

**SUBSTITUTE FOR
HOUSE BILL NO. 5808**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2009; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; 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. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state

1 transportation department and certain state purposes designated in
 2 this act for the fiscal year ending September 30, 2009, from the
 3 funds indicated in this part. The following is a summary of the
 4 appropriations in this part:

5 **STATE TRANSPORTATION DEPARTMENT**

6 APPROPRIATION SUMMARY

7	Full-time equated unclassified positions.....	6.0	
8	Full-time equated classified positions.....	3,008.3	
9	GROSS APPROPRIATION.....		\$ 3,424,505,500
10	Total interdepartmental grants and intradepartmental		
11	transfers		0
12	ADJUSTED GROSS APPROPRIATION.....		\$ 3,424,505,500
13	Federal revenues:		
14	DOT, federal transit act.....		49,462,100
15	DOT-FHWA, highway research, planning, and construction		1,266,209,100
16	DOT-FRA, local rail service assistance.....		100,000
17	DOT-FRA, rail passenger/HSGT.....		1,000,000
18	Total federal revenues.....		1,316,771,200
19	Special revenue funds:		
20	Total local revenues.....		40,950,000
21	Total private revenues.....		0
22	Total local and private revenues.....		40,950,000
23	Blue Water Bridge fund.....		14,460,000
24	Comprehensive transportation fund.....		240,163,000
25	Economic development fund.....		57,315,000
26	Intercity bus equipment fund.....		1,000,000
27	Local bridge fund.....		31,336,800

1	Michigan transportation fund.....		1,014,250,400
2	Rail freight fund.....		2,000,000
3	State aeronautics fund.....		12,427,300
4	State trunkline fund.....		693,831,800
5	Total other state restricted revenues.....		2,066,784,300
6	State general fund/general purpose.....	\$	0
7	Sec. 102. DEBT SERVICE		
8	State trunkline.....	\$	139,253,700
9	Economic development.....		14,450,000
10	Local bridge fund.....		3,000,000
11	Blue Water Bridge fund.....		1,977,400
12	Airport safety and protection plan.....		3,430,900
13	Comprehensive transportation.....		<u>29,891,600</u>
14	GROSS APPROPRIATION.....	\$	192,003,600
15	Appropriated from:		
16	Federal revenues:		
17	DOT-FHWA, highway research, planning, and construction		22,783,300
18	Special revenue funds:		
19	Blue Water Bridge fund.....		1,977,400
20	Comprehensive transportation fund.....		29,891,600
21	Economic development fund.....		14,450,000
22	Local bridge fund.....		3,000,000
23	State aeronautics fund.....		3,430,900
24	State trunkline fund.....		116,470,400
25	State general fund/general purpose.....	\$	0
26	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY		
27	SUPPORT SERVICES		

1	MTF grant to department of environmental quality	\$	1,247,900
2	MTF grant to department of state for collection of		
3	revenue and fees		20,000,000
4	MTF grant to department of treasury		7,250,800
5	MTF grant to legislative auditor general		204,300
6	STF grant to department of attorney general		2,821,000
7	STF grant to civil service commission		5,044,100
8	STF grant to department of history, arts, and		
9	libraries		110,900
10	STF grant to department of management and budget		1,445,300
11	STF grant to department of state police		9,593,400
12	STF grant to department of treasury		180,200
13	STF grant to legislative auditor general		474,600
14	SAF grant to department of attorney general		157,700
15	SAF grant to civil service commission		56,000
16	SAF grant to department of history, arts, and		
17	libraries		2,500
18	SAF grant to department of management and budget		32,300
19	SAF grant to department of treasury		72,400
20	SAF grant to legislative auditor general		19,600
21	CTF grant to department of attorney general		159,800
22	CTF grant to civil service commission		95,000
23	CTF grant to department of history, arts, and		
24	libraries		3,900
25	CTF grant to department of management and budget		51,300
26	CTF grant to department of treasury		1,600
27	CTF grant to legislative auditor general		<u>25,200</u>

1	GROSS APPROPRIATION.....	\$	49,049,800
2	Appropriated from:		
3	Special revenue funds:		
4	Comprehensive transportation fund.....		336,800
5	Michigan transportation fund.....		28,703,000
6	State aeronautics fund.....		340,500
7	State trunkline fund.....		19,669,500
8	State general fund/general purpose.....	\$	0
9	Sec. 104. EXECUTIVE DIRECTION		
10	Full-time equated unclassified positions.....	6.0	
11	Full-time equated classified positions.....	31.3	
12	Unclassified salaries.....	\$	602,800
13	Asset management council.....		1,626,400
14	Commission audit--31.3 FTE positions.....		<u>3,513,100</u>
15	GROSS APPROPRIATION.....	\$	5,742,300
16	Appropriated from:		
17	Special revenue funds:		
18	Michigan transportation fund.....		1,626,400
19	State trunkline fund.....		4,115,900
20	State general fund/general purpose.....	\$	0
21	Sec. 105. BUSINESS SUPPORT		
22	Full-time equated classified positions.....	57.0	
23	Business support services--48.0 FTE positions.....	\$	5,973,700
24	Economic development and enhancement programs--9.0 FTE		
25	positions		1,155,300
26	Property management.....		7,972,400
27	Worker's compensation.....		<u>2,064,000</u>

1	GROSS APPROPRIATION.....	\$	17,165,400
2	Appropriated from:		
3	Special revenue funds:		
4	Comprehensive transportation fund.....		1,097,000
5	Economic development fund.....		495,700
6	Michigan transportation fund.....		179,600
7	State aeronautics fund.....		596,800
8	State trunkline fund.....		14,796,300
9	State general fund/general purpose.....	\$	0
10	Sec. 106. INFORMATION TECHNOLOGY		
11	Information technology services and projects.....	\$	<u>28,496,200</u>
12	GROSS APPROPRIATION.....	\$	28,496,200
13	Appropriated from:		
14	Federal revenues:		
15	DOT-FHWA, highway research, planning, and construction		500,300
16	Special revenue funds:		
17	Blue Water Bridge fund.....		46,800
18	Comprehensive transportation fund.....		183,500
19	Economic development fund.....		37,100
20	Michigan transportation fund.....		242,600
21	State aeronautics fund.....		143,200
22	State trunkline fund.....		27,342,700
23	State general fund/general purpose.....	\$	0
24	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES		
25	Full-time equated classified positions.....		242.5
26	Financial operations--80.0 FTE positions.....	\$	7,934,500
27	Contract services--52.6 FTE positions.....		5,059,700

1	Department services--41.9 FTE positions		5,273,000
2	Performance excellence--13.0 FTE positions		1,522,800
3	Welcome center operations--55.0 FTE positions		<u>4,896,500</u>
4	GROSS APPROPRIATION.....	\$	24,686,500
5	Appropriated from:		
6	Special revenue funds:		
7	Michigan transportation fund.....		1,804,000
8	State trunkline fund.....		22,882,500
9	State general fund/general purpose.....	\$	0
10	Sec. 108. TRANSPORTATION PLANNING		
11	Full-time equated classified positions.....	177.0	
12	Statewide planning services--125.0 FTE positions	\$	13,253,300
13	Data collection services--52.0 FTE positions		5,716,100
14	Specialized planning services and local studies		16,698,200
15	Grants to regional planning councils.....		<u>488,800</u>
16	GROSS APPROPRIATION.....	\$	36,156,400
17	Appropriated from:		
18	Federal revenues:		
19	DOT-FHWA, highway research, planning, and construction		22,000,000
20	Special revenue funds:		
21	Comprehensive transportation fund.....		960,300
22	Michigan transportation fund.....		6,304,500
23	State aeronautics fund.....		75,000
24	State trunkline fund.....		6,816,600
25	State general fund/general purpose.....	\$	0
26	Sec. 109. DESIGN AND ENGINEERING SERVICES		
27	Full-time equated classified positions.....	1,496.8	

1	Engineering services--787.1 FTE positions	\$	58,736,800
2	Program services--698.7 FTE positions		39,193,800
3	Intelligent transportation systems operations--11.0		
4	FTE positions		<u>10,097,900</u>
5	GROSS APPROPRIATION.....	\$	108,028,500
6	Appropriated from:		
7	Federal revenues:		
8	DOT-FHWA, highway research, planning, and construction		18,912,600
9	Special revenue funds:		
10	Michigan transportation fund.....		5,636,100
11	State trunkline fund.....		83,479,800
12	State general fund/general purpose.....	\$	0
13	Sec. 110. HIGHWAY MAINTENANCE		
14	Full-time equated classified positions..... 832.7		
15	State trunkline operations--832.7 FTE positions	\$	134,867,900
16	Contract operations.....		<u>149,860,300</u>
17	GROSS APPROPRIATION.....	\$	284,728,200
18	Appropriated from:		
19	Special revenue funds:		
20	State trunkline fund.....		284,728,200
21	State general fund/general purpose.....	\$	0
22	Sec. 111. ROAD AND BRIDGE PROGRAMS		
23	State trunkline federal aid and road and bridge		
24	construction	\$	1,043,058,100
25	Local federal aid and road and bridge construction...		309,592,000
26	Grants to local programs.....		33,000,000
27	Rail grade crossing.....		3,000,000

1	Local bridge program.....	28,336,800
2	County road commissions.....	598,102,100
3	Cities and villages.....	<u>333,468,700</u>
4	GROSS APPROPRIATION.....	\$ 2,348,557,700
5	Appropriated from:	
6	Federal revenues:	
7	DOT-FHWA, highway research, planning, and construction	1,202,012,900
8	Special revenue funds:	
9	Local funds.....	30,000,000
10	Blue Water Bridge fund.....	7,107,300
11	Local bridge fund.....	28,336,800
12	Michigan transportation fund.....	967,570,800
13	State trunkline fund.....	113,529,900
14	State general fund/general purpose.....	\$ 0
15	Sec. 112. BLUE WATER BRIDGE	
16	Full-time equated classified positions.....	41.0
17	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>5,328,500</u>
18	GROSS APPROPRIATION.....	\$ 5,328,500
19	Appropriated from:	
20	Special revenue funds:	
21	Blue Water Bridge fund.....	5,328,500
22	State general fund/general purpose.....	\$ 0
23	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT	
24	Forest roads.....	\$ 5,040,000
25	Rural county urban system.....	2,500,000
26	Target industries/economic redevelopment.....	19,146,000
27	Urban county congestion.....	7,823,100

1	Rural county primary.....		<u>7,823,100</u>
2	GROSS APPROPRIATION.....	\$	42,332,200
3	Appropriated from:		
4	Special revenue funds:		
5	Economic development fund.....		42,332,200
6	State general fund/general purpose.....	\$	0
7	Sec. 114. AERONAUTICS AND FREIGHT SERVICES		
8	Full-time equated classified positions.....	84.0	
9	Airport improvement services--30.0 FTE positions.....	\$	2,865,900
10	Aviation services--26.0 FTE positions.....		4,275,000
11	Freight and safety services--28.0 FTE positions.....		3,499,400
12	Air service program.....		<u>700,000</u>
13	GROSS APPROPRIATION.....	\$	11,340,300
14	Appropriated from:		
15	Special revenue funds:		
16	Comprehensive transportation fund.....		1,514,000
17	Michigan transportation fund.....		1,985,400
18	State aeronautics fund.....		7,840,900
19	State general fund/general purpose.....	\$	0
20	Sec. 115. PUBLIC TRANSPORTATION SERVICES		
21	Full-time equated classified positions.....	46.0	
22	Passenger transportation services--46.0 FTE positions	\$	<u>5,339,400</u>
23	GROSS APPROPRIATION.....	\$	5,339,400
24	Appropriated from:		
25	Federal revenues:		
26	DOT, federal transit act.....		762,100
27	Special revenue funds:		

1	Comprehensive transportation fund.....		4,379,300
2	Michigan transportation fund.....		198,000
3	State general fund/general purpose.....	\$	0
4	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
5	Local bus operating.....	\$	166,624,000
6	Nonurban operating/capital.....		<u>19,300,000</u>
7	GROSS APPROPRIATION.....	\$	185,924,000
8	Appropriated from:		
9	Federal revenues:		
10	DOT, federal transit act.....		18,500,000
11	Special revenue funds:		
12	Comprehensive transportation fund.....		166,624,000
13	Local funds.....		800,000
14	State general fund/general purpose.....	\$	0
15	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
16	Freight property management.....	\$	1,000,000
17	Detroit/Wayne County port authority.....		500,000
18	Intercity services.....		7,425,000
19	Rail passenger service.....		7,900,000
20	Freight preservation and development.....		5,092,900
21	Rail infrastructure loan program.....		300,000
22	Marine passenger service.....		400,000
23	Terminal development.....		<u>550,000</u>
24	GROSS APPROPRIATION.....	\$	23,167,900
25	Appropriated from:		
26	Federal revenues:		
27	DOT, federal transit act.....		4,500,000

1 GENERAL SECTIONS

2 Sec. 201. Pursuant to section 30 of article IX of the state
 3 constitution of 1963, total state spending from state resources
 4 under part 1 for fiscal year 2008-2009 is \$2,066,784,300.00 and
 5 state spending from state resources to be paid to local units of
 6 government for fiscal year 2008-2009 is \$1,195,050,700.00. The
 7 itemized statement below identifies appropriations from which
 8 spending to units of local government will occur:

9 DEPARTMENT OF TRANSPORTATION

10	Grants to local programs.....	\$	33,000,000
11	Economic development fund.....		23,186,200
12	Grants to cities and villages.....		333,468,700
13	Grants to county road commissions.....		598,102,100
14	Local bridge fund.....		28,336,800
15	Grants to regional planning councils.....		488,800
16	Local bus operating.....		166,624,000
17	Bus capital.....		9,403,000
18	Marine passenger service.....		400,000
19	Detroit/Wayne County port authority.....		500,000
20	Municipal credit program.....		2,000,000
21	Specialized services.....		4,100,100
22	Transportation to work.....		<u>4,844,000</u>
23	Total payments to local units of government.....	\$	1,195,050,700

24 Sec. 202. The appropriations authorized under this act are
 25 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 26 to 18.1594.

27 Sec. 203. As used in this act:

1 (a) "CTF" means comprehensive transportation fund.

2 (b) "Department" means the department of transportation.

3 (c) "DOT" means the United States department of
4 transportation.

5 (d) "DOT-FHWA" means DOT, federal highway administration.

6 (e) "DOT-FRA" means DOT, federal railroad administration.

7 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
8 administration, high-speed ground transportation.

9 (g) "EDF" means economic development fund.

10 (h) "FTE" means full-time equated.

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

12 (j) "RIF" means recreation improvement fund.

13 (k) "SAF" means state aeronautics fund.

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

15 Sec. 204. The department of civil service shall bill the
16 departments and agencies at the end of the first fiscal quarter for
17 the 1% charge authorized by section 5 of article XI of the state
18 constitution of 1963. Payments shall be made for the total amount
19 of the billing by the end of the second fiscal quarter.

20 Sec. 205. (1) A hiring freeze is imposed on the state
21 classified civil service. State departments and agencies are
22 prohibited from hiring any new full-time state classified civil
23 service employees and prohibited from filling any vacant state
24 classified civil service positions. This hiring freeze does not
25 apply to internal transfers of classified employees from 1 position
26 to another within a department.

27 (2) The state budget director may grant exceptions to this

1 hiring freeze when the state budget director believes that the
2 hiring freeze will result in rendering a state department or agency
3 unable to deliver basic services, causes loss of revenue to the
4 state, would result in the inability of the state to receive
5 federal funds, or would necessitate additional expenditures that
6 exceed any savings from maintaining a vacancy. The state budget
7 director shall report quarterly to the chairpersons of the senate
8 and house of representatives standing committees on appropriations
9 the number of exceptions to the hiring freeze approved during the
10 previous quarter and the reasons to justify the exception.

11 Sec. 206. (1) In addition to the funds appropriated in part 1,
12 there is appropriated an amount not to exceed \$200,000,000.00 for
13 federal contingency funds. These funds are not available for
14 expenditure until they have been transferred to another line item
15 in this act pursuant to section 393(2) of the management and budget
16 act, 1984 PA 431, MCL 18.1393.

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

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

1 PA 431, MCL 18.1393.

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

8 Sec. 207. At least 90 days before beginning any effort to
9 privatize, the department shall submit a complete project plan to
10 the appropriate senate and house of representatives appropriations
11 subcommittees and the senate and house fiscal agencies. The plan
12 shall include a cost-benefit analysis which demonstrates no less
13 than a 10% savings to the state for the work performed as well as
14 the criteria under which the privatization initiative will be
15 evaluated. The evaluation shall be completed and submitted to the
16 appropriate senate and house of representatives appropriations
17 subcommittees and the senate and house fiscal agencies within 6
18 months. As used in this section, "privatize" or "privatization"
19 means the transfer of state highway maintenance functions or
20 activities currently performed by department forces, or by boards
21 of county road commissioners, county boards of commissioners, or
22 local units of government under contract with the department, to
23 private contractors.

24 Sec. 208. Unless otherwise specified, the department shall use
25 the Internet to fulfill the reporting requirements of this act.
26 This requirement may include transmission of reports via electronic
27 mail to the recipients identified for each reporting requirement or

1 it may include placement of reports on an Internet or Intranet
2 site.

3 Sec. 209. Funds appropriated in part 1 shall not be used for
4 the purchase of foreign goods or services, or both, if
5 competitively priced and of comparable quality American goods or
6 services, or both, are available. Preference should be given to
7 goods or services, or both, manufactured or provided by Michigan
8 businesses, if they are competitively priced and of comparable
9 quality. In addition, preference should be given to goods or
10 services, or both, that are manufactured or provided by Michigan
11 businesses owned and operated by veterans, if they are
12 competitively priced and of comparable quality.

13 Sec. 210. The director of each department receiving
14 appropriations in part 1 may take all reasonable steps to ensure
15 businesses in deprived and depressed communities compete for and
16 perform contracts to provide services or supplies, or both. The
17 director shall encourage firms with which the department contracts
18 to subcontract with certified businesses in deprived and depressed
19 communities for services, supplies, or both.

20 Sec. 211. The departments and state agencies receiving
21 appropriations under this act shall receive and retain copies of
22 all reports funded from appropriations in part 1. These departments
23 and state agencies shall follow federal and state guidelines for
24 short-term and long-term retention of these reports and records.

25 Sec. 258. Amounts appropriated in part 1 for information
26 technology may be designated as work projects and carried forward
27 to support technology projects under the direction of the

1 department of information technology. Funds designated in this
2 manner are not available for expenditure until approved as work
3 projects under section 451a of the management and budget act, 1984
4 PA 431, MCL 18.1451a.

5 Sec. 259. From the funds appropriated in part 1 for
6 information technology, the department shall pay user fees to the
7 department of information technology for technology-related
8 services and projects. The user fees shall be subject to provisions
9 of an interagency agreement between the department and the
10 department of information technology.

11 Sec. 260. (1) Due to the current budgetary problems in this
12 state, out-of-state travel shall be limited to situations in which
13 1 or more of the following conditions apply:

14 (a) The travel is required by legal mandate or court order or
15 for law enforcement purposes.

16 (b) The travel is necessary to protect the health or safety of
17 Michigan citizens or visitors or to assist other states in similar
18 circumstances.

19 (c) The travel is necessary to produce budgetary savings or to
20 increase state revenues, including protecting existing federal
21 funds or securing additional federal funds.

22 (d) The travel is necessary to comply with federal
23 requirements.

24 (e) The travel is necessary to secure specialized training for
25 staff that is not available within this state.

26 (f) The travel is financed entirely by federal or nonstate
27 funds.

1 (2) If out-of-state travel is necessary but does not meet 1 or
2 more of the conditions in subsection (1), the state budget director
3 may grant an exception to allow the travel. Any exceptions granted
4 by the state budget director shall be reported on a monthly basis
5 to the house and senate appropriations committees.

6 (3) Not later than January 1 of each year, each department
7 shall prepare a travel report listing all travel by classified and
8 unclassified employees outside this state in the immediately
9 preceding fiscal year that was funded in whole or in part with
10 funds appropriated in the department's budget. The report shall be
11 submitted to the chairs and members of the house and senate
12 appropriations committees, the fiscal agencies, and the state
13 budget director. The report shall include the following
14 information:

15 (a) The name of each person receiving reimbursement for travel
16 outside this state or whose travel costs were paid by this state.

17 (b) The destination of each travel occurrence.

18 (c) The dates of each travel occurrence.

19 (d) A brief statement of the reason for each travel
20 occurrence.

21 (e) The transportation and related costs of each travel
22 occurrence, including the proportion funded with state general
23 fund/general purpose revenues, the proportion funded with state
24 restricted revenues, the proportion funded with federal revenues,
25 and the proportion funded with other revenues.

26 (f) A total of all out-of-state travel funded for the
27 immediately preceding fiscal year.

1 Sec. 261. A department or state agency shall not take
2 disciplinary action against an employee for communicating with a
3 member of the legislature or their staff.

4 Sec. 262. Funds appropriated in part 1 shall not be used by a
5 principal executive department, state agency, or authority to hire
6 a person to provide legal services that are the responsibility of
7 the attorney general. This prohibition does not apply to legal
8 services for bonding activities and for those activities that the
9 attorney general authorizes.

10 Sec. 264. The department shall continue its efforts to
11 implement continuous process improvement programs. On or before
12 March 1, 2009, the department shall report to the state budget
13 director, the house and senate appropriations subcommittees on
14 transportation, and the house and senate fiscal agencies on
15 department activities to increase efficiency in the delivery of
16 core programs. The report shall include a description of activities
17 of the performance excellence section in identifying and
18 implementing business process improvements.

19 DEPARTMENTAL SECTIONS

20 Sec. 301. (1) The department may establish a fee schedule and
21 collect fees sufficient to cover the costs to issue the permits
22 that the department is authorized by law to issue upon request, and
23 for fees associated with freedom of information requests. Unless
24 otherwise authorized by statute, all fee revenue shall be credited
25 to the state trunkline fund to recover the direct and indirect
26 costs of receiving, reviewing, and processing the requests.

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

11 Sec. 303. On request, the department shall provide to a
12 legislator, in writing, a report on the amount of money to be
13 received by each city and village and the county road commission of
14 each county, that is included in whole or in part within the
15 legislator's legislative district.

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

24 Sec. 305. The department shall permit space on public
25 passenger transportation properties to be occupied by public or
26 private tenants on a competitive market rate basis. The department
27 shall require that revenue from the tenants be placed in an account

1 to be used to pay the costs to maintain the property.

2 Sec. 306. (1) The amounts appropriated in section 103 to
3 support tax and fee collection, law enforcement, and other program
4 services provided to the department and to transportation funds by
5 other state departments shall be expended from transportation funds
6 pursuant to annual contracts between the department and those other
7 state departments. The contracts shall be executed prior to the
8 expenditure or obligation of those funds. The contracts shall
9 provide, but are not limited to, the following data applicable to
10 each state department.

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

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

14 (c) Detailed cost allocation methods appropriate to the type
15 of services being provided and the activities financed with
16 transportation funds.

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

1 report shall be subject to audit by the auditor general as provided
2 in subsection (4).

3 (3) In addition to the requirements of subsection (2), the
4 state treasurer shall develop a cost allocation plan to identify
5 the actual costs of work based on time and effort performed by the
6 Michigan department of treasury for state-restricted transportation
7 funds. The cost allocation plan shall specifically identify the
8 costs of collecting constitutionally restricted motor fuel taxes.
9 The cost allocation plan shall be submitted to the senate and house
10 of representatives standing committees on appropriations
11 subcommittees on general government, the senate and house fiscal
12 agencies, the auditor general, and the state budget director by
13 November 1. The cost allocation plan shall be subject to audit by
14 the auditor general.

15 (4) Biennially, in each even-numbered fiscal year, the auditor
16 general shall conduct an audit of charges to transportation funds
17 by state departments for the 2 preceding fiscal years. The audit
18 shall include both charges governed by interdepartmental contracts
19 as well as miscellaneous charges from other state departments not
20 governed by contracts. The auditor general shall prepare a detailed
21 report, with recommendations and conclusions, including a summary
22 of charges and related services to transportation funds by
23 department, the appropriateness of those charges, the cost
24 allocation methodologies used in determining the level of funding,
25 and any unreimbursed transportation-related costs, if any. The
26 report shall be provided to the senate and house of representatives
27 committees on appropriations, the senate and house fiscal agencies,

1 and the state budget director 9 months after publication of the
2 state of Michigan comprehensive annual financial report.

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

9 Sec. 308. The department and local road agencies that receive
10 appropriations under this act shall pursue compliance with contract
11 specifications for construction and maintenance of state highways
12 and local roads and streets. Work shall not be accepted and paid
13 for until it complies with contract requirements. Contractors with
14 unsatisfactory performance ratings shall be restricted from future
15 bidding through the prequalification process established by the
16 department or a local road agency. The department, county road
17 commissions, and cities and villages shall report to the house of
18 representatives and senate appropriations subcommittees on
19 transportation, the senate and house fiscal agencies, and the state
20 budget director on their respective activities under this section.

21 Sec. 309. The department shall reduce administrative costs and
22 provide the maximum funding possible for construction projects.

23 Sec. 310. The department shall provide in a timely manner
24 copies of the agenda and approved minutes of monthly transportation
25 commission meetings to the members of the house and senate
26 appropriations subcommittees on transportation, the house and
27 senate fiscal agencies, and the state budget director.

1 Sec. 312. At the close of the fiscal year, any unencumbered
2 and unexpended balance in the state trunkline fund shall remain in
3 the state trunkline fund and shall carry forward and is
4 appropriated for federal aid road and bridge programs for projects
5 contained in the annual state transportation program.

6 Sec. 313. (1) From funds appropriated in part 1, the
7 department may increase a state infrastructure bank program and
8 grant or loan funds in accordance with regulations of the state
9 infrastructure bank program of the United States department of
10 transportation. The state infrastructure bank is to be administered
11 by the department for the purpose of providing a revolving, self-
12 sustaining resource for financing transportation infrastructure
13 projects.

14 (2) In addition to funds provided in subsection (1), money
15 received by the state as federal grants, repayment of state
16 infrastructure bank loans, or other reimbursement or revenue
17 received by the state as a result of projects funded by the program
18 and interest earned on that money shall be deposited in the
19 revolving state infrastructure bank fund and shall be available for
20 transportation infrastructure projects. At the close of the fiscal
21 year, any unencumbered funds remaining in the state infrastructure
22 bank fund shall remain in the fund and be carried forward into the
23 succeeding fiscal year.

24 Sec. 314. The department shall provide a report prepared by
25 the department's internal auditor on the activities of the internal
26 auditor for the previous fiscal year. The report shall be due on
27 February 1 of each year and shall be submitted to the senate and

1 house of representatives appropriations committees, the senate and
2 house fiscal agencies, the director of the state budget office, and
3 the auditor general. This report shall include a list of all of the
4 following:

5 (a) All work activities conducted by the internal auditor,
6 including a listing of all audits, reviews, and investigations.

7 (b) The time charged to each work activity, including time
8 charged to each audit, review, or investigation.

9 (c) A listing of which audits, reviews, and investigations
10 have been completed and which audits, reviews, and investigations
11 have had reports of the results issued.

12 Sec. 319. The department shall post signs at each rest area to
13 identify the agency or contractor responsible for maintenance of
14 the rest area. The signs shall include a department telephone
15 number and shall indicate that unsafe or unclean conditions at the
16 rest area may be reported to that telephone number.

17 Sec. 324. From the funds appropriated in part 1, \$500,000.00
18 from the state trunkline fund shall be used for enhanced
19 construction zone traffic law enforcement and the "give 'em a
20 brake" campaign. The funding shall be used to reimburse law
21 enforcement agencies for costs associated with construction zone
22 traffic enforcement. The funding shall be provided based on
23 approved memoranda of understanding between the department and
24 participating law enforcement agencies.

25 Sec. 334. The department shall continue its program to
26 increase the use of women- and minority-owned businesses in state
27 and local road construction projects. This program shall comprise,

1 at a minimum, outreach and education efforts to inform women- and
2 minority-owned firms of department competitive bidding processes
3 and requirements, and an assessment of the availability of surety
4 for women- and minority-owned businesses. The department shall
5 report by September 30 of each year to the house and senate
6 appropriations subcommittees on transportation and the house and
7 senate fiscal agencies of its progress in complying with this
8 section.

9 Sec. 353. The department shall review its contractor payment
10 process and ensure that all prime contractors are paid promptly.
11 The department shall ensure that prime contractors are in
12 compliance with special provision 109.10 regarding the prompt
13 payment of subcontractors.

14 Sec. 357. When presented with complete local federal aid
15 project submittals, the department shall complete all necessary
16 reviews and inspections required to let local federal aid projects
17 within 120 days of receipt. The department shall implement a system
18 for monitoring the local federal aid project review process.

19 Sec. 361. The department will notify the senate and house
20 appropriations subcommittees on transportation, the senate and
21 house fiscal agencies, and the state budget director of any changes
22 to the services or function of the multi-modal transportation
23 services program as approved by the state transportation
24 commission.

25 Sec. 370. From the funds appropriated in part 1, the
26 department shall maintain a complaint process to enforce the
27 charter service prohibition contained in section 10e of 1951 PA 51,

1 MCL 247.660e. The complaint process shall be independent from the
2 charter service complaint process administered by the federal
3 department of transportation, federal transit administration under
4 49 CFR part 604. The process shall allow complainants to file
5 written complaints with the director, either through the United
6 States mail or through the department's Internet site. The process
7 shall allow complainants and respondents to provide evidence to the
8 director regarding the alleged complaint. The director shall
9 dispose of all complaints within 120 days after receipt.

10 Sec. 374. The department shall produce and distribute all
11 employee newsletters electronically.

12 Sec. 375. The department is prohibited from reimbursing
13 contractors or consultants for costs associated with groundbreaking
14 ceremonies, receptions, open houses, or press conferences related
15 to transportation projects funded, in whole or in part, by revenue
16 appropriated in part 1.

17 Sec. 376. No later than March 1 of each year, the department
18 shall report to the senate and house appropriations subcommittees
19 on transportation on the status of the 17 projects that were
20 initially deferred in the department's 5-year plan in 2003 and
21 subsequently restored.

22 Sec. 391. It is the intent of the legislature that there be
23 established within the department the position of deputy director
24 with responsibility for public transportation programs. The
25 position shall function as chief administrative officer for all
26 public transportation programs, as defined by section 10c of 1951
27 PA 51, MCL 247.600c, other than aeronautics programs.

House Bill No. 5808 (H-2) as amended March 20, 2008

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

4 (a) Transit vehicle rehabilitation to reduce life-cycle cost
5 of public transportation through mid-life rehabilitation of transit
6 buses.

7 (b) Coordination with the Michigan economic development
8 corporation to promote transition of bus fleets hybrid transit
9 vehicles with a view to promotion of fuel economy.

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

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

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

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House Bill No. 5808 (H-2) as amended March 20, 2008

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3 **FEDERAL**

4 Sec. 401. Within 30 days of receiving the applicable fiscal
5 year authorization from the federal government to commit
6 transportation funds, the department shall notify local agency
7 representatives, the senate and house of representatives
8 appropriations transportation subcommittees, the senate and house
9 fiscal agencies, and the state budget director regarding the amount
10 of federal aid for categorical allocations to state and local
11 agency programs not specifically allocated in either federal or
12 state law.

13 Sec. 402. A portion of the federal DOT-FHWA highway research,
14 planning, and construction funds made available to the state shall
15 be allocated to transportation programs administered by local
16 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
17 247.660o. A local road agency, with respect to a project approved
18 for federal aid funding in a state transportation improvement
19 program, may enter into a voluntary buyout agreement with the
20 department or with another local road agency to exchange the
21 federal aid with state restricted transportation funds as agreed to
22 by the respective parties. The state-restricted transportation
23 funds received in exchange for federal aid funds shall be used for
24 the same purpose as the federal aid funds were originally intended.

25 **MICHIGAN TRANSPORTATION FUND**

1 Sec. 501. The money received under the motor carrier act, 1933
2 PA 254, MCL 475.1 to 479.43, and not appropriated to the department
3 of labor and economic growth or the department of state police is
4 deposited in the Michigan transportation fund.

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

14 Sec. 503. (1) The funds appropriated in part 1 for the
15 economic development and local bridge programs shall not lapse at
16 the end of the fiscal year but shall carry forward each fiscal year
17 for the purposes for which appropriated in accordance with 1987 PA
18 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
19 247.660.

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

24 (3) The department of transportation economic development fund
25 and local bridge fund may receive and expend federal, local, or
26 private funds or restricted source funds such as interest earnings
27 for projects that are consistent with the programmatic mission of

1 the respective funds in addition to funds appropriated in part 1.

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

5 Sec. 504. Funds from the Michigan transportation fund (MTF)
6 shall be distributed to the comprehensive transportation fund
7 (CTF), the economic development fund (EDF), the recreation
8 improvement fund (RIF), and the state trunkline fund (STF), in
9 accordance with this act and part 711 of the natural resources and
10 environmental protection act, 1994 PA 451, MCL 324.71101 to
11 324.71108, and may only be used as specified in this act, 1951 PA
12 51, MCL 247.651 to 247.675, and part 711 of the natural resources
13 and environmental protection act, 1994 PA 451, MCL 324.71101 to
14 324.71108.

15 **STATE TRUNKLINE FUND**

16 Sec. 601. The department shall work with the road construction
17 industry and engineering consulting community to develop
18 performance and road construction warranties for construction
19 contracts. The development of warranties shall include warranties
20 on materials, workmanship, performance criteria, and design/build
21 projects. The department will report by September 30 of each
22 calendar year to the house of representatives and senate
23 appropriations subcommittees on transportation, the state budget
24 director, and the house and senate fiscal agencies on the status of
25 efforts to develop performance and road construction warranties.

26 Sec. 602. If the department uses manufactured pipe for road

1 construction drainage, the department shall require that pipe used
2 under certain load-bearing conditions beneath the roadway meets the
3 standards established by the American society for testing and
4 materials (ASTM) or American association of state highway and
5 transportation officials (AASHTO). The department may also use the
6 mandrel test for manufactured pipe 60 days after installation and
7 provide a summary of the results of these inspections to the house
8 of representatives and senate appropriations subcommittees on
9 transportation and house and senate fiscal agencies.

10 Sec. 603. The department shall use traffic congestion as 1 of
11 the criteria in determining the priorities for designating which
12 roads shall be remediated in its 5-year road plan, which must be
13 submitted on or before March 1 of each year. Criteria for
14 evaluating traffic congestion shall include, but not be limited to,
15 coordination with local, county, and regional planning, improvement
16 in traffic operations, improvement in physical roadway conditions,
17 accident reduction, and coordination with area public
18 transportation planning.

19 Sec. 607. It is the intent of the legislature that the
20 Michigan department of transportation work to add a southbound
21 entrance ramp at the interchange of I-75 at Corunna Road in the
22 charter township of Flint.

23 Sec. 608. From the amounts appropriated in part 1 for forest
24 roads from the transportation economic development fund, \$40,000.00
25 shall be used for the purpose of establishing 2 additional truck
26 inspection stations. The department shall work directly with
27 representatives of the timber industry to educate truck drivers on

1 the use of the stations. The department shall report on the status
2 of this program.

3 Sec. 610. It is the intent of the legislature that the
4 department have as a priority the removal of dead deer and other
5 large animal remains from the traveled portion and shoulder of
6 state highways. The department, and counties that perform state
7 highway maintenance under contract, shall remove animal remains,
8 wherever practicable, away from the traveled portion and shoulder
9 of state highways.

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

24 Sec. 615. It is the intent of the legislature that the
25 department shall proceed with the construction of a full
26 interchange at the intersection of M-48 and I-75 in Chippewa
27 County. It is the intent of the legislature that the department

1 develop design plans and award the construction contract for this
2 project during the fiscal year ending September 30, 2008.

3 Sec. 617. It is the intent of the legislature to reconstruct
4 the I-75 service drive from the underpass at I-696 to 9 Mile Road
5 in Hazel Park.

6 Sec. 654. It is the intent of the legislature that the
7 Mackinac Bridge Authority work to protect the long-term viability
8 of the Mackinac Bridge.

9 Sec. 659. For pavement projects for which there are no
10 Michigan actual historic project maintenance, repair, and
11 resurfacing schedules and costs as recorded by the pavement
12 management system, the department may use actual historical and
13 comparable data for equivalent designs from states with similar
14 climates, soil structures, and vehicle traffic.

15 COMPREHENSIVE TRANSPORTATION FUND

16 Sec. 701. Money that is received by the state as a lease
17 payment for state-owned intercity bus equipment is not money to be
18 deposited in the comprehensive transportation fund under section
19 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
20 an intercity bus equipment fund for appropriation for the purchase
21 and repair of intercity bus equipment. Proceeds received by the
22 state from the sale of intercity bus equipment are deposited in an
23 intercity bus equipment fund for appropriation for the purchase and
24 repair of intercity bus equipment. Security deposits from the lease
25 of state-owned intercity bus equipment not returned to the lessee
26 of the equipment under terms of the lease agreement are deposited

1 in an intercity bus equipment fund for appropriation for the repair
2 of intercity bus equipment. At the close of the fiscal year, any
3 funds remaining in the intercity bus equipment fund shall remain in
4 the fund and be carried forward into the succeeding fiscal year.

5 Sec. 702. Money that is received by the state as repayment for
6 loans made for rail or water freight capital projects, and as a
7 result of the sale of property or equipment used or projected to be
8 used for rail or water freight projects shall be deposited in the
9 fund created by section 17 of the state transportation preservation
10 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
11 year, any funds remaining in the rail freight fund shall remain in
12 the fund and be carried forward into the succeeding fiscal year.

13 Sec. 703. After receiving notification from a railroad company
14 pursuant to section 8 of the state transportation preservation act
15 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
16 notify the house of representatives and senate appropriations
17 subcommittees on transportation and the state budget office that
18 the railroad company has filed with the appropriate governmental
19 agencies for abandonment of a line.

20 Sec. 705. Funds appropriated in part 1 for the rail
21 infrastructure loan program shall be credited to the rail
22 infrastructure loan fund established in section 15a of the state
23 transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

24 Sec. 706. The Detroit/Wayne County port authority shall issue
25 a complete operations assessment and a financial disclosure
26 statement. The operations assessment shall include operational
27 goals for the next 5 years and recommendations to improve land

1 acquisition and development efficiency. The report shall be
 2 completed and submitted to the house of representatives and senate
 3 appropriations subcommittees on transportation, the state budget
 4 director, and the house and senate fiscal agencies by February 15
 5 of each fiscal year for the prior fiscal year.

6 Sec. 708. If funds appropriated in part 1 are used to provide
 7 state-owned or state-leased buses to private intercity bus
 8 carriers, the department shall charge not less than \$1,000.00 per
 9 bus per year for their use.

10 Sec. 709. (1) The following bus routes are designated as an
 11 essential corridor in Michigan:

12	Between St. Ignace and Escanaba	US-2
13	Between Escanaba and Duluth	US-2 through Ironwood to the
14		state line
15	Between Calumet and Escanaba	US-41
16	Between Escanaba and Milwaukee	US-41 through Menominee to
17		the state line
18	Between St. Ignace and	
19	Sault Ste. Marie	I-75
20	Between Detroit and Chicago	I-94 from Detroit to the
21		state line
22	Between Detroit and Muskegon	I-96
23	Between Grand Rapids, Holland,	
24	and Benton Harbor	I-196 to I-94
25	Between Muskegon and Grand	
26	Rapids	US-31, I-96
27	Between Detroit and Bay City	I-75

1	Between Bay City and Mount	
2	Pleasant	US-10, M-20
3	Between Jackson and Traverse	US-127, US-27, I-75,
4	City	Grayling,
5		Gaylord, M-72 to Traverse
6		City
7	Between Jackson and	I-69, I-94 to the state line
8	Indianapolis	through Albion, Marshall,
9		and Coldwater
10	Between Houghton Lake and	
11	Cadillac	M-55 and M-66
12	Between Detroit and Toledo	I-75 to the state line
13	Between the Indiana state line	
14	and Traverse City	US-31 and I-196
15	Between Detroit and Port Huron	I-375 and I-94
16	Between Toledo and Bay City	US-23, I-75, and I-675, I-75
17	Between Bay City and Chicago	I-75, Flint, I-69, I-94,
18		Battle Creek, I-94 to the
19		state line
20	Between Flint and Lansing	I-69, M-21, Owosso, M-52,
21		I-69
22	Between Bay City and St. Ignace	I-75, US-23
23	Between Grand Rapids and	US-131, Cadillac, M-115,
24	St. Ignace	Mesick, M-37 to Traverse
25		City, US-31, Acme, M-72,
26		Kalkaska, US-131, Boyne
27		Falls, M-75, Walloon Lake,

1 US-131, Petoskey, US-31,
2 I-75, St. Ignace

3 Between Kalamazoo and Grand

4 Rapids US-131

5 (2) Any changes to the essential corridor list in subsection
6 (1) shall be approved by the house and senate appropriations
7 subcommittees on transportation.

8 (3) No entity shall receive operating assistance for a
9 scheduled regular route service which is competing with another
10 private or public carrier over the same route.

11 Sec. 711. (1) From the funds appropriated in part 1 from the
12 comprehensive transportation fund for rail passenger service, the
13 department shall negotiate with a rail carrier to provide rail
14 service between Grand Rapids and Chicago and between Port Huron and
15 Chicago on a 7-day basis, consistent with the other provisions of
16 this section.

17 (2) Any state subsidy for rail passenger service between Grand
18 Rapids and Chicago and between Port Huron and Chicago shall not
19 exceed \$7,100,000.00.

20 (3) The rail carrier shall, as a condition to receiving a
21 state operating subsidy, maintain a system to monitor, collect, and
22 resolve customer complaints and shall make the information
23 available to the department, the house and senate appropriations
24 subcommittees on transportation, and the house and senate fiscal
25 agencies.

26 (4) Future state support for the service between Grand Rapids
27 and Chicago and Port Huron and Chicago is dependent on the

1 department's ability to provide a plan and a contract for services
2 that increase ridership and revenue, reduce operating costs, and
3 improve on-time performance.

4 (5) No state subsidy shall be provided from the funds
5 appropriated in part 1 if the chosen rail carrier is Amtrak and
6 Amtrak discontinued service or any portion of the service between
7 Port Huron and Chicago or Grand Rapids and Chicago during the
8 preceding fiscal year, unless the discontinuance of service was for
9 track maintenance or was caused by acts of God.

10 Sec. 714. (1) The department, in cooperation with local
11 transit agencies, shall work to ensure that demand-response
12 services are provided throughout Michigan. The department shall
13 continue to work with local units of government to address the
14 unmet transit needs in Michigan.

15 (2) The department shall report by March 1 of each year on its
16 efforts to implement this section over the past 2 years.

17 Sec. 721. For federal transit administration bus acquisition
18 capital grants matched with CTF funds appropriated in part 1,
19 transit agencies shall have 4 years from the federal approval date
20 to carry out their projects. Contract line items unobligated 4
21 years after the federal approval date may be matched with CTF funds
22 only up to 15% in the fifth and subsequent years. "Unobligated"
23 means any line item in the contract that is not committed to a
24 third party or purchase order. A waiver shall be granted by the
25 department for an additional year with documented justification
26 from the transit agency accompanied by a resolution from the board
27 or authority seeking a waiver. If a transit agency does not carry

1 out a line item activity in a specific authorization and the
2 transit agency requests funds in a new authorization for that same
3 activity, the line item shall be matched at up to 15%. This section
4 applies only to bus acquisition capital grants. Lapsed funds under
5 this section shall remain in the CTF.

6 Sec. 722. From the funds appropriated in part 1 for
7 transportation to work from the CTF, sufficient funds shall be used
8 as a match for job access reverse commute grants for local transit
9 agencies.

10 Sec. 729. From the funds appropriated in part 1 for intercity
11 services, \$100,000.00 shall be used for lost ridership support
12 and/or marketing efforts to increase awareness of intercity bus
13 service, increase ridership on intercity bus carriers, and improve
14 coordination of intercity bus service in Michigan.

15 Sec. 730. The department shall sell all state-owned intercity
16 bus equipment within 6 months of termination of lease agreements
17 with intercity bus carriers. The proceeds from the sale of state-
18 owned intercity bus equipment under this section shall be deposited
19 in the intercity bus equipment fund, consistent with section 701.

20 Sec. 731. The department shall charge public transit agencies
21 and intercity bus carriers equal rates per square foot for leasing
22 space in state-owned intermodal facilities.

23 Sec. 734. (1) The department shall ensure that all public
24 transit agencies provide the highest quality public transit service
25 by moving people in a cost-effective, safe, and user-friendly
26 manner that maintains and attracts residents and businesses.

27 (2) Public transit agencies receiving funds under part 1 shall

1 do all of the following:

2 (a) Provide efficient, cost-effective, safe, well-maintained,
3 reliable, customer-driven transportation services.

4 (b) Provide a quality work environment that has and fulfills
5 employee performance, productivity, and development standards.

6 (c) Identify and capture all available funding or create cost-
7 effective programs to eliminate debt and have a balanced budget.

8 (d) Maintain sufficient local and community funding.

9 (e) Support business development by providing transportation
10 to areas of employment and commerce, emerging or established
11 businesses, and health care facilities.

12 Sec. 736. From the funds appropriated in part 1, the
13 department shall work with intercity rail and bus passenger
14 carriers to coordinate intercity passenger transportation in
15 Michigan. The department shall assist in the coordination of
16 intercity routes, schedules, and facilities.

17 Sec. 740. The department shall report by March 1 of each year
18 to the house of representatives and senate appropriations
19 subcommittees on transportation, the house and senate fiscal
20 agencies, and the state budget director the encumbered and
21 unencumbered balances of the comprehensive transportation fund.

22 AERONAUTICS FUND

23 Sec. 801. At the close of the fiscal year, any unobligated and
24 unexpended balance in the state aeronautics fund created in the
25 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
26 to 259.208, shall lapse to the state aeronautics fund and be

1 appropriated by the legislature in the immediately succeeding
2 fiscal year.