



HOUSE BILL No. 5284

February 3, 2000, Introduced by Reps. Scranton, Byl, Kukuk, Jellema, Pappageorge, Jelinek, Mortimer, Geiger, Mead, Pumford, Caul, LaSata, Cameron Brown, Godchaux, Stamas and Jansen and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2001; 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, certain state institutions of higher education, and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

1 LINE-ITEM APPROPRIATIONS

2 Sec. 101. Subject to the conditions set forth in this bill, the
3 amounts listed in this part are appropriated for the state
4 transportation department and certain state purposes designated in
5 this bill for the fiscal year ending September 30, 2001, from the
6 funds indicated in this part. The following is a summary of the
7 appropriations in this part:

8 **DEPARTMENT OF TRANSPORTATION**

9 APPROPRIATION SUMMARY:

10	Full-time equated unclassified positions	. 6.0	
11	Full-time equated classified positions	3,176.3	
12	GROSS APPROPRIATION		\$ 2,984,764,600
13	Interdepartmental grant revenues:		
14	Total interdepartmental grants and intradepartmental		
15	transfers		10,459,500
16	ADJUSTED GROSS APPROPRIATION		\$ 2,974,305,100
17	Federal revenues:		
18	Total federal revenues		918,449,000
19	Special revenue funds:		
20	Total local revenues		5,700,000
21	Total private revenues		0
22	Total other state restricted revenues		2,050,156,100
23	State general fund/general purpose		\$ 0
24	Sec. 102. DEBT SERVICE		
25	State trunkline		\$ 35,900,800
26	Trunkline bonds, series 1989A-EDF		
27	(\$100,000,000)		6,606,900
28	Critical bridge		3,000,000
29	Blue water bridge		2,308,500

1	Comprehensive transportation	<u>21,697,900</u>
2	GROSS APPROPRIATION	\$ 69,514,100
3	Appropriated from:	
4	Special revenue funds:	
5	Comprehensive transportation fund	21,697,900
6	Economic development fund	6,606,900
7	Michigan transportation fund	3,000,000
8	State trunkline fund	35,900,800
9	Blue water bridge fund	2,308,500
10	State general fund/general purpose	\$ 0
11	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
12	Michigan transportation fund (MTF)	
13	MTF grant to department of environmental quality.	\$ 855,500
14	MTF grant to department of state	55,668,000
15	MTF grant to legislative auditor general	132,400
16	MTF grant to attorney general	2,590,400
17	State trunkline fund (STF)	
18	STF grant to department of civil service	1,280,000
19	STF grant to department of management and budget	889,500
20	STF grant to department of state police	6,574,200
21	STF grant to department of treasury	32,200
22	STF grant to legislative auditor general	362,100
23	State aeronautics fund (SAF)	
24	SAF grant to department of attorney general	119,800
25	SAF grant to department of civil service	50,000
26	SAF grant to department of management and budget	26,600
27	SAF grant to department of treasury	63,900
28	SAF grant to legislative auditor general	31,100
29	Comprehensive transportation fund (CTF)	

1	CTF grant to department of civil service	90,000
2	CTF grant to department of management and budget	50,200
3	CTF grant to department of treasury	4,900
4	CTF grant to legislative auditor general	<u>47,600</u>
5	GROSS APPROPRIATION	\$ 68,868,400
6	Appropriated from:	
7	Special revenue funds:	
8	Comprehensive transportation fund	192,700
9	Michigan transportation fund	59,246,300
10	State aeronautics fund	291,400
11	State trunkline fund	9,138,000
12	State general fund/general purpose	\$ 0
13	Sec. 104. EXECUTIVE DIRECTION	
14	Full-time equated unclassified positions 6.0	
15	Full-time equated classified positions 33.3	
16	Unclassified salaries	\$ 511,600
17	State transportation commission (per diem payments)	7,200
18	Commission audit--33.3 FTE positions	<u>2,888,600</u>
19	GROSS APPROPRIATION	\$ 3,407,400
20	Appropriated from:	
21	Special revenue funds:	
22	State trunkline fund	3,407,400
23	State general fund/general purpose	\$ 0
24	Sec. 105. ADMINISTRATIVE SERVICES	
25	Full-time equated classified positions 146.7	
26	Administration and data center--108.7 FTE positions \$	27,462,600
27	Property management	6,690,600
28	Human resources--33.0 FTE positions	2,563,500
29	Economic development administration--5.0 FTE positions	500,700

1	Worker's compensation		<u>2,696,000</u>
2	GROSS APPROPRIATION	\$	39,913,400
3	Appropriated from:		
4			
5	Special revenue funds:		
6	Economic development fund		537,800
7	State aeronautics fund		678,300
8	Comprehensive transportation fund		1,167,600
9	Michigan transportation fund		70,400
10	State trunkline fund		37,459,300
11	State general fund/general purpose	\$	0
12	Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION		
13	Full-time equated classified positions . . .	254.5	
14	Administration--254.5 FTE positions	\$	<u>20,486,700</u>
15	GROSS APPROPRIATION	\$	20,486,700
16	Appropriated from:		
17	Special revenue funds:		
18	Michigan transportation fund		1,086,400
19	State trunkline fund		19,400,300
20	State general fund/general purpose	\$	0
21	Sec. 107. BUREAU OF TRANSPORTATION PLANNING		
22	Full-time equated classified positions . .	185.1	
23	Administration--185.1 FTE positions	\$	27,519,800
24	Grants to regional planning councils		<u>488,800</u>
25	GROSS APPROPRIATION	\$	28,008,600
26	Appropriated from:		
27	Federal revenues:		
28	Federal revenues		16,200,000
29	Special revenue funds:		

1	State aeronautics fund	300,500
2	Comprehensive transportation fund	1,890,300
3	Michigan transportation fund	5,755,200
4	State trunkline fund	3,862,600
5	State general fund/general purpose \$	0
6	Sec. 108. BUREAU OF HIGHWAYS	
7	Full-time equated classified positions	1,655.2
8	Engineering operations--820.1 FTE positions \$	32,980,200
9	Maintenance operations--78.0 FTE positions	6,918,300
10	Program services--757.1 FTE positions	<u>37,294,200</u>
11	GROSS APPROPRIATION \$	77,192,700
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDT, intradepartmental charges	207,500
15	Federal revenues:	
16	Federal revenues	5,000,000
17	Special revenue funds:	
18	Michigan transportation fund	3,950,000
19	State trunkline fund	68,035,200
20	State general fund/general purpose \$	0
21	Sec. 109. HIGHWAY MAINTENANCE	
22	Full-time equated classified positions	704.0
23	State trunkline operations--704.0 FTE positions \$	<u>235,229,000</u>
24	GROSS APPROPRIATION \$	235,229,000
25	Appropriated from:	
26	Interdepartmental grant revenues:	
27	IDT, intradepartmental charges	10,252,000
28	Special revenue funds:	
29	State trunkline fund	224,977,000

1	State general fund/general purpose	\$	0
2	Sec. 110. ROAD AND BRIDGE PROGRAMS		
3	State trunkline federal aid and road and bridge		
4	construction	\$	933,730,400
5	Local federal aid and road and bridge		
6	construction		214,803,000
7	Grants to local programs		33,000,000
8	Rail grade crossing		3,000,000
9	Critical bridge program		5,750,000
10	County road commissions		589,621,700
11	Cities and villages		<u>328,740,500</u>
12	GROSS APPROPRIATION	\$	2,108,645,600
13	Appropriated from:		
14	Federal revenues:		
15	Federal revenues		841,549,000
16	Special revenue funds:		
17	Local funds		5,000,000
18	Michigan transportation fund		959,362,200
19	State trunkline fund		302,734,400
20	State general fund/general purpose	\$	0
21	Sec. 111. BLUE WATER BRIDGE		
22	Full-time equated classified positions	34.0	
23	Blue water bridge fund operations--34.0 FTE		
24	positions	\$	<u>10,224,200</u>
25	GROSS APPROPRIATION	\$	10,224,200
26	Appropriated from:		
27	Special revenue funds:		
28	Blue water bridge fund		10,224,200
29	State general fund/general purpose	\$	0

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

2	Forest roads	\$	5,000,000
3	Rural county urban system		2,500,000
4	Target industries/economic redevelopment		23,065,100
5	Urban county congestion		9,782,600
6	Rural county primary		<u>9,782,600</u>
7	GROSS APPROPRIATION	\$	50,130,300

8 Appropriated from:

9 Special revenue funds:

10	Economic development fund		50,130,300
11	State general fund/general purpose	\$	0

12 **Sec. 113. BUREAU OF AERONAUTICS**

13	Full-time equated classified positions . . .	57.0	
14	Administration--57.0 FTE positions	\$	6,773,200
15	Air service program		<u>1,000,000</u>
16	GROSS APPROPRIATION	\$	7,773,200

17 Appropriated from:

18 Special revenue funds:

19	State aeronautics fund		7,773,200
20	State general fund/general purpose	\$	0

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

22	Full-time equated classified positions	106.5	
23	Administration--106.5 FTE positions	\$	<u>8,673,200</u>
24	GROSS APPROPRIATION	\$	8,673,200

25 Appropriated from:

26 Special revenue funds:

27	Comprehensive transportation fund		6,900,300
28	Michigan transportation fund		1,772,900
29	State general fund/general purpose	\$	0

1 **Sec. 115. BUS TRANSIT DIVISION: STATUTORY OPERATING**

2	Local bus operating	\$	150,576,300
3	Nonurban operating/capital		<u>8,900,000</u>
4	GROSS APPROPRIATION	\$	159,476,300

5 Appropriated from:

6 Federal revenues:

7	Federal revenues		8,700,000
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8 Special revenue funds:

9	Local funds		200,000
10	Comprehensive transportation fund		150,576,300
11	State general fund/general purpose	\$	0

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

13	Freight property management	\$	1,893,300
14	Detroit/Wayne County port authority		408,500
15	Intercity bus equipment		3,324,500
16	Rail passenger service		9,000,000
17	Freight preservation and development		6,828,000
18	Rail infrastructure loan program		2,000,000
19	Intercity bus service development		2,225,500
20	Marine passenger services		800,000
21	Terminal development		<u>1,000,000</u>
22	GROSS APPROPRIATION	\$	27,479,800

23 Appropriated from:

24 Federal revenues:

25	Federal revenues		4,700,000
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26 Special revenue funds:

27	Local funds		50,000
28	Rail preservation fund		2,000,000
29	Intercity bus equipment fund		1,000,000

1	Comprehensive transportation fund	19,729,800
2	State general fund/general purpose	\$ 0
3	Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT	
4	Specialized services	\$ 3,749,500
5	Municipal credit program	2,000,000
6	Bus capital	56,442,300
7	Ride sharing	330,700
8	Van pooling	195,000
9	Bus property management	100,000
10	Service development and new technology	1,675,000
11	Planning grants	120,000
12	Audit settlements	150,000
13	Regional service coordination	1,000,000
14	Work first initiative	<u>3,979,200</u>
15	GROSS APPROPRIATION	\$ 69,741,700
16	Appropriated from:	
17	Federal revenues:	
18	Federal revenues	42,300,000
19	Special revenue funds:	
20	Local funds	450,000
21	Comprehensive transportation fund	26,991,700
22	State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

26 Sec. 201. (1) Pursuant to section 30 of article IX of the
 27 constitution of 1963, total state spending under part 1 for fiscal
 28 year 2000-2001 is \$2,050,156,100.00 and state appropriations to be
 29 paid to local units of government are as follows:

1 DEPARTMENT OF TRANSPORTATION

2	Local grant program	\$ 33,000,000
3	Economic development fund	27,065,200
4	Grants to cities and villages	328,740,500
5	Grants to county road commissions	589,621,700
6	Critical bridge program	5,750,000
7	Grants to regional planning councils	488,800
8	Local bus operating	150,576,300
9	Bus capital	15,042,300
10	Marine passenger service	800,000
11	Detroit/Wayne County port authority	408,500
12	Local ride sharing operating grants	330,700
13	Planning grants	120,000
14	Municipal credit program	2,000,000
15	Specialized services	<u>3,749,500</u>
16	Total payments to local units of government . .	\$ 1,157,693,500

17 (2) If it appears to the principal executive officer of a
 18 department or branch that state spending to local units of government
 19 will be less than the amount that was projected to be expended for any
 20 quarter under subsection (1), the principal executive officer shall
 21 immediately give notice of the approximate shortfall to the state
 22 budget director, the senate and house of representatives standing
 23 committees on appropriations, and the senate and house fiscal
 24 agencies.

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

28 Sec. 203. As used in this act:

29 (a) "CTF" means comprehensive transportation fund.

30 (b) "Department" means the department of transportation.

1 (c) "DOT-FHWA" means DOT, federal highway administration.

2 (d) "EDF" means economic development fund.

3 (e) "FTE" means full-time equated.

4 (f) "IDT" means interdepartmental transfer.

5 (g) "MTF" means Michigan transportation fund.

6 (h) "RIF" means recreation improvement fund.

7 (i) "SAF" means state aeronautics fund.

8 (j) "STF" means state trunkline fund.

9 Sec. 204. (1) Beginning October 1, a hiring freeze is imposed on
10 the state classified civil service. State departments and agencies
11 are prohibited from hiring any new full-time state classified civil
12 service employees and prohibited from filling any vacant state
13 classified civil service positions. This hiring freeze does not apply
14 to internal transfers of classified employees from one position to
15 another within a department or to positions that are funded with 80%
16 or more federal or restricted funds.

17 (2) The state budget director shall grant exceptions to this
18 hiring freeze when the state budget director believes that the hiring
19 freeze will result in rendering a state department or agency unable to
20 deliver basic services. The state budget director shall report by the
21 30th of each month to the chairpersons of the senate and house of
22 representatives standing committees on appropriations the number of
23 exceptions to the hiring freeze approved during the previous month and
24 the reasons to justify the exception.

25 Sec. 205. The department of civil service shall bill departments
26 and agencies at the end of the first fiscal quarter for the 1% charge
27 authorized by section 5 of article XI of the state constitution of
28 1963. Payments shall be made for the total amount of the billing by
29 the end of the second fiscal quarter.

30 Sec. 206. (1) In addition to the funds appropriated in part 1,

1 there is appropriated an amount not to exceed \$100,000,000.00 for
2 federal contingency funds. These funds are not available for
3 expenditure until they have been transferred to another line item in
4 this bill pursuant to section 393(2) of the management and budget act,
5 1984 PA 431, MCL 18.1393.

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

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

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

24 **DEPARTMENTAL SECTIONS**

25 Sec. 301. (1) The department may establish a fee schedule and
26 collect fees sufficient to cover the costs to issue the permits that
27 the department is authorized by law to issue upon request, and for
28 which fees are not otherwise stipulated by law.

29 (2) A bridge authority shall hold 3 public hearings on a change in
30 any toll charged by the authority at least 30 days before the toll

1 change will become effective. Two of the hearings shall be held
2 within 5 miles of the bridge over which the bridge authority has
3 jurisdiction. One hearing shall be held in Lansing.

4 Sec. 302. The department shall prepare an official transportation
5 map that shall be distributed without charge.

6 Sec. 303. If, as a requirement of bidding on a highway project,
7 the department requires a contractor to submit financial or
8 proprietary documentation as to how the bid was calculated, that bid
9 documentation shall be kept confidential and shall not be disclosed
10 other than to a department representative without the contractor's
11 written consent. The department may disclose the bid documentation if
12 necessary to address or defend a claim by a contractor.

13 Sec. 304. The department may permit space on public passenger
14 transportation properties to be occupied by public or private tenants
15 on a competitive market rate basis. The department may require that
16 revenue from the tenants be placed in an account to be used to pay the
17 costs to maintain and improve the property.

18 Sec. 305. Before February 1 of each year, the department will
19 provide to the legislature and to the house and senate fiscal agencies
20 its rolling 5-year plan listing by county or by county road commission
21 of all highway construction projects for the fiscal year and a list of
22 expected projects for the ensuing fiscal years.

23 Sec. 306. The department shall pursue compliance with contract
24 specifications for construction and maintenance of state highways.
25 Work shall not be accepted and paid for until it complies with
26 contract requirements. Contractors with unsatisfactory performance
27 ratings shall be restricted from future bidding through the
28 department's prequalification process.

29 Sec. 307. The department shall continue its efforts to reduce
30 administrative costs and provide the maximum funding possible for

1 construction projects.

2 Sec. 308. To facilitate an informed and cooperative relationship
3 between the transportation commission and the legislature, the
4 department shall provide in a timely manner copies of the agenda and
5 approved minutes of monthly transportation commission meetings to the
6 members of the house and senate appropriations subcommittees on
7 transportation, the house and senate fiscal agencies, and the state
8 budget director.

9 Sec. 309. The department shall not use funds appropriated under
10 part 1 on behalf of a local governmental unit to pay the amount
11 required for that local governmental unit to participate in the
12 federal advance construct program.

13 Sec. 310. At the close of the fiscal year ending September 30,
14 2001, any unencumbered and unexpended balance in the state trunkline
15 fund shall remain in the state trunkline fund and shall carry forward
16 and be appropriated for federal aid road and bridge programs for
17 projects contained in an annual state transportation program.

18 Sec. 311. (1) From funds appropriated in part 1, the department
19 may increase a state infrastructure bank program and grant or loan
20 funds in accordance with regulations of the state infrastructure bank
21 and interest earned program of the United States department of
22 transportation. The state infrastructure bank is to be administered
23 by the department for the purpose of providing a revolving, self-
24 sustaining resource for financing transportation infrastructure
25 projects.

26 (2) In addition to funds provided in subsection (1), money
27 received by the state as federal grants, repayment of state
28 infrastructure bank loans, or other reimbursement or revenue received
29 by the state as a result of projects funded by the program and
30 interest earned shall be deposited in the revolving state

1 infrastructure bank fund and shall be available for transportation
2 infrastructure projects. At the close of the fiscal year, any funds
3 remaining in the state infrastructure bank fund shall remain in the
4 fund and be carried forward into the succeeding fiscal year.

5 Sec. 312. (1) For purposes of safety and brush control and for
6 maintaining health and safety under section 15b of 1951 PA 51, MCL
7 247.665b, road authorities shall mow the right-of-way of a public road
8 in accordance with the requirements prescribed in this section,
9 subject to the following:

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

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

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

16 (2) Mowing shall be 12 feet or to the leading edge of the ditch,
17 whichever is less, adjacent to both shoulders of the roadway to any
18 height at any time. The area between the ditch bottom and the back
19 slopes of the rights-of-way shall be protected from mowing between
20 September 1 and the following July 15 except as permitted in this
21 subsection. Spraying shall be limited to the control of noxious weeds
22 and brush within this area. From July 16 through August 31, mowing
23 may be through the entire right-of-way if needed, including through
24 the ditch bottom, while maintaining not less than 12 inches of grass
25 height from the back of the ditch to the back of the right-of-way and
26 within the median. Between July 16 and the following March 1,
27 mechanical brush and woody stem control may be completed to whatever
28 height is needed to provide control and safety. Twenty-five percent
29 of all roads shall be designated annually for brush control that
30 includes mowing with follow-up herbicide treatment during the next

1 growing season.

2 (3) The mowing standards prescribed in this section shall apply to
3 all medians 70 feet wide or more. Medians 70 feet wide or more shall
4 be maintained as brush-free as possible and with a grass height of at
5 least 12 inches. Twenty-five percent of the medians within a region
6 shall be annually designated for removal or spot spray treatment of
7 unwanted brush and trees.

8 (4) All mowing of the back slope and wide median areas beyond the
9 12-foot width from the road edge shall be performed so as to ensure a
10 minimum of 12 inches of grass remains by September 1 each year, except
11 in those zones designated for brush control. Areas of brush within
12 the right-of-way shall be mowed back to prevent brush from becoming
13 established within the right-of-way. Brush or tree stumps shall be
14 spot treated with herbicide, as needed, for long-term control.

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

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

19 Sec. 313. Sixty days before beginning any effort to privatize,
20 the department shall submit a complete project plan to the appropriate
21 subcommittees of the senate and house of representatives standing
22 committees on appropriations and the senate and house fiscal agencies.
23 The plan shall include the criteria under which the privatization
24 initiative will be evaluated. The evaluation shall be completed and
25 submitted to the appropriate subcommittees of the senate and house of
26 representatives standing committees on appropriations and the senate
27 and house fiscal agencies within 30 months.

28 Sec. 314. Funds appropriated in section 104 for state
29 transportation commission per diem payments shall provide daily per
30 diem payments of \$100.00 to each of the 6 appointed members of the

1 state transportation commission for all scheduled public state
2 transportation commission meetings, with annual distributions of not
3 more than \$1,200.00 to each appointed member.

4 Sec. 315. The department shall continue to pilot the use of the
5 Internet to fulfill the reporting requirements in this bill. This may
6 include transmission of reports via electronic mail to the recipients
7 identified for each reporting requirement, or it may include placement
8 of reports on the Internet or on the Intranet. The appropriations
9 subcommittees shall be notified in writing of the Internet/Intranet
10 site of any such report.

11 **FEDERAL**

12 Sec. 401. (1) Twenty-three to twenty-seven percent of the DOT-FHWA
13 highway research, planning, and construction federal funds appro-
14 priated in section 110 shall be allocated to programs administered by
15 local jurisdictions after deduction of the following:

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

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

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

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

29 (4) Federal aid to highways allocated to local jurisdictions in
30 subsection (1) shall be distributed in a manner that produces a 25%

1 average allocation of applicable funds to programs for local
2 jurisdictions in each fiscal year through the fiscal year ending
3 September 30, 2005. The average allocation of applicable federal aid
4 to highway funds to programs for local jurisdictions shall be the
5 average of the amount distributed to local jurisdictions under
6 subsection (1) and similarly calculated distributions in each
7 succeeding fiscal year.

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

12 (6) The department shall not borrow against the critical bridge
13 fund for the first 9 months of the fiscal year.

14 Sec. 402. The appropriation in part 1 for grants to regional
15 planning councils shall not be distributed until the regional planning
16 councils submit to the department a work plan for the ensuing fiscal
17 year and a description of transportation planning activities performed
18 in the prior fiscal year.

19 **MICHIGAN TRANSPORTATION FUND**

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

24 Sec. 502. The department of treasury shall perform audits and
25 make investigations of the disposition of all state funds received by
26 county road commissions or county boards of commissioners, as
27 applicable, and cities and villages for transportation purposes to
28 determine compliance with the terms and conditions of 1951 PA 51, MCL
29 247.651 to 247.675. County road commissions or county boards of
30 commissioners, as applicable, and cities and villages shall make

1 available to the department of treasury the pertinent records for the
2 audit.

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

8 Sec. 504. (1) The funds appropriated in part 1 for the economic
9 development and critical bridge programs shall not lapse at the end of
10 the fiscal year but shall carry forward each fiscal year for the
11 purposes for which appropriated in accordance with 1987 PA 231, MCL
12 247.901 to 247.913 and 1951 PA 51, MCL 247.661.

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

17 (3) The department of transportation economic development fund and
18 critical bridge fund may receive and expend federal, local, or private
19 funds or restricted source funds such as interest earnings for
20 projects that are consistent with the programmatic mission of the fund
21 in addition to funds appropriated in part 1.

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

26 Sec. 505. (1) Funds from the Michigan transportation fund (MTF)
27 shall be distributed to the comprehensive transportation fund (CTF),
28 the economic development fund (EDF), the recreational improvement fund
29 (RIF), and the state trunkline fund (STF), in accordance with this act
30 and part 711 (recreation improvement fund) of the natural resources

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

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

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

14 (b) Description of services financed with transportation funds.

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

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

28 Sec. 506. (1) Of the amount appropriated in part 1 from the
29 Michigan transportation fund to the department of state, \$186,600.00
30 represents the additional cost of issuing specialized license plates

1 for veterans and national guard members, as included in 1989 PAs 16,
2 17, 18, and 19, MCL 257.803i, 257.803j, 257.803k, and 257.803l, and
3 \$187,600.00 represents the additional cost of issuing generic license
4 plates for nonprofit fraternal or public service organizations, as
5 included in section 803m of the Michigan vehicle code, 1949 PA 300,
6 MCL 257.803m.

7 (2) In addition, commemorative and specialty license plate fee
8 revenue collected by the department of state and deposited into the
9 Michigan transportation fund is authorized for expenditure by the
10 department of state up to the amount of revenue collected, but not to
11 exceed \$2,853,300.00 for commemorative plates and \$4,215,000.00 for
12 specialty plates. These amounts are appropriated to the department of
13 state in part 1 to administer the commemorative and specialty license
14 plate programs pursuant to section 225 of the Michigan vehicle code,
15 1949 PA 300, MCL 257.225.

16 (3) The department of state shall prepare an annual report on the
17 number of, and the additional costs associated with, these license
18 plate programs to the department, the state budget director, the house
19 and senate fiscal agencies, and the chairpersons of the house and
20 senate appropriations subcommittees on transportation.

21 (4) Any unspent funds based on these annual reports shall lapse to
22 the Michigan transportation fund and be distributed in accordance with
23 1951 PA 51, MCL 247.651 to 247.675.

24 **STATE TRUNKLINE FUND**

25 Sec. 601. The department shall, when feasible, work with the road
26 construction industry to develop performance and road construction
27 warranties for construction contracts. The development of warranties
28 shall include warranties on materials, workmanship, performance
29 criteria, and design/build projects.

30 Sec. 602. If the department uses manufactured pipe for road

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

10 Sec. 603. The department shall continue to identify high cost
11 accident intersections in conjunction with AAA or other automobile
12 insurance carriers for safety project selection.

13 **COMPREHENSIVE TRANSPORTATION FUND**

14 Sec. 701. Money that is returned to the state as repayment for a
15 loan for intercity bus equipment is not money to be deposited in the
16 comprehensive transportation fund under section 10b of 1951 PA 51, MCL
17 247.660b, but is money that is deposited in an intercity bus equipment
18 fund for appropriation for the purchase and repair of intercity bus
19 equipment. Proceeds received by the state from the sale of intercity
20 bus equipment are deposited in an intercity bus equipment fund for
21 appropriation for the purchase and repair of intercity bus equipment.
22 Security deposits from the lease of state-owned intercity bus
23 equipment not returned to the lessee of the equipment under terms of
24 the lease agreement are deposited in an intercity bus equipment fund
25 for appropriation for the repair of intercity bus equipment.

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

1 1976 PA 295, MCL 474.67.

2 Sec. 703. From the funds appropriated in part 1, \$2,000,000.00 is
3 allocated for a rail infrastructure loan program. The program shall
4 provide noninterest bearing loans for rail infrastructure
5 improvements. The department shall evaluate loan applications
6 according to the relative merit of the project in conjunction with
7 program goals. The transportation commission shall approve the loans.
8 The loans shall fund not less than 90% of the rail portion of project
9 costs, and the loan repayment period shall not exceed 10 years. Local
10 governments, railroads, and current or potential users of freight
11 railroad services are eligible applicants. At the end of the fiscal
12 year, unexpended funds shall remain in the rail infrastructure loan
13 program and shall be available to be allocated for the purposes of the
14 program in the succeeding fiscal year. Money that is received by the
15 state as repayment for rail infrastructure loans made pursuant to this
16 program shall remain within the rail infrastructure loan program and
17 shall be allocated for the purposes of the program. The state's total
18 contribution to the rail infrastructure loan program shall not exceed
19 \$15,000,000.00.

20 Sec. 704. The Detroit/Wayne County port authority shall issue a
21 complete operations assessment and a financial disclosure statement.
22 The operations assessment shall include operational goals for the next
23 5 years and recommendations to improve land acquisition and
24 development efficiency. The report shall be completed and submitted
25 to the house and senate appropriations subcommittees on transportation
26 and the house and senate fiscal agencies by December 15, 2000.

27 Sec. 705. For the fiscal year ending September 30, 2001, each
28 eligible authority and each eligible governmental agency which
29 provides public transportation services in urbanized areas with a
30 Michigan population of less than or equal to 100,000 and nonurbanized

1 areas under section 5311 of title 49 of the United States Code, 49
2 U.S.C. 5311, shall receive a grant of up to 60% of its eligible
3 operating expenses. Each eligible authority and each eligible
4 government agency which provides public transportation services in
5 urbanized areas with a Michigan population of greater than 100,000
6 under section 5311 of title 49 of the United States Code, 49 U.S.C.
7 5311, shall receive a grant of up to 50% of its eligible operating
8 expenses.

9 Sec. 706. If funds appropriated in section 116 are used to provide
10 state-owned or state-leased buses to private intercity bus carriers,
11 the department shall charge not less than \$1,000.00 per bus per year
12 for their use.

13 Sec. 707. Whenever possible, the department shall work with the
14 local transit agencies to avoid establishing new routes that duplicate
15 existing routes served by intercity carriers when providing services
16 under regional transportation service programs. It is preferable that
17 private intercity carriers be provided an opportunity to bid by local
18 public transit agencies on services funded through the regional
19 transportation service program.

20 **AERONAUTICS FUND**

21 Sec. 801. At the close of the fiscal year ending September 30,
22 2001, any unobligated and unexpended balance in the state aeronautics
23 fund created in the aeronautics code of the state of Michigan, 1945 PA
24 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund
25 and be appropriated by the legislature in the immediately succeeding
26 fiscal year.

final page