

**SUBSTITUTE FOR
SENATE BILL NO. 125**

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow

money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; to investigate and study the tolling of roads, streets, highways, or bridges; and to repeal acts and parts of acts,"

(MCL 247.651 to 247.675) by adding section 11i.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 11i. (1) The department shall create and operate a local**
 2 **grade separation grant program for the separation of motor vehicle**
 3 **traffic and railroad traffic in this state. The department shall**
 4 **provide grants to cities, villages, and county road commissions in**
 5 **this state.**

6 **(2) A funding application for the local grade separation grant**
 7 **program must be made on a form approved by the department and must**
 8 **contain the information required under section 11j and by the**
 9 **department. A funding application under this section may be made at**

1 any time as determined by the department.

2 (3) The department shall establish a review process for
3 considering funding applications under this section that includes
4 the parameters for prioritizing the approval of funding
5 applications as described in section 11j. No later than 180 days
6 after receiving a funding application under this section, the
7 department shall notify the applicant whether the funding
8 application is approved or rejected. Before releasing grant funds
9 awarded under this section, the department must enter into a
10 written agreement, as described in subsection (4), with the funding
11 recipient. Grant funds awarded under this section may be used by
12 the funding recipient for any stage of design and construction
13 related to either of the following:

14 (a) A grade separation project.

15 (b) A project that improves traffic at a rail crossing without
16 a full grade separation including, but not limited to, construction
17 of a rail siding or spur.

18 (4) The written agreement between the department and the
19 funding recipient required under subsection (3) must provide for
20 both of the following:

21 (a) A description of the grade separation project, or project
22 described in subsection (3) (b) .

23 (b) A local, private, or federal match of not less than 10% of
24 the cost of the grade separation project, or project described in
25 subsection (3) (b) .

26 (5) For each year in which the department receives funding
27 applications, the department shall report by December 1 to the
28 standing committees of the senate and house of representatives with
29 primary jurisdiction over issues pertaining to transportation and

1 to the senate and house of representatives appropriations
2 committees on the utilization of funds from the local grade
3 separation grant program. The report must include, at a minimum,
4 all of the following:

5 (a) The number of funding applications received under this
6 section.

7 (b) The name of each city, village, or county road commission
8 that submitted a funding application, and whether each funding
9 application was approved or denied.

10 (c) The amount of local match for each funding application
11 approved under this section.

12 (6) The local grade separation fund is created within the
13 state treasury.

14 (7) The state treasurer may receive money or other assets from
15 any source for deposit into the local grade separation fund. The
16 state treasurer shall direct the investment of the local grade
17 separation fund. The state treasurer shall credit to the local
18 grade separation fund interest and earnings from local grade
19 separation fund investments.

20 (8) Money in the local grade separation fund at the close of
21 the fiscal year remains in the local grade separation fund and does
22 not lapse into the general fund.

23 (9) The state transportation department is the administrator
24 of the local grade separation fund for auditing purposes.

25 (10) The state transportation department shall expend money
26 from the local grade separation fund, on appropriation, only to
27 fund and operate the local grade separation grant program created
28 in subsection (1).

29 (11) As used in this section, "grade separation" means an

1 intersection of a railroad and roadway at different levels with the
2 railroad either above or below the roadway.

3 Enacting section 1. This amendatory act does not take effect
4 unless Senate Bill No. 124 of the 102nd Legislature is enacted into
5 law.