

**SUBSTITUTE FOR
SENATE BILL NO. 761**

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2025; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2025, from the following funds:

DEPARTMENT OF TRANSPORTATION

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
Full-time equated classified positions	3,022.3



1	GROSS APPROPRIATION	\$ 6,809,900,400
2	Total interdepartmental grants and	
3	intradepartmental transfers	4,316,700
4	ADJUSTED GROSS APPROPRIATION	\$ 6,805,583,700
5	Federal revenues:	
6	Total federal revenues	2,199,790,100
7	Special revenue funds:	
8	Total local revenues	87,448,500
9	Total private revenues	18,800,000
10	Total other state restricted revenues	4,229,670,000
11	State general fund/general purpose	\$ 269,875,100
12	Sec. 102. DEBT SERVICE	
13	Airport safety and protection plan	\$ 3,615,900
14	Blue Water Bridge fund	3,963,100
15	Economic development	1,687,400
16	Local bridge fund	556,500
17	State trunkline	330,880,800
18	GROSS APPROPRIATION	\$ 340,703,700
19	Appropriated from:	
20	Blue Water Bridge fund	3,963,100
21	Economic development fund	1,687,400
22	Local bridge fund	556,500
23	State aeronautics fund	3,615,900
24	State trunkline fund	330,880,800
25	State general fund/general purpose	\$ 0
26	Sec. 103. INTERDEPARTMENTAL GRANTS	
27	CTF grant to civil service commission	\$ 250,000
28	CTF grant to department of attorney general	110,900



1	CTF grant to department of technology,	
2	management, and budget	36,300
3	CTF grant to department of treasury	54,900
4	CTF grant to legislative auditor general	47,100
5	MTF grant to department of environment, Great	
6	Lakes, and energy	2,182,800
7	MTF grant to department of state for collection	
8	of revenue and fees	20,000,000
9	MTF grant to department of treasury	3,528,000
10	MTF grant to legislative auditor general	382,400
11	SAF grant to civil service commission	150,000
12	SAF grant to department of attorney general	194,500
13	SAF grant to department of technology,	
14	management, and budget	26,000
15	SAF grant to department of treasury	81,600
16	SAF grant to legislative auditor general	37,000
17	STF grant to civil service commission	6,321,000
18	STF grant to department of attorney general	2,210,100
19	STF grant to department of state police	12,864,700
20	STF grant to department of technology,	
21	management, and budget	1,173,100
22	STF grant to department of treasury	167,000
23	STF grant to legislative auditor general	888,300
24	GROSS APPROPRIATION	\$ 50,705,700
25	Appropriated from:	
26	Comprehensive transportation fund	499,200
27	Michigan transportation fund	26,093,200
28	State aeronautics fund	489,100



1	State trunkline fund		23,624,200
2	State general fund/general purpose	\$	0
3	Sec. 104. DEPARTMENTAL ADMINISTRATION AND		
4	SUPPORT		
5	Full-time equated unclassified positions	6.0	
6	Full-time equated classified positions	309.3	
7	Unclassified salaries--FTE positions	6.0	\$ 964,300
8	Asset management council		2,300,000
9	Business support services--FTEs	75.0	13,041,200
10	Commission audit--FTEs	29.3	4,883,300
11	Economic development and enhancement programs--		
12	FTEs	11.0	1,881,000
13	Finance, contracts, and support services--FTEs	194.0	27,646,900
14	Property management		8,320,400
15	Worker's compensation		1,616,600
16	GROSS APPROPRIATION	\$	60,653,700
17	Appropriated from:		
18	IDG for accounting service center user charges		4,316,700
19	Comprehensive transportation fund		1,825,200
20	Economic development fund		413,100
21	Michigan transportation fund		4,884,300
22	State aeronautics fund		711,500
23	State trunkline fund		48,502,900
24	State general fund/general purpose	\$	0
25	Sec. 105. INFORMATION TECHNOLOGY		
26	Information technology services and projects	\$	42,055,400
27	GROSS APPROPRIATION	\$	42,055,400
28	Appropriated from:		



1	Federal aid - transportation programs		520,500
2	Blue Water Bridge fund		58,200
3	Comprehensive transportation fund		236,800
4	Economic development fund		39,200
5	Michigan transportation fund		309,400
6	State aeronautics fund		184,600
7	State trunkline fund		40,706,700
8	State general fund/general purpose	\$	0
9	Sec. 106. TRANSPORTATION PLANNING		
10	Full-time equated classified positions	144.0	
11	Planning services--FTEs	144.0	\$ 45,074,800
12	Grants to regional planning councils		488,800
13	GROSS APPROPRIATION		\$ 45,563,600
14	Appropriated from:		
15	Federal aid - transportation programs		26,000,000
16	Comprehensive transportation fund		355,800
17	Michigan transportation fund		11,169,100
18	State aeronautics fund		30,300
19	State trunkline fund		8,008,400
20	State general fund/general purpose	\$	0
21	Sec. 107. DESIGN AND ENGINEERING SERVICES		
22	Full-time equated classified positions	1,482.3	
23	Business services--FTEs	50.8	11,771,700
24	Program development and delivery--FTEs	1,000.5	134,627,900
25	System operations management--FTEs	431.0	93,518,100
26	GROSS APPROPRIATION		\$ 239,917,700
27	Appropriated from:		
28	Federal aid - transportation programs		13,529,800



1	Comprehensive transportation fund		187,100
2	Michigan transportation fund		18,123,900
3	State trunkline fund		208,076,900
4	State general fund/general purpose	\$	0
5	Sec. 108. HIGHWAY MAINTENANCE		
6	Full-time equated classified positions	909.7	
7	State trunkline operations--FTEs	909.7	\$ 486,654,800
8	GROSS APPROPRIATION	\$	486,654,800
9	Appropriated from:		
10	State trunkline fund		486,654,800
11	State general fund/general purpose	\$	0
12	Sec. 109. ROAD AND BRIDGE PROGRAMS		
13	Cities and villages	\$	734,069,200
14	County road commissions		1,316,610,100
15	Grants to local programs		33,000,000
16	Local agency wetland mitigation bank fund		2,000,000
17	Local bridge program		26,914,700
18	Local federal aid and road and bridge		
19	construction		411,168,800
20	Movable bridge fund		6,167,100
21	Rail grade crossing		3,000,000
22	Rail grade crossing - surface improvements		3,000,000
23	State trunkline federal aid and road and bridge		
24	construction		1,617,892,700
25	GROSS APPROPRIATION	\$	4,153,822,600
26	Appropriated from:		
27	Federal aid - transportation programs		1,682,942,500
28	Local funds		30,003,500



1	Private funds		10,000,000
2	Blue Water Bridge fund		19,058,400
3	Local bridge fund		26,914,700
4	Michigan transportation fund		2,097,846,400
5	State trunkline fund		287,057,100
6	State general fund/general purpose	\$	0
7	Sec. 110. BLUE WATER BRIDGE		
8	Full-time equated classified positions	47.0	
9	Blue Water Bridge operations--FTEs	47.0	\$ 7,804,500
10	GROSS APPROPRIATION		\$ 7,804,500
11	Appropriated from:		
12	Blue Water Bridge fund		7,804,500
13	State general fund/general purpose	\$	0
14	Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT		
15	Forest roads		5,000,000
16	Rural county primary		10,431,600
17	Rural county urban system		2,500,000
18	Targeted industries/economic development		24,363,100
19	Urban county congestion		10,431,600
20	GROSS APPROPRIATION	\$	52,726,300
21	Appropriated from:		
22	Economic development fund		52,726,300
23	State general fund/general purpose	\$	0
24	Sec. 112. AERONAUTICS SERVICES		
25	Full-time equated classified positions	48.0	
26	Air service program		50,000
27	Aviation services--FTEs	48.0	7,726,600
28	GROSS APPROPRIATION	\$	7,776,600



1	Appropriated from:		
2	State aeronautics fund		7,776,600
3	State general fund/general purpose	\$	0
4	Sec. 113. PUBLIC TRANSPORTATION SERVICES		
5	Full-time equated classified positions	40.0	
6	Passenger transportation services--FTEs	40.0	\$ 6,476,900
7	GROSS APPROPRIATION	\$	6,476,900
8	Appropriated from:		
9	Federal aid - transportation programs		1,200,000
10	Comprehensive transportation fund		5,276,900
11	State general fund/general purpose	\$	0
12	Sec. 114. LOCAL BUS TRANSIT		
13	Local bus operating	\$	261,750,000
14	Nonurban operation/capital		40,626,500
15	GROSS APPROPRIATION	\$	302,376,500
16	Appropriated from:		
17	Federal aid - transportation programs		38,626,500
18	Local funds		2,000,000
19	Comprehensive transportation fund		221,750,000
20	State general fund/general purpose	\$	40,000,000
21	Sec. 115. INTERCITY PASSENGER		
22	Full-time equated classified positions	41.0	
23	Detroit/Wayne County Port Authority	\$	600,000
24	Freight property management		1,300,000
25	Intercity services		9,635,400
26	Marine passenger service		20,205,000
27	Office of rail--FTEs	41.0	7,361,700
28	Rail operations and infrastructure		152,189,200



1	GROSS APPROPRIATION	\$	191,291,300
2	Appropriated from:		
3	Federal aid - transportation programs		53,885,000
4	Local funds		760,000
5	Private funds		2,800,000
6	Comprehensive transportation fund		124,794,900
7	Intercity bus equipment fund		45,400
8	Michigan transportation fund		2,181,600
9	Rail freight fund		6,000,000
10	State trunkline fund		824,400
11	State general fund/general purpose	\$	0
12	Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT		
13	Municipal credit program	\$	2,000,000
14	Service initiatives		20,802,000
15	Specialized services		30,574,900
16	Transit capital		259,601,300
17	Van pooling		400,000
18	GROSS APPROPRIATION	\$	313,378,200
19	Appropriated from:		
20	Federal aid - transportation programs		166,970,800
21	Local funds		37,185,000
22	Private funds		4,000,000
23	Comprehensive transportation fund		105,222,400
24	State general fund/general purpose	\$	0
25	Sec. 117. CAPITAL OUTLAY		
26	(1) BUILDINGS AND FACILITIES		
27	Salt storage buildings and containment control	\$	3,000,000
28	Special maintenance, remodeling, and additions		5,000,500



1	GROSS APPROPRIATION	\$	8,000,500
2	Appropriated from:		
3	State trunkline fund		8,000,500
4	State general fund/general purpose	\$	0
5	(2) AIRPORT IMPROVEMENT PROGRAMS		
6	Airport safety, protection and improvement		
7	program	\$	182,242,300
8	Detroit Metropolitan Wayne County Airport		6,760,000
9	IIJA airport infrastructure grants		115,000,000
10	GROSS APPROPRIATION	\$	304,002,300
11	Appropriated from:		
12	Federal aid - transportation programs		270,000,000
13	Local funds		17,500,000
14	Private funds		2,000,000
15	Qualified airport fund		6,760,000
16	State aeronautics fund		7,742,300
17	State general fund/general purpose	\$	0
18	Sec. 118. ONE-TIME APPROPRIATIONS		
19	Full-time equated classified positions	1.0	
20	MI contracting opportunity--FTE	1.0	5,000,000
21	Blue water bridge equipment and facilities		
22	purchases		990,000
23	Transit innovation grants		20,000,000
24	Federal match		95,000,000
25	Priority bridge investments		40,000,000
26	Road usage charge study		5,000,000
27	Infrastructure projects		30,000,100
28	GROSS APPROPRIATION	\$	195,990,100



1	Appropriated from:	
2	State trunkline fund	20,000,000
3	Blue water bridge fund	990,000
4	State general fund/general purpose	\$ 175,000,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2024-2025

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2025, total state spending under part 1 from state sources is \$4,444,560,100.00 and state spending under part 1 from state sources to be paid to local units of government is \$2,637,859,500.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

STATE TRANSPORTATION DEPARTMENT

19	Grants to regional planning councils	\$ 488,800
20	Cities and villages	734,069,200
21	County road commissions	1,316,610,100
22	Grants to local programs	33,000,000
23	Local bridge program	26,914,700
24	Local agency wetland mitigation	2,000,000
25	Movable bridge	3,083,600
26	Rail grade crossing	1,500,000
27	Rail grade surface crossing improvements	3,000,000
28	Forest road	5,000,000



1	Rural county primary	10,431,600
2	Rural county urban systems	2,500,000
3	Target industries/economic redevelopment	15,105,100
4	Urban county congestion	10,431,600
5	Air service program	50,000
6	Local bus operating	261,750,000
7	Detroit/Wayne County Port Authority	600,000
8	Marine passenger service	2,000,000
9	Municipal credit program	2,000,000
10	Service initiatives	7,288,300
11	Specialized services	13,000,000
12	Transit capital	82,534,100
13	Airport safety, protection, and improvement	
14	program	7,742,300
15	Detroit Metropolitan Wayne County Airport	6,760,000
16	Priority bridge investment	40,000,000
17	Transit innovation grants	20,000,000
18	Infrastructure projects	30,000,100
19	Total payments to local units of government	\$ 2,637,859,500

20 Sec. 202. The appropriations under this article are subject to
 21 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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

- 23 (a) "CTF" means comprehensive transportation fund.
- 24 (b) "Department" means the state transportation department.
- 25 (c) "Director" means the director of the department.
- 26 (d) "DOT" means the United States Department of

27 Transportation.

- 28 (e) "DOT-FHWA" means DOT, Federal Highway Administration.



1 (f) "FTE" means full-time equated.

2 (g) "IDG" means interdepartmental grant.

3 (h) "IIJA" means the infrastructure investment and jobs act,
4 2021, Public Law 117-58.

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

6 (j) "SAF" means state aeronautics fund.

7 (k) "Standard report recipients" means the senate and house
8 appropriations subcommittees on transportation, the senate and
9 house fiscal agencies, the senate and house policy offices, and the
10 state budget office.

11 (l) "STF" means state trunkline fund.

12 Sec. 204. From the funds appropriated in part 1, the
13 department and agencies shall use the internet to fulfill the
14 reporting requirements of this part. This requirement shall include
15 transmission of reports via email to the recipients identified for
16 each reporting requirement, and it shall include placement of
17 reports on an internet site.

18 Sec. 205. To the extent permissible under section 261 of the
19 management and budget act, 1984 PA 431, MCL 18.1261, all of the
20 following apply to the expenditure of funds appropriated in part 1:

21 (a) The funds must not be used for the purchase of foreign
22 goods or services, or both, if competitively priced and of
23 comparable quality American goods or services, or both, are
24 available.

25 (b) Preference must be given to goods or services, or both,
26 manufactured or provided by Michigan businesses, if they are
27 competitively priced and of comparable quality.

28 (c) Preference must be given to goods or services, or both,
29 that are manufactured or provided by Michigan businesses owned and



1 operated by veterans, if they are competitively priced and of
2 comparable quality.

3 Sec. 206. To the extent permissible under the management and
4 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of
5 each department and agency receiving appropriations in part 1 shall
6 take all reasonable steps to ensure geographically-disadvantaged
7 business enterprises, as defined in Executive Directive 2023-1,
8 compete for and perform contracts to provide services or supplies,
9 or both. Each director shall strongly encourage firms with which
10 the department contracts to subcontract with certified
11 geographically-disadvantaged business enterprises for services,
12 supplies, or both.

13 Sec. 207. A department shall not take disciplinary action
14 against an employee of the department or departmental agency in the
15 state classified civil service because the employee communicates
16 with a member of the senate or house of representatives or a
17 member's staff, unless the communication is prohibited by law and
18 the department or agency taking disciplinary action is exercising
19 its authority as provided by law.

20 Sec. 208. (1) Funds appropriated in part 1 shall not be used
21 by a principal executive department, state agency, or authority to
22 hire a person to provide legal services that are the responsibility
23 of the attorney general. This prohibition does not apply to legal
24 services for bonding activities and for those outside services that
25 the attorney general authorizes.

26 (2) The department shall make timely reimbursement to the
27 department of the attorney general for legal services provided by
28 the department of the attorney general to the department. If the
29 department fails to make timely reimbursement, the department of



1 the attorney general may increase the amount billed to include a
2 penalty for late reimbursement. As used in this section, "timely
3 reimbursement" means reimbursement not later than 60 days after the
4 department receives a bill for the legal services from the
5 department of the attorney general.

6 Sec. 209. Not later than December 15, the state budget office
7 shall prepare and submit a report that provides for estimates of
8 the total general fund/general purpose appropriation lapses at the
9 close of the previous fiscal year. The report must summarize the
10 projected year-end general fund/general purpose appropriation
11 lapses by major departmental program or program areas. The state
12 budget office shall submit the report to the standard report
13 recipients and to the chairpersons of the senate and house
14 appropriations committees.

15 Sec. 210. (1) In addition to the funds appropriated in part 1,
16 there is appropriated an amount not to exceed \$200,000,000.00 for
17 federal contingency funds. Amounts appropriated under this
18 subsection are not available for expenditure until they have been
19 transferred to another line item in part 1 under section 393(2) of
20 the management and budget act, 1984 PA 431, MCL 18.1393.

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

27 (3) In addition to the funds appropriated in part 1, there is
28 appropriated an amount not to exceed \$1,000,000.00 for local
29 contingency funds. Amounts appropriated under this subsection are



1 not available for expenditure until they have been transferred to
2 another line item in part 1 under section 393(2) of the management
3 and budget act, 1984 PA 431, MCL 18.1393.

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

10 Sec. 211. The department shall cooperate with the department
11 of technology, management, and budget to maintain a searchable
12 website accessible by the public at no cost that includes, but is
13 not limited to, all of the following for the department:

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

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

16 (c) Fiscal year-to-date payments to a selected vendor,
17 including the vendor name, payment date, payment amount, and
18 payment description.

19 (d) The number of active department employees by job
20 classification.

21 (e) Job specifications and wage rates.

22 Sec. 212. Within 14 days after the release of the executive
23 budget recommendation, the department shall cooperate with the
24 state budget office to provide information sufficient to provide
25 the chairpersons of the senate and house appropriations committees,
26 the chairpersons of the senate and house appropriations
27 subcommittees on transportation, and the senate and house fiscal
28 agencies with an annual report on estimated state restricted fund
29 balances, state restricted fund projected revenues, and state



1 restricted fund expenditures for the prior 2 fiscal years.

2 Sec. 213. Except as otherwise provided in this part, all
3 reports required under this part shall be submitted to the senate
4 and house appropriations subcommittees on the department budget,
5 the senate and house fiscal agencies, the senate and house policy
6 offices, and the state budget office.

7 Sec. 215. (1) No money appropriated in part 1 shall be used to
8 restrict or impede a marginalized community's access to government
9 resources, programs, or facilities.

10 (2) From the funds appropriated in part 1, local governments
11 shall report any action or policy that attempts to restrict or
12 interfere with the duties of the local health officer.

13 Sec. 216. On a quarterly basis, the department shall report to
14 the senate and house appropriations committees, the senate and
15 house appropriations subcommittees on transportation, and the
16 senate and house fiscal agencies the following information:

17 (a) The number of FTEs in pay status by type of staff and
18 civil service classification.

19 (b) A comparison by line item of the number of FTEs authorized
20 from funds appropriated in part 1 to the actual number of FTEs
21 employed by the department at the end of the reporting period.

22 Sec. 220. (1) For any grant program or project funded in part
23 1 intended for a single recipient organization or unit of local
24 government, the grant program or project is for a public purpose
25 and the department shall follow procurement statutes of this state,
26 including any bidding requirements, unless the department can fully
27 validate, through information detailed in this part or public
28 supporting documents, both of the following:

29 (a) The specific organization or unit of local government that



1 will receive or administer the funds.

2 (b) How the funds will be administered and expended.

3 (2) Notwithstanding any other conditions or requirements for
4 direct appropriation grants, the department shall perform at least
5 all of the following activities to administer the grants described
6 in subsection (1):

7 (a) Develop a standard application process, grantee reporting
8 requirements, and any other necessary documentation, including
9 sponsorship information as specified under subsection (3).

10 (b) Establish a process to review, complete, and execute a
11 grant agreement with a grant recipient. The department shall not
12 execute a grant agreement unless all necessary documentation has
13 been submitted and reviewed.

14 (c) Verify to the extent possible that a grant recipient will
15 use funds for a public purpose that serves the economic prosperity,
16 health, safety, or general welfare of the residents of this state.

17 (d) Review and verify all necessary information to ensure the
18 grant recipient is reasonably able to execute the grant agreement,
19 perform its fiduciary duty, and comply with all applicable state
20 and federal statutes. The department may deduct the cost of
21 background checks performed as part of this verification from the
22 amount of the designated grant award.

23 (e) Establish a standard timeline to review all documents
24 submitted by grant recipients and provide a response within 45
25 business days stating whether submitted documents by a grant
26 recipient are sufficient or in need of additional information.

27 (3) A sponsor of a grant described in subsection (1) must be a
28 legislator or the department. A legislative sponsor must be
29 identified through a letter submitted by that legislator's office



1 to the department and state budget director containing the name of
2 the grant recipient, the intended amount of the grant, a
3 certification from that legislator that the grant is for a public
4 purpose, and specific citation of the section and subsection of the
5 public act that authorizes the grant, as applicable. If a
6 legislative sponsor is not identified before January 15, 2025, the
7 department shall do 1 of the following:

8 (a) Identify the department as the sponsor.

9 (b) Decline to execute the grant agreement.

10 (4) An executed grant agreement under this section between the
11 department and a grant recipient must include at least all of the
12 following:

13 (a) All necessary identifying information for the grant
14 recipient, including any tax and financial information for the
15 department to administer funds under this section.

16 (b) A description of the project for which the grant funds
17 will be expended, including tentative timelines and the estimated
18 budget. The department shall not reimburse expenditures that are
19 outside of the project purpose, as stated in the executed grant
20 agreement, from appropriations in part 1.

21 (c) Unless otherwise specified in department policy, a
22 requirement that funds appropriated for the grants described in
23 subsection (1) may be used only for expenditures that occur on or
24 after the effective date of this act.

25 (d) At the discretion of the department, a provision for an
26 initial disbursement of 50% to the grant recipient upon on
27 execution of the grant agreement consistent with part II, chapter
28 10, section 200 of the Financial Management Guide.

29 (e) A requirement that after an initial 50% disbursement under



1 subdivision (d), additional funds will be disbursed only after
2 verification that the initial payment has been fully expended, in
3 accordance with the project purpose. The department shall disburse
4 the remaining funds after the grantee has provided sufficient
5 documentation, as determined by the department, to verify that all
6 expenditures were made in accordance with the project purpose.

7 (f) A requirement for reporting by the grant recipient to the
8 department that provides the status of the project and an
9 accounting of all funds expended by the grant recipient, as
10 determined by the department.

11 (g) A claw-back provision that allows the department of
12 treasury to recoup or otherwise collect any funds that are
13 declined, unspent, or otherwise misused.

14 (5) If appropriate to improve the administration or oversight
15 of a grant described in subsection (1), the department may adopt a
16 memorandum of understanding with another state department to
17 perform the required duties under this section.

18 (6) A grant recipient shall respond to all reasonable
19 information requests from the department related to grant
20 expenditures and retain grant records for not less than 7 years,
21 and the grant may be subject to monitoring, site visits, and audits
22 as determined by the department. The grant agreement required under
23 this section must include signed assurance by the chief executive
24 officer or other executive officer of the grant recipient that the
25 requirements of this subsection will be met.

26 (7) The grant recipient shall expend all funds awarded and
27 complete all projects not later than September 30, 2029. If at that
28 time any unexpended funds remain, the grant recipient shall return
29 those funds to the state treasury. If a grant recipient does not



1 provide information sufficient to execute a grant agreement not
2 later than June 1, 2025, the department shall return funds
3 associated with the grant to the state treasury.

4 (8) Any funds that are granted to a state department are
5 appropriated in that department for the purpose of the intended
6 grant.

7 (9) The state budget director may, on a case-by-case basis,
8 extend the deadline in subsection (7) on request by a grant
9 recipient. The state budget director shall notify the chairs of the
10 house and senate appropriations committees not later than 5 days
11 after an extension is granted.

12 (10) Subject to subsection (11), the department shall post a
13 report in a publicly accessible location on its website not later
14 than March 15, 2025. The report shall must list the grant
15 recipient, project purpose, and location of the project for each
16 grant described in subsection (1), the status of funds allocated
17 and disbursed under the grant agreement, and the legislative
18 sponsor, if applicable. The department shall update the report not
19 later than June 15, 2025 and again not later than September 15,
20 2025, and post the updated reports. At each posting of the report,
21 the department shall include the most comprehensive information it
22 has available at the time of posting for grants awarded.

23 (11) If the state budget office determines that it is more
24 efficient for the state budget office to compile the information
25 required under subsection (10) for all of the affected departments
26 and post a report of the compiled information by the date required
27 under subsection (10) than for the individual departments to comply
28 with subsection (10), the state budget office may compile that
29 information and post that report.



1 (12) As applicable, the legislative sponsor of a grant
2 described in subsection (1) shall comply with all applicable laws
3 concerning conflicts of interest in seeking a direct grant. A
4 legislative sponsor shall not seek a grant for a recipient if a
5 conflict of interest exists.

6 (13) If the department reasonably determines that the funds
7 allocated for an executed grant agreement under this section were
8 misused or that use of the funds was misrepresented by the grant
9 recipient, the department shall not award any additional funds
10 under the executed grant agreement and shall refer the grant for
11 review following internal audit protocols.

12 Sec. 221. The department shall receive and retain copies of
13 all reports funded from appropriations in part 1. Federal and state
14 guidelines for short-term and long-term retention of records shall
15 be followed. The department may electronically retain copies of
16 reports unless otherwise required by federal and state guidelines.

17 Sec. 222. The department shall report no later than April 1 on
18 each specific policy change made to implement a public act
19 affecting the department that took effect during the prior calendar
20 year to the senate and house appropriations committees, the senate
21 and house subcommittees on transportation, the joint committee on
22 administrative rules, and the senate and house fiscal agencies.

23 Sec. 223. (1) From the funds appropriated in part 1, the
24 department shall do all of the following:

25 (a) Report to the house and senate appropriations committees,
26 the house and senate fiscal agencies, the house and senate policy
27 offices, and the state budget office any amount of severance pay
28 for a department director, deputy director, or other high-ranking
29 department official not later than 14 days after a severance



1 agreement with the director or official is signed. The name of the
2 director or official and the amount of severance pay must be
3 included in the report required by this subdivision.

4 (b) By February 1, report to the house and senate
5 appropriations subcommittees on transportation, the house and
6 senate fiscal agencies, the house and senate policy offices, and
7 the state budget office on the total amount of severance pay
8 remitted to former department employees during the fiscal year
9 ending September 30, 2024 and the total number of former department
10 employees that were remitted severance pay during the fiscal year
11 ending September 30, 2024.

12 (2) As used in this section, "severance pay" means
13 compensation that is both payable or paid upon the termination of
14 employment and in addition to either wages or benefits earned
15 during the course of employment or generally applicable retirement
16 benefits.

17 Sec. 225. Appropriations in part 1 shall, to the extent
18 possible by the department, not be expended until all existing work
19 project authorization available for the same purposes is exhausted.

20 Sec. 226. Consistent with section 217 of the management and
21 budget act, 1984 PA 431, MCL 18.1217, each department and agency
22 receiving appropriations in part 1 shall prepare a report on out-
23 of-state travel expenses not later than January 1 of each year. The
24 travel report shall be a listing of all travel by classified and
25 unclassified employees outside this state in the immediately
26 preceding fiscal year that was funded in whole or in part with
27 funds appropriated in the department's or agency's budget. The
28 department shall submit the report to the house and senate
29 appropriations committees, and to the report recipients required in



1 section 213 of this part. The report shall include all of the
2 following information:

3 (a) The dates of each travel occurrence.

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

9

10 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

11 Sec. 301. The department may establish a fee schedule and
12 collect fees sufficient to cover the costs to issue the permits
13 that the department is authorized by law to issue on request,
14 unless otherwise stipulated by law. All permit fees are
15 nonrefundable application fees and must be credited to the
16 appropriate fund to recover the direct and indirect costs of
17 receiving, reviewing, and processing the requests.

18 Sec. 302. Not later than February 1, 2025, the department
19 shall report as required under section 213 on STF debt service. The
20 report must include all of the following:

21 (a) An accounting of the previous fiscal year's STF debt
22 service payments, including a calculation of STF debt service
23 payments as a percentage of STF revenue secured by constitutionally
24 restricted revenue.

25 (b) A projection of STF debt service obligations for the
26 fiscal year ending September 30, 2025, including a calculation of
27 STF debt service obligations as a percentage of estimated STF
28 revenue secured by constitutionally restricted revenue.

29 (c) A description of all bond sales planned for the fiscal



1 year ending September 30, 2025.

2 Sec. 304. If, as a requirement of bidding on a highway
3 project, the department requires a contractor to submit financial
4 or proprietary documentation as to how the bid was calculated, the
5 department shall keep that bid documentation confidential and shall
6 not disclose that bid documentation other than to a department
7 representative without the contractor's written consent. The
8 department may disclose the bid documentation if necessary to
9 address or defend a claim by a contractor.

10 Sec. 305. (1) The department shall consult with the Michigan
11 state housing development authority interagency council on
12 homelessness or the Michigan homeless policy council to assess
13 current practices and policies regarding interactions with homeless
14 populations generally and for situations of clearing homeless
15 encampments from public rights-of-way. The assessment must include
16 all of the following at a minimum:

- 17 (a) Additional costs to the department.
18 (b) The impact on operations.
19 (c) The safety of department staff.
20 (d) The impact on homeless individuals.
21 (e) The impact on addressing the overall rate of homelessness.
22 (f) The effectiveness of strategy in reducing the negative
23 impacts of homeless encampments on rights-of-way.

24 (2) The department shall undertake a hazardous materials
25 cleanup of homeless sites on the department's property.

26 (3) The department shall coordinate with local law
27 enforcement, social assistance organizations, homeless assistance
28 agencies, and continuum of care agencies.

29 (4) Before clearing a homeless encampment site, the department



1 shall do both of the following:

2 (a) Communicate and post information of the date that the site
3 will be cleared, including posting that information at the site.

4 (b) Create a plan for clearing the site of possessions and
5 reunifying the possessions with their owners.

6 Sec. 306. (1) The amounts appropriated in part 1 to support
7 tax and fee collection, law enforcement, and other program services
8 provided to the department and to transportation funds by other
9 state departments must be expended from transportation funds
10 pursuant to annual contracts between the department and those other
11 state departments. The contracts must be executed before the
12 expenditure or obligation of those funds. The contracts must
13 provide, but are not limited to, the following data applicable to
14 each state department:

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

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

18 (c) Detailed cost allocation methods appropriate to the type
19 of services being provided and the activities financed with
20 transportation funds.

21 (2) Not later than 2 months after publication of the state of
22 Michigan annual comprehensive financial report, each state
23 department receiving funding pursuant to an interdepartment
24 contract with the department shall submit a written report to the
25 department, the state budget director, the house and senate fiscal
26 agencies, and the auditor general stating by spending authorization
27 account the amount of estimated funds contracted with the
28 department, the amount of funds expended, the amount of funds
29 returned to the transportation funds, and any unreimbursed



1 transportation-related costs incurred but not billed to
2 transportation funds.

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

8 Sec. 310. The department shall post in a timely manner copies
9 of the agenda, approved minutes, and recordings of state
10 transportation commission meetings on the department website.

11 Sec. 311. On or before March 30, 2025, the department shall
12 provide a progress report on the CRRSSA - highway infrastructure -
13 local bridge bundling initiative established in section 113(2) of
14 article 14 of 2021 PA 87, to the senate and house transportation
15 appropriations subcommittees, the state budget director, and the
16 senate and house fiscal agencies.

17 Sec. 313. (1) From funds appropriated in part 1, the
18 department may increase a state infrastructure bank program and
19 grant or loan funds in accordance with regulations of the state
20 infrastructure bank program of the United States Department of
21 Transportation. The department shall administer the state
22 infrastructure bank for the purpose of providing a revolving, self-
23 sustaining resource for financing transportation infrastructure
24 projects.

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



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

6 Sec. 383. (1) The department shall prepare a report on use of
7 department-owned aircraft during the fiscal year ending September
8 30, 2024. With respect to each department-owned aircraft, the
9 report must include all of the following:

10 (a) Total hours of usage.

11 (b) Description of specific flights including dates of travel,
12 names of passengers including state agency, university, or local
13 government affiliation, travel origin and destination, and total
14 estimated costs associated with the air travel.

15 (2) The department shall submit the report as required under
16 section 213 no later than February 1, 2025.

17 (3) The department shall maintain a system for recovering the
18 cost of operating department-owned aircraft through charges to
19 aircraft users.

20 Sec. 384. (1) Except as otherwise provided in subsection (2),
21 the department shall not obligate this state to expend any state
22 transportation revenue for construction planning or construction of
23 the Gordie Howe International Crossing or a renamed successor. In
24 addition, except as provided in subsection (2), the department
25 shall not commit this state to any new contract related to the
26 construction planning or construction of the Gordie Howe
27 International Crossing or a renamed successor that would obligate
28 this state to expend any state transportation revenue. An
29 expenditure for staff resources used in connection with project



1 activities that is subject to full and prompt reimbursement from
2 Canada is not considered an expenditure of state transportation
3 revenue.

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

8 Sec. 385. (1) The department shall submit monthly reports as
9 required under section 213 and to the speaker of the house of
10 representatives, the house of representatives minority leader, the
11 senate majority leader, and the senate minority leader on all of
12 the following:

13 (a) All expenditures made by this state related to the Gordie
14 Howe Bridge.

15 (b) All reimbursements made by Canada under section 384(1) of
16 this part to this state for expenditures for staff resources used
17 in connection with project activities.

18 (c) All eminent domain and condemnation powers used, the
19 related real estate involved in any governmental taking, the price
20 paid for those properties, and the beneficiary's name or associated
21 corporation.

22 (2) The department shall submit the initial report required
23 under subsection (1) on or before December 1, 2024. The initial
24 report must cover the fiscal year ending September 30, 2024.

25 Sec. 389. Within 30 days after entering into a long-term
26 agreement with a private contractor, a public agency, or a
27 partnership between 1 or more private contractors or public
28 agencies, the department shall notify the state budget director,
29 the house and senate appropriations subcommittees on



1 transportation, and the house and senate fiscal agencies of the
 2 agreement, including the subject of the agreement, the term of the
 3 agreement, and financial obligations under the agreement. As used
 4 in this section, "long-term agreement" means an agreement that
 5 obligates the department for a period of 5 years or more and that
 6 actually or contingently obligates the department to make payments
 7 over the contract period of \$5,000,000.00 or more.

8 Sec. 395. From the funds appropriated in part 1 for state
 9 trunkline federal aid road and bridge construction, the department
 10 may expend up to \$10,000,000.00 on highway maintenance activities
 11 to support safety-related, high-priority, and other deferred
 12 routine maintenance needs on the state trunkline network.

13 Sec. 398. The department shall continue to work to eliminate
 14 fatalities and serious injuries on the state trunkline network and
 15 shall maintain the Toward Zero Deaths statewide safety campaign.

16

17 **MICHIGAN TRANSPORTATION FUND**

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

22 Sec. 503. (1) At the close of the fiscal year, funds
 23 appropriated in part 1 for the transportation economic development
 24 program lapse to the transportation economic development fund.

25 (2) At the close of the fiscal year, funds appropriated in
 26 part 1 for the local bridge program carry forward and are
 27 appropriated for the purposes defined in section 10(5) of 1951 PA
 28 51, MCL 247.660.

29 (3) Interest earned in the department of transportation



1 economic development fund and local bridge fund remains in the
 2 respective funds and must be allocated to the respective programs
 3 based on actual interest earned at the end of each fiscal year.

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

10 (5) None of the funds statutorily dedicated to the
 11 transportation economic development fund and local bridge fund may
 12 be diverted to other projects.

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

22

23 **STATE TRUNKLINE FUND**

24 Sec. 601. (1) The department shall maintain documentation to
 25 support initial acceptance of warrantied projects, interim and
 26 final inspections, and notifications to contractors that the
 27 warranty period had expired. The department also shall review and
 28 evaluate consultant evaluation requirements or recommendations and
 29 update existing policies and procedures accordingly.



1 (2) The department shall review its warranty administration
 2 processes, procedures, and associated manuals to ensure that all of
 3 the following occur:

4 (a) Initial notifications of needed corrective action are sent
 5 before warranty expiration.

6 (b) Consistent and timely second notifications of needed
 7 corrective action are sent if contractors do not respond within 30
 8 days of an initial notification.

9 (c) The department has an effective process to establish time
 10 frames for corrective action completion.

11 (d) Daily inspector reports on all warranty segments are
 12 completed consistently.

13 Sec. 604. At the close of the fiscal year, any unencumbered
 14 and unexpended balance in the state trunkline fund remains in the
 15 state trunkline fund and carries forward and is appropriated for
 16 federal aid road and bridge programs for projects contained in the
 17 annual state transportation program.

18 Sec. 612. The department shall provide guidelines and a report
 19 on the previous year's governing incentives and disincentives
 20 provided under contracts for state trunkline projects. The
 21 guidelines must include specific financial information concerning
 22 incentives and disincentives. The department shall submit the
 23 report as required under section 213 no later than March 31, 2025.
 24

25 **TRANSIT AND RAIL RELATED FUNDS**

26 Sec. 701. The department shall establish an intercity bus
 27 equipment and facility fund as a subsidiary fund within the
 28 comprehensive transportation fund created under section 10b of 1951
 29 PA 51, MCL 247.660b. Proceeds received by this state from the sale



1 of state-owned intercity bus equipment must be credited to the
2 intercity bus equipment and facility fund for the purchase and
3 repair of intercity bus equipment, as appropriated. Security
4 deposits not returned to a lessee of state-owned intercity bus
5 equipment under terms of the lease agreement must be credited to
6 the intercity bus equipment and facility fund for the repair of
7 intercity bus equipment, as appropriated. Money received by the
8 department from lease payments for state-owned intercity bus
9 equipment, and facility maintenance charges under terms of leases
10 of state-owned intercity facilities, must be credited to the
11 intercity bus equipment and facility fund for the purchase and
12 repair of intercity bus equipment or for the maintenance and
13 rehabilitation of state-owned intercity facilities, as
14 appropriated. At the close of the fiscal year, any funds remaining
15 in the intercity bus equipment and facility fund remain in the fund
16 and are carried forward into the succeeding fiscal year.

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

26 Sec. 704. From the funds appropriated in part 1, the
27 department shall prepare and transmit a report that includes the
28 department's current rolling 5-year rail plan and detail regarding
29 the department's obligations for programs funded under the



1 appropriation in part 1 for rail operations and infrastructure for
2 the previous fiscal year, including funding obligated for the
3 operation of passenger rail service and funding obligated for
4 maintenance of passenger service rail lines. The report must
5 include a breakdown of the appropriation by program and year-to-
6 date obligations under each program itemized by project. The
7 department shall submit the report as required under section 213 on
8 or before December 1, 2025.

9 Sec. 707. (1) Before March 1, 2025, the department shall
10 provide to the legislature, the state budget office, and the house
11 and senate fiscal agencies its rail strategic plan. The strategic
12 plan must include, but is not limited to, a rolling 5-year rail
13 plan and a summary of the department's obligations for programs
14 funded under the appropriation in part 1 for rail operations and
15 infrastructure.

16 (2) The rolling 5-year rail plan must include, but is not
17 limited to, all of the following:

18 (a) A listing by county of all rail infrastructure projects on
19 rail lines within this state utilizing state funds, and the
20 estimated cost of each project.

21 (b) The actual or projected state expenditures for operation
22 of passenger rail service.

23 (c) The actual or projected state expenditures for maintenance
24 of passenger service rail lines.

25 (3) The period of the rolling 5-year rail plan must include
26 the fiscal year ending September 30, 2025 and the immediately
27 following 4 fiscal years.

28 (4) The summary of the department's obligations for programs
29 funded under the appropriation in part 1 for rail operations and



1 infrastructure must include a breakdown of the appropriation by
 2 program, year-to-year obligations under each program itemized by
 3 project, and an estimate of future obligations under each program
 4 itemized by project for the remainder of the fiscal year.

5 (5) From the funds appropriated in part 1 for rail operation
 6 and infrastructure, not less than \$20,000,000.00 must be allocated
 7 for the support of rail-related economic development projects and
 8 rail freight system preservation projects.

9 Sec. 735. For the fiscal year ending September 30, 2025, the
 10 appropriation to a street railway pursuant to section 10e(22) of
 11 1951 PA 51, MCL 247.660e, is \$0.

12

13 **AERONAUTICS FUND**

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

21

22 **CAPITAL OUTLAY**

23 Sec. 901. (1) From federal-state-local project appropriations
 24 contained in part 1 for the purpose of assisting political entities
 25 and subdivisions of this state in the construction and improvement
 26 of publicly used airports and landing fields within this state, the
 27 state transportation department may permit the award of contracts
 28 on behalf of units of local government for the authorized locations
 29 not to exceed the indicated amounts, of which the state allocated



1 portion must not exceed the amount appropriated in part 1.

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

9 (3) The Michigan aeronautics commission may take those steps
10 necessary to match federal money available for airport construction
11 and improvement within this state and to meet the matching
12 requirements of the federal government. Whether acting alone or
13 jointly with another political subdivision or public agency or with
14 this state, a political subdivision or public agency of this state
15 shall not submit to any agency of the federal government a project
16 application for airport planning or development unless it is
17 authorized in this part and part 1 and the project application is
18 approved by the governing body of each political subdivision or
19 public agency making the application and by the Michigan
20 aeronautics commission.

21 Sec. 903. The appropriations in part 1 for capital outlay are
22 carried forward at the end of the fiscal year consistent with the
23 provisions of section 248 of the management and budget act, 1984 PA
24 431, MCL 18.1248.

25

26 **ONE-TIME ONLY APPROPRIATIONS**

27 Sec. 1002. (1) Funds appropriated in part 1 for transit
28 innovation grants shall be expended by the department to support,
29 but are not limited to, the following activities:



1 (a) Studies to support local and regional transit development.

2 (b) Development of transportation facilities that support
3 connections between local, regional, national, or international
4 public transportation services.

5 (2) The department shall develop program guidelines and
6 selection criteria in consultation with the Michigan infrastructure
7 office.

8 Sec. 1003. (1) Funds appropriated in part 1 for MI contracting
9 opportunity shall be expended by the department to support
10 activities that enhance the development and availability of
11 contractors or suppliers for the delivery of infrastructure
12 programs that are socially or economically disadvantaged business
13 concerns as defined under section 100002 of the infrastructure
14 investment and jobs act, Public Law 117-58.

15 (2) A MI contracting opportunity loan fund is created in the
16 department from funds appropriated in part 1. Funds deposited into
17 the fund or money received by the state as repayment of loans are
18 appropriated and shall be available for future loans. At the close
19 of the fiscal year, any unencumbered funds remaining in the fund
20 shall be carried forward into the succeeding fiscal year.

21 (3) The MI contracting opportunity loan fund may support, but
22 is not limited to, the following department programs:

23 (a) Small business lending program.

24 (b) Mega projects small business lending program.

25 (4) The department shall develop MI contracting opportunity
26 program goals, objectives, and strategies in consultation with the
27 Michigan infrastructure office.

28 Sec. 1004. Funds appropriated in part 1 for federal match
29 shall be used to provide funding necessary to ensure the department



1 secures all federal funding made available to the department from
2 the Federal Highway Administration under the infrastructure
3 investment and jobs act, Public Law 117-58.

4 Sec. 1005. Funds appropriated in part 1 for priority bridge
5 investments shall be used to provide funding to support a grant
6 program administered by the department for the rehabilitation and
7 reconstruction of locally owned bridges and culverts.

8 Sec. 1006. (1) No later than December 31, 2024, the department
9 shall begin a road usage charge study as described in this section.
10 The total cost of the road usage charge study must not exceed
11 \$5,000,000.00.

12 (2) No later than 90 days after the effective date of this
13 act, the department must create a road usage charge technical
14 advisory committee. All of the following apply to the technical
15 advisory committee:

16 (a) Meetings of the technical advisory committee must be held
17 in compliance with the open meetings act, 1976 PA 267, MCL 15.261
18 to 15.275.

19 (b) The purpose of the technical advisory committee is to
20 guide the development and evaluation of a road usage charge study
21 to assess the potential and positive and negative findings for
22 mileage-based revenue collection for this state's roads and
23 highways as an alternative to the fuel tax system.

24 (c) The technical advisory committee must include all of the
25 following members:

26 (i) Eleven members appointed by the director of the department.
27 At least 1 member of the technical advisory committee appointed by
28 the director must be a local road agency representative. In
29 selecting the members of the technical advisory committee, the



1 director shall consider individuals who are representatives of the
2 telecommunications industry, highway user groups, the data security
3 and privacy industry, privacy rights advocacy organizations,
4 regional transportation agencies, national research and
5 policymaking bodies, including, but not limited to, the
6 Transportation Research Board and the American Association of State
7 Highway and Transportation Officials, and other relevant
8 stakeholders as determined by the director.

9 (ii) Two members appointed by the speaker of the house of
10 representatives.

11 (iii) Two members appointed by the senate majority leader.

12 (iv) Two members appointed by the house minority leader.

13 (v) Two members appointed by the senate minority leader.

14 (d) The technical advisory committee must study road usage
15 charge alternatives to the fuel tax. The technical advisory
16 committee must gather public comment on issues and concerns related
17 to the road usage charge study and must make recommendations to the
18 director on the design of a road usage charge study to test
19 alternative road usage charge approaches. The technical advisory
20 committee may also make recommendations on the criteria to be used
21 to evaluate the road usage charge study.

22 (e) In studying alternatives to the current fuel tax system
23 and developing recommendations on the design of a road usage charge
24 study to test alternative road usage charge approaches pursuant to
25 subdivision (d), the technical advisory committee must take all of
26 the following into consideration:

27 (i) The availability, adaptability, reliability, and security
28 of methods that might be used in recording and reporting highway
29 use.



1 (ii) The necessity of protecting all personally identifiable
2 information used in reporting highway use.

3 (iii) The ease and cost of recording and reporting highway use.

4 (iv) The ease and cost of administering the collection of taxes
5 and fees as an alternative to the current system of taxing highway
6 use through motor vehicle fuel taxes.

7 (v) Effective methods of maintaining compliance.

8 (vi) The ease of reidentifying location data, even when
9 personally identifiable information has been removed from the data.

10 (vii) Increased privacy concerns when location data is used in
11 conjunction with other technologies.

12 (viii) Public and private agency access, including law
13 enforcement, to data collected and stored for purposes of the road
14 usage charge to ensure individual privacy rights are protected
15 pursuant state law.

16 (f) The technical advisory committee shall consult with
17 highway users and transportation stakeholders, including
18 representatives of vehicle users, vehicle manufacturers, and fuel
19 distributors, as part of its duties under subdivision (e).

20 (3) Based on the recommendations of the technical advisory
21 committee, the department shall implement a road usage charge study
22 to identify and evaluate issues related to the potential
23 implementation of a road usage charge in this state to begin no
24 later than June 1, 2025, subject to all of the following.

25 (a) The department must consult with the secretary of state to
26 design a process for collecting a mileage-based user fee. The state
27 must contract with at least 1 vendor for at least 1 of the
28 collection options.

29 (b) Participation in the road usage charge study must be



1 voluntary.

2 (c) A participant in the road usage charge study must be
3 charged a mileage-based user fee and receive a refund for any motor
4 fuel taxes or vehicle registration fees the participant paid to
5 operate the participating vehicle during the road usage charge
6 study.

7 (d) At a minimum, the road usage charge study must accomplish
8 all of the following:

9 (i) Analyze alternative means of collecting road usage data,
10 including at least 1 alternative that does not rely on electronic
11 vehicle location data.

12 (ii) Collect a minimum amount of personal information,
13 including location information, necessary to implement the road
14 usage charge study.

15 (iii) Ensure that processes for collecting, managing, storing,
16 transmitting, and destroying data are in place to protect the
17 integrity of the data and safeguard the privacy of drivers.

18 (e) The agency shall not disclose, distribute, make available,
19 sell, access, or otherwise provide for another purpose personal
20 information or data collected through the road usage charge study
21 to any private entity or individual unless authorized by a court
22 order, as part of a civil case, by a subpoena issued on behalf of a
23 defendant in a criminal case, by a search warrant, or in aggregate
24 form with all personal information removed for the purposes of
25 academic research.

26 (4) It is the intent of the legislature that the road usage
27 charge study be completed by December 31, 2026 and the department
28 must prepare and submit a report of its findings based on the
29 results of the road usage charge study to the governor, the senate



1 and house appropriations committees, the senate and house
2 subcommittees on transportation, the senate and house fiscal
3 agencies, the technical advisory committee, and the public. The
4 report must also be available on the department's website. The
5 report must include, but not be limited to, a discussion of all of
6 the following issues:

7 (a) Cost.

8 (b) Privacy, including recommendations regarding public and
9 private access, including law enforcement, to data collected and
10 stored for purposes of the road usage charge to ensure individual
11 privacy rights are protected.

12 (c) Jurisdictional issues.

13 (d) Feasibility.

14 (e) Complexity.

15 (f) Acceptance.

16 (g) Use of revenues.

17 (h) Security and compliance, including a discussion of
18 processes and security measures necessary to minimize fraud and tax
19 evasion rates.

20 (i) Data collection technology, including a discussion of the
21 advantages and disadvantages of various types of data collection
22 equipment and the privacy implications and considerations of the
23 equipment.

24 (j) Potential for additional driver services.

25 (k) Implementation issues.

26 (l) Equity.

27 (m) Differences between urban and rural areas, if any.

28 (5) Funds appropriated in part 1 for road usage charge study
29 shall be expended for a road usage charge study and are designated



1 as a work project appropriation. Any unencumbered or unallotted
2 funds shall not lapse at the end of the fiscal year and shall be
3 available for expenditures for projects under this section until
4 the projects have been completed. The following is in compliance
5 with section 451a of the management and budget act, 1984 PA 431,
6 MCL 18.1451a:

7 (a) The purpose of the project is to fund a road usage charge
8 study.

9 (b) The project will be accomplished by utilizing state
10 employees or contracts with service providers, or both.

11 (c) The total estimated cost of the project is \$5,000,000.00.

12 (d) The tentative completion date is December 31, 2026.

13 (6) As used in this section, "technical advisory committee"
14 means the road usage charge technical advisory committee.

15 Sec. 1007. (1) Funds appropriated in part 1 for infrastructure
16 projects shall be expended for infrastructure projects and are
17 designated as a work project appropriation. Any unencumbered or
18 unallotted funds shall not lapse at the end of the fiscal year and
19 shall be available for expenditures for projects under this section
20 until the projects have been completed. The following is in
21 compliance with section 451a of the management and budget act, 1984
22 PA 431, MCL 18.1451a:

23 (a) The purpose of the project is to fund infrastructure in
24 critical need.

25 (b) The project will be accomplished by utilizing state
26 employees or contracts with service providers, or both.

27 (c) The total estimated cost of the project is \$30,000,100.00.

28 (d) The tentative completion date is September 30, 2029.

29 (2) The funds described in subsection (1) must be divided



1 accordingly:

2 (a) \$1,000,000.00 for a road project to a city with a
3 population between 2,300 and 2,310 located in a county with a
4 population between 10,800 and 10,900 according to the latest
5 federal decennial census.

6 (b) \$2,200,000.00 for a tunnel to a township with a population
7 between 4,100 and 4,110 according to the latest federal decennial
8 census located in a county with a population between 26,000 and
9 27,000 according to the latest federal decennial census.

10 (c) \$5,000,000.00 for a road project to a city with a
11 population between 25,170 and 25,180 according to the latest
12 federal decennial census.

13 (d) \$100.00 to the rail grade separation fund.

14 (e) \$3,400,000.00 for road projects to a city with a
15 population between 14,720 and 14,730 according to the latest
16 federal decennial census.

17 (f) \$4,000,000.00 for a road project to a county with a
18 population between 79,000 to 80,000 according to the latest federal
19 decennial census.

20 (g) \$1,000,000.00 to a regional public transportation provider
21 serving not fewer than 3 counties with a combined population of
22 over 2,000,000 according to the latest federal decennial census for
23 bus stops and bus shelters along M-102 between Mound Road and Kelly
24 Road, M-97 between 8 Mile Road and Gratiot, and M-53 along the Van
25 Dyke corridor.

26 (h) \$2,320,000.00 for road repairs to a township with a
27 population between 20,020 to 20,030 according to the latest federal
28 decennial census.

29 (i) \$980,000.00 for road and intersection improvements to a



1 city with a population between 16,400 and 16,500 according to the
2 latest federal decennial census.

3 (j) \$6,600,000.00 for a pump station and roadway
4 rehabilitation to a city with a population between 47,700 and
5 47,800 according to the latest federal decennial census.

6 (k) \$2,000,000.00 for a bridge over a creek to a county with a
7 population above 1,700,000 according to the latest federal
8 decennial census.

9 (l) \$1,500,000.00 for a road reconstruction to a city with a
10 population between 34,000 and 35,000 according to the latest
11 federal decennial census.

