

**SENATE 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

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

6 **STATE TRANSPORTATION DEPARTMENT**

7 APPROPRIATION SUMMARY:

8	Full-time equated unclassified positions.....	6.0	
9	Full-time equated classified positions.....	3,008.3	
10	GROSS APPROPRIATION.....		\$ 3,593,997,200
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and intradepartmental		
13	transfers		0
14	ADJUSTED GROSS APPROPRIATION.....		\$ 3,593,997,200
15	Federal revenues:		
16	DOT, federal transit act.....		49,462,100
17	DOT, federal aviation administration.....		133,024,600
18	DOT-FHWA, highway research, planning, and construction		1,266,209,100
19	DOT-FRA, local rail service assistance.....		100,000
20	DOT-FRA, rail passenger/HSGT.....		1,000,000
21	Total federal revenues.....		1,449,795,800
22	Special revenue funds:		
23	Local funds.....		71,624,200
24	Total local revenues.....		71,624,200
25	Total private revenues.....		0
26	Blue Water Bridge fund.....		14,460,000
27	Comprehensive transportation fund.....		240,163,000

1	Economic development fund.....		57,315,000
2	Intercity bus equipment fund.....		1,000,000
3	Local bridge fund.....		31,336,800
4	Michigan transportation fund.....		1,014,250,400
5	Rail freight fund.....		2,000,000
6	State aeronautics fund.....		16,220,200
7	State trunkline fund.....		693,831,800
8	Transit innovation fund.....		2,000,000
9	Total other state restricted revenues.....		2,072,577,200
10	State general fund/general purpose.....	\$	0
11	TOTAL STATE SPENDING.....	\$	2,072,577,200
12	Sec. 102. DEBT SERVICE		
13	State trunkline.....	\$	139,253,700
14	Economic development.....		14,450,000
15	Local bridge fund.....		3,000,000
16	Blue Water Bridge.....		1,977,400
17	Airport safety and protection plan.....		3,430,900
18	Comprehensive transportation.....		<u>29,891,600</u>
19	GROSS APPROPRIATION.....	\$	192,003,600
20	Appropriated from:		
21	Federal revenues:		
22	DOT-FHWA, highway research, planning, and construction		22,783,300
23	Special revenue funds:		
24	Blue Water Bridge fund.....		1,977,400
25	Comprehensive transportation fund.....		29,891,600
26	Economic development fund.....		14,450,000
27	Local bridge fund.....		3,000,000

1	State aeronautics fund.....		3,430,900
2	State trunkline fund.....		116,470,400
3	State general fund/general purpose.....	\$	0
4	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS		
5	Michigan transportation fund (MTF)		
6	MTF grant to department of environmental quality.....	\$	1,247,900
7	MTF grant to department of state for collection of		
8	revenue and fees		20,000,000
9	MTF grant to department of treasury.....		7,250,800
10	MTF grant to legislative auditor general.....		204,300
11	State trunkline fund (STF)		
12	STF grant to department of attorney general.....		2,821,100
13	STF grant to department of civil service.....		5,044,000
14	STF grant to department of history, arts, and		
15	libraries		110,900
16	STF grant to department of management and budget.....		1,445,300
17	STF grant to department of state police.....		9,593,400
18	STF grant to department of treasury.....		180,200
19	STF grant to legislative auditor general.....		474,600
20	State aeronautics fund (SAF)		
21	SAF grant to department of attorney general.....		157,700
22	SAF grant to department of civil service.....		56,000
23	SAF grant to department of history, arts, and		
24	libraries		2,500
25	SAF grant to department of management and budget.....		32,300
26	SAF grant to department of treasury.....		72,400
27	SAF grant to legislative auditor general.....		19,600

1	Comprehensive transportation fund (CTF)	
2	CTF grant to attorney general.....	159,800
3	CTF grant to department of civil service.....	95,000
4	CTF grant to department of history, arts, and	
5	libraries	3,900
6	CTF grant to department of management and budget.....	51,300
7	CTF grant to department of treasury.....	1,600
8	CTF grant to legislative auditor general.....	<u>25,200</u>
9	GROSS APPROPRIATION.....	\$ 49,049,800
10	Appropriated from:	
11	Special revenue funds:	
12	Comprehensive transportation fund.....	336,800
13	Michigan transportation fund.....	28,703,000
14	State aeronautics fund.....	340,500
15	State trunkline fund.....	19,669,500
16	State general fund/general purpose.....	\$ 0
17	Sec. 104. EXECUTIVE DIRECTION	
18	Full-time equated unclassified positions..... 6.0	
19	Full-time equated classified positions..... 31.3	
20	Unclassified salaries.....	\$ 602,800
21	Asset management council.....	1,626,400
22	Commission audit--31.3 FTE positions.....	<u>3,513,100</u>
23	GROSS APPROPRIATION.....	\$ 5,742,300
24	Appropriated from:	
25	Special revenue funds:	
26	Michigan transportation fund.....	1,626,400
27	State trunkline fund.....	4,115,900

1	State general fund/general purpose.....	\$	0
2	Sec. 105. BUSINESS SUPPORT		
3	Full-time equated classified positions.....	57.0	
4	Business support services--48.0 FTE positions.....	\$	5,973,700
5	Economic development and enhancement programs--9.0		
6	FTE positions		1,155,300
7	Property management.....		7,972,400
8	Worker's compensation.....		<u>2,064,000</u>
9	GROSS APPROPRIATION.....	\$	17,165,400
10	Appropriated from:		
11	Special revenue funds:		
12	Comprehensive transportation fund.....		1,097,000
13	Economic development fund.....		495,700
14	Michigan transportation fund.....		179,600
15	State aeronautics fund.....		596,800
16	State trunkline fund.....		14,796,300
17	State general fund/general purpose.....	\$	0
18	Sec. 106. INFORMATION TECHNOLOGY		
19	Information technology services and projects.....	\$	<u>28,496,200</u>
20	GROSS APPROPRIATION.....	\$	28,496,200
21	Appropriated from:		
22	Federal revenues:		
23	DOT-FHWA, highway research, planning, and construction		500,300
24	Special revenue funds:		
25	Blue Water Bridge fund.....		46,800
26	Comprehensive transportation fund.....		183,500
27	Economic development fund.....		37,100

1	Michigan transportation fund.....		242,600
2	State aeronautics fund.....		143,200
3	State trunkline fund.....		27,342,700
4	State general fund/general purpose.....	\$	0
5	Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES		
6	Full-time equated classified positions.....	242.5	
7	Financial and contractual services		
8	Financial operations--80.0 FTE positions.....	\$	7,934,500
9	Contract services--52.6 FTE positions.....		5,059,700
10	Departmental services--41.9 FTE positions.....		5,273,000
11	Performance excellence--13.0 FTE positions.....		1,522,800
12	Welcome center operations--55.0 FTE positions.....		<u>4,896,500</u>
13	GROSS APPROPRIATION.....	\$	24,686,500
14	Appropriated from:		
15	Special revenue funds:		
16	Michigan transportation fund.....		1,804,000
17	State trunkline fund.....		22,882,500
18	State general fund/general purpose.....	\$	0
19	Sec. 108. TRANSPORTATION PLANNING		
20	Full-time equated classified positions.....	177.0	
21	Statewide planning services--125.0 FTE positions.....	\$	13,253,300
22	Data collection services--52.0 FTE positions.....		5,716,100
23	Specialized planning services and local studies.....		16,698,200
24	Grants to regional planning councils.....		<u>488,800</u>
25	GROSS APPROPRIATION.....	\$	36,156,400
26	Appropriated from:		
27	Federal revenues:		

1	DOT-FHWA, highway research, planning, and construction		22,000,000
2	Special revenue funds:		
3	Comprehensive transportation fund.....		960,300
4	Michigan transportation fund.....		6,304,500
5	State aeronautics fund.....		75,000
6	State trunkline fund.....		6,816,600
7	State general fund/general purpose.....	\$	0
8	Sec. 109. DESIGN AND ENGINEERING SERVICES		
9	Full-time equated classified positions.....	1,496.8	
10	Engineering services--787.1 FTE positions.....	\$	58,736,800
11	Program services--698.7 FTE positions.....		39,193,800
12	Intelligent transportation systems operations--11.0		
13	FTE positions		<u>10,097,900</u>
14	GROSS APPROPRIATION.....	\$	108,028,500
15	Appropriated from:		
16	Federal revenues:		
17	DOT-FHWA, highway research, planning, and construction		18,912,600
18	Special revenue funds:		
19	Michigan transportation fund.....		5,636,100
20	State trunkline fund.....		83,479,800
21	State general fund/general purpose.....	\$	0
22	Sec. 110. HIGHWAY MAINTENANCE		
23	Full-time equated classified positions.....	832.7	
24	State trunkline operations--832.7 FTE positions.....	\$	134,867,900
25	Contract operations.....		<u>149,860,300</u>
26	GROSS APPROPRIATION.....	\$	284,728,200
27	Appropriated from:		

1	Special revenue funds:	
2	State trunkline fund.....	284,728,200
3	State general fund/general purpose.....	\$ 0
4	Sec. 111. ROAD AND BRIDGE PROGRAMS	
5	State trunkline federal aid and road and bridge	
6	construction	\$ 1,043,058,100
7	Local federal aid and road and bridge construction ...	309,592,000
8	Grants to local programs.....	33,000,000
9	Rail grade crossing.....	3,000,000
10	Local bridge program.....	28,336,800
11	County road commissions.....	598,102,100
12	Cities and villages.....	<u>333,468,700</u>
13	GROSS APPROPRIATION.....	\$ 2,348,557,700
14	Appropriated from:	
15	Federal revenues:	
16	DOT-FHWA, highway research, planning, and construction	1,202,012,900
17	Special revenue funds:	
18	Local funds.....	30,000,000
19	Blue Water Bridge fund.....	7,107,300
20	Local bridge fund.....	28,336,800
21	Michigan transportation fund.....	967,570,800
22	State trunkline fund.....	113,529,900
23	State general fund/general purpose.....	\$ 0
24	Sec. 112. BLUE WATER BRIDGE	
25	Full-time equated classified positions..... 41.0	
26	Blue Water Bridge operations--41.0 FTE positions	\$ <u>5,328,500</u>
27	GROSS APPROPRIATION.....	\$ 5,328,500

1	Appropriated from:		
2	Special revenue funds:		
3	Blue Water Bridge fund.....		5,328,500
4	State general fund/general purpose.....	\$	0
5	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND		
6	Forest roads.....	\$	5,040,000
7	Rural county urban system.....		2,500,000
8	Target industries/economic redevelopment.....		19,146,000
9	Urban county congestion.....		7,823,100
10	Rural county primary.....		<u>7,823,100</u>
11	GROSS APPROPRIATION.....	\$	42,332,200
12	Appropriated from:		
13	Special revenue funds:		
14	Economic development fund.....		42,332,200
15	State general fund/general purpose.....	\$	0
16	Sec. 114. AERONAUTICS AND FREIGHT SERVICES		
17	Full-time equated classified positions.....		84.0
18	Airport improvement services--30.0 FTE positions.....	\$	2,865,900
19	Aviation services--26.0 FTE positions.....		4,275,000
20	Freight and safety services--28.0 FTE positions.....		3,499,400
21	Air service program.....		<u>700,000</u>
22	GROSS APPROPRIATION.....	\$	11,340,300
23	Appropriated from:		
24	Special revenue funds:		
25	Comprehensive transportation fund.....		1,514,000
26	Michigan transportation fund.....		1,985,400
27	State aeronautics fund.....		7,840,900

1	State general fund/general purpose.....	\$	0
2	Sec. 115. PUBLIC TRANSPORTATION SERVICES		
3	Full-time equated classified positions.....		46.0
4	Passenger transportation services--46.0 FTE positions	\$	<u>5,339,400</u>
5	GROSS APPROPRIATION.....	\$	5,339,400
6	Appropriated from:		
7	Federal revenues:		
8	DOT, federal transit act.....		762,100
9	Special revenue funds:		
10	Comprehensive transportation fund.....		4,379,300
11	Michigan transportation fund.....		198,000
12	State general fund/general purpose.....	\$	0
13	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
14	Local bus operating.....	\$	166,624,000
15	Nonurban operating/capital.....		<u>19,300,000</u>
16	GROSS APPROPRIATION.....	\$	185,924,000
17	Appropriated from:		
18	Federal revenues:		
19	DOT, federal transit act.....		18,500,000
20	Special revenue funds:		
21	Local funds.....		800,000
22	Comprehensive transportation fund.....		166,624,000
23	State general fund/general purpose.....	\$	0
24	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
25	Freight property management.....	\$	1,000,000
26	Detroit/Wayne County port authority.....		500,000
27	Intercity Services.....		7,425,000

1	Rail passenger service.....	7,900,000
2	Freight preservation and development.....	5,092,900
3	Rail infrastructure loan program.....	300,000
4	Marine passenger services.....	400,000
5	Terminal development.....	<u>550,000</u>
6	GROSS APPROPRIATION.....	\$ 23,167,900
7	Appropriated from:	
8	Federal revenues:	
9	DOT, federal transit act.....	4,500,000
10	DOT-FRA, local rail service assistance.....	100,000
11	DOT-FRA, rail passenger/HSGT.....	1,000,000
12	Special revenue funds:	
13	Local funds.....	50,000
14	Comprehensive transportation fund.....	14,517,900
15	Intercity bus equipment fund.....	1,000,000
16	Rail freight fund.....	2,000,000
17	State general fund/general purpose.....	\$ 0
18	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
19	Specialized services.....	\$ 9,500,100
20	Municipal credit program.....	2,000,000
21	Bus capital.....	34,403,000
22	Transit innovation grants.....	2,000,000
23	Van pooling.....	195,000
24	Service initiatives.....	1,116,500
25	Transportation to work.....	<u>9,244,000</u>
26	GROSS APPROPRIATION.....	\$ 58,458,600
27	Appropriated from:	

1	Federal revenues:	
2	DOT, federal transit act.....	25,700,000
3	Special revenue funds:	
4	Local funds.....	10,100,000
5	Transit innovation fund.....	2,000,000
6	Comprehensive transportation fund.....	20,658,600
7	State general fund/general purpose.....	\$ 0
8	Sec. 119. AIRPORT IMPROVEMENT PROGRAMS	
9	Airport safety, protection, and improvement program..	\$ <u>167,491,700</u>
10	GROSS APPROPRIATION.....	\$ 167,491,700
11	Appropriated from:	
12	Federal revenues:	
13	DOT, federal aviation administration.....	133,024,600
14	Special revenue funds:	
15	Local funds.....	30,674,200
16	State aeronautics fund.....	3,792,900
17	State general fund/general purpose.....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

21 Sec. 201. Pursuant to section 30 of article IX of the state
 22 constitution of 1963, total state spending from state resources
 23 under part 1 for fiscal year 2008-2009 is \$2,072,577,200.00 and
 24 state spending from state resources to be paid to local units of
 25 government for fiscal year 2008-2009 is \$1,208,246,600.00. The

1 itemized statement below identifies appropriations from which
2 spending to units of local government will occur:

3 DEPARTMENT OF TRANSPORTATION

4	Grants to local programs.....	\$	33,000,000
5	Economic development fund.....		23,186,200
6	Grants to cities and villages.....		333,468,700
7	Grants to county road commissions.....		598,102,100
8	Local bridge fund.....		28,336,800
9	Grants to regional planning councils.....		488,800
10	Local bus operating.....		166,624,000
11	Bus capital.....		9,403,000
12	Marine passenger service.....		400,000
13	Detroit/Wayne County port authority.....		500,000
14	Municipal credit program.....		2,000,000
15	Specialized services.....		4,100,100
16	Transportation to work.....		4,844,000
17	Airport safety, protection, and improvement		
18	program.....		<u>3,792,900</u>
19	Total payments to local units of government.....	\$	1,208,246,600

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

23 Sec. 203. As used in this act:

- 24 (a) "CTF" means comprehensive transportation fund.
- 25 (b) "Department" means the department of transportation.
- 26 (c) "DOT" means the United States department of
- 27 transportation.

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

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

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

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

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

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

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

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

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

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

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

23 (2) The state budget director may grant exceptions to this
24 hiring freeze when the state budget director believes that the
25 hiring freeze will result in rendering a state department or agency
26 unable to deliver basic services, causes loss of revenue to the
27 state, would result in the inability of the state to receive

1 federal funds, or would necessitate additional expenditures that
2 exceed any savings from maintaining a vacancy. The state budget
3 director shall report quarterly to the chairpersons of the senate
4 and house of representatives standing committees on appropriations
5 the number of exceptions to the hiring freeze approved during the
6 previous quarter and the reasons to justify the exception.

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

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

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

25 (4) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$1,000,000.00 for private
27 contingency funds. These funds are not available for expenditure

1 until they have been transferred to another line item in this act
2 pursuant to section 393(2) of the management and budget act, 1984
3 PA 431, MCL 18.1393.

4 Sec. 208. Unless otherwise specified, the department shall use
5 the Internet to fulfill the reporting requirements of this act.
6 This requirement may include transmission of reports via electronic
7 mail to the recipients identified for each reporting requirement or
8 it may include placement of reports on an Internet or Intranet
9 site.

10 Sec. 209. Funds appropriated in part 1 shall not be used for
11 the purchase of foreign goods or services, or both, if
12 competitively priced and of comparable quality American goods or
13 services, or both, are available. Preference should be given to
14 goods or services, or both, manufactured or provided by Michigan
15 businesses, if they are competitively priced and of comparable
16 quality. In addition, preference should be given to goods or
17 services, or both, that are manufactured or provided by Michigan
18 businesses owned and operated by veterans, if they are
19 competitively priced and of comparable quality.

20 Sec. 210. The director of each department receiving
21 appropriations in part 1 may take all reasonable steps to ensure
22 businesses in deprived and depressed communities compete for and
23 perform contracts to provide services or supplies, or both. The
24 director shall encourage firms with which the department contracts
25 to subcontract with certified businesses in deprived and depressed
26 communities for services, supplies, or both.

27 Sec. 211. The departments and state agencies receiving

1 appropriations under this act shall receive and retain copies of
2 all reports funded from appropriations in part 1. These departments
3 and state agencies shall follow federal and state guidelines for
4 short-term and long-term retention of these reports and records.

5 Sec. 258. Amounts appropriated in part 1 for information
6 technology may be designated as work projects and carried forward
7 to support technology projects under the direction of the
8 department of information technology. Funds designated in this
9 manner are not available for expenditure until approved as work
10 projects under section 451a of the management and budget act, 1984
11 PA 431, MCL 18.1451a.

12 Sec. 259. From the funds appropriated in part 1 for
13 information technology, the department shall pay user fees to the
14 department of information technology for technology-related
15 services and projects. The user fees shall be subject to provisions
16 of an interagency agreement between the department and the
17 department of information technology.

18 Sec. 260. (1) Due to the current budgetary problems in this
19 state, out-of-state travel shall be limited to situations in which
20 1 or more of the following conditions apply:

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

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

26 (c) The travel is necessary to produce budgetary savings or to
27 increase state revenues, including protecting existing federal

1 funds or securing additional federal funds.

2 (d) The travel is necessary to comply with federal
3 requirements.

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

6 (f) The travel is financed entirely by federal or nonstate
7 funds.

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

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

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

24 (b) The destination of each travel occurrence.

25 (c) The dates of each travel occurrence.

26 (d) A brief statement of the reason for each travel
27 occurrence.

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

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

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

11 Sec. 262. Funds appropriated in part 1 shall not be used by a
12 principal executive department, state agency, or authority to hire
13 a person to provide legal services that are the responsibility of
14 the attorney general. This prohibition does not apply to legal
15 services for bonding activities and for those activities that the
16 attorney general authorizes.

17 Sec. 263. (1) The department shall report no later than April
18 1, 2009 on each specific policy change made to implement a public
19 act affecting the department that took effect during the prior
20 calendar year to the house and senate appropriations subcommittees
21 on the budget for the department, the joint committee on
22 administrative rules, and the senate and house fiscal agencies.

23 (2) Funds appropriated in part 1 shall not be used by the
24 department to adopt a rule that will apply to a small business and
25 that will have a disproportionate economic impact on small
26 businesses because of the size of those businesses if the
27 department fails to reduce the disproportionate economic impact of

1 the rule on small businesses as provided under section 40 of the
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

3 (3) As used in this section:

4 (a) "Rule" means that term as defined under section 7 of the
5 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

6 (b) "Small business" means that term as defined under section
7 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
8 24.207a.

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

18 Sec. 265. The department shall not approve the travel of more
19 than 1 departmental employee to a specific professional development
20 conference or training seminar that is located outside of this
21 state. The only exception to this travel restriction involves a
22 professional development conference or training seminar that is
23 funded by a federal or private funding source and requires more
24 than 1 person from a department to attend.

25 Sec. 266. From the funds appropriated in part 1, the
26 department shall develop, post, and maintain, on a publicly
27 accessible Internet site, all expenditures made by the department

1 within the fiscal year. The posting required under this section
2 shall include the purpose for which each expenditure is made.

3 **DEPARTMENTAL SECTIONS**

4 Sec. 301. (1) The department may establish a fee schedule and
5 collect fees sufficient to cover the costs to issue the permits
6 that the department is authorized by law to issue upon request, and
7 for fees associated with freedom of information requests. Unless
8 otherwise authorized by statute, all fee revenue shall be credited
9 to the state trunkline fund to recover the direct and indirect
10 costs of receiving, reviewing, and processing the requests.

11 (2) A bridge authority shall hold 3 public hearings on an
12 increase in any toll charged by the authority at least 30 days
13 before the toll change will become effective. Two of the hearings
14 shall be held within 5 miles of the bridge over which the bridge
15 authority has jurisdiction. One hearing shall be held in Lansing.
16 Public hearings held under this section shall be conducted in
17 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
18 15.275, and shall be conducted so as to provide a reasonable
19 opportunity for public comment, including both spoken and written
20 comments.

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

26 Sec. 304. If, as a requirement of bidding on a highway

1 project, the department requires a contractor to submit financial
2 or proprietary documentation as to how the bid was calculated, that
3 bid documentation shall be kept confidential and shall not be
4 disclosed other than to a department representative without the
5 contractor's written consent. The department may disclose the bid
6 documentation if necessary to address or defend a claim by a
7 contractor.

8 Sec. 305. The department shall permit space on public
9 passenger transportation properties to be occupied by public or
10 private tenants on a competitive market rate basis. The department
11 shall require that revenue from the tenants be placed in an account
12 to be used to pay the costs to maintain the property.

13 Sec. 306. (1) The amounts appropriated in section 103 to
14 support tax and fee collection, law enforcement, and other program
15 services provided to the department and to transportation funds by
16 other state departments shall be expended from transportation funds
17 pursuant to annual contracts between the department and those other
18 state departments. The contracts shall be executed prior to the
19 expenditure or obligation of those funds. The contracts shall
20 provide, but are not limited to, the following data applicable to
21 each state department.

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

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

25 (c) Detailed cost allocation methods appropriate to the type
26 of services being provided and the activities financed with
27 transportation funds.

1 (2) Not later than 2 months after publication of the state of
2 Michigan comprehensive annual financial report, each state
3 department receiving funding pursuant to an interdepartment
4 contract with the department shall submit a written report to the
5 department, the state budget director, and the house and senate
6 fiscal agencies stating by spending authorization account the
7 amount of estimated funds contracted with the department, the
8 amount of funds expended, the amount of funds returned to the
9 transportation funds, and any unreimbursed transportation-related
10 costs incurred but not billed to transportation funds. A copy of
11 the report shall be submitted to the auditor general, and the
12 report shall be subject to audit by the auditor general as provided
13 in subsection (4).

14 (3) In addition to the requirements of subsection (2), the
15 state treasurer shall develop a cost allocation plan to identify
16 the actual costs of work based on time and effort performed by the
17 Michigan department of treasury for state-restricted transportation
18 funds. The cost allocation plan shall specifically identify the
19 costs of collecting constitutionally restricted motor fuel taxes.
20 The cost allocation plan shall be submitted to the senate and house
21 of representatives standing committees on appropriations
22 subcommittees on general government, the senate and house fiscal
23 agencies, the auditor general, and the state budget director by
24 November 1. The cost allocation plan shall be subject to audit by
25 the auditor general.

26 (4) Biennially, in each even-numbered fiscal year, the auditor
27 general shall conduct an audit of charges to transportation funds

1 by state departments for the 2 preceding fiscal years. The audit
2 shall include both charges governed by interdepartmental contracts
3 as well as miscellaneous charges from other state departments not
4 governed by contracts. The auditor general shall prepare a detailed
5 report, with recommendations and conclusions, including a summary
6 of charges and related services to transportation funds by
7 department, the appropriateness of those charges, the cost
8 allocation methodologies used in determining the level of funding,
9 and any unreimbursed transportation-related costs, if any. The
10 report shall be provided to the senate and house of representatives
11 committees on appropriations, the senate and house fiscal agencies,
12 and the state budget director 9 months after publication of the
13 state of Michigan comprehensive annual financial report.

14 Sec. 307. Before March 1 of each year, the department will
15 provide to the legislature, the state budget office, and the house
16 and senate fiscal agencies its rolling 5-year plan listing by
17 county or by county road commission all highway construction
18 projects for the fiscal year and all expected projects for the
19 ensuing fiscal years.

20 Sec. 308. The department and local road agencies that receive
21 appropriations under this act shall pursue compliance with contract
22 specifications for construction and maintenance of state highways
23 and local roads and streets. Work shall not be accepted and paid
24 for until it complies with contract requirements. Contractors with
25 unsatisfactory performance ratings shall be restricted from future
26 bidding through the prequalification process established by the
27 department or a local road agency. The department, county road

1 commissions, and cities and villages shall report to the house of
2 representatives and senate appropriations subcommittees on
3 transportation, the senate and house fiscal agencies, and the state
4 budget director on their respective activities under this section.

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

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

12 Sec. 312. At the close of the fiscal year, any unencumbered
13 and unexpended balance in the state trunkline fund shall remain in
14 the state trunkline fund and shall carry forward and is
15 appropriated for federal aid road and bridge programs for projects
16 contained in the annual state transportation program.

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 state infrastructure bank is to be administered
22 by the department 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 the state as federal grants, repayment of state
27 infrastructure bank loans, or other reimbursement or revenue

1 received by the state as a result of projects funded by the program
2 and interest earned on that money shall be deposited in the
3 revolving state infrastructure bank fund and shall be available for
4 transportation infrastructure projects. At the close of the fiscal
5 year, any unencumbered funds remaining in the state infrastructure
6 bank fund shall remain in the fund and be carried forward into the
7 succeeding fiscal year.

8 Sec. 314. The department shall provide a report prepared by
9 the department's internal auditor on the activities of the internal
10 auditor for the previous fiscal year. The report shall be due on
11 February 1 of each year and shall be submitted to the senate and
12 house of representatives appropriations committees, the senate and
13 house fiscal agencies, the director of the state budget office, and
14 the auditor general. This report shall include a list of all of the
15 following:

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

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

20 (c) A listing of which audits, reviews, and investigations
21 have been completed and which audits, reviews, and investigations
22 have had reports of the results issued.

23 Sec. 319. The department shall post signs at each rest area to
24 identify the agency or contractor responsible for maintenance of
25 the rest area. The signs shall include a department telephone
26 number and shall indicate that unsafe or unclean conditions at the
27 rest area may be reported to that telephone number.

1 Sec. 324. From the funds appropriated in part 1, \$500,000.00
2 from the state trunkline fund shall be used for enhanced
3 construction zone traffic law enforcement and the "give 'em a
4 brake" campaign. The funding shall be used to reimburse law
5 enforcement agencies for costs associated with construction zone
6 traffic enforcement. The funding shall be provided based on
7 approved memoranda of understanding between the department and
8 participating law enforcement agencies.

9 Sec. 334. The department shall continue its program to
10 increase the use of women- and minority-owned businesses in state
11 and local road construction projects. This program shall comprise,
12 at a minimum, outreach and education efforts to inform women- and
13 minority-owned firms of department competitive bidding processes
14 and requirements, and an assessment of the availability of surety
15 for women- and minority-owned businesses. The department shall
16 report by September 30 of each year to the house and senate
17 appropriations subcommittees on transportation and the house and
18 senate fiscal agencies of its progress in complying with this
19 section.

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

25 Sec. 357. When presented with complete local federal aid
26 project submittals, the department shall complete all necessary
27 reviews and inspections required to let local federal aid projects

1 within 120 days of receipt. The department shall implement a system
2 for monitoring the local federal aid project review process.

3 Sec. 361. The department will notify the senate and house
4 appropriations subcommittees on transportation, the senate and
5 house fiscal agencies, and the state budget director of any changes
6 to the services or function of the multi-modal transportation
7 services program as approved by the state transportation
8 commission.

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

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

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

21 Sec. 383. (1) The department shall prepare a quarterly report
22 on all travel by executive branch employees on department-owned
23 aircraft. The report shall include, by department, the name of the
24 traveler, the travel origination location, the travel destination
25 location, type of aircraft, and the total estimated costs
26 associated with the air travel.

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

1 prohibited from transporting local public officials, university
2 employees, other public employees, or members of the public on
3 state-owned aircraft unless accompanied by state employees on
4 related official state business.

5 (3) From the funds appropriated in part 1, the department is
6 prohibited from transporting legislators or legislative staff on
7 state-owned aircraft without prior approval from the senate
8 majority leader and/or the speaker of the house of representatives
9 and only when the aircraft is already scheduled by state employees
10 on related official state business.

11 (4) This section does not apply to transportation that is
12 related to law enforcement or homeland security activities.

13 (5) The department shall maintain a system for recovering the
14 cost of operating department-owned aircraft through charges to
15 aircraft users.

16 Sec. 384. (1) The state transportation department is allowed
17 to finish the Detroit River international crossing (DRIC) study
18 provided that activity associated with finishing the DRIC study
19 shall not bind the state in any way to construction or future
20 action of any DRIC project recommendation. From the funds
21 appropriated in part 1, the department is prohibited from pursuing
22 actions beyond the normal completion of the study phase. Such
23 prohibited actions include, but are not limited to, applications
24 for federal permits, design engineering work, right-of-way
25 acquisition, construction, routine property acquisition, or
26 condemnation activity. Any additional spending to implement any
27 recommendation of the DRIC study will require prior approval of the

1 full legislature.

2 (2) Within 30 days of the effective date of this act, the
3 state transportation department shall submit a report to the senate
4 and house appropriations committees and to the state transportation
5 commission accounting for sources and uses of all funds
6 attributable to or expended in furtherance of the DRIC study or the
7 border transportation partnership. The report shall include copies
8 of all contracts, agreements, and expenses associated with the
9 study from October 1, 2003 to the present.

10 (3) As the DRIC study phase concludes, the state
11 transportation department may not expend any funds appropriated in
12 part 1 on the DRIC study beyond preserving the reports completed
13 thus far unless the following conditions are met:

14 (a) The gateway project is completed according to
15 congressional intent.

16 (b) The house and the senate pass a concurrent resolution
17 finding that the gateway project is completed according to
18 congressional intent and that border traffic conditions in Detroit
19 require specific evaluation.

20 Sec. 394. It is the intent of the legislature that the
21 department conduct a study of the current distribution formulae for
22 transit and road funding and of alternative distribution
23 strategies. For transit, alternatives should provide for incentives
24 for those agencies which demonstrate efficient use of resources and
25 increasing ridership levels. For road funding, the study should
26 include an examination of "miles traveled" as a funding variable
27 rather than linear miles. By July 1, 2009, the department shall

1 report to the house and senate appropriations subcommittees on
2 transportation, the house and senate transportation committees, the
3 house and senate fiscal agencies, and the state budget director on
4 the findings of the study including the fiscal impact of the
5 various strategies to individual transit and road agencies.

6 Sec. 395. It is the intent of the legislature that the
7 department assume jurisdiction of county road C-56 between US 31 at
8 Charlevoix and M-75 at Boyne City in Charlevoix County.

9 Sec. 396. From the funds appropriated in part 1, it is the
10 intent of the legislature that the department fully fund the
11 required state match portion of any project that has been approved
12 as a federal new starts project.

13 Sec. 397. It is the intent of the legislature that the
14 department will work with the communities, local officials,
15 legislators, and southeast Michigan council of governments to
16 develop criteria for locating future permanent train stations along
17 the Ann Arbor to Detroit commuter rail corridor.

18 **FEDERAL**

19 Sec. 401. When the department receives authorization from the
20 federal government to commit transportation funds pursuant to
21 federal appropriations, it shall present to the senate and house of
22 representatives appropriations transportation subcommittees and the
23 senate and house fiscal agencies, the federal amounts and
24 categories authorized and the department's recommendation for
25 distribution of these funds. If a recommendation or recommendations
26 are not approved within 30 business days by both the senate and

1 house of representatives appropriations transportation
2 subcommittees, then the recommendation or recommendations shall be
3 considered as disapproved. If either the senate or house of
4 representatives appropriations transportation subcommittees
5 disapproves the proposed distribution, then the senate and house of
6 representatives appropriations transportation subcommittees and the
7 department shall hold a joint meeting to develop a final
8 distribution.

9 Sec. 402. A portion of the federal DOT-FHWA highway research,
10 planning, and construction funds made available to the state shall
11 be allocated to transportation programs administered by local
12 jurisdictions in accordance with section 100 of 1951 PA 51, MCL
13 247.6600. A local road agency, with respect to a project approved
14 for federal aid funding in a state transportation improvement
15 program, may enter into a voluntary buyout agreement with the
16 department or with another local road agency to exchange the
17 federal aid with state restricted transportation funds as agreed to
18 by the respective parties. The state-restricted transportation
19 funds received in exchange for federal aid funds shall be used for
20 the same purpose as the federal aid funds were originally intended.

21 **MICHIGAN TRANSPORTATION FUND**

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

26 Sec. 502. The department of treasury shall perform audits and

1 make investigations of the disposition of all state funds received
2 by county road commissions or county boards of commissioners, as
3 applicable, and cities and villages for transportation purposes to
4 determine compliance with the terms and conditions of 1951 PA 51,
5 MCL 247.651 to 247.675. County road commissions or county boards of
6 commissioners, as applicable, and cities and villages shall make
7 available to the department of treasury the pertinent records for
8 the audit.

9 Sec. 503. (1) The funds appropriated in part 1 for the
10 economic development and local bridge programs shall not lapse at
11 the end of the fiscal year but shall carry forward each fiscal year
12 for the purposes for which appropriated in accordance with 1987 PA
13 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
14 247.660.

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

19 (3) The department of transportation economic development fund
20 and local bridge fund may receive and expend federal, local, or
21 private funds or restricted source funds such as interest earnings
22 for projects that are consistent with the programmatic mission of
23 the respective funds in addition to funds appropriated in part 1.

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

27 Sec. 504. Funds from the Michigan transportation fund (MTF)

1 shall be distributed to the comprehensive transportation fund
2 (CTF), the economic development fund (EDF), the recreation
3 improvement fund (RIF), and the state trunkline fund (STF), in
4 accordance with this act and part 711 of the natural resources and
5 environmental protection act, 1994 PA 451, MCL 324.71101 to
6 324.71108, and may only be used as specified in this act, 1951 PA
7 51, MCL 247.651 to 247.675, and part 711 of the natural resources
8 and environmental protection act, 1994 PA 451, MCL 324.71101 to
9 324.71108.

10 **STATE TRUNKLINE FUND**

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

21 Sec. 602. If the department uses manufactured pipe for road
22 construction drainage, the department shall require that pipe used
23 under certain load-bearing conditions beneath the roadway meets the
24 standards established by the American society for testing and
25 materials (ASTM) or American association of state highway and
26 transportation officials (AASHTO). The department may also use the

1 mandrel test for manufactured pipe 60 days after installation and
2 provide a summary of the results of these inspections to the house
3 of representatives and senate appropriations subcommittees on
4 transportation and house and senate fiscal agencies.

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

14 Sec. 608. From the amounts appropriated in part 1 for forest
15 roads from the transportation economic development fund, \$40,000.00
16 shall be used for the purpose of establishing 2 additional truck
17 inspection stations. The department shall work directly with
18 representatives of the timber industry to educate truck drivers on
19 the use of the stations. The department shall report on the status
20 of this program.

21 Sec. 610. It is the intent of the legislature that the
22 department have as a priority the removal of dead deer and other
23 large animal remains from the traveled portion and shoulder of
24 state highways. The department, and counties that perform state
25 highway maintenance under contract, shall remove animal remains,
26 wherever practicable, away from the traveled portion and shoulder
27 of state highways.

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

15 Sec. 615. It is the intent of the legislature that the
16 department shall proceed with the construction of a full
17 interchange at the intersection of M-48 and I-75 in Chippewa
18 County. It is the intent of the legislature that the department
19 develop design plans and award the construction contract for this
20 project during the fiscal year ending September 30, 2008.

21 Sec. 616. It is the intent of the legislature that the
22 department shall reimburse the city of Petoskey for installation of
23 a traffic light on US-31 at the intersection with Bay Harbor in
24 Emmet County.

25 Sec. 654. It is the intent of the legislature that the
26 Mackinac Bridge Authority work to protect the long-term viability
27 of the Mackinac Bridge.

1 Sec. 655. It is the intent of the legislature that the
2 department expend not less than \$32,000.00 for a safe routes to
3 schools project in Eaton Rapids, Michigan, involving extension of
4 and improvements to sidewalks along North State Street from Gould
5 to beyond Greyhound Drive, as well as connecting streets in
6 neighborhoods near Eaton Rapids High School, Eaton Rapids Middle
7 School, Greyhound Intermediate School, and Lockwood Elementary
8 School.

9 Sec. 656. It is the intent of the legislature that the
10 department upgrade that section of M-49 from M-99 to US-12 to
11 standards necessary for designation as a designated highway as
12 provided under sections 717 and 718 of the Michigan vehicle code,
13 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a
14 "green" special designated highway on the department's truck
15 operator's map.

16 Sec. 658. It is the intent of the legislature that the
17 department proceed with the reconstruction of the interchange at I-
18 196 and Phoenix Road in South Haven.

19 Sec. 659. For pavement projects for which there are no
20 Michigan actual historic project maintenance, repair, and
21 resurfacing schedules and costs as recorded by the pavement
22 management system, the department may use actual historical and
23 comparable data for equivalent designs from states with similar
24 climates, soil structures, and vehicle traffic.

25 COMPREHENSIVE TRANSPORTATION FUND

26 Sec. 701. Money that is received by the state as a lease

1 payment for state-owned intercity bus equipment is not money to be
2 deposited in the comprehensive transportation fund under section
3 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
4 an intercity bus equipment fund for appropriation for the purchase
5 and repair of intercity bus equipment. Proceeds received by the
6 state from the sale of intercity bus equipment are deposited in an
7 intercity bus equipment fund for appropriation for the purchase and
8 repair of intercity bus equipment. Security deposits from the lease
9 of state-owned intercity bus equipment not returned to the lessee
10 of the equipment under terms of the lease agreement are deposited
11 in an intercity bus equipment fund for appropriation for the repair
12 of intercity bus equipment. At the close of the fiscal year, any
13 funds remaining in the intercity bus equipment fund shall remain in
14 the fund and be carried forward into the succeeding fiscal year.

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

23 Sec. 703. After receiving notification from a railroad company
24 pursuant to section 8 of the state transportation preservation act
25 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
26 notify the house of representatives and senate appropriations
27 subcommittees on transportation and the state budget office that

1 the railroad company has filed with the appropriate governmental
2 agencies for abandonment of a line.

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

7 Sec. 706. The Detroit/Wayne County port authority shall issue
8 a complete operations assessment and a financial disclosure
9 statement. The operations assessment shall include operational
10 goals for the next 5 years and recommendations to improve land
11 acquisition and development efficiency. The report shall be
12 completed and submitted to the house of representatives and senate
13 appropriations subcommittees on transportation, the state budget
14 director, and the house and senate fiscal agencies by February 15
15 of each fiscal year for the prior fiscal year.

16 Sec. 707. For the fiscal year ending September 30, 2009, each
17 eligible authority and each eligible governmental agency which
18 provides public transportation services in urbanized areas with a
19 Michigan population of less than or equal to 100,000 and
20 nonurbanized areas under section 5311 of title 49 of the United
21 States Code, 49 USC 5311, shall receive a grant of up to 60% of its
22 eligible operating expenses. Each eligible authority and each
23 eligible government agency which provides public transportation
24 services in urbanized areas with a Michigan population of greater
25 than 100,000 under section 5307 of title 49 of the United States
26 Code, 49 USC 5307, shall receive a grant of up to 50% of its
27 eligible operating expenses.

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

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

7	Between St. Ignace and Escanaba	US-2
8	Between Escanaba and Duluth	US-2 through Ironwood to the
9		state line
10	Between Calumet and Escanaba	US-41
11	Between Escanaba and Milwaukee	US-41 through Menominee to
12		the state line
13	Between St. Ignace and	
14	Sault Ste. Marie	I-75
15	Between Detroit and Chicago	I-94 from Detroit to the
16		state line
17	Between Detroit and Muskegon	I-96
18	Between Grand Rapids, Holland,	
19	and Benton Harbor	I-196 to I-94
20	Between Muskegon and Grand	
21	Rapids	US-31, I-96
22	Between Detroit and Bay City	I-75
23	Between Bay City and Mount	
24	Pleasant	US-10, M-20
25	Between Jackson and Traverse	US-127, US-27, I-75,
26	City	Grayling,
27		Gaylord, M-72 to Traverse

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

1 (1) shall be approved by the house and senate appropriations
2 subcommittees on transportation.

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

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

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

15 (3) The rail carrier shall, as a condition to receiving a
16 state operating subsidy, maintain a system to monitor, collect, and
17 resolve customer complaints and shall make the information
18 available to the department, the house and senate appropriations
19 subcommittees on transportation, and the house and senate fiscal
20 agencies.

21 (4) Future state support for the service between Grand Rapids
22 and Chicago and Port Huron and Chicago is dependent on the
23 department's ability to provide a plan and a contract for services
24 that increase ridership and revenue, reduce operating costs, and
25 improve on-time performance.

26 (5) No state subsidy shall be provided from the funds
27 appropriated in part 1 if the chosen rail carrier is Amtrak and

1 Amtrak discontinued service or any portion of the service between
2 Port Huron and Chicago or Grand Rapids and Chicago during the
3 preceding fiscal year, unless the discontinuance of service was for
4 track maintenance or was caused by acts of God.

5 Sec. 714. The department, in cooperation with local transit
6 agencies, shall work to ensure that demand-response services are
7 provided throughout Michigan. The department shall continue to work
8 with local units of government to address the unmet transit needs
9 in Michigan.

10 Sec. 721. For federal transit administration bus acquisition
11 capital grants matched with CTF funds appropriated in part 1,
12 transit agencies shall have 4 years from the federal approval date
13 to carry out their projects. Contract line items unobligated 4
14 years after the federal approval date may be matched with CTF funds
15 only up to 15% in the fifth and subsequent years. "Unobligated"
16 means any line item in the contract that is not committed to a
17 third party or purchase order. A waiver shall be granted by the
18 department for an additional year with documented justification
19 from the transit agency accompanied by a resolution from the board
20 or authority seeking a waiver. If a transit agency does not carry
21 out a line item activity in a specific authorization and the
22 transit agency requests funds in a new authorization for that same
23 activity, the line item shall be matched at up to 15%. This section
24 applies only to bus acquisition capital grants. Lapsed funds under
25 this section shall remain in the CTF. This section does not take
26 effect if failure to comply with the provisions of this section by
27 a transit agency occurs due to the inability of the state to

1 provide sufficient matching funds for available federal funding
2 earmarked to that transit agency for the purpose of bus capital
3 acquisition. The department shall report to the appropriation
4 subcommittees on transportation of the senate and house of
5 representatives if the state is unable to provide sufficient
6 matching funds for this section to take effect.

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

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

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

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

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

1 (2) Public transit agencies receiving funds under part 1 shall
2 do all of the following:

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

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

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

9 (d) Maintain sufficient local and community funding.

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

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

18 Sec. 737. It is the intent of the legislature that the
19 department proceed with the construction of a Birmingham/Troy
20 intermodal passenger facility.

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

26 Sec. 741. The department shall report by October 1, 2008 to
27 the house of representatives and senate appropriations

1 subcommittees on transportation, the house and senate fiscal
2 agencies, and the state budget director on progress made to improve
3 the Ann Arbor and NW Michigan railroad's track infrastructure for
4 the purpose of supporting passenger train speed of 59 miles per
5 hour.

6 Sec. 742. At the end of the fiscal year ending September 30,
7 2008, and for each fiscal year thereafter, the unencumbered balance
8 of the comprehensive transportation fund shall be transferred into
9 the transit innovation fund for appropriation in subsequent fiscal
10 years. Appropriations from the fund shall be made to provide grants
11 to local transit agencies to match federal funds for certain public
12 transportation projects. Eligible projects must utilize innovative
13 methods to increase performance, service levels, efficiency, and
14 cost-effectiveness for the system. At the close of the fiscal year,
15 any funds remaining in the transit innovation fund shall remain in
16 the fund and be carried forward into the succeeding fiscal year.

17 **AERONAUTICS FUND**

18 Sec. 801. At the close of the fiscal year, any unobligated and
19 unexpended balance in the state aeronautics fund created in the
20 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
21 to 259.208, shall lapse to the state aeronautics fund and be
22 appropriated by the legislature in the immediately succeeding
23 fiscal year.

24 Sec. 805. State aeronautics funds appropriated in part 1 for
25 airport safety and protection plan debt service are transferred to
26 the comprehensive transportation fund and are appropriated for the

1 purpose of reimbursing comprehensive transportation fund debt
2 service obligations for the airport safety and protection plan
3 program.

4 Sec. 806. (1) From federal-state-local project appropriations
5 contained in part 1 for the purpose of assisting political entities
6 and subdivisions of this state in the construction and improvement
7 of publicly used airports and landing fields within this state, the
8 state transportation department may permit the award of contracts
9 on behalf of units of local government for the authorized locations
10 not to exceed the indicated amounts, of which the state allocated
11 portion shall not exceed the amount appropriated in part 1.

12 (2) Political entities and subdivisions shall provide not less
13 than 2.5% of the cost of any project under this section, unless a
14 total nonfederal share greater than 5% is otherwise specified in
15 federal law. State money shall not be allocated until local money
16 is allocated. State money for any 1 project shall not exceed 1/3 of
17 the total appropriation in part 1 from state funds for airport
18 improvement programs.

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

1 the governing body of each political subdivision or public agency
2 making the application and by the Michigan aeronautics commission.

3 Sec. 807. Before the end of each fiscal year, the state
4 transportation department shall report to the house and senate
5 appropriations subcommittees on transportation the status of
6 airport improvement projects funded in part 1 with the estimated
7 dollars allocated for each project. If there has to be a delay in
8 reporting, the state transportation department shall notify the
9 house and senate appropriations subcommittees on transportation in
10 writing of the date the report will be received.