Act No. 162 Public Acts of 2003 Approved by the Governor* August 11, 2003

Filed with the Secretary of State August 12, 2003

EFFECTIVE DATE: August 12, 2003

*Item Vetoes

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STATE OF MICHIGAN 92ND LEGISLATURE REGULAR SESSION OF 2003

Introduced by Senator Johnson

ENROLLED SENATE BILL No. 265

AN ACT to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2004; 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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	
Full-time equated classified positions	
GROSS APPROPRIATION	\$ 3,136,377,100
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION	\$ 3,136,377,100
Federal revenues:	
DOT, federal transit act	52,600,000
DOT-FHWA, highway research, planning, and construction	909,555,100
DOT-FRA, local rail service assistance	100,000
DOT-FRA, rail passenger/HSGT	3,000,000
Total federal revenues	\$ 965,255,100

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		2004
Special revenue funds:		
Total local revenues	\$	5,800,000
Total private revenues		0
Total local and private revenues		5,800,000
Michigan transportation fund		1,078,440,600
Economic development fund		57,315,000
State trunkline fund		751,627,900
State aeronautics fund		12,777,000
Comprehensive transportation fund		246,348,500
Blue Water Bridge fund		15,813,000
Intercity bus equipment fund		1,000,000 2,000,000
Rail preservation fund Total other state restricted revenues		2,165,322,000
State general fund/general purpose	Ф	2,100,522,000
State general fund/general purpose	Ф	U
Sec. 102. DEBT SERVICE		
State trunkline	\$	79,246,800
Economic development		16,804,800
Critical bridge		3,000,000
Blue Water Bridge		2,503,600
Airport safety and protection plan		5,000,000
Comprehensive transportation		28,720,500
GROSS APPROPRIATION	\$	135,275,700
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		24,000,000
Special revenue funds:		20 520 500
Comprehensive transportation fund		28,720,500
Michigan transportation fund		3,000,000
State trunkline fund		55,246,800
Blue Water Bridge fund		2,503,600
Economic development fund		16,804,800
State general fund/general purpose	œ	5,000,000
State general fund/general purpose	φ	U
Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS		
MTF grant to department of environmental quality	\$	884,800
MTF grant to department of state for collection of revenue and fees		20,000,000
MTF grant to legislative auditor general		181,100
MTF grant to department of treasury		6,700,000
STF grant to department of attorney general		2,566,200
STF grant to department of civil service		2,000,000
STF grant to department of management and budget		1,434,000
STF grant to department of state police		6,853,300
STF grant to department of history, arts, and libraries		128,100
STF grant to department of treasury		29,100
STF grant to legislative auditor general		371,100
SAF grant to department of attorney general		125,400
SAF grant to department of civil service		50,000
SAF grant to department of management and budget		39,400
SAF grant to department of fistory, arts, and fibraries		3,500
SAF grant to department of treasury		62,600 16,600
CTF grant to department of attorney general		131,500
CTF grant to department of attorney general CTF grant to department of civil service		90,000
CTF grant to department of civil service		65,800
CTF grant to department of management and budget		5,900
CTF grant to department of instory, ares, and instartes		5,300
CTF grant to legislative auditor general		47,400
GROSS APPROPRIATION	\$	41,791,100
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		2004
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund	\$	345,900
Michigan transportation fund		27,765,900
State aeronautics fund		297,500
State trunkline fund	Ф	13,381,800
State general fund/general purpose	Ф	0
Sec. 104. EXECUTIVE DIRECTION		
Full-time equated unclassified positions		
Full-time equated classified positions		
Unclassified salaries	\$	532,200
Asset management council		1,626,400
Commission audit—33.3 FTE positions	_	2,948,400
GROSS APPROPRIATION	\$	5,107,000
Appropriated from:		
Special revenue funds:		1 000 400
Michigan transportation fund		1,626,400
State trunkline fund	e	3,480,600
State general fund/general purpose	Ф	U
Sec. 105. ADMINISTRATIVE SERVICES		
Full-time equated classified positions70.5		
Administration—30.5 FTE positions	\$	3,089,300
Property management		6,921,500
Human resources—31.0 FTE positions		2,478,300
Economic development administration—9.0 FTE positions		759,500
Worker's compensation		3,136,000
GROSS APPROPRIATION	\$	16,384,600
Appropriated from:		
Special revenue funds:		500 700
Economic development fund		500,700 630,400
Comprehensive transportation fund		1,382,900
Michigan transportation fund		81,500
State trunkline fund		13,789,100
State general fund/general purpose	\$	0
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Sec. 106. INFORMATION TECHNOLOGY		
Information technology services and projects	\$_	26,135,800
GROSS APPROPRIATION	\$	26,135,800
Appropriated from:		
Federal revenues:		FFF 100
DOT-FHWA, highway research, planning, and construction		555,100
Blue Water Bridge fund		43,900
Comprehensive transportation fund		240,900
Economic development fund		37,100
Michigan transportation fund		35,200
State aeronautics fund		134,500
State trunkline fund		25,089,100
State general fund/general purpose	\$	0
Sec. 107. BUREAU OF FINANCE AND ADMINISTRATION		
Full-time equated classified positions	ф	21 000 000
Administration—271.5 FTE positions		21,839,900
GROSS APPROPRIATION	Þ	21,839,900
Appropriated from:		
Special revenue funds: Michigan transportation fund		1,127,500
State trunkline fund		20,712,400
State general fund/general purpose	\$	20,112,400
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Sec. 108. BUREAU OF TRANSPORTATION PLANNING		
Full-time equated classified positions		
Administration—173.0 FTE positions	\$	23,501,700
Grants to regional planning councils		488,800
GROSS APPROPRIATION	\$	23,990,500
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		16,000,000
Special revenue funds:		405 =00
State aeronautics fund		195,700
Comprehensive transportation fund		1,033,300
Michigan transportation fund		5,233,800
State trunkline fund	æ	1,527,700
State general fund/general purpose	Ф	U
Sec. 109. BUREAU OF HIGHWAYS		
Full-time equated classified positions		
Engineering operations—924.4 FTE positions	\$	39,757,100
Maintenance operations—77.0 FTE positions		6,928,300
Program services—634.0 FTE positions		29,998,000
GROSS APPROPRIATION	\$	76,683,400
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		5,000,000
Special revenue funds:		
Michigan transportation fund		3,901,700
State trunkline fund		67,781,700
State general fund/general purpose	\$	0
Con 110 HICHWAY MAINTENANCE		
Sec. 110. HIGHWAY MAINTENANCE Full time counted elegified positions 602.6		
Full-time equated classified positions	œ	98 681 500
Full-time equated classified positions	\$	98,681,500 135,347,100
Full-time equated classified positions	_	135,347,100
Full-time equated classified positions	_	
Full-time equated classified positions	_	135,347,100
Full-time equated classified positions	\$	135,347,100 234,028,600
Full-time equated classified positions	\$ \$	135,347,100
Full-time equated classified positions	\$ \$	135,347,100 234,028,600 234,028,600
Full-time equated classified positions	\$ \$	135,347,100 234,028,600 234,028,600
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 3,000,000
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 3,000,000 5,750,000
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 0 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400 355,447,800
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400
Full-time equated classified positions 692.6 State trunkline operations—692.6 FTE positions Contract operations. GROSS APPROPRIATION. Appropriated from: Special revenue funds: State trunkline fund. State general fund/general purpose. Sec. 111. ROAD AND BRIDGE PROGRAMS State trunkline federal aid and road and bridge construction Local federal aid and road and bridge construction Grants to local programs. Rail grade crossing. Critical bridge fund County road commissions. Cities and villages. GROSS APPROPRIATION. Appropriated from:	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400 355,447,800
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400 355,447,800 2,222,561,300
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 0 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400 355,447,800
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400 355,447,800 2,222,561,300 864,000,000
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400 355,447,800 2,222,561,300 864,000,000 5,000,000
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 0 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400 355,447,800 2,222,561,300 864,000,000 5,000,000 3,000,000
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 0 234,028,600 0 961,340,100 226,500,000 3,000,000 5,750,000 637,523,400 355,447,800 2,222,561,300 864,000,000 5,000,000 3,000,000 1,033,971,200
Full-time equated classified positions	\$ \$ \$	135,347,100 234,028,600 234,028,600 0 961,340,100 226,500,000 33,000,000 5,750,000 637,523,400 355,447,800 2,222,561,300 864,000,000 5,000,000 3,000,000

Sec. 112. BLUE WATER BRIDGE		
Full-time equated classified positions		
Blue Water Bridge operations—33.0 FTE positions	\$	10,265,500
GROSS APPROPRIATION	\$	10,265,500
Appropriated from:		
Special revenue funds:		
Blue Water Bridge fund		10,265,500
State general fund/general purpose	\$	0
Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND		
Forest roads	\$	5,040,000
Rural county urban system		2,500,000
Target industries/economic redevelopment		17,966,200
Urban county congestion		7,233,100
Rural county primary		7,233,100
GROSS APPROPRIATION	\$ _	39,972,400
Appropriated from:		
Special revenue funds:		
Economic development fund		39,972,400
State general fund/general purpose	\$	0
C. 114 DUDDAN OF AFRONAUTOCC		
Sec. 114. BUREAU OF AERONAUTICS		
Full-time equated classified positions	Ф	F 010 000
Administration—56.0 FTE positions	\$	5,918,900
Air service program	_ —	600,000
GROSS APPROPRIATION	\$	6,518,900
Appropriated from:		
Special revenue funds:		C 510 000
State aeronautics fund	¢.	6,518,900
State general fund/general purpose	Þ	0
Sec. 115. BUREAU OF URBAN AND PUBLIC TRANSPORTATION		
Full-time equated classified positions		
Administration—85.0 FTE positions	\$	6,650,000
GROSS APPROPRIATION		6,650,000
Appropriated from:	Ψ	0,000,000
Special revenue funds:		
Comprehensive transportation fund		4,952,600
Michigan transportation fund		1,697,400
State general fund/general purpose	\$	0
State general rana general parpose	Ψ	· ·
Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
Local bus operating	\$	161,700,000
Nonurban operating/capital		10,900,000
GROSS APPROPRIATION	\$	172,600,000
Appropriated from:		
Federal revenues:		
DOT, federal transit act		10,700,000
Special revenue funds:		
Comprehensive transportation fund		161,700,000
Local funds		200,000
State general fund/general purpose	\$	0
Sec. 117. INTERCITY PASSENGER AND FREIGHT		
Freight property management	\$	1,500,000
Detroit/Wayne County port authority	Ψ	500,000
Intercity bus equipment		3,000,000
Rail passenger service		11,300,000
tvan passenger service		11,500,000

		For Fiscal Year Ending Sept. 30, 2004
Freight preservation and development	\$	5,692,900
Rail infrastructure loan program		100,000
Intercity bus service development		2,950,000
Marine passenger service		800,000
Terminal development		2,884,800
GROSS APPROPRIATION	\$	28,727,700
Appropriated from:		
Federal revenues:		
DOT, federal transit act		1,600,000
DOT-FRA, local rail service assistance		100,000
DOT-FRA, rail passenger/HSGT		3,000,000
Special revenue funds:		
Rail preservation fund		2,000,000
Intercity bus equipment fund		1,000,000
Comprehensive transportation fund		20,977,700
Local funds		50,000
State general fund/general purpose	\$	0
Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	Ф	2 020 500
Specialized services	Ф	3,939,500
Municipal credit program		2,000,000
Bus capital		53,049,500 330,700
Ride sharing		,
Van pooling		195,000
Bus property management		50,000
Service development and new technology		1,550,000 80,000
Planning grants		150,000
Audit settlements		500,000
Work first initiative		6,000,000
GROSS APPROPRIATION	Ф	67,844,700
Appropriated from: Federal revenues:	Ф	01,044,100
DOT, federal transit act		40,300,000
Special revenue funds:		40,500,000
Comprehensive transportation fund		26,994,700
Local funds		550,000
State general fund/general purpose	\$	990,000
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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$2,165,322,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$1,237,265,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Local grant program	\$ 33,000,000
Economic development fund	22,006,200
Grants to cities and villages	355,447,800
Grants to county road commissions	637,523,400
Critical bridge fund	5,750,000

Grants to regional planning councils	\$ 488,800
Local bus operating	161,700,000
Bus capital	13,699,500
Marine passenger service	800,000
Detroit/Wayne County port authority	500,000
Local ride sharing operating grants	330,700
Planning grants	80,000
Municipal credit program	2,000,000
Specialized services	3,939,500
Total payments to local units of government	\$ 1,237,265,900

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

Sec. 203. As used in this act:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "EDF" means economic development fund.
- (h) "FTE" means full-time equated.
- (i) "MTF" means Michigan transportation fund.
- (j) "RIF" means recreation improvement fund.
- (k) "SAF" means state aeronautics fund.
- (1) "STF" means state trunkline fund.

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

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

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

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. The department shall give priority to the purchase of Michigan goods and services.

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

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

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

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

DEPARTMENTAL SECTIONS

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for which fees are not otherwise stipulated by law. All permit fees are nonrefundable application fees and shall be credited to the state trunkline fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

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

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

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

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

Sec. 306. From the funds appropriated in part 1, the auditor general shall conduct an audit of charges to transportation funds by state departments. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a list of services charged to transportation funds, the appropriateness of those charges, and the cost allocation methodologies used in determining the level of funding, and provide the report, upon request, to any member of the senate and house of representatives and to the senate and house fiscal agencies by March 1, 2004.

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

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation on their respective activities under this section.

- Sec. 309. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.
- Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.
- Sec. 311. The department shall not use funds appropriated under part 1 on behalf of a local governmental unit to pay the amount required for that local governmental unit to participate in the federal advance construction program.
- Sec. 312. At the close of the fiscal year ending September 30, 2004, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.
- Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.
- (2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.
- Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on May 1, 2004 and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:
 - (a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.
 - (b) The time charged to each work activity, including time charged to each audit, review, or investigation.
- (c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.
- Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.
- Sec. 324. From the funds appropriated in part 1, \$500,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement and the "give 'em a brake" campaign. The funding shall be used to reimburse law enforcement agencies for costs associated with construction zone traffic enforcement. The funding shall be provided based on approved memoranda of understanding between the department and participating law enforcement agencies.
- Sec. 352. (1) Each county road commission, or in the case of a charter county with a population of 2,000,000 or more with an elected county executive that does not have a board of county road commissioners, the county executive, shall prepare, and present to the department, a map illustrating the all-season county road network under its jurisdiction. The county road commissions shall record this information on an official county highway map provided to them by the department. The department shall provide each county road commission with 3 official copies of their county road highway map on or before October 1, 2004.
- (2) After compiling this information for all Michigan counties, the department shall prepare a report on the current all-season road network within the state. This report shall illustrate the current all-season road network under state and county control, identify contiguity gaps in this network, and suggest ways to improve connectivity on the current all-season network. This report shall be presented to the house and senate appropriations subcommittees on

transportation, the house and senate transportation policy committees, and the house and senate fiscal agencies on or before October 1, 2005.

Sec. 353. 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 work to ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. Where possible, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of the department's receipt of local federal aid project submittals. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 361. (1) The bureau of multi-modal transportation services shall prepare an annual management plan that defines and justifies its program functions, its role in comprehensive transportation programs, and the administrative costs of all full-time equated classified positions in the bureau. On or before January 1, 2004, this plan shall be submitted to the state transportation commission, the senate and house appropriations subcommittees on transportation, and the senate and house standing committees on transportation.

(2) Beginning October 1, 2003, the bureau of multi-modal transportation services shall conduct its functions only under formal program policies adopted by the state transportation commission and as required by state and federal law.

Sec. 362. The department shall work with law enforcement agencies to inform the motoring public of the duty imposed by section 653a of the Michigan vehicle code, 1949 PA 300, MCL 257.653a, to exhibit due care and caution upon approaching and passing a stationary authorized emergency vehicle. The information campaign shall include signage, including signage erected at freeway rest areas.

Sec. 363. From the funds appropriated in part 1, sufficient funds shall be granted to Michigan Technological University to complete a study of the distribution and nature of log truck accidents and the characteristics of log trucks and log loads. The study shall consider alternative designs for log trucks and trailers, including crib vehicles on which logs are loaded lengthwise. The findings of this study shall be forwarded to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director.

Sec. 364. From the funds appropriated in part 1, \$25,000.00 shall be appropriated to assist disabled and veterans groups in identifying "full-service" service stations in Michigan that assist persons with disabilities. Data developed from this effort shall be made available to the public through the Michigan.gov website or through links from the Michigan.gov website to other relevant websites.

FEDERAL

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not disapproved within 30 business days by either the senate or house of representatives appropriations transportation subcommittee, then the recommendation or recommendations shall be considered as approved. If either the senate or house of representatives appropriations transportation subcommittee disapproves the proposed distribution, then the senate and house of representatives appropriations transportation subcommittees and the department shall hold a joint meeting on the issue to arrive at a final distribution. If no agreement is reached between the parties, the department's distribution shall stand.

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

- (a) Funds that are specifically allocated at the federal level to the state or local jurisdictions.
- (b) Funds allocated by the department to the state and to local jurisdictions through a competitive process.
- (2) Federal aid excluded from the calculation of funding allocated to programs administered by local jurisdictions in subsection (1) includes, but is not limited to, congestion mitigation and air quality funds, federal bridge funds, transportation enhancement funds, funds distributed at the discretion of the United States secretary of transportation, and congressionally designated funds.

- (3) The funds shall be distributed to eligible local agencies for transportation purposes in a manner consistent with state and federal law.
- (4) Federal aid to highways allocated to local jurisdictions in subsection (1) shall be distributed in a manner that produces a 25% average allocation of applicable funds to programs for local jurisdictions in each fiscal year through the fiscal year ending September 30, 2005. The average allocation of applicable federal aid to highway funds to programs for local jurisdictions shall be the average of the amount distributed to local jurisdictions under subsection (1) and similarly calculated distributions in each succeeding fiscal year.
- (5) The allocation percentage described in subsection (1) shall be adjusted to reflect any voluntary agreements made by the department with local jurisdictions regarding the transfer of federal aid eligible roadways or the state buyout of local federal aid.
 - (6) The department shall not borrow against the critical bridge fund for the first 9 months of the fiscal year.
- (7) The federal funds appropriated in part 1 for local federal aid and road and bridge construction, to eligible local road agencies, may be transferred through a voluntary buyout agreement made between eligible local road agencies.
- Sec. 404. It is the intent of the legislature that \$3,750,000.00 in federal high priority project funds designated in the transportation equity act for the 21st century, Public Law 105-178, 112 Stat. 107, to improve I-94 in Kalamazoo County be expended by the department for preliminary engineering and design work related to rehabilitation and capacity improvements to I-94 between US-131 and Sprinkle Road in Kalamazoo County.
- Sec. 405. Twenty percent of all 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 100 of 1951 PA 51, MCL 247.660o.

MICHIGAN TRANSPORTATION FUND

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

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

- Sec. 503. (1) The funds appropriated in part 1 for the economic development and critical bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 11b of 1951 PA 51, MCL 247.661b.
- (2) Interest earned in the department of transportation economic development fund and critical bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.
- (3) The department of transportation economic development fund and critical bridge fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the respective funds in addition to funds appropriated in part 1.
- (4) None of the funds statutorily dedicated to the transportation economic development fund and critical bridge fund shall be diverted to other projects.
- Sec. 504. (1) Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreational improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.
- (2) The amounts appropriated and transferred to various state agencies from part 1 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee

collection and other services applicable to transportation funds. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

- (a) Estimated costs to be recovered from transportation funds.
- (b) Description of services financed with transportation funds.
- (c) Detailed cost allocation methods that are appropriate to the type of services being provided and the activities financed with transportation funds.
- (3) Two months after publication of the state of Michigan comprehensive annual financial report, each state agency receiving an interdepartment and statutory contract from the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, and the amount of funds returned to the transportation funds. A copy of the report shall be submitted to the auditor general and the report shall be subject to audit by the auditor general.

Sec. 506. From the funds appropriated in part 1 for county road commissions, no county road commission shall pay any fee to the state department of natural resources to cut down and/or remove any tree or vegetation on any county right-of-way property.

STATE TRUNKLINE FUND

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2004 to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

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

Sec. 603. It is the intent of the legislature that the department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2004. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 607. Funding shall be made available for the remediation of unsafe pedestrian crossings on state highways. Funds from this appropriation may be expended only as matching funds for up to 50% of project cost with additional project funding to be provided by local units of government or through private contributions. Selected projects shall require the approval of the transportation commission. Maintenance of pedestrian overpasses constructed from funds made available through this appropriation shall be the responsibility of a local unit of government or public or private institutions of higher education.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund in the fiscal year ending September 30, 2004, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

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

Sec. 611. From the appropriations in part 1, the department shall use high-quality pavement marking materials for all state trunkline projects with a design life of 10 years or greater. The department shall coordinate with material

suppliers, equipment manufacturers, and application contractors to ensure cost-effective improvements in durability and retro-reflectivity. The department shall identify pilot projects for demonstration of wet reflective characteristics. The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 31, 2005, that provides a report on the wet reflective pilot projects and the use of high-quality pavement marking materials in coordination with material suppliers, equipment manufacturers, and application contractors.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1, 2004, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

- Sec. 613. From the funds appropriated in part 1, the department shall address the structural problems with the M-25 bridge in Hume Township resulting from the Schram drain.
- Sec. 614. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of a full interchange between exits 212 and 215 on I-75 in Ogemaw County at M-30. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2004.
- Sec. 615. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange at the intersection of Chandler Road and I-69 in Clinton County. The department shall develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2004.
- Sec. 616. From the funds appropriated in part 1, the department shall provide funding to the city of Cheboygan for the construction of a bridge to replace the current bridge over the Cheboygan River at Lincoln Avenue in the city of Cheboygan.
- Sec. 617. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. The department shall develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2004.
- Sec. 618. From the funds appropriated in part 1, the department shall install a traffic light at Vance Road and M-37 in Grand Traverse County.
- Sec. 619. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange on I-275 at Warren Road in Canton Township.
- Sec. 620. From the funds appropriated in part 1, the department shall install a traffic light at the intersection of M-37 and Quarterline Street in the city of Newaygo.
- Sec. 621. From the funds appropriated in part 1, the department shall install a traffic light on US-31 at the intersection with Bay Harbor in Emmet County.

COMPREHENSIVE TRANSPORTATION FUND

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

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

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

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

Sec. 705. Funds appropriated in part 1 for the rail infrastructure loan program shall be credited to the rail infrastructure loan fund established in section 15a of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies by February 15, 2004.

Sec. 707. For the fiscal year ending September 30, 2004, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5307 of title 49 of the United States Code, 49 U.S.C. 5307, shall receive a grant of up to 50% of its eligible operating expenses.

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

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

Between St. Ignace and Escanaba US-2

Between Escanaba and Duluth US-2 through Ironwood to the state line

Between Calumet and Escanaba US-41

Between Escanaba and Milwaukee US-41 through Menominee to the state line

Between St. Ignace and Sault Ste. Marie I-75

Between Detroit and Chicago I-94 from Detroit to the state line

Between Detroit and Muskegon I-96

Between Houghton Lake and Cadillac

Between the Indiana state line and Traverse City

Between Detroit and Toledo

Between Detroit and Port Huron

Between Grand Rapids, Holland, and Benton Harbor I-196 to I-94

Between Muskegon and Grand Rapids US-31, I-96 Between Detroit and Bay City I-75

Between Detroit and Bay City

Between Bay City and Mount Pleasant

I-75

US-10, M-20

Between Jackson and Traverse City US-127, US-27, I-75, Grayling, Gaylord,

M-72 to Traverse City

Between Jackson and Indianapolis I-69, I-94 to the state line through Albion, Marshall,

and Coldwater M-55 and M-66 I-75 to the state line US-31 and I-196 I-375 and I-94

Between Toledo and Bay City US-23, I-75, and I-675, I-75

Between Bay City and Chicago I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line

Between Flint and Lansing I-69, M-21, Owosso, M-52, I-69

Between Bay City and St. Ignace I-75, US-23

Between Grand Rapids and St. Ignace

US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace

Between Kalamazoo and Grand Rapids

US-131

- (2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.
- (3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.
- Sec. 710. Whenever possible, the department shall work with the local transit agencies to avoid establishing new routes that duplicate existing routes served by intercity carriers when providing services under regional transportation service programs. It is preferable that private intercity carriers be provided an opportunity to bid by local public transit agencies on services funded through the regional transportation service program.
- Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago on a 7-day basis, consistent with the other provisions of this section.
- (2) Any state subsidy for rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago shall be limited to the direct operating costs of rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago. Direct operating costs shall include the costs that are needed to provide staffing for passenger service kiosks at Port Huron, Flint, and East Lansing stations. Direct operating costs shall also include \$100,000.00 for marketing efforts, as further described in subsection (4), related to the Port Huron to Chicago service route. Any state funding provided under this section shall not exceed \$7,100,000.00.
- (3) The rail carrier shall, as a condition to receiving a state operating subsidy, establish a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.
- (4) The department shall work with the rail carrier, Travel Michigan, local communities, including local chambers of commerce, and the federal government to increase marketing efforts to promote awareness of rail passenger service, to increase ridership, to reduce operating subsidies in conjunction with the federal phaseout of operating subsidies, to maximize the revenue of the rail passenger lines in Michigan, and to improve on-time performance.
- (5) The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 1, 2004 that provides a 5-year history on services, ridership, and subsidies.
- (6) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance. The department shall include a section in the report required in subsection (5) detailing efforts to reduce the dependence on state operating subsidies and projected operating expenses for the next 2 years, and recommending service alternatives, for the Grand Rapids to Chicago service and the Port Huron to Chicago service.
- (7) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.
- Sec. 714. The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.
- Sec. 715. (1) On or before January 27, 2004, the department, together with the house and senate fiscal agencies and the department of management and budget, shall estimate the unreserved and unencumbered closing balance of the comprehensive transportation fund (CTF) for the fiscal year ending September 30, 2003. The estimate shall consider lapsed appropriations from the CTF and revised estimates of state restricted transportation revenue.
- (2) On or before February 3, 2004, the department shall request a legislative transfer in accordance with section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unreserved and unencumbered CTF fund balance in excess of \$1,000,000.00. The appropriations included in the transfer request shall be in accordance with the statutory requirements of 1951 PA 51, MCL 247.651 to 247.675, with priority given to local bus operating grants. At the same time the department makes its transfer request, the department shall submit copies of the transfer request to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies.

- Sec. 719. The department may provide advances to local road authorities from the rail grade crossing account pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661, for the construction of grade separations. Money that is received by the state as a repayment of the advance, including interest on the advance, shall be returned to the rail grade crossing account and be available for the local grade crossing program for advances for the construction of grade separations pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661.
- Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF.
- Sec. 722. From the funds appropriated in part 1 for the work first initiative from the CTF, sufficient funds shall be used as a match for job access reverse commute grants for local transit agencies.
- Sec. 727. From the appropriation in part 1 for local bus operating grants, the regional transit coordinating council created under section 4a of the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.404a, or its successor agency, shall receive no more than the amount received in the fiscal year ending September 30, 2003, pursuant to 2002 PA 561.
- Sec. 728. (1) The department shall work with public agencies and private companies to facilitate the development of multi-modal transportation systems involving the use of magnetic levitation rail systems and solar-powered hydrogen production and hydrogen fuel cell technology. From the funds appropriated in part 1 from the comprehensive transportation fund, notwithstanding section 359, the department may provide funding for research and development, including, but not limited to, preliminary engineering, of alternative rail passenger services along alternative active or inactive rights-of-way for purposes described in this section.
- (2) For the purposes of this section, the department may enter into an agreement with a public entity or private company. The public entity or private company may provide information to the department.
- Sec. 729. (1) From the comprehensive transportation funds appropriated in part 1, no more than \$200,000.00 shall be expended by the department to match federal funds made available to the Detroit area regional transportation authority. The state funds authorized under this subsection are only available for expenditure to the extent that they are matched equally by local sources of revenue within the Detroit regional transportation authority.
- (2) From the comprehensive transportation funds appropriated in part 1, no funds shall be expended toward implementation of an initial comprehensive regional public transportation plan for the Detroit area regional transportation authority until 45 days after the plan has been presented to the senate, the house of representatives, the state budget office, and the department.
- Sec. 730. The state funds appropriated in part 1 for intercity bus service development may be used to address increased security of intercity bus carriers.
- Sec. 731. Funds appropriated in part 1 shall not be used for any expansion of an intermodal rail freight facility in southwest Detroit, outside of existing railroad property, prior to the completion of an environmental impact statement.
- Sec. 732. (1) Eligible governmental agencies as defined in section 10c of 1951 PA 51, MCL 247.660c, that receive operating or capital grants from part 1 of this act, for public transportation services provided by water vehicle, shall not charge fares to school buses. School buses means school buses as defined in section 7 of the pupil transportation act, 1990 PA 187, MCL 257.1807.
- (2) The department shall reimburse eligible governmental agencies from the comprehensive transportation fund sufficient revenue to offset farebox revenue not collected from school buses as a result of this section, as documented in agency records. In addition to comprehensive transportation funds appropriated in part 1, there is appropriated from the comprehensive transportation fund sufficient revenue to make the reimbursement required by this subsection.
- Sec. 733. From the funds appropriated in part 1 from the comprehensive transportation fund, the department shall conduct a study of statewide maritime development and investments, including port development and promotion and marketing of passenger and freight service on the Great Lakes. The study shall include an analysis of the activities of

port authorities in this state, including an analysis of the costs and benefits associated with the creation of a state port authority. The study shall be completed by April 1, 2004, and study findings shall be forwarded to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director.

AERONAUTICS FUND

Sec. 801. At the close of the fiscal year ending September 30, 2004, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 805. State aeronautics funds appropriated in part 1 for airport safety and protection plan debt service are transferred to the comprehensive transportation fund and are appropriated for the purpose of reimbursing comprehensive transportation fund debt service obligations for the airport safety and protection plan program.

This act is ordered to take immediate effect.

	Carol Morey Viventi
	Secretary of the Senate
	Clerk of the House of Representatives
Approved	
Governor	