

Act No. 309  
Public Acts of 1998  
Approved by the Governor\*  
July 27, 1998  
Filed with the Secretary of State  
July 29, 1998  
EFFECTIVE DATE: July 29, 1998

\*Item Vetoes

**STATE TRANSPORTATION DEPARTMENT**

Sec. 316. (1)

The words: "except that 2% of any unexpended balance shall be encumbered to establish a type II soundwall construction fund in the fiscal year ending September 30, 2000". (Page 9)

Sec. 316. (2)

Entire Subsection. (Page 9)

Sec. 603. (2)

Entire Subsection. (Page 14)

Sec. 609.

Entire Section. (Page 14)

STATE OF MICHIGAN  
89TH LEGISLATURE  
REGULAR SESSION OF 1998

**Introduced by Reps. Jellema, Gilmer, McBryde, Geiger, Bobier, Johnson, Godchaux, Jansen and Bankes**

# ENROLLED HOUSE BILL No. 5594

AN ACT to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 1999; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 1999, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**STATE TRANSPORTATION DEPARTMENT**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	3,176.3	
GROSS APPROPRIATION.....		\$ 2,797,894,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		29,357,500
ADJUSTED GROSS APPROPRIATION.....		\$ 2,768,536,900
Federal revenues:		
Total federal revenues .....		831,817,800
Special revenue funds:		
Total local revenues .....		5,300,000
Total private revenues.....		0
Total other state restricted revenues.....		1,931,419,100
State general fund/general purpose .....		\$ 0

**Sec. 102. DEBT SERVICE**

State trunkline .....	\$ 46,548,200
Trunkline bonds, series 1989A-EDF (\$100,000,000).....	11,469,600
Critical bridge .....	3,000,000
Blue water bridge.....	2,367,100

	For Fiscal Year Ending Sept. 30, 1999
Comprehensive transportation.....	\$ 23,078,900
GROSS APPROPRIATION.....	\$ 86,463,800
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	23,078,900
Michigan transportation fund .....	14,469,600
State trunkline fund .....	46,548,200
Blue water bridge fund.....	2,367,100
State general fund/general purpose .....	\$ 0

**Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS**

Michigan transportation fund (MTF)	
MTF grant to department of civil service .....	\$ 100,000
MTF grant to department of environmental quality .....	780,000
MTF grant to department of management and budget .....	349,400
MTF grant to department of state.....	47,104,600
MTF grant to department of state police .....	613,600
MTF grant to department of treasury .....	6,899,900
MTF grant to legislative auditor general .....	162,500
State trunkline fund (STF)	
STF grant to department of attorney general.....	2,246,400
STF grant to department of civil service .....	2,100,000
STF grant to department of management and budget .....	578,600
STF grant to department of natural resources .....	36,300
STF grant to department of state police .....	6,087,500
STF grant to department of treasury .....	18,800
STF grant to legislative auditor general .....	341,000
State aeronautics fund (SAF)	
SAF grant to department of attorney general .....	109,800
SAF grant to department of civil service .....	56,300
SAF grant to department of management and budget .....	43,000
SAF grant to department of treasury .....	58,700
SAF grant to legislative auditor general .....	15,700
Comprehensive transportation fund (CTF)	
CTF grant to department of attorney general .....	116,600
CTF grant to department of civil service .....	112,700
CTF grant to department of management and budget .....	27,200
CTF grant to department of treasury .....	7,500
CTF grant to legislative auditor general .....	36,100
GROSS APPROPRIATION.....	\$ 68,002,200
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	300,100
Michigan transportation fund .....	56,010,000
State aeronautics fund .....	283,500
State trunkline fund .....	11,408,600
State general fund/general purpose .....	\$ 0

**Sec. 104. EXECUTIVE DIRECTION**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	33.3
Unclassified salaries .....	\$ 462,600
Commission audit—33.3 FTE positions.....	2,800,000
GROSS APPROPRIATION.....	\$ 3,262,600
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	3,262,600
State general fund/general purpose .....	\$ 0

**Sec. 105. ADMINISTRATIVE SERVICES**

Full-time equated classified positions.....	135.7		
Administration and data center—98.7 FTE positions .....		\$	23,606,000
Building occupancy charges - property management .....			3,889,100
Human resources—32.0 FTE positions .....			2,452,900
Economic development administration—5.0 FTE positions.....			500,700
Rent.....			1,940,000
Worker's compensation.....			2,494,400
GROSS APPROPRIATION.....		\$	<u>34,883,100</u>
Appropriated from:			
Special revenue funds:			
General fund restricted purpose .....			129,800
State aeronautics fund .....			808,600
Comprehensive transportation fund .....			1,232,300
Michigan transportation fund .....			424,900
State trunkline fund .....			32,287,500
State general fund/general purpose .....		\$	<u>0</u>

**Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION**

Full-time equated classified positions.....	277.5		
Administration—277.5 FTE positions .....		\$	24,035,200
GROSS APPROPRIATION.....		\$	<u>24,035,200</u>
Appropriated from:			
IDT, intradepartmental charges .....			5,022,700
Special revenue funds:			
Michigan transportation fund .....			462,700
State trunkline fund .....			18,549,800
State general fund/general purpose .....		\$	<u>0</u>

**Sec. 107. BUREAU OF TRANSPORTATION PLANNING**

Full-time equated classified positions.....	182.1		
Administration—182.1 FTE positions .....		\$	15,332,200
Grants to regional planning councils.....			488,800
GROSS APPROPRIATION.....		\$	<u>15,821,000</u>
Appropriated from:			
Federal revenues:			
DOT-FHWA, highway research, planning, and construction.....			7,275,000
Special revenue funds:			
State aeronautics fund .....			228,400
Comprehensive transportation fund .....			1,631,000
Michigan transportation fund .....			4,320,300
State trunkline fund .....			2,366,300
State general fund/general purpose .....		\$	<u>0</u>

**Sec. 108. BUREAU OF HIGHWAYS**

Full-time equated classified positions.....	1,638.1		
Engineering operations—821.7 FTE positions .....		\$	33,095,400
Maintenance operations—80.0 FTE positions .....			6,806,600
Program services—736.4 FTE positions .....			31,681,800
GROSS APPROPRIATION.....		\$	<u>71,583,800</u>
Appropriated from:			
Federal revenues:			
DOT-FHWA, highway research, planning, and construction.....			2,000,000
DOT-NHTSA, state and community highway safety .....			146,800
IDT, intradepartmental charges .....			12,500,000
Special revenue funds:			
Michigan transportation fund .....			1,739,500
State trunkline fund .....			55,197,500
State general fund/general purpose .....		\$	<u>0</u>

**Sec. 109. HIGHWAY MAINTENANCE**

Full-time equated classified positions.....713.1	
State trunkline operations—713.1 FTE positions .....	\$ 90,978,400
Contract operations.....	124,128,300
GROSS APPROPRIATION.....	\$ <u>215,106,700</u>
Appropriated from:	
IDT, intradepartmental charges .....	11,834,800
Special revenue funds:	
State trunkline fund.....	203,271,900
State general fund/general purpose .....	\$ 0

**Sec. 110. ROAD AND BRIDGE PROGRAMS**

State trunkline federal aid and road and bridge construction .....	\$ 919,792,700
Local federal aid and road and bridge construction.....	180,000,000
Grants to local programs.....	33,000,000
Rail grade crossing.....	3,000,000
Critical bridge program.....	5,250,000
Urban economic infrastructure improvement .....	4,000,000
County road commissions.....	534,089,600
Cities and villages.....	297,778,900
GROSS APPROPRIATION.....	\$ <u>1,976,911,200</u>
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	791,250,000
Special revenue funds:	
Local funds.....	5,000,000
Blue water bridge fund.....	10,000,000
Michigan transportation fund .....	872,868,500
State trunkline fund.....	297,792,700
State general fund/general purpose .....	\$ 0

**Sec. 111. BLUE WATER BRIDGE**

Full-time equated classified positions.....32.0	
Blue water bridge operations—32.0 FTE positions.....	\$ 9,944,100
GROSS APPROPRIATION.....	\$ <u>9,944,100</u>
Appropriated from:	
Special revenue funds:	
Blue water bridge fund.....	9,944,100
State general fund/general purpose .....	\$ 0

**Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND**

Forest roads .....	\$ 5,040,000
Rural county urban system .....	2,500,000
Target industries/economic redevelopment .....	14,899,000
Urban county congestion.....	11,434,300
Rural county primary .....	11,434,300
GROSS APPROPRIATION.....	\$ <u>45,307,600</u>
Appropriated from:	
Special revenue funds:	
General fund restricted purpose .....	12,870,000
Michigan transportation fund.....	28,437,600
State trunkline fund.....	4,000,000
State general fund/general purpose .....	\$ 0

**Sec. 113. BUREAU OF AERONAUTICS**

Full-time equated classified positions.....56.0	
Administration—56.0 FTE positions .....	\$ 7,548,500
Air service program .....	1,500,000
GROSS APPROPRIATION.....	\$ <u>9,048,500</u>

Appropriated from:	
Special revenue funds:	
State aeronautics fund .....	\$ 9,048,500
State general fund/general purpose .....	\$ 0

**Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION**

Full-time equated classified positions .....	108.5
Administration—108.5 FTE positions .....	\$ 8,286,900
GROSS APPROPRIATION .....	\$ 8,286,900

Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	6,860,200
Michigan transportation fund .....	1,426,700
State general fund/general purpose .....	\$ 0

**Sec. 115. BUS TRANSIT DIVISION; STATUTORY OPERATING**

Local bus operating .....	\$ 154,950,200
Nonurban operating/capital .....	6,646,000
GROSS APPROPRIATION .....	\$ 161,596,200

Appropriated from:	
Federal revenues:	
DOT, federal transit act .....	6,546,000
Special revenue funds:	
Comprehensive transportation fund .....	154,950,200
Local funds .....	100,000
State general fund/general purpose .....	\$ 0

**Sec. 116. INTERCITY PASSENGER AND FREIGHT**

Freight property management .....	\$ 2,000,000
Detroit/Wayne County port authority .....	301,800
Intercity bus equipment .....	2,824,500
Intercity bus passenger service .....	1,000,000
Rail passenger service .....	6,667,300
Freight preservation and development .....	7,500,000
Rail infrastructure loan program .....	3,300,000
Intercity bus service development .....	1,025,500
Marine passenger service .....	1,100,000
Terminal development .....	1,000,000
GROSS APPROPRIATION .....	\$ 26,719,100

Appropriated from:	
Federal revenues:	
DOT, federal transit act .....	1,000,000
DOT-FRA, local rail freight assistance .....	2,000,000
DOT-FRA, rail passenger/HSGT .....	3,000,000
Special revenue funds:	
Rail preservation fund .....	2,000,000
Intercity bus equipment fund .....	500,000
Rail infrastructure fund .....	300,000
Comprehensive transportation fund .....	17,869,100
Local funds .....	50,000
State general fund/general purpose .....	\$ 0

**Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT**

Specialized services .....	\$ 3,600,100
Municipal credit program .....	2,000,000
Bus capital .....	29,400,000
Ride sharing .....	330,700
Van pooling .....	145,000

	For Fiscal Year Ending Sept. 30, 1999
Bus property management .....	\$ 175,000
Service development and new technology .....	1,675,000
Planning grants .....	150,000
Audit settlements .....	200,000
Regional service coordination.....	1,000,000
Work first initiative .....	2,246,600
GROSS APPROPRIATION.....	\$ 40,922,400
Appropriated from:	
Federal revenues:	
DOT, federal transit act .....	18,600,000
Special revenue funds:	
Comprehensive transportation fund .....	22,172,400
Local funds.....	150,000
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1998-1999 is estimated at \$1,931,419,100.00 and state sources paid to local units of government for fiscal year 1998-1999 are estimated at \$1,075,448,700.00. The itemized list below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Local grant program .....	\$ 33,000,000
Economic development fund.....	30,408,600
Grants to cities and villages .....	297,778,900
Grants to county road commissions.....	534,089,600
Critical bridge program.....	5,250,000
Grants to regional planning councils.....	488,800
Local bus operating.....	154,950,200
Bus capital.....	12,000,000
Marine passenger service.....	1,100,000
Detroit/Wayne County port authority.....	301,800
Local ride sharing operating grants.....	330,700
Planning grants.....	150,000
Municipal credit program.....	2,000,000
Specialized services .....	3,600,100
Total payments to local units of government.....	\$ 1,075,448,700

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director.

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

Sec. 203. As used in this act:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.

- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "DOT-NHTSA" means DOT, national highway traffic safety administration.
- (h) "EDF" means economic development fund.
- (i) "FTE" means full-time equated.
- (j) "IDG" means interdepartmental grant.
- (k) "MDTR" means Michigan department of treasury.
- (l) "MTF" means Michigan transportation fund.
- (m) "RIF" means recreation improvement fund.
- (n) "SAF" means state aeronautics fund.
- (o) "SEDF" means state economic development fund.
- (p) "STF" means state trunkline fund.

Sec. 204. (1) Beginning October 1, 1998, there is a hiring freeze imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees or 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 or to positions that are funded with 80% or more federal or restricted funds.

(2) The state budget director shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in the state department or agency being unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exclusions to the hiring freeze approved during the previous month and the justification for the exclusion.

Sec. 205. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000,000.00 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.

Sec. 207. The design of all new rail passenger facilities constructed in this state after the effective date of this act shall take into consideration the published standards for rail passenger facilities of the American railway engineering association.

Sec. 208. An agency, department, or other entity receiving funds under part 1 shall not conduct or sponsor any activity that causes a motor vehicle to be stopped on any highway or freeway in this state for the purpose of disseminating literature including, but not limited to, a survey.

Sec. 209. The department shall not implement an affirmative action plan unless it has been submitted to the Michigan civil rights commission for approval in accordance with section 210 of the Elliott-Larsen civil rights act, 1976 PA 453, MCL 37.2210, and the Michigan civil rights commission has approved the plan.



Sec. 210. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues, quarterly reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) These reports shall also identify and forward as appropriate the funding sources that should support the work performed.

Sec. 211. (1) This appropriation act includes funding for departmental operations financed in whole or in part from early retirement savings generated through the early retirement program under section 19f of the state employees' retirement act, 1943 PA 240, MCL 38.19f. The director shall provide a report that identifies all of the following:

(a) The amount of these early retirement savings realized in the 1997-98 fiscal year.

(b) The amount of these early retirement savings explicitly earmarked and spent for technology improvements in the 1997-98 fiscal year.

(c) The amount of these early retirement savings used for other organizational enhancements in the 1997-98 fiscal year.

(2) The report required under subsection (1) shall be provided to the house and senate appropriations committees and to the house and senate fiscal agencies on or before December 15, 1998.

## **DEPARTMENTAL SECTIONS**

Sec. 301. The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for which fees are not otherwise stipulated by law. A bridge authority shall hold 3 public hearings on a change 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.

Sec. 302. The department shall prepare an official transportation map that shall be distributed without charge. Each legislator shall receive a quantity of maps as determined by the legislative council, but each senator shall receive 2 times the number of maps of each representative.

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

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

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

Sec. 306. From the funds appropriated in part 1, the auditor general shall conduct an audit of charges to transportation funds by state departments. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a list of services charged to transportation funds, the appropriateness of those charges, and the cost allocation methodologies used in determining the level of funding, and provide the report, upon request, to any member of the senate and house of representatives and to the senate and house fiscal agencies by January 15, 1999.

Sec. 307. Before January 1 of each year, the department will provide to the legislature a listing by county or by county road commission of all highway construction projects for the fiscal year and a list of expected projects for the ensuing fiscal year.

Sec. 308. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced American goods or services, or both, of comparable quality are available. By May 1, 1999, the department shall submit a report to the department of management and budget, the speaker and minority leader of the

house of representatives, the majority and minority leaders of the senate, the chairpersons of the house and senate appropriations committees, and the house and senate fiscal agencies on efforts to comply with this section.

Sec. 309. The department shall aggressively pursue compliance with contract specifications for construction and maintenance of state highways. The department shall identify contractors who fail to meet minimum standards and will actively pursue remuneration efforts. Collections shall be deposited into the appropriate fund accounts. As part of its annual overview of the budget, the department shall report to the house and senate appropriations subcommittees on transportation on its activities under this section.

Sec. 310. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

Sec. 311. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 312. To promote more effective management of employees within the bureau of highways, the director of the department may temporarily transfer positions between appropriation units within and between the highway engineering and highway maintenance programs to cover functions that the director considers to be critical due to seasonal fluctuations and emergency situations. The department shall report at the end of the fiscal year to the department of management and budget on the temporary cross-divisional transfers of positions pursuant to this section.

Sec. 313. To facilitate an informed and cooperative relationship between the transportation commission and the legislature, the department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 314. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with businesses in depressed and deprived communities for services or supplies, or both.

Sec. 315. The department shall not use funds appropriated under part 1 on behalf of a local governmental unit to pay the amount required for that local governmental unit to participate in the federal advance construct program.

Sec. 316. (1) At the close of the fiscal year ending September 30, 1999, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall be used for federal aid road and bridge programs for projects contained in an annual state transportation program approved by the legislature except that 2% of any unexpended balance shall be encumbered to establish a type II soundwall construction fund in the fiscal year ending September 30, 2000.

(2) Money from the soundwall construction fund shall be used to construct soundwalls based on criteria established by the department in localities that provide matching funds equal to 50% of the total cost.

Sec. 317. (1) From funds appropriated in part 1, the department may establish 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) A state infrastructure bank fund is created. 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 shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 318. From funds appropriated in part 1, money received by the department in payment for advanced purchase right-of-way, either as a result of project programming from federal, state, local, or private sources, or from sale as excess property, will be restricted for the purchase of other advanced purchase right-of-way. At the end of the fiscal year, unexpended funds shall remain in the advanced purchase right-of-way fund and shall be used for this purpose in the succeeding fiscal year.

Sec. 319. (1) The department of management and budget and each principal executive department and agency shall provide to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(2) For personal service contracts of \$100,000.00 or more, the department of management and budget shall provide a monthly report on all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(3) The department of management and budget shall provide a monthly listing of all bid requests or requests for proposal that were issued.

(4) Each principal executive department and agency shall provide a monthly summary listing of information that identifies any authorizations for personal service contracts that are provided to the department of civil service pursuant to delegated authority granted to each principal executive department and agency related to personal service contracts.

Sec. 320. The department shall conduct a study concerning the proposed Petoskey area US-31 beltway project. The study shall include, if necessary, the preparation of a supplement to any draft environmental impact statement previously prepared. The study shall be based upon the agreement reached in February 1998 between the department, Emmet County, the townships of Bear Creek and Resort, and the city of Petoskey.

Sec. 322. The department shall conduct a study in conjunction with the family independence agency and the Michigan jobs commission of the accessibility of transportation for work first clients to get them to work assignments and child care. The study shall address the concept of mobility managers for each zone in the state. The results of the study shall be reported to the house and senate appropriations subcommittees on transportation by March 1, 1999.

Sec. 323. (1) Funds appropriated in part 1 for the office of commission audits shall not be expended until all authorized positions are filled and the commission submits a written report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies providing the structure of the office, the oversight of the office by the commission, and specific plans and the date or dates for implementation of those plans for improvements in the office.

(2) The chief administrative officer of the office shall be responsible for the performance by the office of not less than 6 performance audits in a fiscal year. The chief administrative officer shall provide a report at the end of each calendar quarter to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on the status of the office, the hours spent on performance audits, and the expected completion dates of audits in progress. Copies of audits completed during the calendar quarter may be included with the report.

Sec. 325. The department shall conduct a study on the distribution of funds from the Michigan transportation fund. The report shall recommend factors to be included in a formula which would encourage road agencies to implement technologies or schedules to maximize the practical useful life of roads and streets. The report shall be submitted to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1, 1999.

Sec. 326. (1) For purposes of safety and brush control and for maintaining health and safety under section 15b of 1951 PA 51, MCL 247.665b, road authorities shall mow the right-of-way of a public road in accordance with the requirements prescribed in this section, subject to the following:

(a) This section does not apply within the limits of a city or village.

(b) This section is not mandatory with respect to public road rights-of-way within designated federal aid urban boundaries.

(c) Property owners may mow public road rights-of-way immediately in front of their residences, schools, or businesses.

(2) Mowing shall be 12 feet or to the leading edge of the ditch, whichever is less, adjacent to both shoulders of the roadway to any height at any time. The area between the ditch bottom and the back slopes of the rights-of-way shall

be protected from mowing between September 1 and the following July 15 except as permitted in this subsection. Spraying shall be limited to the control of noxious weeds and brush within this area. From July 16 through August 31, mowing may be through the entire right-of-way if needed, including through the ditch bottom, while maintaining not less than 12 inches of grass height from the back of the ditch to the back of the right-of-way and within the median. Between July 16 and the following March 1, mechanical brush and woody stem control may be completed to whatever height is needed to provide control and safety. Twenty-five percent of all roads shall be designated annually for brush control that includes mowing with follow-up herbicide treatment during the next growing season.

(3) The mowing standards prescribed in this section shall apply to all medians 70 feet wide or more. Medians 70 feet wide or more shall be maintained as brush-free as possible and with a grass height of at least 12 inches. Twenty-five percent of the medians within a region shall be annually designated for removal or spot spray treatment of unwanted brush and trees. It is the intent of the legislature that the mowing standards prescribed in this section apply to medians 50 or more feet wide 3 years after the effective date of this section.

(4) All mowing of the back slope and wide median areas beyond the 12-foot width from the road edge shall be performed so as to ensure a minimum of 12 inches of grass remains by September 1 each year, except in those zones designated for brush control. Areas of brush within the right-of-way shall be mowed back to prevent brush from becoming established within the right-of-way. Brush or tree stumps shall be spot treated with herbicide, as needed, for long-term control.

(5) A right-of-way may be mowed as necessary to maintain public health and safety.

(6) The road authority shall not provide compensation for any mowing or spraying that does not comply with this section.

Sec. 329. The department shall work with the federal government regarding the development of a 4-lane limited access highway connecting south-central Michigan with Ohio.

Sec. 330. The department may prepare a report on the status and operation of its pavement management system for proposed road repair and construction projects. This report may also compare the costs and benefits of bituminous asphalt versus concrete paving materials used on state trunkline construction, repair, and maintenance projects. This report may identify and compare initial cost differences, expected pavement life cycles, as well as long-term maintenance and repair costs, and should be presented to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1, 1999.

Sec. 331. Of the funds appropriated in section 101 for road and bridge programs, the department shall not allocate any funds for the restoration or relocation of the Old North Park Street Bridge or any other section of the stated bridge between Grand Rapids and Walker.

Sec. 333. If a department enters into a personal services contract with any temporary service agency or similar contractor that hires or subcontracts with a person who retired from employment in the department under the early retirement program under section 19f of the state employees' retirement act, 1943 PA 240, MCL 38.19f, the retired state employee shall be limited to 500 hours for professional, technical, or clerical services and 250 hours for management services. This limitation does not apply to computer technology services. This provision only applies during a 24-month period after the date of retirement. This section applies to each principal executive department and agency.

## **FEDERAL**

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

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

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

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

(2) Federal aid excluded from the calculation of funding allocated to programs administered by local jurisdictions in subsection (1) includes, but is not limited to, congestion mitigation and air quality funds, federal bridge funds, transportation enhancement funds, funds distributed at the discretion of the United States secretary of transportation, and congressionally designated funds.

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

(4) It is the intent of the legislature that federal aid to highways allocated to local jurisdictions in subsection (1) be distributed in a manner that produces a 25% average allocation of applicable funds to programs for local jurisdictions in each fiscal year through the fiscal year ending September 30, 2005. Beginning in the fiscal year ending September 30, 1999, the average allocation of applicable federal aid to highway funds to programs for local jurisdictions shall be the average of the amount distributed to local jurisdictions under subsection (1) and similarly calculated distributions in each succeeding fiscal year.

(5) The allocation percentage described in subsection (1) shall be adjusted to reflect any voluntary agreements made by the department with local jurisdictions regarding the transfer of federal aid eligible roadways or the state buyout of local federal aid.

Sec. 403. Before December 1 of each year, the department will provide to the house and senate fiscal agencies for use by the legislature a report outlining state and local federal aid expenditures on road and bridge projects for the previous fiscal year. Projects listed in the report shall be sorted by county. For each project, the report shall contain the following information:

- (a) The project's job number and current phase.
- (b) A clear description of the work being undertaken, including the route being worked upon and its location.
- (c) Total federal aid obligations to the project over its life.
- (d) The amount of federal aid obligations for the current fiscal year.
- (e) Total federal aid expended on the project in the current fiscal year to date.
- (f) The date of the initial obligation of federal aid to the project.
- (g) The project's federal highway administration program code.

Sec. 404. The appropriation in part 1 for grants to regional planning councils shall not be distributed until the department submits a report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. The report shall describe how the regional planning council grants were spent in the last 5 years and assess the regional councils' effectiveness during this period.

## **MICHIGAN TRANSPORTATION FUND**

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

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

Sec. 503. The department shall reimburse a city or township that has received prior approval to eliminate or cut roadside weeds due to negligence on the part of a county or private contractor in performing its contractual obligations and shall deduct that amount from the funds appropriated to the county or paid to the contractor involved.

Sec. 504. (1) The funds appropriated in part 1 for the economic development 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.

(2) Interest earned in the department of transportation economic development fund shall remain in the fund 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 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 fund in addition to funds appropriated in part 1.

(4) None of the funds statutorily dedicated to the transportation economic development fund shall be diverted to other projects without the notification and approval of the house and senate appropriations subcommittees on transportation.

Sec. 505. (1) Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreational improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act and part 711 (recreation improvement fund) 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 (recreation improvement fund) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

(2) The amounts appropriated and transferred to various state agencies from part 1 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee collection and other services applicable to transportation funds. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

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

(b) Description of services financed with transportation funds.

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

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

(5) The department and the state agencies with which the department contracts in the manner provided in subsection (2) shall work together to explore methods of minimizing lapses or shortfalls in grants from transportation funds.

(6) In addition to the reporting requirements in subsection (4), the department of state shall submit a written report to the auditor general, not later than May 30 of each year, stating by spending authorization account the amount of funds contracted with the department of transportation that had been received during the first 6 months of the fiscal year, the amount of funds expended during the first 6 months of the fiscal year, a description of the services and costs that were financed by those funds, and the rationale for the allocation of transportation funds for those services and costs. The report shall be subject to audit by the auditor general. A copy of the report shall be submitted to the department of transportation, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies. If the report is not received by May 30 of each year, the auditor general shall immediately notify the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies in writing of the department of state's failure to submit the required report.

Sec. 506. Of the amount appropriated in part 1 from the Michigan transportation fund to the department of state, \$186,600.00 represents the additional cost of issuing specialized license plates for veterans and national guard members, as included in 1989 PAs 16, 17, 18, and 19, MCL 257.803i, 257.803j, 257.803k, and 257.803l. The department of state shall prepare an annual report on the number of and the additional costs associated with the veteran license plates to the department, the state budget director, the house and senate fiscal agencies, and the chairpersons of the house and senate appropriations subcommittees on transportation. Any unspent funds based on these annual reports shall lapse to the Michigan transportation fund and be distributed in accordance with 1951 PA 51, MCL 247.651 to 247.675.

Sec. 507. (1) Of the amount appropriated in part 1 from the Michigan transportation fund to the department of state, \$187,600.00 represents the additional cost of issuing generic license plates for nonprofit fraternal or public service organizations, as included in section 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

(2) The department of state shall prepare an annual report on the number of, and the additional costs associated with, the generic license plates to the department, the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

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

Sec. 508. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the Michigan transportation fund is authorized for expenditure by the department of state up to the amount of revenue collected, but not to exceed \$9,353,300.00, the amount appropriated to the department of state in part 1 to administer the commemorative and specialty license plate program pursuant to section 225 of the Michigan vehicle code, 1949 PA 300, MCL 257.225.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the Michigan transportation fund in addition to that appropriated in part 1 to the department of state shall be available for other Michigan transportation fund-supported programs.

Sec. 509. The department, in conjunction with the Macomb County road commission and any other local units of government in Macomb County affected that wish to participate, may participate in a joint study on the effect of the proposed United States postal distribution facility at 23 Mile Road and M-53 on traffic patterns in the area and urban congestion and recommend proposed solutions. The study shall be completed by July 1, 1999 with copies distributed to the house and senate transportation appropriations subcommittees and the house and senate fiscal agencies.

### **STATE TRUNKLINE FUND**

Sec. 601. The department shall give funding priority for the funds appropriated in part 1 for state trunkline federal aid and road and bridge construction to projects for which funding has already been programmed and appropriate planning has been conducted. Examples of such projects include the completion of the improvements for M-59 in Macomb County, the Gull Road (M-43) improvement project in Kalamazoo County, and the I-94 business loop in Battle Creek. The department shall make every effort to ensure that such projects are completed in a timely manner.

Sec. 602. Of the amount of state funds appropriated for road and bridge projects under this act, the department, counties, and cities and villages shall, whenever possible, secure warranties for contracted construction work.

Sec. 603. (1) From the funds appropriated in part 1, the department shall begin the construction process, which may include land acquisition, of 2 modern, indoor rest facilities. One shall be located along US-2 in Delta County, another shall be constructed along M-28 between Newberry and Marquette.

(2) The department shall convert the current rest facility at Fumee State Park on Highway US-2 in Dickinson County to a modern, indoor rest facility.

Sec. 604. From the amounts appropriated in part 1 for urban county congestion from the transportation economic development fund for the fiscal year ending September 30, 1999, \$2,000,000.00 may be used for the purpose of matching, at not more than 50%, private and local funds for the AAA Michigan road improvement program. The AAA Michigan road improvement program, a public/private partnership, was established to fund or assist funding road improvements in urban areas to reduce the number and severity of crashes at high crash locations.

Sec. 605. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund in the fiscal year ending September 30, 1999, \$40,000.00 shall be used for the purpose of establishing 2, of the proposed 10, truck inspection stations. During this demonstration, the department shall work directly with the timberman's association to educate truck drivers on the use of the stations, as well as evaluate the stations' effectiveness.

Sec. 609. From the amount appropriated in section 110 for road and bridge programs, the department shall include the following projects:

(a) The extension of the current passing lane on US-223 in Lenawee County from Rome Road to the city of Adrian.

(b) The construction of a passing lane on US-223 between the city limits of Palmyra and the city limits of Blissfield.

Sec. 611. The department shall work with the southeast Michigan council of governments and any community task force groups organized by communities lying along the Telegraph Road corridor to conduct necessary planning and surveying activities to make needed improvements to the Telegraph Road corridor.

Sec. 615. The department shall undertake a study of traffic patterns on I-94 in Washtenaw, Jackson, Calhoun, Kalamazoo, Van Buren, and Berrien Counties, and on I-69 in St. Clair, Lapeer, Genesee, Shiawassee, Clinton, Ingham, Eaton, Calhoun, and Branch Counties. The department shall provide a copy of this report to the members of the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on or before

September 30, 1999. This report shall make specific recommendations regarding the expansion of bridges and overpasses on I-94 and I-69 to accommodate future transportation needs.

Sec. 616. If the department uses manufactured pipe for road construction drainage, the department shall inspect the pipe pursuant to state standards before the laying of concrete or bituminous paving materials.

## **COMPREHENSIVE TRANSPORTATION FUND**

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

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

Sec. 703. Entities that operate railroads and receive appropriations under part 1 shall expend those appropriations for goods and services of manufacturers, suppliers, and service companies located in this state, whenever practicable, if the goods and services are comparably priced and reasonably available.

Sec. 704. (1) The discretionary accounts in part 1 shall be used for programs and projects as determined by the department. The department shall inform the house and senate appropriations committees of the manner in which the funds in these accounts will be expended not less than 30 days before expenditure.

(2) If a situation arises that is considered to be an emergency by the director of the department, the requirement to inform the house and senate appropriations committees shall be waived. The director shall inform those committees of this action within 5 days of the action.

(3) If the department intends to alter a program after approval, the department shall follow the requirements of subsection (1).

Sec. 705. (1) The departments of community health and transportation, the office of services to the aging within the department of community health, and the family independence agency shall develop a system to identify and collect the following information annually for each county:

(a) All operational and capital costs of services provided, contracted for, or purchased, to transport clients or program participants within the county, including all other funds received and expended for those purposes by the state department.

(b) Population groups that utilize transportation services by a percentage of the total number of persons who utilize the services.

(c) Services accessed through transportation provided by percentages of the total dollar amount expended for the services.

(d) All funding sources for transportation and amounts from each source.

(e) If known, provide the existence of interagency or countywide transportation planning or coordination, and the extent to which each state department participates.

(2) The information specified in subsection (1) shall be submitted to the department of transportation. The department of transportation shall compile and report the information it has collected and received on or before December 31 of the immediately succeeding state fiscal year to the house and senate appropriations subcommittees on transportation and the state budget director.

(3) The report specified in subsection (2) shall include, but not be limited to, all of the following:

(a) Current efforts to coordinate or consolidate transportation services provided by human service agencies.

(b) Areas where coordination or consolidation of transportation services will produce cost savings.

(c) Legislation needed to facilitate the coordination and consolidation of transportation services.



- (d) Steps to implement policy to more efficiently coordinate and consolidate transportation services.
- (e) The use of the amount appropriated in part 1 to regional service coordination.

Sec. 706. The department shall submit a report to both the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1 of each year outlining its efforts to develop a high-speed rail program as well as efforts to obtain funding for this purpose.

Sec. 707. (1) From the funds appropriated in part 1, the department of transportation shall allocate sufficient comprehensive transportation fund revenue to continue 7-day rail passenger service on the Pere Marquette and the International lines.

(2) The department shall work with Amtrak and local interests on increasing marketing efforts to promote awareness of rail passenger service and to increase ridership. The department shall also work with Amtrak to reduce the operating cost and to maximize the revenue of its rail passenger lines in Michigan including, but not limited to, privatization of food services aboard the train and selling of advertising space aboard the train. The department shall submit a report to both the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by January 1, 1999 that provides a 5-year history on services and ridership, as well as a 5-year plan for these services.

Sec. 708. (1) The following rail lines are designated as an essential corridor in Michigan and shall receive priority in matters concerning operation, maintenance, and rehabilitation:

ANN ARBOR RAILROAD SYSTEM:

Toledo to north of Ann Arbor (Osmer).  
Pittsfield Junction to Saline.

STATE OF MICHIGAN OWNED RAIL LINES (ACTIVE):

North of Ann Arbor (Osmer) to Durand, Durand to Owosso via Central Michigan Railway trackage rights, and then Owosso to Ashley to Cadillac to Harlan.  
(Tuscola and Saginaw Bay Railway)  
Owosso north to St. Charles. (TSB)  
Cadillac north to Petoskey via Walton Junction. (TSB)  
Walton Junction to Traverse City. (TSB)  
Grawn via Traverse City to Williamsburg. (TSB)  
(Huron and Eastern Railway)  
Millington to Vassar to Munger. (HERC)  
Vassar to Caro to Colling. (HERC)  
Iron Mountain to Ontonagon via Channing. (Escanaba and Lake Superior Railroad)  
(Indiana Northeastern Railroad)  
Hillsdale to Indiana State Line via Reading.  
Hillsdale to east of Quincy via Jonesville. (INRC)  
Jonesville to Litchfield. (INRC)  
Linwood to Sallings via West Branch and Grayling. (Lake State Railway)  
Riga to west of Adrian. (Adrian and Blissfield Railroad)  
Grosvenor to River Raisin. (A&B)

TUSCOLA AND SAGINAW BAY RAILWAY:

Middleton to Ashley.

HURON AND EASTERN RAILWAY:

Denmark Junction to Harger (Saginaw).  
Saginaw to Bad Axe.  
Bad Axe to Kinde.  
Bad Axe to Croswell.  
Palms to Harbor Beach.  
Poland to Sandusky.  
Saginaw to Brown City.

NORFOLK SOUTHERN RAILWAY COMPANY:

Detroit to Ohio State Line via Milan.

CSX TRANSPORTATION:

Ohio State Line to Saginaw via Plymouth and Flint.

Detroit to Grand Rapids via Plymouth and Lansing.  
Grand Rapids to Indiana State Line via Holland and St. Joseph.  
Holland to Montague via Muskegon.  
Holland to Hamilton.  
Berry to Fremont.  
Saginaw to Midland.  
Saginaw to Bay City to Essexville.  
Grand Rapids to Baldwin via Newaygo.  
Baldwin to Ludington via Walhalla.  
Walhalla to Manistee/Filer City.  
Port Huron to Marine City.

MID-MICHIGAN RAILROAD:

Paines to Elwell via Alma.  
Elmdale to Greenville.

COE RAIL, INC.:

Wixom to east of Walled Lake.

GRAND TRUNK WESTERN RAILROAD (CN NORTH AMERICA):

Port Huron to Indiana State Line via Flint, Durand, Lansing, Battle Creek, and Cassopolis.  
Durand to Detroit via Pontiac.  
Dearborn to Flat Rock.  
Port Huron to Detroit.  
Richmond to Pontiac.  
Pontiac to Lake Orion.  
Detroit to Ohio State Line via Monroe.  
Pavilion to Kalamazoo.

INDIANA AND OHIO RAILWAY COMPANY (RAIL TEX):

Flat Rock to Ohio State Line via Dundee.

WISCONSIN CENTRAL LIMITED:

Canadian International Boundary at Sault Ste. Marie to Wisconsin State Line via Trout Lake and Gladstone.  
Trout Lake to Baraga via Munising Junction and Marquette.  
Munising to Munising Junction.  
Baraga to Arnheim.  
White Pine to Wisconsin State Line via Bergland.

SAULT STE. MARIE BRIDGE COMPANY:

Wisconsin State Line at Menominee to Escanaba via Powers.  
Powers to Iron Mountain (Antoine).  
Quinnesec to Wisconsin State Line.  
Escanaba to Ishpeming.

ESCANABA AND LAKE SUPERIOR RAILROAD:

At Escanaba.  
Channing to Republic.  
Iron Mountain to Wisconsin State Line.  
At Menominee.

LAKE SUPERIOR AND ISHPEMING RAILROAD:

Marquette to Republic Mine via Eagle Mills and Ishpeming.  
Eagle Mills to Tilden Mine.

LAKE STATE RAILWAY:

Bay City to Linwood.  
Pinconning to Hawks via Tawas City and Alpena.  
Alabaster Junction to Alabaster.  
Alpena to Paxton.  
Posen to Rogers City.  
Sallings to Gaylord.

CENTRAL MICHIGAN RAILWAY:

Bay City to Midland.  
Saginaw to Paines.

CONSOLIDATED RAIL CORPORATION:

Detroit to Kalamazoo via Jackson and Battle Creek.  
Jackson to Lansing.  
Detroit to Toledo.  
Detroit to Carleton.  
Detroit to Utica.  
Jackson to Ackerson Lake.  
Ottawa Lake to Ohio State Line.  
Grand Rapids to Indiana State Line via Kalamazoo.  
White Pigeon Junction to Sturgis.  
Kalamazoo to Portage (Upjohn).  
Plainwell to Otsego.  
Grand Rapids to Kentwood (44 Street).

NATIONAL RAILROAD PASSENGER CORPORATION:

Kalamazoo to Indiana State Line via Niles.

CANADIAN NATIONAL RAILWAYS:

Detroit River Tunnel.  
St. Clair River Tunnel.

DELRAY CONNECTING RAILROAD:

At Detroit.

WEST MICHIGAN RAILWAY:

Hartford to Paw Paw.

BRANCH AND ST. JOSEPH COUNTIES RAIL USERS ASSOCIATION:

Sturgis to east of Quincy.

MICHIGAN SHORE RAILROAD:

At Muskegon.

IRON CLIFFS RAILWAY COMPANY:

At Ishpeming.

(2) Any changes to the essential corridor list in subsection (1), including sales of state-owned rights-of-way not specifically authorized for sale in another public act, shall be approved by the house and senate appropriations subcommittees on transportation.

(3) 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 and senate appropriations subcommittees on transportation that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 709. (1) The appropriation in part 1 for van pooling shall be administered by the department through grants to eligible authorities and eligible governmental agencies to insure coordination between van and car pooling programs and the transit systems operated by the eligible authorities and eligible governmental agencies. The appropriation shall not be distributed until the department submits a report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. The report shall describe how the appropriations for this program were expended in the last 5 years and assess the program's effectiveness during this period.

(2) The department shall utilize competitive bidding for each grant awarded under subsection (1).

Sec. 710. From the funds appropriated in part 1, \$3,300,000.00 is allocated for the department to establish a rail infrastructure loan program. The program shall provide noninterest bearing loans for rail infrastructure improvements. The department shall evaluate loan applications according to the relative merit of the project in conjunction with program goals. The transportation commission shall approve the loans. The loans shall fund not less than 90% of the rail portion of project costs, and the loan repayment period shall not exceed 10 years. Local governments, railroads, and current or potential users of freight railroad services are eligible applicants. At the end of the fiscal year, unexpended funds shall remain in the rail infrastructure loan program and shall be available to be allocated for the purposes of the

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

Sec. 711. In addition to the \$2,246,600.00 appropriated in part 1 for the work first initiative, the department shall maintain current funding support for this initiative.

Sec. 712. 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. It is not the intent of the legislature that the authority be granted the power of condemnation of private property. The report shall be completed and submitted to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by December 15, 1998.

Sec. 714. For the fiscal year ending September 30, 1999, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 50% of its eligible operating expenses. If funds appropriated in part 1 for local bus operating are not sufficient to fulfill this requirement, sufficient funds appropriated for public transportation development discretionary may be used for this purpose.

Sec. 715. Of the amount appropriated in part 1 for bus capital, for the fiscal year ending September 30, 1999, any funds not utilized for matching federal funds for local bus capital shall be distributed for 100% capital projects for eligible authorities and eligible governmental agencies that are not eligible to receive federal capital formula funds under section 5307 of the federal intermodal surface transportation efficiency act, Public Law 102-240, or any successor act.

Sec. 716. The appropriation in part 1 for ride sharing shall not be distributed until the department submits a report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. The report shall describe how the appropriations for this program have been spent in the last 5 years and assess the program's effectiveness during this period. The appropriation shall be held in escrow until the report is submitted.

Sec. 717. The department shall provide state matching funds to construct a new ferry for which federal funds have been authorized as of December 31, 1997 for the eastern Upper Peninsula transportation authority as permitted under section 10e(14) of 1951 PA 51, MCL 247.660e.

Sec. 718. (1) The following bus routes are designated as an essential corridor in Michigan:

UPPER PENINSULA-SUPERIOR TRANSPORTATION

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

GREYHOUND

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

## INDIAN TRAILS

Between Bay City and Chicago  
Between Flint and Lansing  
Between Bay City and St. Ignace  
Between Grand Rapids and St. Ignace

I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line  
I-69, M-21, Owosso, M-52, I-69  
I-75, US-23  
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  
US-131

Between Kalamazoo and Grand Rapids

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 720. The appropriation in part 1 for regional service coordination shall not be distributed until the department submits a report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. The report shall describe how the appropriations for this program have been spent in the last 2 years and assess the program's effectiveness during this period.

Sec. 721. It is the intent of the legislature to achieve coordinated services between DDOT and SMART by October 1, 1999. If this coordination is not achieved by October 1, 1999, the following shall occur:

(a) The legislature intends to require separate future reimbursements to these agencies based on eligible operating expenses.

(b) The chairpersons and vice-chairpersons of the house and senate appropriations subcommittees on transportation shall form a special committee to develop and adopt a regional transportation plan for the southeast Michigan tri-county metropolitan area.

Sec. 722. If federal funds are authorized for a proposed Lansing to Detroit commuter rail line, the department may match up to 20% of the federal funds authorized from rail passenger service funds appropriated under section 116. However, no funds shall be used for operations subsidy.

Sec. 724. The department shall conduct a study of violent crimes committed against bus operators and bus passengers on public transit systems in the state. The study shall examine the type and frequency of violent crimes committed against bus operators and bus passengers and shall make recommendations on ways to reduce violent crimes on public transit systems. This report shall be submitted to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by April 1, 1999.

## AERONAUTICS FUND

Sec. 801. At the close of the fiscal year ending September 30, 1999, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 803. The appropriation in part 1 from the state aeronautics fund for transportation planning administration shall not be distributed until the department submits a report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. The report shall describe how the appropriations for aeronautics planning have been spent in the last 5 years, and assess the current and future levels of funding needed for this purpose.

Sec. 804. Of the funds appropriated for administration in section 113 for the bureau of aeronautics, not more than \$1,670,000.00 is appropriated for the purchase of equipment upgrades necessary to safely operate the state air fleet. Thirty days prior to the expenditure of these funds, notification shall be sent to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies.

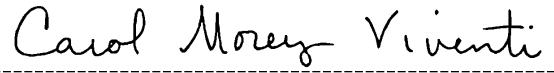
## TIEBAR

Sec. 902. This act does not take effect unless Senate Bill No. 1156 of the 89th Legislature is enacted into law.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives.



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Secretary of the Senate.

Approved -----

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Governor.