

**SUBSTITUTE FOR
SENATE BILL NO. 364**

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state



transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

(MCL 247.651 to 247.675) by adding section 11i.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 11i. (1) The department shall create and operate a local**
 2 **grade separation grant program for the separation of motor vehicle**
 3 **traffic and railroad traffic in this state. The department shall**
 4 **provide grants to cities, villages, and county road commissions in**
 5 **this state.**

6 **(2) An application for funds from the local grade separation**
 7 **grant program shall be made on a form approved by the department**
 8 **and shall contain the information required by the department. An**
 9 **application for funds under this section may be made at any time as**



1 determined by the department.

2 (3) The department shall establish a review process for
3 considering funding applications under this section. No later than
4 120 days after receiving a funding application under this section,
5 the department shall notify the applicant in writing whether the
6 application is approved or rejected. If the department fails to
7 notify an applicant in writing whether an application is approved
8 or rejected within 120 days after receiving the funding
9 application, the application shall be considered approved. Prior to
10 releasing local grade separation grant funds, the department shall
11 enter into a written agreement with the funding recipient.

12 (4) The written agreement between the department and the
13 funding recipient shall provide for all of the following:

14 (a) Complete details of the grade separation project.

15 (b) A local, private, or federal match of not less than 20% of
16 the cost of the grade separation project.

17 (5) For each year in which the department receives funding
18 applications, the department shall report by December 1 to the
19 standing committees of the senate and house of representatives with
20 primary jurisdiction over issues pertaining to transportation and
21 the senate and house of representatives appropriations committees
22 on the utilization of funds from the local grade separation grant
23 program. The report shall include, at a minimum, all of the
24 following:

25 (a) The number of funding applications received under this
26 section.

27 (b) The name of each city, village, or county road commission
28 applying for funding, and whether each application was approved or
29 denied.



1 (c) The amount of local match for each award under this
2 section.

3 (6) The local grade separation fund is created within the
4 state treasury.

5 (7) The state treasurer may receive money or other assets from
6 any source for deposit into the local grade separation fund. The
7 state treasurer shall direct the investment of the local grade
8 separation fund. The state treasurer shall credit to the local
9 grade separation fund interest and earnings from local grade
10 separation fund investments.

11 (8) Money in the local grade separation fund at the close of
12 the fiscal year shall remain in the local grade separation fund and
13 shall not lapse into the general fund.

14 (9) The state transportation department shall be the
15 administrator of the local grade separation fund for auditing
16 purposes.

17 (10) The state transportation department shall expend money
18 from the local grade separation fund, upon appropriation, only to
19 fund and operate the local grade separation grant program created
20 in subsection (1).

21 (11) As used in this section, "grade separation" means an
22 intersection of a railroad and roadway at different levels with the
23 railroad either above or below the highway.