

HOUSE BILL No. 5889

EXECUTIVE BUDGET BILL

February 23, 2010, Introduced by Rep. Gonzales and referred to the Committee on Appropriations.

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this bill for the fiscal year ending September 30, 2011, from the

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

3 **STATE TRANSPORTATION DEPARTMENT**

4 APPROPRIATION SUMMARY

5	Full-time equated unclassified positions.....	6.0
6	Full-time equated classified positions.....	3,016.3
7	GROSS APPROPRIATION.....	\$ 2,760,929,300
8	Total interdepartmental grants and intradepartmental	
9	transfers	878,300
10	ADJUSTED GROSS APPROPRIATION.....	\$ 2,760,051,000
11	Federal revenues:	
12	DOT, federal transit act.....	61,285,000
13	DOT-FHWA, highway research, planning, and construction	585,167,700
14	DOT-FRA, local rail service assistance	100,000
15	DOT-FRA, rail passenger/HSGT.....	3,000,000
16	DOT, federal aviation administration.....	102,927,900
17	Total federal revenues.....	752,480,600
18	Special revenue funds:	
19	Total local and private revenues.....	56,496,000
20	Blue Water Bridge fund.....	14,966,900
21	Comprehensive transportation fund.....	237,120,000
22	Economic development fund.....	54,105,000
23	Intercity bus equipment fund.....	2,000,000
24	IRS debt service rebate.....	7,523,400
25	Local bridge fund.....	30,061,300
26	Michigan transportation fund.....	943,331,000
27	Rail freight fund.....	2,000,000

1	State aeronautics fund.....	16,551,900
2	State trunkline fund.....	640,439,500
3	Other state restricted revenue.....	2,975,400
4	Total other state restricted revenues.....	1,951,074,400
5	State general fund/general purpose.....	\$ 0
6	Sec. 102. DEBT SERVICE	
7	State trunkline.....	\$ 198,853,000
8	Economic development.....	9,173,400
9	Local bridge fund.....	3,261,500
10	Blue Water Bridge fund.....	2,216,400
11	Airport safety and protection plan.....	3,456,000
12	Comprehensive transportation.....	<u>29,852,700</u>
13	GROSS APPROPRIATION.....	\$ 246,813,000
14	Appropriated from:	
15	Federal revenues:	
16	DOT-FHWA, highway research, planning, and construction	45,832,100
17	Special revenue funds:	
18	Blue Water Bridge fund.....	2,216,400
19	Comprehensive transportation fund.....	29,852,700
20	Economic development fund.....	9,173,400
21	Local bridge fund.....	3,261,500
22	IRS debt service rebate.....	7,523,400
23	State aeronautics fund.....	3,456,000
24	State trunkline fund.....	145,497,500
25	State general fund/general purpose.....	\$ 0
26	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY	
27	SUPPORT SERVICES	

1	MTF grant to department of natural resources and	
2	environment	\$ 1,132,600
3	MTF grant to department of state for collection of	
4	revenue and fees	20,000,000
5	MTF grant to department of treasury.....	8,383,600
6	MTF grant to legislative auditor general.....	204,300
7	STF grant to department of attorney general.....	2,867,300
8	STF grant to civil service commission.....	5,697,000
9	STF grant to department of technology, management,	
10	and budget	1,218,600
11	STF grant to department of state police.....	10,203,200
12	STF grant to department of treasury.....	142,200
13	STF grant to legislative auditor general.....	474,600
14	SAF grant to department of attorney general.....	169,500
15	SAF grant to civil service commission.....	150,000
16	SAF grant to department of technology, management,	
17	and budget	32,800
18	SAF grant to department of treasury.....	76,100
19	SAF grant to legislative auditor general.....	19,600
20	CTF grant to department of attorney general.....	171,700
21	CTF grant to civil service commission.....	200,000
22	CTF grant to department of technology, management,	
23	and budget	37,400
24	CTF grant to department of treasury.....	6,500
25	CTF grant to legislative auditor general.....	<u>25,200</u>
26	GROSS APPROPRIATION.....	\$ 51,212,200
27	Appropriated from:	

1	Special revenue funds:		
2	Comprehensive transportation fund.....		440,800
3	Michigan transportation fund.....		29,720,500
4	State aeronautics fund.....		448,000
5	State trunkline fund.....		20,602,900
6	State general fund/general purpose.....	\$	0
7	Sec. 104. EXECUTIVE DIRECTION		
8	Full-time equated unclassified positions.....	6.0	
9	Full-time equated classified positions.....	31.3	
10	Unclassified salaries.....	\$	602,800
11	Asset management council.....		1,626,400
12	Commission support and audit--31.3 FTE positions.....		<u>3,561,100</u>
13	GROSS APPROPRIATION.....	\$	5,790,300
14	Appropriated from:		
15	Special revenue funds:		
16	Michigan transportation fund.....		1,626,400
17	State trunkline fund.....		4,163,900
18	State general fund/general purpose.....	\$	0
19	Sec. 105. BUSINESS SUPPORT		
20	Full-time equated classified positions.....	58.0	
21	Business support services--49.0 FTE positions.....	\$	6,235,500
22	Economic development and enhancement programs--9.0 FTE		
23	positions		1,212,400
24	Property management.....		7,754,600
25	Worker's compensation.....		<u>1,784,600</u>
26	GROSS APPROPRIATION.....	\$	16,987,100
27	Appropriated from:		

1	Special revenue funds:	
2	Comprehensive transportation fund.....	1,304,700
3	Economic development fund.....	468,900
4	Michigan transportation fund.....	201,700
5	State aeronautics fund.....	625,000
6	State trunkline fund.....	14,386,800
7	State general fund/general purpose.....	\$ 0
8	Sec. 106. INFORMATION TECHNOLOGY	
9	Information technology services and projects.....	<u>\$ 28,439,000</u>
10	GROSS APPROPRIATION.....	\$ 28,439,000
11	Appropriated from	
12	Federal revenues:	
13	DOT-FHWA, highway research, planning, and construction	520,500
14	Special revenue funds:	
15	Blue Water Bridge fund.....	48,300
16	Comprehensive transportation fund.....	192,400
17	Economic development fund.....	37,200
18	Michigan transportation fund.....	254,200
19	State aeronautics fund.....	150,200
20	State trunkline fund.....	27,236,200
21	State general fund/general purpose.....	\$ 0
22	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES	
23	Full-time equated classified positions.....	250.5
24	Financial operations--87.0 FTE positions.....	\$ 9,073,400
25	Contract services--53.6 FTE positions.....	5,303,600
26	Department services--41.9 FTE positions.....	5,313,100
27	Performance excellence--13.0 FTE positions.....	1,544,800

1	Welcome center operations--55.0 FTE positions		<u>4,965,400</u>
2	GROSS APPROPRIATION.....	\$	26,200,300
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	IDG for accounting service center user charges		878,300
6	Special revenue funds:		
7	Michigan transportation fund.....		1,792,700
8	State trunkline fund.....		23,529,300
9	State general fund/general purpose.....	\$	0
10	Sec. 108. TRANSPORTATION PLANNING		
11	Full-time equated classified positions.....	176.0	
12	Statewide planning services--124.0 FTE positions	\$	14,512,500
13	Data collection services--52.0 FTE positions		6,422,100
14	Specialized planning services and local studies		16,543,900
15	Grants to regional planning councils.....		<u>488,800</u>
16	GROSS APPROPRIATION.....	\$	37,967,300
17	Appropriated from:		
18	Federal revenues:		
19	DOT-FHWA, highway research, planning, and construction		22,000,000
20	Special revenue funds:		
21	Comprehensive transportation fund.....		960,300
22	Michigan transportation fund.....		6,304,500
23	State aeronautics fund.....		15,000
24	State trunkline fund.....		8,687,500
25	State general fund/general purpose.....	\$	0
26	Sec. 109. DESIGN AND ENGINEERING SERVICES		
27	Full-time equated classified positions.....	1,492.8	

1	Engineering services--800.1 FTE positions	\$	66,975,000
2	Program services--680.7 FTE positions		40,895,500
3	Intelligent transportation systems operations--12.0		
4	FTE positions		<u>10,615,500</u>
5	GROSS APPROPRIATION.....	\$	118,486,000
6	Appropriated from:		
7	Federal revenues:		
8	DOT-FHWA, highway research, planning, and construction		23,529,800
9	Special revenue funds:		
10	Michigan transportation fund.....		6,355,300
11	State trunkline fund.....		88,600,900
12	State general fund/general purpose.....	\$	0
13	Sec. 110. HIGHWAY MAINTENANCE		
14	Full-time equated classified positions..... 836.7		
15	State trunkline operations--836.7 FTE positions	\$	<u>278,194,900</u>
16	GROSS APPROPRIATION	\$	278,194,900
17	Appropriated from:		
18	Special revenue funds:		
19	State trunkline fund.....		278,194,900
20	State general fund/general purpose.....	\$	0
21	Sec. 111. ROAD AND BRIDGE PROGRAMS		
22	State trunkline federal aid and road and bridge		
23	construction	\$	298,636,800
24	Local federal aid and road and bridge construction...		248,751,000
25	Grants to local programs.....		33,000,000
26	Rail grade crossing.....		3,000,000
27	Local bridge program.....		26,799,800

1	County road commissions.....	551,352,700
2	Cities and villages.....	<u>307,403,800</u>
3	GROSS APPROPRIATION.....	\$ 1,468,944,100
4	Appropriated from:	
5	Federal revenues:	
6	DOT-FHWA, highway research, planning, and construction	486,770,500
7	Special revenue funds:	
8	Local funds.....	30,000,000
9	Blue Water Bridge fund.....	7,107,300
10	Local bridge fund.....	26,799,800
11	Michigan transportation fund.....	894,756,500
12	State trunkline fund.....	23,510,000
13	State general fund/general purpose.....	\$ 0
14	Sec. 112. BLUE WATER BRIDGE	
15	Full-time equated classified positions..... 41.0	
16	Blue Water Bridge operations--41.0 FTE positions	<u>\$ 5,594,900</u>
17	GROSS APPROPRIATION.....	\$ 5,594,900
18	Appropriated from:	
19	Special revenue funds:	
20	Blue Water Bridge fund.....	5,594,900
21	State general fund/general purpose.....	\$ 0
22	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT	
23	Forest roads.....	\$ 5,000,000
24	Rural county urban system.....	2,500,000
25	Target industries/economic redevelopment	19,212,700
26	Urban county congestion.....	8,356,400
27	Rural county primary.....	8,356,400

1	Nonprofit street railway.....	<u>1,000,000</u>
2	GROSS APPROPRIATION.....	\$ 44,425,500
3	Appropriated from:	
4	Special revenue funds:	
5	Economic development fund.....	44,425,500
6	State general fund/general purpose.....	\$ 0
7	Sec. 114. AERONAUTICS AND FREIGHT SERVICES	
8	Full-time equated classified positions.....	84.0
9	Airport improvement services--30.0 FTE positions.....	\$ 3,102,000
10	Aviation services--26.0 FTE positions.....	4,418,600
11	Freight and safety services--28.0 FTE positions.....	3,709,200
12	Air service program.....	<u>464,600</u>
13	GROSS APPROPRIATION.....	\$ 11,694,400
14	Appropriated from:	
15	Special revenue funds:	
16	Comprehensive transportation fund.....	1,604,800
17	Michigan transportation fund.....	2,104,400
18	State aeronautics fund.....	7,985,200
19	State general fund/general purpose.....	\$ 0
20	Sec. 115. PUBLIC TRANSPORTATION SERVICES	
21	Full-time equated classified positions.....	46.0
22	Passenger transportation services--46.0 FTE positions.....	<u>\$ 5,827,600</u>
23	GROSS APPROPRIATION.....	\$ 5,827,600
24	Appropriated from:	
25	Federal revenues:	
26	DOT, federal transit act.....	862,100
27	Special revenue funds:	

1	Comprehensive transportation fund.....	4,750,700
2	Michigan transportation fund.....	214,800
3	State general fund/general purpose.....	\$ 0
4	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
5	Local bus operating.....	\$ 166,624,000
6	Nonurban operating/capital.....	<u>22,787,900</u>
7	GROSS APPROPRIATION.....	\$ 189,411,900
8	Appropriated from:	
9	Federal revenues:	
10	DOT, federal transit act.....	21,987,900
11	Special revenue funds:	
12	Comprehensive transportation fund.....	166,624,000
13	Local funds.....	800,000
14	State general fund/general purpose.....	\$ 0
15	Sec. 117. INTERCITY PASSENGER AND FREIGHT	
16	Freight property management.....	\$ 1,000,000
17	Detroit/Wayne County port authority.....	468,200
18	Intercity services.....	7,250,000
19	Rail passenger service.....	11,667,000
20	Freight preservation and development.....	3,364,200
21	Marine passenger service.....	400,000
22	Terminal development.....	<u>150,000</u>
23	GROSS APPROPRIATION.....	\$ 24,299,400
24	Appropriated from:	
25	Federal revenues:	
26	DOT, federal transit act.....	4,500,000
27	DOT-FRA, local rail service assistance.....	100,000

1	DOT-FRA, rail passenger/HSGT.....	3,000,000
2	Special revenue funds:	
3	Local funds.....	50,000
4	Comprehensive transportation fund.....	12,649,400
5	Intercity bus equipment fund.....	2,000,000
6	Rail freight fund.....	2,000,000
7	State general fund/general purpose.....	\$ 0
8	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
9	Specialized services.....	\$ 7,443,800
10	Municipal credit program.....	2,000,000
11	Bus capital.....	41,300,000
12	Van pooling.....	195,000
13	Service initiatives.....	1,400,000
14	Transportation to work.....	<u>9,536,400</u>
15	GROSS APPROPRIATION.....	\$ 61,875,200
16	Appropriated from:	
17	Federal revenues:	
18	DOT, federal transit act.....	33,935,000
19	Special revenue funds:	
20	Local funds.....	9,200,000
21	Comprehensive transportation fund.....	18,740,200
22	State general fund/general purpose.....	\$ 0
23	Sec. 119. CAPITAL OUTLAY	
24	(1) BUILDINGS AND FACILITIES	
25	Port Huron replacement welcome center, inspection	
26	station, Blue Water Bridge administration and	
27	maintenance satellite facilities.....	\$ 11,518,300

1	Salt/sand storage buildings and secondary	
2	containment - contract agency locations.....	1,000,000
3	Special maintenance, remodeling and additions	<u>3,001,500</u>
4	GROSS APPROPRIATION.....	\$ 15,519,800
5	Appropriated from:	
6	Federal revenues:	
7	DOT-FHWA, highway research, planning and construction	6,514,800
8	Special revenue funds:	
9	Other state restricted revenue.....	2,975,400
10	State trunkline fund	6,029,600
11	State general fund/general purpose	\$ 0
12	(2) AIRPORT IMPROVEMENT PROGRAMS	
13	Airport safety, protection and improvement programs ..	<u>\$ 123,246,400</u>
14	GROSS APPROPRIATION.....	\$ 123,246,400
15	Appropriated from:	
16	Federal revenues:	
17	DOT, federal aviation administration.....	\$ 102,927,900
18	Special revenue funds:	
19	Local funds.....	16,446,000
20	State aeronautics fund.....	3,872,500
21	State general fund/general purpose.....	\$ 0

22 PART 2

23 PROVISIONS CONCERNING APPROPRIATIONS

24 GENERAL SECTIONS

25 Sec. 201. Pursuant to section 30 of article IX of the state

constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$1,951,074,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,200,248,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to local programs.....	\$	33,000,000
Economic development fund.....		43,425,500
Grants to cities and villages.....		307,403,800
Grants to county road commissions.....		551,352,700
Local bridge fund.....		26,799,800
Grants to regional planning councils.....		488,800
Local bus operating.....		166,624,000
Bus capital.....		41,300,000
Marine passenger service.....		400,000
Detroit/Wayne County port authority.....		468,200
Municipal credit program.....		2,000,000
Specialized services.....		7,443,800
Transportation to work.....		9,536,400
Airport safety, protection, and improvement program		3,991,300
Terminal development.....		150,000
Air service program.....		464,600
Service initiatives.....		1,400,000
Rail grade crossing.....		3,000,000
Salt/sand storage and secondary containment facilities		

1	- contract agency locations	<u>1,000,000</u>
2	Total payments to local units of government	\$ 1,200,248,900

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

6 Sec. 203. As used in this bill:

7 (a) "AASHTO" means American association of state highway and
 8 transportation officials.

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

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

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

12 (e) "DOT" means the United States department of
 13 transportation.

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

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

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

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

19 (j) "FTE" means full-time equated.

20 (k) "IRS" means internal revenue service.

21 (l) "MTF" means Michigan transportation fund.

22 (m) "RIF" means recreation improvement fund.

23 (n) "SAF" means state aeronautics fund.

24 (o) "STF" means state trunkline fund.

25 Sec. 204. The civil service commission shall bill the
 26 departments and agencies at the end of the first fiscal quarter for
 27 the charges authorized by section 5 of article XI of the state

1 constitution of 1963. Payments shall be made for the total amount
2 of the billing by the end of the second fiscal quarter.

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

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

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

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

27 Sec. 208. The department shall use the Internet to fulfill the

1 reporting requirements of this bill. This requirement may include
2 transmission of reports via electronic mail to the recipients
3 identified for each reporting requirement or it may include
4 placement of reports on an Internet or Intranet site.

5 Sec. 209. Funds appropriated in part 1 shall not be used for
6 the purchase of foreign goods or services, or both, if
7 competitively priced and of comparable quality American goods or
8 services, or both, are available. Preference shall be given to
9 goods or services, or both, manufactured or provided by Michigan
10 businesses, if they are competitively priced and of comparable
11 quality. In addition, preference should be given to goods or
12 services, or both, that are manufactured or provided by Michigan
13 businesses owned and operated by veterans, if they are
14 competitively priced and of comparable quality.

15 Sec. 210. The director shall take all reasonable steps to
16 ensure businesses in deprived and depressed communities compete for
17 and perform contracts to provide services or supplies, or both. The
18 director shall encourage firms with which the department contracts
19 to subcontract with certified businesses in deprived and depressed
20 communities for services, supplies, or both.

21 Sec. 259. From the funds appropriated in part 1 for
22 information technology, the department shall pay user fees to the
23 department of technology, management, and budget for technology-
24 related services and projects. Such user fees shall be subject to
25 provisions of an interagency agreement between the department and
26 the department of technology, management, and budget.

27 Sec. 260. (1) Due to the current budgetary problems in this

1 state, out-of-state travel shall be limited to situations in which
2 1 or more of the following conditions apply:

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

5 (b) The travel is necessary to protect the health or safety of
6 Michigan citizens or visitors or to assist other states in similar
7 circumstances.

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

11 (d) The travel is necessary to comply with federal
12 requirements.

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

15 (f) The travel is financed entirely by federal or nonstate
16 funds.

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

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

1 (b) The destination of each travel occurrence.

2 (c) The dates of each travel occurrence.

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

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

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

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

18 **DEPARTMENTAL SECTIONS**

19 Sec. 301. (1) The department may establish a fee schedule and
20 collect fees sufficient to cover the costs to issue the permits
21 that the department is authorized by law to issue upon request,
22 unless otherwise stipulated by law. All permit fees are
23 nonrefundable application fees and shall be credited to the
24 appropriate fund to recover the direct and indirect costs of
25 receiving, reviewing, and processing the requests.

26 (2) A bridge authority shall hold 3 public hearings on an
27 increase in any toll charged by the authority at least 30 days

1 before the toll change will become effective. Two of the hearings
2 shall be held within 5 miles of the bridge over which the bridge
3 authority has jurisdiction. One hearing shall be held in Lansing.
4 Public hearings held under this section shall be conducted in
5 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
6 15.275, and shall be conducted so as to provide a reasonable
7 opportunity for public comment, including both spoken and written
8 comments.

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

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

22 Sec. 306. (1) The amounts appropriated in section 103 to
23 support tax and fee collection, law enforcement, and other program
24 services provided to the department and to transportation funds by
25 other state departments shall be expended from transportation funds
26 pursuant to annual contracts between the department and those other
27 state departments. The contracts shall be executed prior to the

1 expenditure or obligation of those funds. The contracts shall
2 provide, but are not limited to, the following data applicable to
3 each state department:

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

5 (b) Description of services provided to the department and/or
6 transportation funds and financed with transportation funds.

7 (c) Detailed cost allocation methods appropriate to the type
8 of services being provided and the activities financed with
9 transportation funds.

10 (2) Not later than 2 months after publication of the state of
11 Michigan comprehensive annual financial report, each state
12 department receiving funding pursuant to an interdepartment
13 contract with the department shall submit a written report to the
14 department, the state budget director, and the house and senate
15 fiscal agencies stating by spending authorization account the
16 amount of estimated funds contracted with the department, the
17 amount of funds expended, the amount of funds returned to the
18 transportation funds, and any unreimbursed transportation-related
19 costs incurred but not billed to transportation funds. A copy of
20 the report shall be submitted to the auditor general, and the
21 report shall be subject to audit by the auditor general as provided
22 in subsection (3).

23 (3) Biennially, in each even-numbered fiscal year, the auditor
24 general shall conduct an audit of charges to transportation funds
25 by state departments for the 2 preceding fiscal years. The audit
26 shall include both charges governed by interdepartmental contracts
27 as well as miscellaneous charges from other state departments not

1 governed by contracts. The auditor general shall prepare a detailed
2 report, with recommendations and conclusions, including a summary
3 of charges and related services to transportation funds by
4 department, the appropriateness of those charges, the cost
5 allocation methodologies used in determining the level of funding,
6 and any unreimbursed transportation-related costs, if any. The
7 report shall be provided to the senate and house of representatives
8 committees on appropriations, the senate and house fiscal agencies,
9 and the state budget director 9 months after publication of the
10 state of Michigan comprehensive annual financial report.

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

16 Sec. 308. The department and local road agencies that receive
17 appropriations under this bill shall pursue compliance with
18 contract specifications for construction and maintenance of state
19 highways and local roads and streets. Work shall not be accepted
20 and paid for until it complies with contract requirements.
21 Contractors with unsatisfactory performance ratings shall be
22 restricted from future bidding through the prequalification process
23 established by the department or a local road agency.

24 Sec. 309. The department shall continue its efforts to reduce
25 administrative costs and provide the maximum funding possible for
26 construction projects.

27 Sec. 310. The department shall provide in a timely manner

1 copies of the agenda and approved minutes of monthly transportation
2 commission meetings to the members of the house and senate
3 appropriations subcommittees on transportation, the house and
4 senate fiscal agencies, and the state budget director.

5 Sec. 312. At the close of the fiscal year, any unencumbered
6 and unexpended balance in the state trunkline fund shall remain in
7 the state trunkline fund and shall carry forward and is
8 appropriated for federal aid road and bridge programs for projects
9 contained in the annual state transportation program.

10 Sec. 313. (1) From funds appropriated in part 1, the
11 department may increase a state infrastructure bank program and
12 grant or loan funds in accordance with regulations of the state
13 infrastructure bank program of the United States department of
14 transportation. The state infrastructure bank is to be administered
15 by the department for the purpose of providing a revolving, self-
16 sustaining resource for financing transportation infrastructure
17 projects.

18 (2) In addition to funds provided in subsection (1), money
19 received by the state as federal grants, repayment of state
20 infrastructure bank loans, or other reimbursement or revenue
21 received by the state as a result of projects funded by the program
22 and interest earned on that money shall be deposited in the
23 revolving state infrastructure bank fund and shall be available for
24 transportation infrastructure projects. At the close of the fiscal
25 year, any unencumbered funds remaining in the state infrastructure
26 bank fund shall remain in the fund and be carried forward into the
27 succeeding fiscal year.

1 Sec. 334. The department shall continue its program to
2 increase the use of women- and minority-owned businesses in state
3 and local road construction projects. This program shall comprise,
4 at a minimum, outreach and education efforts to inform women- and
5 minority-owned firms of department competitive bidding processes
6 and requirements, and an assessment of the availability of surety
7 for women- and minority-owned businesses.

8 Sec. 375. The department is prohibited from reimbursing
9 contractors or consultants for costs associated with groundbreaking
10 ceremonies, receptions, open houses, or press conferences related
11 to transportation projects funded, in whole or in part, by revenue
12 appropriated in part 1.

13 Sec. 383. The department shall maintain a system for
14 recovering the cost of operating department-owned aircraft through
15 charges to aircraft users.

16 Sec. 398. The appropriation included in part 1 to a nonprofit
17 street railway is pursuant to section 10e(22) of 1951 PA 51, MCL
18 247.660e. A nonprofit street railway receiving appropriations from
19 part 1 shall submit a quarterly report to the department, including
20 but not limited to, the construction spending, operating cost,
21 revenue and ridership, for the prior fiscal quarter no later than
22 60 days after the end of the quarter.

23 **FEDERAL**

24 Sec. 401. Within 30 days of receiving the applicable fiscal
25 year authorization from the federal government to commit
26 transportation funds, the department shall notify local agency
27 representatives, the senate and house of representatives

1 appropriations transportation subcommittees, the senate and house
2 fiscal agencies, and the state budget director regarding the amount
3 of federal aid for categorical allocations to state and local
4 agency programs not specifically allocated in either federal or
5 state law.

6 Sec. 402. A portion of the federal DOT-FHWA highway research,
7 planning, and construction funds made available to the state shall
8 be allocated to transportation programs administered by local
9 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
10 247.660o. A local road agency, with respect to a project approved
11 for federal aid funding in a state transportation improvement
12 program, may enter into a voluntary buyout agreement with the
13 department or with another local road agency to exchange the
14 federal aid with state restricted transportation funds as agreed to
15 by the respective parties. The state restricted transportation
16 funds received in exchange for federal aid funds shall be used for
17 the same purpose as the federal aid funds were originally intended.

18 **MICHIGAN TRANSPORTATION FUND**

19 Sec. 501. The money received under the motor carrier act, 1933
20 PA 254, MCL 475.1 to 479.43, and not appropriated to the department
21 of energy, labor, and economic growth or the department of state
22 police is deposited in the Michigan transportation fund.

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

1 MCL 247.651 to 247.675. County road commissions or county boards of
2 commissioners, as applicable, and cities and villages shall make
3 available to the department of treasury the pertinent records for
4 the audit.

5 Sec. 503. (1) The funds appropriated in part 1 for the
6 economic development and local bridge programs shall not lapse at
7 the end of the fiscal year but shall carry forward each fiscal year
8 for the purposes for which appropriated in accordance with 1987 PA
9 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
10 247.660.

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

15 (3) In addition to the funds appropriated in part 1, the
16 department of transportation economic development fund and local
17 bridge fund may receive federal, local, private or restricted
18 source funds such as interest earnings. These funds are
19 appropriated for projects that are consistent with the purposes of
20 the respective funds in accordance with 1987 PA 231, MCL 247.901 to
21 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

22 (4) None of the funds statutorily dedicated to the
23 transportation economic development fund and local bridge fund
24 shall be diverted to other projects.

25 Sec. 504. Funds from the Michigan transportation fund (MTF)
26 shall be distributed to the comprehensive transportation fund
27 (CTF), the economic development fund (EDF), the recreation

1 improvement fund (RIF), and the state trunkline fund (STF), in
2 accordance with this bill and part 711 of the natural resources and
3 environmental protection act, 1994 PA 451, MCL 324.71101 to
4 324.71108, and may only be used as specified in this bill, 1951 PA
5 51, MCL 247.651 to 247.675, and part 711 of the natural resources
6 and environmental protection act, 1994 PA 451, MCL 324.71101 to
7 324.71108.

8 **STATE TRUNKLINE FUND**

9 Sec. 601. The department shall work with the road construction
10 industry and engineering consulting community to develop
11 performance and road construction warranties for construction
12 contracts. The development of warranties shall include warranties
13 on materials, workmanship, performance criteria, and design/build
14 projects.

15 Sec. 602. If the department uses manufactured pipe for road
16 construction drainage, the department shall require that pipe used
17 under certain load-bearing conditions beneath the roadway meets the
18 standards established by the American society for testing and
19 materials (ASTM) or American association of state highway and
20 transportation officials (AASHTO). The department may also use the
21 mandrel test for manufactured pipe 60 days after installation.

22 **COMPREHENSIVE TRANSPORTATION FUND**

23 Sec. 701. Money that is received by the state as a lease
24 payment for state-owned intercity bus equipment is not money to be
25 deposited in the comprehensive transportation fund under section
26 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
27 an intercity bus equipment fund for appropriation for the purchase

1 and repair of intercity bus equipment. Proceeds received by the
2 state from the sale of intercity bus equipment are deposited in an
3 intercity bus equipment fund for appropriation for the purchase and
4 repair of intercity bus equipment. Security deposits from the lease
5 of state-owned intercity bus equipment not returned to the lessee
6 of the equipment under terms of the lease agreement are deposited
7 in an intercity bus equipment fund for appropriation for the repair
8 of intercity bus equipment. At the close of the fiscal year, any
9 funds remaining in the intercity bus equipment fund shall remain in
10 the fund and be carried forward into the succeeding fiscal year.

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

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

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

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

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

16 Sec. 714. The department, in cooperation with local transit
17 agencies, shall work to ensure that demand-response services are
18 provided throughout Michigan. The department shall continue to work
19 with local units of government to address the unmet transit needs
20 in Michigan.

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

26 **AERONAUTICS FUND**

27 Sec. 801. Except as otherwise provided in section 903 for

1 capital outlay, at the close of the fiscal year, any unobligated
2 and unexpended balance in the state aeronautics fund created in the
3 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
4 to 259.208, shall lapse to the state aeronautics fund and be
5 appropriated by the legislature in the immediately succeeding
6 fiscal year.

7 **CAPITAL OUTLAY**

8 Sec. 901. (1) From federal-state-local project appropriations
9 contained in part 1 for the purpose of assisting political entities
10 and subdivisions of this state in the construction and improvement
11 of publicly used airports and landing fields within this state, the
12 state transportation department may permit the award of contracts
13 on behalf of units of local government for the authorized locations
14 not to exceed the indicated amounts, of which the state allocated
15 portion shall not exceed the amount appropriated in part 1.

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

23 (3) The Michigan aeronautics commission may take those steps
24 necessary to match federal money available for airport construction
25 and improvement within this state and to meet the matching
26 requirements of the federal government. Whether acting alone or
27 jointly with another political subdivision or public agency or with

1 this state, a political subdivision or public agency of this state
2 shall not submit to any agency of the federal government a project
3 application for airport planning or development unless it is
4 authorized in this bill and the project application is approved by
5 the governing body of each political subdivision or public agency
6 making the application and by the Michigan aeronautics commission.

7 Sec. 902. (1) The director shall allocate lump-sum
8 appropriations made in this bill consistent with statutory
9 provisions and the purposes for which funds were appropriated.

10 Lump-sum allocations shall address priority program or facility
11 needs and may include, but are not limited to, design,
12 construction, remodeling and addition, special maintenance, major
13 special maintenance, energy conservation, and demolition.

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

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