

SENATE BILL No. 979

EXECUTIVE BUDGET BILL

February 3, 2000, Introduced by Senators HOFFMAN, GOSCHKA, YOUNG and JOHNSON
and referred to the Committee on Appropriations.

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 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

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
30	Comprehensive transportation	<u>21,697,900</u>
31	GROSS APPROPRIATION	\$ 69,514,100
32	Appropriated from:	
33	Special revenue funds:	
34	Comprehensive transportation fund	21,697,900

1	Economic development fund	6,606,900
2	Michigan transportation fund	3,000,000
3	State trunkline fund	35,900,800
4	Blue water bridge fund	2,308,500
5	State general fund/general purpose	\$ 0
6	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
7	Michigan transportation fund (MTF)	
8	MTF grant to department of environmental quality. \$	855,500
9	MTF grant to department of state	55,668,000
10	MTF grant to legislative auditor general	132,400
11	MTF grant to attorney general	2,590,400
12	State trunkline fund (STF)	
13	STF grant to department of civil service	1,280,000
14	STF grant to department of management and budget	889,500
15	STF grant to department of state police	6,574,200
16	STF grant to department of treasury	32,200
17	STF grant to legislative auditor general	362,100
18	State aeronautics fund (SAF)	
19	SAF grant to department of attorney general . .	119,800
20	SAF grant to department of civil service	50,000
21	SAF grant to department of management and budget	26,600
22	SAF grant to department of treasury	63,900
23	SAF grant to legislative auditor general	31,100
24	Comprehensive transportation fund (CTF)	
25	CTF grant to department of civil service	90,000
26	CTF grant to department of management and budget	50,200
27	CTF grant to department of treasury	4,900
28	CTF grant to legislative auditor general	<u>47,600</u>
29	GROSS APPROPRIATION	\$ 68,868,400
30	Appropriated from:	
31	Special revenue funds:	
32	Comprehensive transportation fund	192,700
33	Michigan transportation fund	59,246,300
34	State aeronautics fund	291,400

1	State trunkline fund	9,138,000
2	State general fund/general purpose \$	0
3	Sec. 104. EXECUTIVE DIRECTION	
4	Full-time equated unclassified positions . . 6.0	
5	Full-time equated classified positions . . . 33.3	
6	Unclassified salaries \$	511,600
7	State transportation commission (per diem payments)	7,200
8	Commission audit--33.3 FTE positions	<u>2,888,600</u>
9	GROSS APPROPRIATION \$	3,407,400
10	Appropriated from:	
11	Special revenue funds:	
12	State trunkline fund	3,407,400
13	State general fund/general purpose \$	0
14	Sec. 105. ADMINISTRATIVE SERVICES	
15	Full-time equated classified positions . . 146.7	
16	Administration and data center--108.7 FTE positions \$	27,462,600
17	Property management	6,690,600
18	Human resources--33.0 FTE positions	2,563,500
19	Economic development administration--5.0 FTE positions	500,700
20	Worker's compensation	<u>2,696,000</u>
21	GROSS APPROPRIATION \$	39,913,400
22	Appropriated from:	
23		
24	Special revenue funds:	
25	Economic development fund	537,800
26	State aeronautics fund	678,300
27	Comprehensive transportation fund	1,167,600
28	Michigan transportation fund	70,400
29	State trunkline fund	37,459,300
30	State general fund/general purpose \$	0
31	Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION	
32	Full-time equated classified positions . . 254.5	
33	Administration--254.5 FTE positions \$	<u>20,486,700</u>
34	GROSS APPROPRIATION \$	20,486,700

1	Appropriated from:	
2	Special revenue funds:	
3	Michigan transportation fund	1,086,400
4	State trunkline fund	19,400,300
5	State general fund/general purpose \$	0
6	Sec. 107. BUREAU OF TRANSPORTATION PLANNING	
7	Full-time equated classified positions . . . 185.1	
8	Administration--185.1 FTE positions \$	27,519,800
9	Grants to regional planning councils <u>.</u>	<u>488,800</u>
10	GROSS APPROPRIATION \$	28,008,600
11	Appropriated from:	
12	Federal revenues:	
13	Federal revenues	16,200,000
14	Special revenue funds:	
15	State aeronautics fund	300,500
16	Comprehensive transportation fund	1,890,300
17	Michigan transportation fund	5,755,200
18	State trunkline fund	3,862,600
19	State general fund/general purpose \$	0
20	Sec. 108. BUREAU OF HIGHWAYS	
21	Full-time equated classified positions . . . 1,655.2	
22	Engineering operations--820.1 FTE positions . . . \$	32,980,200
23	Maintenance operations--78.0 FTE positions . . .	6,918,300
24	Program services--757.1 FTE positions	<u>37,294,200</u>
25	GROSS APPROPRIATION \$	77,192,700
26	Appropriated from:	
27	Interdepartmental grant revenues:	
28	IDT, intradepartmental charges	207,500
29	Federal revenues:	
30	Federal revenues	5,000,000
31	Special revenue funds:	
32	Michigan transportation fund	3,950,000
33	State trunkline fund	68,035,200
34	State general fund/general purpose \$	0

1 **Sec. 109. HIGHWAY MAINTENANCE**

2 Full-time equated classified positions . . . 704.0

3 State trunkline operations--704.0 FTE positions \$ 235,229,000

4 GROSS APPROPRIATION \$ 235,229,000

5 Appropriated from:

6 Interdepartmental grant revenues:

7 IDT, intradepartmental charges 10,252,000

8 Special revenue funds:

9 State trunkline fund 224,977,000

10 State general fund/general purpose \$ 0

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

12 State trunkline federal aid and road and bridge

13 construction \$ 933,730,400

14 Local federal aid and road and bridge

15 construction 214,803,000

16 Grants to local programs 33,000,000

17 Rail grade crossing 3,000,000

18 Critical bridge program 5,750,000

19 County road commissions 589,621,700

20 Cities and villages 328,740,500

21 GROSS APPROPRIATION \$ 2,108,645,600

22 Appropriated from:

23 Federal revenues:

24 Federal revenues 841,549,000

25 Special revenue funds:

26 Local funds 5,000,000

27 Michigan transportation fund 959,362,200

28 State trunkline fund 302,734,400

29 State general fund/general purpose \$ 0

30 **Sec. 111. BLUE WATER BRIDGE**

31 Full-time equated classified positions . . . 34.0

32 Blue water bridge fund operations--34.0 FTE

33 positions \$ 10,224,200

34 GROSS APPROPRIATION \$ 10,224,200

1	Appropriated from:	
2	Special revenue funds:	
3	Blue water bridge fund	10,224,200
4	State general fund/general purpose \$	0
5	Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND	
6	Forest roads \$	5,000,000
7	Rural county urban system	2,500,000
8	Target industries/economic redevelopment	23,065,100
9	Urban county congestion	9,782,600
10	Rural county primary	<u>9,782,600</u>
11	GROSS APPROPRIATION \$	50,130,300
12	Appropriated from:	
13	Special revenue funds:	
14	Economic development fund	50,130,300
15	State general fund/general purpose \$	0
16	Sec. 113. BUREAU OF AERONAUTICS	
17	Full-time equated classified positions . . . 57.0	
18	Administration--57.0 FTE positions \$	6,773,200
19	Air service program	<u>1,000,000</u>
20	GROSS APPROPRIATION \$	7,773,200
21	Appropriated from:	
22	Special revenue funds:	
23	State aeronautics fund	7,773,200
24	State general fund/general purpose \$	0
25	Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION	
26	Full-time equated classified positions . . . 106.5	
27	Administration--106.5 FTE positions \$	<u>8,673,200</u>
28	GROSS APPROPRIATION \$	8,673,200
29	Appropriated from:	
30	Special revenue funds:	
31	Comprehensive transportation fund	6,900,300
32	Michigan transportation fund	1,772,900
33	State general fund/general purpose \$	0
34	Sec. 115. BUS TRANSIT DIVISION: STATUTORY OPERATING	

1	Local bus operating	\$	150,576,300
2	Nonurban operating/capital		<u>8,900,000</u>
3	GROSS APPROPRIATION	\$	159,476,300
4	Appropriated from:		
5	Federal revenues:		
6	Federal revenues		8,700,000
7	Special revenue funds:		
8	Local funds		200,000
9	Comprehensive transportation fund		150,576,300
10	State general fund/general purpose	\$	0
11	Sec. 116. INTERCITY PASSENGER AND FREIGHT		
12	Freight property management	\$	1,893,300
13	Detroit/Wayne County port authority		408,500
14	Intercity bus equipment		3,324,500
15	Rail passenger service		9,000,000
16	Freight preservation and development		6,828,000
17	Rail infrastructure loan program		2,000,000
18	Intercity bus service development		2,225,500
19	Marine passenger services		800,000
20	Terminal development		<u>1,000,000</u>
21	GROSS APPROPRIATION	\$	27,479,800
22	Appropriated from:		
23	Federal revenues:		
24	Federal revenues		4,700,000
25	Special revenue funds:		
26	Local funds		50,000
27	Rail preservation fund		2,000,000
28	Intercity bus equipment fund		1,000,000
29	Comprehensive transportation fund		19,729,800
30	State general fund/general purpose	\$	0
31	Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT		
32	Specialized services	\$	3,749,500
33	Municipal credit program		2,000,000
34	Bus capital		56,442,300

1	Ride sharing	330,700
2	Van pooling	195,000
3	Bus property management	100,000
4	Service development and new technology	1,675,000
5	Planning grants	120,000
6	Audit settlements	150,000
7	Regional service coordination	1,000,000
8	Work first initiative	<u>3,979,200</u>
9	GROSS APPROPRIATION	\$ 69,741,700
10	Appropriated from:	
11	Federal revenues:	
12	Federal revenues	42,300,000
13	Special revenue funds:	
14	Local funds	450,000
15	Comprehensive transportation fund	26,991,700
16	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 constitution of 1963, total state spending under part 1 for fiscal year 2000-2001 is \$2,050,156,100.00 and state appropriations to be paid to local units of government are as follows:

DEPARTMENT OF TRANSPORTATION

25	Local grant program	\$ 33,000,000
26	Economic development fund	27,065,200
27	Grants to cities and villages	328,740,500
28	Grants to county road commissions	589,621,700
29	Critical bridge program	5,750,000
30	Grants to regional planning councils	488,800
31	Local bus operating	150,576,300
32	Bus capital	15,042,300
33	Marine passenger service	800,000
34	Detroit/Wayne County port authority	408,500
35	Local ride sharing operating grants	330,700

1	Planning grants	120,000
2	Municipal credit program	2,000,000
3	Specialized services	<u>3,749,500</u>
4	Total payments to local units of government . .	\$ 1,157,693,500

5 (2) If it appears to the principal executive officer of a
6 department or branch that state spending to local units of government
7 will be less than the amount that was projected to be expended for any
8 quarter under subsection (1), the principal executive officer shall
9 immediately give notice of the approximate shortfall to the state
10 budget director, the senate and house of representatives standing
11 committees on appropriations, and the senate and house fiscal
12 agencies.

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

16 Sec. 203. As used in this act:

- 17 (a) "CTF" means comprehensive transportation fund.
- 18 (b) "Department" means the department of transportation.
- 19 (c) "DOT-FHWA" means DOT, federal highway administration.
- 20 (d) "EDF" means economic development fund.
- 21 (e) "FTE" means full-time equated.
- 22 (f) "IDT" means interdepartmental transfer.
- 23 (g) "MTF" means Michigan transportation fund.
- 24 (h) "RIF" means recreation improvement fund.
- 25 (i) "SAF" means state aeronautics fund.
- 26 (j) "STF" means state trunkline fund.

27 Sec. 204. (1) Beginning October 1, a hiring freeze is imposed on
28 the state classified civil service. State departments and agencies
29 are prohibited from hiring any new full-time state classified civil
30 service employees and prohibited from filling any vacant state
31 classified civil service positions. This hiring freeze does not apply
32 to internal transfers of classified employees from one position to
33 another within a department or to positions that are funded with 80%
34 or more federal or restricted funds.

35 (2) The state budget director shall grant exceptions to this

1 hiring freeze when the state budget director believes that the hiring
2 freeze will result in rendering a state department or agency unable to
3 deliver basic services. The state budget director shall report by the
4 30th of each month to the chairpersons of the senate and house of
5 representatives standing committees on appropriations the number of
6 exceptions to the hiring freeze approved during the previous month and
7 the reasons to justify the exception.

8 Sec. 205. The department of civil service shall bill departments
9 and agencies at the end of the first fiscal quarter for the 1% charge
10 authorized by section 5 of article XI of the state constitution of
11 1963. Payments shall be made for the total amount of the billing by
12 the end of the second fiscal quarter.

13 Sec. 206. (1) In addition to the funds appropriated in part 1,
14 there is appropriated an amount not to exceed \$100,000,000.00 for
15 federal contingency funds. These funds are not available for
16 expenditure until they have been transferred to another line item in
17 this bill pursuant to section 393(2) of the management and budget act,
18 1984 PA 431, MCL 18.1393.

19 (2) In addition to the funds appropriated in part 1, there is
20 appropriated an amount not to exceed \$40,000,000.00 for state
21 restricted contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item in
23 this bill pursuant to section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

25 (3) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$1,000,000.00 for local
27 contingency funds. These funds are not available for expenditure
28 until they have been transferred to another line item in this bill
29 pursuant to section 393(2) of the management and budget act, 1984 PA
30 431, MCL 18.1393.

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

1 431, MCL 18.1393.

2 **DEPARTMENTAL SECTIONS**

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

7 (2) A bridge authority shall hold 3 public hearings on a change in
8 any toll charged by the authority at least 30 days before the toll
9 change will become effective. Two of the hearings shall be held
10 within 5 miles of the bridge over which the bridge authority has
11 jurisdiction. One hearing shall be held in Lansing.

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

14 Sec. 303. If, as a requirement of bidding on a highway project,
15 the department requires a contractor to submit financial or
16 proprietary documentation as to how the bid was calculated, that bid
17 documentation shall be kept confidential and shall not be disclosed
18 other than to a department representative without the contractor's
19 written consent. The department may disclose the bid documentation if
20 necessary to address or defend a claim by a contractor.

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

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

31 Sec. 306. The department shall pursue compliance with contract
32 specifications for construction and maintenance of state highways.
33 Work shall not be accepted and paid for until it complies with
34 contract requirements. Contractors with unsatisfactory performance
35 ratings shall be restricted from future bidding through the

1 department's prequalification process.

2 Sec. 307. The department shall continue its efforts to reduce
3 administrative costs and provide the maximum funding possible for
4 construction projects.

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

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

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

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

29 (2) In addition to funds provided in subsection (1), money
30 received by the state as federal grants, repayment of state
31 infrastructure bank loans, or other reimbursement or revenue received
32 by the state as a result of projects funded by the program and
33 interest earned shall be deposited in the revolving state
34 infrastructure bank fund and shall be available for transportation
35 infrastructure projects. At the close of the fiscal year, any funds

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

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

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

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

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

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

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

1 (4) All mowing of the back slope and wide median areas beyond the
2 12-foot width from the road edge shall be performed so as to ensure a
3 minimum of 12 inches of grass remains by September 1 each year, except
4 in those zones designated for brush control. Areas of brush within
5 the right-of-way shall be mowed back to prevent brush from becoming
6 established within the right-of-way. Brush or tree stumps shall be
7 spot treated with herbicide, as needed, for long-term control.

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

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

12 Sec. 313. Sixty days before beginning any effort to privatize,
13 the department shall submit a complete project plan to the appropriate
14 subcommittees of the senate and house of representatives standing
15 committees on appropriations and the senate and house fiscal agencies.
16 The plan shall include the criteria under which the privatization
17 initiative will be evaluated. The evaluation shall be completed and
18 submitted to the appropriate subcommittees of the senate and house of
19 representatives standing committees on appropriations and the senate
20 and house fiscal agencies within 30 months.

21 Sec. 314. Funds appropriated in section 104 for state
22 transportation commission per diem payments shall provide daily per
23 diem payments of \$100.00 to each of the 6 appointed members of the
24 state transportation commission for all scheduled public state
25 transportation commission meetings, with annual distributions of not
26 more than \$1,200.00 to each appointed member.

27 Sec. 315. The department shall continue to pilot the use of the
28 Internet to fulfill the reporting requirements in this bill. This may
29 include transmission of reports via electronic mail to the recipients
30 identified for each reporting requirement, or it may include placement
31 of reports on the Internet or on the Intranet. The appropriations
32 subcommittees shall be notified in writing of the Internet/Intranet
33 site of any such report.

34 **FEDERAL**

35 Sec. 401. (1) Twenty-three to twenty-seven percent of the DOT-FHWA

1 highway research, planning, and construction federal funds appro-
2 priated in section 110 shall be allocated to programs administered by
3 local jurisdictions after deduction of the following:

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

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

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

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

17 (4) Federal aid to highways allocated to local jurisdictions in
18 subsection (1) shall be distributed in a manner that produces a 25%
19 average allocation of applicable funds to programs for local
20 jurisdictions in each fiscal year through the fiscal year ending
21 September 30, 2005. The average allocation of applicable federal aid
22 to highway funds to programs for local jurisdictions shall be the
23 average of the amount distributed to local jurisdictions under
24 subsection (1) and similarly calculated distributions in each
25 succeeding fiscal year.

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

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

32 Sec. 402. The appropriation in part 1 for grants to regional
33 planning councils shall not be distributed until the regional planning
34 councils submit to the department a work plan for the ensuing fiscal
35 year and a description of transportation planning activities performed

1 in the prior fiscal year.

2 **MICHIGAN TRANSPORTATION FUND**

3 Sec. 501. The money received under the motor carrier act, 1933 PA
4 254, MCL 475.1 to 479.43, and not appropriated to the department of
5 consumer and industry services or the department of state police, is
6 deposited in the Michigan transportation fund.

7 Sec. 502. The department of treasury shall perform audits and
8 make investigations of the disposition of all state funds received by
9 county road commissions or county boards of commissioners, as
10 applicable, and cities and villages for transportation purposes to
11 determine compliance with the terms and conditions of 1951 PA 51, MCL
12 247.651 to 247.675. County road commissions or county boards of
13 commissioners, as applicable, and cities and villages shall make
14 available to the department of treasury the pertinent records for the
15 audit.

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

21 Sec. 504. (1) The funds appropriated in part 1 for the economic
22 development and critical bridge programs shall not lapse at the end of
23 the fiscal year but shall carry forward each fiscal year for the
24 purposes for which appropriated in accordance with 1987 PA 231, MCL
25 247.901 to 247.913 and 1951 PA 51, MCL 247.661.

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

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

35 (4) None of the funds statutorily dedicated to the transportation

1 economic development fund and critical bridge fund shall be diverted
2 to other projects without the notification and approval of the house
3 and senate appropriations subcommittees on transportation.

4 Sec. 505. (1) Funds from the Michigan transportation fund (MTF)
5 shall be distributed to the comprehensive transportation fund (CTF),
6 the economic development fund (EDF), the recreational improvement fund
7 (RIF), and the state trunkline fund (STF), in accordance with this act
8 and part 711 (recreation improvement fund) of the natural resources
9 and environmental protection act, 1994 PA 451, MCL 324.71101 to
10 324.71108, and may only be used as specified in this act, 1951 PA 51,
11 MCL 247.651 to 247.675, and part 711 (recreation improvement fund) of
12 the natural resources and environmental protection act, 1994 PA 451,
13 MCL 324.71101 to 324.71108.

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

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

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

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

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

1 Sec. 506. (1) Of the amount appropriated in part 1 from the
2 Michigan transportation fund to the department of state, \$186,600.00
3 represents the additional cost of issuing specialized license plates
4 for veterans and national guard members, as included in 1989 PAs 16,
5 17, 18, and 19, MCL 257.803i, 257.803j, 257.803k, and 257.803l, and
6 \$187,600.00 represents the additional cost of issuing generic license
7 plates for nonprofit fraternal or public service organizations, as
8 included in section 803m of the Michigan vehicle code, 1949 PA 300,
9 MCL 257.803m.

10 (2) In addition, commemorative and specialty license plate fee
11 revenue collected by the department of state and deposited into the
12 Michigan transportation fund is authorized for expenditure by the
13 department of state up to the amount of revenue collected, but not to
14 exceed \$2,853,300.00 for commemorative plates and \$4,215,000.00 for
15 specialty plates. These amounts are appropriated to the department of
16 state in part 1 to administer the commemorative and specialty license
17 plate programs pursuant to section 225 of the Michigan vehicle code,
18 1949 PA 300, MCL 257.225.

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

24 (4) Any unspent funds based on these annual reports shall lapse to
25 the Michigan transportation fund and be distributed in accordance with
26 1951 PA 51, MCL 247.651 to 247.675.

27 **STATE TRUNKLINE FUND**

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

33 Sec. 602. If the department uses manufactured pipe for road
34 construction drainage, the department shall require that pipe used
35 under certain load bearing conditions beneath the roadway meet the

standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

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

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. From the funds appropriated in part 1, \$2,000,000.00 is allocated for 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.

1 The loans shall fund not less than 90% of the rail portion of project
2 costs, and the loan repayment period shall not exceed 10 years. Local
3 governments, railroads, and current or potential users of freight
4 railroad services are eligible applicants. At the end of the fiscal
5 year, unexpended funds shall remain in the rail infrastructure loan
6 program and shall be available to be allocated for the purposes of the
7 program in the succeeding fiscal year. Money that is received by the
8 state as repayment for rail infrastructure loans made pursuant to this
9 program shall remain within the rail infrastructure loan program and
10 shall be allocated for the purposes of the program. The state's total
11 contribution to the rail infrastructure loan program shall not exceed
12 \$15,000,000.00.

13 Sec. 704. The Detroit/Wayne County port authority shall issue a
14 complete operations assessment and a financial disclosure statement.
15 The operations assessment shall include operational goals for the next
16 5 years and recommendations to improve land acquisition and
17 development efficiency. The report shall be completed and submitted
18 to the house and senate appropriations subcommittees on transportation
19 and the house and senate fiscal agencies by December 15, 2000.

20 Sec. 705. For the fiscal year ending September 30, 2001, each
21 eligible authority and each eligible governmental agency which
22 provides public transportation services in urbanized areas with a
23 Michigan population of less than or equal to 100,000 and nonurbanized
24 areas under section 5311 of title 49 of the United States Code, 49
25 U.S.C. 5311, shall receive a grant of up to 60% of its eligible
26 operating expenses. Each eligible authority and each eligible
27 government agency which provides public transportation services in
28 urbanized areas with a Michigan population of greater than 100,000
29 under section 5311 of title 49 of the United States Code, 49 U.S.C.
30 5311, shall receive a grant of up to 50% of its eligible operating
31 expenses.

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

1 Sec. 707. Whenever possible, the department shall work with the
2 local transit agencies to avoid establishing new routes that duplicate
3 existing routes served by intercity carriers when providing services
4 under regional transportation service programs. It is preferable that
5 private intercity carriers be provided an opportunity to bid by local
6 public transit agencies on services funded through the regional
7 transportation service program.

8 **AERONAUTICS FUND**

9 Sec. 801. At the close of the fiscal year ending September 30,
10 2001, any unobligated and unexpended balance in the state aeronautics
11 fund created in the aeronautics code of the state of Michigan, 1945 PA
12 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund
13 and be appropriated by the legislature in the immediately succeeding
14 fiscal year.

Final page.