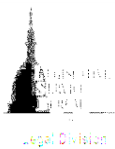


HOUSE BILL NO. 4780

June 26, 2019, Introduced by Rep. Hoadley and referred to the Committee on Transportation.

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



KHS



02779'19

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,"

by amending the title and section 11 (MCL 247.661), the title as amended by 2010 PA 135 and section 11 as amended by 2015 PA 175, and by adding section 10q.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 TITLE
- 2 An act to provide for the classification of all public roads,
- 3 streets, and highways in this state, and for the revision of that

1 classification and for additions to and deletions from each
2 classification; to set up and establish the Michigan transportation
3 fund; to provide for the deposits in the Michigan transportation
4 fund of specific taxes on motor vehicles and motor vehicle fuels;
5 to provide for the allocation of funds from the Michigan
6 transportation fund and the use and administration of the fund for
7 transportation purposes; to promote safe and efficient travel for
8 motor vehicle drivers, bicyclists, pedestrians, and other legal
9 users of roads, streets, and highways; to set up and establish the
10 truck safety fund; to provide for the allocation of funds from the
11 truck safety fund and administration of the fund for truck safety
12 purposes; to set up and establish the Michigan truck safety
13 commission; to establish certain standards for road contracts for
14 certain businesses; to provide for the continuing review of
15 transportation needs within the state; to authorize the state
16 transportation commission, counties, cities, and villages to borrow
17 money, issue bonds, and make pledges of funds for transportation
18 purposes; to authorize counties to advance funds for the payment of
19 deficiencies necessary for the payment of bonds issued under this
20 act; to provide for the limitations, payment, retirement, and
21 security of the bonds and pledges; to provide for appropriations
22 and tax levies by counties and townships for county roads; to
23 authorize contributions by townships for county roads; to provide
24 for the establishment and administration of the state trunk line
25 fund, local bridge fund, comprehensive transportation fund, and
26 certain other funds; to provide for the deposits in the state trunk
27 line fund, critical bridge fund, comprehensive transportation fund,
28 and certain other funds of money raised by specific taxes and fees;
29 to provide for definitions of public transportation functions and



1 criteria; to define the purposes for which Michigan transportation
2 funds may be allocated; to provide for Michigan transportation fund
3 grants; to provide for review and approval of transportation
4 programs; to provide for submission of annual legislative requests
5 and reports; to provide for the establishment and functions of
6 certain advisory entities; to provide for conditions for grants; to
7 provide for the issuance of bonds and notes for transportation
8 purposes; to provide for the powers and duties of certain state and
9 local agencies and officials; to provide for the making of loans
10 for transportation purposes by the state transportation department
11 and for the receipt and repayment by local units and agencies of
12 those loans from certain specified sources; **to allow for the**
13 **assessment and collection of certain tolls;** and to repeal acts and
14 parts of acts.

15 **Sec. 10q. (1) The department may establish toll bridges on the**
16 **state trunk line highway system that charge a fee to large**
17 **commercial trucks using those toll bridges. All of the following**
18 **apply to a toll bridge established under this subsection:**

19 (a) The fee for using a toll bridge must not exceed \$10.00.

20 (b) The daily maximum amount of the fees for using toll
21 bridges in this state for the same large commercial truck must not
22 exceed \$40.00.

23 (c) A toll may only be collected from the same large
24 commercial truck once per toll bridge, per day in each direction.

25 (d) The department shall set the fee for toll bridges in an
26 amount sufficient to cover the costs of replacement,
27 reconstruction, maintenance, and operation of that toll bridge or a
28 group of toll bridges on the state trunk line highway system.

29 (e) The department may procure toll bridges through contracts



1 utilizing 1 or more of the following procurement approaches:

2 (i) Sealed bidding.

3 (ii) Selection of proposals, with or without negotiations,
4 based on qualifications, development proposals, technical
5 proposals, financial proposals, best value, or any combination of
6 those factors.

7 (iii) Any competitive selection process that the department
8 determines to be appropriate or reasonable.

9 (f) Contracts entered into under subdivision (e) may include
10 availability payments or any other compensation structure
11 determined appropriate by the department.

12 (2) The money collected from fees under subsection (1) must be
13 deposited in the bridge replacement, reconstruction, and
14 maintenance account created in section 11.

15 (3) The department shall not establish a toll bridge under
16 subsection (1) until the department has done both of the following:

17 (a) Conducted a cost-benefit analysis of establishing that
18 toll bridge.

19 (b) Provided public notice and, for a period of at least 30
20 days, an opportunity for public comment on the proposed toll
21 bridge.

22 (4) The department may use RFID or any other toll bridge fee
23 collection system for toll bridges that the department determines
24 are necessary as long as the system does not require a large
25 commercial truck to stop to pay the toll.

26 (5) The department may establish and collect fees, fines, and
27 penalties from registered owners of large commercial trucks who use
28 or attempt to use any toll bridge established under this section
29 without paying the toll required for using that bridge. Any fee,



1 fine, or penalty is in addition to the toll or tolls initially
2 incurred and must be equal to at least an amount sufficient to
3 cover the cost of administration and collection of the fees, fines,
4 and penalties. The registered owner of the large commercial truck
5 subject to toll is responsible for all tolls, fees, fines, and
6 penalties assessed under this section.

7 (6) The department shall submit to the governor, the house and
8 senate transportation committees, the house and senate
9 appropriations subcommittees on transportation, and the house and
10 senate fiscal agencies an annual report on the department's
11 progress in implementing this section. The department shall post
12 the annual report on the department's website. The report must
13 include at least both of the following:

14 (a) A description of the department's efforts to develop toll
15 bridges, including the following information:

16 (i) Efforts to solicit contractors.

17 (ii) Any contracts entered into to develop toll bridges.

18 (b) A financial report detailing the costs incurred in
19 developing and administering each toll bridge and the revenue
20 derived from each toll bridge.

21 (7) The department may promulgate rules to implement this
22 section pursuant to the administrative procedures act of 1969, 1969
23 PA 306, MCL 24.201 to 24.328.

24 (8) As used in this section:

25 (a) "Large commercial truck" means a vehicle within class 8,
26 class 9, class 10, class 11, class 12, or class 13 of the Federal
27 Highway Administration vehicle classification schedule.

28 (b) "RFID" means a toll bridge fee collection system approved
29 by the department that consists of a toll tag placed inside the



1 vehicle and an overhead antenna that reads the toll tag and
2 collects the fee for that toll bridge.

3 Sec. 11. (1) A fund to be known as the state trunk line fund
4 is established in the state treasury as a separate fund. The money
5 deposited in the state trunk line fund is appropriated to the
6 department for the following purposes in the following order of
7 priority:

8 (a) For the payment, but only from money restricted as to use
9 by section 9 of article IX of the state constitution of 1963, of
10 bonds, notes, or other obligations in the following order of
11 priority:

12 (i) For the payment of contributions pledged before July 18,
13 1979 and required to be made by the state highway commission or the
14 state transportation commission under contracts entered into before
15 July 18, 1979, under 1941 PA 205, MCL 252.51 to 252.64, for the
16 payment of the principal and interest on bonds issued under 1941 PA
17 205, MCL 252.51 to 252.64, for the payment of which a sufficient
18 sum is irrevocably appropriated.

19 (ii) For the payment of the principal and interest upon bonds
20 designated "State of Michigan, State Highway Commissioner, Highway
21 Construction Bonds, Series I", dated September 1, 1956, in the
22 aggregate principal amount of \$25,000,000.00, issued ~~pursuant to~~
23 **under** former 1955 PA 87 and the resolution of the state
24 administrative board adopted August 6, 1956, for the payment of
25 which a sufficient sum is irrevocably appropriated.

26 (iii) For the payment of the principal and interest on bonds
27 issued under section 18b for transportation purposes other than
28 comprehensive transportation purposes as defined by law and the
29 payment of contributions pledged to the payment of principal and



1 interest on bonds issued under section 18d and contracts entered
2 into under section 18d by the state highway commission or state
3 transportation commission to be made ~~pursuant to~~**under** contracts
4 entered into under section 18d. A sufficient portion of the fund is
5 irrevocably appropriated to pay, when due, the principal and
6 interest on bonds or notes issued under section 18b for purposes
7 other than comprehensive transportation purposes as defined by law,
8 and to pay the annual contributions of the state highway commission
9 and the state transportation commission as are pledged for the
10 payment of bonds issued under contracts authorized by section 18d.

11 (b) For the transfer of money appropriated under section
12 ~~10(1)(i)~~**10(1)(j)** to the transportation economic development fund
13 **created in section 2 of 1987 PA 231, MCL 247.902**, but the transfer
14 shall be reduced each fiscal year by the amount of debt service to
15 be paid in that year from the state trunk line fund for bonds,
16 notes, or other obligations issued to fund projects of the
17 transportation economic development fund **created in section 2 of**
18 **1987 PA 231, MCL 247.902**, which amount shall be certified by the
19 department.

20 (c) For the transfer of money appropriated under section
21 10(1)(a) to the rail grade crossing account in the state trunk line
22 fund for expenditure for rail grade crossing improvement purposes
23 at rail grade crossings on public roads and streets under the
24 jurisdiction of this state, counties, cities, or villages. The
25 department shall select projects for funding in accordance with the
26 following:

27 (i) Not more than 50% or less than 30% of this money and
28 matched federal money shall be expended for state trunk line
29 projects.



1 (ii) In prioritizing projects for this money, in whole or in
2 part, the department shall consider train and vehicular traffic
3 volumes, accident history, traffic control device improvement
4 needs, and the availability of funding.

5 (iii) Consistent with the other requirements for this money, the
6 first priority for money deposited under this subdivision for rail
7 grade crossing improvements and retirement shall be to match
8 federal money from the railroad-highway grade crossing improvement
9 program or other comparable federal programs if a match is required
10 under federal law.

11 (iv) If the department and a road authority with jurisdiction
12 over the crossing formally agree that the grade crossing should be
13 eliminated by permanent closing of the public road or street, the
14 physical removal of the crossing, roadway within railroad rights of
15 way and street termination treatment shall be negotiated between
16 the road authority and railroad company. The money provided to the
17 road authority as a result of the crossing closure shall be
18 credited to its account representing the same road or street system
19 on which the crossing is located and shall be used for any
20 transportation purpose within that road authority's jurisdiction.

21 (d) For the transfer of money appropriated under section
22 10(1)(b) to the grade crossing surface account in the state trunk
23 line fund for expenditure for rail grade crossing surface
24 improvement purposes at rail grade crossings on public roads and
25 streets under the jurisdiction of counties, cities, or villages.
26 Projects shall be selected for funding in accordance with the
27 following:

28 (i) In prioritizing projects, the department shall consider
29 vehicular traffic volumes, relative crossing surface condition, the



1 ability of the railroad and local road authority to make
2 coordinated improvements, and the availability of funding.

3 (ii) The grade crossing surface account shall fund 60% of the
4 project cost, with the remaining 40% funded by the railroad
5 company.

6 (iii) Funding under the grade crossing surface account shall be
7 limited to items of work that are normally the responsibility of
8 the railroad under section 309 of the railroad code of 1993, 1993
9 PA 354, MCL 462.309. Maintenance of the roadway approaches to the
10 crossing will continue to be the responsibility of the party with
11 jurisdiction over that roadway.

12 (e) For the total operating expenses of the state trunk line
13 fund for each fiscal year as appropriated by the legislature.

14 (f) For the preservation of state trunk line highways and
15 bridges.

16 (g) For the opening, widening, improving, construction, and
17 reconstruction of state trunk line highways and bridges, including
18 the acquisition of necessary rights of way and the work incidental
19 to that opening, widening, improving, construction, or
20 reconstruction. Those sums in the state trunk line fund not
21 otherwise appropriated, distributed, determined, or set aside by
22 law shall be used for the construction or reconstruction of the
23 national system of interstate and defense highways, referred to in
24 this act as "the interstate highway system" to the extent necessary
25 to match federal aid money as the federal aid money becomes
26 available for that purpose; and, for the construction and
27 reconstruction of the state trunk line system.

28 (h) The department may enter into agreements with a local road
29 agency or a private sector company to perform work on a highway,



1 road, or street. The agreements may provide for the performance by
2 any of the contracting parties of any of the work contemplated by
3 the contract including maintenance, engineering services, and the
4 acquisition of rights of way in connection with the work, by
5 purchase or condemnation by any of the contracting parties in its
6 own name, and for joint participation in the costs, but only to the
7 extent that the contracting parties are otherwise authorized by law
8 to expend money on the highways, roads, or streets. The department
9 also may contract with a local road agency to advance money to a
10 local road agency to pay the costs of improving railroad grade
11 crossings on the terms and conditions agreed to in the contract. A
12 contract may be executed before or after the state transportation
13 commission borrows money for the purpose of advancing money to a
14 local road agency, but the contract shall be executed before the
15 advancement of any money to a local road agency by the state
16 transportation commission, and shall provide for the full
17 reimbursement of any advancement by a local road agency to the
18 department, with interest, within 15 years after advancement, from
19 any available revenue sources of the local road agency or, if
20 provided in the contract, by deduction from the periodic
21 disbursements of any money returned by the state to the local road
22 agency.

23 (i) For providing inventories of supplies and materials
24 required for the activities of the department. The department may
25 purchase supplies and materials for these purposes, with payment to
26 be made out of the state trunk line fund to be charged on the basis
27 of issues from inventory in accordance with the accounting and
28 purchasing laws of this state.

29 (2) Notwithstanding any other provision of this act, the



1 department shall annually expend at least 90% of state revenue
2 appropriated annually to the state trunk line fund less the amounts
3 described in subdivisions (a) to (i) for the preservation of
4 highways, roads, streets, and bridges and for the payment of debt
5 service on bonds, notes, or other obligations described in
6 subsection (1)(a) issued after July 1, 1983, for the purpose of
7 providing money for the preservation of highways, roads, streets,
8 and bridges. Of the amounts appropriated for state trunk line
9 projects, the department shall, where possible, secure pavement
10 warranties for full replacement or appropriate repair for
11 contracted construction work on pavement projects whose cost
12 exceeds \$2,000,000.00 and projects for new construction or
13 reconstruction undertaken after ~~the effective date of the 2015~~
14 ~~amendatory act that amended this subsection.~~ **April 1, 2016.** The
15 department shall compile and make available to the public an annual
16 report of all warranties that were secured under this subsection
17 and all pavement projects whose costs exceed \$2,000,000.00 where a
18 warranty was not secured as provided in subsection (14). If an
19 appropriate certificate is filed under section 18e but only to the
20 extent necessary, this subsection does not prohibit the use of any
21 amount of money restricted as to use by section 9 of article IX of
22 the state constitution of 1963 and deposited in the state trunk
23 line fund for the payment of debt service on bonds, notes, or other
24 obligations pledging for the payment thereof money restricted as to
25 use by section 9 of article IX of the state constitution of 1963
26 and deposited in the state trunk line fund, whenever issued, as
27 specified ~~under~~**in** subsection (1)(a). The amounts that are deducted
28 from the state trunk line fund for the purpose of the calculation
29 required by this subsection are as follows:



1 (a) Amounts expended for the purposes described in subsection
2 (1)(a) for the payment of debt service on bonds, notes, or other
3 obligations issued before July 2, 1983.

4 (b) Amounts expended to provide the state matching requirement
5 for projects on the national highway system and for the payment of
6 debt service on bonds, notes, or other obligations issued after
7 July 1, 1983, for the purpose of providing money for the state
8 matching requirements for projects on the national highway system.

9 (c) Amounts expended for the construction of a highway,
10 street, road, or bridge to 1 or more of the following or for the
11 payment of debt service on bonds, notes, or other obligations
12 issued after July 1, 1983, for the purpose of providing money for
13 the construction of a highway, street, road, or bridge to 1 or more
14 of the following:

15 (i) A location for which a building permit has been obtained
16 for the construction of a manufacturing or industrial facility.

17 (ii) A location for which a building permit has been obtained
18 for the renovation of, or addition to, a manufacturing or
19 industrial facility.

20 (d) Amounts expended for capital outlay other than for
21 highways, roads, streets, and bridges or to pay debt service on
22 bonds, notes, or other obligations issued after July 1, 1983, for
23 the purpose of providing money for capital outlay other than for
24 highways, roads, streets, and bridges.

25 (e) Amounts expended for the operating expenses of the
26 department other than the units of the department performing the
27 functions assigned on January 1, 1983 to the bureau of highways.

28 (f) Amounts expended ~~pursuant to~~ **under** contracts entered into
29 before January 1, 1983.



1 (g) Amounts expended for the purposes described in subsection
2 (5).

3 (h) Amounts appropriated for deposit in the transportation
4 economic development fund **created in section 2 of 1987 PA 231, MCL**
5 **247.902**, and the rail grade crossing account ~~pursuant to~~**under**
6 section 10(1)(a) and ~~(h)~~**(j)**.

7 (i) Upon the affirmative recommendation of the director of the
8 department and the approval by resolution of the state
9 transportation commission, those amounts expended for projects
10 vital to the economy of this state, a region, or local area or the
11 safety of the public. The resolution shall state the cost of the
12 project exempted from this subsection.

13 (3) Notwithstanding any other provision of this act, the
14 department shall expend annually at least 90% of the federal
15 revenue distributed to the credit of the state trunk line fund in
16 that year, except for federal revenue expended for the purposes
17 described in subsection (2)(b), (c), (f), and (i) and for the
18 payment of notes issued under section 18b(9) on the preservation of
19 highways, roads, streets, and bridges. The requirement of this
20 subsection is waived if compliance would cause this state to be
21 ineligible according to federal law for federal revenue, but only
22 to the extent necessary to make this state eligible according to
23 federal law for that revenue.

24 (4) Notwithstanding any other provision of this section, the
25 department may loan money to a local road agency for paying capital
26 costs of transportation purposes described in the second paragraph
27 of section 9 of article IX of the state constitution of 1963 from
28 the proceeds of bonds or notes issued pursuant to section 18b or
29 from the state trunk line fund. Loans made directly from the state



1 trunk line fund shall be made only after provision of money for the
 2 purposes specified in subsection (1)(a) to (f). Loans described in
 3 this subsection are not subject to the revised municipal finance
 4 act, 2001 PA 34, MCL 141.2101 to 141.2821.

5 (5) A local road agency may borrow money from the proceeds of
 6 bonds or notes issued under section 18b or the state trunk line
 7 fund for the purposes set forth in subsection (4) that shall be
 8 repayable, with interest, from 1 or more of the following:

9 (a) The money to be received by the local road agency from the
 10 Michigan transportation fund, except to the extent the money has
 11 been or may in the future be pledged by contract in accordance with
 12 1941 PA 205, MCL 252.51 to 252.64, or has been or may in the future
 13 be pledged for the payment of the principal and interest upon notes
 14 issued under 1943 PA 143, MCL 141.251 to 141.254, or has been or
 15 may in the future be pledged for the payment of principal and
 16 interest upon bonds issued under section 18c or 18d, or has been or
 17 may in the future be pledged for the payment of the principal and
 18 interest upon bonds issued under 1952 PA 175, MCL 247.701 to
 19 247.707.

20 (b) Any other legally available money of the local road
 21 agency, other than the general funds of the county.

22 (6) If required by the department, loans made under subsection
 23 (4) are payable by deduction by the state treasurer, upon direction
 24 of the department, from the periodic disbursements of any money
 25 returned by this state under this act to the local road agency, but
 26 only after sufficient money has been returned to the local road
 27 agency to provide for the payment of contractual obligations
 28 incurred or to be incurred and principal and interest on notes and
 29 bonds issued or to be issued under 1941 PA 205, MCL 252.51 to



1 252.64, 1943 PA 143, MCL 141.251 to 141.254, 1952 PA 175, MCL
2 247.701 to 247.707, or section 18c or 18d. The interest rates and
3 payment schedules of any loans made from the proceeds of bonds or
4 notes issued ~~pursuant to~~**under** section 18b shall be established by
5 the department to conform as closely as practicable to the interest
6 rate and repayment schedules on the bonds or notes issued to make
7 the loans. However, the department may allow for the deferral of
8 the first payment of interest or principal on the loans for a
9 period of not to exceed 1 year after the respective first payment
10 of interest or principal on the bonds or notes issued to make the
11 loans.

12 (7) The amount borrowed by a local road agency under
13 subsection (5) shall not be included in, or charged against, any
14 constitutional, statutory, or charter debt limitation of the
15 county, city, or village and shall not be included in the
16 determination of the maximum annual principal and interest
17 requirements of, or the limitations upon, the maximum annual
18 principal and interest incurred under 1941 PA 205, MCL 252.51 to
19 252.64, 1943 PA 143, MCL 141.251 to 141.254, 1952 PA 175, MCL
20 247.701 to 247.707, or section 18c or 18d.

21 (8) The local road agency is not required to seek or obtain
22 the approval of the electors, the municipal finance commission or
23 its successor agency, or, except as provided in this subsection,
24 the department of treasury to borrow money under subsection (5).
25 The borrowing is not subject to the revised municipal finance act,
26 2001 PA 34, MCL 141.2101 to 141.2821, or to section 5(g) of the
27 home rule city act, 1909 PA 279, MCL 117.5. The department shall
28 give at least 10 days' notice to the state treasurer of its
29 intention to make a loan under subsection (4). If the state



1 treasurer gives notice to the director of the department within 10
 2 days of receiving the notice from the department, that, based upon
 3 the then existing financial or credit situation of the local road
 4 agency, it would not be in the best interests of this state to make
 5 a loan under subsection (4) to the local road agency, the loan
 6 shall not be made unless the state treasurer, after a hearing, if
 7 requested by the affected local road agency, subsequently gives
 8 notice to the director of the department that the loan may be made
 9 on the conditions that the state treasurer specifies.

10 (9) The state transportation commission may borrow money and
 11 issue bonds and notes under section 18b to make loans to a local
 12 road agency for the purposes described in the second paragraph of
 13 section 9 of article IX of the state constitution of 1963, as
 14 provided in subsection (4). A single issue of bonds or notes may be
 15 issued for the purposes specified in subsection (4) and for the
 16 other purposes specified in section 18b. The house and senate
 17 transportation appropriations subcommittees shall be notified by
 18 the department if there are extras and overruns sufficient to
 19 require approval of either the state administrative board or the
 20 commission, or both, on any contract between the department and a
 21 local road agency or a private business.

22 (10) The director of the department, after consultation with
 23 representatives of the interests of local road agencies, shall
 24 establish, by intergovernmental communication, procedures for the
 25 implementation and administration of the loan program established
 26 under subsections (4) to (9).

27 (11) Not more than 8% per year of all of the money received by
 28 and returned to the department from any source for the purposes of
 29 this section may be expended for administrative expenses. The



1 department ~~shall be~~ **is** subject to section 14(5) if more than 8% per
 2 year is expended for administrative expenses. As used in this
 3 subsection, "administrative expenses" means expenses that are not
 4 assigned including, but not limited to, specific road construction
 5 or preservation projects and are often referred to as general or
 6 supportive services. Administrative expenses do not include net
 7 equipment expense, net capital outlay, debt service principal and
 8 interest, and payments to other state or local offices that are
 9 assigned, but not limited to, specific road construction projects
 10 or preservation activities.

11 (12) Any performance audits of the department shall be
 12 conducted according to government auditing standards issued by the
 13 United States General Accounting Office.

14 (13) Contracts entered into to advance money to a local road
 15 agency under subsection (1)(g) are not subject to the revised
 16 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

17 (14) The department shall prepare on an annual basis a report
 18 listing all warranties that were secured under subsection (2) and
 19 indicate whether any of those warranties were redeemed and all
 20 pavement projects whose costs exceed \$2,000,000.00 for which a
 21 warranty was not secured as described in subsection (2). The
 22 department shall make the report required by this subsection
 23 available to the public upon request and shall also post the report
 24 on its website, which shall include, but is not limited to, all of
 25 the following information:

- 26 (a) The type of project.
- 27 (b) The cost or estimated cost of the project.
- 28 (c) The expected lifespan of the project.
- 29 (d) Whether or not the project met or is currently meeting its



1 expected lifespan.

2 (e) If the project failed to meet or is not meeting its
3 expected lifespan, the cause of the failure and the cost to replace
4 or repair the project.

5 (f) The entity responsible for paying the cost of replacing or
6 repairing the project.

7 **(15) The state treasurer shall establish, within the state**
8 **trunk line fund, a bridge replacement, reconstruction, and**
9 **maintenance account. Money shall be expended from the bridge**
10 **replacement, reconstruction, and maintenance account, upon**
11 **appropriation, only to pay the costs associated with operating and**
12 **maintaining toll facilities and replacement, reconstruction,**
13 **maintenance, and operation of bridges on the state trunk line**
14 **highway system or any other permitted use under 23 USC 129.**

15 **(16) ~~(15)~~As used in this section:**

16 (a) "Local road agency" means that term as defined in section
17 9a.

18 (b) "Rail grade crossing improvement purposes" means 1 or more
19 of the following:

20 (i) The installation and modernization of active and passive
21 warning devices at railroad grade crossings.

22 (ii) The installation or improvement of grade crossing
23 surfaces.

24 (iii) Modification, relocation, or modernization of railroad
25 grade crossing active and passive warning devices necessitated by
26 roadway improvement projects.

27 (iv) Test installations of innovative warning devices or other
28 innovative applications.

29 (v) Construction of new grade separations.



1 (vi) A cash incentive payment made ~~pursuant to~~ **under** subsection
2 (1) (c) (iv) for any public road or street crossing, in an amount no
3 greater than the cost of installing flashing light signals and half
4 roadway gates at the crossing.

5 (vii) Any other work that would be eligible for funding under
6 the federal railroad-highway grade crossing improvement program or
7 other comparable programs.

