

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 239**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2002; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the state transportation
5 department and certain state purposes designated in this act for the
6 fiscal year ending September 30, 2002, from the funds indicated in this
7 part. The following is a summary of the appropriations in this part:

S01049'01 (H-1)

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SB239, As Passed House, May 31, 2001Sub. SB 239 (H-1) as amended May 31, 2001
2For Fiscal Year Ending
September 30, 2002**1 STATE TRANSPORTATION DEPARTMENT****2 APPROPRIATION SUMMARY:**

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	3,176.3	
5	GROSS APPROPRIATION.....		\$ [3,147,956,000]
6	Total interdepartmental grants and intradepartmental		
7	transfers.....	11,459,500	
8	ADJUSTED GROSS APPROPRIATION.....		\$ [3,136,496,500]
9	Federal revenues:		
10	DOT, federal transit act.....	52,400,000	
11	DOT-FHWA, highway research, planning, and		
12	construction.....	928,583,900	
13	DOT-FRA, local rail service assistance.....	500,000	
14	DOT-FRA, rail passenger/HSGT.....	3,000,000	
15	Total federal revenues.....	984,483,900	
16	Special revenue funds:		
17	Total local revenues.....	5,800,000	
18	Total private revenues.....	0	
19	Total local and private revenues.....	5,800,000	
20	Michigan transportation fund.....	1,061,584,200	
21	Economic development fund.....	57,315,500	
22	State trunkline fund.....	754,069,300	
23	State aeronautics fund.....	9,298,700	
24	Comprehensive transportation fund.....	[240,319,000]	
25	Blue Water Bridge fund.....	17,625,900	
26	Intercity bus equipment fund.....	1,000,000	

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1	Rail preservation fund.....	2,000,000
2	Total other state restricted revenues.....	[2,143,212,600]
3	State general fund/general purpose..... \$	[3,000,000]
4	Sec. 102. DEBT SERVICE	
5	State trunkline..... \$	80,901,800
6	Trunkline bonds, series 1989A-EDF (\$100,000,000).....	13,607,200
7	Critical bridge.....	3,000,100
8	Blue Water Bridge.....	2,309,500
9	Comprehensive transportation.....	<u>21,798,700</u>
10	GROSS APPROPRIATION..... \$	121,617,300
11	Appropriated from:	
12	Federal revenues:	
13	DOT-FHWA, highway research, planning, and	
14	construction.....	10,000,000
15	Special revenue funds:	
16	Comprehensive transportation fund.....	21,798,600
17	Michigan transportation fund.....	3,000,000
18	State trunkline fund.....	70,902,200
19	Blue Water Bridge fund.....	2,309,400
20	Economic development fund.....	13,607,100
21	State general fund/general purpose..... \$	0
22	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
23	MTF grant to department of environmental quality..... \$	885,400
24	MTF grant to department of state.....	55,814,200
25	MTF grant to legislative auditor general.....	109,000
26	STF grant to department of attorney general.....	2,524,400

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1	STF grant to department of civil service.....	1,430,100
2	STF grant to department of management and budget.....	1,057,100
3	STF grant to department of state police.....	6,810,800
4	STF grant to department of treasury.....	29,200
5	STF grant to legislative auditor general.....	314,300
6	SAF grant to department of attorney general.....	123,700
7	SAF grant to department of civil service.....	75,100
8	SAF grant to department of environmental quality.....	40,100
9	SAF grant to department of management and budget.....	30,600
10	SAF grant to department of treasury.....	64,200
11	SAF grant to legislative auditor general.....	31,200
12	CTF grant to department of attorney general.....	129,500
13	CTF grant to department of civil service.....	115,100
14	CTF grant to department of management and budget.....	57,100
15	CTF grant to department of treasury.....	5,400
16	CTF grant to legislative auditor general.....	<u>47,700</u>
17	GROSS APPROPRIATION.....	\$ 69,694,200
18	Appropriated from:	
19	Special revenue funds:	
20	Comprehensive transportation fund.....	354,300
21	Michigan transportation fund.....	56,810,300
22	State aeronautics fund.....	364,300
23	State trunkline fund.....	12,165,300
24	State general fund/general purpose.....	\$ 0
25	Sec. 104. EXECUTIVE DIRECTION	
26	Full-time equated unclassified positions.....6.0	

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1	Full-time equated classified positions.....	33.3		
2	Unclassified salaries.....		\$	521,900
3	State transportation commission (per diem payments)..			10,100
4	Commission audit--33.3 FTE positions.....			<u>2,982,700</u>
5	GROSS APPROPRIATION.....		\$	3,514,700
6	Appropriated from:			
7	Special revenue funds:			
8	State trunkline fund.....			3,514,700
9	State general fund/general purpose.....		\$	0
10	Sec. 105. ADMINISTRATIVE SERVICES			
11	Full-time equated classified positions.....	144.7		
12	Administration and data center--108.7 FTE positions..		\$	27,817,600
13	Property management.....			6,406,600
14	Human resources--31.0 FTE positions.....			2,478,700
15	Economic development administration--5.0 FTE			
16	positions.....			500,800
17	Worker's compensation.....			<u>2,712,100</u>
18	GROSS APPROPRIATION.....		\$	39,915,800
19	Appropriated from:			
20	Special revenue funds:			
21	Economic development fund.....			537,800
22	State aeronautics fund.....			687,100
23	Comprehensive transportation fund.....			1,182,700
24	Michigan transportation fund.....			70,800
25	State trunkline fund.....			37,437,400
26	State general fund/general purpose.....		\$	0

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1	Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION		
2	Full-time equated classified positions.....	254.5	
3	Administration--254.5 FTE positions.....	\$	<u>21,032,500</u>
4	GROSS APPROPRIATION.....	\$	21,032,500
5	Appropriated from:		
6	Special revenue funds:		
7	Michigan transportation fund.....		1,115,300
8	State trunkline fund.....		19,917,200
9	State general fund/general purpose.....	\$	0
10	Sec. 107. BUREAU OF TRANSPORTATION PLANNING		
11	Full-time equated classified positions.....	188.1	
12	Administration--188.1 FTE positions.....	\$	28,943,900
13	Grants to regional planning councils.....		<u>488,900</u>
14	GROSS APPROPRIATION.....	\$	29,432,800
15	Appropriated from:		
16	Federal revenues:		
17	DOT-FHWA, highway research, planning, and		
18	construction.....		16,800,000
19	Special revenue funds:		
20	State aeronautics fund.....		321,900
21	Comprehensive transportation fund.....		2,024,900
22	Michigan transportation fund.....		5,840,900
23	State trunkline fund.....		4,445,100
24	State general fund/general purpose.....	\$	0
25	Sec. 108. BUREAU OF HIGHWAYS		
26	Full-time equated classified positions.....	1,654.2	

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1	Engineering operations--824.1 FTE positions.....	\$	35,251,500
2	Maintenance operations--77.0 FTE positions.....		7,034,400
3	Program services--753.1 FTE positions.....		<u>38,498,500</u>
4	GROSS APPROPRIATION.....	\$	80,784,400
5	Appropriated from:		
6	IDT - intradepartmental charges.....		207,500
7	Federal revenues:		
8	DOT-FHWA, highway research, planning, and		
9	construction.....		5,000,000
10	Special revenue funds:		
11	Michigan transportation fund.....		4,089,500
12	State trunkline fund.....		71,487,400
13	State general fund/general purpose.....	\$	0
14	Sec. 109. HIGHWAY MAINTENANCE		
15	Full-time equated classified positions.....704.0		
16	State trunkline operations--704.0 FTE positions.....	\$	108,434,400
17	Contract operations.....		<u>129,720,800</u>
18	GROSS APPROPRIATION.....	\$	238,155,200
19	Appropriated from:		
20	IDT - intradepartmental charges.....		11,252,000
21	Special revenue funds:		
22	State trunkline fund.....		226,903,200
23	State general fund/general purpose.....	\$	0
24	Sec. 110. ROAD AND BRIDGE PROGRAMS		
25	State trunkline federal aid and road and bridge		
26	construction.....	\$	[976,219,100]

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1	Local federal aid and road and bridge construction...	[213,111,800]
2	Grants to local programs.....	33,000,100
3	Rail grade crossing.....	3,000,100
4	Critical bridge program.....	[32,750,100]
5	County road commissions.....	608,548,800
6	Cities and villages.....	<u>339,293,200</u>
7	GROSS APPROPRIATION.....	\$ [2,205,923,200]
8	Appropriated from:	
9	Federal revenues:	
10	DOT-FHWA, highway research, planning, and	
11	construction.....	896,783,900
12	Special revenue funds:	
13	Local funds.....	5,000,000
14	Blue Water Bridge fund.....	5,000,000
15	Michigan transportation fund.....	988,842,500
16	State trunkline fund.....	307,296,800
17	State general fund/general purpose.....	\$ [3,000,000]
18	Sec. 111. BLUE WATER BRIDGE	
19	Full-time equated classified positions.....	34.0
20	Blue Water Bridge operations--34.0 FTE positions.....	\$ <u>10,316,500</u>
21	GROSS APPROPRIATION.....	\$ 10,316,500
22	Appropriated from:	
23	Special revenue funds:	
24	Blue Water Bridge fund.....	10,316,500
25	State general fund/general purpose.....	\$ 0
26	Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND	

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1	Forest roads.....	\$	5,040,100
2	Rural county urban system.....		2,500,100
3	Target industries/economic redevelopment.....		16,065,200
4	Urban county congestion.....		9,782,600
5	Rural county primary.....		<u>9,782,600</u>
6	GROSS APPROPRIATION.....	\$	43,170,600
7	Appropriated from:		
8	Special revenue funds:		
9	Economic development fund.....		43,170,600
10	State general fund/general purpose.....	\$	0
11	Sec. 113. BUREAU OF AERONAUTICS		
12	Full-time equated classified positions.....		57.0
13	Administration--57.0 FTE positions.....	\$	6,925,300
14	Air service program.....		<u>1,000,100</u>
15	GROSS APPROPRIATION.....	\$	7,925,400
16	Appropriated from:		
17	Special revenue funds:		
18	State aeronautics fund.....		7,925,400
19	State general fund/general purpose.....	\$	0
20	Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION		
21	Full-time equated classified positions.....		106.5
22	Administration--106.5 FTE positions.....	\$	<u>8,878,600</u>
23	GROSS APPROPRIATION.....	\$	8,878,600
24	Appropriated from:		
25	Special revenue funds:		
26	Comprehensive transportation fund.....		7,063,700

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1	Michigan transportation fund.....	1,814,900
2	State general fund/general purpose..... \$	0
3	Sec. 115. BUS TRANSIT DIVISION; STATUTORY OPERATING	
4	Local bus operating..... \$	[160,000,000]
5	Nonurban operating/capital.....	<u>8,900,000</u>
6	GROSS APPROPRIATION..... \$	[168,900,000]
7	Appropriated from:	
8	Federal revenues:	
9	DOT, federal transit act.....	8,700,000
10	Special revenue funds:	
11	Comprehensive transportation fund.....	[160,000,000]
12	Local funds.....	200,000
13	State general fund/general purpose..... \$	
14	Sec. 116. INTERCITY PASSENGER AND FREIGHT	
15	Freight property management..... \$	1,893,400
16	Detroit/Wayne County port authority.....	500,200
17	Intercity bus equipment.....	3,000,100
18	Rail passenger service.....	10,000,100
19	Freight preservation and development.....	6,736,700
20	Rail infrastructure loan program.....	800,100
21	Intercity bus service development.....	2,750,100
22	Marine passenger service.....	800,100
23	Terminal development.....	<u>1,628,500</u>
24	GROSS APPROPRIATION..... \$	28,109,300
25	Appropriated from:	
26	Federal revenues:	

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1	DOT, federal transit act.....	1,400,000
2	DOT-FRA, local rail service assistance.....	500,000
3	DOT-FRA, rail passenger/HSGT.....	3,000,000
4	Special revenue funds:	
5	Rail preservation fund.....	2,000,000
6	Intercity bus equipment fund.....	1,000,000
7	Comprehensive transportation fund.....	20,159,300
8	Local funds.....	50,000
9	State general fund/general purpose..... \$	0
10	Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT	
11	Specialized services..... \$	3,939,600
12	Municipal credit program.....	2,000,100
13	Bus capital.....	56,074,500
14	Ride sharing.....	330,800
15	Van pooling.....	195,100
16	Bus property management.....	100,100
17	Service development and new technology.....	1,675,100
18	Planning grants.....	120,100
19	Audit settlements.....	150,100
20	Regional service coordination.....	1,000,100
21	Work First initiative.....	<u>4,999,900</u>
22	GROSS APPROPRIATION..... \$	70,585,500
23	Appropriated from:	
24	Federal revenues:	
25	DOT, federal transit act.....	42,300,000
26	Special revenue funds:	

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1	Comprehensive transportation fund.....	27,735,500
2	Local funds.....	550,000
3	State general fund/general purpose..... \$	0

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PART 2

7

PROVISIONS CONCERNING APPROPRIATIONS

8 **GENERAL SECTIONS**

9

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2001-2002 is [\$2,146,212,600.00] and state spending from 12 state resources to be paid to local units of government for fiscal year 13 2001-2002 is [\$1,199,450,300.00]. The itemized statement below identifies 14 appropriations from which spending to units of local government will 15 occur:

16 DEPARTMENT OF TRANSPORTATION

17	Local grant program.....	\$	33,000,000
18	Economic development fund.....		27,105,000
19	Grants to cities and villages.....		339,293,100
20	Grants to county road commissions.....		608,548,700
21	Critical bridge program.....		[8,750,000]
22	Grants to regional planning councils.....		488,800
23	Local bus operating.....		[160,000,000]
24	Bus capital.....		14,574,400
25	Marine passenger service.....		800,000
26	Detroit/Wayne County port authority.....		500,100

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1	Local ride sharing operating grants.....	330,700
2	Planning grants.....	120,000
3	Municipal credit program.....	2,000,000
4	Specialized services.....	<u>3,939,500</u>
5	Total payments to local units of government.....	\$ [1,199,450,300]

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

8 Sec. 203. As used in this act:

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

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

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

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

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

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

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

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

18 (i) "IDT" means intradepartmental transfer.

19 (j) "MTF" means Michigan transportation fund.

20 (k) "RIF" means recreation improvement fund.

21 (l) "SAF" means state aeronautics fund.

22 (m) "STF" means state trunkline fund.

23 Sec. 204. The department of civil service shall bill departments

24 and agencies at the end of the first fiscal quarter for the 1% charge

25 authorized by section 5 of article XI of the state constitution of 1963.

26 Payments shall be made for the total amount of the billing by the end of
27 the second fiscal quarter.

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1 Sec. 205. (1) A hiring freeze is imposed on the state classified
2 civil service. State departments and agencies are prohibited from hiring
3 any new full-time state classified civil service employees and prohibited
4 from filling any vacant state classified civil service positions. This
5 hiring freeze does not apply to internal transfers of classified employ-
6 ees from 1 position to another within a department.

7 (2) The state budget director shall grant exceptions to this hiring
8 freeze when the state budget director believes that the hiring freeze
9 will result in rendering a state department or agency unable to deliver
10 basic services, causes loss of revenue to the state, would result in the
11 inability of the state to receive federal funds, or would necessitate
12 additional expenditures that exceed any savings from maintaining a
13 vacancy. The state budget director shall report by the thirtieth of each
14 month to the chairpersons of the senate and house of representatives
15 standing committees on appropriations the number of exceptions to the
16 hiring freeze approved during the previous month and the reasons to jus-
17 tify the exception.

18 Sec. 206. (1) In addition to the funds appropriated in part 1,
19 there is appropriated an amount not to exceed \$100,000,000.00 for federal
20 contingency funds. These funds are not available for expenditure until
21 they have been transferred to another line item in this act pursuant to
22 section 393(2) of the management and budget act, 1984 PA 431,
23 MCL 18.1393.

24 (2) In addition to the funds appropriated in part 1, there is appro-
25 priated an amount not to exceed \$40,000,000.00 for state restricted con-
26 tingency funds. These funds are not available for expenditure until they
27 have been transferred to another line item in this act pursuant to

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1 section 393(2) of the management and budget act, 1984 PA 431,
2 MCL 18.1393.

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

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

13 Sec. 207. At least 90 days before beginning any effort to privati-
14 ze, the department shall submit a complete project plan to the appropri-
15 ate senate and house of representatives appropriations subcommittees and
16 the senate and house fiscal agencies. The plan shall include the cri-
17 teria under which the privatization initiative will be evaluated. The
18 evaluation shall be completed and submitted to the appropriate senate and
19 house of representatives appropriations subcommittees and the senate and
20 house fiscal agencies within 30 months.

21 Sec. 208. Unless otherwise specified, the department shall use the
22 Internet to fulfill the reporting requirements of this act. This may
23 include transmission of reports via electronic mail to the recipients
24 identified for each reporting requirement or it may include placement of
25 reports on an Internet or Intranet site. Quarterly, the department shall
26 provide to the senate and house appropriations subcommittees, the state
27 budget office, and the senate and house fiscal agencies an electronic and

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1 paper copy listing of the reports submitted during the most recent
2 3-month period along with the Internet or Intranet site of each report,
3 if any.

4 Sec. 209. Funds appropriated in part 1 shall not be used for the
5 purchase of foreign goods or services, or both, if competitively priced
6 and of comparable quality American goods or services, or both, are
7 available. Preference should be given to goods and services, or both,
8 manufactured or provided by Michigan businesses if they are competitively
9 priced and of comparable value.

10 Sec. 210. The director of each department receiving appropriations
11 in part 1 shall take all reasonable steps to ensure businesses in
12 deprived and depressed communities compete for and perform contracts to
13 provide services or supplies, or both. Each director shall strongly
14 encourage firms with which the department contracts to subcontract with
15 certified businesses in depressed and deprived communities for services,
16 supplies, or both.

17 Sec. 211. The departments and state agencies receiving appropria-
18 tions under this act shall receive and retain copies of all reports
19 funded from appropriations in part 1. These departments and state agen-
20 cies shall follow federal and state guidelines for short-term and
21 long-term retention of these reports and records.

22 DEPARTMENTAL SECTIONS

23 Sec. 301. (1) The department may establish a fee schedule and col-
24 lect fees sufficient to cover the costs to issue the permits that the

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1 department is authorized by law to issue upon request, and for which fees
2 are not otherwise stipulated by law.

3 (2) A bridge authority shall hold 3 public hearings on a change in
4 any toll charged by the authority at least 30 days before the toll change
5 will become effective. Two of the hearings shall be held within 5 miles
6 of the bridge over which the bridge authority has jurisdiction. One
7 hearing shall be held in Lansing.

8 Sec. 302. The department shall prepare an official transportation
9 map that shall be distributed without charge. Each legislator shall
10 receive a quantity of maps as determined by the legislative council.
11 However, each senator shall receive 3 times the number of maps of each
12 representative.

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

18 Sec. 304. If, as a requirement of bidding on a highway project, the
19 department requires a contractor to submit financial or proprietary docu-
20 mentation as to how the bid was calculated, that bid documentation shall
21 be kept confidential and shall not be disclosed other than to a depart-
22 ment representative without the contractor's written consent. The
23 department may disclose the bid documentation if necessary to address or
24 defend a claim by a contractor.

25 Sec. 305. The department may permit space on public passenger
26 transportation properties to be occupied by public or private tenants on
27 a competitive market rate basis. The department may require that revenue

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1 from the tenants be placed in an account to be used to pay the costs to
2 maintain and improve the property.

3 Sec. 306. From the funds appropriated in part 1, the auditor gen-
4 eral shall conduct an audit of charges to transportation funds by state
5 departments. The auditor general shall prepare a detailed report, with
6 recommendations and conclusions, including a list of services charged to
7 transportation funds, the appropriateness of those charges, and the cost
8 allocation methodologies used in determining the level of funding, and
9 provide the report, upon request, to any member of the senate and house
10 of representatives and to the senate and house fiscal agencies by March
11 1, 2002.

12 Sec. 307. Before February 1 of each year, the department will pro-
13 vide to the legislature, the state budget office, and the house and
14 senate fiscal agencies its rolling 5-year plan listing by county or by
15 county road commission all highway construction projects for the fiscal
16 year and all expected projects for the ensuing fiscal years.

17 Sec. 308. The department and local road agencies that receive
18 appropriations under this act shall pursue compliance with contract spec-
19 ifications for construction and maintenance of state highways and local
20 roads and streets. Work shall not be accepted and paid for until it com-
21 plies with contract requirements. Contractors with unsatisfactory per-
22 formance ratings shall be restricted from future bidding through the pre-
23 qualification process established by the department or a local road
24 agency. The department, county road commissions, and cities and villages
25 shall report to the house of representatives and senate appropriations
26 subcommittees on transportation on their respective activities under this
27 section.

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1 Sec. 309. The department shall continue its efforts to reduce
2 administrative costs and provide the maximum funding possible for con-
3 struction projects.

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

9 Sec. 311. The department shall not use funds appropriated under
10 part 1 on behalf of a local governmental unit to pay the amount required
11 for that local governmental unit to participate in the federal advance
12 construct program.

13 Sec. 312. At the close of the fiscal year ending September 30,
14 2002, any unencumbered and unexpended balance in the state trunkline fund
15 shall remain in the state trunkline fund and shall carry forward and be
16 appropriated for federal aid road and bridge programs for projects con-
17 tained in the annual state transportation program.

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

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

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

7 Sec. 314. The department shall provide a report prepared by the
8 department's internal auditor on the activities of the internal auditor
9 for the prior fiscal year. This report shall include a listing of each
10 audit or investigation performed by the internal auditor pursuant to sec-
11 tions 486(4) and 487 of the management and budget act, 1984 PA 431,
12 MCL 18.1486 and 18.1487. The report shall identify the proportion of
13 time spent on each of the statutory responsibilities listed in sections
14 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431,
15 MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activ-
16 ities performed in the internal audit function. The report shall be due
17 biennially beginning on May 1, 2001 and shall be submitted to the gover-
18 nor, auditor general, the senate and house of representatives appropria-
19 tions committees, the senate and house fiscal agencies, and the
20 director.

21 Sec. 315. The department shall expeditiously pursue the adoption of
22 standard English units of weight and measure on all road and bridge con-
23 struction, maintenance, and improvement projects.

24 Sec. 317. Funds appropriated in section 104 for state transporta-
25 tion commission per diem payments shall provide daily per diem payments
26 of \$100.00 to each of the 6 appointed members of the state transportation
27 commission for all scheduled state transportation commission meetings.

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1 Sec. 318. The department shall continue its program to increase the
2 use of women and minority owned businesses in state and local road con-
3 struction projects. This program shall comprise, at a minimum, outreach
4 and education efforts to inform women and minority owned firms of depart-
5 ment competitive bidding processes and requirements, and an assessment of
6 the availability of surety for women and minority owned businesses. The
7 department shall report by March 31, 2002 to the house of representatives
8 and senate appropriations subcommittees on transportation and the house
9 and senate fiscal agencies of its progress in complying with this
10 section.

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

16 Sec. 320. With regard to interdepartmental contracts between the
17 department and the attorney general, the department shall determine how
18 much time the attorney general spends on services financed with transpor-
19 tation funds. The determination shall include a breakdown of the
20 following:

21 (a) The time spent by the attorney general on activities which are
22 general in nature and which are of benefit to all transportation programs
23 or which cannot be readily identified with specific transportation
24 programs.

25 (b) The time spent by the attorney general on activities which are
26 of specific benefit to state trunkline programs, local road agency

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1 programs, public transportation programs, and aeronautics programs,
2 respectively.

3 Sec. 321. The department, in collaboration with the Detroit depart-
4 ment of transportation, the suburban mobility authority for regional
5 transportation, and intercity bus carriers, shall facilitate the planning
6 of a multimodal transportation center for southeast Michigan.

7 Sec. 322. Not later than January 1, 2002, the department shall fill
8 all vacant bridge inspector positions. Not later than February 15, 2002,
9 the department shall report to the senate and house of representatives
10 appropriations subcommittees on transportation the number of full-time
11 and part-time positions assigned to bridge inspection activities, the
12 number of vacancies, and any plans to fill the vacancies.

13 Sec. 325. (1) The appropriation in part 1 for state trunkline debt
14 service includes \$35,000,000.00 appropriated and transferred to the state
15 trunkline fund from the countercyclical budget and economic stabilization
16 fund under section 358(3) of the management and budget act, 1984 PA 431,
17 MCL 18.1358.

18 (2) Funds from the countercyclical budget and economic stabilization
19 fund and from streamlining diesel fuel tax collection deposited in the
20 state trunkline fund and intended for the build Michigan III program at
21 the close of the fiscal year shall remain in the state trunkline fund and
22 shall carry forward and are appropriated for debt service payments asso-
23 ciated with the build Michigan III program.

24 Sec. 326. It is the intent of the legislature to review, prior to
25 bonding, all previously unidentified build Michigan III funding alloca-
26 tions identified by the department to be supported by bond proceeds. Not
27 later than October 31, 2001, the department shall report to the senate

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1 and house of representatives appropriations subcommittees on
2 transportation and the senate and house fiscal agencies the following
3 information regarding those previously unidentified build Michigan III
4 funding allocations identified by the department:

5 (a) Project description.

6 (b) Estimated total project costs.

7 (c) The amount of total estimated project costs funded from build
8 Michigan III bond proceeds.

9 (d) The amount of local match, if any.

10 (e) The life-cycle cost analysis required under section 1h of 1951
11 PA 51, MCL 247.651h.

12 Sec. 328. The department shall issue a preliminary list of those
13 bridges that are scheduled to receive federal bridge funds under the
14 critical bridge program and shall notify those local communities and road
15 agencies by December 31, 2001. The department shall issue a final list
16 of those bridges that are scheduled to receive federal bridge funds under
17 the critical bridge program and shall notify those local communities and
18 road agencies scheduled to receive federal bridge funding under the crit-
19 ical bridge program no later than February 3, 2002.

20 Sec. 329. It is the intent of the legislature that the debt service
21 costs on transportation economic development fund bonds issued after
22 January 1, 2001 shall be paid entirely from the funds designated for tar-
23 geted industries projects, as described in section 11(3)(a) of 1987 PA
24 231, MCL 247.911.

25 Sec. 331. From the funds appropriated in part 1, the department
26 shall conduct a study of rail grade separation needs in the state. The
27 study shall include input from private railroad carriers, local units of

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1 government, and local road agencies. From the study findings, the
2 department shall develop a priority list of grade separation projects in
3 the state. At a minimum, the project list shall consider safety enhance-
4 ments, local participation, and the cost of each project on the list.
5 The department shall report on the study findings and the priority list
6 of grade separation projects to the senate and house appropriations sub-
7 committees on transportation and the senate and house fiscal agencies by
8 April 1, 2002.

9 Sec. 332. In order to facilitate truck transport, the department
10 shall work to improve the highway connectivity between Marquette,
11 Michigan, Menominee, Michigan, and Green Bay, Wisconsin.

12 Sec. 333. The department shall consult with other states, national
13 and international highway organizations, and representatives of the
14 asphalt paving industry regarding the performance of asphalt pavement
15 design mixtures using recycled or scrap tires. The department shall
16 report to the house and senate appropriations subcommittees on transpor-
17 tation and the house and senate fiscal agencies by March 1, 2002 on its
18 findings.

19 Sec. 334. The department shall pursue grants from federal or other
20 sources to study the use of power sources other than gasoline or diesel
21 fuel for the propulsion of motor vehicles.

22 Sec. 335. The department shall work in collaboration with the
23 family independence agency regarding the summer youth programs. The pro-
24 grams shall seek to employ inner city and youth in street and highway
25 beautification projects.

26 Sec. 336. To the greatest extent feasible, when the department
27 replaces bridges over rivers, streams, or other waterways, it shall

1 consider adjusting the bridge drainage systems as necessary in order to
2 reduce pollution caused by run-off of water-borne pollutants from the
3 bridge deck.

4 Sec. 337. By February 15, 2002, the department shall provide the
5 state budget director, the senate and house appropriations subcommittees
6 on transportation, and the senate and house fiscal agencies with an
7 annual report on restricted fund balances, projected revenues, and expen-
8 ditures for the fiscal years ending September 30, 2001 and September 30,
9 2002.

[Sec. 338. It is the intent of the legislature that the department, in cooperation with the department of management and budget, determine the feasibility of converting state-owned vehicles under their jurisdiction to operate on synthetic fuels. The department is authorized to utilize such synthetic fueled vehicles on an experimental basis. If, as a result of the experimentation, the department determines that this is a sufficient and assured supply of synthetic fueled vehicles which can be used at a reasonable cost, the department shall submit to the legislature a plan for converting their fleet of vehicles to this type of vehicle. This report should be submitted to the legislature by the end of fiscal year 2003.

Sec. 339. The department shall prepare a report of existing park-n-ride commuter lots and determine which locations are in need of expansion. The department shall also identify areas that do not have a park-n-ride commuter lot, but are in need of a commuter lot, as part of the report. This report shall be submitted to the appropriations committees of the house of representatives and senate by the end of fiscal year 2002.

Sec. 340. From the funds appropriated in section 110 for critical bridge programs, \$3,000,000.00 in general fund dollars is to be distributed to any county that has identified at least 60 bridge structures that are closed or have weight restrictions limiting or prohibiting emergency vehicles from crossing and that has committed at least \$29,000,000.00 of local funds for the repair or replacement of at least 3/4 of the structures. These funds are not available for expenditure unless there is a fiscal year 2001 year-end balance in the general fund.

Sec. 341. (1) The department shall work with local road agencies that receive funding under this act to ensure that those agencies comply with state and federal equal employment opportunity statutes and shall monitor agencies that are determined to be in noncompliance. The department shall assist local road agencies judged to be in noncompliance with state and federal equal employment opportunity statutes in developing a corrective action plan.

(2) The department shall work to ensure that construction and maintenance contract awards conform to annual Disadvantaged Business Enterprise (DBE) goals. The department shall report on the activities of the Disadvantaged Business Enterprise (DBE) program including, but not limited to, expenditure goals and actual expenditure by Disadvantaged Business Enterprise (DBE) category and subcategory. The report shall be submitted to the house of representatives and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies by April 15, 2002.

(3) The department shall work to coordinate a meeting prior to the annual construction season between the road construction industry and the Michigan Minority Business Development Council.

Sec. 342. The department shall report to the legislature on its efforts to minimize traffic congestion and other traffic disruptions during construction projects through the use of alternative work schedules, accelerated work schedules, and incentive/disincentive contracts. The department shall submit the report to the house of representatives and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies by April 15, 2002.

Sec. 343. The department shall allow pavement marking vehicles under contract with a local, county, or state government to operate up to 20% per axle over the posted weight restrictions without obtaining an

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overweight permit. This section shall apply only if the tires on each vehicle are sufficient to maintain the weight load over the posted weight restriction limit.

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Sec. 344. The department shall report to the legislature on its efforts to improve the timeliness of payments to construction contractors on department administered construction contracts. The department shall submit the report to the house of representatives and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies by April 15, 2002.

Sec. 345. The department shall review its contractor payment process and use its best efforts to ensure that all prime contractors are paid promptly. The department shall not reduce a contractors prequalification rating when the contractor did not receive prompt and timely payments on contracted work from the department or, if working as a subcontractor, from the prime contractor.

Sec. 346. Upon agreement by a county and local governing unit to equally share costs, cities and villages may use local road maintenance funds to provide a match for federal funds for rail grade separation projects.

Sec. 347. The department may reconsider the effect of state regulation that has changed since approval of any project that was approved by the department prior to 1994.

Sec. 348. The department shall complete a survey of the legislature to evaluate how local legislative priorities correlate with the 5-year plan. The department shall report to the house of representatives and senate appropriations subcommittees on transportation by April 15, 2002.

Sec. 349. The department shall develop a plan to implement the policy of the state transportation commission on noise abatement. The department shall report on its efforts to implement the commission's policy to the house of representatives and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies by April 15, 2002.

Sec. 350. (1) The established overall Disadvantaged Business Enterprise goal shall identify the relative availability of disadvantaged business enterprises based on evidence of ready, willing, and able disadvantaged business enterprises relative to 125% of all firms within the department's marketplace. The overall annual goal reflects the department's determination of the level of Disadvantaged Business Enterprise participation which could be expected absent the effects of discrimination. The department's methodology to develop the overall Disadvantaged Business Enterprise goal will be announced in electronic and print media to ensure broad public participation in the goal setting process in accordance with 49 CFR Part 26.45.

(2) In determining the base figure for the overall Disadvantaged Business Enterprise goal, the department shall include all relevant and reliable data available to measure its marketplace including, but not limited to, department prequalified firms and certified members of the Michigan Minority Development Council.

(3) The department will use its best efforts to assist certified Disadvantaged Business Enterprise in becoming prequalified.

(4) The Disadvantaged Business Enterprise director shall provide a report to the house of representatives and senate appropriations committees by April 15, 2002. The report shall include, but not be limited to, expenditure goals, goal methodology, actual expenditures by Disadvantaged Business Enterprise category, subcategory, and standard industry code. The report shall include an analysis of program challenges, impediments, and accomplishments, as well as a summary of oversight operations and findings.

(5) The department shall neither weigh upward or downward the relative availability of Disadvantaged Business Enterprise within standard industry code 16 for heavy construction.

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(6) The department shall neither weigh upward or downward the relative availability of Disadvantaged Business Enterprise within standard industry code 87 for federal highway administration and federal aeronautics administration professional service contracts.

Sub. SB 239 (H-1) as amended May 31, 2001

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(7) The department shall neither weigh upward or downward the relative availability of Disadvantaged Business Enterprise within standard industry code 89 for federal highway administration and federal transit administration assisted contracts.

(8) The department's supportive services program shall collaborate with the Michigan Minority Development Council specifically on Disadvantaged Business Enterprise outreach in relation to sign, traffic control, electrical, special pavement marking, grading and drainage structure, water main/sewer, mainline concrete/asphalt paving marking, dowel bar retrofit, diamond grinding, and bridge work.]

10 FEDERAL

11 Sec. 401. When the department receives authorization from the fed-
12 eral government to commit transportation funds pursuant to federal appro-
13 priations, it shall present to the senate and house of representatives
14 appropriations transportation subcommittees and the senate and house
15 fiscal agencies, the federal amounts and categories authorized and the
16 department's recommendation for distribution of these funds. If a recom-
17 mendation or recommendations are not disapproved within 30 business days
18 by either the senate or house of representatives appropriations transpor-
19 tation subcommittees, then the recommendation or recommendations shall be
20 considered as approved. If either the senate or house of representatives
21 appropriations transportation subcommittee disapproves the proposed dis-
22 tribution, then the senate and house of representatives appropriations
23 transportation subcommittees and the department shall hold a joint meet-
24 ing on the issue to arrive at a final distribution. If no agreement is
25 reached between the parties, the department's distribution shall stand.

S01049'01 (H-1)

1 Sec. 402. (1) Twenty-three to twenty-seven percent of the DOT-FHWA
2 highway research, planning, and construction federal funds appropriated
3 in section 110 shall be allocated to programs administered by local
4 jurisdictions after deduction of the following:

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

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

9 (2) Federal aid excluded from the calculation of funding allocated
10 to programs administered by local jurisdictions in subsection (1)
11 includes, but is not limited to, congestion mitigation and air quality
12 funds, federal bridge funds, transportation enhancement funds, funds dis-
13 tributed at the discretion of the United States secretary of transporta-
14 tion, and congressionally designated funds.

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

18 (4) Federal aid to highways allocated to local jurisdictions in sub-
19 section (1) shall be distributed in a manner that produces a 25% average
20 allocation of applicable funds to programs for local jurisdictions in
21 each fiscal year through the fiscal year ending September 30, 2005. The
22 average allocation of applicable federal aid to highway funds to programs
23 for local jurisdictions shall be the average of the amount distributed to
24 local jurisdictions under subsection (1) and similarly calculated distri-
25 butions in each succeeding fiscal year.

26 (5) The allocation percentage described in subsection (1) shall be
27 adjusted to reflect any voluntary agreements made by the department with

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1 local jurisdictions regarding the transfer of federal aid eligible
2 roadways or the state buyout of local federal aid.

3 (6) The department shall not borrow against the critical bridge fund
4 for the first 9 months of the fiscal year.

5 (7) The federal funds appropriated in section 110 for local federal
6 aid and road and bridge construction, to eligible local road agencies,
7 may be transferred through a voluntary buyout agreement made between eli-
8 gible local road agencies.

9 Sec. 404. It is the intent of the legislature that \$3,750,000.00 in
10 federal high priority project funds designated in the transportation
11 equity act for the twenty-first century, Public Law 105-178, 112
12 Stat. 107, to improve I-94 in Kalamazoo County be expended by the depart-
13 ment for preliminary engineering and design work related to rehabilita-
14 tion and capacity improvements to I-94 between US-131 and Sprinkle Road
15 in Kalamazoo County.

[Sec. 405. Of the funds appropriated in section 110 for the
critical bridge program, \$24,000,000.00 in federal highway bridge
replacement and rehabilitation program funds are allocated to the critical
bridge fund for the purpose of repairing or replacing bridges in the local
off-system categories and local on-system categories. These funds shall be
excluded from calculation of funding allocated to programs administered by
local jurisdictions required in section 402.]

16 **MICHIGAN TRANSPORTATION FUND**

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

21 Sec. 502. The department of treasury shall perform audits and make
22 investigations of the disposition of all state funds received by county
23 road commissions or county boards of commissioners, as applicable, and
24 cities and villages for transportation purposes to determine compliance
25 with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675.

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1 County road commissions or county boards of commissioners, as applicable,
2 and cities and villages shall make available to the department of trea-
3 sury the pertinent records for the audit.

4 Sec. 503. (1) The funds appropriated in part 1 for the economic
5 development and critical bridge programs shall not lapse at the end of
6 the fiscal year but shall carry forward each fiscal year for the purposes
7 for which appropriated in accordance with 1987 PA 231, MCL 247.901 to
8 247.913, and section 11b of 1951 PA 51, MCL 247.661b.

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

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

18 (4) None of the funds statutorily dedicated to the transportation
19 economic development fund and critical bridge fund shall be diverted to
20 other projects without the notification and approval of the house of rep-
21 resentatives and senate appropriations subcommittees on transportation.

22 Sec. 504. (1) Funds from the Michigan transportation fund (MTF)
23 shall be distributed to the comprehensive transportation fund (CTF), the
24 economic development fund (EDF), the recreational improvement fund (RIF),
25 and the state trunkline fund (STF), in accordance with this act and part
26 711 (recreation improvement fund) of the natural resources and
27 environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108,

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

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

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

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

14 (3) If the spending authorization accounts also are to be used for
15 financing other than transportation fund services, the contracts shall
16 include detailed cost allocation methods that are appropriate to the type
17 of services being provided and the activities financed and supporting
18 rationale for the portion of costs allocated to transportation funds.

19 (4) At the close of each fiscal year and before April 1, each state
20 agency shall submit a written report to the state budget director stating
21 by spending authorization account the amount of estimated funds con-
22 tracted with the department, the amount of funds expended, and the amount
23 of funds returned to the transportation funds. A copy of the report
24 shall be submitted to the auditor general and the report shall be subject
25 to audit by the auditor general.

26 (5) The department and the state agencies with which the department
27 contracts in the manner provided in subsection (2) shall work together to

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1 explore methods of minimizing lapses or shortfalls in grants from
2 transportation funds.

3 Sec. 505. (1) Of the amount appropriated in part 1 from the
4 Michigan transportation fund to the department of state, \$186,600.00 rep-
5 resents the additional cost of issuing specialized license plates for
6 veterans and national guard members, as included in 1989 PAs 16, 17, 18,
7 and 19, MCL 257.803i, 257.803j, 257.803k, and 257.803l, and \$187,600.00
8 represents the additional cost of issuing generic license plates for non-
9 profit fraternal or public service organizations, as included in section
10 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

11 (2) In addition, commemorative and specialty license plate fee reve-
12 nue collected by the department of state and deposited into the Michigan
13 transportation fund is authorized for expenditure by the department of
14 state up to the amount of revenue collected, but not to exceed
15 \$2,153,300.00 for commemorative plates and \$3,915,000.00 for specialty
16 plates. These amounts are appropriated to the department of state in
17 part 1 to administer the commemorative and specialty license plate pro-
18 grams pursuant to section 225 of the Michigan vehicle code, 1949 PA 300,
19 MCL 257.225.

20 (3) The department of state shall prepare an annual report on the
21 number of, and the additional costs associated with, these license plate
22 programs to the department, the state budget director, the house and
23 senate fiscal agencies, and the chairpersons of the house of representa-
24 tives and senate appropriations subcommittees on transportation.

25 (4) Any unspent funds based on these annual reports shall lapse to
26 the Michigan transportation fund and be distributed in accordance with
27 1951 PA 51, MCL 247.651 to 247.675.

[Sec. 506. The department shall work with the Oakland county road
commission in the placement and installation of signs on the county's
borders designating Oakland county as the home of automation alley. No
state funds shall be expended for the purchase or maintenance of signs
authorized under this section.]

S01049'01 (H-1)

1 STATE TRUNKLINE FUND

2 Sec. 601. The department shall work with the road construction
3 industry to develop performance and road construction warranties for con-
4 struction contracts. The development of warranties shall include warran-
5 ties on materials, workmanship, performance criteria, and design/build
6 projects. The department will report by September 30, 2002, to the house
7 of representatives and senate appropriations subcommittees on transporta-
8 tion, the state budget office, and the house and senate fiscal agencies
9 on the status of efforts to develop performance and road construction
10 warranties.

11 Sec. 602. If the department uses manufactured pipe for road con-
12 struction drainage, the department shall require that pipe used under
13 certain load bearing conditions beneath the roadway meet the standards
14 established by the American society for testing and materials (ASTM) or
15 American association of state highway and transportation officials
16 (AASHTO). The department may also use the mandrel test for manufactured
17 pipe 60 days after installation and provide a summary of the results of
18 these inspections to the house of representatives and senate appropria-
19 tions subcommittees on transportation and house and senate fiscal
20 agencies.

21 Sec. 603. It is the intent of the legislature that the department
22 shall use traffic congestion as 1 of the criteria in determining the pri-
23 orities for designating which roads shall be remediated in its 5-year
24 road plan, which must be submitted on or before February 1, 2002.
25 Criteria for evaluating traffic congestion shall include, but not be
26 limited to, coordination with local, county, and regional planning,
27 improvement in traffic operations, improvement in physical roadway

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1 conditions, accident reduction, and coordination with area public
2 transportation planning.

3 Sec. 607. From the funds appropriated in part 1, \$2,000,000.00 is
4 appropriated for the remediation of unsafe pedestrian crossings on state
5 highways. Funds from this appropriation may be expended only as matching
6 funds for up to 50% of project cost with additional project funding to be
7 provided by local units of government or through private contributions.
8 Maintenance of pedestrian overpasses constructed from funds made avail-
9 able through this appropriation shall be the responsibility of a local
10 unit of government or public or private institutions of higher
11 education.

12 Sec. 608. From the amounts appropriated in part 1 for forest roads
13 from the transportation economic development fund in the fiscal year
14 ending September 30, 2002, \$40,000.00 shall be used for the purpose of
15 establishing 2 additional truck inspection stations. The department
16 shall work directly with representatives of the timber industry to edu-
17 cate truck drivers on the use of the stations. The department shall
18 report on the status of this program.

19 Sec. 610. It is the intent of the legislature that the department
20 have as a priority the removal of dead deer and other large animal
21 remains from the traveled portion and shoulder of state highways. The
22 department, and counties that perform state highway maintenance under
23 contract, shall remove animal remains, wherever practicable, away from
24 the traveled portion and shoulder of state highways.

25 Sec. 611. The department shall provide for the installation of milk
26 vending machines at the northbound US-131 rest area in Montcalm County
27 and at the Clare welcome center.

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1 Sec. 613. From the funds appropriated in part 1, a grant of
2 \$150,000.00 shall be made to Michigan Technological University to com-
3 plete a study of the distribution and nature of log truck accidents and
4 the characteristics of log trucks and log loads. The findings of this
5 study shall be forwarded to the house and senate appropriations commit-
6 tees, the house and senate fiscal agencies, and the state budget
7 director.

8 COMPREHENSIVE TRANSPORTATION FUND

9 Sec. 701. Money that is returned to the state as repayment for a
10 loan for intercity bus equipment is not money to be deposited in the com-
11 prehensive transportation fund under section 10b of 1951 PA 51,
12 MCL 247.660b, but is money that is deposited in an intercity bus equip-
13 ment fund for appropriation for the purchase and repair of intercity bus
14 equipment. Proceeds received by the state from the sale of intercity bus
15 equipment are deposited in an intercity bus equipment fund for appropria-
16 tion for the purchase and repair of intercity bus equipment. Security
17 deposits from the lease of state-owned intercity bus equipment not
18 returned to the lessee of the equipment under terms of the lease agree-
19 ment are deposited in an intercity bus equipment fund for appropriation
20 for the repair of intercity bus equipment.

21 Sec. 702. Money that is received by the state as repayment for
22 loans made for rail or water freight capital projects, and as a result of
23 the sale of property or equipment used or projected to be used for rail
24 or water freight projects shall be deposited in the fund created by

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1 section 17 of the state transportation preservation act of 1976, 1976
2 PA 295, MCL 474.67.

3 Sec. 703. After receiving notification from a railroad company pur-
4 suant to section 8 of the state transportation preservation act of 1976,
5 1976 PA 295, MCL 474.58, the department shall immediately notify the
6 house of representatives and senate appropriations subcommittees on
7 transportation and the state budget office that the railroad company has
8 filed with the appropriate governmental agencies for abandonment of a
9 line.

10 Sec. 704. The department shall submit a report to both the house
11 and senate appropriations subcommittees on transportation and the house
12 and senate fiscal agencies by March 1 of each year outlining its efforts
13 to develop a high-speed rail program as well as efforts to obtain funding
14 for this purpose. The report shall include recommendations on
15 self-sustaining revenue sources to increase awareness and include efforts
16 to increase ridership.

17 Sec. 705. From the funds appropriated in part 1, \$800,000.00 is
18 allocated for a rail infrastructure loan program. The program shall pro-
19 vide noninterest bearing loans for rail infrastructure improvements. The
20 department shall evaluate loan applications according to the relative
21 merit of the project in conjunction with program goals. The transporta-
22 tion commission shall approve the loans. The loans shall fund not less
23 than 90% of the rail portion of project costs, and the loan repayment
24 period shall not exceed 10 years. Local governments, railroads, and cur-
25 rent or potential users of freight railroad services are eligible
26 applicants. At the end of the fiscal year, unexpended funds shall remain
27 in the rail infrastructure loan program and shall be available to be

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1 allocated for the purposes of the program in the succeeding fiscal year.
2 Money that is received by this state as repayment for rail infrastructure
3 loans made pursuant to this program shall remain within the rail infra-
4 structure loan program and shall be allocated for the purposes of the
5 program. The state's total contribution to the rail infrastructure loan
6 program shall not exceed \$15,000,000.00.

7 Sec. 706. The Detroit/Wayne County port authority shall issue a
8 complete operations assessment and a financial disclosure statement. The
9 operations assessment shall include operational goals for the next 5
10 years and recommendations to improve land acquisition and development
11 efficiency. The report shall be completed and submitted to the house of
12 representatives and senate appropriations subcommittees on transporta-
13 tion, the state budget office, and the house and senate fiscal agencies
14 by February 15, 2002.

15 Sec. 707. For the fiscal year ending September 30, 2002, each eli-
16 gible authority and each eligible governmental agency which provides
17 public transportation services in urbanized areas with a Michigan popula-
18 tion of less than or equal to 100,000 and nonurbanized areas under
19 section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall
20 receive a grant of up to 60% of its eligible operating expenses. Each
21 eligible authority and each eligible government agency which provides
22 public transportation services in urbanized areas with a Michigan popula-
23 tion of greater than 100,000 under section 5311 of title 49 of the United
24 States Code, 49 U.S.C. 5311, shall receive a grant of up to 50% of its
25 eligible operating expenses.

26 Sec. 708. If funds appropriated in section 116 are used to provide
27 state-owned or state-leased buses to private intercity bus carriers, the

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1 department shall charge not less than \$1,000.00 per bus per year for
2 their use.

3 Sec. 709. (1) The following bus routes are designated as an essen-
4 tial corridor in Michigan:

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

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

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1 Between Flint and
2 Lansing I-69, M-21, Owosso, M-52, I-69
3 Between Bay City and
4 St. Ignace I-75, US-23
5 Between Grand Rapids and
6 St. Ignace US-131, Cadillac, M-115, Mesick,
7 M-37 to Traverse City, US-31,
8 Acme, M-72, Kalkaska, US-131,
9 Boyne Falls, M-75, Walloon
10 Lake, US-131, Petoskey, US-31,
11 I-75, St. Ignace
12 Between Kalamazoo and
13 Grand Rapids US-131
14 (2) Any changes to the essential corridor list in subsection (1)
15 shall be approved by the house and senate appropriations subcommittees on
16 transportation.
17 (3) No entity shall receive operating assistance for a scheduled
18 regular route service which is competing with another private or public
19 carrier over the same route.
20 Sec. 710. Whenever possible, the department shall work with the
21 local transit agencies to avoid establishing new routes that duplicate
22 existing routes served by intercity carriers when providing services
23 under regional transportation service programs. It is preferable that
24 private intercity carriers be provided an opportunity to bid by local
25 public transit agencies on services funded through the regional transpor-
26 tation service program.

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1 Sec. 711. (1) From the funds appropriated in part 1 from the
2 comprehensive transportation fund for rail passenger service, the
3 department shall negotiate with a rail carrier to provide rail service
4 between Grand Rapids and Chicago and between Port Huron and Chicago on a
5 7-day basis, consistent with the other provisions of this section.

6 (2) The department shall work with the rail carrier, local communi-
7 ties, and the federal government to increase marketing efforts to promote
8 awareness of rail passenger service, to increase ridership, to reduce
9 operating subsidies in conjunction with the federal phaseout of operating
10 subsidies, to maximize the revenue of the rail passenger lines in
11 Michigan, and to improve on-time performance. The department shall
12 submit a report to both the house and senate appropriations committees
13 and the house and senate fiscal agencies by January 1, 2002, that pro-
14 vides a 5-year history on services, ridership, and subsidies.

15 (3) Future state support for the service between Grand Rapids and
16 Chicago and Port Huron and Chicago is dependent on the department's abil-
17 ity to provide a plan and a contract for services that increase ridership
18 and revenue, reduce operating costs, and improve on-time performance.
19 The department shall include a section in the report required in subsec-
20 tion (2) detailing efforts to reduce the dependence on state operating
21 subsidies and projected operating expenses for the next 2 years, and rec-
22 ommending service alternatives, for the Grand Rapids to Chicago service
23 and the Port Huron to Chicago service.

24 (4) Any state subsidy shall only provide for the direct operating
25 costs in Michigan and shall not exceed \$5,700,000.00 for the service
26 between Port Huron and Chicago and Grand Rapids and Chicago.

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1 Sec. 712. From the comprehensive transportation fund appropriation
2 in section 116 for freight preservation and development, \$2,000,000.00 is
3 appropriated to rehabilitate the lake state railroad bridge over the
4 Thunder Bay River in Alpena.

5 Sec. 713. It is the intent of the legislature that the state of
6 Michigan will be ready to fund its portion of the locks project at Sault
7 Ste. Marie as soon as the federal government authorizes the commencement
8 of the project.

9 Sec. 714. The department, in cooperation with local transit agen-
10 cies, shall ensure that demand-response services are provided throughout
11 Michigan.

12 Sec. 715. (1) On or before January 28, 2002, the department,
13 together with the house and senate fiscal agencies and the department of
14 management and budget, shall estimate the unreserved and unencumbered
15 closing balance of the comprehensive transportation fund (CTF) for the
16 fiscal year ending September 30, 2001. The estimate shall consider
17 lapsed appropriations from the CTF and revised estimates of state
18 restricted transportation revenue.

19 (2) On or before February 4, 2002, the department shall request a
20 legislative transfer in accordance with section 393 of the management and
21 budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unre-
22 served and unencumbered CTF fund balance in excess of \$1,000,000.00. The
23 appropriations included in the transfer request shall be in accordance
24 with the statutory requirements of 1951 PA 51, MCL 247.651 to 247.675.
25 At the same time the department makes its transfer request, the depart-
26 ment shall submit copies of the transfer request to the house of

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1 representatives and senate appropriations subcommittees on transportation
2 and the house and senate fiscal agencies.

3 Sec. 716. From the funds appropriated in section 117 for service
4 development and new technology, there is allocated \$300,000.00 to the bay
5 area transit authority for the purpose of combining operations with the
6 Traverse City school district to provide bus transportation in the
7 Traverse City area. This appropriation shall be available for the fiscal
8 years ending September 30, 2002 to September 30, 2004. The authority and
9 the school district shall provide a semiannual progress report to the
10 department regarding the merger. The department shall transmit a copy of
11 the report to the house and senate appropriations subcommittees on trans-
12 portation and the house and senate fiscal agencies.

13 Sec. 717. The department shall explore the potential uses of TANF
14 funds, which may be made available to the comprehensive transportation
15 fund from the family independence agency for employment transportation
16 services, and shall develop a grant program for the use of the funds by
17 local transit agencies which provide transportation for welfare-to-work
18 participants. The department shall coordinate this program with the
19 family independence agency and the Michigan department of career
20 development.

21 Sec. 718. The department shall conduct a study on the feasibility
22 of establishing a port authority in the city of Sault Ste. Marie. The
23 department shall report to the subcommittees on transportation of the
24 house and senate appropriations committees by September 30, 2002.

[Sec. 719. From the funds appropriated in section 116 for rail passenger service, \$1,510,000.00 shall be appropriated to provide a 20% match for federal funds for capital improvements to facilitate a Lansing to Detroit rail passenger service. This is a 1-time appropriation for community outreach, preliminary engineering, environmental clearance, and design plans only and no funds from this appropriation shall be used for operating assistance on a Lansing to Detroit rail service. This appropriation is not to be construed as a commitment of operating funds by the legislature. It is the intent of the legislature that funds for ongoing operating costs of a Lansing to Detroit rail service be provided by local units of government within the Lansing to Detroit rail service area. Funds not expended for preliminary engineering, environmental clearance, and design plans shall be returned to the fund from which the appropriation was made.]

Sec. 721. The department shall report on the status of intermodal transportation studies funded from appropriations under this act by September 30, 2002. The status report and copies of completed intermodal studies shall be submitted to the house of representatives and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies.

Sec. 722. The department shall develop a statewide plan for maritime development and investments including port development and promotion and marketing of passenger and freight service on the Great Lakes.

Sec. 723. The funds in part 1 for local bus operating to the regional transportation coordinating council, shall be contingent upon amendment of 1967 PA 204 for the purpose of coordination of public transportation services in Wayne, Oakland, and Macomb counties. The amendment shall require adoption and maintenance of a funding mechanism for creation of a coordinated tri-county mass transportation network.]

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1 AERONAUTICS FUND

2 Sec. 801. At the close of the fiscal year ending September 30,
3 2002, any unobligated and unexpended balance in the state aeronautics
4 fund created in the aeronautics code of the state of Michigan, 1945
5 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund
6 and be appropriated by the legislature in the immediately succeeding
7 fiscal year.

8 TIE-BAR

9 Sec. 901. This act does not take effect unless House Bill No. 4825
10 of the 91st Legislature is enacted into law.