

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 5572, entitled

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2019; and to provide for the expenditure of the appropriations.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

(attached)

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2019; and to provide for the expenditure of the appropriations.

Shane Hernandez

Goeff Hansen

Jeff Yaroch

Marty Knollenberg

Tom Cochran

Coleman Young II

Conferees for the House

Conferees for the Senate

SUBSTITUTE FOR

HOUSE BILL NO. 5572

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2019; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the state transportation
4 department for the fiscal year ending September 30, 2019, from the
5 following funds:

6 STATE TRANSPORTATION DEPARTMENT

7 APPROPRIATION SUMMARY

8 Full-time equated unclassified positions6.0

9 Full-time equated classified positions2,818.3

10	GROSS APPROPRIATION	\$ 4,843,089,900
-----------	---------------------------	------------------

1	Total interdepartmental grants and intradepartmental	
2	transfers	4,092,500
3	ADJUSTED GROSS APPROPRIATION.....	\$ 4,838,997,400
4	Federal revenues:	
5	Federal aid - transportation programs.....	1,318,271,700
6	Total federal revenues.....	1,318,271,700
7	Special revenue funds:	
8	Local revenues.....	50,532,000
9	Private revenues.....	900,000
10	Total local and private revenues.....	51,432,000
11	Blue Water Bridge fund.....	24,575,400
12	Comprehensive transportation fund.....	352,756,000
13	Economic development fund.....	55,368,000
14	Intercity bus equipment and facility fund.....	100,000
15	Local bridge fund.....	30,716,500
16	Michigan transportation fund.....	1,592,666,600
17	Qualified airport fund.....	5,525,000
18	Rail freight fund.....	6,000,000
19	State aeronautics fund.....	15,924,200
20	State trunkline fund.....	1,085,662,000
21	Total other state restricted revenues.....	3,169,293,700
22	State general fund/general purpose.....	\$ 300,000,000
23	State general fund/general purpose schedule:	
24	Ongoing state general fund/general	
25	purpose	0
26	One-time state general fund/general	
27	purpose	300,000,000

1 Sec. 102. DEBT SERVICE

2	Airport safety and protection plan.....	\$	3,437,900
3	Blue Water Bridge fund.....		7,106,300
4	Comprehensive transportation.....		19,401,500
5	Economic development.....		11,595,300
6	Local bridge fund.....		2,315,700
7	State trunkline.....		<u>175,580,400</u>
8	GROSS APPROPRIATION.....	\$	219,437,100
9	Appropriated from:		
10	Federal revenues:		
11	Federal aid - transportation programs.....		35,863,400
12	Special revenue funds:		
13	Blue Water Bridge fund.....		7,106,300
14	Comprehensive transportation fund.....		19,401,500
15	Economic development fund.....		11,595,300
16	Local bridge fund.....		2,315,700
17	State aeronautics fund.....		3,437,900
18	State trunkline fund.....		139,717,000
19	State general fund/general purpose.....	\$	0

20 Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY

21 SUPPORT SERVICES

22	CTF grant to civil service commission.....	\$	250,000
23	CTF grant to department of attorney general.....		205,600
24	CTF grant to department of treasury.....		16,300
25	CTF grant to legislative auditor general.....		39,800
26	CTF grant to department of technology, management, and		
27	budget		55,900

1	MTF grant to department of environmental quality.....	1,367,600
2	MTF grant to department of treasury.....	2,744,900
3	MTF grant to legislative auditor general.....	322,100
4	MTF grant to department of state for collection of	
5	revenue and fees	20,000,000
6	SAF grant to civil service commission.....	150,000
7	SAF grant to department of attorney general.....	181,500
8	SAF grant to department of treasury.....	74,000
9	SAF grant to legislative auditor general.....	31,000
10	SAF grant to department of technology, management, and	
11	budget	40,800
12	STF grant to civil service commission.....	6,197,000
13	STF grant to department of attorney general.....	2,476,400
14	STF grant to department of state police.....	11,798,000
15	STF grant to department of treasury.....	156,900
16	STF grant to legislative auditor general.....	748,200
17	STF grant to department of technology, management, and	
18	budget	<u>1,538,600</u>
19	GROSS APPROPRIATION.....	\$ 48,394,600
20	Appropriated from:	
21	Special revenue funds:	
22	Comprehensive transportation fund.....	567,600
23	Michigan transportation fund.....	24,434,600
24	State aeronautics fund.....	477,300
25	State trunkline fund.....	22,915,100
26	State general fund/general purpose.....	\$ 0
27	Sec. 104. DEPARTMENTAL ADMINISTRATION AND SUPPORT	

1	Full-time equated unclassified positions	6.0	
2	Full-time equated classified positions	252.3	
3	Unclassified salaries--6.0 FTE positions.....		\$ 792,100
4	Asset management council.....		1,876,400
5	Business support services--42.0 FTE positions.....		6,667,100
6	Commission audit and support services--29.3 FTE		
7	positions		3,423,200
8	Economic development and enhancement programs--10.0		
9	FTE positions		1,669,600
10	Finance, contracts, and support services--171.0 FTE		
11	positions		21,781,700
12	Property management.....		7,192,800
13	Worker's compensation.....		<u>1,639,200</u>
14	GROSS APPROPRIATION.....		\$ 45,042,100
15	Appropriated from:		
16	IDG for accounting service center user charges.....		4,092,500
17	Special revenue funds:		
18	Comprehensive transportation fund.....		1,566,600
19	Economic development fund.....		386,200
20	Michigan transportation fund.....		4,260,600
21	State aeronautics fund.....		710,700
22	State trunkline fund.....		34,025,500
23	State general fund/general purpose.....		\$ 0
24	Sec. 105. INFORMATION TECHNOLOGY		
25	Information technology services and projects.....		<u>\$ 35,739,400</u>
26	GROSS APPROPRIATION.....		\$ 35,739,400
27	Appropriated from:		

1	Federal revenues:	
2	Federal aid - transportation programs.....	520,500
3	Special revenue funds:	
4	Blue Water Bridge fund.....	55,800
5	Comprehensive transportation fund.....	227,000
6	Economic development fund.....	37,500
7	Michigan transportation fund.....	296,700
8	State aeronautics fund.....	177,000
9	State trunkline fund.....	34,424,900
10	State general fund/general purpose.....	\$ 0
11	Sec. 106. TRANSPORTATION PLANNING	
12	Full-time equated classified positions137.0	
13	Planning services--137.0 FTE positions.....	\$ 39,133,100
14	Grants to regional planning councils.....	<u>488,800</u>
15	GROSS APPROPRIATION.....	\$ 39,621,900
16	Appropriated from:	
17	Federal revenues:	
18	Federal aid - transportation programs.....	22,000,000
19	Special revenue funds:	
20	Comprehensive transportation fund.....	612,300
21	Michigan transportation fund.....	9,615,400
22	State aeronautics fund.....	15,200
23	State trunkline fund.....	7,379,000
24	State general fund/general purpose.....	\$ 0
25	Sec. 107. DESIGN AND ENGINEERING SERVICES	
26	Full-time equated classified positions1,473.3	
27	Program development, delivery, and system operations--	

1	1,473.3 FTE positions	\$	<u>165,353,700</u>
2	GROSS APPROPRIATION.....	\$	165,353,700
3	Appropriated from:		
4	Federal revenues:		
5	Federal aid - transportation programs.....		23,529,800
6	Special revenue funds:		
7	Comprehensive transportation fund.....		187,100
8	Michigan transportation fund.....		12,347,500
9	State aeronautics fund.....		160,300
10	State trunkline fund.....		129,129,000
11	State general fund/general purpose.....	\$	0
12	Sec. 108. HIGHWAY MAINTENANCE		
13	Full-time equated classified positions		793.7
14	State trunkline operations--793.7 FTE positions.....	\$	<u>339,127,800</u>
15	GROSS APPROPRIATION.....	\$	339,127,800
16	Appropriated from:		
17	Special revenue funds:		
18	State trunkline fund.....		339,127,800
19	State general fund/general purpose.....	\$	0
20	Sec. 109. ROAD AND BRIDGE PROGRAMS		
21	Cities and villages.....	\$	534,594,700
22	County road commissions.....		958,837,100
23	Grants to local programs.....		33,000,000
24	Local bridge program.....		28,400,800
25	Local federal aid and road and bridge construction....		278,400,300
26	Local agency wetland mitigation bank fund.....		2,000,000
27	Movable bridge.....		5,222,400

1	Rail grade crossing.....	3,000,000
2	Rail grade crossing - surface improvements.....	3,000,000
3	State trunkline federal aid and road and bridge	
4	construction	<u>1,222,189,500</u>
5	GROSS APPROPRIATION.....	\$ 3,068,644,800
6	Appropriated from:	
7	Federal revenues:	
8	Federal aid - transportation programs.....	1,087,008,000
9	Special revenue funds:	
10	Local funds.....	30,003,500
11	Blue Water Bridge fund.....	10,877,600
12	Local bridge fund.....	28,400,800
13	Michigan transportation fund.....	1,539,654,200
14	State trunkline fund.....	372,700,700
15	State general fund/general purpose.....	\$ 0
16	Sec. 110. BLUE WATER BRIDGE	
17	Full-time equated classified positions41.0	
18	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>6,535,700</u>
19	GROSS APPROPRIATION.....	\$ 6,535,700
20	Appropriated from:	
21	Special revenue funds:	
22	Blue Water Bridge fund.....	6,535,700
23	State general fund/general purpose.....	\$ 0
24	Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT	
25	Forest roads.....	\$ 5,000,000
26	Rural county primary.....	8,087,200
27	Rural county urban system.....	2,500,000

1	Target industries/economic redevelopment.....	16,674,600
2	Urban county congestion.....	8,087,200
3	Community service infrastructure fund.....	<u>3,000,000</u>
4	GROSS APPROPRIATION.....	\$ 43,349,000
5	Appropriated from:	
6	Special revenue funds:	
7	Economic development fund.....	43,349,000
8	State general fund/general purpose.....	\$ 0
9	Sec. 112. AERONAUTICS SERVICES	
10	Full-time equated classified positions	46.0
11	Air service program.....	\$ 250,000
12	Air fleet operations and maintenance--8.0 FTE	
13	positions	1,774,500
14	Aviation services--38.0 FTE positions.....	<u>5,616,600</u>
15	GROSS APPROPRIATION.....	\$ 7,641,100
16	Appropriated from:	
17	Special revenue funds:	
18	State aeronautics fund.....	7,641,100
19	State general fund/general purpose.....	\$ 0
20	Sec. 113. PUBLIC TRANSPORTATION SERVICES	
21	Full-time equated classified positions	36.0
22	Passenger transportation services--36.0 FTE positions.	\$ <u>5,874,700</u>
23	GROSS APPROPRIATION.....	\$ 5,874,700
24	Appropriated from:	
25	Federal revenues:	
26	Federal aid - transportation programs.....	972,100
27	Special revenue funds:	

1	Comprehensive transportation fund.....	4,902,600
2	State general fund/general purpose.....	\$ 0
3	Sec. 114. LOCAL BUS TRANSIT	
4	Local bus operating.....	\$ 190,750,000
5	Nonurban operating/capital.....	<u>30,027,900</u>
6	GROSS APPROPRIATION.....	\$ 220,777,900
7	Appropriated from:	
8	Federal revenues:	
9	Federal aid - transportation programs.....	28,027,900
10	Special revenue funds:	
11	Local funds.....	2,000,000
12	Comprehensive transportation fund.....	190,750,000
13	State general fund/general purpose.....	\$ 0
14	Sec. 115. INTERCITY PASSENGER AND FREIGHT	
15	Full-time equated classified positions39.0	
16	Detroit/Wayne County Port Authority.....	\$ 418,200
17	Freight property management.....	1,000,000
18	Intercity services.....	7,360,000
19	Marine passenger service.....	400,000
20	Office of rail--39.0 FTE positions.....	6,563,500
21	Rail operations and infrastructure.....	<u>80,758,000</u>
22	GROSS APPROPRIATION.....	\$ 96,499,700
23	Appropriated from:	
24	Federal revenues:	
25	Federal aid - transportation programs.....	14,500,000
26	Special revenue funds:	
27	Local funds.....	260,000

1	Private funds.....	900,000
2	Comprehensive transportation fund.....	71,940,600
3	Intercity bus equipment and facility fund.....	100,000
4	Michigan transportation fund.....	2,057,600
5	Rail freight fund.....	6,000,000
6	State trunkline fund.....	741,500
7	State general fund/general purpose.....	\$ 0
8	Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT	
9	Municipal credit program.....	\$ 2,000,000
10	Service initiatives.....	4,589,200
11	Specialized services.....	17,938,900
12	Transit capital.....	66,612,600
13	Transportation to work.....	3,875,000
14	Van pooling.....	<u>195,000</u>
15	GROSS APPROPRIATION.....	\$ 95,210,700
16	Appropriated from:	
17	Federal revenues:	
18	Federal aid - transportation programs.....	26,850,000
19	Special revenue funds:	
20	Local funds.....	5,760,000
21	Comprehensive transportation fund.....	62,600,700
22	State general fund/general purpose.....	\$ 0
23	Sec. 117. CAPITAL OUTLAY	
24	(1) BUILDINGS AND FACILITIES	
25	Salt storage buildings and containment control.....	\$ 2,500,000
26	Special maintenance, remodeling, and additions.....	<u>3,001,500</u>
27	GROSS APPROPRIATION.....	\$ 5,501,500

1	Appropriated from:	
2	State trunkline fund.....	5,501,500
3	State general fund/general purpose.....	\$ 0
4	(2) AIRPORT IMPROVEMENT PROGRAMS	
5	Airport safety, protection, and improvement program...	\$ 94,813,200
6	Detroit Metropolitan Wayne County Airport.....	<u>5,525,000</u>
7	GROSS APPROPRIATION.....	\$ 100,338,200
8	Appropriated from:	
9	Federal revenues:	
10	Federal aid - transportation programs.....	79,000,000
11	Special revenue funds:	
12	Local funds.....	12,508,500
13	Qualified airport fund.....	5,525,000
14	State aeronautics fund.....	3,304,700
15	State general fund/general purpose.....	\$ 0
16	Sec. 118. ONE-TIME APPROPRIATIONS	
17	Cities and villages.....	\$ 65,400,000
18	County road commissions.....	117,300,000
19	State trunkline federal aid and road and bridge	
20	construction	<u>117,300,000</u>
21	GROSS APPROPRIATION.....	\$ 300,000,000
22	Appropriated from:	
23	State general fund/general purpose - one-time.....	\$ 300,000,000

24 PART 2

25 PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2018-2019

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2018-2019 is \$3,469,293,700.00 and state spending from state sources to be paid to local units of government for fiscal year 2018-2019 is \$2,036,860,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

STATE TRANSPORTATION DEPARTMENT

Grants to regional planning councils.....	\$	488,800
Cities and villages.....		534,594,700
County road commissions.....		958,837,100
Grants to local programs.....		33,000,000
Local bridge program.....		28,400,800
Local agency wetland mitigation.....		2,000,000
Movable bridge.....		2,611,200
Rail grade crossing.....		1,500,000
Rail grade surface crossing improvements.....		3,000,000
Transportation economic development.....		23,674,400
Community service infrastructure fund.....		3,000,000
Air service program.....		250,000
Local bus operating.....		190,750,000
Detroit/Wayne County Port Authority.....		418,200
Marine passenger service.....		400,000
Municipal credit program.....		2,000,000
Service initiatives.....		2,614,200

1	Specialized services.....	3,853,900
2	Transit capital.....	50,062,600
3	Transportation to work.....	3,875,000
4	Airport safety, protection, and improvement program...	3,304,700
5	Detroit Metropolitan Wayne County Airport.....	5,525,000
6	Cities and villages - one-time GF/GP.....	65,400,000
7	County road commissions - one-time GF/GP.....	<u>117,300,000</u>
8	Total payments to local units of government.....	\$ 2,036,860,600

9 Sec. 202. The appropriations authorized under this part and
10 part 1 are subject to the management and budget act, 1984 PA 431,
11 MCL 18.1101 to 18.1594.

12 Sec. 203. As used in this part and part 1:

- 13 (a) "CTF" means comprehensive transportation fund.
- 14 (b) "Department" means the state transportation department.
- 15 (c) "Director" means the director of the department.
- 16 (d) "DOT" means the United States Department of
17 Transportation.
- 18 (e) "DOT-FHWA" means DOT, Federal Highway Administration.
- 19 (f) "FTE" means full-time equated.
- 20 (g) "IDG" means interdepartmental grant.
- 21 (h) "MTF" means Michigan transportation fund.
- 22 (i) "SAF" means state aeronautics fund.
- 23 (j) "STF" means state trunkline fund.

24 Sec. 204. The departments and agencies receiving
25 appropriations in part 1 shall use the internet to fulfill the
26 reporting requirements of this part. This requirement may include
27 transmission of reports via electronic mail to the recipients

1 identified for each reporting requirement, or it may include
2 placement of reports on an internet or intranet site.

3 Sec. 205. Funds appropriated in part 1 shall not be used for
4 the purchase of foreign goods or services, or both, if
5 competitively priced and of comparable quality American goods or
6 services, or both, are available. Preference shall be given to
7 goods or services, or both, manufactured or provided by Michigan
8 businesses, if they are competitively priced and of comparable
9 quality. In addition, preference shall be given to goods or
10 services, or both, that are manufactured or provided by Michigan
11 businesses owned and operated by veterans, if they are
12 competitively priced and of comparable quality.

13 Sec. 206. The director shall take all reasonable steps to
14 ensure businesses in deprived and depressed communities compete for
15 and perform contracts to provide services or supplies, or both.
16 Each director shall strongly encourage firms with which the
17 department contracts to subcontract with certified businesses in
18 depressed and deprived communities for services, supplies, or both.

19 Sec. 207. The departments and agencies receiving
20 appropriations in part 1 shall prepare a report on out-of-state
21 travel expenses not later than January 1 of each year. The travel
22 report shall be a listing of all travel by classified and
23 unclassified employees outside this state in the immediately
24 preceding fiscal year that was funded in whole or in part with
25 funds appropriated in the department's budget. The report shall be
26 submitted to the senate and house appropriations committees, the
27 house and senate fiscal agencies, and the state budget director.

1 The report shall include the following information:

2 (a) The dates of each travel occurrence.

3 (b) The transportation and related costs of each travel
4 occurrence, including the proportion funded with state general
5 fund/general purpose revenues, the proportion funded with state
6 restricted revenues, the proportion funded with federal revenues,
7 and the proportion funded with other revenues.

8 Sec. 208. Funds appropriated in part 1 shall not be used by a
9 principal executive department, state agency, or authority to hire
10 a person to provide legal services that are the responsibility of
11 the attorney general. This prohibition does not apply to legal
12 services for bonding activities and for those activities that the
13 attorney general authorizes.

14 Sec. 209. Not later than November 30, the state budget office
15 shall prepare and transmit a report that provides for estimates of
16 the total general fund/general purpose appropriation lapses at the
17 close of the prior fiscal year. This report shall summarize the
18 projected year-end general fund/general purpose appropriation
19 lapses by major departmental program or program areas. The report
20 shall be transmitted to the chairpersons of the senate and house of
21 representatives standing committees on appropriations and the
22 senate and house fiscal agencies.

23 Sec. 210. (1) In addition to the funds appropriated in part 1,
24 there is appropriated an amount not to exceed \$200,000,000.00 for
25 federal contingency funds. These funds are not available for
26 expenditure until they have been transferred to another line item
27 in part 1 pursuant to section 393(2) of the management and budget

1 act, 1984 PA 431, MCL 18.1393.

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

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

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

20 Sec. 211. The department shall cooperate with the department
21 of technology, management, and budget to maintain a searchable
22 website accessible by the public at no cost that includes, but is
23 not limited to, all of the following:

24 (a) Fiscal year-to-date expenditures by category.

25 (b) Fiscal year-to-date expenditures by appropriation unit.

26 (c) Fiscal year-to-date payments to a selected vendor,
27 including the vendor name, payment date, payment amount, and

1 payment description.

2 (d) The number of active department employees by job
3 classification.

4 (e) Job specifications and wage rates.

5 Sec. 212. Within 14 days after the release of the executive
6 budget recommendation, the department shall cooperate with the
7 state budget office to provide the senate and house appropriations
8 chairs, the senate and house appropriations subcommittees chairs,
9 and the senate and house fiscal agencies with an annual report on
10 estimated state restricted fund balances, state restricted fund
11 projected revenues, and state restricted fund expenditures for the
12 fiscal years ending September 30, 2018 and September 30, 2019.

13 Sec. 213. The department shall maintain, on a publicly
14 accessible website, a department scorecard that identifies, tracks,
15 and regularly updates key metrics that are used to monitor and
16 improve the department's performance.

17 Sec. 214. Total authorized appropriations from all sources
18 under part 1 for legacy costs for the fiscal year ending September
19 30, 2019 are \$67,716,200.00. From this amount, total agency
20 appropriations for pension-related legacy costs are estimated at
21 \$31,218,300.00. Total agency appropriations for retiree health care
22 legacy costs are estimated at \$36,497,900.00.

23 Sec. 215. A department shall not take disciplinary action
24 against an employee for communicating with a member of the
25 legislature or his or her staff.

26 Sec. 217. The department shall provide notice to the speaker
27 of the house, the house minority leader, the senate majority

1 leader, the senate minority leader, the house and senate standing
2 committees on transportation, the appropriate house and senate
3 appropriations subcommittees on transportation, and the house and
4 senate fiscal agencies on proposed federal rule changes related to
5 the department that would require amendments to the laws of this
6 state. The notice shall be given within 30 business days of the
7 proposed federal rule being posted to the federal register and
8 shall include a description of the proposed federal rule, the
9 publication date, the date when public comment closes, the document
10 citation, and a description of the statutory changes needed when
11 the rule is finalized.

12 Sec. 270. In order to reduce costs and maintain quality, it is
13 the intent of the legislature that, excluding the fleet of motor
14 vehicles for the department of state police, the department will
15 prioritize the utilization of remanufactured parts as the primary
16 means of maintenance and repair for the state of Michigan's fleet
17 of motor vehicles.

18 **DEPARTMENT ADMINISTRATION AND SUPPORT**

19 Sec. 301. (1) The department may establish a fee schedule and
20 collect fees sufficient to cover the costs to issue the permits
21 that the department is authorized by law to issue upon request,
22 unless otherwise stipulated by law. All permit fees are
23 nonrefundable application fees and shall be credited to the
24 appropriate fund to recover the direct and indirect costs of
25 receiving, reviewing, and processing the requests.

26 (2) A bridge authority shall hold 3 public hearings on an

1 increase in any toll charged by the authority at least 30 days
2 before the toll change will become effective. Two of the hearings
3 shall be held within 5 miles of the bridge over which the bridge
4 authority has jurisdiction. One hearing shall be held in Lansing.
5 Public hearings held under this section shall be conducted in
6 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
7 15.275, and shall be conducted so as to provide a reasonable
8 opportunity for public comment, including both spoken and written
9 comments.

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

18 Sec. 305. (1) The department may permit space on public
19 passenger transportation properties to be occupied by public or
20 private tenants on a competitive market rate basis. The department
21 shall require that revenue from the tenants be placed in an account
22 to be used to pay the costs to maintain and improve the property.

23 (2) The department shall charge public transit agencies and
24 intercity bus carriers equal rates per square foot for leasing
25 space in state-owned intermodal facilities.

26 Sec. 306. (1) The amounts appropriated in part 1 to support
27 tax and fee collection, law enforcement, and other program services

1 provided to the department and to transportation funds by other
2 state departments shall be expended from transportation funds
3 pursuant to annual contracts between the department and those other
4 state departments. The contracts shall be executed prior to the
5 expenditure or obligation of those funds. The contracts shall
6 provide, but are not limited to, the following data applicable to
7 each state department:

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

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

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

14 (2) Not later than 2 months after publication of the state of
15 Michigan comprehensive annual financial report, each state
16 department receiving funding pursuant to an interdepartment
17 contract with the department shall submit a written report to the
18 department, the state budget director, and the house and senate
19 fiscal agencies stating by spending authorization account the
20 amount of estimated funds contracted with the department, the
21 amount of funds expended, the amount of funds returned to the
22 transportation funds, and any unreimbursed transportation-related
23 costs incurred but not billed to transportation funds. A copy of
24 the report shall be submitted to the auditor general, and the
25 report shall be subject to audit.

26 (3) The auditor general shall use a risk-based approach in
27 developing an audit program for the use of transportation funds.

1 Sec. 307. Before March 1 of each year, the department will
2 provide to the legislature, the state budget director, and the
3 house and senate fiscal agencies its rolling 5-year plan listing by
4 county or by county road commission all highway construction
5 projects for the fiscal year and all expected projects for the
6 ensuing fiscal years.

7 Sec. 310. The department shall provide in a timely manner
8 copies of the agenda and approved minutes of monthly transportation
9 commission meetings to the members of the house and senate
10 appropriations subcommittees on transportation, the house and
11 senate fiscal agencies, and the state budget director.

12 Sec. 313. (1) From funds appropriated in part 1, the
13 department may increase a state infrastructure bank program and
14 grant or loan funds in accordance with regulations of the state
15 infrastructure bank program of the United States Department of
16 Transportation. The state infrastructure bank is to be administered
17 by the department for the purpose of providing a revolving, self-
18 sustaining resource for financing transportation infrastructure
19 projects.

20 (2) In addition to funds provided in subsection (1), money
21 received by the state as federal grants, repayment of state
22 infrastructure bank loans, or other reimbursement or revenue
23 received by the state as a result of projects funded by the program
24 and interest earned on that money shall be deposited in the
25 revolving state infrastructure bank fund and shall be available for
26 transportation infrastructure projects. At the close of the fiscal
27 year, any unencumbered funds remaining in the state infrastructure

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

3 (3) The department shall submit a report to the state budget
4 director, the house and senate appropriations subcommittees on
5 transportation, and the house and senate fiscal agencies on the
6 status of the state infrastructure bank. The report shall be
7 submitted on or before December 1, 2018. The report shall include
8 all of the following:

9 (a) The balance in the state infrastructure bank at September
10 30, 2018, including a breakdown of the balance by cash and cash
11 equivalents, outstanding loans, and balance available for loan to
12 local agencies.

13 (b) A breakdown of the state infrastructure loan balance by
14 amounts designated as originating from federal sources and the
15 amounts originating from nonfederal sources.

16 (c) A list of outstanding loans by agency, original loan
17 amount, project description, loan term, and amount outstanding.

18 Sec. 319. The department shall post signs at each rest area to
19 identify the agency or contractor responsible for maintenance of
20 the rest area. The signs shall include a department telephone
21 number and shall indicate that unsafe or unclean conditions at the
22 rest area may be reported to that telephone number.

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

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

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

11 Sec. 376. The department shall not spend funds appropriated in
12 part 1 for the purpose of examining the potential association
13 between commercial signs, outdoor advertising signs, billboards,
14 digital billboards, or commercial electronic variable message signs
15 and motor vehicle activity or motor vehicle driver behavior.

16 Sec. 381. The department shall require as a condition of each
17 contract or subcontract for construction, maintenance, or
18 engineering services that the prequalified contractor or
19 prequalified subcontractor agree to use the E-Verify system to
20 verify that all persons hired during the contract term by the
21 contractor or subcontractor are legally present and authorized to
22 work in the United States. The department may verify this
23 information directly or may require contractors and subcontractors
24 to verify the information and submit a certification to the
25 department. The department shall report to the house and senate
26 appropriations committees and the house and senate fiscal agencies
27 by March 1 of each year describing the processes it has developed

1 and implemented under provisions of this section. As used in this
2 section, "E-Verify" means an internet-based system operated by the
3 Department of Homeland Security, U.S. Citizenship and Immigration
4 Services in partnership with the Social Security Administration.

5 Sec. 382. In administering a contract with a county road
6 commission, city, or village that allocates costs of construction
7 or reconstruction of highways, roads, and streets as provided in
8 section 18d of 1951 PA 51, MCL 247.668d, the department shall
9 submit the final cost-sharing bill to the county road commission,
10 city, or village not later than 2 years after the date of the final
11 contract payment to the construction contractor.

12 Sec. 383. (1) The department shall prepare a report on use of
13 department-owned aircraft during the fiscal year ending September
14 30, 2018. With respect to each department-owned aircraft, the
15 report shall include all of the following:

16 (a) Total hours of usage.

17 (b) Description of specific flights including dates of travel,
18 names of passengers including state agency, university, or local
19 government affiliation, travel origin and destination, and total
20 estimated costs associated with the air travel.

21 (2) The report shall be submitted to the senate and house
22 appropriations subcommittees on transportation and the house and
23 senate fiscal agencies no later than February 1, 2019.

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

27 (4) From the funds appropriated in part 1, the department is

1 prohibited from transporting legislators or legislative staff on
2 state-owned aircraft without prior approval from the senate
3 majority leader or the speaker of the house of representatives and
4 only when the aircraft is already scheduled by state agencies on
5 related official state business.

6 Sec. 384. (1) Except as otherwise provided in subsection (2),
7 the department shall not obligate the state to expend any state
8 transportation revenue for construction planning or construction of
9 the Gordie Howe International Crossing or a renamed successor. In
10 addition, except as provided in subsection (2), the department
11 shall not commit the state to any new contract related to the
12 construction planning or construction of the Gordie Howe
13 International Crossing or a renamed successor that would obligate
14 the state to expend any state transportation revenue. An
15 expenditure for staff resources used in connection with project
16 activities, which expenditure is subject to full and prompt
17 reimbursement from Canada, shall not be considered an expenditure
18 of state transportation revenue.

19 (2) If the legislature enacts specific enabling legislation
20 for the construction of the Gordie Howe International Crossing or a
21 renamed successor, subsection (1) does not apply once the enabling
22 legislation goes into effect.

23 Sec. 385. (1) The department shall submit reports to the state
24 budget director, the speaker of the house, the house minority
25 leader, the senate majority leader, the senate minority leader, the
26 house and senate appropriations subcommittees on transportation,
27 and the house and senate fiscal agencies on department activities

1 related to all nonconstruction or construction planning activities
2 related to the Gordie Howe International Crossing or a renamed
3 successor. The initial report shall be submitted on or before
4 December 1, 2018 and shall cover the fiscal year ending September
5 30, 2018.

6 (2) The initial report shall include, at a minimum, all of the
7 following:

8 (a) Department costs incurred in the fiscal year ending
9 September 30, 2018, including employee salaries, wages, benefits,
10 travel, and contractual services, and what activities those costs
11 were related to.

12 (b) Costs of other executive branch agencies incurred in the
13 fiscal year ending September 30, 2018, including employee salaries,
14 wages, benefits, travel, and contractual services, and what
15 activities those costs were related to.

16 (c) A breakdown of the source of funds used for the activities
17 described in subdivisions (a) and (b).

18 (d) A breakdown of reimbursements made by Canada under section
19 384(1) to the state for expenditures for staff resources used in
20 connection with project activities.

21 (e) A narrative description of the status of the Gordie Howe
22 International Crossing or a renamed successor, including efforts
23 undertaken to implement provisions of the crossing agreement
24 executed June 15, 2012 by representatives of the Canadian
25 government and this state.

26 (3) After submission of the initial report, a subsequent
27 report shall be submitted on March 1, 2019, June 1, 2019, and

1 September 1, 2019 and shall include the same information described
2 in subsection (2) for the applicable previous fiscal quarter.

3 Sec. 386. (1) On or before May 1 of each year, the department
4 shall submit a report to the state budget director, the house and
5 senate appropriations subcommittees on transportation, and the
6 house and senate fiscal agencies on its toll credit program. The
7 report shall include the following information:

8 (a) The amount of toll credits earned and certified by the
9 FHWA in the prior fiscal year.

10 (b) The value of toll credits used by programs and projects in
11 the previous fiscal year.

12 (c) The balance of available toll credits at the end of the
13 prior fiscal year.

14 (d) A discussion of the department's strategy for using toll
15 credits.

16 Sec. 387. (1) Within 60 days of completion of any formal
17 traffic study, formal traffic control study, or formal traffic
18 mitigation study, the department shall post the results of the
19 study on the department's website.

20 (2) As used in this section, the terms "traffic study",
21 "traffic control study", and "traffic mitigation study" include,
22 but are not limited to, investigations into the need for traffic
23 lights, reviews of traffic speeds and related recommendations
24 regarding speed limits, and ways to improve traffic flow during
25 peak travel times.

26 Sec. 389. Within 30 days of entering into a long-term
27 agreement with a private contractor, a public agency, or a

1 partnership between 1 or more private contractors or public
2 agencies, the department shall notify the state budget director,
3 the house and senate appropriations subcommittees on
4 transportation, and the house and senate fiscal agencies of the
5 agreement, including the subject of the agreement, the term of the
6 agreement, and financial obligations under the agreement. As used
7 in this section, "long-term agreement" means an agreement that
8 obligates the department for a period of 5 years or more and that
9 actually or contingently obligates the department to make payments
10 over the contract period of \$5,000,000.00 or more.

11 Sec. 390. (1) Within 14 days after the release of the
12 executive budget recommendation, the department shall report on
13 prior fiscal year revenues, expenditures, and ending balances,
14 including a description of obligations or restrictions in ending
15 balances, for the following funds and accounts:

- 16 (a) The moveable bridge fund.
- 17 (b) The rail grade crossing account.
- 18 (c) The transportation economic development fund.
- 19 (d) The roads and risks reserve fund.
- 20 (e) Any unencumbered general fund revenue.
- 21 (f) Any unexpended federal earmarks.

22 (2) The department shall transmit the reports required under
23 this section to the state budget director, the house and senate
24 appropriations subcommittees on transportation, and the house and
25 senate fiscal agencies.

26 Sec. 391. The department shall not use any funds from the
27 appropriations in part 1 to perform, or to assist any other state

1 department in performing, inspections or testing of motor fuel
2 quality.

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

6 (a) Transit vehicle rehabilitation to reduce life-cycle cost
7 of public transportation through midlife rehabilitation of transit
8 buses.

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

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

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

21 Sec. 394. The department and local road agencies shall make
22 the preservation of their existing road networks a funding
23 priority.

24 Sec. 395. From the funds appropriated in part 1 for state
25 trunkline federal aid road and bridge construction, the department
26 may expend up to \$10,000,000.00 on highway maintenance activities
27 to support safety-related, high-priority, and other deferred

1 routine maintenance needs on Michigan's state trunkline network.

2 Sec. 396. In soliciting proposals for contractual services,
3 other than construction contracts, the department shall obtain
4 assurance that the respondents have the financial capability,
5 equipment, work force, and prior work experience sufficient to
6 perform the proposed services.

7 Sec. 398. The department shall continue to work to eliminate
8 fatalities and serious injuries on Michigan's trunkline and shall
9 maintain the Toward Zero Deaths statewide safety campaign. The
10 department shall prioritize additional median cable guardrail
11 installation when appropriate to address trunkline locations with a
12 history of correctable fatal and serious injury crashes.

13 Sec. 399. From the funds appropriated in part 1 for the
14 community service infrastructure fund, \$3,000,000.00 shall be used
15 to establish a local matching grant program for cities and villages
16 with a population of 10,000 or less. The program shall be
17 administered by the office of economic development. The office of
18 economic development may expend up to \$100,000.00 for costs of
19 program administration. The office of economic development shall
20 provide matching grants up to \$250,000.00 for construction or
21 preservation of city and village streets, including, but not
22 limited to, reconstruction, replacement, rehabilitation, and
23 capital prevention maintenance. Grantees will be required to
24 provide a dollar-for-dollar cash match. It is the intent of the
25 legislature that the community service infrastructure fund be
26 supported with ongoing appropriations of not less than
27 \$3,000,000.00 each subsequent fiscal year.

FEDERAL

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

Sec. 403. After meeting the capital needs of existing section 5310 subrecipients, the department shall include in its grant application to the Federal Transit Administration replacement buses for rural transit agencies to the maximum extent possible based on the federal regulations that govern the section 5310 program.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, and not appropriated to the department of licensing and regulatory affairs or the department of state police is deposited in the Michigan transportation fund.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year

1 for the purposes for which appropriated in accordance with 1987 PA
2 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
3 247.660.

4 (2) Interest earned in the department of transportation
5 economic development fund and local bridge fund shall remain in the
6 respective funds and shall be allocated to the respective programs
7 based on actual interest earned at the end of each fiscal year.

8 (3) In addition to the funds appropriated in part 1, the
9 department of transportation economic development fund and local
10 bridge fund may receive federal, local, or private funds or
11 restricted source funds such as interest earnings. These funds are
12 appropriated for projects that are consistent with the purposes of
13 the respective funds.

14 (4) None of the funds statutorily dedicated to the
15 transportation economic development fund and local bridge fund
16 shall be diverted to other projects.

17 Sec. 504. Funds from the Michigan transportation fund shall be
18 distributed to the comprehensive transportation fund, the economic
19 development fund, the recreation improvement fund, and the state
20 trunkline fund, in accordance with this part and part 1 and part
21 711 of the natural resources and environmental protection act, 1994
22 PA 451, MCL 324.71101 to 324.71108, and may only be used as
23 specified in this part and part 1, 1951 PA 51, MCL 247.651 to
24 247.675, and part 711 of the natural resources and environmental
25 protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

26 **STATE TRUNKLINE FUND**

1 Sec. 601. The department shall maintain documentation to
2 support initial acceptance of warrantied projects, interim and
3 final inspections, and notifications to contractors that the
4 warranty period had expired. The department also shall review and
5 evaluate consultant evaluation requirements or recommendations and
6 update existing policies and procedures accordingly.

7 Sec. 604. At the close of the fiscal year, any unencumbered
8 and unexpended balance in the state trunkline fund shall remain in
9 the state trunkline fund and shall carry forward and is
10 appropriated for federal aid road and bridge programs for projects
11 contained in the annual state transportation program.

12 Sec. 605. (1) From the increased funds appropriated in part 1
13 for highway maintenance, the department shall expand highway
14 maintenance activities in the current fiscal year to support
15 flooding mitigation-related activities on limited-access state
16 trunklines in Wayne, Oakland, and Macomb Counties, as well as other
17 safety-related, high-priority, and deferred routine maintenance
18 needs on Michigan's state trunkline network.

19 (2) The department shall report on specific outcomes and
20 performance measures, including, but not limited to, the following:

21 (a) The number of drainage catch basins cleaned on limited-
22 access state trunklines in Wayne, Oakland, and Macomb Counties
23 during the fiscal year ending September 30, 2019.

24 (b) The number of flooding-related closures on limited-access
25 state trunklines in Wayne, Oakland, and Macomb Counties during the
26 fiscal year ending September 30, 2019.

27 Sec. 606. From the funds appropriated in part 1, it is the

1 intent of the legislature that the department shall expend between
2 \$2,000,000.00 and \$3,000,000.00 for the engineering and design of a
3 rebuilding and modernization project on I-94 between M-60 and
4 Sargent Road in Jackson County. The engineering and design work
5 shall prepare the project for the receipt of any future federal
6 funds, if and when they become available.

7 Sec. 610. The department shall have as a priority the removal
8 of dead deer and other large animal remains from the traveled
9 portion and shoulder of state highways. The department, and
10 counties that perform state highway maintenance under contract,
11 shall remove animal remains, wherever practicable and when funds
12 are available, away from the traveled portion and shoulder of state
13 highways.

14 Sec. 612. The department shall establish guidelines governing
15 incentives and disincentives provided under contracts for state
16 trunkline projects. The guidelines shall include specific financial
17 information concerning incentives and disincentives. On or before
18 January 1 of each year, the department shall prepare a report for
19 the immediately preceding fiscal year regarding contract incentives
20 and disincentives. This report shall include a list, by project, of
21 the contractors that received contract incentives and/or
22 disincentives, the amount of the incentives and/or disincentives,
23 the fund source of any incentives, and the number of days that each
24 project was completed either ahead or past the contracted
25 completion date. This report shall be provided to the senate and
26 house appropriations subcommittees on transportation, the senate
27 and house standing committees on transportation, and the senate and

1 house fiscal agencies.

2 Sec. 613. (1) On or before February 1 of each year, the
3 department shall prepare a report on all capital federal aid
4 participating construction projects completed in the prior fiscal
5 year. The report shall include the following information:

6 (a) Location of the project.

7 (b) General description of the project.

8 (c) As-bid cost of the project.

9 (d) As-built cost of the project.

10 (e) Estimated completion date.

11 (f) Actual completion date.

12 (g) Whether design engineering was performed by department
13 staff or contract engineering consultants.

14 (h) Design engineering costs.

15 (i) Whether construction engineering was performed by
16 department staff or contract engineering consultants.

17 (j) Construction engineering costs.

18 (k) Design life.

19 (2) The report shall include a discussion of design
20 engineering and construction engineering costs as a proportion of
21 total project costs and in comparison with other state
22 transportation agencies. The report shall also include a discussion
23 of relative efficiency and effectiveness of work performed by
24 department staff and work performed by contract engineering
25 consultants.

26 (3) The report described in this section shall be provided to
27 the senate and house appropriations subcommittees on

1 transportation, the senate and house standing committees on
2 transportation, and the senate and house fiscal agencies.

3 Sec. 660. (1) The legislature encourages the department to
4 examine the use of alternative road surface materials, including
5 recycled materials, and to develop criteria and specifications for
6 their use in both department-managed and contracted projects.

7 (2) The department shall report on efforts taken to implement
8 this section. The report shall include descriptions of specific
9 materials evaluated, evaluation methods, and results of specific
10 field or laboratory tests. The department shall complete and submit
11 the report to the state budget director, the house and senate
12 appropriations subcommittees on transportation, and the house and
13 senate fiscal agencies on or before March 1 of each year.

14 Sec. 670. (1) The department shall investigate, by way of bid
15 solicitation and all other practical means, the complete
16 refurbishment of all department winter maintenance trucks scheduled
17 for sale or retirement in the fiscal year ending September 30,
18 2019.

19 (2) On or before November 1, 2019, the department shall submit
20 to the house of representatives and senate appropriations
21 subcommittees and the house and senate fiscal agencies a final
22 report. The final report must include an analysis illustrating the
23 costs and benefits of the complete refurbishment of winter
24 maintenance trucks compared to the sale and purchase of new
25 equipment.

26 **TRANSIT AND RAIL RELATED FUNDS**

1 Sec. 701. The department shall establish an intercity bus
2 equipment and facility fund as a subsidiary fund within the
3 comprehensive transportation fund created under section 10b of 1951
4 PA 51, MCL 247.660b. Proceeds received by this state from the sale
5 of state-owned intercity bus equipment shall be credited to the
6 intercity bus equipment and facility fund for the purchase and
7 repair of intercity bus equipment, as appropriated. Security
8 deposits not returned to a lessee of state-owned intercity bus
9 equipment under terms of the lease agreement shall be credited to
10 the intercity bus equipment and facility fund for the repair of
11 intercity bus equipment, as appropriated. Money received by the
12 department from lease payments for state-owned intercity bus
13 equipment, and facility maintenance charges under terms of leases
14 of state-owned intercity facilities, shall be credited to the
15 intercity bus equipment and facility fund for the purchase and
16 repair of intercity bus equipment or for the maintenance and
17 rehabilitation of state-owned intercity facilities, as
18 appropriated. At the close of the fiscal year, any funds remaining
19 in the intercity bus equipment and facility fund shall remain in
20 the fund and be carried forward into the succeeding fiscal year.

21 Sec. 702. Money that is received by this state as repayment
22 for loans made for rail or water freight capital projects, and as a
23 result of the sale of property or equipment used or projected to be
24 used for rail or water freight projects shall be deposited in the
25 rail freight fund created by section 17 of the state transportation
26 preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of
27 the fiscal year, any funds remaining in the rail freight fund shall

1 remain in the fund and be carried forward into the succeeding
2 fiscal year.

3 Sec. 703. After receiving notification from a railroad company
4 pursuant to section 8 of the state transportation preservation act
5 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
6 notify the house of representatives and senate appropriations
7 subcommittees on transportation and the state budget office that
8 the railroad company has filed with the appropriate governmental
9 agencies for abandonment of a line.

10 Sec. 704. From the funds appropriated in part 1, the
11 department shall prepare and transmit a report that provides detail
12 regarding the department's obligations for programs funded under
13 the appropriation in part 1 for rail operations and infrastructure.
14 The report shall include a breakdown of the appropriation by
15 program, year-to-date obligations under each program itemized by
16 project, and an estimate of future obligations under each program
17 itemized by project for the remainder of the fiscal year. The
18 initial report shall be submitted to the senate and house
19 appropriations subcommittees on transportation, the state budget
20 director, and the senate and house fiscal agencies, on or before
21 February 1, 2019. The department also shall update and resubmit the
22 final report on or before November 1, 2019.

23 Sec. 706. The Detroit/Wayne County Port Authority shall issue
24 a complete operations assessment and a financial disclosure
25 statement. The operations assessment shall include operational
26 goals for the next 5 years and recommendations to improve land
27 acquisition and development efficiency. The report shall be

1 completed and submitted to the house of representatives and senate
2 appropriations subcommittees on transportation, the state budget
3 director, and the house and senate fiscal agencies by June 30 of
4 each fiscal year for the prior fiscal year.

5 Sec. 711. (1) As prescribed in subsection (2), the department
6 shall submit reports to the state budget director, the house and
7 senate appropriations subcommittees on transportation, and the
8 house and senate fiscal agencies on rail passenger service provided
9 by Amtrak under a contractual agreement with the department. The
10 report shall be submitted on or before May 1 of each year.

11 (2) The report shall include all of the following:

12 (a) Passenger counts for the preceding fiscal year for each
13 Amtrak service route in Michigan.

14 (b) Revenue and operating expenses by Amtrak route.

15 (c) Total state operating payments to Amtrak in the preceding
16 fiscal year by Amtrak route.

17 (d) A discussion of major factors affecting route costs and
18 revenue and net state costs in the preceding fiscal year, and
19 factors affecting route costs and revenue and net state costs
20 anticipated in the current and future fiscal years.

21 (e) Fare revenue by route and fare revenue as a percentage of
22 route operating expense.

23 Sec. 735. For the fiscal year ending September 30, 2019, the
24 appropriation to a street railway pursuant to section 10e(22) of
25 1951 PA 51, MCL 247.660e, is \$0.

26 Sec. 750. From the funds appropriated in part 1 for rail
27 freight economic development, the department must expend at least

1 \$2,500,000.00 of the comprehensive transportation fund on freight
2 economic development.

3 Sec. 751. From the funds appropriated in part 1 for rail
4 operations and infrastructure, there is appropriated \$2,000,000.00
5 for capital improvements to state-owned rail facilities between
6 Walton Junction and Traverse City.

7 Sec. 752. Not less than twice during each fiscal year, the
8 department shall meet with representatives of a rail industry trade
9 association to provide information on the availability of rail
10 infrastructure loan and grant funding programs and freight economic
11 development project opportunities.

12 **AERONAUTICS FUND**

13 Sec. 801. Except as otherwise provided in section 903 of this
14 part for capital outlay, at the close of the fiscal year, any
15 unobligated and unexpended balance in the state aeronautics fund
16 created in the aeronautics code of the state of Michigan, 1945 PA
17 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics
18 fund and be appropriated by the legislature in the immediately
19 succeeding fiscal year.

20 Sec. 802. The legislature encourages the department to find
21 private entities or local public agencies to assume ownership and
22 operating responsibility for airports currently owned by the
23 department.

24 Sec. 804. The department shall not expend funds from the
25 appropriation in part 1, air fleet operations and maintenance, if
26 the department owns 5 or more aircraft. The department shall notify

1 the state budget director, the house and senate appropriations
2 subcommittees on transportation, and the house and senate fiscal
3 agencies when it owns 4 aircraft or fewer.

4 **CAPITAL OUTLAY**

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

13 (2) Political entities and subdivisions shall provide not less
14 than 5% of the cost of any project under this section, unless a
15 total nonfederal share greater than 10% is otherwise specified in
16 federal law. State money shall not be allocated until local money
17 is allocated. State money for any 1 project shall not exceed 1/3 of
18 the total appropriation in part 1 from state funds for airport
19 improvement programs.

20 (3) The Michigan aeronautics commission may take those steps
21 necessary to match federal money available for airport construction
22 and improvement within this state and to meet the matching
23 requirements of the federal government. Whether acting alone or
24 jointly with another political subdivision or public agency or with
25 this state, a political subdivision or public agency of this state
26 shall not submit to any agency of the federal government a project

1 application for airport planning or development unless it is
2 authorized in this part and part 1 and the project application is
3 approved by the governing body of each political subdivision or
4 public agency making the application and by the Michigan
5 aeronautics commission.

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