 (3) NOT LESS THAN 25% OF THE FEDERAL HIGHWAY RESEARCH, PLAN-
11 NING, AND CONSTRUCTION FUNDS APPROPRIATED TO THIS STATE FROM THE
12 FEDERAL GOVERNMENT FOR BRIDGE PROGRAMS SHALL BE DEPOSITED IN THE
13 CRITICAL BRIDGE FUND.

14 (4) ~~-(3)-~~ The funds shall be distributed to eligible local
15 agencies for transportation purposes in a manner consistent with
16 state and federal law.

17 (5) ~~-(4)-~~ It is the intent of the legislature that federal
18 aid to highways allocated to local jurisdictions in subsection
19 (1) be distributed in a manner that produces a MINIMUM OF 25%
20 ~~average allocation~~ of applicable funds to programs for local
21 jurisdictions in each fiscal year through the fiscal year ending
22 September 30, ~~2000~~ 2005. Beginning in the fiscal year ending
23 September 30, ~~1999~~ 2001, the average allocation of applicable
24 federal aid to highway funds to programs for local jurisdictions
25 shall be the average of the amount distributed to local jurisdic-
26 tions under subsection (1) and similarly calculated distributions
27 in each succeeding fiscal year.

1 (6) THE STATE SHALL COORDINATE TRANSPORTATION PLANS,
2 PROGRAMS, AND PLANNING ACTIVITIES BY AGREEMENT WITH LOCAL OFFI-
3 CIALS IN NONMETROPOLITAN AREAS AND RURAL TASK FORCES, WITH
4 RELATED PLANNING ACTIVITIES BEING CARRIED OUT OUTSIDE OF METRO-
5 POLITAN PLANNING AREAS. THE STATE SHALL NOT SUBMIT A STATE
6 TRANSPORTATION IMPROVEMENT PROGRAM TO THE FEDERAL HIGHWAY ADMIN-
7 ISTRATION UNLESS SUCH AGREEMENTS ARE MADE.

8 (7) ON NOVEMBER 1 OF EACH YEAR, THE STATE TRANSPORTATION
9 DEPARTMENT SHALL PROVIDE AN ESTIMATE OF THE AMOUNT OF FEDERAL
10 HIGHWAY FUNDS THAT ARE ANTICIPATED FOR THAT FISCAL YEAR TO ALL
11 ELIGIBLE RECIPIENTS OF FEDERAL HIGHWAY FUNDS. ALL ELIGIBLE
12 RECIPIENTS MAY OBLIGATE, THROUGH A COMPETITIVE BID PROCESS, UP TO
13 80% OF THEIR ANTICIPATED FEDERAL REVENUE.

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

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

24 (i) For the payment of contributions required to be made by
25 the state highway commission or the state transportation commis-
26 sion under contracts entered into before July 18, 1979, under
27 1941 PA 205, MCL 252.51 to 252.64, which contributions have been

1 pledged before July 18, 1979, for the payment of the principal
2 and interest on bonds issued under 1941 PA 205, MCL 252.51 to
3 252.64, for the payment of which a sufficient sum is irrevocably
4 appropriated.

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

12 (iii) For the payment of the principal and interest on bonds
13 issued under section 18b for transportation purposes other than
14 comprehensive transportation purposes as defined by law and the
15 payment of contributions of the state highway commission or state
16 transportation commission to be made pursuant to contracts
17 entered into under section 18d, which contributions are pledged
18 to the payment of principal and interest on bonds issued under
19 the authorization of section 18d and contracts executed pursuant
20 to that section. A sufficient portion of the fund is irrevocably
21 appropriated to pay, when due, the principal and interest on
22 bonds or notes issued under section 18b for purposes other than
23 comprehensive transportation purposes as defined by law, and to
24 pay the annual contributions of the state highway commission and
25 the state transportation commission as are pledged for the pay-
26 ment of bonds issued pursuant to contracts authorized by section
27 18d.

1 (b) For the transfer of funds appropriated pursuant to
2 section 10(1)(g) to the transportation economic development fund,
3 but the transfer shall be reduced each fiscal year by the amount
4 of debt service to be paid in that year from the state trunk line
5 fund for bonds, notes, or other obligations issued to fund
6 projects of the transportation economic development fund, which
7 amount shall be certified by the department.

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

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

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

24 (iii) Consistent with the other requirements for these
25 funds, the first priority for funds deposited pursuant to this
26 subdivision for rail grade crossing improvements and retirement
27 shall be to match federal funds from the railroad-highway grade

1 crossing improvement program or other comparable federal
2 programs.

3 (iv) If federal funds from the railroad-highway grade cross-
4 ing improvement program or other comparable federal programs have
5 been exhausted, funds deposited pursuant to this subdivision
6 shall be used to fund 100% of grade crossing projects that
7 receive the highest priority of unfunded projects ~~pursuant to~~
8 ON THE BASIS OF criteria established by the department.

9 (v) State railroad grade crossing funds shall not be used,
10 either as 100% of project cost or to match federal
11 railroad-highway grade crossing improvement funds, for a crossing
12 that is determined by the department ~~pursuant to~~ ON THE BASIS
13 OF the criteria established by the department to be a lower pri-
14 ority than other projects that have not yet been funded.
15 However, if sufficient funds are available, these state railroad
16 grade crossing account funds may be used for not more than 50% of
17 a project's cost for a crossing that is determined by the depart-
18 ment ~~pursuant to~~ ON THE BASIS OF the criteria established by
19 the department to be a lower priority if the balance of not less
20 than 50% of the project's cost is provided by the road authority,
21 railroad, or other sources.

22 (vi) The type of railroad grade crossing improvement,
23 installation, relocation, or retirement of grade crossing sur-
24 faces, active and passive traffic control devices, pavement mark-
25 ing, or other related work shall be eligible for these railroad
26 grade crossing account funds in the same manner as the project
27 type eligibility provided by the federal funds from the

1 railroad-highway grade crossing improvement program, except for
2 the following:

3 (A) For new railroad crossings, these funds may be used for
4 the crossing surface, active and passive traffic control devices,
5 pavement marking, and other improvements necessitated by the new
6 crossing.

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

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

24 ~~(vii) This subdivision shall apply through September 30,~~
25 ~~2000.~~

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

1 (e) For the maintenance of state trunk line highways and
2 bridges.

3 (f) For the opening, widening, improving, construction, and
4 reconstruction of state trunk line highways and bridges, includ-
5 ing the acquisition of necessary rights of way and the work inci-
6 dental to that opening, widening, improving, construction, or
7 reconstruction. Those sums in the state trunk line fund not oth-
8 erwise appropriated, distributed, determined, or set aside by law
9 shall be used for the construction or reconstruction of the
10 national system of interstate and defense highways, referred to
11 in this act as "the interstate highway system" to the extent nec-
12 essary to match federal aid funds as the federal aid funds become
13 available for that purpose; and, for the construction and recon-
14 struction of the state trunk line system.

15 (g) The state transportation department may enter into
16 agreements with county road commissions and with cities and vil-
17 lages to perform work on a highway, road, or street. The agree-
18 ments may provide for the performance by any of the contracting
19 parties of any of the work contemplated by the contract including
20 engineering services and the acquisition of rights of way in con-
21 nection with the work, by purchase or condemnation by any of the
22 contracting parties in its own name, and for joint participation
23 in the costs, but only to the extent that the contracting parties
24 are otherwise authorized by law to expend money on the highways,
25 roads, or streets. The state transportation department also may
26 contract with a county road commission, city, and village to
27 advance money to a county road commission, city, and village to

1 pay their costs of improving railroad grade crossings on the
2 terms and conditions agreed to in the contract. A contract may
3 be executed before or after the state transportation commission
4 borrows money for the purpose of advancing money to a county road
5 commission, city, or village, but the contract shall be executed
6 before the advancement of any money to a county road commission,
7 city, or village by the state transportation commission, and
8 shall provide for the full reimbursement of any advancement by a
9 county road commission, city, or village to the state transporta-
10 tion department, with interest, within 15 years after advance-
11 ment, from any available revenue sources of the county road com-
12 mission, city, or village or, if provided in the contract, by
13 deduction from the periodic disbursements of any money returned
14 by the state to the county road commission, city, or village.

15 (h) For providing inventories of supplies and materials
16 required for the activities of the state transportation
17 department. The state transportation department may purchase
18 supplies and materials for these purposes, with payment to be
19 made out of the state trunk line fund to be charged on the basis
20 of issues from inventory in accordance with the accounting and
21 purchasing laws of the state.

22 (2) Notwithstanding any other provision of this act, at
23 least 90% of state revenue appropriated annually to the state
24 trunk line fund less the amounts described in subdivisions (a) to
25 (i) shall be expended annually by the state transportation
26 department for the maintenance of highways, roads, streets, and
27 bridges and for the payment of debt service on bonds, notes, or

1 other obligations described in subsection (1)(a) issued after
2 July 1, 1983, for the purpose of providing funds for the mainte-
3 nance of highways, roads, streets, and bridges. Of the amounts
4 appropriated for state trunk line projects, the department shall,
5 where possible, secure warranties of not less than 5-year full
6 replacement guarantee for contracted construction work. If an
7 appropriate certificate is filed under section 18e but only to
8 the extent necessary, this subsection shall not prohibit the use
9 of any amount of money restricted as to use by section 9 of arti-
10 cle IX of the state constitution of 1963 and deposited in the
11 state trunk line fund for the payment of debt service on bonds,
12 notes, or other obligations pledging for the payment thereof
13 money restricted as to use by section 9 of article IX of the
14 state constitution of 1963 and deposited in the state trunk line
15 fund, whenever issued, as specified under subsection (1)(a). The
16 amounts ~~which~~ THAT are deducted from the state trunk line fund
17 for the purpose of the calculation required by this subsection
18 are as follows:

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

22 (b) Amounts expended to provide the state matching require-
23 ment for projects on the national highway system and for the pay-
24 ment of debt service on bonds, notes, or other obligations issued
25 after July 1, 1983, for the purpose of providing funds for the
26 state matching requirements for projects on the national highway
27 system.

1 (c) Amounts expended for the construction of a highway,
2 street, road, or bridge to 1 or more of the following or for the
3 payment of debt service on bonds, notes, or other obligations
4 issued after July 1, 1983, for the purpose of providing funds for
5 the construction of a highway, street, road, or bridge to 1 or
6 more of the following:

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

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

12 (d) Amounts expended for capital outlay other than for high-
13 ways, roads, streets, and bridges or to pay debt service on
14 bonds, notes, or other obligations issued after July 1, 1983, for
15 the purpose of providing funds for capital outlay other than for
16 highways, roads, streets, and bridges.

17 (e) Amounts expended for the operating expenses of the state
18 transportation department other than the units of the department
19 performing the functions assigned on January 1, 1983 to the
20 bureau of highways.

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

23 (g) Amounts expended for the purposes described in subsec-
24 tion (5).

25 (h) Amounts appropriated for deposit in the transportation
26 economic development fund and the rail grade crossing account
27 pursuant to section ~~10(1)(g) and~~ 10(1)(a) AND (G).

1 (i) Upon the affirmative recommendation of the director of
2 the state transportation department and the approval by resolu-
3 tion of the state transportation commission, those amounts
4 expended for projects vital to the economy of the state, a
5 region, or local area or the safety of the public. The resolu-
6 tion shall state the cost of the project exempted from this
7 subsection.

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

18 (4) As used in this section:

19 (a) "Maintenance" and "maintaining" mean snow removal;
20 street cleaning and drainage; seal coating; patching and ordinary
21 repairs; erection and maintenance of traffic signs and markings;
22 safety projects; and the preservation, reconstruction, resurfac-
23 ing, restoration, and rehabilitation of highways, roads, streets,
24 and bridges. For the purposes of this section, maintenance and
25 maintaining ~~shall~~ ARE not ~~be~~ limited to the repair and
26 replacement of a road but ~~shall~~ include maintaining the
27 original intent of a construction project. If traffic patterns

1 indicate that this intent is no longer being met, the department
2 may expend funds to take corrective action and continue to ful-
3 fill its obligation of maintaining the department's original
4 objective for the construction project. However, maintenance and
5 maintaining do not include projects ~~which~~ THAT increase the
6 capacity of a highway facility to accommodate that part of the
7 traffic having neither origin nor destination within the local
8 area.

9 (b) "Maintenance" and "maintaining" include widening less
10 than lane width; adding auxiliary turning lanes of 1/2 mile or
11 less; adding auxiliary weaving, climbing, or speed change lanes;
12 and correcting substandard intersections.

13 (c) "Maintenance" and "maintaining" do not include the
14 upgrading of aggregate surface roads to hard surface roads.

15 (d) "Maintenance" and "maintaining" include the portion of
16 the costs of the units of the department performing the functions
17 assigned on January 1, 1983, to the bureau of highways expended
18 for the purposes described in subdivisions (a) and (b).

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

1 (6) County road commissions, cities, and villages may borrow
2 money from the proceeds of bonds or notes issued under section
3 18b or the state trunk line fund for the purposes set forth in
4 subsection (5) ~~which~~ THAT shall be repayable, with interest,
5 from 1 or more of the following:

6 (a) The money to be received by the county road commission,
7 city, or village from the Michigan transportation fund, except to
8 the extent the money has been or may in the future be pledged by
9 contract in accordance with 1941 PA 205, MCL 252.51 to 252.64, or
10 has been or may in the future be pledged for the payment of the
11 principal and interest upon notes issued ~~pursuant to~~ UNDER 1943
12 PA 143, MCL 141.251 to 141.254, or has been or may in the future
13 be pledged for the payment of principal and interest upon bonds
14 issued under section 18c or 18d, or has been or may in the future
15 be pledged for the payment of the principal and interest upon
16 bonds issued ~~pursuant to~~ UNDER 1952 PA 175, MCL 247.701 to
17 247.707.

18 (b) Any other legally available funds of the city, village,
19 or county road commission, other than the general funds of the
20 county.

21 (7) Loans made pursuant to subsection (5) if required by the
22 state transportation department may be payable by deduction by
23 the state treasurer, upon direction of the state transportation
24 department, from the periodic disbursements of any money returned
25 by the state under this act to the county road commission, city,
26 or village, but only after sufficient money has been returned to
27 the county road commission, city, or village to provide for the

1 payment of contractual obligations incurred or to be incurred and
2 principal and interest on notes and bonds issued or to be issued
3 under 1941 PA 205, MCL 252.51 to 252.64, 1943 PA 143, MCL 141.251
4 to 141.254, 1952 PA 175, MCL 247.701 to 247.707, or section 18c
5 or 18d. The interest rates and payment schedules of any loans
6 made from the proceeds of bonds or notes issued pursuant to sec-
7 tion 18b shall be established by the state transportation depart-
8 ment to conform as closely as practicable to the interest rate
9 and repayment schedules on the bonds or notes issued to make the
10 loans. However, the state transportation department may allow
11 for the deferral of the first payment of interest or principal on
12 the loans for a period of not to exceed 1 year after the respec-
13 tive first payment of interest or principal on the bonds or notes
14 issued to make the loans.

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

24 (9) The county road commission, city, or village shall not
25 be required to seek or obtain the approval of the electors, the
26 municipal finance commission or its successor agency, or, except
27 as provided in this subsection, the department of treasury to

1 borrow money pursuant to subsection (6). The borrowing shall not
2 be subject to the municipal finance act, 1943 PA 202, MCL 131.1
3 to 139.3, or to section 5(g) of the home rule city act, 1909
4 PA 279, MCL 117.5. The state transportation department shall
5 give at least 10 days' notice to the state treasurer of its
6 intention to make a loan under subsection (5). If the state
7 treasurer gives notice to the director of the state transporta-
8 tion department within 10 days of receiving the notice from the
9 state transportation department, that, based upon the then exist-
10 ing financial or credit situation of the county road commission,
11 city, or village, it would not be in the best interests of the
12 state to make a loan under subsection (5) to the county road com-
13 mission, city, or village, the loan shall not be made unless the
14 state treasurer, after a hearing, if requested by the affected
15 county road commission, city, or village, subsequently gives
16 notice to the director of the state transportation department
17 that the loan may be made on the conditions that the state trea-
18 surer specifies.

19 (10) The state transportation commission may borrow money
20 and issue bonds and notes under, and pursuant to the requirements
21 of, section 18b to make loans to county road commissions, cities,
22 and villages for the purposes described in the second paragraph
23 of section 9 of article IX of the state constitution of 1963, as
24 provided in subsection (5). A single issue of bonds or notes may
25 be issued for the purposes specified in subsection (5) and for
26 the other purposes specified in section 18b. The house and
27 senate transportation appropriations subcommittees shall be

1 notified by the department if there are extras and overruns
2 sufficient to require approval of either the state administrative
3 board or the commission, or both, on any contract between the
4 department and a local road agency or a private business.

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

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

25 (13) Any performance audits of the department shall be con-
26 ducted according to government auditing standards issued by the
27 United States general accounting office.

1 Sec. 11b. (1) ~~During each April, there is appropriated to~~
2 ~~a critical bridge fund from the Michigan transportation fund,~~
3 ~~\$5,000,000.00.~~ The money appropriated to a critical bridge fund
4 and the interest accruing to that fund shall be expended for a
5 critical bridge program to be administered by the department to
6 provide financial assistance to ~~highway authorities~~ COUNTY ROAD
7 COMMISSIONS, CITIES, AND VILLAGES for the improvement or recon-
8 struction of existing bridges or for the construction of bridges
9 to replace existing bridges in whole or in part AND TO PROVIDE
10 FOR PAYMENT OF THE PRINCIPAL, INTEREST, AND REDEMPTION PREMIUM ON
11 ANY NOTES OR BONDS ISSUED IN CONNECTION WITH THIS PROGRAM. This
12 section is not subject to section 12(15) or section 13(5).

13 (2) The state transportation commission shall borrow money
14 and issue notes or bonds in an amount of not less than
15 \$30,000,000.00 to supplement the funding provided for the local
16 bridge program under subsection (1). The bonds or notes issued
17 pursuant to this subsection may be issued by the commission for
18 any purpose for which other critical bridge funds may be used
19 under this section. The bonds or notes authorized by this sub-
20 section shall be issued by resolution of the state transportation
21 commission consistent with the requirements of section 18b.

22 (3) The state transportation department shall promulgate
23 rules pursuant to ~~Act No. 306 of the Public Acts of 1969, as~~
24 ~~amended, being sections 24.201 to 24.328 of the Michigan Compiled~~
25 ~~Laws~~ THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306,
26 MCL 24.201 TO 24.328, governing the administration of the
27 critical bridge program. The rules shall set forth the

1 eligibility criteria for financial assistance under the program
2 and other matters related to the program as the department con-
3 siderers necessary and desirable. The department shall take into
4 consideration the availability of federal aid and other financial
5 resources of the highway authority responsible for the bridge,
6 the importance of the bridge to the highway, road, or street net-
7 work, and the condition of the existing bridge. ~~The department~~
8 ~~shall not receive more than 38.4% of the critical bridge funds~~
9 ~~available during a 5-year period for expenditures on the state~~
10 ~~trunk line system.~~ THE CRITICAL BRIDGE FUND SHALL BE DISTRIBUTED
11 EXCLUSIVELY TO COUNTY ROAD COMMISSIONS, CITIES, AND VILLAGES OF
12 THE STATE.

13 (4) AS USED IN THIS SECTION, "BRIDGE" MEANS ANY STRUCTURE
14 THAT CROSSES A STREAM, WATERCOURSE, OR OPENING. THE TOTAL CLEAR
15 SPAN OF A BRIDGE MAY BE OF ANY LENGTH. HOWEVER, BRIDGES THAT ARE
16 FUNDED WITH FEDERAL TRANSPORTATION FUNDS SHALL MEET THE CRITERIA
17 ESTABLISHED BY THE UNITED STATES DEPARTMENT OF TRANSPORTATION,
18 FEDERAL HIGHWAY ADMINISTRATION.

19 Sec. 12. (1) The amount distributed to the county road com-
20 missions shall be returned to the county treasurers in the
21 manner, for the purposes, and under the terms and conditions
22 specified in this section. The department and the county road
23 association of Michigan shall jointly develop incentives for
24 counties to establish statewide purchasing pools for the more
25 efficient use of Michigan transportation funds.

26 (2) Each county road commission shall be reimbursed in an
27 amount up to \$10,000.00 per year for the sum paid to a licensed

1 professional engineer employed or retained by the county road
2 commission in the previous year. The sum shall be returned to
3 each county road commission certified by the state transportation
4 department as complying with this subsection regarding the
5 employment of an engineer.

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

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

20 (5) An amount equal to 4% of the total amount returned to
21 the county road commissions from the Michigan transportation fund
22 shall be returned to the county road commissions in the same per-
23 centages as provided in subsection (7). All money returned to
24 the county road commissions as provided in this subsection shall
25 be expended by the county road commissions for the maintenance,
26 improvement, construction, reconstruction, acquisition, and

1 extension of county local road systems and shall be in addition
2 to the amounts provided in subsection (7).

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

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

16 (b) One-tenth of the amount in the same proportion that the
17 total mileage in the county primary road system of each county
18 bears to the total mileage in all of the county primary road sys-
19 tems of the state.

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

22 (7) The balance of the remainder of the total amount to be
23 returned to counties shall be expended by each county road com-
24 mission for the maintenance, improvement, construction, recon-
25 struction, acquisition, and extension of the county local road
26 system as defined by this act, including the acquisition of a
27 necessary right of way for the system, work incidental to the

1 system, and a roadside park or motor parkway appurtenant to the
2 system, and shall be returned to the counties as follows:

3 (a) Sixty-five percent of the amount in the same proportion
4 that the total mileage in the county local road system of each
5 county bears to the total mileage in all of the county local road
6 systems of the state.

7 (b) Thirty-five percent of the amount in the same proportion
8 that the total population outside of incorporated municipalities
9 in each county bears to the total population outside of incorpo-
10 rated municipalities in all of the counties of the state, accord-
11 ing to the most recent statewide federal census as certified at
12 the beginning of the state fiscal year.

13 (8) Money deposited in, or becoming a part of the county
14 road funds of a board of county road commissioners shall be
15 expended first for the payment of principal and interest on the
16 bonds, for the payment of contractual contributions pledged for
17 the payment of bonds, for debt service requirements for the pay-
18 ment of contractual contributions pledged for the payment of
19 bonds, and for debt service requirements for the payment of notes
20 and loans in the following order of priority:

21 (a) For the payment of contributions required to be made by
22 a board of county road commissioners under a contract entered
23 into under 1941 PA 205, MCL 252.51 to 252.64, which contributions
24 have been pledged for the payment of the principal and interest
25 on bonds issued under that act, or for the payment of total debt
26 service requirements upon notes issued by a board of county road
27 commissioners under 1943 PA 143, MCL 141.251 to 141.254.

1 (b) For the payment of principal and interest upon bonds
2 issued under section 18c, and the payment of contributions of a
3 board of county road commissioners to be made pursuant to con-
4 tracts entered into under section 18d, which contributions are
5 pledged to the payment of principal and interest on bonds issued
6 after June 30, 1957, under the authorization of section 18c and
7 contracts executed pursuant to its provisions.

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

11 (9) Not to exceed 30% per year of the amount returned to a
12 county for use on the county primary road system may be expended,
13 with or without matching, on the county local road system of that
14 county. Not to exceed 15% per year of the amount returned to a
15 county for expenditure on the county local road system may be
16 used, with or without matching, on the county primary road system
17 of that county, and not to exceed an additional 15% per year of
18 the amount returned to a county for expenditure on the county
19 local road system, may, in case of an emergency or with the
20 approval of the state transportation department, be expended,
21 with or without matching, on the county primary road system of
22 that county. An amount returned to a county for and on account
23 of county local roads, under this section, in excess of the total
24 amount paid into the county treasury each year by all of the
25 townships of that county for and on account of the county local
26 roads pursuant to section 14(6) may be transferred to and
27 expended on the county primary road system of that county.

1 (10) Not less than 20% per year of the funds returned to a
2 county by this section shall be expended for snow and ice remov-
3 al, the construction or reconstruction of a new highway or exist-
4 ing highway, and the acquisition of a necessary right of way for
5 those highways, and work incidental to those highways, or for the
6 servicing of bonds issued by the county for these purposes.

7 Surplus funds may be expended for the development, construction,
8 or repair of an off-street parking facility.

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

13 (12) Funds returned to a county shall be expended by the
14 county road commission for the purposes provided in this section
15 and shall be deposited by the county treasurer in a designated
16 county depository, in a separate account to the credit of the
17 county road fund, and shall be paid out only upon the order of
18 the county road commission, and interest accruing on the money
19 shall become a part of, and be deposited with the county road
20 fund.

21 (13) In a county to which the funds are returned the func-
22 tion of the county road commission shall be limited to the forma-
23 tion of policy and the performance of the official duties imposed
24 by law and delegated by the county board of commissioners. A
25 member of the county road commission shall not be employed indi-
26 vidually in any other capacity for other duties with the county
27 road commission.

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

13 (15) Money distributed from the Michigan transportation fund
14 may be expended for construction purposes on county local roads
15 only to the extent matched by money from other sources. However,
16 Michigan transportation funds may be expended for the construc-
17 tion of bridges on the county local roads in an amount not to
18 exceed 75% of the cost of the construction of local road
19 bridges. This subsection does not apply to section 11b.

20 ~~(16) Notwithstanding any other provision of this act, at~~
21 ~~least 90% of the state revenue returned annually to the county~~
22 ~~road commission from the Michigan transportation fund less the~~
23 ~~amounts described in subdivisions (a) to (e) shall be expended~~
24 ~~annually by the county road commission for the maintenance of~~
25 ~~highways, roads, streets, and bridges, and for the payment of~~
26 ~~contractual contributions pledged for the payment of bonds or~~
27 ~~portions of bonds, debt service requirements for the payment of~~

~~1 bonds or portions of bonds, and debt service requirements for the
2 payment of notes and loans or portions of notes and loans issued
3 or received after July 1, 1983, for the purpose of providing
4 funds for the maintenance of highways, roads, streets, and
5 bridges. If an appropriate certificate is filed under
6 subsection (19) but only to the extent necessary, this subsection
7 shall not prohibit the use of any amount of state revenue
8 returned annually to the county road commissions for the payment
9 of contractual contributions pledged for the payment of bonds,
10 for debt service requirements for the payment of bonds, and for
11 debt service requirements for the payment of notes or loans,
12 whenever issued or received, as specified under subsection (8).
13 The amounts which are deducted from the state revenue returned to
14 a county road commission from the Michigan transportation fund,
15 for the purpose of the calculation required by this subsection
16 are as follows:~~

~~17 (a) Amounts expended for the purposes described in subsec=
18 tion (8) for bonds, notes, loans, or other obligations issued or
19 received before July 2, 1983.~~

~~20 (b) Amounts expended for the administrative costs of the
21 county road commission.~~

~~22 (c) Amounts expended for capital outlay projects for equip=
23 ment and buildings, and for the payment of contractual contribu=
24 tions pledged for the payment of bonds, for debt service require=
25 ments for the payment of bonds, and for debt service requirements
26 for the payment of notes and loans issued or received after~~

~~1 July 1, 1983, for the purpose of providing funds for capital
2 outlay projects for equipment and buildings.~~

~~3 (d) Amounts expended for projects vital to the economy of
4 the local area or the safety of the public in the local area.
5 Before these amounts can be deducted, the governing body over the
6 county road commission or the county road commission, as applica=
7 ble, shall pass a resolution approving these projects. This res=
8 olution shall state which projects will be funded and the cost of
9 each project. A copy of each approved resolution shall be for=
10 warded immediately to the department.~~

~~11 (e) Amounts expended in urban areas as determined pursuant
12 to section 12b.~~

~~13 (16) (17)~~ As used in this subsection, "urban routes" means
14 those portions of 2 lane county primary roads within an urban
15 area ~~which has~~ THAT HAVE average daily traffic in excess of
16 15,000. Notwithstanding any other provision of this act, except
17 as provided in this subsection, a county road commission shall
18 expend annually at least 90% of the federal revenue distributed
19 to the use of the county road commission for highways, roads,
20 streets, and bridges, less the amount expended on urban routes
21 for other than maintenance purposes and the amount expended for
22 hard-surfacing of gravel roads on the federal-aid system, on the
23 maintenance of highways, roads, streets, and bridges. A county
24 road commission may expend in a year less than 90% of the federal
25 revenue distributed to the use of the county road commission for
26 highways, roads, streets, and bridges, less the amount expended
27 on urban routes for other than maintenance purposes and the

1 amount expended for hard-surfacing of gravel roads on the
2 federal-aid system, on the maintenance of highways, roads,
3 streets, and bridges, if that year is part of a 3-year period in
4 which at least 90% of the total federal revenue distributed in
5 the 3-year period to the use of the county road commission for
6 highways, roads, streets, and bridges, less the amount expended
7 on urban routes for other than maintenance purposes and the
8 amount expended for hard-surfacing of gravel roads on the
9 federal-aid system, is expended on the maintenance of highways,
10 roads, streets, and bridges. If a county road commission expends
11 in a year less than 90% of the federal revenue distributed to the
12 use of the county road commission for highways, roads, streets,
13 and bridges, less the amount expended on urban routes for other
14 than maintenance purposes and the amount expended for
15 hard-surfacing of gravel roads on the federal-aid system, on the
16 maintenance of highways, roads, streets, and bridges and that
17 year is not a part of a 3-year period in which at least 90% of
18 the total federal revenue distributed in the 3-year period to the
19 use of the county road commission for highways, roads, streets,
20 and bridges, less the amount expended on urban routes for other
21 than maintenance purposes and the amount expended for
22 hard-surfacing of gravel roads on the federal-aid system, is
23 expended on the maintenance of highways, roads, streets, and
24 bridges, the county road commission shall expend in each year
25 subsequent to the 3-year period 100%, or less in 1 year if suffi-
26 cient for the purposes of this subsection, of the federal revenue
27 distributed to the use of the county road commission for

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

23 (17) ~~(18)~~ As used in this section:

24 (a) "Maintenance" and "maintaining" mean snow removal; erec-
25 tion of traffic control devices and traffic signals and payment
26 of monthly electrical costs for those signals; street cleaning
27 and drainage; seal coating; patching and ordinary repairs;

1 erection and maintenance of traffic signs and markings; safety
2 projects ~~which~~ THAT do not increase through traffic capacity;
3 and the preservation, reconstruction, resurfacing, restoration,
4 and rehabilitation of highways, roads, streets, and bridges.
5 However, maintenance and maintaining do not include projects
6 ~~which~~ THAT increase the capacity of a highway facility to
7 accommodate that part of the traffic having neither origin nor
8 destination within the local area.

9 (b) "Maintenance" and "maintaining" include widening less
10 than lane width; adding auxiliary turning lanes of 1/2 mile or
11 less; adding auxiliary weaving, climbing, or speed change lanes;
12 and correcting substandard intersections.

13 (C) "MAINTENANCE" AND "MAINTAINING" DO NOT INCLUDE THE
14 UPGRADING OF AGGREGATE SURFACE ROADS TO HARD SURFACE ROADS.

15 (18) ~~(19)~~ A county road commission shall certify, which
16 certification shall, for purposes of the validity of bonds and
17 notes, be conclusive as to the matters stated therein, to the
18 state transportation department on or before the issuance of any
19 bonds or notes issued after July 1, 1983, pursuant to 1943
20 PA 143, MCL 141.251 to 141.254, 1941 PA 205, MCL 252.51 to
21 252.64, or section 18c or 18d, for purposes other than the main-
22 tenance of highways, roads, streets, and bridges and purposes
23 ~~other than the purposes specified in subsection (16)(c) that~~
24 its average annual debt service requirements for all bonds and
25 notes or portions of bonds and notes issued after July 1, 1983,
26 for purposes other than the maintenance of highways, roads,
27 streets, and bridges, ~~and other than for the purposes specified~~

1 ~~in subsection (16)(c),~~ including the bond or note to be issued
 2 does not exceed 10% of the funds returned to the county road com-
 3 mission pursuant to this act ~~, less the amounts specified in~~
 4 ~~subsection (16)(a), (b), and (c)~~ during the last completed
 5 fiscal year of the county road commission. If the purpose for
 6 which the bonds or notes are issued is changed after the issuance
 7 of the notes or bonds, the change shall be made in such a manner
 8 to maintain compliance with the certification required by this
 9 subsection, as of the date the certificate was originally issued,
 10 but ~~no~~ such A change shall NOT invalidate or otherwise affect
 11 the bonds or notes with respect to which the certificate was
 12 issued or the obligation to pay debt service on the bonds or
 13 notes.

14 (19) ~~-(20)-~~ In each charter county to which funds are
 15 returned under this section, the responsibility for road improve-
 16 ment, maintenance, and traffic operation work, and the develop-
 17 ment, construction, or repair of off-road parking facilities and
 18 construction or repair of road lighting shall be coordinated by a
 19 single administrator to be designated by the county executive who
 20 shall be responsible for and shall represent the charter county
 21 in transactions with the state transportation department pursuant
 22 to this act.

23 (20) ~~-(21)-~~ Not more than 10% per year of all of the funds
 24 received by and returned to a county from any source for the pur-
 25 poses of this section may be expended for administrative
 26 expenses. A county that expends more than 10% for administrative
 27 expenses in a year shall be subject to section 14(5) unless a

1 waiver is granted by the department of treasury. As used in this
2 subsection, "administrative expenses" means those expenses that
3 are not assigned including, but not limited to, specific road
4 construction or maintenance projects and are often referred to as
5 general or supportive services. Administrative expenses shall
6 not include net equipment expense, net capital outlay, debt serv-
7 ice principal and interest, and payments to other state or local
8 offices which are assigned, but not limited to, specific road
9 construction projects or maintenance activities.

10 (21) ~~-(22)-~~ In addition to the financial compliance audits
11 required by law, the department of treasury shall conduct per-
12 formance audits and make investigations of the disposition of all
13 state funds received by county road commissions, county boards of
14 commissioners, or any other county governmental agency acting as
15 the county road authority, for transportation purposes to deter-
16 mine compliance with the terms and conditions of this act.
17 Performance audits shall be conducted according to government
18 auditing standards issued by the United States general accounting
19 office. The department of treasury shall provide 6 months notice
20 to the county road commission or county board of commissioners,
21 as applicable, of the standards to be used for audits performed
22 under this subsection ~~prior to~~ BEFORE the fiscal year in which
23 the audit is conducted. The department shall notify the county
24 road commission or county board of commissioners of any subse-
25 quent changes to the standards. County road commissions or
26 county boards of commissioners, as applicable, shall make

1 available to the department of treasury the pertinent records for
2 the audit.

3 Sec. 13. (1) The amount distributed to cities and villages
4 shall be returned to the treasurers of the cities and villages in
5 the manner, for the purposes, and under the terms and conditions
6 specified in this section. As used in this section, "population"
7 means the population according to the most recent statewide fed-
8 eral census as certified at the beginning of the state fiscal
9 year, except that, if a municipality has been newly incorporated
10 since completion of the census, the population of the municipal-
11 ity for purposes of the distribution of funds before completion
12 of the next census shall be the population as determined by spe-
13 cial federal census, if there is a census, and if not, by the
14 population as determined by the official census in connection
15 with the incorporation, if there is such a census and, if not, by
16 a special state census to be taken at the expense of the munici-
17 pality by the secretary of state pursuant to section 6 of the
18 home rule city act, 1909 PA 279, MCL 117.6. The amount received
19 by the newly incorporated municipality shall be in place of any
20 other direct distribution of funds from the Michigan transporta-
21 tion fund. The population of the newly incorporated municipality
22 as determined under this section shall be added to the total pop-
23 ulation of all incorporated cities and villages in the state in
24 computing the amounts to be returned under this section to each
25 municipality in the state. Major street mileage, local street
26 mileage, and equivalent major mileage, if applicable, shall be
27 determined by the state transportation department before the next

1 month for which distribution is made following the effective date
2 of incorporation of a newly incorporated municipality.

3 (2) From the amount available for distribution to cities and
4 villages during each December, an amount equal to 0.7% of the
5 total amount returned to all cities and villages under subsec-
6 tions (3) and (4) during the previous calendar year shall be
7 withheld. The amount withheld shall be used to partially reim-
8 burse those cities and villages located in those counties that
9 are eligible for snow removal funds pursuant to section 12a and
10 that have costs for winter maintenance on major and local streets
11 that are greater than the statewide average. The distributions
12 shall be made annually during February and shall be calculated
13 separately for the major and local street systems but may be paid
14 in a combined warrant. The distribution to a city or village
15 shall be equal to 1/2 of its winter maintenance expenditures
16 after deducting the product of its total earnings under subsec-
17 tions (3) and (4) multiplied by 2 times the average municipal
18 winter maintenance factor. Winter maintenance expenditures shall
19 be determined from the street financial reports for the most cur-
20 rent fiscal years ending before July 1. A city or village that
21 does not submit a street financial report for the fiscal year
22 ending before July 1 by the subsequent December 31 shall be inel-
23 igible for the winter maintenance payment that is to be based on
24 that street financial report. The average municipal winter main-
25 tenance factor shall be determined annually by the state trans-
26 portation department by dividing the total expenditures of all
27 cities and villages on winter maintenance of streets and highways

1 by the total amount earned by all cities and villages under
2 subsections (3) and (4) during the 12 months. If the sum of the
3 distributions to be made under this subsection exceeds the amount
4 withheld, the distributions to each eligible city and village
5 shall be reduced proportionately. If the sum is less than the
6 amount withheld, the balance shall be added to the amount avail-
7 able for distribution under subsections (3) and (4) during the
8 next month. The distributions shall be for use on the major and
9 local street systems respectively and shall be subject to the
10 same provisions as funds returned under subsections (3) and (4).

11 (3) Seventy-five percent of the remaining amount to be
12 returned to the cities and villages, after deducting the amounts
13 withheld pursuant to subsection (2), shall be returned 60% in the
14 same proportion that the population of each bears to the total
15 population of all cities and villages, and 40% in the same pro-
16 portion that the equivalent major mileage in each bears to the
17 total equivalent major mileage in all cities and villages. As
18 used in this section, "equivalent major mileage" means the sum of
19 2 times the state trunk line mileage certified by the state
20 transportation department as of March 31 of each year, as being
21 within the boundaries of each city and village having a popula-
22 tion of 25,000 or more, plus the major street mileage in each
23 city and village, multiplied by the following factor:

24 1.0 for cities and villages of 2,000 or less population;

- 1 1.1 for cities and villages from 2,001 to 10,000 population;
- 2 1.2 for cities and villages from 10,001 to 20,000 population;
- 3 1.3 for cities and villages from 20,001 to 30,000 population;
- 4 1.4 for cities and villages from 30,001 to 40,000 population;
- 5 1.5 for cities and villages from 40,001 to 50,000 population;
- 6 1.6 for cities and villages from 50,001 to 65,000 population;
- 7 1.7 for cities and villages from 65,001 to 80,000 population;
- 8 1.8 for cities and villages from 80,001 to 95,000 population;
- 9 1.9 for cities and villages from 95,001 to 160,000 population;
- 10 2.0 for cities and villages from 160,001 to 320,000 population;
- 11 and for cities over 320,000 population, by a factor of 2.1
- 12 increased successively by 0.1 for each 160,000 population incre-
- 13 ment over 320,000. The amount returned under this subsection
- 14 shall be used by each city and village for the following purposes
- 15 in the following order of priority:
- 16 (a) For the payment of contributions required to be made by
- 17 a city or village under the provisions of contracts previously
- 18 entered into under 1941 PA 205, MCL 252.51 to 252.64, which

1 contributions have been previously pledged for the payment of the
2 principal and interest on bonds issued under that act; or for the
3 payment of the principal and interest upon bonds issued by a city
4 or village pursuant to 1952 PA 175, MCL 247.701 to 247.707.

5 (b) Payment of obligations of the city or village on highway
6 projects undertaken by the city or village jointly with the state
7 transportation department.

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

11 (d) For the maintenance, improvement, construction, recon-
12 struction, acquisition, and extension of the major street system
13 as defined by this act including the acquisition of a necessary
14 right of way for the system, work incidental to the system, and
15 an appurtenant roadside park or motor parkway, of the city or
16 village and for the payment of the principal and interest on that
17 portion of the city's or village's general obligation bonds which
18 are attributable to the construction or reconstruction of the
19 city's or village's major street system. Not more than 5% per
20 year of the funds returned to a city or village by this subsec-
21 tion shall be expended for the maintenance, improvement, or
22 acquisition of appurtenant roadside parks and motor parkways.
23 Surplus funds may be expended for the development, construction,
24 or repair of off-street parking facilities, and the construction
25 or repair of street lighting.

26 (4) The remaining amount to be returned to incorporated
27 cities and villages shall be expended in each city or village for

1 the maintenance, improvement, construction, reconstruction,
2 acquisition, and extension of the local street system of the city
3 or village, as defined by this act, including the acquisition of
4 a necessary right of way for the system, work incidental to the
5 system, and ~~subject to subsection (5),~~ for the payment of the
6 principal and interest on that portion of the city's or village's
7 general obligation bonds which are attributable to the construc-
8 tion or reconstruction of the city's or village's local street
9 system. The amount returned under this subsection shall be
10 returned to the cities and villages 60% in the same proportion
11 that the population of each bears to the total population of all
12 incorporated cities and villages in the state, and 40% in the
13 same proportion that the total mileage of the local street system
14 of each bears to the total mileage in the local street systems of
15 all cities and villages of the state. The payment of the princi-
16 pal and interest upon bonds issued by a city or village pursuant
17 to 1952 PA 175, MCL 247.701 to 247.707, and after that payment,
18 the payment of debt service on loans received under section
19 11(7), shall have priority in the expenditure of money returned
20 under this subsection.

21 ~~-(5) Money distributed to each city and village for the~~
22 ~~maintenance and improvement of its local street system under this~~
23 ~~act represents the total responsibility of the state for local~~
24 ~~street system support. Funds distributed from the Michigan~~
25 ~~transportation fund shall not be expended for construction pur-~~
26 ~~poses on city and village local streets except to the extent~~
27 ~~matched from local revenues including other money returned to a~~

~~1 city or village by the state under the state constitution of 1963
2 and statutes of the state, from funds that can be raised by taxa=
3 tion in cities and villages for street purposes within the limi=
4 tations of the state constitution of 1963 and statutes of the
5 state, from special assessments, or from any other source. This
6 subsection does not apply to section 11b.~~

~~7 (6) Money returned under this section to a city or village
8 shall be expended on the major and local street systems of that
9 city or village. However, the first priority shall be the major
10 street system. Money returned for expenditure on the major
11 street system may be expended on the local street system in an
12 amount equal to the amount of local revenues, as provided in sub=
13 section (5), expended by the city or village on the major street
14 system or on state trunk line highways, and to the extent that
15 that amount of major street money is not transferred for expendi=
16 ture on the local street system in that year, major street money
17 received during the next succeeding 2 years may be transferred
18 for expenditure on the local system until the amount so autho=
19 rized for transfer is fully expended. If a city or village
20 transfers more than 25% of its major street funding for the local
21 street system, the city or village shall adopt a resolution with
22 a copy to the department setting forth all of the following:~~

~~23 (a) A list of the major streets in that city or village.
24 (b) A statement that the city or village is adequately main=
25 taining its major streets.
26 (c) The dollar amount of the transfer.~~

1 ~~(d) The local streets to be funded with the transfer.~~

2 (5) ~~-(7)-~~ Not more than 10% per year of all of the funds
3 returned to a city or village from any source for the purposes of
4 this section may be expended for administrative expenses. As
5 used in this subsection, "administrative expenses" means those
6 expenses that are not assigned including, but not limited to,
7 specific road construction or maintenance projects and are often
8 referred to as general or supportive services. Administrative
9 expenses shall not include net equipment expense, net capital
10 outlay, debt service principal and interest, and payments to
11 other state or local offices that are assigned, but not limited
12 to, specific road construction projects or maintenance
13 activities. A city or village which in a year expends more than
14 10% for administrative expenses shall be subject to section
15 14(5).

16 (6) ~~-(8)-~~ In each city and village to which funds are
17 returned under this section, the responsibility for street
18 improvement, maintenance, and traffic operation work, and the
19 development, construction, or repair of off-street parking facil-
20 ities and construction or repair of street lighting shall be
21 coordinated by a single administrator to be designated by the
22 governing body who shall be responsible for and shall represent
23 the municipality in transactions with the state transportation
24 department pursuant to this act.

25 (7) ~~-(9)-~~ Cities and villages may provide for consolidated
26 street administration. A city or a village may enter into an
27 agreement with other cities or villages, the county road

1 commission, or with the state transportation commission for the
2 performance of street or highway work on a road or street within
3 the limits of the city or village or adjacent to the city or
4 village. The agreement may provide for the performance by any of
5 the contracting parties of the work contemplated by the contracts
6 including services and acquisition of rights of way, by purchase
7 or condemnation by any of the contracting parties in its own
8 name. The agreement may provide for joint participation in the
9 costs if appropriate.

10 (8) ~~-(10)-~~ Interest earned on funds returned to a city or a
11 village for purposes provided in this section shall be credited
12 to the appropriate street fund.

13 (9) ~~-(11)-~~ In addition to the financial compliance audits
14 required by law, the department of treasury shall conduct per-
15 formance audits and make investigations of the disposition of all
16 state funds received by cities and villages for transportation
17 purposes to determine compliance with the terms and conditions of
18 this act. Performance audits shall be conducted according to
19 government auditing standards issued by the United States general
20 accounting office. The department of treasury shall provide
21 notice to cities and villages of the standards to be used for
22 audits under this subsection prior to the fiscal year in which
23 the audit is conducted. The department shall notify cities and
24 villages of any subsequent changes to the standards. Cities and
25 villages shall make available to the department of treasury the
26 pertinent records for the audit.

1 Sec. 13b. A county road commission may contract with OR
2 MAKE AN INTERGOVERNMENTAL CONTRACT OR INTERLOCAL AGREEMENT WITH
3 other county road commissions, CITIES, OR VILLAGES FOR THE PUR-
4 POSE OF JOINTLY EXERCISING ANY POWER, PRIVILEGE, OR AUTHORITY
5 THAT THE AGENCIES SHARE IN COMMON AND THAT EACH MAY EXERCISE SEP-
6 ARATELY, INCLUDING, BUT NOT LIMITED TO, ADMINISTRATIVE AND PLAN-
7 NING SERVICES, for the purchase and use of equipment or machinery
8 necessary for the construction, maintenance, or operation of a
9 road or highway, OR FOR THE PERFORMANCE OF WORK ON A HIGHWAY,
10 ROAD, OR STREET JOINTLY OR BY 1 OR MORE OF THE PARTIES ON BEHALF
11 OF ALL THE PARTIES TO THE CONTRACT OR AGREEMENT. AN INTERGOVERN-
12 MENTAL CONTRACT OR INTERLOCAL AGREEMENT ENTERED INTO PURSUANT TO
13 THIS SECTION AND FOR PURPOSES PERMITTED BY THIS ACT MAY CONTAIN
14 ANY PROVISIONS PERMITTED UNDER 1951 PA 35, MCL 124.1 TO 124.13,
15 OR THE URBAN COOPERATION ACT OF 1967, 1967 (EX SESS) PA 7,
16 MCL 124.501 TO 124.512.

17 Sec. 15. (1) Before May 2 of each year, each county road
18 commission or the county executive or other agency acting as the
19 county road commission shall file with the ~~director of the state~~
20 ~~transportation department~~ STATE TREASURER, each township in the
21 county, and the clerk of the county, on forms to be provided by
22 the ~~director~~ STATE TREASURER, a report showing the disposition
23 of funds appropriated, apportioned, or allocated under this act
24 to the county road commission or the county executive or other
25 agency acting as the county road commission including the funds
26 expended for road construction and heavy maintenance in each
27 township in the county on the form provided by the department in

1 the annual county financial report instruction and forms booklet
2 prepared by the department, except funds appropriated under sec-
3 tion 10b.

4 (2) In addition to the general information required under
5 subsection (1), the report filed by the county road commission or
6 the county executive or other agency acting as the county road
7 commission under subsection (1) shall also include the following
8 specific information:

9 (a) The number of miles of local roads outside of incorpo-
10 rated municipalities in each township in the county and the
11 amount of funds received for each of those miles by the county
12 under the formula described in section 12(7)(a).

13 (b) The number of miles of primary roads outside of incorpo-
14 rated municipalities in each township in the county and the
15 amount of funds received for each of those miles by the county
16 under the formula described in section 12(4) and (6)(b).

17 (c) The total population outside of incorporated municipali-
18 ties in each township in the county and the per capita amount of
19 funds received for each person on the basis of population accord-
20 ing to the formula described in section 12(7)(b).

21 (d) The amount of funds received by the county road commis-
22 sion or the county executive or other agency acting as the county
23 road commission directly from each township in the county for the
24 purposes of this act.

25 (3) ~~Beginning with municipal fiscal years ending after~~
26 ~~April 15, 1976, each~~ EACH city and village shall file with the
27 ~~director of the state transportation department~~ STATE

1 TREASURER, not more than 120 days after the end of its fiscal
2 year, on forms provided by the ~~director~~ STATE TREASURER, a
3 report showing the disposition of funds appropriated, appor-
4 tioned, or allocated under this act to the city or village,
5 except funds appropriated under section 10b.

6 Sec. 17. (1) At the end of each month, the secretary of
7 state shall certify to the ~~state transportation~~ department and
8 the director of the department of management and budget the
9 amounts received from the counties for motor vehicle taxes during
10 the preceding month pursuant to the Michigan vehicle code, ~~Act~~
11 ~~No. 300 of the Public Acts of 1949, as amended, being sections~~
12 ~~257.1 to 257.923 of the Michigan Compiled Laws 1949 PA 300,~~
13 MCL 257.1 TO 257.923, and also the total amount deposited in the
14 Michigan transportation fund pursuant to this act during the pre-
15 ceding month, after deducting the amount appropriated for the
16 payment of the necessary expenses incurred in the enforcement of
17 ~~Act No. 150 of the Public Acts of 1927, as amended, being sec-~~
18 ~~tions 207.101 to 207.202 of the Michigan Compiled Laws 1927~~
19 PA 150, MCL 207.101 TO 207.202, and sections 801 to 810 of ~~Act~~
20 ~~No. 300 of the Public Acts of 1949, as amended, being sections~~
21 ~~257.801 to 257.810 of the Michigan Compiled Laws~~ THE MICHIGAN
22 VEHICLE CODE, MCL 257.801 TO 257.810. The ~~state transportation~~
23 department shall certify to the director of the department of
24 management and budget the amounts to be returned to the ~~state~~
25 ~~transportation~~ department from the Michigan transportation fund
26 monthly, and the amounts to be returned to each county road
27 commission and each city and village of the state monthly,

1 pursuant to this act, and the director of the department of
2 management and budget shall certify these amounts to the state
3 treasurer, who shall draw a warrant monthly for the net amounts
4 as are due the ~~state transportation~~ department, the county road
5 commissions, and the cities and villages of the state under this
6 act. The state treasurer shall issue checks for the amounts due,
7 within 30 days after the end of each month, to the ~~state~~
8 ~~transportation~~ department, the county road commissions, and the
9 cities and villages. If the amount due is not returned to a
10 county road commission, city, or village within 30 days after the
11 end of each month, the county road commission, city, or village
12 may bring an action in the nature of mandamus to compel the vari-
13 ous officials to perform their duties in connection with the
14 return as provided in this section.

15 (2) The state transportation department, within 120 days
16 after the close of each fiscal year of the state shall furnish to
17 the legislature, ~~and~~ the governor, AND THE STATE TREASURER a
18 detailed report of revenues credited to the Michigan transporta-
19 tion fund and distributions under this act and a detailed report
20 of the interest earnings and allocations of each fund created or
21 appropriated money under this act, showing the amounts distrib-
22 uted to each county road commission, city, and village and the
23 purposes for which those amounts were expended. THE STATE TREA-
24 SURER SHALL REVIEW AND COMMENT UPON THE REPORT INCLUDING ANY
25 QUESTIONS OR CONCERNS AND ANY RECOMMENDATIONS TO THE HOUSE AND
26 SENATE APPROPRIATIONS SUBCOMMITTEES ON TRANSPORTATION, THE HOUSE

1 AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN
2 60 DAYS AFTER RECEIPT OF THE REPORT.

3 Enacting section 1. Sections 3, 4, 5, 7, 8, 9, and 11e of
4 1951 PA 51, MCL 247.653, 247.654, 247.655, 247.657, 247.658,
5 247.659, and 247.661e, are repealed.