

Act No. 275
Public Acts of 2008
Approved by the Governor*
September 27, 2008
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September 29, 2008
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*Item Vetoes

Sec. 306. (3)
Entire Subsection. (Page 11)

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Rep. Gonzales

ENROLLED HOUSE BILL No. 5808

AN ACT 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:

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

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	3,008.3	
GROSS APPROPRIATION		\$ 3,612,329,200
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 3,612,329,200
Federal revenues:		
DOT, federal transit act		55,862,100
DOT-FHWA, highway research, planning, and construction		1,266,209,100
DOT-FRA, local rail service assistance		100,000
DOT-FRA, rail passenger/HSGT		5,800,000
DOT, federal aviation administration		133,024,600
Total federal revenues		1,460,995,800

For Fiscal Year
Ending Sept. 30,
2009

Special revenue funds:	
Local revenues:	
Total local and private revenues.....	\$ 71,624,200
Blue Water Bridge fund	14,460,000
Comprehensive transportation fund	240,163,000
Economic development fund.....	57,315,000
Intercity bus equipment fund.....	1,000,000
Local bridge fund.....	31,336,800
Michigan transportation fund	1,014,250,400
Rail freight fund	2,000,000
State aeronautics fund	16,220,200
State trunkline fund.....	702,963,800
Total other state restricted revenues.....	2,079,709,200
State general fund/general purpose	\$ 0

Sec. 102. DEBT SERVICE

State trunkline	\$ 139,253,700
Economic development	14,450,000
Local bridge fund.....	3,000,000
Blue Water Bridge fund	1,977,400
Airport safety and protection plan.....	3,430,900
Comprehensive transportation.....	29,891,600
GROSS APPROPRIATION.....	\$ 192,003,600

Appropriated from:

Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	22,783,300
Special revenue funds:	
Blue Water Bridge fund	1,977,400
Comprehensive transportation fund	29,891,600
Economic development fund.....	14,450,000
Local bridge fund.....	3,000,000
State aeronautics fund	3,430,900
State trunkline fund.....	116,470,400
State general fund/general purpose	\$ 0

Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES

MTF grant to department of environmental quality	\$ 1,247,900
MTF grant to department of state for collection of revenue and fees	20,000,000
MTF grant to department of treasury	7,250,800
MTF grant to legislative auditor general	204,300
STF grant to department of attorney general.....	2,821,100
STF grant to civil service commission	5,044,000
STF grant to department of history, arts, and libraries.....	110,900
STF grant to department of management and budget	1,445,300
STF grant to department of state police	9,593,400
STF grant to department of treasury	180,200
STF grant to legislative auditor general	474,600
SAF grant to department of attorney general	157,700
SAF grant to civil service commission	56,000
SAF grant to department of history, arts, and libraries	2,500
SAF grant to department of management and budget	32,300
SAF grant to department of treasury	72,400
SAF grant to legislative auditor general.....	19,600
CTF grant to department of attorney general	159,800
CTF grant to civil service commission.....	95,000
CTF grant to department of history, arts, and libraries	3,900
CTF grant to department of management and budget	51,300
CTF grant to department of treasury.....	1,600

	For Fiscal Year Ending Sept. 30, 2009
CTF grant to legislative auditor general	\$ 25,200
GROSS APPROPRIATION	\$ 49,049,800
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund	336,800
Michigan transportation fund	28,703,000
State aeronautics fund	340,500
State trunkline fund	19,669,500
State general fund/general purpose	\$ 0
 Sec. 104. EXECUTIVE DIRECTION	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	31.3
Unclassified salaries	\$ 602,800
Asset management council	1,626,400
Commission audit—31.3 FTE positions	3,513,100
GROSS APPROPRIATION	\$ 5,742,300
Appropriated from:	
Special revenue funds:	
Michigan transportation fund	1,626,400
State trunkline fund	4,115,900
State general fund/general purpose	\$ 0
 Sec. 105. BUSINESS SUPPORT	
Full-time equated classified positions	57.0
Business support services—48.0 FTE positions	\$ 5,973,700
Economic development and enhancement programs—9.0 FTE positions	1,155,300
Property management	7,972,400
Worker's compensation	2,064,000
GROSS APPROPRIATION	\$ 17,165,400
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund	1,097,000
Economic development fund	495,700
Michigan transportation fund	179,600
State aeronautics fund	596,800
State trunkline fund	14,796,300
State general fund/general purpose	\$ 0
 Sec. 106. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 28,496,200
GROSS APPROPRIATION	\$ 28,496,200
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	500,300
Special revenue funds:	
Blue Water Bridge fund	46,800
Comprehensive transportation fund	183,500
Economic development fund	37,100
Michigan transportation fund	242,600
State aeronautics fund	143,200
State trunkline fund	27,342,700
State general fund/general purpose	\$ 0
 Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES	
Full-time equated classified positions	242.5
Financial operations—80.0 FTE positions	\$ 7,934,500
Contract services—52.6 FTE positions	5,059,700
Department services—41.9 FTE positions	5,273,000

	For Fiscal Year Ending Sept. 30, 2009
Performance excellence—13.0 FTE positions	\$ 1,522,800
Welcome center operations—55.0 FTE positions	4,896,500
GROSS APPROPRIATION	\$ 24,686,500
Appropriated from:	
Special revenue funds:	
Michigan transportation fund	1,804,000
State trunkline fund	22,882,500
State general fund/general purpose	\$ 0
 Sec. 108. TRANSPORTATION PLANNING	
Full-time equated classified positions	177.0
Statewide planning services—125.0 FTE positions	\$ 13,253,300
Data collection services—52.0 FTE positions	5,716,100
Specialized planning services and local studies	16,698,200
Grants to regional planning councils	488,800
GROSS APPROPRIATION	\$ 36,156,400
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	22,000,000
Special revenue funds:	
Comprehensive transportation fund	960,300
Michigan transportation fund	6,304,500
State aeronautics fund	75,000
State trunkline fund	6,816,600
State general fund/general purpose	\$ 0
 Sec. 109. DESIGN AND ENGINEERING SERVICES	
Full-time equated classified positions	1,496.8
Engineering services—787.1 FTE positions	\$ 58,736,800
Program services—698.7 FTE positions	39,193,800
Intelligent transportation systems operations—11.0 FTE positions	10,097,900
GROSS APPROPRIATION	\$ 108,028,500
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	18,912,600
Special revenue funds:	
Michigan transportation fund	5,636,100
State trunkline fund	83,479,800
State general fund/general purpose	\$ 0
 Sec. 110. HIGHWAY MAINTENANCE	
Full-time equated classified positions	832.7
State trunkline operations—832.7 FTE positions	\$ 134,867,900
Contract operations	149,860,300
GROSS APPROPRIATION	\$ 284,728,200
Appropriated from:	
Special revenue funds:	
State trunkline fund	284,728,200
State general fund/general purpose	\$ 0
 Sec. 111. ROAD AND BRIDGE PROGRAMS	
State trunkline federal aid and road and bridge construction	\$ 1,043,058,100
Local federal aid and road and bridge construction	309,592,000
Grants to local programs	33,000,000
Rail grade crossing	3,000,000
Local bridge program	28,336,800
County road commissions	598,102,100
Cities and villages	333,468,700
GROSS APPROPRIATION	\$ 2,348,557,700

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	\$ 1,202,012,900
Special revenue funds:	
Local funds.....	30,000,000
Blue Water Bridge fund.....	7,107,300
Local bridge fund.....	28,336,800
Michigan transportation fund.....	967,570,800
State trunkline fund.....	113,529,900
State general fund/general purpose	\$ 0

Sec. 112. BLUE WATER BRIDGE

Full-time equated classified positions.....	41.0	
Blue Water Bridge operations—41.0 FTE positions		\$ 5,328,500
GROSS APPROPRIATION.....		\$ 5,328,500

Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund.....	5,328,500
State general fund/general purpose	\$ 0

Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT

Forest roads	\$ 5,040,000
Rural county urban system	2,500,000
Target industries/economic redevelopment.....	19,146,000
Urban county congestion.....	7,823,100
Rural county primary	7,823,100
GROSS APPROPRIATION.....	\$ 42,332,200

Appropriated from:	
Special revenue funds:	
Economic development fund.....	42,332,200
State general fund/general purpose	\$ 0

Sec. 114. AERONAUTICS AND FREIGHT SERVICES

Full-time equated classified positions.....	84.0	
Airport improvement services—30.0 FTE positions		\$ 2,865,900
Aviation services—26.0 FTE positions.....		4,275,000
Freight and safety services—28.0 FTE positions		3,499,400
Air service program.....		700,000
GROSS APPROPRIATION.....		\$ 11,340,300

Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund	1,514,000
Michigan transportation fund.....	1,985,400
State aeronautics fund.....	7,840,900
State general fund/general purpose	\$ 0

Sec. 115. PUBLIC TRANSPORTATION SERVICES

Full-time equated classified positions.....	46.0	
Passenger transportation services—46.0 FTE positions		\$ 5,339,400
GROSS APPROPRIATION.....		\$ 5,339,400

Appropriated from:	
Federal revenues:	
DOT, federal transit act	762,100
Special revenue funds:	
Comprehensive transportation fund	4,379,300
Michigan transportation fund.....	198,000
State general fund/general purpose	\$ 0

Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING

Local bus operating.....	\$	166,624,000
Nonurban operating/capital.....		19,300,000
GROSS APPROPRIATION.....	\$	185,924,000
Appropriated from:		
Federal revenues:		
DOT, federal transit act.....		18,500,000
Special revenue funds:		
Comprehensive transportation fund.....		166,624,000
Local funds.....		800,000
State general fund/general purpose.....	\$	0

Sec. 117. INTERCITY PASSENGER AND FREIGHT

Freight property management.....	\$	1,000,000
Detroit/Wayne County port authority.....		500,000
Intercity services.....		7,425,000
Rail passenger service.....		12,700,000
Freight preservation and development.....		5,092,900
Rail infrastructure loan program.....		300,000
Marine passenger service.....		400,000
Terminal development.....		550,000
GROSS APPROPRIATION.....	\$	27,967,900
Appropriated from:		
Federal revenues:		
DOT, federal transit act.....		4,500,000
DOT-FRA, local rail service assistance.....		100,000
DOT-FRA, rail passenger/HSGT.....		5,800,000
Special revenue funds:		
Local funds.....		50,000
Comprehensive transportation fund.....		14,517,900
Intercity bus equipment fund.....		1,000,000
Rail freight fund.....		2,000,000
State general fund/general purpose.....	\$	0

Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT

Specialized services.....	\$	9,500,100
Municipal credit program.....		2,000,000
Bus capital.....		40,803,000
Van pooling.....		195,000
Service initiatives.....		1,116,500
Transportation to work.....		9,244,000
GROSS APPROPRIATION.....	\$	62,858,600
Appropriated from:		
Federal revenues:		
DOT, federal transit act.....		32,100,000
Special revenue funds:		
Local funds.....		10,100,000
Comprehensive transportation fund.....		20,658,600
State general fund/general purpose.....	\$	0

Sec. 119. CAPITAL OUTLAY

(1) BUILDINGS AND FACILITIES

Salt storage buildings and containment control systems - contract agencies - various state locations.....	\$	2,765,000
Salt storage buildings and containment control systems - various state locations.....		1,337,000
Port Huron, St. Clair County, transportation service center construction (total authorized cost \$1,915,000; state trunkline fund share \$1,915,000).....		1,915,000
Fennville, Allegan County, maintenance garage expansion (total authorized cost \$945,000; state trunkline fund share \$945,000).....		945,000

	For Fiscal Year Ending Sept. 30, 2009
Institutional and agency roads.....	\$ 750,000
Miscellaneous special maintenance, remodeling, and additions	1,420,000
GROSS APPROPRIATION.....	\$ 9,132,000
Appropriated from:	
Special revenue funds:	
State trunkline fund.....	9,132,000
State general fund/general purpose	\$ 0
(2) AIRPORT IMPROVEMENT PROGRAMS	
Airport safety, protection and improvement program.....	\$ 167,491,700
GROSS APPROPRIATION.....	\$ 167,491,700
Appropriated from:	
Federal revenues:	
DOT, federal aviation administration	133,024,600
Special revenue funds:	
Local funds.....	30,674,200
State aeronautics fund	3,792,900
State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is \$2,079,709,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$1,211,011,600.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to local programs.....	\$ 33,000,000
Economic development fund.....	23,186,200
Grants to cities and villages	333,468,700
Grants to county road commissions.....	598,102,100
Local bridge fund.....	28,336,800
Grants to regional planning councils	488,800
Local bus operating.....	166,624,000
Bus capital.....	9,403,000
Marine passenger service.....	400,000
Detroit/Wayne County port authority.....	500,000
Municipal credit program.....	2,000,000
Specialized services	4,100,100
Transportation to work	4,844,000
Buildings and facilities.....	2,765,000
Airport safety, protection, and improvement program	3,792,900
Total payments to local units of government.....	\$ 1,211,011,600

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

Sec. 203. As used in this act:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.

- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "EDF" means economic development fund.
- (h) "FTE" means full-time equated.
- (i) "MTF" means Michigan transportation fund.
- (j) "RIF" means recreation improvement fund.
- (k) "SAF" means state aeronautics fund.
- (l) "STF" means state trunkline fund.

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

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

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

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

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

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

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

Sec. 207. When beginning any effort to privatize, the department shall submit a complete project plan to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies. The plan shall include the rationale for privatization, including a cost-benefit analysis if appropriate. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

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

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

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

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

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

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

Sec. 265. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar that is funded by a federal or private funding source and requires more than 1 person from a department to attend or the conference or training seminar includes more than 1 issue in which 1 employee from the department does not have expertise.

DEPARTMENTAL SECTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.
- (b) The time charged to each work activity, including time charged to each audit, review, or investigation.
- (c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

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

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

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

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

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

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

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

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

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

Sec. 383. (1) The department shall prepare a quarterly report on all travel by executive branch employees, and others including local public officials, university employees, and other public employees on department-owned aircraft. The report shall include, by department, the name of the traveler, the travel origination location, the travel destination location, type of aircraft, and the total estimated costs associated with the air travel.

(2) The report shall be submitted to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies.

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

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

Sec. 384. (1) The state transportation department is allowed to finish the Detroit River international crossing (DRIC) study provided that activity associated with finishing the DRIC study shall not bind the state in any way to construction.

Certain preliminary activities which are necessary to prepare a proposal for a decision by the legislature are allowed as long as they do not bind the state. Those activities include all of the following:

- (a) Applications for permits and approvals.
- (b) Preliminary design engineering work.
- (c) Preliminary utility planning and relocation.
- (d) Preliminary financial and funding arrangements.

(2) The department will report on a quarterly basis to both the house and senate appropriations committees on any expenditures relative to the process identified in subsection (1).

(3) In addition, advanced property acquisitions that are hardship or opportunity purchases are allowed as long as they do not bind the state. The department will notify, in writing, both the house and senate appropriations committees within 30 days of any advanced property acquisition purchases. The department cannot enter into any binding commitment to construct the crossing until authorizing legislation is enacted into law.

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

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

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

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

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

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

Sec. 394. It is the intent of the legislature that the department conduct a study of the current distribution formulae for transit and road funding and of alternative distribution strategies. This study should take into consideration any recommendations made by the alternative transportation funding task force. For transit, alternatives should provide for incentives for those agencies which demonstrate efficient use of resources and increasing ridership levels. For road funding, the study should include an examination of "miles traveled" as a funding variable rather than linear miles. By July 1, 2009, the department shall report to the house and senate appropriations subcommittees on transportation, the house and senate transportation committees, the house and senate fiscal agencies, and the state budget director on the findings of the study including the fiscal impact of the various strategies to individual transit and road agencies.

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

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

FEDERAL

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

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to the state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 100 of 1951 PA 51, MCL 247.6600. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or

with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state-restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

MICHIGAN TRANSPORTATION FUND

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

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

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

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

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

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

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

STATE TRUNKLINE FUND

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

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

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

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

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

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

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

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

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

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

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

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

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

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

COMPREHENSIVE TRANSPORTATION FUND

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

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

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

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

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

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

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

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

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

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

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

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

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

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

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

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

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

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF. This section does not take effect if failure to comply with the provisions of this section by a transit agency occurs due to the inability of the state to provide sufficient matching funds for available federal funding earmarked to that transit agency for the purpose of bus capital acquisition. The department shall report to the appropriation subcommittees on transportation of the senate and house of representatives if the state is unable to provide sufficient matching funds for this section to take effect.

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

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

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

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

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

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

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

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

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

(d) Maintain sufficient local and community funding.

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

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

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

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

Sec. 741. The department shall report by October 1, 2008 to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director on progress made to improve the Ann Arbor and NW Michigan railroad's track infrastructure for the purpose of supporting passenger train speed of 59 miles per hour.

AERONAUTICS FUND

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

CAPITAL OUTLAY

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

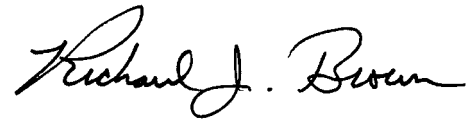
(2) Political entities and subdivisions shall provide not less than 2.5% of the cost of any project under this section, unless a total nonfederal share greater than 5% is otherwise specified in federal law. State money shall not be allocated until local money is allocated. State money for any 1 project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

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


Sec. 902. Before the end of each fiscal year, the state transportation department shall report to the house and senate appropriations subcommittees on transportation the status of airport improvement projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify the house and senate appropriations subcommittees on transportation in writing of the date the report will be received.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor