

For Fiscal Year
Ending Sept. 30,
2009

Public transportation services.

Sec. 115. PUBLIC TRANSPORTATION SERVICES

Full-time equated classified positions.....	46.0	
Passenger transportation services—46.0 FTE positions		\$ 5,339,400
GROSS APPROPRIATION		\$ 5,339,400
Appropriated from:		
Federal revenues:		
DOT, federal transit act.....		762,100
Special revenue funds:		
Comprehensive transportation fund		4,379,300
Michigan transportation fund		198,000
State general fund/general purpose		\$ 0

Bus transit division: statutory operating.

Sec. 116. BUS TRANSIT DIVISION: STATUTORY

OPERATING

Local bus operating.....		\$ 166,624,000
Nonurban operating/capital		19,300,000
GROSS APPROPRIATION		\$ 185,924,000
Appropriated from:		
Federal revenues:		
DOT, federal transit act.....		18,500,000
Special revenue funds:		
Comprehensive transportation fund		166,624,000
Local funds.....		800,000
State general fund/general purpose		\$ 0

Intercity passenger and freight.

Sec. 117. INTERCITY PASSENGER AND FREIGHT

Freight property management.....		\$ 1,000,000
Detroit/Wayne County port authority		500,000
Intercity services.....		7,425,000
Rail passenger service.....		12,700,000
Freight preservation and development.....		5,092,900
Rail infrastructure loan program.....		300,000
Marine passenger service.....		400,000
Terminal development		550,000
GROSS APPROPRIATION		\$ 27,967,900
Appropriated from:		
Federal revenues:		
DOT, federal transit act.....		4,500,000
DOT-FRA, local rail service assistance.....		100,000
DOT-FRA, rail passenger/HSGT.....		5,800,000
Special revenue funds:		
Local funds.....		50,000
Comprehensive transportation fund		14,517,900
Intercity bus equipment fund.....		1,000,000

	For Fiscal Year Ending Sept. 30, 2009
Rail freight fund	\$ 2,000,000
State general fund/general purpose	\$ 0

Public transportation development.

Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT

Specialized services	\$ 9,500,100
Municipal credit program.....	2,000,000
Bus capital.....	40,803,000
Van pooling	195,000
Service initiatives	1,116,500
Transportation to work.....	9,244,000
GROSS APPROPRIATION	\$ 62,858,600
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	32,100,000
Special revenue funds:	
Local funds.....	10,100,000
Comprehensive transportation fund	20,658,600
State general fund/general purpose	\$ 0

Capital outlay.

Sec. 119. CAPITAL OUTLAY

(1) BUILDINGS AND FACILITIES

Salt storage buildings and containment control systems - contract agencies - various state locations.....	\$ 2,765,000
Salt storage buildings and containment control systems - various state locations.....	1,337,000
Port Huron, St. Clair County, transportation service center construction (total authorized cost \$1,915,000; state trunkline fund share \$1,915,000).....	1,915,000
Fennville, Allegan County, maintenance garage expansion (total authorized cost \$945,000; state trunkline fund share \$945,000)	945,000
Institutional and agency roads	750,000
Miscellaneous special maintenance, remodeling, and additions	1,420,000
GROSS APPROPRIATION	\$ 9,132,000
Appropriated from:	
Special revenue funds:	
State trunkline fund.....	9,132,000
State general fund/general purpose	\$ 0

(2) AIRPORT IMPROVEMENT PROGRAMS

Airport safety, protection and improvement program	\$ 167,491,700
GROSS APPROPRIATION	\$ 167,491,700
Appropriated from:	
Federal revenues:	
DOT, federal aviation administration.....	133,024,600
Special revenue funds:	
Local funds.....	30,674,200
State aeronautics fund.....	3,792,900
State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS**Total state spending; payments to local units of government.**

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 2008-2009 is \$2,079,709,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$1,211,011,600.00. 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		23,186,200
Grants to cities and villages		333,468,700
Grants to county road commissions		598,102,100
Local bridge fund		28,336,800
Grants to regional planning councils		488,800
Local bus operating		166,624,000
Bus capital		9,403,000
Marine passenger service		400,000
Detroit/Wayne County port authority		500,000
Municipal credit program		2,000,000
Specialized services		4,100,100
Transportation to work		4,844,000
Buildings and facilities		2,765,000
Airport safety, protection, and improvement program		3,792,900
Total payments to local units of government	\$	<u>1,211,011,600</u>

Appropriations subject to MCL 18.1101 to 18.1594.

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.

Definitions.

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.
- (l) "STF" means state trunkline fund.

Billing by civil service commission.

Sec. 204. The civil service commission shall bill the 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.

Hiring freeze; exceptions.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time 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 may 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 quarterly 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 quarter and the reasons to justify the exception.

Contingency funds.

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

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

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

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

Privatization; project plan.

Sec. 207. When beginning any effort to privatize, the department shall submit a complete project plan to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies. The plan shall include the rationale for privatization, including a cost-benefit analysis if appropriate. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. As used in this section, “privatize” or “privatization” means the transfer of state highway maintenance 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.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement 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.

Purchase of goods or services; preference.

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. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Contracts to provide services or supplies; businesses in deprived and depressed communities.

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

Receipt and retention of reports.

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.

Information technology; amounts designated as work projects.

Sec. 258. 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.

Technology-related services and projects; payment of user fees.

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.

Out-of-state travel; exception; report.

Sec. 260. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.

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

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

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Communication of employee with legislative member or staff.

Sec. 261. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

Legal services.

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

Implementation of public act; policy changes; effect of rule on small businesses; definitions.

Sec. 263. (1) The department shall report no later than April 1, 2009 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) “Small business” means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Continuous process improvement programs.

Sec. 264. The department shall continue its efforts to implement continuous process improvement programs. On or before March 1, 2009, the department shall report to the state budget director; the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities to increase efficiency in the delivery of core programs. The report shall include a description of activities of the performance excellence section in identifying and implementing business process improvements.

Out-of-state professional development conference or training seminar; travel.

Sec. 265. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar that is funded by a federal or private funding source and requires more than 1 person from a department to attend or the conference or training seminar includes more than 1 issue in which 1 employee from the department does not have expertise.

DEPARTMENTAL SECTIONS

Fees; schedule; disposition; toll increases; public hearings.

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 fees associated with freedom of information requests. Unless otherwise authorized by statute, all fee revenue 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.

Money received by city, village, and county road commission; report.

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.

Bid documentation; confidentiality.

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.

Space on public passenger transportation properties; occupation by public or private tenants.

Sec. 305. The department shall permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The

department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain the property.

Tax and fee collection, law enforcement, and other program services; contracts between departments and other state departments; submission of report by each department; report by auditor general.

Sec. 306. (1) The amounts appropriated in section 103 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments shall be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts shall be executed prior to the expenditure or obligation of those funds. The contracts shall provide, but are not limited to, the following data applicable to each state department:

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

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

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

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with 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, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to 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 as provided in subsection (4).

(3) In addition to the requirements of subsection (2), the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the Michigan department of treasury for state-restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.

(4) Biennially, in each even-numbered fiscal year, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years. The audit shall include both charges governed by interdepartmental contracts as well as miscellaneous charges from other state departments not governed by contracts. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a summary of charges and related services to transportation funds by department, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any unreimbursed transportation-related costs, if any. The report shall be provided to the senate and house of representatives committees on appropriations, the senate and house fiscal agencies, and the state budget director 9 months after publication of the state of Michigan comprehensive annual financial report.

Highway construction projects and expected projects; rolling 5-year plan.

Sec. 307. Before March 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

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoes."

county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Compliance with contract specifications; payment; condition.

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, the senate and house fiscal agencies, and the state budget director on their respective activities under this section.

Reduction of administrative costs; maximum funding.

Sec. 309. The department shall reduce administrative costs and provide the maximum funding possible for construction projects.

Transportation commission meetings; agenda; minutes.

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.

State trunkline fund; carry forward of unencumbered and unexpended balance.

Sec. 312. At the close of the fiscal year, 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.

State infrastructure bank fund.

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 unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Internal auditor report.

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 February 1 of each year 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.

Rest area maintenance; signs.

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.

Construction zone enforcement.

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.

Women- and minority-owned business in state and local road construction projects.

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by September 30 of each year to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Prompt payment of prime contractors.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Local federal aid project review process.

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

Multi-modal transportation services program.

Sec. 361. The department will notify the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director of any changes to the services or function of the multi-modal transportation services program as approved by the state transportation commission.

Employee newsletters; electronic distribution.

Sec. 374. The department shall produce and distribute all employee newsletters electronically.

Transportation projects; groundbreaking ceremonies, receptions, open houses, or press conferences; reimbursement prohibited.

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

Report on deferred projects.

Sec. 376. No later than March 1 of each year, the department shall report to the senate and house appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored.

Travel; report; recovery of cost of operating department-owned aircraft.

Sec. 383. (1) The department shall prepare a quarterly report on all travel by executive branch employees, and others including local public officials, university employees, and other public employees on department-owned aircraft. The report shall include, by department, the name of the traveler; the travel origination location, the travel destination location, type of aircraft, and the total estimated costs associated with the air travel.

(2) The report shall be submitted to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies.

(3) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader or the speaker of the house of representatives and only when the aircraft is already scheduled by state employees on related official state business.

(4) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

Detroit River international crossing study.

Sec. 384. (1) The state transportation department is allowed to finish the Detroit River international crossing (DRIC) study provided that activity associated with finishing the DRIC study shall not bind the state in any way to construction. Certain preliminary activities which are necessary to prepare a proposal for a decision by the legislature are allowed as long as they do not bind the state. Those activities include all of the following:

- (a) Applications for permits and approvals.
- (b) Preliminary design engineering work.
- (c) Preliminary utility planning and relocation.
- (d) Preliminary financial and funding arrangements.

(2) The department will report on a quarterly basis to both the house and senate appropriations committees on any expenditures relative to the process identified in subsection (1).

(3) In addition, advanced property acquisitions that are hardship or opportunity purchases are allowed as long as they do not bind the state. The department will notify, in writing, both the house and senate appropriations committees within 30 days of any advanced property acquisition purchases. The department cannot enter into any binding commitment to construct the crossing until authorizing legislation is enacted into law.

Public transportation services; promotion of best practices.

Sec. 393. The department shall promote best practices for public transportation services in this state, including, but not limited to, the following:

(a) Transit vehicle rehabilitation to reduce life-cycle cost of public transportation through mid-life rehabilitation of transit buses.

(b) Coordination with the Michigan economic development corporation to promote transition of bus fleets hybrid transit vehicles with a view to promotion of fuel economy.

(c) Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.

(d) Coordination of transportation dollars among state departments which provide transit-related services, including the department of human services and the department of community health. Priority should be given to use of public transportation services where available.

(e) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.

Distribution formulae for transit and road funding and alternative distribution strategies; study.

Sec. 394. It is the intent of the legislature that the department conduct a study of the current distribution formulae for transit and road funding and of alternative distribution strategies. This study should take into consideration any recommendations made by the alternative transportation funding task force. For transit, alternatives should provide for incentives for those agencies which demonstrate efficient use of resources and increasing ridership levels. For road funding, the study should include an examination of “miles traveled” as a funding variable rather than linear miles. By July 1, 2009, the department shall report to the house and senate appropriations subcommittees on transportation, the house and senate transportation committees, the house and senate fiscal agencies, and the state budget director on the findings of the study including the fiscal impact of the various strategies to individual transit and road agencies.

County road C-56 between US-31 at Charlevoix and M-75 at Boyne City; jurisdiction.

Sec. 395. It is the intent of the legislature that the department assume jurisdiction of county road C-56 between US-31 at Charlevoix and M-75 at Boyne City in Charlevoix County.

Train stations along Ann Arbor to Detroit commuter rail corridor; location criteria.

Sec. 397. It is the intent of the legislature that the department will work with the communities, local officials, legislators, and southeast Michigan council of governments to develop criteria for locating future permanent train stations along the Ann Arbor to Detroit commuter rail corridor.

FEDERAL

Categorical allocations to state and local agency programs; notice of federal aid.

Sec. 401. Within 30 days of receiving the applicable fiscal year authorization from the federal government to commit transportation funds, the department shall notify local agency representatives, the senate and house of representatives appropriation transportation subcommittees, the senate and house fiscal agencies, and the state budget director regarding the amount of federal aid for categorical allocations to state and local agency programs not specifically allocated in either federal or state law.

Exchange of federal aid with state restricted transportation funds; entry into voluntary buyout agreement.

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

MICHIGAN TRANSPORTATION FUND**Money received under motor carrier act; deposit into 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 labor and economic growth or the department of state police is deposited in the Michigan transportation fund.

Disposition of state funds; audits and investigations by department of treasury.

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.

Appropriations for economic development and local bridge programs; carry forward of funds; interest earned; receipt and expenditure of federal, local, or private funds or restricted source funds; diversion to other projects prohibited.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local 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 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local 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 local 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 local bridge fund shall be diverted to other projects.

Distributions from Michigan transportation fund to certain other funds.

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

STATE TRUNKLINE FUND**Performance and road construction warranties; development.**

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 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Manufactured pipe used for road construction drainage; standards.

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 meets 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.

Determining priorities for designating roads to be remediated; use of traffic congestion as criteria.

Sec. 603. 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 March 1 of each year. 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.

Interchange of I-75 at Corunna Road in charter township of Flint; entrance ramp.

Sec. 607. It is the intent of the legislature that the Michigan department of transportation work to add a southbound entrance ramp at the interchange of I-75 at Corunna Road in the charter township of Flint.

Truck inspection stations.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, \$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.

Removal of large animal remains.

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.

Contracts for state trunkline projects; guidelines governing incentives and disincentives; report.

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 of each year, 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.

Interchange at M-48 and I-75 in Chippewa County.

Sec. 615. It is the intent of the legislature that the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. It is the intent of the legislature that the department develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2008.

Underpass at I-696 to 9 Mile Road in Hazel Park; reconstruction of I-75 service drive.

Sec. 617. It is the intent of the legislature to reconstruct the I-75 service drive from the underpass at I-696 to 9 Mile Road in Hazel Park.

Long-term viability of Mackinac Bridge.

Sec. 654. It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

Safe routes to schools project in Eaton Rapids.

Sec. 655. It is the intent of the legislature that the department expend not less than \$32,000.00 for a safe routes to schools project in Eaton Rapids, Michigan, involving extension of and improvements to sidewalks along North State Street from Gould to beyond Greyhound Drive, as well as connecting streets in neighborhoods near Eaton Rapids High School, Eaton Rapids Middle School, Greyhound Intermediate School, and Lockwood Elementary School.

Section of M-49 from M-99 to US-12; upgrade for designation as designated highway.

Sec. 656. It is the intent of the legislature that the department upgrade that section of M-49 from M-99 to US-12 to standards necessary for designation as a designated highway as provided under sections 717 and 718 of the Michigan vehicle code, 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a “green” special designated highway on the department’s truck operator’s map.

Interchange at I-196 and Phoenix Road in South Haven; reconstruction.

Sec. 658. It is the intent of the legislature that the department proceed with the reconstruction of the interchange at I-196 and Phoenix Road in South Haven.

Michigan actual historic project maintenance, repair, and resurfacing; unrecorded schedules and costs; use of data from other states.

Sec. 659. For pavement projects for which there are no Michigan actual historic project maintenance, repair, and resurfacing schedules and costs as recorded by the pavement management system, the department may use actual historical and comparable data for equivalent designs from states with similar climates, soil structures, and vehicle traffic.

COMPREHENSIVE TRANSPORTATION FUND**Deposit of money in intercity bus equipment 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. At the close of the fiscal year, any funds remaining in the intercity bus equipment fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Rail or water freight capital projects; deposit of money in rail freight fund.

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. At the close of the fiscal year, any funds remaining in the rail freight fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Abandonment of line by railroad company; notification of filing.

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.

Rail infrastructure loan program.

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.

Operations assessment and financial disclosure statement; issuance by Detroit/Wayne County port authority.

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 director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

Providing state-owned or state-leased buses to private intercity bus carriers; amount charged.

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.

Essential corridor list; designated bus routes; changes; limitation.

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 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 Bay City and Mount Pleasant	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
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	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.

Rail service between Grand Rapids and Chicago and between Port Huron and Chicago; state subsidy; conditions.

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 not exceed \$7,100,000.00.

(3) The rail carrier shall, as a condition to receiving a state operating subsidy, maintain 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) 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.

(5) 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.

Demand-response services.

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.

Federal transit administration bus acquisition capital grants matched with CTF funds.

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. This section does not take effect if failure to comply with the provisions of this section by a transit agency occurs due to the inability of the state to provide sufficient matching funds for available federal funding earmarked to that transit agency for the purpose of bus capital acquisition. The department shall report to the appropriation subcommittees on transportation of the senate and house of representatives if the state is unable to provide sufficient matching funds for this section to take effect.

Job access reverse commute grants; matching funds.

Sec. 722. From the funds appropriated in part 1 for transportation to work from the CTF, sufficient funds shall be used as a match for job access reverse commute grants for local transit agencies.

Intercity bus service.

Sec. 729. From the funds appropriated in part 1 for intercity services, \$100,000.00 shall be used for lost ridership support and/or marketing efforts to increase awareness of intercity bus service, increase ridership on intercity bus carriers, and improve coordination of intercity bus service in Michigan.

Sale of state-owned intercity bus equipment.

Sec. 730. The department shall sell all state-owned intercity bus equipment within 6 months of termination of lease agreements with intercity bus carriers. The proceeds from the sale of state-owned intercity bus equipment under this section shall be deposited in the intercity bus equipment fund, consistent with section 701.

Space in state-owned intermodal facilities; leasing rates for public transit agencies and intercity bus carriers.

Sec. 731. The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Public transit agencies; manner of providing service.

Sec. 734. (1) The department shall ensure that all public transit agencies provide the highest quality public transit service by moving people in a cost-effective, safe, and user-friendly manner that maintains and attracts residents and businesses.

(2) Public transit agencies receiving funds under part 1 shall do all of the following:

(a) Provide efficient, cost-effective, safe, well-maintained, reliable, customer-driven transportation services.

(b) Provide a quality work environment that has and fulfills employee performance, productivity, and development standards.

(c) Identify and capture all available funding or create cost-effective programs to eliminate debt and have a balanced budget.

(d) Maintain sufficient local and community funding.

(e) Support business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

Coordination of intercity routes, schedules, and facilities.

Sec. 736. From the funds appropriated in part 1, the department shall work with intercity rail and bus passenger carriers to coordinate intercity passenger transportation in Michigan. The department shall assist in the coordination of intercity routes, schedules, and facilities.

Birmingham/Troy intermodal passenger facility; construction.

Sec. 737. It is the intent of the legislature that the department proceed with the construction of a Birmingham/Troy intermodal passenger facility.

Comprehensive transportation fund; balance; report.

Sec. 740. The department shall report by March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director the encumbered and unencumbered balances of the comprehensive transportation fund.

Ann Arbor and NW Michigan railroad's track infrastructure; improvement.

Sec. 741. The department shall report by October 1, 2008 to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director on progress made to improve the Ann Arbor and NW Michigan railroad's track infrastructure for the purpose of supporting passenger train speed of 59 miles per hour.

AERONAUTICS FUND**State aeronautics fund; lapse.**

Sec. 801. At the close of the fiscal year, 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.

CAPITAL OUTLAY**Airport construction and improvement.**

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

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

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this act and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

Airport improvement projects; status report.

Sec. 902. Before the end of each fiscal year, the state transportation department shall report to the house and senate appropriations subcommittees on transportation the status of airport improvement projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify the house and senate appropriations subcommittees on transportation in writing of the date the report will be received.

Capital outlay; carrying forward under MCL 18.1248.

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

This act is ordered to take immediate effect.

Approved September 27, 2008.

Filed with Secretary of State September 29, 2008.

[No. 276]**(HB 6091)**

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending sections 3104, 3306, 30104, 30109, 32312, and 32513 (MCL 324.3104, 324.3306, 324.30104, 324.30109, 324.32312, and 324.32513), section 3104 as amended by 2005 PA 33, section 3306 as added by 2004 PA 246, section 30104 as amended by 2006 PA 531, sections 30109 and 32513 as amended by 2003 PA 163, and section 32312 as amended by 2004 PA 325.

The People of the State of Michigan enact:

324.3104 Cooperation and negotiation with other governments as to water resources; alteration of watercourses; federal assistance; formation of Great Lakes aquatic nuisance species coalition; report; requests for appropriations; recommendations; permit to alter floodplain; application; fees; disposition of fees; other acts subject to single highest permit fee.

Sec. 3104. (1) The department is designated the state agency to cooperate and negotiate with other governments, governmental units, and governmental agencies in matters concerning the water resources of the state, including, but not limited to, flood control, beach erosion control, water quality control planning, development, and management, and the control of aquatic nuisance species. The department shall have control over the alterations of natural or present watercourses of all rivers and streams in the state to assure that the channels and the portions of the floodplains that are the floodways are not inhabited and are kept free and clear of interference or obstruction that will cause any undue restriction of the capacity of the floodway. The department may take steps as may be necessary to take advantage of any act of congress that may be of assistance in carrying out the purposes of this part, including the water resources planning act, 42 USC 1962 to 1962d-3, and the federal water pollution control act, 33 USC 1251 to 1387.

(2) To address discharges of aquatic nuisance species from oceangoing vessels that damage water quality, aquatic habitat, or fish or wildlife, the department shall facilitate the formation of a Great Lakes aquatic nuisance species coalition. The Great Lakes aquatic nuisance species coalition shall be formed through an agreement entered into with other states in the

Great Lakes basin to implement on a basin-wide basis water pollution laws that prohibit the discharge of aquatic nuisance species into the Great Lakes from oceangoing vessels. The department shall seek to enter into an agreement that will become effective not later than January 1, 2007. The department shall consult with the department of natural resources prior to entering into this agreement. Upon entering into the agreement, the department shall notify the Canadian Great Lakes provinces of the terms of the agreement. The department shall seek funding from the Great Lakes protection fund authorized under part 331 to implement the Great Lakes aquatic nuisance species coalition.

(3) The department shall report to the governor and to the legislature at least annually on any plans or projects being implemented or considered for implementation. The report shall include requests for any legislation needed to implement any proposed projects or agreements made necessary as a result of a plan or project, together with any requests for appropriations. The department may make recommendations to the governor on the designation of areawide water quality planning regions and organizations relative to the governor's responsibilities under the federal water pollution control act, 33 USC 1251 to 1387.

(4) A person shall not alter a floodplain except as authorized by a floodplain permit issued by the department pursuant to part 13. An application for a permit shall include information that may be required by the department to assess the proposed alteration's impact on the floodplain. If an alteration includes activities at multiple locations in a floodplain, 1 application may be filed for combined activities.

(5) Except as provided in subsections (6), (7), and (9), until October 1, 2011, an application for a floodplain permit shall be accompanied by a fee of \$500.00. Until October 1, 2011, if the department determines that engineering computations are required to assess the impact of a proposed floodplain alteration on flood stage or discharge characteristics, the department shall assess the applicant an additional \$1,500.00 to cover the department's cost of review.

(6) Until October 1, 2011, an application for a floodplain permit for a minor project category shall be accompanied by a fee of \$100.00. Minor project categories shall be established by rule and shall include activities and projects that are similar in nature and have minimal potential for causing harmful interference.

(7) If work has been done in violation of a permit requirement under this part and restoration is not ordered by the department, the department may accept an application for a permit for that work if the application is accompanied by a fee equal to 2 times the permit fee required under subsection (5) or (6).

(8) The department shall forward fees collected under this section to the state treasurer for deposit in the land and water management permit fee fund created in section 30113.

(9) A project that requires review and approval under this part and 1 or more of the following is subject to only the single highest permit fee required under this part or the following:

- (a) Part 301.
- (b) Part 303.
- (c) Part 323.
- (d) Part 325.
- (e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

324.3306 Certificate of coverage; application fee.

Sec. 3306. (1) Until October 1, 2011, an application for a certificate of coverage under this part shall be accompanied by a fee of \$75.00. Until October 1, 2011, subject to subsection (2),

an application for an individual permit under this part shall be accompanied by the following fee, based on the size of the area of impact:

- (a) Less than 1/2 acre, \$75.00.
- (b) One-half acre or more but less than 5 acres, \$200.00.
- (c) Five acres or more but less than 20 acres, \$400.00.
- (d) Twenty acres or more but less than 100 acres, \$800.00.
- (e) One hundred acres or more, \$1,500.00.

(2) The department shall forward fees collected under this section to the state treasurer for deposit in the land and water management permit fee fund created in section 30113.

324.30104 Application for permit; fees.

Sec. 30104. (1) A person shall not undertake a project subject to this part except as authorized by a permit issued by the department pursuant to part 13. An application for a permit shall include any information that may be required by the department. If a project includes activities at multiple locations, 1 application may be filed for the combined activities.

(2) Except as provided in subsections (3) and (4), until October 1, 2011, an application for a permit shall be accompanied by a fee based on an administrative cost in accordance with the following schedule:

(a) For a minor project listed in R 281.816 of the Michigan administrative code, or a seasonal drawdown or the associated reflooding, or both, of a dam or impoundment for the purpose of weed control, a fee of \$50.00. However, for a permit for a seasonal drawdown or associated reflooding, or both, of a dam or impoundment for the purpose of weed control that is issued for the first time after October 9, 1995, an initial fee of \$500.00 with subsequent permits for the same purpose being assessed a \$50.00 fee.

(b) For authorization under a general permit, a \$50.00 fee.

(c) For construction or expansion of a marina, a fee of:

(i) \$50.00 for an expansion of 1-10 slips to an existing permitted marina.

(ii) \$100.00 for a new marina with 1-10 proposed marina slips.

(iii) \$250.00 for an expansion of 11-50 slips to an existing permitted marina, plus \$10.00 for each slip over 50.

(iv) \$500.00 for a new marina with 11-50 proposed marina slips, plus \$10.00 for each slip over 50.

(v) \$1,500.00 if an existing permitted marina proposes maintenance dredging of 10,000 cubic yards or more or the addition of seawalls, bulkheads, or revetments of 500 feet or more.

(d) For renewal of a marina operating permit, a fee of \$50.00.

(e) For major projects other than a project described in subdivision (c)(v), involving any of the following, a fee of \$2,000.00:

(i) Dredging of 10,000 cubic yards or more.

(ii) Filling of 10,000 cubic yards or more.

(iii) Seawalls, bulkheads, or revetments of 500 feet or more.

(iv) Filling or draining of 1 acre or more of wetland contiguous to a lake or stream.

(v) New dredging or upland boat basin excavation in areas of suspected contamination.

(vi) Shore projections, such as groins and underwater stabilizers, that extend 150 feet or more into a lake or stream.

(vii) New commercial docks or wharves of 300 feet or more in length.

(viii) Stream enclosures 100 feet or more in length.

(ix) Stream relocations 500 feet or more in length.

(x) New golf courses.

(xi) Subdivisions.

(xii) Condominiums.

(f) For all other projects not listed in subdivisions (a) through (e), a fee of \$500.00.

(3) A project that requires review and approval under this part and 1 or more of the following acts or parts of acts is subject to only the single highest permit fee required under this part or the following acts or parts of acts:

(a) Part 303.

(b) Part 323.

(c) Part 325.

(d) Section 3104.

(e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

(4) If work has been done in violation of a permit requirement under this part and restoration is not ordered by the department, the department may accept an application for a permit if the application is accompanied by a fee equal to 2 times the permit fee required under this section.

324.30109 Ordinary high-water mark agreement with riparian owner; agreement as proof of location; fee.

Sec. 30109. Upon the written request of a riparian owner and upon payment of a service fee, the department may enter into a written agreement with a riparian owner establishing the location of the ordinary high-water mark for his or her property. In the absence of substantially changed conditions, the agreement shall be conclusive proof of the location in all matters between the state and the riparian owner and his or her successors in interest. Until October 1, 2011, the service fee provided for in this section shall be \$500.00. The department shall forward all service fees collected under this section to the state treasurer for deposit into the fund.

324.32312 Rules; fee required with permit application or project; disposition of fees; violation; restraining order.

Sec. 32312. (1) The department, in order to regulate the uses and development of high-risk areas, flood risk areas, and environmental areas and to implement the purposes of this part, shall promulgate rules. If permits are required under rules promulgated under this part, the permits shall be issued pursuant to the rules and part 13. Except as provided under subsection (2), until October 1, 2011, if permits are required pursuant to rules promulgated under this part, an application for a permit shall be accompanied by a fee as follows:

(a) For a commercial or multi-family residential project, \$500.00.

(b) For a single-family home construction, \$100.00.

(c) For an addition to an existing single-family home or for a project that has a minor impact on fish and wildlife resources in environmental areas as determined by the department, \$50.00.

(2) A project that requires review and approval under this part and under 1 or more of the following is subject to only the single highest permit fee required under this part or the following:

(a) Part 301.

(b) Part 303.

(c) Part 325.

(d) Section 3104.

(e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

(3) The department shall forward fees collected under this section to the state treasurer for deposit in the land and water management permit fee fund created in section 30113.

(4) A circuit court, upon petition and a showing by the department that a rule promulgated under subsection (1) has been violated, shall issue any necessary order to the defendant to correct the violation or to restrain the defendant from further violation of the rule.

324.32513 Application for permit; contents; fees; disposition of fees.

Sec. 32513. (1) Before any work or connection specified in section 32512 or 32512a is undertaken, a person shall file an application with the department of environmental quality setting forth the following:

(a) The name and address of the applicant.

(b) The legal description of the lands included in the project.

(c) A summary statement of the purpose of the project.

(d) A map or diagram showing the proposal on an adequate scale with contours and cross-section profiles of the waterway to be constructed.

(e) Other information required by the department of environmental quality.

(2) Except as provided in subsections (3) and (4), until October 1, 2011, an application for a permit under this section shall be accompanied by a fee according to the following schedule:

(a) For a project in a category of activities for which a general permit is issued under section 32512a, a fee of \$100.00.

(b) For activities included in the minor project category as described in rules promulgated under this part and for a permit for the removal of vegetation in an area that is not more than 100 feet wide or the width of the property, whichever is less, or the mowing of vegetation in excess of what is allowed in section 32512(2)(a)(ii), in the area between the ordinary high-water mark and the water's edge, a fee of \$50.00.

(c) For construction or expansion of a marina, a fee of:

(i) \$50.00 for an expansion of 1-10 slips to an existing permitted marina.

(ii) \$100.00 for a new marina with 1-10 proposed marina slips.

(iii) \$250.00 for an expansion of 11-50 slips to an existing permitted marina, plus \$10.00 for each slip over 50.

(iv) \$500.00 for a new marina with 11-50 proposed marina slips, plus \$10.00 for each slip over 50.

(v) \$1,500.00 if an existing permitted marina proposes maintenance dredging of 10,000 cubic yards or more or the addition of seawalls, bulkheads, or revetments of 500 feet or more.

(d) For major projects other than a project described in subdivision (c)(v), involving any of the following, a fee of \$2,000.00:

(i) Dredging of 10,000 cubic yards or more.

(ii) Filling of 10,000 cubic yards or more.

(iii) Seawalls, bulkheads, or revetment of 500 feet or more.

(iv) Filling or draining of 1 acre or more of coastal wetland.

(v) New dredging or upland boat basin excavation in areas of suspected contamination.

(vi) New breakwater or channel jetty.

(vii) Shore protection, such as groins and underwater stabilizers, that extend 150 feet or more on Great Lakes bottomlands.

(viii) New commercial dock or wharf of 300 feet or more in length.

(e) For all other projects not listed in subdivisions (a) through (d), \$500.00.

(3) A project that requires review and approval under this part and 1 or more of the following is subject to only the single highest permit fee required under this part or the following:

(a) Part 301.

(b) Part 303.

(c) Part 323.

(d) Section 3104.

(e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

(4) If work has been done in violation of a permit requirement under this part and restoration is not ordered by the department of environmental quality, the department of environmental quality may accept an application for a permit if the application is accompanied by a fee equal to 2 times the permit fee required under this section.

(5) The department of environmental quality shall forward all fees collected under this section to the state treasurer for deposit into the land and water management permit fee fund created in section 30113.

This act is ordered to take immediate effect.

Approved September 27, 2008.

Filed with Secretary of State September 29, 2008.

[No. 277]

(HB 5834)

AN ACT to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and

parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending section 20161 (MCL 333.20161), as amended by 2008 PA 173; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

333.20161 Fees and assessments for health facility and agency licenses and certificates of need; medicaid reimbursement rates; use of quality assurance assessment; tax levy; “medicaid” defined.

Sec. 20161. (1) The department shall assess fees and other assessments for health facility and agency licenses and certificates of need on an annual basis as provided in this article. Except as otherwise provided in this article, fees and assessments shall be paid in accordance with the following schedule:

(a) Freestanding surgical outpatient facilities	\$238.00 per facility.
(b) Hospitals	\$8.28 per licensed bed.
(c) Nursing homes, county medical care facilities, and hospital long-term care units.....	\$2.20 per licensed bed.
(d) Homes for the aged.....	\$6.27 per licensed bed.
(e) Clinical laboratories	\$475.00 per laboratory.
(f) Hospice residences	\$200.00 per license survey; and \$20.00 per licensed bed.
(g) Subject to subsection (13), quality assurance assessment for nursing homes and hospital long-term care units	an amount resulting in not more than 6% of total industry revenues.
(h) Subject to subsection (14), quality assurance assessment for hospitals	at a fixed or variable rate that generates funds not more than the maximum allowable under the federal matching requirements, after consideration for the amounts in subsection (14)(a) and (i).

(2) If a hospital requests the department to conduct a certification survey for purposes of title XVIII or title XIX of the social security act, the hospital shall pay a license fee surcharge of \$23.00 per bed. As used in this subsection, “title XVIII” and “title XIX” mean those terms as defined in section 20155.

(3) The base fee for a certificate of need is \$1,500.00 for each application. For a project requiring a projected capital expenditure of more than \$500,000.00 but less than \$4,000,000.00, an additional fee of \$4,000.00 shall be added to the base fee. For a project requiring a projected capital expenditure of \$4,000,000.00 or more, an additional fee of \$7,000.00 shall be added to the base fee. The department of community health shall use the fees collected under this subsection only to fund the certificate of need program. Funds remaining in the certificate of need program at the end of the fiscal year shall not lapse to the general fund but shall remain available to fund the certificate of need program in subsequent years.

(4) If licensure is for more than 1 year, the fees described in subsection (1) are multiplied by the number of years for which the license is issued, and the total amount of the fees shall be collected in the year in which the license is issued.

(5) Fees described in this section are payable to the department at the time an application for a license, permit, or certificate is submitted. If an application for a license, permit, or certificate is denied or if a license, permit, or certificate is revoked before its expiration date, the department shall not refund fees paid to the department.

(6) The fee for a provisional license or temporary permit is the same as for a license. A license may be issued at the expiration date of a temporary permit without an additional fee for the balance of the period for which the fee was paid if the requirements for licensure are met.

(7) The department may charge a fee to recover the cost of purchase or production and distribution of proficiency evaluation samples that are supplied to clinical laboratories pursuant to section 20521(3).

(8) In addition to the fees imposed under subsection (1), a clinical laboratory shall submit a fee of \$25.00 to the department for each reissuance during the licensure period of the clinical laboratory's license.

(9) The cost of licensure activities shall be supported by license fees.

(10) The application fee for a waiver under section 21564 is \$200.00 plus \$40.00 per hour for the professional services and travel expenses directly related to processing the application. The travel expenses shall be calculated in accordance with the state standardized travel regulations of the department of management and budget in effect at the time of the travel.

(11) An applicant for licensure or renewal of licensure under part 209 shall pay the applicable fees set forth in part 209.

(12) Except as otherwise provided in this section, the fees and assessments collected under this section shall be deposited in the state treasury, to the credit of the general fund. The department may use the unreserved fund balance in fees and assessments for the background check program required under this article.

(13) The quality assurance assessment collected under subsection (1)(g) and all federal matching funds attributed to that assessment shall be used only for the following purposes and under the following specific circumstances:

(a) The quality assurance assessment and all federal matching funds attributed to that assessment shall be used to finance medicaid nursing home reimbursement payments. Only licensed nursing homes and hospital long-term care units that are assessed the quality assurance assessment and participate in the medicaid program are eligible for increased per diem medicaid reimbursement rates under this subdivision. A nursing home or long-term care unit that is assessed the quality assurance assessment and that does not pay the assessment required under subsection (1)(g) in accordance with subdivision (c)(i) or in accordance with a written payment agreement with the state shall not receive the increased per diem medicaid reimbursement rates under this subdivision until all of its outstanding quality assurance assessments and any penalties assessed pursuant to subdivision (g) have been paid in full. Nothing in this subdivision shall be construed to authorize or require the department to overspend tax revenue in violation of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(b) Except as otherwise provided under subdivision (c), beginning October 1, 2005, the quality assurance assessment is based on the total number of patient days of care each nursing home and hospital long-term care unit provided to nonmedicare patients within the immediately preceding year and shall be assessed at a uniform rate on October 1, 2005 and

subsequently on October 1 of each following year, and is payable on a quarterly basis, the first payment due 90 days after the date the assessment is assessed.

(c) Within 30 days after September 30, 2005, the department shall submit an application to the federal centers for medicare and medicaid services to request a waiver pursuant to 42 CFR 433.68(e) to implement this subdivision as follows:

(i) If the waiver is approved, the quality assurance assessment rate for a nursing home or hospital long-term care unit with less than 40 licensed beds or with the maximum number, or more than the maximum number, of licensed beds necessary to secure federal approval of the application is \$2.00 per nonmedicare patient day of care provided within the immediately preceding year or a rate as otherwise altered on the application for the waiver to obtain federal approval. If the waiver is approved, for all other nursing homes and long-term care units the quality assurance assessment rate is to be calculated by dividing the total statewide maximum allowable assessment permitted under subsection (1)(g) less the total amount to be paid by the nursing homes and long-term care units with less than 40 or with the maximum number, or more than the maximum number, of licensed beds necessary to secure federal approval of the application by the total number of nonmedicare patient days of care provided within the immediately preceding year by those nursing homes and long-term care units with more than 39, but less than the maximum number of licensed beds necessary to secure federal approval. The quality assurance assessment, as provided under this subparagraph, shall be assessed in the first quarter after federal approval of the waiver and shall be subsequently assessed on October 1 of each following year, and is payable on a quarterly basis, the first payment due 90 days after the date the assessment is assessed.

(ii) If the waiver is approved, continuing care retirement centers are exempt from the quality assurance assessment if the continuing care retirement center requires each center resident to provide an initial life interest payment of \$150,000.00, on average, per resident to ensure payment for that resident's residency and services and the continuing care retirement center utilizes all of the initial life interest payment before the resident becomes eligible for medical assistance under the state's medicaid plan. As used in this subparagraph, "continuing care retirement center" means a nursing care facility that provides independent living services, assisted living services, and nursing care and medical treatment services, in a campus-like setting that has shared facilities or common areas, or both.

(d) Beginning October 1, 2011, the department shall no longer assess or collect the quality assurance assessment or apply for federal matching funds.

(e) Beginning May 10, 2002, the department of community health shall increase the per diem nursing home medicaid reimbursement rates for the balance of that year. For each subsequent year in which the quality assurance assessment is assessed and collected, the department of community health shall maintain the medicaid nursing home reimbursement payment increase financed by the quality assurance assessment.

(f) The department of community health shall implement this section in a manner that complies with federal requirements necessary to assure that the quality assurance assessment qualifies for federal matching funds.

(g) If a nursing home or a hospital long-term care unit fails to pay the assessment required by subsection (1)(g), the department of community health may assess the nursing home or hospital long-term care unit a penalty of 5% of the assessment for each month that the assessment and penalty are not paid up to a maximum of 50% of the assessment. The department of community health may also refer for collection to the department of treasury past due amounts consistent with section 13 of 1941 PA 122, MCL 205.13.

(h) The medicaid nursing home quality assurance assessment fund is established in the state treasury. The department of community health shall deposit the revenue raised through

the quality assurance assessment with the state treasurer for deposit in the medicaid nursing home quality assurance assessment fund.

(i) The department of community health shall not implement this subsection in a manner that conflicts with 42 USC 1396b(w).

(j) The quality assurance assessment collected under subsection (1)(g) shall be prorated on a quarterly basis for any licensed beds added to or subtracted from a nursing home or hospital long-term care unit since the immediately preceding July 1. Any adjustments in payments are due on the next quarterly installment due date.

(k) In each fiscal year governed by this subsection, medicaid reimbursement rates shall not be reduced below the medicaid reimbursement rates in effect on April 1, 2002 as a direct result of the quality assurance assessment collected under subsection (1)(g).

(l) In fiscal year 2007-2008, \$39,900,000.00 of the quality assurance assessment collected pursuant to subsection (1)(g) shall be appropriated to the department of community health to support medicaid expenditures for long-term care services. The state retention amount of the quality assurance assessment collected pursuant to subsection (1)(g) for fiscal year 2008-2009 shall be \$41,473,500.00, and for each subsequent fiscal year shall be equal to 13.2% of the federal funds generated by the nursing homes and hospital long-term care units quality assurance assessment, including the state retention amount. The state retention amount shall be appropriated each fiscal year to the department of community health to support medicaid expenditures for long-term care services. These funds shall offset an identical amount of general fund/general purpose revenue originally appropriated for that purpose.

(14) The quality assurance dedication is an earmarked assessment collected under subsection (1)(h). That assessment and all federal matching funds attributed to that assessment shall be used only for the following purpose and under the following specific circumstances:

(a) To maintain the increased medicaid reimbursement rate increases as provided for in subdivision (c).

(b) The quality assurance assessment shall be assessed on all net patient revenue, before deduction of expenses, less medicare net revenue, as reported in the most recently available medicare cost report and is payable on a quarterly basis, the first payment due 90 days after the date the assessment is assessed. As used in this subdivision, "medicare net revenue" includes medicare payments and amounts collected for coinsurance and deductibles.

(c) Beginning October 1, 2002, the department of community health shall increase the hospital medicaid reimbursement rates for the balance of that year. For each subsequent year in which the quality assurance assessment is assessed and collected, the department of community health shall maintain the hospital medicaid reimbursement rate increase financed by the quality assurance assessments.

(d) The department of community health shall implement this section in a manner that complies with federal requirements necessary to assure that the quality assurance assessment qualifies for federal matching funds.

(e) If a hospital fails to pay the assessment required by subsection (1)(h), the department of community health may assess the hospital a penalty of 5% of the assessment for each month that the assessment and penalty are not paid up to a maximum of 50% of the assessment. The department of community health may also refer for collection to the department of treasury past due amounts consistent with section 13 of 1941 PA 122, MCL 205.13.

(f) The hospital quality assurance assessment fund is established in the state treasury. The department of community health shall deposit the revenue raised through the quality

assurance assessment with the state treasurer for deposit in the hospital quality assurance assessment fund.

(g) In each fiscal year governed by this subsection, the quality assurance assessment shall only be collected and expended if medicaid hospital inpatient DRG and outpatient reimbursement rates and disproportionate share hospital and graduate medical education payments are not below the level of rates and payments in effect on April 1, 2002 as a direct result of the quality assurance assessment collected under subsection (1)(h), except as provided in subdivision (h).

(h) The quality assurance assessment collected under subsection (1)(h) shall no longer be assessed or collected after September 30, 2011 in the event that the quality assurance assessment is not eligible for federal matching funds. Any portion of the quality assurance assessment collected from a hospital that is not eligible for federal matching funds shall be returned to the hospital.

(i) In fiscal year 2007-2008, \$98,850,000.00 of the quality assurance assessment collected pursuant to subsection (1)(h) shall be appropriated to the department of community health to support medicaid expenditures for hospital services and therapy. The state retention amount of the quality assurance assessment collected pursuant to subsection (1)(h) for fiscal year 2008-2009 and each subsequent fiscal year shall be equal to 13.2% of the federal funds generated by the hospital quality assurance assessment, including the state retention amount. The state retention percentage shall be applied proportionately to each hospital quality assurance assessment program to determine the retention amount for each program. The state retention amount shall be appropriated each fiscal year to the department of community health to support medicaid expenditures for hospital services and therapy. These funds shall offset an identical amount of general fund/general purpose revenue originally appropriated for that purpose.

(15) The quality assurance assessment provided for under this section is a tax that is levied on a health facility or agency.

(16) As used in this section, “medicaid” means that term as defined in section 22207.

Repeal of section 1809 of 2008 PA 246.

Enacting section 1. Section 1809 of 2008 PA 246 is repealed.

This act is ordered to take immediate effect.

Approved September 27, 2008.

Filed with Secretary of State September 29, 2008.

[No. 278]

(SB 511)

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies, capital outlay, the legislative branch, and the judicial branch for the fiscal year ending September 30, 2008; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS FOR
FISCAL YEAR 2007-2008

Appropriations; supplemental for fiscal year ending September 30, 2008; capital outlay projects at various state agencies and institutions.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for certain capital outlay projects at the various state agencies and institutions for the fiscal year ending September 30, 2008, from the funds indicated in this part. The following is a summary of the appropriations in this part:

CAPITAL OUTLAY

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	97,880,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		2,000,000
ADJUSTED GROSS APPROPRIATION	\$	95,880,400
Federal revenues:		
Total federal revenues		31,504,100
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		723,900
Total other state restricted revenues		63,650,300
State general fund/general purpose	\$	2,100

Department of agriculture.

Sec. 102. DEPARTMENT OF AGRICULTURE

Farmland and open space development acquisition	\$	3,750,000
GROSS APPROPRIATION	\$	3,750,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants.....		1,250,000
Special revenue funds:		
Agriculture preservation fund		2,500,000
State general fund/general purpose	\$	0

Department of management and budget.

Sec. 103. DEPARTMENT OF MANAGEMENT AND

BUDGET

Lump-sum projects:		
Special maintenance, remodeling and additions:		
For state agencies special maintenance projects estimated to cost more than \$100,000 but less than \$1,000,000	\$	2,000,000
GROSS APPROPRIATION	\$	2,000,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy charges.....		2,000,000
State general fund/general purpose	\$	0

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Department of military affairs.

Sec. 104. DEPARTMENT OF MILITARY AFFAIRS

Lump-sum projects:

For department of military affairs remodeling and additions and special maintenance projects	\$ 15,000,000
Camp Grayling, infantry platoon battle course/live fire range, for design and construction (total authorized cost \$3,500,000; federal share \$3,500,000)	3,500,000
Camp Grayling, multiple company headquarters buildings, phases I and II, for design and construction (total authorized cost is increased from \$37,000,000 to \$45,000,000; federal share is increased from \$37,000,000 to \$45,000,000)	8,000,000
GROSS APPROPRIATION	\$ 26,500,000
Appropriated from:	
Federal revenues:	
DOD, department of the army, national guard bureau.....	26,500,000
State general fund/general purpose	\$ 0

Department of natural resources.

Sec. 105. DEPARTMENT OF NATURAL RESOURCES

(1) STATE PARK AND FOREST AREA IMPROVEMENTS

State parks repair and maintenance	\$ 2,000,000
Forest roads, bridges, and facilities	500,000
GROSS APPROPRIATION	\$ 2,500,000
Appropriated from:	
Special revenue funds:	
Forest development fund	400,000
Forest recreation fund.....	100,000
State park improvement fund	2,000,000
State general fund/general purpose	\$ 0

(2) WATERWAYS BOATING PROGRAM

Infrastructure improvements - state projects.....	\$ 2,287,000
Infrastructure improvements - local projects	2,115,000
Land acquisition.....	500,000
Boating program, local boating access projects:	
Otsego Lake, Otsego County, dock and launch replacement (total authorized cost \$193,100; state share \$144,000; local share \$49,100)	144,000
Walloon Lake, Charlevoix County, new site construction (total authorized cost \$510,000; state share \$510,000)	510,000
Boating program, harbors and docks, state facilities:	
Mackinaw City, Cheboygan County, new marina, state dock, phase IV (total cost authorized cost is increased from \$10,775,000 to \$11,775,000; state share is increased from \$10,775,000 to \$11,775,000)	1,000,000
Cheboygan, Cheboygan County, lock and dam repairs and improvements (total authorized cost is increased from \$2,610,200 to \$4,289,600; federal share is increased from \$1,957,600 to \$3,262,000; and state share is increased from \$652,600 to \$1,027,600)	1,679,400

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Bay Port dredging project (total project cost \$1,000,000; state share \$1,000,000)	\$ 1,000,000
Mackinac Island - mooring expansion (total cost \$5,660,800; federal share \$1,893,500; state share \$3,767,300).....	1,976,000
Boating program, harbors and docks, local facilities:	
Peshawbestown, Leelanau County, marina (total project cost \$1,603,300; federal share \$979,700; local share \$623,600).....	979,700
Grand Haven, Ottawa County, dock replacement and marina improvements, phase II (total authorized cost is increased from \$1,000,000 to \$2,010,000; state share is increased from \$500,000 to \$1,005,000; and local share is increased from \$500,000 to \$1,005,000)	\$ 505,000
Petoskey, Emmet County, marina dock and harbormaster building expansion (total authorized cost \$1,725,800; state share \$861,000; local share \$864,800).....	861,000
GROSS APPROPRIATION	\$ 13,557,100
Appropriated from:	
Federal revenues:	
DHS, U.S. coast guard.....	1,470,000
DOI, federal	2,284,100
Special revenue funds:	
Michigan state waterways fund	9,803,000
State general fund/general purpose	\$ 0
(3) MICHIGAN NATURAL RESOURCES TRUST FUND	
Natural resources trust fund projects	\$ 35,266,200
Gerrish Township community park, phase II, Roscommon County (grant-in-aid to Gerrish Township) (#07-002)	
North Maumee Bay coastal wetland acquisition, Monroe County (#07-133)	
Chippewa landing acquisition, Wexford County (#07-121)	
Betsie River consolidation, Benzie and Grand Traverse counties (#07-120)	
Glacial Hills pathway and natural area, Antrim County (grant-in-aid to Antrim County) (#07-163)	
Jaxon Creek corridor acquisition, Grand Traverse County (#07-168)	
Mitchell Creek nature area acquisition, Mecosta County (grant-in-aid to city of Big Rapids) (#07-046)	
Southwest Lower Peninsula eco-region land consolidation, various counties (#07-135)	
Cedar Run Creek natural area addition, Grand Traverse County (grant-in-aid to Long Lake Township) (#07-162)	
Northern Lower Peninsula eco-region consolidation, various counties (#07-119)	
Addison Oaks property acquisition, Oakland County (grant-in-aid to Oakland County) (#07-031)	

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- Upper Peninsula eco-region land consolidation, various counties (#07-123)
- State trailways initiative - corridor and acquisition, various counties statewide (#07-122)
- Wisconsin electric energies land acquisition, Baraga and Iron counties (#07-167)
- Man-made lake acquisition, Manistee County (grant-in-aid to city of Manistee) (#07-040)
- Southeast Michigan eco-region land consolidation, various counties (#07-117)
- DeYoung natural area acquisition, Leelanau County (grant-in-aid to Elmwood Township) (#07-039)
- Indian Springs metropark land acquisition, Oakland County (grant-in-aid to Huron-Clinton metropolitan authority) (#07-028)
- Olive Shores acquisition, Ottawa County (grant-in-aid to Ottawa County) (#07-090)
- Camp Woodsong fee simple acquisition, St. Clair County (grant-in-aid to St. Clair County) (#07-171)
- Novi core habitat reserve property acquisition, Oakland County (grant-in-aid to city of Novi) (#07-017)
- Sterling state park acquisition, Monroe County (#07-131)
- Au Train basin waterfowl refuge project, phase I, Alger County (#07-134)
- Hunters Point park acquisition, phase I, Keweenaw County (grant-in-aid to Grant Township) (#07-099)
- DeTour Village waterfront property acquisition, Chippewa County (grant-in-aid to village of DeTour) (#07-164)
- Ashmun Bay park trail parcel acquisition, Chippewa County (grant-in-aid to city of Sault Ste. Marie) (#07-105)
- General Squier memorial park addition, Lapeer County (grant-in-aid to Lapeer County) (#07-038)
- Allendale community park addition, Ottawa County (grant-in-aid to Allendale Township) (#07-041)
- Weesaw Township park acquisition, Berrien County (grant-in-aid to Weesaw Township) (#07-082)
- Ashmun Bay park entrance parcel acquisition, Chippewa County (grant-in-aid to city of Sault Ste. Marie) (#07-174)
- Lake Michigan nature preserve acquisition, phase I, Allegan County (grant-in-aid to Casco Township) (#07-170)
- Riverwalk development - river street park, Mecosta County (grant-in-aid to city of Big Rapids) (#07-097)
- Grass River center, Antrim County (grant-in-aid to Antrim County) (#07-113)
- Shingle Lake park improvement, Clare County (grant-in-aid to Lincoln Township) (#07-035)
- Addison Oaks trail connector, Oakland County (grant-in-aid to Oakland County) (#07-030)

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- White Lake pathway south end completion, Muskegon County
(grant-in-aid to city of Whitehall) (#07-037)
- Tate park pathway and fishing docks, Lenawee County
(grant-in-aid to village of Clinton) (#07-018)
- Marsh View park development, Oakland County (grant-in-aid to
Oakland Township) (#07-057)
- Motz county park development, Clinton County (grant-in-aid to
Clinton County) (#07-011)
- Ecorse Creek greenway and park development, Wayne County
(grant-in-aid to city of Ecorse) (#07-106)
- Grandville and Kent trails pathway connection, Kent County
(grant-in-aid to city of Grandville) (#07-100)
- Greilickville Harbor park improvements, Leelanau County
(grant-in-aid to Elmwood Township) (#07-095)
- White park improvements, Ingham County (grant-in-aid to
city of East Lansing) (#07-087)
- Smith-Ryerson park improvements, Muskegon County
(grant-in-aid to city of Muskegon) (#07-060)
- Lakeview park improvement project, Roscommon County
(grant-in-aid to Roscommon Township) (#07-049)
- Whiting park universal access improvements, Charlevoix County
(grant-in-aid to Charlevoix County) (#07-112)
- Mt. Baldhead park stairway renovation, Allegan County
(grant-in-aid to city of Saugatuck) (#07-036)
- Krampe park accessible fishing pier, Montcalm County
(grant-in-aid to Montcalm County) (#07-015)
- Ralph A. MacMullan center improvements, Crawford County
(#07-118)
- Lake Idlewild park development, Lake County (#07-130)
- Starlite Beach promenade facilities project, Alpena County
(grant-in-aid to city of Alpena) (#07-023)
- Pere Marquette rail trail extension, Clare County (grant-in-aid
to city of Clare) (#07-096)
- Fox Lake park improvements, Muskegon County (grant-in-aid
to village of Lakewood Club) (#07-073)
- Rieger park swimming and beach project, Calhoun County
(grant-in-aid to city of Albion) (#07-004)
- Russell Miller “wild 100” nature center development,
Jackson County (grant-in-aid to Leslie schools) (#07-085)
- Butzel playfield renovation, Wayne County (grant-in-aid to
city of Detroit) (#07-055)
- Veterans memorial park improvements, Osceola County
(grant-in-aid to village of Marion) (#07-102)
- Proud Lake electrical system upgrades, Oakland County (#07-129)
- Andersen park development, Saginaw County (grant-in-aid to
city of Saginaw) (#07-072)
- Skidway Lake boardwalk development, Ogemaw County
(grant-in-aid to Mills Township) (#07-051)

For Fiscal Year
Ending Sept. 30,
2008

Robbins park improvement project, Berrien County (grant-in-aid to Benton Township) (#07-007)		
Lower Rouge River trail bridges, Wayne County (grant-in-aid to Canton Township) (#07-064)		
Building demolition initiative, various counties (#07-116)		
Clinton River hike/bike trail development, Macomb County (grant-in-aid to city of Utica) (#07-054)		
Marshbank park improvement project, Oakland County (grant-in-aid to West Bloomfield Township) (#07-013)		
GROSS APPROPRIATION	\$	35,266,200
Appropriated from:		
Special revenue funds:		
Private foundation revenues.....		723,900
Michigan natural resources trust fund		34,542,300
State general fund/general purpose	\$	0

Department of transportation.

Sec. 106. DEPARTMENT OF TRANSPORTATION

BUILDINGS AND FACILITIES

Salt storage buildings and containment control systems - contract agencies	\$	2,000,000
Salt storage buildings and containment control systems - various state locations.....		600,000
Pontiac, Oakland County, transportation center, rail and bus terminal, for design and construction (total authorized cost \$1,750,000; state share \$1,750,000).....		1,750,000
L'Anse, Baraga County, maintenance garage renovation (total authorized cost \$755,000; state trunkline fund share \$755,000)		755,000
Lansing, Eaton County, central maintenance garage consolidation (total authorized cost \$7,450,000; state trunkline fund share \$7,450,000)		7,450,000
Institutional and agency roads.....		750,000
Miscellaneous remodeling, additions, emergency maintenance.....		1,000,000
GROSS APPROPRIATION	\$	14,305,000
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund bond proceeds.....		1,750,000
State aeronautics fund.....		180,000
State trunkline fund		12,375,000
State general fund/general purpose	\$	0

State agency, community college, and university planning authorizations.

Sec. 107. STATE AGENCY, COMMUNITY COLLEGE, AND UNIVERSITY PLANNING AUTHORIZATIONS

Eastern Michigan University - Pray-Harrold expansion and renovations - for program and planning to be paid for from university resources (estimated total authorized cost \$57,000,000; state share \$31,500,000; university share \$25,500,000)	\$	100
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For Fiscal Year
Ending Sept. 30,
2009

Ferris State University - center for collaborative health education - for program and planning to be paid for from university resources (estimated total authorized cost \$26,900,000; state share \$20,175,000; university share \$6,725,000)	100
Michigan Technological University - Great Lakes research center for program and planning to be paid for from university resources (estimated total authorized cost \$25,000,000; state share \$18,750,000; university share \$6,250,000)	100
Oakland University - human health building - for program and planning to be paid for from university resources (estimated total authorized cost \$61,748,100; state share \$40,000,000; university share \$21,748,100).....	100
Saginaw Valley State University - health sciences facility - for program and planning to be paid for from university resources (estimated total authorized cost \$28,000,000; state share \$21,000,000; university share \$7,000,000)	100
Western Michigan University - Sangren hall renovations phase I - for program and planning to be paid for from university resources (estimated total authorized cost \$56,000,000; state share \$11,700,000; university share \$44,300,000)	100
Henry Ford Community College - science building improvements - for program and planning to be paid for from community college resources (estimated total authorized cost \$15,000,000; state share \$7,500,000; community college share \$7,500,000)	100
Jackson Community College - Whiting hall renovations - for program and planning to be paid for from community college resources (estimated total authorized cost \$21,900,000; state share \$10,950,000; community college share \$10,950,000)	100
Kalamazoo Valley Community College - Texas Township campus expansion - for program and planning to be paid for from community college resources (estimated total authorized cost \$12,000,000; state share \$6,000,000; community college share \$6,000,000)	100
Monroe County Community College - technology center construction - for program and planning to be paid for from community college resources (estimated total authorized cost \$17,000,000; state share \$8,500,000; community college share \$8,500,000)	100
Montcalm Community College - M-TEC expansion for job training - for program and planning to be paid for from college revenues community college resources (estimated total authorized cost \$6,000,000; state share \$3,000,000; community college share \$3,000,000)	100
Mott Community College - library consolidation and renovations - for program and planning to be paid for from college revenues (estimated total authorized cost \$8,156,000; state share \$4,078,000; community college share \$4,078,000)	100

For Fiscal Year
Ending Sept. 30,
2009

Muskegon Community College - student services one-stop center - for program and planning to be paid for from community college resources (estimated total authorized cost \$5,000,000; state share \$2,500,000; community college share \$2,500,000)	\$	100
Southwestern Michigan College - technology building renovation and expansion - for program and planning to be paid for from community college resources (estimated total authorized cost \$3,200,000; state share \$1,600,000; community college share \$1,600,000)		100
Washtenaw Community College - skilled trades training complex - for program and planning to be paid for from community college resources (estimated total authorized cost \$16,000,000; state share \$8,000,000; community college share \$8,000,000)		100
West Shore Community College - arts and sciences center/ remodeling and additions - for program and planning to be paid for from community college resources (estimated total authorized cost \$6,900,000; state share \$3,450,000; community college share \$3,450,000)		100
GROSS APPROPRIATION	\$	1,600
Appropriated from:		
State general fund/general purpose	\$	1,600

State building authority financed construction authorizations.

Sec. 108. STATE BUILDING AUTHORITY FINANCED CONSTRUCTION AUTHORIZATIONS

Kirtland Community College - campus water well system upgrades (total authorized cost \$1,005,000; state building authority share \$502,400; Kirtland Community College share \$502,500; state general fund share \$100)	\$	100
Wayne County Community College - northwest campus replacement construction (total authorized cost \$42,000,000; state building authority share \$20,999,900; Wayne County community college share \$21,000,000; state general fund share \$100)		100
Department of history, arts, and libraries - warehouse facility acquisition (total authorized cost \$9,890,000; state building authority share \$9,889,900; state general fund share \$100)		100
Department of management and budget - state facility preservation projects - phase III (total authorized costs \$42,221,000; state building authority share \$42,220,900; state general fund share \$100)		100
Department of state police - Bay City state police post (total authorized cost \$2,889,000; state building authority share \$2,888,900; state general fund share \$100)		100
GROSS APPROPRIATION	\$	500
Appropriated from:		
State general fund/general purpose	\$	500

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

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 2007-2008 is \$63,652,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$26,120,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

CAPITAL OUTLAY

Department of natural resources - waterways boating program	\$	4,135,000
Department of natural resources - Michigan natural resources trust fund - acquisition projects.....		12,296,700
Department of natural resources - Michigan natural resources trust fund - development projects		7,688,700
Department of transportation - buildings and facilities		2,000,000
TOTAL.....	\$	<u>26,120,400</u>

Appropriations subject to MCL 18.1101 to 18.1594.

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.

Definitions.

Sec. 203. As used in this act:

- (a) "Board" means the state administrative board.
- (b) "Community college" does not include a state agency or university.
- (c) "Department" means the department of management and budget.
- (d) "Director" means the director of the department of management and budget.
- (e) "DAG" means the United States department of agriculture.
- (f) "DHS" means the United States department of homeland security.
- (g) "DOD" means the United States department of defense.
- (h) "DOI" means the United States department of interior.
- (i) "DOT" means the United States department of transportation.
- (j) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (k) "IDG" means interdepartmental grant.
- (l) "JCOS" means the joint capital outlay subcommittee of the appropriations committees.
- (m) "LEED" means the United States green building council's leadership in energy and environmental design green building rating system.
- (n) "State agency" means an agency of state government. State agency does not include a community college or university.
- (o) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.
- (p) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Purchase of goods or services; preference.

Sec. 204. 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. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Reporting requirements; use of Internet.

Sec. 205. Unless otherwise specified, departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement 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.

DEPARTMENT OF AGRICULTURE**Purchase of development rights and award of grants.**

Sec. 301. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

CAPITAL OUTLAY PROCESSES, PROCEDURES AND REPORTS**Compliance with MCL 18.1101 to 18.1594.**

Sec. 401. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Inclusion of operating cost with program statement and planning documents.

Sec. 402. A statement of a proposed facility's operating cost shall be included with the facility's program statement and planning documents when the plans are presented to JCOS for approval.

Community colleges and universities; final planning construction; agreement; provisions.

Sec. 403. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department.

(c) Any other items as identified by the department that are necessary to complete the project.

(2) The department retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university.

Planning or construction projects; reports; "project" defined.

Sec. 404. (1) The department shall provide the JCOS, the state budget director, and the fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS, the state budget director, and the fiscal agencies for each capital outlay project other than lump sums all of the following:

(a) The account number and name of each construction project.

(b) The balance remaining in each account.

(c) The date of the last expenditure from the account.

(d) The anticipated date of occupancy if the project is under construction.

(e) The appropriations history for the project.

(f) The professional service contractor.

(g) The amount of a project financed with federal funds.

(h) The amount of a project financed through the state building authority.

(i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of each fiscal year, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

(a) The name of the project and account number.

(b) Whether a program statement is approved.

(c) Whether schematics are approved by the department.

(d) Whether preliminary plans are approved by the department.

(e) The name of the professional service contractor.

(4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Availability of federal and other money.

Sec. 405. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

Huron Valley complex – food service addition and facility renovations; authorized cost increase.

Sec. 406. For the Huron Valley complex - food service addition and facility renovations, for design and construction, originally authorized in 2004 PA 309 (total authorized cost is increased from \$3,675,100 to \$5,775,100; state building authority share from \$3,675,000 to \$5,774,800; state general fund share is increased to \$300).

Wayne County Community College northwest campus replacement project.

Sec. 407. The funds appropriated in part 1 for the Wayne County Community College northwest campus replacement project shall only be released upon approval of the program statement, planning documents, and construction authorization request by the JCOS. The project may not move into final design until these documents are approved.

Submission of 5-year capital outlay plans and capital outlay priority requests.

Sec. 410. Pursuant to section 242(2) of the management and budget act, 1984 PA 431, MCL 18.1242, the department shall submit 5-year capital outlay plans and capital outlay priority requests developed by state agencies (and as approved by the department of management and budget), universities, and community colleges to the chairperson and ranking vice-chairperson of JCOS and the fiscal agencies upon the release of the executive budget recommendation.

STATE AGENCY LUMP SUMS**Lump-sum allocations.**

Sec. 501. (1) The directors of respective departments shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

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

COLLEGES AND UNIVERSITIES**Community colleges; remodeling and additions, special maintenance, or construction; release of funds; receipt of federal money.**

Sec. 601. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be comprised of local and state shares, and the state share shall include 50% of any federal money awarded for projects appropriated in this act. Not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling

and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this act is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this act or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active. If federal money is received, the state share shall be adjusted accordingly as provided by this act.

Matching revenue less than appropriations.

Sec. 602. If matching revenues are received in an amount less than the appropriations contained in this act, the state funds of the appropriation shall be reduced in proportion to the amount of matching revenue received.

Documentation of project match or board approval.

Sec. 603. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

Program statements and schematic planning document; availability of bonding capacity.

Sec. 604. The appropriation included in section 107 for university and community college planning project authorizations allow for the completion of program statements and schematic planning documents. These projects will not receive cost and construction authorizations in subsequent budget acts unless there is sufficient bonding capacity available under the state building authority's statutory bond capacity limit.

USE AND FINANCE STATEMENTS

Self-funded projects requiring authorization by JCOS through approval of use and finance statement.

Sec. 651. (1) Except as otherwise provided in subsection (3) or (4), a university shall not enter into a contract for new construction of a self-funded project estimated to cost

\$3,000,000.00 or more unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, “new construction” includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(2) Except as otherwise provided in subsection (4), a community college shall not enter into a contract for new construction of a self-funded project estimated to cost \$2,000,000.00 or more unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for legislative authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, “new construction” includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(3) The University of Michigan Hospital and Health Center is not required to obtain JCOS authorization through approval of a use and finance statement defined by a policy adopted by JCOS.

(4) If health or safety concerns warrant, a project may be completed without prior approval of a use and finance statement defined by a policy adopted by JCOS. However, a university or community college shall submit a use and finance statement as soon as possible after the project is completed and the health or safety concerns have abated.

(5) A project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project or for support for future infrastructure enhancements that are necessitated, in whole or in part, by construction of the project. In addition, a project constructed in violation of this section shall result in the loss of any state capital outlay funding for the institution for 2 years and a prohibition of doing self-funded projects of any kind, except for emergencies where health and safety concerns warrant, for 1 year.

(6) A state agency, including the department of military affairs, shall not enter into a contract, including those for a direct federally-funded capital outlay construction or major maintenance or remodeling project if the total project is estimated to cost more than \$1,000,000.00 and is to be constructed on state-owned lands unless the project is approved by the department and JCOS through approval of a use and finance statement defined by a policy adopted by JCOS, unless the project is otherwise appropriated in a capital outlay appropriations act. For projects not appropriated in a capital outlay appropriations act that are over \$1,000,000.00, the state agency shall submit a use and finance statement defined by a policy adopted by JCOS. As used in this subsection, “direct federally-funded” refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(7) A public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338,

MCL 125.1601 to 125.1636, and the Michigan strategic fund shall not enter into a contract for new construction estimated to cost more than \$1,000,000.00 unless the project is authorized by JCOS through the approval of a use and finance statement defined by a policy adopted by JCOS. For purposes of this subsection, the use and finance statement for a project shall contain the estimated total construction cost and all associated estimated operating costs. As used in this subsection, “new construction” means land or property acquisition, remodeling or additions, lease or lease purchase, and maintenance projects for the corporate office of the public body corporate described in this subsection.

(8) By not later than April 1 and October 1, each university shall report to the JCOS chairpersons, the fiscal agencies, and the department all self-funded capital projects commenced for the immediately preceding 6-month period that cost less than \$3,000,000.00 but at least \$1,000,000.00. Community colleges shall also submit these reports for self-funded capital projects that cost less than \$2,000,000.00 but at least \$1,000,000.00.

Goods or services; preference by university or community college.

Sec. 652. A university or community college receiving a project approval pursuant to section 661 shall give preference to goods or services, or both, that are manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

DEPARTMENT OF CORRECTIONS

Watchtowers.

Sec. 671. A maximum security prison that is constructed or completed after October 1, 1986 shall have operating staffed watchtowers equipped with the weaponry, lighting, sighting, and communications devices necessary for effective execution of its function. The watchtowers shall be constructed pursuant to standards of the American correctional association.

New correctional facility; approval required.

Sec. 672. An appropriation and authorization contained in this act or a previous act for the construction of a new correctional facility, including a correctional camp, for which a specific site was not identified with the appropriation, shall not be expended until approved by the JCOS. For purposes of this section, “site” means a city, village, township, or county in which a correctional facility may be located.

DEPARTMENT OF MANAGEMENT AND BUDGET

Privately owned leased space by state agencies; report.

Sec. 681. (1) The department shall provide JCOS and the fiscal agencies a report, not more than 15 days after the reporting date, of privately owned leased space by state agencies, by September 30 of each year, consisting of the following:

- (a) Department.
- (b) Agency division and leased number.
- (c) Building location (address and city).
- (d) Type of building.
- (e) County.

- (f) Name and address of lessor.
- (g) Square footage and net square footage rate.
- (h) Monthly and annual cost.
- (i) Date lease started and expires.
- (j) Options and services.
- (k) Total monthly and annual cost for all leases.

(2) The lease report shall be summarized for office space, group homes, and other space for the Lansing area and statewide, excepting the Lansing area.

Demolition project not authorized by law; approval by JCOS required; 30-day disapproval period.

Sec. 682. (1) A state agency shall provide notification to JCOS prior to commencing a demolition project not authorized by law. The demolition project may be disapproved by JCOS within 30 days after the date of notification, and if disapproved within that time, the demolition project shall not be authorized. The notification to JCOS shall identify the building or facility to be demolished and its location, the estimated cost of the demolition project, estimated project schedule, and the source of financing.

(2) The 30-day disapproval period does not apply to any notifications submitted during a period when the legislature will not be in session for 15 days or more. In these situations, the 30-day disapproval period begins on the first scheduled session day.

Expenditures requiring authorization.

Sec. 683. Pursuant to department policy, state agencies may expend not more than \$1,000,000.00 from their operating budget for special maintenance, remodeling, additions, or other capital outlay purposes, unless specifically authorized by the legislature, for those purposes.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Design and construction projects; availability of federal and state restricted funds.

Sec. 701. The appropriations in part 1 for the department of military and veterans affairs design and construction projects are contingent upon the availability of federal and state restricted funds for financing.

DEPARTMENT OF NATURAL RESOURCES

Recreational boating facilities; construction and improvement.

Sec. 801. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the board, this money shall be allocated by the department of natural resources to the federal government or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the

state portion as listed with each project description. The department of natural resources shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within this state and to meet requirements of the federal government.

Administration of natural resources trust fund grants; agreements with local units of government.

Sec. 802. The department of natural resources shall require local units of government to enter into agreements with the department for the purpose of administering the natural resources trust fund grants appropriated in part 1. Among other provisions, the agreements shall require that grant recipients agree to dedicate to public outdoor recreation uses in perpetuity the land acquired or developed; to replace lands converted or lost to other than public outdoor recreation use; and, for parcels acquired that are over 5 or more acres in size, to provide the state with a nonparticipating 1/6 minimum royalty interest in any acquired minerals that are retained by the grant recipient. The agreements shall also provide that the full payments of grants can be made only after proof of acquisition, or completion of the development project, is submitted by the grant recipient and all costs are verified by the department of natural resources.

Department of natural resources; project status report.

Sec. 803. Before the end of each fiscal year, the department of natural resources shall report each year to JCOS the status of each project that received an appropriation in any capital outlay act, if the project is either not completed or has a balance remaining in its account. The report shall be in the same form and contain the information as required under section 504. The report shall be separated into the following areas, by fund sources:

- (a) Waterways projects.
- (b) Urban recreation projects.
- (c) State park projects.
- (d) Wildlife and fisheries projects.
- (e) Other projects.

STATE TRANSPORTATION DEPARTMENT

State transportation department; project status report.

Sec. 902. Before the end of each fiscal year, the state transportation department shall report to JCOS the status of projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify JCOS in writing of the date the report will be received.

MISCELLANEOUS

Antenna site management revolving fund.

Sec. 1001. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this

purpose in the department of information technology. The department may receive and expend funds from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be sited pursuant to this section without prior compliance with the respective local zoning codes and local unit of government processes.

Site preparation economic development fund.

Sec. 1002. (1) A site preparation economic development fund is hereby created in the department of management and budget. As used in this section, “economic development sites” means those state-owned sites declared as surplus property pursuant to section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state-owned site qualifies for inclusion in the fund created under this subsection.

(2) Proceeds from the sale of any sites designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for site preparation expenditures, unless otherwise provided by law. The economic development sites authorized in subsection (1) are hereby authorized for sale consistent with state law. Expenditures from the fund are hereby authorized for site preparation activities that enhance the marketable sale value of the sites. Site preparation activities include, but are not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

(3) A cash advance in an amount of not more than \$25,000,000.00 is hereby authorized from the general fund to the site preparation economic development fund.

(4) An annual report shall be transmitted to the senate and house of representatives appropriations committees not later than December 31 of each year. This report shall detail at least both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) The sites identified as economic development sites under subsection (1).

This act is ordered to take immediate effect.

Approved September 29, 2008.

Filed with Secretary of State September 29, 2008.

[No. 279]

(SB 1111)

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies and for capital outlay for the fiscal years ending September 30, 2008 and September 30, 2009; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2007-2008

Appropriations; supplemental for fiscal year ending September 30, 2008; various state departments and agencies; capital outlay.

Sec. 101. There is appropriated for the various state departments and agencies and for capital outlay to supplement appropriations for the fiscal year ending September 30, 2008, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	(50,177,400)
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	(50,177,400)
Total federal revenues		(32,473,000)
Total local revenues.....		(843,200)
Total private revenues.....		0
Total other state restricted revenues		(100,135,100)
State general fund/general purpose	\$	83,273,900

Department of agriculture.

Sec. 102. DEPARTMENT OF AGRICULTURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	415,100
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	415,100
Total federal revenues		0
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	415,100

(2) ANIMAL INDUSTRY

Animal health and welfare		415,100
GROSS APPROPRIATION	\$	415,100
Appropriated from:		
State general fund/general purpose	\$	415,100

Community colleges.

Sec. 104. COMMUNITY COLLEGES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	10,000
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	10,000
Total federal revenues		0
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	10,000