STATE TRUNK LINE HIGHWAY SYSTEM
Act 51 of 1951

AN ACT to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1953, Act 86, Imd. Eff. May 18, 1953;—Am. 1957, Act 262, Eff. July 1, 1957;—Am. 1975, Act 195, Imd. Eff. Aug. 13, 1975;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1983, Act 82, Imd. Eff. June 15, 1983;—Am. 1988, Act 348, Imd. Eff. Oct. 25, 1988;—Am. 1992, Act 223, Imd. Eff. Oct. 15, 1992;—Am. 1997, Act 79, Eff. July 28, 1997;—Am. 2004, Act 384, Imd. Eff. Oct. 12, 2004;—Am. 2010, Act 135, Imd. Eff. Aug. 2, 2010.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

The People of the State of Michigan enact:

247.651 State trunk line highway system; additions and deletions; operating license agreement with regional transit authority to operate public transit system.

Sec. 1. (1) The state trunk line highway system of this state consists of all roads, streets, and highways, either located within or outside the limits of incorporated cities and villages, now or hereafter constituted state trunk line highways under the laws of this state. The director of the department may establish subordinate classifications or groupings of state trunk line highways as the department deems necessary or desirable for proper administration of the state trunk line highway system. Additions to and deletions from the state trunk line highway system may be made in the manner prescribed by law. All roads, streets, and highways included in the state trunk line highway system shall be known and may be referred to for all purposes as state trunk line highways.

(2) The department or a local road agency may enter into an operating license agreement with a regional transit authority to operate a public transit system on the streets and highways of this state as provided for in state law enacted after January 1, 2012. As part of such an agreement, the department or local road agency may designate 1 or more lanes of a street or highway as a dedicated public transit lane. A dedicated public transit lane may be reserved for the exclusive use of public transit vehicles operated by a regional transit authority during periods determined by the department or the local road agency, except that a dedicated public transit lane shall be made available at all times to emergency services vehicles. Lanes designated and marked as dedicated public transit lanes by the department or a local road agency under an operating license agreement with a regional transit authority are subject to the same provisions as high-occupancy vehicle lanes

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under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 2008, Act 303, Imd. Eff. Dec. 9, 2008;—Am. 2012, Act 390, Eff. Mar. 28, 2013.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651a State trunk line highway system; construction, maintenance, improvement; control of state highway commissioner; change in line of road.

Sec. 1a. All state trunk line highways now or hereafter established as provided by law, shall be constructed, maintained and improved in accordance with the provisions of this act under the direction, supervision and control of the state highway commissioner. The commissioner shall make surveys and proper plans and specifications and take charge of the construction and maintenance of the state trunk line highways. For the purpose of securing a more direct and favorable location, minor changes in the line of any road may be made when, in the judgment of the state highway commissioner, the changes make for the safety of public travel.

History: Add. 1957, Act 262, Eff. July 1, 1957.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651b Cost of maintaining state trunk line highways; preservation of aesthetic and historic character of abutting national historic landmark; service plaza prohibited.

Sec. 1b. (1) The state transportation department shall bear the entire cost of maintaining, in accordance with standards and specifications of the department, all state trunk line highways including highways within incorporated cities and villages except that the cost of maintaining additional width for local purposes as provided in section 1c shall be borne by the city or village.

(2) Notwithstanding any provision of law to the contrary, as part of the construction or reconstruction of a state trunk line highway which abuts a location designated as a national historic landmark pursuant to the national historic preservation act, Public Law 89-665, 80 Stat. 915, and 36 C.F.R. part 65, the department may include within the project, expenditures deemed necessary to mitigate the adverse impact of the state trunk line highway on the aesthetic and historic character of that abutting area. The installation or maintenance of lighting to preserve the aesthetic and historic character of the abutting area shall not impose a duty on the department to provide or maintain lighting for the improved portion of the highway designed for vehicular travel.

(3) The state transportation department shall not use funds allocated under this act for the development or construction of a service plaza.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1967, Act 298, Eff. Jan. 1, 1968;—Am. 1967, Ex. Sess., Act 4, Eff. Jan. 1, 1968;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1989, Act 188, Imd. Eff. Aug. 24, 1989;—Am. 2002, Act 498, Imd. Eff. July 3, 2002.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651c Cost of opening, widening, and improving state trunk line highways.

Sec. 1c. The state transportation department shall bear the cost of opening, widening, and improving, including construction and reconstruction, in accordance with standards and specifications of the department, all state trunk line highways, subject to all of the following provisions:

(a) Incorporated cities and villages shall participate with the department in the cost of opening, widening, and improving, including construction and reconstruction of state trunk line highways within cities and villages to which may be added, subject to the approval of the state transportation commission, streets that are connecting links of trunk line highways or streets that are made connecting links of trunk line highways, according to the following schedule subject to the definition of population as provided in section 13:

(*i*) In cities and villages having a population of 50,000 or more, 12.5% of the cost shall be borne by the city or village, and 87.5% by the state transportation department.

(*ii*) In cities and villages having a population of 40,000 or more and less than 50,000, 11.25% of the cost shall be borne by the city or village, and 88.75% by the state transportation department.

(*iii*) In cities and villages having a population of 25,000 or more and less than 40,000, 8.75% of the cost shall be borne by the city or village, and 91.25% by the state transportation department except in the case of projects related to international border crossing, in which case the department shall bear the entire project cost.

(*iv*) In cities and villages having a population of less than 25,000, the state transportation department shall

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bear the entire cost.

(b) As used in this act, "opening, widening, and improving, including construction and reconstruction, of state trunk line highways" includes, but is not limited to, the cost of right of way; the cost of removal and replacement of sidewalks, street lighting, curbing, where removal and replacement is made necessary by construction or reconstruction of a trunk line highway; and the cost of bridges and structures, including that part of the cost of grade separation structures not paid by the railroad companies.

(c) In a city or village, the width of a state trunk line highway shall be the width required to serve anticipated future traffic needs for a 20-year period as determined by a department transportation survey, which width, except as prescribed by this subdivision, shall not be less than the currently accepted standards prescribed for a 4-lane highway; the width as may be built on the same trunk line route immediately beyond and adjacent to either legal boundary of the city or village; or on trunk lines eligible for federal highway funds, a width as may be prescribed by the federal government, whichever width is greater. However, the department and the governing body of a city or village by mutual agreement may determine that the width of a state trunk line highway shall be less than the width otherwise prescribed by this subdivision.

(d) If a city or village shall desire to widen a state trunk line highway for local purposes beyond the width prescribed in subdivision (c), the entire cost of the extra width, less the federal highway funds which may be allocated to the portion of the project by the department, shall be borne by the city or village.

(e) The state transportation commission and the boards of county road commissioners may enter into agreements with townships or private persons for the improvement or widening of state trunk line highways or county roads. The state transportation commission and the boards of county road commissioners may require full or partial participation in the cost of the improvement or widening by the requesting party as considered appropriate.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1967, Act 298, Eff. Jan. 1, 1968;—Am. 1967, Ex. Sess., Act 4, Eff. Jan. 1, 1968;—Am. 1976, Act 263, Imd. Eff. Oct. 1, 1976;—Am. 1982, Act 436, Imd. Eff. Dec. 29, 1982;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 2010, Act 28, Imd. Eff. Mar. 26, 2010.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651d Contract for joint participation in cost; approval; renegotiation; local taxation; bonds; special assessment.

Sec. 1d. The governing body of a city or village and the state highway commission may enter into a contract to effectuate joint participation in the cost of opening, widening and improving, including construction and reconstruction, of a state trunk line highway, the terms of which contract, when approved by the state administrative board, shall establish the responsibilities of each party and provide for the method of payment for such joint obligations. The agreements may provide for deferring payment by the city or village until the completion of the project. Contracts and agreements between the state highway commission and the legislative body of any city or village, approved by the state administrative board, are authorized and approved whether heretofore or hereafter made. All agreements entered into prior to January 1, 1968, between the state highway department and any city or village pursuant to this act may be renegotiated by the state highway commission for the purpose of providing for participation in the cost of construction between the highway commission and the city or village on the basis of the participation provisions of section 1c. The renegotiation shall be authorized only for all or any part or unit of the state trunk line highway projects which have not been placed under contract for construction by the highway commission on January 1, 1968. Under any contract heretofore or hereafter made which relates to a state trunk line highway project for which federal highway funds are allocated or paid, the portion of the cost to be paid by a city or village shall be in accordance with the percentage of participation required by law at the time the contract was entered into applied to the net cost of the project after deduction from the total cost of all federal highway funds allocated or paid for the project. In all contracts hereafter made an amount equivalent to the federal highway funds for the acquisition of right of way as would have been available if application had been made therefor and approved by the federal government, shall also be deducted from the total cost in determining the net cost. Any city or village paying a portion of the cost of improving trunk lines or trunk line structures, including cost of right of way, within its corporate limits may raise money for that purpose, either by taxation or by the issuance of bonds or short term loans therefor, on the faith and credit of the city or village. The bonds or loans shall not be chargeable against the established bonded debt limit of the city or village, if a special assessment district is established in connection with the improvement. The execution of the contracts or agreements shall not restrict any right of the city or village to establish special assessment districts in connection with the improvements. The construction, maintenance and improvement of the trunk line highways and the direction, supervision and control of same by the state highway commission as provided in sections 1a, 1b and 1c may

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be modified in the contracts authorized by this act to such extent as may be agreed upon.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1967, Act 298, Eff. Jan. 1, 1968;—Am. 1967, Ex. Sess., Act 4, Eff. Jan. 1, 1968.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651e Contract with city or village for joint participation in cost; assumption by board of county road commissioners, approval.

Sec. 1e. Whenever the board of county road commissioners of any county shall have funds available, the board may enter into a contract or agreement, with any incorporated city or village within the county, assuming the obligations in whole or in part of the city or village undertaken by contract or agreement with the state highway commissioner under the provisions hereof or approved hereby. The board may contract or agree to carry on, in whole or in part, the improvement or construction required thereby, and may institute and conduct condemnation proceedings necessary therefor. No contract or agreement by any board of county road commissioners shall be effective until approved by resolution of the board of supervisors of the county and of the legislative body of the incorporated city or village concerned. The provisions of this section shall not be deemed to abolish, limit or restrict the powers and duties of the state highway commissioner or of incorporated cities or villages as prescribed by this act.

History: Add. 1957, Act 262, Eff. July 1, 1957.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651f State trunk lines; cancellation of municipal obligations; assumption by state.

Sec. 1f. The obligation of any city under 30,000 population which prior to July 1, 1957 entered into a contract with the state highway department pursuant to the provisions of Act No. 19 of the Public Acts of 1919, as amended, for the construction of state trunkline highways, which highways have been taken over as part of the interstate and defense highway system, is hereby canceled and the city is relieved of any obligation remaining under the contract. The state highway department shall assume the obligation still outstanding under the terms of such a contract upon the effective date of this amendatory act.

History: Add. 1965, Act 352, Eff. Mar. 31, 1966.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651g Pavement management system.

Sec. 1g. The transportation asset management council, in conjunction with the department, counties, and municipalities, shall develop and implement a pavement management system for each mile of roadway on the federal-aid eligible highway system in Michigan. This pavement management system shall attempt to ensure that a disproportionate share of pavement shall not become due for replacement or major repair at the same time. The transportation asset management council shall provide local road agencies with the training needed to utilize the pavement management system in accordance with this section.

History: Add. 1997, Act 79, Eff. July 28, 1997;—Am. 2007, Act 199, Imd. Eff. Dec. 21, 2007.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651h Life-cycle cost analysis; "life-cycle cost" defined; use of historical and comparable data from other states.

Sec. 1h. (1) The department shall develop and implement a life-cycle cost analysis for each project for which total pavement costs exceed $1,000,000.00 funded in whole, or in part, with state funds. The department shall design and award paving projects utilizing material having the lowest life-cycle cost. All pavement design life shall ensure that state funds are utilized as efficiently as possible.

(2) As used in this section, "life-cycle cost" means the total of the cost of the initial project plus all anticipated costs for subsequent maintenance, repair, or resurfacing over the life of the pavement.

(3) Except as otherwise provided in this section, life-cycle cost shall compare equivalent designs and shall be based upon Michigan's actual historic project maintenance, repair, and resurfacing schedules and costs as recorded by the pavement management system, and shall include estimates of user costs throughout the entire pavement life.

(4) For pavement projects for which there are no Michigan actual historic project maintenance, repair, and

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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, or vehicle traffic.

History: Add. 1997, Act 79, Eff. July 28, 1997;—Am. 2008, Act 501, Imd. Eff. Jan. 13, 2009.

Compiler's note: Enacting section 1 of Act 501 of 2008 provides:

"Enacting section 1. The legislature intends that this amendatory act provide the department with the necessary flexibility to utilize pavement designs which have not been used in Michigan but have been used successfully in other states."

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651i Demonstration projects.

Sec. 1i. (1) Notwithstanding section 1h, the department may conduct not more than 4 pavement demonstration projects each year to evaluate new construction methods, materials, or design. The department may offer or conduct a pavement demonstration project that may be all or a portion of that project using either concrete or asphalt as determined by the department. Each demonstration project shall include measurable goals and objectives for determining the success of that project. The department shall make a final report for each demonstration project following the demonstration life of the project, which may be shorter than the actual pavement life of the material used for the project, that assesses the cost-effectiveness and performance of the pavement materials and design used in the project and compares the results to the pavement material identified under the department's standard pavement selection process.

(2) Demonstration projects shall be selected using any of the following criteria:

(a) Pavement designs intended to increase pavement life expectancy.

(b) Pavement designs intended to improve performance, including, but not limited to, friction, surface stress, reduction of noise, and improvement of ride quality.

(c) Comparisons of performance of various types of pavement.

(3) The total cost of contracts awarded for demonstration projects under this section using asphalt and concrete shall not exceed a difference of more than 20% between the respective paving materials in any 2-year period. As used in this subsection, “total costs” means the initial engineer's estimated costs of the pavement design portion of the project.

(4) The director shall provide an annual report, not later than February 1 of each year, to the senate and house of representatives transportation standing committees and the senate and house of representatives appropriations subcommittees on transportation regarding the status of each demonstration project.

History: Add. 2001, Act 259, Imd. Eff. Jan. 9, 2002.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.651j Road innovation task force; purpose; report; availability of report to public; update of finalized report; deposit of amount into state treasury; roads innovation fund; creation; investment; interest and earnings; money remaining in fund at close of fiscal year; expenditure; 1-time concurrent resolution.

Sec. 1j. (1) No later than December 1, 2015, the department shall form a special internal task force specifically named the roads innovation task force. The purpose of the task force shall be to create a comprehensive public report that does all of the following:

(a) Evaluates road materials and construction methods that, when implemented, could allow the department to build high-quality roads in this state that last longer than those typically constructed by the department, with a goal of roads lasting at least 50 years, higher quality roads, and reduced maintenance costs.

(b) Focuses on materials and processes that may cost more in initial up-front spending but that still produce life-cycle construction and maintenance savings. The department shall strive to achieve a reduction of at least 50% in its net present value 50-year life cycle costs as compared to the commensurate net present value 50-year life cycle costs for road construction and maintenance costs from 2015, in a manner that results in no state roads being rated in poor condition and has no net degradation from overall 2015 level pavement surface evaluation and rating (PASER) scores within the plan's first 10 years.

(c) Focuses on longer-term time frames that seek to maximize value to the taxpayers of this state on a total cost basis, regardless of funding or financing considerations. The report shall not incorporate or reference plans or suggestions regarding bonding, refinancing, or financing innovations.

(2) Not later than March 1, 2016, the department shall finalize and make public the report described in subsection (1). The task force shall present that report at a public hearing before a joint committee hearing of the standing committees of the senate and house of representatives with primary responsibility for

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transportation issues called by the chairs.

(3) Not later than June 1, 2016, the task force shall update the finalized report described in subsection (2) to provide suggested boilerplate language which coincides with how the department would execute the plan and attempt to achieve the targets described in subsection (1). The plan shall include sufficient detail to allow the legislature to monitor and track progress, estimate how long it is expected to take to achieve targets, and project what the inflation adjusted reduction in annual spending will be once fully implemented as compared to the costs associated with 2015.

(4) Beginning in fiscal year 2016-2017 and each fiscal year thereafter, the first $100,000,000.00 received and collected attributable to taxes imposed under section 8(1) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, shall be annually deposited into the state treasury to the credit of the roads innovation fund created in subsection (5).

(5) The roads innovation fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the roads innovation fund. The state treasurer shall direct the investment of the roads innovation fund. The state treasurer shall credit to the roads innovation fund interest and earnings from fund investments. Money in the roads innovation fund at the close of the fiscal year shall remain in the roads innovation fund and shall not lapse to the general fund. The department of treasury shall be the administrator of the fund for auditing purposes. The department shall expend money from the fund only after each house of the legislature approves a 1-time concurrent resolution on a record roll call vote to release money in the roads innovation fund. Once released by the 1-time concurrent resolution, money in the roads innovation fund shall be deposited in the Michigan transportation fund created in section 10 and distributed as provided in section 10. Once money is released by the 1-time concurrent resolution, the roads innovation fund shall no longer annually receive the amount described in subsection (4).

History: Add. 2015, Act 175, Eff. Apr. 1, 2016.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.652 Tentative system of county primary roads; selection and certification; check and review; approval; county primary road system.

Sec. 2. By December 1, 1951, a tentative system of county primary roads shall be selected by the board of county road commissioners in each county and certified to the state transportation department for its approval. Such tentative system of county primary roads shall be selected on the basis of greatest general importance to the county and shall include any such county roads then legally established and existing as such within the limits of incorporated cities and villages. Each such tentative system of county primary roads certified to the state transportation department shall be checked and reviewed under its direction. Within 6 months after receipt by the department of each such certification, the state transportation department shall approve such part of that tentative system of county primary roads as the department determines is appropriate and shall certify to that board of county road commissioners the approved portion of the tentative system and any deletions therefrom. So much of the tentative system of county primary roads of any county as is approved by the state transportation department shall constitute the county primary road system of that county for all purposes and shall be officially known as the county primary road system of that county.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1982, Act 438, Eff. Jan. 1, 1983.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.653 Tentative system of county primary roads; roads included or deleted.

Sec. 3. Roads may, from time to time, be included in or deleted from the county primary road system of any county by selection of the county road commission and approval of the state highway commissioner in the same manner and by the same procedure as provided in section 2 hereof for the adoption of any county primary road system in the first instance.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.654 Tentative system of county primary roads; roads under jurisdiction of county road commissioners; certification and review.

Sec. 4. All roads under the jurisdiction of the board of county road commissioners in each of the several counties of the state not included in the county primary system as finally approved shall be certified to and

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reviewed and approved or deleted by the state highway commissioner in the same manner as provided in section 2 hereof for the county primary road system and when finally approved by the state highway commissioner shall constitute and be the county local road system of that county, which may thereafter be added to or deleted from in the same manner as provided in section 3 of this act for the county primary road system.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.655 Tentative system of county primary roads; official name; establishment, certification, and approval.

Sec. 5. All roads, streets and highways included in the county primary road system of any county shall be officially known as county primary roads, and all roads, streets and highways included in the county local road system of any county shall be officially known as county local roads. For a period of 2 years after the effective date of this act, the primary road system and the local road system in each county, and the mileage in each such system used for all purposes under the provisions of this act, shall be as determined by the state highway commissioner, and thereafter the local road system and the primary road system in each county, and the mileage in each such system used for all purposes under the provisions of this act, shall be as established by certification to and approved by the state highway commissioner pursuant to the provisions of this act.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.655a Seasonal county road system.

Sec. 5a. (1) The board of county road commissioners of each county may establish a system of seasonal county roads, which may be part of either the county primary road system, the county local road system, or both systems. A board of county road commissioners in establishing a system of seasonal county roads, may declare a road under the jurisdiction of the board to not be open to public travel during the months of November through April, which road shall then not be open to public travel.

(2) The seasonal county road system shall include any road under the jurisdiction of the board of county road commissioners which that board determines shall not be open to public travel each year for a period of less than 12 months. The system of seasonal county roads shall be selected on the basis of seasonal use of the roads and in accordance with rules promulgated by the state transportation department. A board of county road commissioners may include or exclude roads in the seasonal county road system upon adoption of a proper resolution but only after holding a public hearing. Notice of the public hearing shall be given to the clerk of the county and of each city, village, or township in which the roads are situated and published at least twice in a newspaper of general circulation in that county, the first notice to be not less than 30 days before the hearing and the second notice not less than 7 days before the hearing. The notice shall contain the date, time, and place of the hearing and shall describe in general terms the action proposed to be taken by the board, the roads to be affected, and the period of time that the roads shall not be open to public travel. The business which the board may perform at the public hearing shall be conducted at a hearing held in compliance with Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws. In addition to the other notices required by this subsection, public notice of the time, date, and place of the hearing shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended. If at the hearing an objection is made to the designation of a road as a part of the seasonal county road system by a person occupying a structure located upon or along the road as the person's principal residence, the commissioners shall not designate that road as a part of the seasonal county road system unless the commissioners provide that person with immediate access to a road which is not a part of the seasonal county road sytsem.

(3) Within 30 days after final adoption of a resolution establishing a seasonal county road system, the board of county road commissioners shall file with the state transportation department and each city, village, or township in which the roads are situated a full record of its determination.

(4) The designation of a road as part of the seasonal county road system shall not affect the certification of the road under this act, but if the road is not open to public travel during the months of December to April, the road shall be excluded for purposes of the distribution of snow removal funds under section 12a.

(5) A road included as part of the seasonal county road system shall be excluded for the purposes of determining the distribution of funds under sections 12(4) and 12b for each year in which the road is part of the seasonal county road system.

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(6) A map shall be maintained and on display in the office of each board of county road commissioners which has established a seasonal county roads system which shall also inform the public of the dates the road or road shall not open to public travel.

(7) The board shall place and maintain signs on all roads designated as seasonal county roads, which signs shall describe the roads as seasonal county roads.

History: Add. 1981, Act 184, Imd. Eff. Dec. 23, 1981.

Compiler's note: In the last sentence of subsection (2), the word “sytsem” at the end of the sentence should evidently read “system.”

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

Administrative rules: R 247.651 et seq. of the Michigan Administrative Code.

247.656 Tentative system of streets; selection and certification; approval.

Sec. 6. Within 6 months from the effective date of this act, a tentative system of major streets shall be selected in each incorporated city and village of the state and certified to the state highway commissioner for his approval. Such tentative system of major streets shall be selected in each incorporated city and village under the direction of the governing body thereof on the basis of greatest general importance to such municipality and shall not include any of the trunk line highways or county roads within the limits of such municipality. Each such tentative system of major streets certified to the state highway commissioner shall be checked and reviewed under his direction. Within 6 months after receipt by him of each such certification the state highway commissioner shall approve such part of that tentative system of major streets as complies with the uniform standards and specifications adopted and established as hereinbefore provided and shall reject and delete any part that does not so comply and shall certify to that city or village the approved portion of the tentative system and any deletions therefrom. So much of the tentative system of major streets of any city or village as is approved by the state highway commissioner shall constitute the major street system of that municipality for all purposes, and shall be known officially as the major street system of that city or village as the case may be.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.657 Tentative system of streets; included or deleted.

Sec. 7. Streets may, from time to time, be included in or deleted from the major street system of any municipality by selection by the governing body thereof and approval of the state highway commissioner in the same manner and by the same procedure as provided in section 6 hereof for the adoption of any major street system in the first instance.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.658 Tentative system of streets; streets not included, certification and approval.

Sec. 8. All streets within the corporate limits and under the jurisdiction of each municipality of the state, exclusive of state trunk line highways and county roads, and not included in the major street system of such municipality as finally approved shall be certified to and reviewed and approved or deleted by the state highway commissioner in the same manner as provided in section 6 hereof for the major street system and when finally approved by the state highway commissioner shall constitute and be the local street system of that city or village, which may thereafter be added to or deleted from in the same manner as provided in section 7 of this act for city or village major street systems.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.659 Tentative system of streets; official name; establishment and certification.

Sec. 9. All roads, streets and highways included in the major street system of any municipality shall be officially known as city or village major streets as the case may be, and all roads, streets and highways included in the local street system of any municipality shall be officially known as city or village local streets, as the case may be. For a period of 2 years after the effective date of this act, the major street system and the local street system in each city and village, and the mileage in each such system used for all purposes under

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the provisions of this act, shall be as determined by the state highway commissioner, and thereafter the major street system and the local street system in each city and village, and the mileage in each such system used for all purposes under the provisions of this act, shall be as established by certification to and approval by the state highway commissioner pursuant to the provisions of this act.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.659a Definitions; transportation asset management council; creation; charge; membership; appointments; staff and technical assistance; requirements and procedures; technical advisory panel; report including multiyear program; funding; records on road and bridge work performed and funds expended; annual report.

Sec. 9a. (1) As used in this section:

(a) "Asset management" means an ongoing process of maintaining, upgrading, and operating physical assets cost-effectively, based on a continuous physical inventory and condition assessment.

(b) "Bridge" means a structure including supports erected over a depression or an obstruction, such as water, a highway, or a railway, for the purposes of carrying traffic or other moving loads, and having an opening measuring along the center of the roadway of more than 20 feet between undercopings of abutments or spring lines of arches, or extreme ends of openings for multiple boxes where the clear distance between openings is less than 1/2 of the smaller contiguous opening.

(c) "Central storage data agency" means that agency or office chosen by the council where the data collected is stored and maintained.

(d) "Council" means the transportation asset management council created by this section.

(e) "Department" means the state transportation department.

(f) "Federal-aid eligible" means a public road or bridge that is eligible for federal aid to be spent for the construction, repair, or maintenance of that road or bridge.

(g) "Local road agency" means a county road commission or designated county road agency or city or village that is responsible for the construction or maintenance of public roads within the state under this act.

(h) "Multiyear program" means a compilation of road and bridge projects anticipated to be contracted for by the department or a local road agency during a 3-year period. The multiyear program shall include a listing of each project to be funded in whole or in part with state or federal funds.

(i) "State planning and development regions" means those agencies required by section 134 of title 23 of the United States Code, 23 USC 134, and those agencies established by Executive Directive 1968-1.

(2) In order to provide a coordinated, unified effort by the various roadway agencies within the state, the transportation asset management council is hereby created within the state transportation commission and is charged with advising the commission on a statewide asset management strategy and the processes and necessary tools needed to implement such a strategy beginning with the federal-aid eligible highway system, and once completed, continuing on with the county road and municipal systems, in a cost-effective, efficient manner. Nothing in this section shall prohibit a local road agency from using an asset management process on its non-federal-aid eligible system. The council shall consist of 10 voting members appointed by the state transportation commission. The council shall include 2 members from the county road association of Michigan, 2 members from the Michigan municipal league, 2 members from the state planning and development regions, 1 member from the Michigan townships association, 1 member from the Michigan association of counties, and 2 members from the department. Nonvoting members shall include 1 person from the agency or office selected as the location for central data storage. Each agency with voting rights shall submit a list of 2 nominees to the state transportation commission from which the appointments shall be made. The Michigan townships association shall submit 1 name, and the Michigan association of counties shall submit 1 name. Names shall be submitted within 30 days after July 3, 2002. The state transportation commission shall make the appointments within 30 days after receipt of the lists.

(3) The positions for the department shall be permanent. The position of the central data storage agency shall be nonvoting and shall be for as long as the agency continues to serve as the data storage repository. The member from the Michigan association of counties shall be initially appointed for 2 years. The member from the Michigan townships association shall be initially appointed for 3 years. Of the members first appointed from the county road association of Michigan, the Michigan municipal league, and the state planning and development regions, 1 member of each group shall be appointed for 2 years and 1 member of each group shall be appointed for 3 years. At the end of the initial appointment, all terms shall be for 3 years. The chairperson shall be selected from among the voting members of the council.

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(4) The department shall provide qualified administrative staff and the state planning and development regions shall provide qualified technical assistance to the council.

(5) The council shall develop and present to the state transportation commission for approval within 90 days after the date of the first meeting the procedures and requirements that are necessary for the administration of the asset management process. The procedures and requirements developed and presented by the council shall, at a minimum, include the areas of training, data storage and collection, reporting, development of a multiyear program, budgeting and funding, and other issues related to asset management. All quality control standards and protocols shall, at a minimum, be consistent with existing federal requirements and regulations and existing government accounting standards.

(6) The council may appoint a technical advisory panel whose members shall be representatives from the transportation construction associations and related transportation road interests. The asset management council shall select members to the technical advisory panel from names submitted by the transportation construction associations and related transportation road interests. The technical advisory panel members shall be appointed for 3 years. The asset management council shall determine the research issues and assign projects to the technical advisory panel to assist in the development of statewide policies. The technical advisory panel's recommendations shall be advisory only and are not binding on the asset management council.

(7) The department, each county road commission, and each city and village of this state shall annually submit a report to the transportation asset management council. This report shall include a multiyear program developed through the asset management process described in this section. Projects contained in the department's annual multiyear program shall be consistent with the department's asset management process and shall be reported consistent with categories established by the transportation asset management council. Projects contained in the annual multiyear program of each local road agency shall be consistent with the asset management process of each local road agency and shall be reported consistent with categories established by the transportation asset management council.

(8) Funding necessary to support the activities described in this section shall be provided by an annual appropriation from the Michigan transportation fund to the state transportation commission.

(9) The department and each local road agency shall keep accurate and uniform records on all road and bridge work performed and funds expended for the purposes of this section, according to the procedures developed by the council. Each local road agency and the department shall annually report to the council the mileage and condition of the road and bridge system under their jurisdiction and the receipts and disbursements of road and street funds in the manner prescribed by the council, which shall be consistent with any current accounting procedures. An annual report shall be prepared by the staff assigned to the council regarding the results of activities conducted during the preceding year and the expenditure of funds related to the processes and activities identified by the council. The report shall also include an overview of the activities identified for the succeeding year. The council shall submit this report to the state transportation commission, the legislature, and the transportation committees of the house and senate by May 2 of each year.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 1998, Act 308, Imd. Eff. July 29, 1998;—Am. 2002, Act 499, Imd. Eff. July 3, 2002;—Am. 2007, Act 199, Imd. Eff. Dec. 21, 2007;—Am. 2010, Act 257, Imd. Eff. Dec. 14, 2010;—Am. 2012, Act 298, Imd. Eff. Aug. 23, 2012.

Compiler's note: For transfer of powers and duties of the transportation needs study committee to the state transportation commission and abolishment of the committee, see E.R.O. No. 1997-6, compiled at MCL 247.691 of the Michigan Compiled Laws.

For transfer of powers and duties of the citizens advisory committee to the director of the department of transportation and abolishment of the committee, see E.R.O. No. 1997-6, compiled at MCL 247.691 of the Michigan Compiled Laws.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.659b Contracts to construct or repair roads or bridges; assistance to minority business enterprises; notice to legislative committees; definitions; other duties of department.

Sec. 9b. (1) After the effective date of the amendatory act that added this section, the department shall do all of the following regarding contracts to construct or repair roads or bridges:

(a) Establish technical assistance programs to prepare minority business enterprises to compete for contracts.

(b) Assist in creating and developing sources of nontraditional capital to assist minority business enterprises to compete for contracts.

(c) Assist in creating and developing incentives for firms to mentor minority business enterprises to assist minority business enterprises to gain the experience and resources necessary to compete for contracts.

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(d) Increase information programs to inform minority business enterprises of opportunities to compete for contracts.

(2) The department shall notify the majority and minority chairpersons of the house and senate appropriations committees and the majority and minority chairpersons of the house and senate committees that consider transportation matters of each contract awarded to minority business enterprises under this section.

(3) As used in this section:

(a) “Minority business enterprise” means a business enterprise located within an empowerment zone or an enterprise zone that is owned or controlled solely by 1 or more socially or economically disadvantaged persons. The disadvantage may arise from cultural, racial, gender, or chronic economic circumstances or background, or other similar cause.

(b) “Empowerment zone” means an area designated as an empowerment zone by the United States department of housing and urban development.

(c) “Enterprise zone” means a neighborhood enterprise zone designated under the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.787.

(4) After the effective date of the amendatory act that added this section, the department shall do all of the following regarding contracts to construct or repair roads and bridges:

(a) Consult with the Michigan state chamber of commerce and the Michigan minority business development council on requests for proposals and requests for quotations to ensure competitive and inclusive strategies which ensure an inclusive and competitive bid environment.

(b) Appoint not less than 1 representative from the Michigan minority business development council and the DBE division of the Michigan department of transportation to all requests for proposal and quote review panels.

(c) Establish within the DBE division of the Michigan department of transportation a surety division to assist qualified bidders in securing bonding and in monitoring vendor and supplier payments.

History: Add. 1997, Act 79, Eff. July 28, 1997.

Compiler's note: Enacting section 1 of Act 473 of 2014 provides:

"Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 473 of 2014 does not go into effect.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.659c Review of adequacy of surface transportation and aeronautics service provision and finance; appointment of task force by governor; duties; membership; citizens advisory committee; creation; purpose; technical staff and administrative support; focus of task force; report and recommendations.

Sec. 9c. (1) By February 1, 2008, the governor shall appoint not more than 9 persons who shall serve as a task force to review the adequacy of surface transportation and aeronautics service provision and finance in this state. The governor shall not appoint a member that represents the state transportation department or a local authority as that term is defined in section 27 of the Michigan vehicle code, 1949 PA 300, MCL 257.27. The appointments shall be subject to the advice and consent of the senate. The task force shall review strategies for maximizing the return on transportation investments and shall evaluate the potential of alternate strategies to replace or supplement the state motor fuel taxes, existing and alternative user fees, and nonuser revenues to support economic activity and personal mobility in this state. The task force shall appoint a chairperson from among its members who shall schedule meetings and submit reports required under this section. The task force shall include at least 1 representative of the following interests:

(a) Manufacturing.

(b) Commerce.

(c) Agriculture.

(d) Tourism.

(e) Labor.

(f) Transportation.

(g) Public transit.

(h) Aviation

(2) Beginning February 1, 2008, the task force shall also include the majority and minority leaders of the senate or a member of the senate designated by each leader and the speaker and minority leader of the house

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of representatives or a member of the house of representatives designated by each leader.

(3) A citizens advisory committee shall be created to receive and comment upon all reports, studies, and recommendations prepared by the various designated technical subcommittees of the citizens advisory committee before but not later than the submission of the reports, studies, and recommendations to the task force. The citizens advisory committee may create any subcommittees that it deems necessary, and any subcommittee that is created may make recommendations to the full committee. Each committee shall designate a chairperson from the members and that person shall schedule committee meetings and shall be responsible for submitting reports. The members of the citizens advisory committee shall provide members of the task force their majority, minority, or individual views of the reports, studies, and recommendations of the various designated technical subcommittees. The governor shall appoint not more than 19 persons, who shall serve as a citizens advisory committee and shall include a member of the general public and 1 representative from a list of 3 recommendations supplied by each of the following organizations:

(a) Michigan farm bureau.
(b) Michigan trucking association.
(c) Michigan association of counties.
(d) Michigan townships association.
(e) Michigan state chamber of commerce.
(f) Michigan tourist association.
(g) County road association of Michigan.
(h) Michigan municipal league.
(i) Michigan public transit association.
(j) Asphalt paving association of Michigan.
(k) Michigan concrete paving association.
(*l*) Michigan infrastructure and transportation association.
(m) Michigan railroads association.
(n) American council of engineering companies.
(o) Michigan building and construction trades council.
(p) Michigan association of airport executives.
(q) Michigan business aviation association.
(r) The state transportation department.

(4) The state transportation department shall provide qualified technical staff and administrative support to the task force, and by March 1, 2008 shall recommend a work program to the task force to enable it to perform the requirements of subsection (1). The department shall invite regional metropolitan planning organizations to assist.

(5) The primary focus of the task force is to examine alternatives to the portion of transportation funding that has fuel taxes as a source and to suggest or recommend alternative revenue collection systems funded through user pay methods or methods other than user pay methods. The task force shall include an analysis of the feasibility of alternative methods. The task force may make recommendations for implementation of pilot programs to test feasible alternatives to replace the portion of transportation funding that comes from fuel taxes. The task force shall make a preliminary recommendation on pilot programs by October 31, 2008.

(6) By a majority vote of the task force, the task force shall report to the governor, the state transportation commission, and the legislature on the identified capital and maintenance needs, transportation investment and maintenance priorities, funding for state trunk line roads and bridges, local road agencies, and public transit agencies, relative use of transportation systems, responsibilities for the identified needs including alternative transportation funding options, historical transportation financing patterns as they relate to total statewide fiscal resources, and strategies for maximizing the returns on transportation investments. All studies and reports relating to highways shall be reported according to functional and legal classification. The task force shall publish a preliminary report of the data, findings, and recommendations by October 31, 2008. The task force, after holding appropriate public hearings, shall recommend, if it considers it necessary, alterations of formulas for and alternative sources of transportation funding and alterations to the distributions of transportation responsibilities in the final report by April 1, 2009. The final report and recommendations shall also include any minority and individual views of task force members.

History: Add. 2007, Act 221, Imd. Eff. Jan. 2, 2008.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660 Michigan transportation fund; establishment; use of appropriated money; programs; allocation to transportation economic development fund; establishment of local bridge

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fund and regional bridge councils; distribution and allocation of money; report; rules; selection of bridge projects for funding; availability of list to interested parties; implementation of bridge project by county road commission, city, or village.

Sec. 10. (1) A fund to be known as the Michigan transportation fund is established in the state treasury as a separate fund. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Except as provided in this act, no other money, whether appropriated from the general fund of this state or any other source, shall be deposited in the Michigan transportation fund. Except as otherwise provided in this section, the legislature shall appropriate money for the necessary expenses incurred in the administration and enforcement of the motor fuel tax act, 2000 PA 403, MCL 207.1001 to 207.1170, the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, and sections 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810. Money appropriated for necessary expenses shall be based upon established cost allocation methodology that reflects actual costs. Appropriations for the necessary expenses incurred by the department of state in administration and enforcement of sections 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall be made from the Michigan transportation fund and from money in the transportation administration collection fund created in section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b. Appropriations from the Michigan transportation fund for the necessary expenses incurred by the department of state in administration and enforcement of sections 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, shall not exceed $20,000,000.00 per state fiscal year. Except as provided in section 51d of the income tax act of 1967, 1967 PA 281, MCL 206.51d, all money in the Michigan transportation fund is apportioned and appropriated in the following manner:

(a) Not more than $3,000,000.00 as may be annually appropriated each fiscal year to the state trunk line fund for subsequent deposit in the rail grade crossing account.

(b) Not more than $3,000,000.00 as may be annually appropriated each fiscal year to the state trunk line fund for subsequent deposit in the grade crossing surface account.

(c) Not more than $3,000,000.00 each year to the local bridge fund established in subsection (4) for the purpose of payment of the principal, interest, and redemption premium on any notes or bonds issued by the state transportation commission under former section 11b or subsection (9).

(d) Except as otherwise provided in this subdivision and subject to section 11h, $2,000,000.00 each year of the revenue from 3 cents of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, to the local agency wetland mitigation bank fund created in section 11h.

(e) Except as otherwise provided in this subdivision, $5,000,000.00 each year of the revenue from 3 cents of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, to the movable bridge fund created in section 11g, with the remainder to the state trunk line fund, county road commissions, and cities and villages in the percentages provided in subdivision (*l*). The department shall annually adjust the amount allocated under this subdivision by an amount equal to the annual increase in the Detroit consumer price index for the preceding year.

(f) One-half of the revenue from 1 cent of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, to the state trunk line fund for the repair of state bridges under section 11, and 1/2 of the revenue from 1 cent of the tax levied under section 8(1)(a) of the motor fuel tax act, 2000 PA 403, MCL 207.1008, to the local bridge fund created in subsection (4) for distribution only to cities, villages, and county road commissions.

(g) $50,000,000.00 to the state trunk line fund for debt service costs on state of Michigan projects.

(h) Ten percent to the comprehensive transportation fund for the purposes described in section 10e.

(i) $5,000,000.00 to the local bridge fund established in subsection (4) for distribution only to the local bridge advisory board, the regional bridge councils, cities, villages, and county road commissions.

(j) $36,775,000.00 to the state trunk line fund for subsequent deposit in the transportation economic development fund, with first priority for allocation to debt service on bonds issued to fund transportation economic development fund projects. In addition, $3,500,000.00 is appropriated from the Michigan transportation fund to the state trunk line fund for subsequent deposit in the transportation economic development fund to be used for economic development road projects in any of the targeted industries described in section 9(1)(a) of 1987 PA 231, MCL 247.909.

(k) Not less than $33,000,000.00 as may be annually appropriated each fiscal year to the local program fund created in section 11e.

(*l*) The balance of the Michigan transportation fund as follows, after deduction of the amounts appropriated in subdivisions (a) to (k):

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(*i*) 39.1% to the state trunk line fund for the purposes described in section 11.

(*ii*) 39.1% to the county road commissions of this state.

(*iii*) 21.8% to the cities and villages of this state.

(2) The money appropriated pursuant to this section shall be used for the purposes as provided in this act and any other applicable act. Subject to the requirements of section 9b, the department shall develop programs in conjunction with the Michigan Chamber of Commerce and the Michigan Minority Supplier Development Council to assist small businesses, including those located in enterprise zones and those located in empowerment zones as determined under federal law, as defined by law in becoming qualified to bid.

(3) Thirty-one and one-half percent of the money appropriated to this state from the federal government under 23 USC 157, commonly known as minimum guarantee funds, shall be allocated to the transportation economic development fund, if the allocation is consistent with federal law. This money shall be distributed 16-1/2% for development projects for rural counties as defined by law and 15% for capacity improvement or advanced traffic management systems in urban counties as defined by law. Federal money allocated for distribution under this section is eligible for obligation and use by all recipients as provided in the moving ahead for progress in the 21st century act, Public Law 112-141.

(4) A fund to be known as the local bridge fund is established in the state treasury as a separate fund. The money appropriated to the local bridge fund and the interest accruing to that fund shall be expended for the local bridge program. The purpose of the fund is to provide financial assistance to highway authorities for the preservation, improvement, or reconstruction of existing bridges or for the construction of bridges to replace existing bridges in whole or part. The money in the local bridge fund is not subject to section 12(15) or 13(5). The local bridge advisory board is created and shall consist of 6 voting members appointed by the state transportation commission and 2 nonvoting members appointed by the department. The board shall include 3 members from the County Road Association of Michigan, 1 member who represents counties with populations 65,000 or greater, 1 member who represents counties with populations greater than 30,000 and less than 65,000, and 1 member who represents counties with populations of 30,000 or less. Three members shall be appointed from the Michigan Municipal League, 1 member who represents cities with a population 75,000 or greater, 1 member who represents cities with a population less than 75,000, and 1 member who represents villages. Each organization with voting rights shall submit a list of nominees in each population category to the state transportation commission. The state transportation commission shall make the appointments from the lists submitted under this subsection. Voting members shall be appointed for 2 years. The chairperson of the board shall be selected from among the voting members of the board. In addition to the 2 nonvoting members, the department shall provide qualified administrative staff and qualified technical assistance to the board.

(5) No less than 5% and no more than 15% of the money received in the local bridge fund may be used for critical repair of large bridges and emergencies as determined by the local bridge advisory board. Money remaining after the money allocated for critical large bridge repair and emergencies is deducted shall be distributed by the board to the regional bridge councils created under this section. One regional council shall be formed for each department of transportation region as those regions exist on October 1, 2004. The regional councils shall consist of 2 members of the County Road Association of Michigan from counties in the region, 2 members of the Michigan Municipal League from cities and villages in the region, and 1 member of the department in each region. The members of the department are nonvoting members and shall provide qualified administrative staff and qualified technical assistance to the regional councils.

(6) Money in the local bridge fund after deduction of the amounts set aside for critical repair of large bridges and emergency repairs shall be distributed among the regional bridge councils according to all of the following ratios, which shall be assigned a weight expressed as a percentage as determined by the board, with each ratio receiving no greater than a 50% weight and no less than a 25% weight:

(a) A ratio with a numerator that is the total number of local bridges in the region and a denominator that is the total number of local bridges in this state.

(b) A ratio with a numerator that is the total local bridge deck area in the region and a denominator that is the total local bridge deck area in this state.

(c) A ratio with a numerator that is the total amount of structurally deficient local bridge deck area in the region and a denominator that is the total amount of structurally deficient local bridge deck area in this state.

(7) The regional bridge councils shall allocate the money received from the board for the preservation, improvement, and reconstruction of existing bridges or for the construction of bridges to replace existing bridges in whole or in part in each region.

(8) Each January, the department shall submit a report to the chair and the minority vice-chair of the appropriations committees of the senate and the house of representatives, and to the standing committees on transportation of the senate and the house of representatives, on all of the following activities for the previous

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state fiscal year:

(a) A listing of how much money was dedicated for emergency and large bridge repair.

(b) A listing of what emergency and large bridge repair projects were funded.

(c) The actual weights used in the calculation required under subsection (6).

(d) A listing of the total money distributed to each region.

(e) A listing of the specific projects that were funded under subsection (7).

(9) The state transportation commission shall borrow money and issue notes or bonds in an amount of not less than $30,000,000.00 to supplement the funding provided for the local bridge program under subsection (5). The bonds or notes issued under this subsection may be issued by the commission for any purpose for which other local bridge money may be used under this section. The bonds or notes authorized by this subsection shall be issued by resolution of the state transportation commission consistent with the requirements of section 18b.

(10) The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, governing the administration of the local bridge program. The rules shall set forth the eligibility criteria for financial assistance under the program and other matters related to the program that the department considers necessary and desirable. The department shall take into consideration the availability of federal aid and other financial resources of the highway authority responsible for the bridge, the importance of the bridge to the highway, road, or street network, and the condition of the existing bridge.

(11) The revenue appropriated to the local bridge fund under subsection (1)(e) shall be distributed only to the local bridge advisory board, the regional bridge councils, cities, villages, and county road commissions.

(12) The regional bridge councils shall determine what bridge projects are selected for funding from the local bridge fund created in subsection (4) and shall make a list of selected projects available to interested parties in the region. A determination that a bridge project is selected for funding in a given fiscal year is not approval to disburse the money.

(13) A county road commission, city, or village may implement a bridge project if the bridge project has been selected for funding and is included in the appropriate regional bridge council's current multiyear bridge plan for the local bridge program but the regional bridge council has not allocated money to the bridge project for the fiscal year that the bridge project is on the current multiyear bridge plan. A county road commission, city, or village may borrow money to implement a project that has been selected for funding and is included in the appropriate regional bridge council's current multiyear bridge plan but has not been allocated money by the regional bridge council. Based on available local bridge money, when a bridge project that was implemented with borrowed money is allocated funding in a subsequent fiscal year, the funding shall only be used to repay the amount approved by the multiyear bridge plan when the money was borrowed. To be eligible for repayment of the amount borrowed, a bridge project that has been implemented with borrowed money shall be administered through the department's local bridge program.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1954, Act 154, Imd. Eff. Apr. 30, 1954;—Am. 1955, Act 265, Imd. Eff. June 29, 1955;—Am. 1957, Act 262, Eff. July 1, 1957;—Am. 1967, Act 298, Eff. Jan. 1, 1968;—Am. 1967, Ex. Sess., Act 4, Eff. Jan. 1, 1968;—Am. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1985, Act 125, Imd. Eff. July 31, 1985;—Am. 1986, Act 254, Imd. Eff. Dec. 9, 1986;—Am. 1987, Act 3, Imd. Eff. Mar. 18, 1987;—Am. 1987, Act 43, Imd. Eff. June 9, 1987;—Am. 1987, Act 103, Imd. Eff. July 7, 1987;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 1988, Act 348, Imd. Eff. Oct. 25, 1988;—Am. 1992, Act 223, Imd. Eff. Oct. 15, 1992;—Am. 1993, Act 20, Imd. Eff. Apr. 14, 1993;—Am. 1993, Act 294, Imd. Eff. Dec. 28, 1993;—Am. 1997, Act 79, Eff. July 28, 1997;—Am. 1998, Act 308, Imd. Eff. July 29, 1998;—Am. 2000, Act 188, Imd. Eff. June 20, 2000;—Am. 2003, Act 151, Eff. Oct. 1, 2003;—Am. 2004, Act 384, Eff. Oct. 12, 2004;—Am. 2006, Act 178, Imd. Eff. June 6, 2006;—Am. 2007, Act 210, Imd. Eff. Dec. 27, 2007;—Am. 2015, Act 175, Eff. Apr. 1, 2016;—Am. 2016, Act 246, Eff. Sept. 22, 2016.

Compiler's note: Enacting section 1 of Act 473 of 2014 provides:

"Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 473 of 2014 does not go into effect.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660a Transferred mileage; worth per mile of county primary and local roads; determination of money to be transferred; jurisdictional transfers made after July 1, 1992; construction of subsections (4) and (5); transfer of funds included in appropriation.

Sec. 10a. (1) Annually the state transportation department shall determine the miles of state trunk line highways, county primary and local roads, and city and village major and local streets transferred to and from state, county, city, or village jurisdiction during the preceding period of July 1 to June 30. In each year after

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that determination, the transferred mileage shall be accumulated and added to the mileage transferred in each subsequent July 1 to June 30 period.

(2) The current average revenue worth per mile of a county primary road and a county local road shall be determined annually by dividing the total county primary and local road mileages respectively as of the first day of the preceding July 1 to June 30 period into the total amount of Michigan transportation funds returned to counties pursuant to this act for use on county primary and local roads respectively during that period, except money returned to counties pursuant to section 12(2) and (3).

(3) The total amount of money to be transferred from and to the state trunk line fund, the counties, cities, and villages shall be determined annually by multiplying the current revenue worth per mile of a county primary road and a county local road respectively by the number of accumulated miles in each category transferred from and to state, county, city, or village jurisdiction. If the transferred facility becomes classified as part of the local road or street system of the receiving jurisdiction, the transfer of money shall be calculated on the basis of the revenue worth per mile of a county local road. In any other category of jurisdictional transfer, the transfer of money shall be calculated on the basis of the revenue worth per mile of a county primary road.

(4) For jurisdictional transfers made from the state to a county, city, or village after July 1, 1992, the amount in the state trunk line fund to be transferred shall be transferred to the county, city, or village receiving jurisdiction. If the transferred highway is then classified as part of the local road or street system of the receiving jurisdiction, the transfer of money to the receiving jurisdiction shall be calculated on the basis of the revenue worth per mile of a county local road as determined in subsection (2). If the transferred highway is then classified as part of the primary road or major street system of the receiving jurisdiction, the transfer of money to the receiving jurisdiction shall be calculated on the basis of the revenue worth per mile of a county primary road as determined in subsection (2). This subsection and subsection (5) shall not be construed to effect contracts entered into before or after the effective date of this subsection pursuant to Act No. 166 of the Public Acts of 1965, being sections 408.551 to 408.558 of the Michigan Compiled Laws, for the maintenance of a transferred highway.

(5) In cities and villages with a population of 25,000 or more, trunk line mileage that is transferred to local jurisdiction after July 1, 1992 and is then classified as a major street shall be certified at twice its measured length.

(6) The transfer of funds under this section shall be included each year in the October appropriation of the Michigan transportation fund.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1992, Act 137, Imd. Eff. July 15, 1992.

Compiler's note: In the fourth sentence of subsection (4), the phrase “to effect contracts entered” evidently should read “to affect contracts entered.”

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660b Comprehensive transportation fund.

Sec. 10b. (1) A fund to be known as the comprehensive transportation fund is established and shall be set up and maintained in the state treasury as a separate fund. In addition to the money distributed to the comprehensive transportation fund pursuant to this act, the money authorized to be credited to the comprehensive transportation fund pursuant to section 25 of the general sales tax act, 1933 PA 167, MCL 205.75, shall be deposited in the comprehensive transportation fund and is appropriated to the department for the purposes described in section 10e.

(2) The comprehensive transportation fund shall be administered by the department in accordance with this act.

(3) The general functions of the department in the administration of funds for comprehensive transportation services shall include the following:

(a) Establishing public transportation procedures and administrative practices for which there is a clear requirement for uniformity statewide.

(b) Planning and providing for the current and long-range development of a system of public transportation in areas for which an eligible authority or eligible governmental agency does not exist.

(c) Investigating public transportation conditions and making recommendations for improvement to the state transportation commission for forwarding to the legislature.

(d) Encouraging, coordinating, and administering grants for research and demonstration projects to develop the application of new ideas and concepts in public transportation facilities and services as applied to state as opposed to nationwide problems.

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(e) Performing each function necessary to comply fully with present or future federal transportation acts.

(f) Except as provided in section 8 of the regional transit authority act, administering and distributing money from the comprehensive transportation fund and the proceeds of notes and bonds sold for public transportation purposes. If money is raised by an eligible authority or an eligible governmental agency for a public transportation capital outlay project funded pursuant to sections 3, 5, and 6 of the urban mass transportation act of 1964, 49 USC 1602, 1604, and 1605, or federal law codified in 23 USC 101 to 407, this state shall pay not less than 66-2/3% of the local match. This state shall not expend money as a local match or otherwise, and an eligible authority or eligible governmental agency shall not expend money distributed pursuant to this act, as a local match or otherwise, for the preliminary or final construction engineering plans or the construction of a subway system within the area of the southeastern Michigan transportation authority until that expenditure is approved by concurrent resolution of the legislature. The concurrent resolution shall be approved on a record roll call vote of each house. This state shall not expend money for the construction, operation, or maintenance of a commuter boat service system within a county which is a member of the southeastern Michigan transportation authority until approved by concurrent resolution of the legislature. The concurrent resolution shall be approved on a record roll call vote of each house.

(g) Applying for, receiving, and accepting any grant, gift, contribution, loan, or other assistance in the form of money, property, labor, and any other form from a public or private source, including assistance from an agency or instrumentality of the United States and doing each thing as is necessary to apply for, receive, and administer that assistance in accordance with the laws of this state.

(h) Promulgating rules for the implementation and administration of the comprehensive transportation fund, pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(i) Issuing bonds or notes for public transportation purposes in accordance with this act.

(j) Making direct expenditures, loans, grants, or guaranteeing lease costs to public and private corporations for public transportation purposes using the comprehensive transportation fund or using as appropriate, the proceeds of notes and bonds authorized by section 18b.

History: Add. 1976, Act 297, Eff. Nov. 15, 1976;—Am. 1978, Act 393, Imd. Eff. Aug. 1, 1978;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 2012, Act 391, Imd. Eff. Dec. 19, 2012.

Constitutionality: MCL 474.51 et seq. and MCL 247.660b et seq. are constitutional. In re Advisory Opinion 1976 PA 295 and 1976 PA 297, 401 Mich 686; 259 NW2d 129 (1977).

Compiler's note: Former MCL 247.660b, pertaining to the creation of a general transportation fund, was repealed by Act 296 of 1976.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

Administrative rules: R 247.4101 et seq. of the Michigan Administrative Code.

247.660c Definitions.

Sec. 10c. As used in this act:

(a) "Urban or rural area" means a contiguous developed area, including the immediate surrounding area, where transportation services should reasonably be provided presently or in the future; the area within the jurisdiction of an eligible authority; or for the purpose of receiving funds for public transportation, a contiguous developed area having a population of less than 50,000 that has an urban public transportation program approved by the state transportation department and for which the state transportation commission determines that public transportation services should reasonably be provided presently or in the future.

(b) "Eligible authority" means an authority organized under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426.

(c) "Eligible governmental agency" means a county, city, or village or an authority created under 1963 PA 55, MCL 124.351 to 124.359; the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512; 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536; 1951 PA 35, MCL 124.1 to 124.13; the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479; or the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(d) "Transit vehicle" means a bus, rapid transit vehicle, railroad car, street railway car, water vehicle, taxicab, or other type of public transportation vehicle or individual unit, whether operated singly or in a group that provides public transportation.

(e) "Transit vehicle mile" means a transit vehicle operated for 1 mile in public transportation service including demand actuated and line-haul vehicle miles.

(f) "Demand actuated vehicle" means a bus or smaller transit vehicle operated for providing group rides to members of the general public paying fares individually, and on demand rather than in regularly scheduled route service.

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(g) "Demand actuated vehicle mile" means a demand actuated vehicle operated for 1 mile in service to the general public.

(h) "Public transportation", "comprehensive transportation", "public transportation service", "comprehensive transportation service", "public transportation purpose", or "comprehensive transportation purpose" means the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, street railway, aircraft, rapid transit vehicle, taxicab, or other conveyance that provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively for school purposes. Public transportation, public transportation services, or public transportation purposes; and comprehensive transportation, comprehensive transportation services, or comprehensive transportation purposes as defined in this subdivision are declared by law to be transportation purposes within the meaning of section 9 of article IX of the state constitution of 1963.

(i) "State transportation commission" or "commission" means the state transportation commission established in section 28 of article V of the state constitution of 1963.

(j) "Governmental unit" means the state transportation department, the state transportation commission, a county road commission, a city, or a village.

(k) "Department" or "department of transportation" means the state transportation department, the principal department of state government created under section 350 of the executive organization act of 1965, 1965 PA 380, MCL 16.450.

(*l*) "Preservation" means an activity undertaken to preserve the integrity of the existing roadway system. Preservation does not include new construction of highways, roads, streets, or bridges, a project that increases the capacity of a highway facility to accommodate that part of traffic having neither an origin nor destination within the local area, widening of a lane width or more, or adding turn lanes of more than 1/2 mile in length. Preservation includes, but is not limited to, 1 or more of the following:

(*i*) Maintenance.

(*ii*) Capital preventive treatments.

(*iii*) Safety projects.

(*iv*) Reconstruction.

(*v*) Resurfacing.

(*vi*) Restoration.

(*vii*) Rehabilitation.

(*viii*) Widening of less than the width of 1 lane.

(*ix*) Adding auxiliary weaving, climbing, or speed change lanes.

(*x*) Modernizing intersections.

(*xi*) Adding auxiliary turning lanes of 1/2 mile or less.

(*xii*) Installing traffic signs in new locations, installing signal devices in new locations, and replacing existing signal devices.

(m) "Maintenance" means routine maintenance or preventive maintenance, or both. Maintenance does not include capital preventive treatments, resurfacing, reconstruction, restoration, rehabilitation, safety projects, widening of less than 1 lane width, adding auxiliary turn lanes of 1/2 mile or less, adding auxiliary weaving, climbing, or speed-change lanes, modernizing intersections, or the upgrading of aggregate surface roads to hard surface roads. Maintenance of state trunk line highways does not include streetlighting except for freeway lighting for traffic safety purposes.

(n) "Routine maintenance" means actions performed on a regular or controllable basis or in response to uncontrollable events upon a highway, road, street, or bridge. Routine maintenance includes, but is not limited to, 1 or more of the following:

(*i*) Snow and ice removal.

(*ii*) Pothole patching.

(*iii*) Unplugging drain facilities.

(*iv*) Replacing damaged sign and pavement markings.

(*v*) Replacing damaged guardrails.

(*vi*) Repairing storm damage.

(*vii*) Repair or operation of traffic signs and signal systems.

(*viii*) Emergency environmental cleanup.

(*ix*) Emergency repairs.

(*x*) Emergency management of road closures that result from uncontrollable events.

(*xi*) Cleaning streets and associated drainage.

(*xii*) Mowing roadside.

(*xiii*) Control of roadside brush and vegetation.

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(*xiv*) Cleaning roadside.
(*xv*) Repairing lighting.
(*xvi*) Grading.

(o) "Preventive maintenance" means a planned strategy of cost-effective treatments to an existing roadway system and its appurtenances that preserve assets by retarding deterioration and maintaining functional condition without significantly increasing structural capacity. Preventive maintenance includes, but is not limited to, 1 or more of the following:

(*i*) Pavement crack sealing.
(*ii*) Micro surfacing.
(*iii*) Chip sealing.
(*iv*) Concrete joint resealing.
(*v*) Concrete joint repair.
(*vi*) Filling shallow pavement cracks.
(*vii*) Patching concrete.
(*viii*) Shoulder resurfacing.
(*ix*) Concrete diamond grinding.
(*x*) Dowel bar retrofit.
(*xi*) Bituminous overlays of 1-1/2 inches or less in thickness.
(*xii*) Restoration of drainage.
(*xiii*) Bridge crack sealing.
(*xiv*) Bridge joint repair.
(*xv*) Bridge seismic retrofit.
(*xvi*) Bridge scour countermeasures.
(*xvii*) Bridge painting.
(*xviii*) Pollution prevention.
(*xix*) New treatments as they may be developed.

(p) "County road commission" means the board of county road commissioners elected or appointed pursuant to section 6 of chapter IV of 1909 PA 283, MCL 224.6, or, in the case of a charter county with a population of 750,000 or more with an elected county executive that does not have a board of county road commissioners, the county executive for ministerial functions and the county commission provided for in section 14(1)(d) of 1966 PA 293, MCL 45.514, for legislative functions. In addition, if a board of county road commissioners is dissolved as provided in section 6 of chapter IV of 1909 PA 283, MCL 224.6, county road commission includes the county board of commissioners of the county.

(q) "Capital preventive treatments" means any preventive maintenance category project on state trunk line highways that qualifies under the department's capital preventive maintenance program.

(r) "Public transit region" means that term as defined in the regional transit authority act.

(s) "Regional transit authority" means an authority created under the regional transit authority act.

History: Add. 1976, Act 297, Eff. Nov. 15, 1976;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 1990, Act 73, Imd. Eff. May 17, 1990;—Am. 2002, Act 498, Imd. Eff. July 3, 2002;—Am. 2005, Act 45, Imd. Eff. June 16, 2005;—Am. 2008, Act 485, Imd. Eff. Jan. 12, 2009;—Am. 2010, Act 257, Imd. Eff. Dec. 14, 2010;—Am. 2012, Act 298, Imd. Eff. Aug. 23, 2012;—Am. 2012, Act 391, Imd. Eff. Dec. 19, 2012.

Compiler's note: Former MCL 247.660c, containing definitions, was repealed by Act 296 of 1976.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660d Comprehensive transportation fund; distribution.

Sec. 10d. The comprehensive transportation fund shall be distributed to eligible authorities for public transportation purposes, distributed to eligible governmental agencies which are not within the jurisdiction of an eligible authority for public transportation purposes, distributed to a regional transit authority, for public transportation purposes, and expended by the department for public transportation purposes. A distribution to an eligible governmental agency located within the jurisdiction of an eligible authority for public transportation purposes may be made directly if the eligible governmental agency was providing public transportation service on January 3, 1973. Except for an eligible governmental agency that was providing public transportation service on January 3, 1973, distribution for public transportation purposes may be made directly to an eligible governmental agency located within the jurisdiction of an eligible governmental agency or eligible authority that is providing public transportation service on the date of the creation of the comprehensive transportation fund, only if approved by the eligible governmental agency or eligible authority in which the eligible governmental agency is located. Further, except for an eligible governmental agency or

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eligible authority in whose jurisdiction is located an eligible governmental agency that was providing public transportation service on January 3, 1973, a distribution may be made directly to an eligible governmental agency or eligible authority in whose jurisdiction is located an eligible governmental agency that is providing public transportation service on the date of the creation of the comprehensive transportation fund, only if approved by the eligible governmental agency located within the eligible governmental agency or eligible authority. A county that withdraws from an eligible authority shall not be considered to be within the jurisdiction of the eligible authority.

History: Add. 1976, Act 297, Eff. Nov. 15, 1976;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 2012, Act 391, Imd. Eff. Dec. 19, 2012.

Compiler's note: Former MCL 247.660d, pertaining to use and objectives of general transportation fund, was repealed by Act 296 of 1976.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660e Comprehensive transportation fund; appropriation and expenditure; order of priority; capital grants; instructions; submission of local transportation program to department; department transportation program; proposed state transportation program; action by commission; approval of projects; agreement; approval of multiyear public transportation program; grant-in-aid instrument; audits; source of funds for payment of eligible capital projects, local bus new services, and intercity passenger operating assistance projects; demand actuated service; plan; exceptions; annual report; appropriation; application, receipt, and disbursement of funds.

Sec. 10e. (1) The comprehensive transportation fund is appropriated for each fiscal year in the following order of priority.

(2) The first priority is to pay, but only from money restricted as to use by section 9 of article IX of the state constitution of 1963, the principal and interest on bonds or notes issued under section 18b for comprehensive transportation purposes as defined by law. A sufficient portion of the comprehensive transportation fund is irrevocably appropriated to pay, when due, the principal and interest on those bonds and notes.

(3) After making or setting aside payments required by subsection (2), the second priority of the comprehensive transportation fund is the payment of the department's cost in administering the comprehensive transportation fund. The amount to be expended pursuant to this subsection shall not exceed the costs appropriated for the administration of the fund in the fiscal year ending September 30, 1987, as adjusted annually on October 1, by the change for the preceding 12 months in the Detroit consumer price index for urban wage earners and shall be appropriated annually by the legislature.

(4) After making or setting aside payments required by subsections (2) and (3), the balance of the comprehensive transportation fund shall be expended each fiscal year as appropriated annually by the legislature pursuant to the state transportation program approved by the commission as follows:

(a) The third priority shall be the payment of operating grants to eligible authorities and eligible governmental agencies according to the following formulations and subject to the following requirements:

(*i*) For the fiscal year ending September 30, 1998, and for each fiscal year thereafter, each eligible authority and eligible governmental agency that provides public transportation services in urbanized areas under 49 USC 5307, with a Michigan population greater than 100,000 shall receive a grant of up to 50% of their eligible operating expenses as defined by the department.

(*ii*) For the fiscal year ending September 30, 1998, and each fiscal year thereafter, each eligible authority and eligible governmental agency that provides public transportation services in urbanized areas with a Michigan population less than or equal to 100,000 and nonurbanized areas under 49 USC 5311, shall receive a grant of up to 60% of their eligible operating expenses as defined by the department. For purposes of receiving a grant under this subparagraph in nonurbanized areas, eligible costs of services provided by water vehicle shall be reimbursed at not less than 50% of the portion of the costs not eligible for reimbursement by the federal government.

(*iii*) Funds shall not be distributed to an eligible authority or eligible governmental agency under this act unless the eligible authority or eligible governmental agency provides or agrees to provide preferential fares for public transportation services to persons 65 years of age or over or persons with disabilities riding in off peak periods of service. As used in this section, "person with disabilities" means an individual with a disability as that term is defined in 61 FR 56424 (November 1, 1996) and 49 CFR part 27. The preferential fares shall not be higher than 50% of the regular 1-way single fare.

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(*iv*) Eligible authorities and eligible governmental agencies shall not engage in charter service using vehicles, facilities, or equipment funded under this act except on an incidental basis as defined by 49 CFR part 604.

(*v*) Notwithstanding any other provision of this subsection, for the fiscal year ending September 30, 1998, each eligible authority and eligible governmental agency shall receive a distribution from the comprehensive transportation fund not less than the distribution received for eligible operating expenses for the fiscal year ending September 30, 1997. Beginning with the fiscal year ending September 30, 1998 and each fiscal year thereafter, each eligible authority and eligible governmental agency shall receive a distribution from the comprehensive transportation fund for eligible operating expenses not less than the distribution received for the fiscal year ending September 30, 1997. As it relates to this subsection the ratio between comprehensive transportation funds and local funds in the fiscal year ending September 30, 1989 shall be maintained for all fiscal years by the eligible authority and eligible governmental agency. Reductions in this ratio shall require a proportionate reduction in the comprehensive transportation funds provided for any fiscal year.

(*vi*) Each eligible authority and eligible governmental agency receiving comprehensive transportation funds shall prepare and submit to the department a quarterly report of the progress made in carrying out its local transportation program within 40 days after the end of each fiscal year quarter. The progress report shall be made on forms authorized by the United States department of transportation under the provisions of the surface transportation and uniform relocation assistance act of 1987, Public Law 100-17, 101 Stat. 132.

(*vii*) The department shall periodically adjust or redistribute comprehensive transportation funds previously distributed under this subdivision.

(b) For the fiscal year ending September 30, 1997, and each fiscal year thereafter, not less than 10% shall be distributed by the department for intercity passenger and intercity freight transportation purposes.

(c) For the fiscal year ending September 30, 1997, and each fiscal year thereafter, funds remaining in the fund after payment of the amounts required by subdivisions (a) and (b) shall be distributed by the department for public transportation purposes. For the fiscal year ending September 30, 1998, and each fiscal year thereafter, funds shall be made available to match all projects for eligible authorities and eligible governmental agencies that are approved for federal funding as provided by federal law and for which an approved transportation improvement program (TIP) and state transportation improvement plan (STIP) exist. Funds distributed under this subdivision shall be expended pursuant to specific line item appropriation for, but are not limited to, the following public transportation purposes:

(*i*) The specialized services assistance program. The specialized services assistance program shall be funded with not less than $3,600,100.00 from funds distributed under this subdivision. Funds shall be distributed according to guidelines developed by the department based upon the following considerations:

(A) Proposals for coordinated specialized services assistance funding shall be developed jointly between existing eligible authorities or eligible governmental agencies that provide public transportation services and the area agencies on aging or any other organization representing specialized services interests, as defined in this subdivision. Plans shall be reviewed and approved by the bureau of urban and public transportation of the department. Upon approval, the department shall release the funds to the eligible authority or eligible governmental agency which shall then allocate the funds to the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision for the purchase of services as approved in the plan by the department.

(B) If an eligible authority or eligible governmental agency does not exist to provide public transportation service in a county, coordinated proposals for specialized services assistance funding may be submitted by the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision. The proposals shall be reviewed and approved by the bureau of urban and public transportation of the department. Upon approval, the department shall release the funds to the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision for the purchase of services as approved in the plan by the department.

(C) For the purposes of this program, "specialized services" means public transportation primarily designed for persons with disabilities or persons who are 65 years of age or older.

(*ii*) Local bus capital. For the fiscal year ending September 30, 1998 and each fiscal year thereafter, not less than $8,000,000.00 will be distributed for either matching federal funds for local bus capital or 100% capital projects for eligible authorities and eligible governmental agencies that are not eligible to receive federal capital formula funds under section 5307 of the federal intermodal surface transportation efficiency act, Public Law 102-240, or any successor act.

(*iii*) Local bus new services.

(*iv*) Not less than $2,000,000.00 in each fiscal year for the credit program established under section 10*l*.

(*v*) Public transportation development.

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(*vi*) Other public transportation programs approved by the commission.

(d) The unappropriated and unencumbered balance of the comprehensive transportation fund lapses at the end of each fiscal year and reverts to the comprehensive transportation fund for appropriation in the following fiscal year.

(5) Eligible authorities and eligible governmental agencies shall receive capital grants each fiscal year by the annual process described in this section. Amounts received by an eligible authority or eligible governmental agency pursuant to this subsection shall be expended by that authority or agency solely for capital projects that have been approved by the state transportation commission. Any funds approved by distribution to an eligible authority or eligible governmental agency pursuant to this section that have not been encumbered by that agency or authority for an approved capital project by the end of the following fiscal year in which the funds were approved shall not be expended by the authority or agency and be available for distribution from the comprehensive transportation fund for the purposes described in this section.

(6) The department, in carrying out the policy of the state transportation commission, shall annually prepare and distribute by December 1, instructions to eligible governmental agencies, eligible authorities, and intercity carriers to enable the preparation of a local transportation program. Eligible governmental agencies, eligible authorities, and intercity carriers shall give public notice of their intent to apply for money in the comprehensive transportation fund to the residents of the counties, townships, villages, and cities affected by the local transportation program and shall make their application available for a period of 30 days. All comments received by the eligible governmental agency, eligible authority, or intercity carrier shall be transmitted to the department.

(7) On or before March 1 of each year, each intercity carrier, eligible authority, and eligible governmental agency shall submit to the department its local transportation program for the next succeeding fiscal year. The format for each local transportation program shall be as prescribed by the federal transportation improvement program insofar as practical and shall include project descriptions, funding sources, and justification for each line item, and summary budgets based on distributions anticipated under subsection (4). The program shall contain at a minimum the contemplated routes, hours of service, estimated transit vehicle miles, costs of public transportation services, and projected capital improvements or projects as exclusively determined by the eligible authority or eligible governmental agency. The costs of service and capital improvements or projects shall be in sufficient detail to permit the department to evaluate and approve the annual public transportation program. Determination of individual projects to be included in the local transportation programs other than those provided in this subsection shall be made by the governing body of the eligible authority or eligible governmental agency.

(8) On or before March 1 of each year, the department shall prepare and file for public inspection and review the department transportation program. The department transportation program shall be prepared on similar format to the local transportation programs, and shall include a summary description of projects, with funding sources and project justifications for each line item for the fiscal year immediately succeeding the fiscal year in which the program is submitted. In addition, the department transportation program shall include summary, nondetailed budget and project descriptions and justifications excluding projects contained in a local transportation program.

(9) On or before April 1 of each year, the department shall prepare and file with the commission the proposed state transportation program for the next succeeding fiscal year. The proposed state transportation program shall contain the local transportation programs of each intercity carrier, eligible authority and eligible governmental agency, the department transportation program, and the programs for the expenditure of the state trunk line fund as they may have been supplemented, amended, or modified since their original filing. The state transportation program shall include the estimated amount of money in the funds described in this subsection by revenue source, project justifications, project descriptions funding sources, and budget summaries.

(10) On or before May 1 of each year, the state transportation commission shall act on the state transportation program for the fiscal year commencing on the following October 1. In considering approval of the proposed projects of each intercity carrier, eligible authority, or eligible governmental agency, other than projects that are to be funded pursuant to subsection (5), the state transportation commission shall consider whether the projects comply with state law, are within funds allocated in this section, whether they may be funded within the approved budgets, whether there are intercity carriers, eligible authorities, and eligible governmental agencies responsible to implement the projects, and the recommendations of the department on individual projects. Upon making those determinations, the state transportation commission shall approve the projects which best meet the criteria of this subsection.

(11) By October 1, the department and each intercity carrier, eligible authority, or eligible governmental agency shall enter into a contractual agreement or standardized grant memorandum of agreement, which may

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cover 1 or more projects to be made from this section in the applicable fiscal year to the intercity carrier, eligible authority, or eligible governmental agency from the comprehensive transportation fund.

(12) After a multiyear public transportation program is approved by the state transportation commission, the department may enter into a grant-in-aid instrument with an eligible authority, intercity carrier, or eligible governmental agency obligating the state to a minimum level of funding for approved projects to be available over the multiyear period of the program. This obligation shall be binding upon the department as long as the provisions and conditions of the state transportation commission approved program are carried out as agreed.

(13) Contracts and grant memorandum agreements may be audited by the state transportation commission's office of commission audits using rules promulgated by the United States general accounting office and the terms and conditions of the respective contracts and agreements. Third party agreements are subject to the review and approval of the department.

(14) Funds distributed by the department may pay 100% of the portion of the cost not eligible for reimbursement by the federal government for eligible capital projects authorized by the state transportation commission using comprehensive transportation funds or the proceeds of notes and bonds issued under section 18b. Priority for funding obligation shall be given to capital projects for which federal funds have been authorized.

(15) All approved local bus new services initiated by eligible authorities and eligible governmental agencies not in their fourth year or beyond of funding on October 1, 1988, shall be funded from subsection (4)(c)(*iii*). Local bus new services shall be funded under subsection (4)(c)(*iii*) in the following percentages of eligible operating expenses as determined by the department:

(a) Startup 100%.

(b) First year 90%.

(c) Second year 80%.

(d) Third year 70%.

(e) Fourth year and each year thereafter, as determined by and from funds provided under subsection (4)(a). The balance of eligible operating expenses shall be met from local revenue sources including farebox. The department shall pay up to 100% of eligible capital expenses during the startup and first 3 years of service, after the third year, the department shall participate in eligible capital expenses in the same percentage as for other eligible authorities and eligible governmental agencies. For the purposes of this subsection, eligible operating and capital expenses means those expenses determined by the department as applicable to existing eligible authorities and eligible governmental agencies. The department shall prioritize annually all requests for comprehensive transportation funds to institute new services under this subsection. First priority shall be given to eligible authorities and eligible governmental agencies who have not completed their first 3 years of service by October 1, 1998. New services initiated by eligible authorities and eligible governmental agencies under this subsection shall meet all of the requirements of section 10.

(16) The department shall pay up to 80% of the portion of the cost not eligible for reimbursement by the federal government for intercity passenger operating assistance projects authorized by the commission for the first 2 years of new services. For the third year, eligible costs shall be reimbursed at up to 60% of the portion of the cost not eligible for reimbursement by the federal government. After the third year, eligible costs shall be reimbursed at up to 50% of the portion of the cost not eligible for reimbursement by the federal government. Eligible costs of services provided as of September 30, 1981, shall be reimbursed at up to 50% of the portion of the cost not eligible for reimbursement by the federal government. However, the amount of funds from the comprehensive transportation fund when added to federal funds and local funds shall not exceed the total operating assistance project cost.

(17) A vehicle purchased, leased, or rented after November 15, 1976, by an eligible authority or eligible governmental agency with funds made available under this act and not already committed under a contract in existence on November 15, 1976, shall not be used to provide service on a fixed schedule and fixed route for which a passenger fee is charged unless the vehicle is accessible to a person using a wheelchair from a roadway level or curb level, and has accommodations in which 1 or more wheelchairs can be secured.

(18) A vehicle used to provide demand actuated service shall not be purchased, leased, or rented by an eligible authority or eligible governmental agency after October 1, 1978, with funds made available under this act unless the eligible authority or eligible governmental agency has submitted a plan to the department describing the service to be provided by the demand actuated service to persons 65 years of age or older and persons with disabilities within the applicable service area and that plan has been approved by the department. The department shall approve the plan as submitted or modified or shall reject the plan within 60 days after the plan is submitted. A plan that describes the service to be provided by the demand actuated service shall not be approved by the department unless that plan provides the following:

(a) That demand actuated service will be provided to persons 65 years of age or older and persons with

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disabilities residing in the entire service area subject to the plan.

(b) That as a minimum, demand actuated service will be provided to persons 65 years of age or older and persons with disabilities during the same hours as service is provided to all other persons in the service area subject to the plan.

(c) That the average time period required for demand actuated service to persons 65 years of age or older and persons with disabilities from the initiation of a service request to arrival at the destination is equal to the average time period required for demand actuated service provided to all other persons in the service area subject to the plan.

(d) That the eligible authority or eligible governmental agency submitting the plan has established a local advisory council with not less than 50% of its membership representing persons 65 years of age or older and persons with disabilities within the service area subject to the plan and that the local advisory council has had an opportunity to review and comment upon the plan before its submission to the department. Each eligible authority or eligible governmental agency jointly with the area agency on aging shall approve at least 1 or the equivalent of 12% of the membership of the local advisory council. Each advisory council comment shall be included in the plan when submitted to the department.

(19) Notwithstanding subsection (18), a plan required by subsection (18) that is not approved or rejected by the department within 60 days after submission shall be considered approved as submitted.

(20) Subsections (17), (18), and (19) shall not apply to vehicles or facilities used to transport persons by rail, air, or water or to vehicles of common carriers licensed by the department.

(21) After January 1, 1979, the department shall submit an annual report to the legislature detailing the service provided in the prior year for persons 65 years of age or older and persons with disabilities by fixed route service and demand actuated service. This report shall include a record of passenger usage and shall be submitted by April 1 of each year.

(22) Notwithstanding any other provision of this section, for each fiscal year that begins after September 30, 2009, the governor and the state budget director shall include in the annual budget submitted to the legislature for the ensuing fiscal period under section 18 of article V of the state constitution of 1963 an appropriation from a fund or funds other than the comprehensive transportation fund to a street railway organized under the nonprofit street railway act, 1867 PA 35, MCL 472.1 to 472.27, of a sum equal to the difference between the annual operating expenses of the street railway and revenue received by the street railway during the same annual period, including, but not limited to, tax increment revenues received by the street railway under section 23 of the nonprofit street railway act, 1867 PA 35, MCL 472.23. The appropriation submitted in the budget under this section shall not exceed 8% of the total private investment in the street railway as determined by the department. A street railway is not an eligible authority or eligible governmental agency for purposes of subdivision (4)(a).

(23) For each eligible authority and each eligible governmental agency within a public transit region, a regional transit authority shall apply for, receive, and disburse funds under section 8 of the regional transit authority act.

History: Add. 1976, Act 297, Eff. Nov. 15, 1976;—Am. 1978, Act 140, Imd. Eff. May 11, 1978;—Am. 1978, Act 393, Imd. Eff. Aug. 1, 1978;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1984, Act 255, Imd. Eff. Nov. 30, 1984;—Am. 1986, Act 254, Imd. Eff. Dec. 9, 1986;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 1990, Act 73, Imd. Eff . May 17, 1990;—Am. 1997, Act 79, Eff. July 28, 1997;—Am. 1998, Act 87, Imd. Eff. May 13, 1998;—Am. 2008, Act 487, Imd. Eff. Jan. 12, 2009;—Am. 2012, Act 391, Imd. Eff. Dec. 19, 2012.

Compiler's note: Former MCL 247.660e, pertaining to priorities in use of general transportation fund, was repealed by Act 296 of 1976.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660f Repealed. 1982, Act 438, Eff. Jan. 1, 1983.

Compiler's note: The repealed section pertained to development, review, and approval of annual public transportation program.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660g Rules.

Sec. 10g. The state transportation department shall promulgate rules for the implementation and administration of the comprehensive transportation fund pursuant to Act No. 306 of the Public Acts of 1969, as amended.

History: Add. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979.

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Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

Administrative rules: R 247.4101 et seq. of the Michigan Administrative Code.

247.660h Report by state transportation commission to legislature, governor, and auditor general; contents; audit; cost; submission of audit report and management letter to department; minimum audit standards and requirements; task force.

Sec. 10h. (1) By May 1 of each year, the state transportation commission shall report to each member of the legislature, the governor, and the auditor general its recommendations for a transportation program that the state transportation commission acts on under section 10e(10). The report shall specify the following:

(a) The estimated amount of money in the comprehensive transportation fund to be distributed in the following fiscal year and the amount of money in the comprehensive transportation fund to be distributed to each eligible authority, each intercity carrier, each eligible governmental agency, and the department; the estimated amount of money in the state trunk line fund to be distributed to the department for the preservation, as defined in section 10c, of state trunk line highways; and the estimated amount of money in the state trunk line fund to be distributed to the department for all other purposes in the following fiscal year. The report shall further subdivide the money to be distributed to each eligible authority, each intercity carrier, each eligible governmental agency, the department from the comprehensive transportation fund, the department from the state trunk line fund for the preservation of state trunk line highways, and the department from the state trunk line fund for all other purposes specifying how much of that money is proposed to be expended for either capital acquisitions, including demonstration projects, or for operating expenses, including demonstration projects.

(b) An account of all expenditures of funds distributed from the state trunk line fund and the comprehensive transportation fund to the department, eligible authorities, intercity carriers, and eligible governmental agencies, and the progress made by the department, eligible authorities, intercity carriers, and eligible governmental agencies in carrying out the approved transportation programs in the preceding fiscal year through the use of those funds. The progress report shall be made based on information supplied to the department on forms authorized by the federal department of transportation. For those eligible authorities, intercity carriers, and eligible governmental agencies not receiving federal funds pursuant to the urban mass transportation act of 1964, Public Law 88-365, the progress report shall be made upon forms supplied by the department. The progress report shall also contain the whole amount of the expenses of the department for the fiscal year.

(c) Each project certified to be eligible for a multiyear funding commitment.

(d) The status of all multiyear funding commitments.

(e) An account of the department's compliance in the preceding year with the requirements of section 11(2) and (3). The report shall also specify the justification for a waiver of the requirement of section 11(3), if that requirement was waived.

(2) The financial transactions and accounts related to distributions made from the comprehensive transportation fund to an eligible authority shall be audited pursuant to the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, or the regional transit authority act, whichever applies. The cost of the audit shall be paid by the eligible authority. The financial transactions and accounts related to distributions made from the fund to an eligible governmental agency, other than a county, shall be audited in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a. The financial transactions and accounts related to distributions made from the fund to a county that is an eligible governmental agency shall be audited in accordance with 1919 PA 71, MCL 21.41 to 21.55. The financial transactions and accounts relative to distributions made to an intercity carrier shall be audited by an independent certified public accountant in accordance with instructions promulgated by the department of treasury. A copy of the complete audit report and management letter shall be submitted by the eligible authority, intercity carrier, or eligible governmental agency to the department. The department of treasury shall develop minimum audit standards and requirements.

(3) There is hereby established a task force composed of the Michigan public transit association, the Michigan motorbus association, the Michigan rail users and supporters association, the Michigan railroad association, a representative of a state-owned or leased short line railroad, and the office of auditor general or a certified public accountant appointed by the auditor general, to assist the department in the development of the progress report requirements outlined in subsection (1)(b).

History: Add. 1976, Act 297, Eff. Nov. 15, 1976;—Am. 1977, Act 87, Imd. Eff. Aug. 2, 1977;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 2002, Act 498, Imd. Eff. July 3, 2002;—Am. 2012, Act 391, Imd. Eff. Dec. 19, 2012.

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Compiler's note: Former MCL 247.660h, pertaining to reports, was repealed by Act 296 of 1976.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660i Repealed. 1978, Act 444, Imd. Eff. Oct. 10, 1978.

Compiler's note: The repealed section provided for the creation of a public transportation council.
A former MCL 247.660i, pertaining to creation of a public transportation council, was repealed by Act 296 of 1976.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660j Ineligibility for grant or distribution; accrued pension or retirement liabilities.

Sec. 10j. (1) An eligible authority or eligible governmental agency may not receive a grant or distribution pursuant to this act if it has an employee which is considered to be a state employee or is subject to the jurisdiction of the department of civil service.

(2) An eligible authority may not receive a grant or distribution pursuant to this act if the eligible authority assumes responsibility for a pension or retirement benefit which accrued to former employees of acquired public or private transportation systems who are not transferred as regular employees to the authority at the time of acquisition in conformity with sections 13 and 24 of Act No. 204 of the Public Acts of 1967, as amended, being sections 124.413 and 124.424 of the Michigan Compiled Laws.

(3) Nothing in this section shall relieve former employers of any accrued pension or retirement liabilities to employees or former employees not transferred at the time of acquisition.

History: Add. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660k Nonmotorized transportation services and facilities; expenditures; improvements as qualified nonmotorized facility; meeting requirements of section; 5-year program; notice and consultation; establishment of facilities; information and assistance as to planning, design, and construction.

Sec. 10k. (1) Transportation purposes as provided in this act include provisions for facilities and services for nonmotorized transportation.

(2) Of the funds allocated from the Michigan transportation fund to the state trunk line fund and to the counties, cities, and villages, a reasonable amount, but not less than 1% of those funds shall be expended for construction or improvement of nonmotorized transportation services and facilities.

(3) An improvement in a road, street, or highway that meets accepted practices or established best practices and facilitates nonmotorized transportation such as the paving of unpaved road shoulders, the widening of lanes, the addition or improvement of a sidewalk in a city or village, or any other appropriate measure shall be considered to be a qualified nonmotorized facility for the purposes of this section.

(4) Units of government need not meet the provisions of this section annually, if the requirements are met as an average over a reasonable period of years, not to exceed 10.

(5) The state transportation department or a county, city, or village receiving money from the Michigan transportation fund annually shall prepare a 5-year program for the improvement of qualified nonmotorized facilities which when implemented would result in the expenditure of an amount equal to at least 1% of the amount distributed to the state transportation department or the county, city, or village, whichever is appropriate, from the Michigan transportation fund in the previous calendar year, multiplied by 10, less the accumulated total expenditures by the state transportation department or the county, city, or village for qualified nonmotorized facilities in the immediately preceding 5 calendar years. A county shall notify the state transportation department and each municipality in the county when the county completes preparation of its 5-year program under this subsection. A city or village shall notify the state transportation department and the county where the city or village is located when the city or village completes preparation of its 5-year program under this subsection. The department shall notify each affected county, city, or village when the department completes preparation of its 5-year program. A city or village receiving money from the Michigan transportation fund shall consult with the state transportation department or county in the city's or village's preparation of the 5-year program under this subsection when planning a nonmotorized project affecting a facility under the jurisdiction of the state transportation department or county. A county receiving money from the Michigan transportation fund shall consult with the state transportation department or a city or village when planning a nonmotorized project affecting a transportation facility under the jurisdiction of the state transportation department or the city or village. The department shall consult with a county, city, or

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village when planning a nonmotorized project affecting a transportation facility within the county, city, or village.

(6) Facilities for nonmotorized transportation including those that contribute to complete streets as defined in section 10p may be established in conjunction with or separate from already existing highways, roads, and streets and shall be established when a highway, road, or street is being constructed, reconstructed, or relocated, unless:

(a) The cost of establishing the facilities would be disproportionate to the need or probable use.

(b) The establishment of the facilities would be contrary to public safety or state or federal law.

(c) Adequate facilities for nonmotorized transportation already exist in the area.

(d) The previous expenditures and projected expenditures for nonmotorized transportation facilities for the fiscal year exceed 1% of that unit's share of the Michigan transportation fund, in which case additional expenditures shall be discretionary.

(7) The state transportation department may provide information and assistance to county road commissions, cities, and villages on the planning, design, and construction of nonmotorized transportation facilities and services.

History: Add. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 2006, Act 82, Imd. Eff. Mar. 29, 2006;—Am. 2010, Act 135, Imd. Eff. Aug. 2, 2010.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660*l* Return of audit as credit to cities, villages, and townships; expenditure of credit; use of unexpended credit; final decision; expenditure by county as condition prohibited; coordination of services; "operating deficit" defined.

Sec. 10*l*. (1) Subject to subsections (2) and (3), for each 12-month period beginning October 1, 1987, and each 12-month period thereafter, $2,000,000.00 shall be returned from the distribution under section 10e(4)(a) by each eligible authority organized or continued under the regional transit authority act as a credit to those cities, villages, and townships within the authority that receive credits under this section or that are eligible to receive credits as of October 1, 2001 if the city, village, or township applies to the authority for the credit in accordance with procedures and standards established by the authority. The return of money in terms of a credit shall be based upon the population of each city, village, or township within the authority.

(2) For each 12-month period described in subsection (1), a city, village, or township described in subsection (1) may apply to the authority to use its credit for public transportation purposes within the authority's jurisdiction. However, the money returned as a credit to any city, village, or township that provides public transportation service for that city, village, or township shall be used exclusively toward reducing the operating deficit of that service. Any service provided by the city, township, or village utilizing the credit received under this section shall be operated by the authority returning the money in terms of a credit on a contractual basis with each city, village, or township or with a combination of cities, villages, and townships. If a city, township, or village has not applied to the authority to utilize its credit pursuant to this subsection by the last day of the 12-month period, that municipality's share of the money credited pursuant to subsection (1) shall be used by the authority for an expenditure within the county within which the city, village, or township lies.

(3) A city, village, or township that has applied for and received approval from the authority for use of its credit pursuant to subsection (2) shall have 1 year after the end of the period in which the application was made to actually expend that credit. A credit not actually expended by the city, village, or township by the last day of the year after the end of the period in which the application was made shall be used by the authority for an expenditure within the county within which the city, village, or township lies.

(4) Notwithstanding any other section of this or any other act, each authority authorized by this section to return money in terms of a credit shall have the final decision as to what constitutes a proper expenditure, a public transportation service, or a public transportation purpose under subsections (2) and (3).

(5) The expenditure of the amounts required to be expended under subsections (2) and (3) shall not be conditioned on an expenditure by a county in which the expenditure is required to be expended.

(6) An authority shall retain the ability to coordinate services between contracting cities, villages, and townships or groups of cities, villages, or townships.

(7) As used in this section, "operating deficit" means the operating cost of a public transportation service less the revenues generated by the service.

History: Add. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 2012, Act 391, Imd. Eff. Dec. 19, 2012.

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Compiler's note: Former MCL 247.660*l*, pertaining to operation of authority within transportation district, expired October 10, 1982.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660m Schedule.

Sec. 10m. An eligible authority or eligible governmental agency shall make available, at no cost, a schedule of the times at which public transportation services are offered by the eligible authority or eligible governmental agency as exclusively determined by the eligible authority or eligible governmental agency.

History: Add. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660n Comprehensive transportation fund; distribution of funds; notes.

Sec. 10n. (1) Funds from the comprehensive transportation fund may be distributed to a trustee, or to the Michigan municipal bond authority as created under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, that is authorized to receive the funds under a borrowing resolution adopted by an eligible authority. The issuance of the notes of an eligible authority in anticipation of payment of proceeds from the comprehensive transportation fund shall be authorized by a borrowing resolution of the eligible authority under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, or a regional transit authority under the regional transit authority act. The issuance of the notes under this section is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and shall be subject to the prior approval of the state transportation commission. Failure of the commission to take action within 35 days after receipt of notification from the eligible authority of intent to issue the notes, constitutes approval by the state transportation commission. The eligible authority may only issue the notes in anticipation of funds to be received during its current fiscal year at any time before the eligible authority's receipt of the funds from the comprehensive transportation fund. The principal amount of notes for which the funds to be received from the comprehensive transportation fund are pledged shall not exceed 85% of the amount remaining to be received by the eligible authority from the comprehensive transportation fund in the current fiscal year. The pledge of 100% of the funds the eligible authority expects to receive from the comprehensive transportation fund shall be secured by a direct transfer of the pledge funds from the comprehensive transportation fund to the trustee or the Michigan municipal bond authority that is authorized to receive the funds by the borrowing resolution adopted by the eligible authority. The notes of the eligible authority shall not be in any way a debt or a liability of this state and shall not create or constitute any indebtedness, liability, or obligations of this state or be or constitute a pledge of the full faith and credit of this state. Each note shall contain on its face a statement to the effect that the eligible authority is obligated to pay the principal of and the interest on the note only from funds of or due to the eligible authority and that this state is not obligated to pay that principal or interest and that neither the faith in credit nor the taxing power of this state is pledged to the payment of the principal of or the interest on the note. The notes shall mature not more than 13 months from the date of issuance, shall bear interest at a fixed or variable rate or rates of interest per annum, and, in addition to other security required by this section, may be secured by letter or line of credit issued by a financial institution or as provided in the borrowing resolution.

(2) The issuance of notes under this section is subject to the agency financing reporting act, 2002 PA 470, MCL 129.171 to 129.177.

History: Add. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 2002, Act 329, Imd. Eff. May 23, 2002;—Am. 2012, Act 391, Imd. Eff. Dec. 19, 2012.

Compiler's note: Former MCL 247.660n, which defined “department” or “department of transportation”, was repealed by Act 438 of 1982.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660o Allocation of federal funds to local jurisdictions; distributions.

Sec. 10o. (1) Twenty-three to twenty-seven percent of the DOT-FHWA highway research, planning, and construction federal funds appropriated to this state from the federal government for road and bridge construction shall be allocated to programs administered by local jurisdictions after deduction of the following:

(a) Funds that are specifically allocated at the federal level to the state or local jurisdictions.

(b) Funds allocated by the department to the state and to local jurisdictions through a competitive process.

(2) Federal aid excluded from the calculation of funding allocated to programs administered by local

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jurisdictions in subsection (1) includes, but is not limited to, congestion mitigation and air quality funds, federal bridge funds, transportation enhancement funds, funds distributed at the discretion of the United States secretary of transportation, and congressionally designated funds.

(3) The funds shall be distributed to eligible local agencies for transportation purposes in a manner consistent with state and federal law.

(4) It is the intent of the legislature that federal aid to highways allocated to local jurisdictions in subsection (1) be distributed in a manner that produces a 25% average allocation of applicable funds to programs for local jurisdictions in each fiscal year through the fiscal year ending September 30, 2000. Beginning in the fiscal year ending September 30, 1999, the average allocation of applicable federal aid to highway funds to programs for local jurisdictions shall be the average of the amount distributed to local jurisdictions under subsection (1) and similarly calculated distributions in each succeeding fiscal year. The average allocation percentage described in this subsection shall be adjusted to reflect any voluntary agreements made by the department with local jurisdictions regarding the state buyout of local federal aid.

History: Add. 1998, Act 308, Imd. Eff. July 29, 1998;—Am. 2000, Act 188, Imd. Eff. June 20, 2000.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.660p Definitions; complete streets policy; duties of state transportation commission; consultation by department or county road agency with municipality; agreements for maintenance of transportation facilities.

Sec. 10p. (1) As used in this section:

(a) "Complete streets" means roadways planned, designed, and constructed to provide appropriate access to all legal users in a manner that promotes safe and efficient movement of people and goods whether by car, truck, transit, assistive device, foot, or bicycle.

(b) "Complete streets policy" means a document that provides guidance for the planning, design, and construction of roadways or an interconnected network of transportation facilities being constructed or reconstructed and designated for a transportation purpose that promotes complete streets and meets all of the following requirements:

(*i*) Is sensitive to the local context and recognizes that needs vary according to urban, suburban, and rural settings.

(*ii*) Considers the functional class of the roadway and project costs and allows for appropriate exemptions.

(*iii*) Considers the varying mobility needs of all legal users of the roadway, of all ages and abilities.

(c) "Department" means the state transportation department.

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

(e) "Municipality" means a city, village, or township.

(2) The state transportation commission shall do both of the following by not later than 2 years after the effective date of the amendatory act that added this section:

(a) Adopt a complete streets policy for the department.

(b) Develop a model complete streets policy or policies to be made available for use by municipalities and counties.

(3) Before a municipality approves any project in its multiyear capital program that affects a roadway or transportation facility under the jurisdiction of the state transportation department or within or under the jurisdiction of a county or another municipality, it shall consult with the affected agency and agree on how to address the respective complete streets policies, subject to each agency's powers and duties. Before the department submits its multiyear capital plan to the commission or a county road agency approves its multiyear capital plan, for any project that affects a roadway or transportation facility within or under the jurisdiction of a municipality, the department or county road agency shall consult with the municipality and agree on how to address the respective complete streets policies, subject to each agency's powers and duties. Failure to come to an agreement shall not prevent the department from submitting its multiyear capital plan to the commission. This subsection does not apply under any of the following circumstances:

(a) If neither the agency proposing the project nor the affected agency has a complete streets policy.

(b) If the project was included in a municipality's multiyear capital program or the department's or a county's multiyear capital plan on July 1, 2010.

(4) The department may provide assistance to and coordinate with local agencies in developing and implementing complete streets policies. The department shall share expertise in nonmotorized and multimodal transportation planning in the development of trunk line projects within municipal boundaries.

(5) The department, local road agencies, and municipalities may enter into agreements with each other

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providing for maintenance of transportation facilities constructed to implement a complete streets policy.

History: Add. 2010, Act 135, Imd. Eff. Aug. 2, 2010;—Am. 2016, Act 48, Eff. June 13, 2016.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661 State trunk line fund; separate fund; appropriation; purposes; order of priority; expenditures; borrowing by local road agency; deductions; approval; notice; borrowing by state transportation commission; procedures for implementation and administration of loan program; expenditure for administrative expenses; conduct of performance audits; contracts not subject to revised municipal finance act; annual report listing warranties; definitions.

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

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

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

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

(*iii*) For the payment of the principal and interest on bonds issued under section 18b for transportation purposes other than comprehensive transportation purposes as defined by law and the payment of contributions pledged to the payment of principal and interest on bonds issued under section 18d and contracts entered into under section 18d by the state highway commission or state transportation commission to be made pursuant to contracts entered into under section 18d. A sufficient portion of the fund is irrevocably appropriated to pay, when due, the principal and interest on bonds or notes issued under section 18b for purposes other than comprehensive transportation purposes as defined by law, and to pay the annual contributions of the state highway commission and the state transportation commission as are pledged for the payment of bonds issued under contracts authorized by section 18d.

(b) For the transfer of money appropriated under section 10(1)(i) to the transportation economic development fund, but the transfer shall be reduced each fiscal year by the amount of debt service to be paid in that year from the state trunk line fund for bonds, notes, or other obligations issued to fund projects of the transportation economic development fund, which amount shall be certified by the department.

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

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

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

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

(*iv*) If the department and a road authority with jurisdiction over the crossing formally agree that the grade crossing should be eliminated by permanent closing of the public road or street, the physical removal of the crossing, roadway within railroad rights of way and street termination treatment shall be negotiated between the road authority and railroad company. The money provided to the road authority as a result of the crossing closure shall be credited to its account representing the same road or street system on which the crossing is

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located and shall be used for any transportation purpose within that road authority's jurisdiction.

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

(*i*) In prioritizing projects, the department shall consider vehicular traffic volumes, relative crossing surface condition, the ability of the railroad and local road authority to make coordinated improvements, and the availability of funding.

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

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

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

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

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

(h) The department may enter into agreements with a local road agency or a private sector company to perform work on a highway, road, or street. The agreements may provide for the performance by any of the contracting parties of any of the work contemplated by the contract including maintenance, engineering services, and the acquisition of rights of way in connection with the work, by purchase or condemnation by any of the contracting parties in its own name, and for joint participation in the costs, but only to the extent that the contracting parties are otherwise authorized by law to expend money on the highways, roads, or streets. The department also may contract with a local road agency to advance money to a local road agency to pay the costs of improving railroad grade crossings on the terms and conditions agreed to in the contract. A contract may be executed before or after the state transportation commission borrows money for the purpose of advancing money to a local road agency, but the contract shall be executed before the advancement of any money to a local road agency by the state transportation commission, and shall provide for the full reimbursement of any advancement by a local road agency to the department, with interest, within 15 years after advancement, from any available revenue sources of the local road agency or, if provided in the contract, by deduction from the periodic disbursements of any money returned by the state to the local road agency.

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

(2) Notwithstanding any other provision of this act, the department shall annually expend at least 90% of state revenue appropriated annually to the state trunk line fund less the amounts described in subdivisions (a) to (i) for the preservation of highways, roads, streets, and bridges and for the payment of debt service on bonds, notes, or other obligations described in subsection (1)(a) issued after July 1, 1983, for the purpose of providing money for the preservation of highways, roads, streets, and bridges. Of the amounts appropriated for state trunk line projects, the department shall, where possible, secure pavement warranties for full replacement or appropriate repair for contracted construction work on pavement projects whose cost exceeds $2,000,000.00 and projects for new construction or reconstruction undertaken after the effective date of the 2015 amendatory act that amended this subsection. The department shall compile and make available to the public an annual report of all warranties that were secured under this subsection and all pavement projects whose costs exceed $2,000,000.00 where a warranty was not secured as provided in subsection (14). If an appropriate certificate is filed under section 18e but only to the extent necessary, this subsection does not prohibit the use of any amount of money restricted as to use by section 9 of article IX of the state constitution of 1963 and deposited in the state trunk line fund for the payment of debt service on bonds, notes, or other obligations pledging for the payment thereof money restricted as to use by section 9 of article IX of the state constitution of 1963 and deposited in the state trunk line fund, whenever issued, as specified under subsection

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(1)(a). The amounts that are deducted from the state trunk line fund for the purpose of the calculation required by this subsection are as follows:

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

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

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

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

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

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

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

(f) Amounts expended pursuant to contracts entered into before January 1, 1983.

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

(h) Amounts appropriated for deposit in the transportation economic development fund and the rail grade crossing account pursuant to section 10(1)(a) and (h).

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

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

(4) Notwithstanding any other provision of this section, the department may loan money to a local road agency for paying capital costs of transportation purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963 from the proceeds of bonds or notes issued pursuant to section 18b or from the state trunk line fund. Loans made directly from the state trunk line fund shall be made only after provision of money for the purposes specified in subsection (1)(a) to (f). Loans described in this subsection are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

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

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

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

(6) If required by the department, loans made under subsection (4) are payable by deduction by the state treasurer, upon direction of the department, from the periodic disbursements of any money returned by this state under this act to the local road agency, but only after sufficient money has been returned to the local road agency to provide for the payment of contractual obligations incurred or to be incurred and principal and interest on notes and bonds issued or to be issued under 1941 PA 205, MCL 252.51 to 252.64, 1943 PA 143, MCL 141.251 to 141.254, 1952 PA 175, MCL 247.701 to 247.707, or section 18c or 18d. The interest rates

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and payment schedules of any loans made from the proceeds of bonds or notes issued pursuant to section 18b shall be established by the department to conform as closely as practicable to the interest rate and repayment schedules on the bonds or notes issued to make the loans. However, the department may allow for the deferral of the first payment of interest or principal on the loans for a period of not to exceed 1 year after the respective first payment of interest or principal on the bonds or notes issued to make the loans.

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

(8) The local road agency is not required to seek or obtain the approval of the electors, the municipal finance commission or its successor agency, or, except as provided in this subsection, the department of treasury to borrow money under subsection (5). The borrowing is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or to section 5(g) of the home rule city act, 1909 PA 279, MCL 117.5. The department shall give at least 10 days' notice to the state treasurer of its intention to make a loan under subsection (4). If the state treasurer gives notice to the director of the department within 10 days of receiving the notice from the department, that, based upon the then existing financial or credit situation of the local road agency, it would not be in the best interests of this state to make a loan under subsection (4) to the local road agency, the loan shall not be made unless the state treasurer, after a hearing, if requested by the affected local road agency, subsequently gives notice to the director of the department that the loan may be made on the conditions that the state treasurer specifies.

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

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

(11) Not more than 8% per year of all of the money received by and returned to the department from any source for the purposes of this section may be expended for administrative expenses. The department shall be subject to section 14(5) if more than 8% per year is expended for administrative expenses. As used in this subsection, "administrative expenses" means expenses that are not assigned including, but not limited to, specific road construction or preservation projects and are often referred to as general or supportive services. Administrative expenses do not include net equipment expense, net capital outlay, debt service principal and interest, and payments to other state or local offices that are assigned, but not limited to, specific road construction projects or preservation activities.

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

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

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

(a) The type of project.

(b) The cost or estimated cost of the project.

(c) The expected lifespan of the project.

(d) Whether or not the project met or is currently meeting its expected lifespan.

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

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

(15) As used in this section:

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

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

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

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

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

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

(*v*) Construction of new grade separations.

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

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

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1957, Act 262, Eff. July 1, 1957;—Am. 1967, Act 298, Eff. Jan. 1, 1968;—Am. 1967, Ex. Sess., Act 4, Eff. Jan. 1, 1968;—Am. 1976, Act 264, Imd. Eff. Oct. 1, 1976;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1978, Act 502, Imd. Eff. Dec. 13, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1983, Act 82, Imd. Eff. June 15, 1983;—Am. 1984, Act 104, Imd. Eff. May 8, 1984;—Am. 1985, Act 124, Imd. Eff. July 31, 1985;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 1992, Act 224, Imd. Eff. Oct. 15, 1992;—Am. 1993, Act 294, Imd. Eff. Dec. 28, 1993;—Am. 1997, Act 79, Eff. July 28, 1997;—Am. 1998, Act 308, Imd. Eff. July 29, 1998;—Am. 2000, Act 188, Imd. Eff. June 20, 2000;—Am. 2002, Act 466, Imd. Eff. June 21, 2002;—Am. 2002, Act 498, Imd. Eff. July 3, 2002;—Am. 2002, Act 639, Imd. Eff. Dec. 23, 2002;—Am. 2015, Act 175, Eff. Apr. 1, 2016.

Compiler's note: Act 87 of 1955, referred to in this section, was repealed by Act 1 of 1956, Ex. Sess., Act 263 of 1957, and Act 6 of 1967, Ex. Sess.

Compiler's note: Enacting section 1 of Act 473 of 2014 provides:

"Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 473 of 2014 does not go into effect.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661a Repealed. 1987, Act 234, Imd. Eff. Dec. 28, 1987.

Compiler's note: The repealed section pertained to use of additional moneys in state trunk line fund.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661b Repealed. 2004, Act 384, Imd. Eff. Oct. 12, 2004.

Compiler's note: The repealed section pertained to appropriations funding, and promulgation of rules for critical bridge program.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661c Construction or preservation projects to be performed by contract awarded by competitive bidding; other method; findings; report; "local road agency" defined.

Sec. 11c. (1) All construction projects of the department concerning highways, streets, roads, and bridges, whose cost exceeds $100,000.00 for construction or preservation as defined in section 10c, shall be performed by contract awarded by competitive bidding unless the department affirmatively finds that under the circumstances relating to those projects, some other method is in the public interest. The director of the department shall report his or her findings to the state transportation commission 90 days before work is commenced and promptly in writing to the appropriations committees of the senate and house of representatives. However, in a case in which the department determines emergency action is required, the reports need not be filed before a contract is awarded but shall be promptly filed.

(2) All construction projects of a local road agency whose costs exceed $100,000.00 for construction or preservation, excluding maintenance, shall be performed by contract awarded by competitive bidding unless the local road agency affirmatively finds that under the circumstances relating to those projects, some other method is in the public interest. Installation or upgrading of advanced traffic management and signals is exempt from this subsection. A county road commission shall report its findings before work is commenced in writing to the county board of commissioners of that county. A city or village shall report its findings before work is commenced in writing to the governing elected body of that city or village. As used in this subsection, "local road agency" means that term as defined in section 9a.

History: Add. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1993, Act 294, Imd. Eff. Dec. 28, 1993;—Am. 1997, Act 79, Eff. July 28, 1997;—Am. 2002, Act 498, Imd. Eff. July 3, 2002;—Am. 2015, Act 182, Eff. Nov. 10, 2015.

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Compiler's note: Enacting section 1 of Act 471 of 2014 provides:

"Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 471 of 2014 does not go into effect.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661d Report to legislature on changes in department's accounting system.

Sec. 11d. Within 6 months following the effective date of this section, the state transportation department shall report to the legislature on changes in the department's accounting system to implement the provisions of section 11(2) and (3).

History: Add. 1982, Act 438, Eff. Jan. 1, 1983.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661e Local program fund; creation; purpose; distribution of funds; local federal match program; use.

Sec. 11e. (1) There is created within the state trunk line fund a local program fund for the purpose of receiving funds allocated from the Michigan transportation fund and from the state trunk line fund. Funds received shall be distributed 64.2% to the county road commissions of the state to be administered according to section 12 and 35.8% to the cities and villages of the state to be administered according to section 13.

(2) There is created within the state trunk line fund a local federal match program for the purpose of receiving the proceeds of bonds issued under section 18b that are to be repaid under section 11(1)(a)(*iii*). Funds deposited into the local federal match program shall not exceed $80,000,000.00.

(3) The legislature intends that funds in the local federal match program be used for 1 or more of the following:

(a) Except for those projects described in section 11f(d)(*iv*), projects that are the subject of a federal appropriation in the safe, accountable, flexible, efficient transportation equity act, a legacy for users (SAFETEA-LU), Public Law 109-59, or the transportation equity act for the 21st century, Public Law 105-178, and have been designated as high priority road and bridge projects that have received earmarks in the federal budget, so long as those projects are under construction or let for bid on or before September 5, 2008.

(b) Projects scheduled to be under construction or let for bid during the fiscal year that begins on October 1, 2006 and that can be advanced to the fiscal year that began on October 1, 2005.

(c) Any project scheduled for any fiscal year after the fiscal year that begins on October 1, 2006 that can be advanced and under construction or let for bid during the fiscal year that begins on October 1, 2005, October 1, 2006, or October 1, 2007.

History: Add. 1992, Act 223, Imd. Eff. Oct. 15, 1992;—Am. 2006, Act 139, Imd. Eff. May 22, 2006;—Am. 2006, Act 141, Imd. Eff. May 22, 2006;—Am. 2007, Act 26, Imd. Eff. June 28, 2007;—Am. 2008, Act 73, Imd. Eff. Apr. 7, 2008.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661f Funds received under local federal match program; projects; submission; grant awards; criteria; unused bond proceeds; reports; distribution of remaining funds; additional criteria.

Sec. 11f. (1) Funds received under the local federal match program created in section 11e shall be granted to local municipalities and other local road agencies to match federal aid projects as provided in this subsection. Projects shall be submitted to the state transportation department by the local municipality or other local road agency. The department shall review the submittals and apply criteria that take into account the needs of highway, road, and street systems and an equitable allocation of available funds considering the geographic location of the proposed project. If the projects meet the criteria, the state transportation department shall award grants to the extent of available funds. An individual grant shall not exceed 25% of the amount of federal funds available for the project. Projects selected for funding shall meet all of the following criteria:

(a) Except for projects described in subdivision (d)(*iv*), the project shall be under construction or let for bid no later than September 5, 2008.

(b) The applicant shall have identified all of the necessary funding to complete the project.

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(c) The project shall be for the opening, widening, improving, construction, or reconstruction of a federal aid eligible road or street, including the work incidental to that opening, widening, improving, construction, or reconstruction.

(d) The project shall be 1 or more of the following:

(*i*) Projects that are the subject of a federal appropriation in the safe, accountable, flexible, efficient transportation equity act, a legacy for users (SAFETEA-LU), Public Law 109-59, or the transportation equity act for the 21st century, Public Law 105-178, and have been designated as high priority road and bridge projects and that can be let for bid no later than April 4, 2008.

(*ii*) Projects that are not the subject of a federal appropriation in the safe, accountable, flexible, efficient transportation equity act, a legacy for users (SAFETEA-LU), Public Law 109-59, or the transportation equity act for the 21st century, Public Law 105-178, that have received earmarks in the federal budget and that can be let for bid no later than April 4, 2008.

(*iii*) Projects that are for federal aid eligible roads and that are scheduled to be under construction or let for bid during the fiscal year that begins October 1, 2008 or a later fiscal year and that can be advanced to the fiscal year that begins October 1, 2007 and can be let for bid no later than September 5, 2008.

(*iv*) Projects that are the subject of a federal appropriation in the safe, accountable, flexible, efficient transportation equity act, a legacy for users (SAFETEA-LU), Public Law 109-59, or the transportation equity act for the 21st century, Public Law 105-178, and have been designated as high priority road and bridge projects from the following list as determined by the department:

(A) Romeo Plank, construction of 5 lane concrete pavement with curb, gutter, and sewer on Romeo Plank Road from M-59 to 23 Mile Road in Macomb Township.

(B) Finkbeiner Road, construct improvements to Crane & Finkbeiner Road from Patterson Road to Whitneyville Road in Barry County, and new bridge over Thornapple River.

(C) CR 492, Marquette County, realignment of 3200 feet of County Road 492 from U.S. 41 north to County Road HD.

(D) H-58, Alger County, reconstruct, pave, and some realignment of H-58 from 2600 feet south of Little Beaver Lake Road to 4600 feet east of Hurricane River.

(E) Westland, Ann Arbor Trail between Farmington and Inkster, Warren/Newburgh intersection, reconstruction.

(F) Port Huron, NAFTA corridor congestion mitigation project, grade separation, integrated highway realignment at Port Huron, Michigan to eliminate road blockages from NAFTA rail traffic.

(G) Muskegon County, City of Muskegon: study and implement transportation system alternatives in the vicinity of U.S. 31/M 46. Quarterline Rd, Laketon to McArthur, US-31/M-46 vicinity. Transportation system improvements on Quarterline Road from Laketon Avenue to Stebbins Road. Project description; right-of-way acquisition, road relocation, road reconstruction/resurfacing and signal improvements.

(2) Except for projects described in subsection (1)(d)(*iv*), all bond proceeds not used to fund grants awarded by September 5, 2008 are appropriated for the purposes described in section 11(1)(f).

(3) Beginning February 1, 2007, the department shall submit a written report to the legislature by each February 1 containing all of the following information:

(a) The balance contained in the program.

(b) A list of all projects currently funded under the program.

(c) A list of all federal high priority projects eligible for funding under the program.

(d) A list of pending requests for funding under the program, if any.

(4) The department shall submit a written report to the legislature no later than 30 days after the program has expended $40,000,000.00. The report shall contain all of the following:

(a) A list of all projects currently funded under the program.

(b) A list of federal high priority projects eligible to receive funding from the program.

(c) A list of pending requests for funding under the program, if any.

(5) The department shall provide additional criteria if necessary for selecting the remaining projects to be funded in a fiscal year no later than 30 days after the report required under subsection (4) is issued. In determining the additional criteria to apply to the remaining funds, the department shall consult with interested local road agencies, the Michigan municipal league, and the county road association of Michigan and shall utilize any recommendations made on additional criteria by these entities unless the department determines that the additional criteria are inequitable or impractical. If the additional criteria are deemed inequitable or impractical, the department is directed to work with the interested parties to develop equitable and practical criteria. The department shall apply those criteria that most equitably distribute the remaining funds considering the geographic location of the funded projects. In applying criteria, the department shall take into account the needs of highway, road, and street systems and an equitable allocation of available funds

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considering the geographic location of the funded project.

History: Add. 2006, Act 140, Imd. Eff. May 22, 2006;—Am. 2007, Act 27, Imd. Eff. June 28, 2007;—Am. 2008, Act 73, Imd. Eff. Apr. 7, 2008.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661g Movable bridge fund; contract with person or agency having jurisdiction of publicly owned movable bridge; operational procedures and costs; "operational costs" defined.

Sec. 11g. (1) The movable bridge fund is created in the state treasury as a separate fund. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund. The department shall be the administrator of the fund for auditing purposes.

(2) The department may enter into a contract with a person or agency that has jurisdiction of a publicly owned movable bridge for the operation of that bridge. A contract entered into under this subsection shall require any contractor hired by the department to operate the bridge to maintain insurance in an amount specified by the department. This subsection does not require the department to assume ownership or jurisdiction of a publicly owned movable bridge as part of a contract described in this subsection.

(3) Each person or agency other than the department that owns or has jurisdiction of a publicly owned movable bridge shall submit to the department the operational procedures for that bridge and the operational costs incurred by the person or agency in operating the bridge on an annual basis. The department shall develop procedures to govern the operation of and to determine the operational costs of all publicly owned movable bridges in this state. The department shall annually develop an estimate for the operational cost of each publicly owned movable bridge in this state for each fiscal year. For each publicly owned movable bridge that is owned by or under the jurisdiction of a person or agency other than the department, the department shall use the operational procedures and operational costs submitted by that person or agency under this subsection in developing the procedures and estimates required by this subsection. Using the estimates developed under this subsection, the department shall distribute a percentage of money from the movable bridge fund to each person or agency responsible for the operation of a publicly owned movable bridge. If the department is responsible for the operation of a publicly owned movable bridge, the money distributed under this subsection shall be distributed to the department.

(4) If the department offers to enter into a contract described in subsection (2) and the owner or agency that has jurisdiction of the bridge declines, the owner or agency shall continue to receive the amount of money that it otherwise would have received for the operation of that bridge under this act.

(5) As used in this section, "operational costs" includes all reasonable and customary costs associated with the operation of a publicly owned moveable bridge. Operational costs do not include routine maintenance costs, capital improvement costs, or emergency structural, mechanical, electrical, or hydraulic repairs.

History: Add. 2016, Act 246, Eff. Sept. 22, 2016.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.661h Local agency wetland mitigation bank fund; advisory board.

Sec. 11h. (1) The local agency wetland mitigation bank fund is established in the state treasury as a separate fund. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(2) The money appropriated to the local agency wetland mitigation bank fund and the interest accruing to that fund shall be expended for the local agency wetland mitigation bank program. The balance of the fund shall not exceed $5,000,000.00 at the beginning of a fiscal year, less the amount of funds that have been obligated but not yet expended. The money in the local agency wetland mitigation bank fund is not subject to section 12(15).

(3) The local agency wetland mitigation bank advisory board is created and shall consist of the following 9 members:

(a) One voting member appointed by the County Road Association of Michigan from a county with a population greater than 400,000.

(b) One voting member appointed by the County Road Association of Michigan from a county with a population greater than 65,000 but no more than 400,000.

(c) One voting member appointed by the County Road Association of Michigan from a county with a

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population of less than 65,000.

(d) One voting member who shall be an engineer appointed jointly by the County Road Association of Michigan and the Michigan Municipal League.

(e) One voting member appointed by the Michigan Municipal League from a city with a population of more than 70,000.

(f) One voting member appointed by the Michigan Municipal League from a city with a population of 70,000 or less.

(g) One voting member appointed by the Michigan Municipal League from a village.

(h) Two nonvoting members appointed by the department and the department of environmental quality.

(4) The members first appointed to the board shall be appointed no later than October 1, 2015.

(5) Members of the board shall serve for terms of 2 years or until a successor is appointed, whichever is later, except that of the members first appointed 2 of the members appointed by the County Road Association of Michigan and 2 of the members appointed by the Michigan Municipal League shall serve for 1 year.

(6) If a vacancy occurs on the board, the person that appointed the vacating member shall make an appointment for the unexpired term in the same manner as the original appointment.

(7) A member of the board may be removed for incompetence, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

(8) The first meeting of the board shall be called by the member appointed by the department under subsection (3)(h). At the first meeting, the board shall elect from among its voting members a chairperson and other officers as it considers necessary or appropriate. After the first meeting, the board shall meet at least quarterly.

(9) A majority of the voting members of the board constitute a quorum for the transaction of business at a meeting of the board. A majority of the members present and serving are required for official action of the board.

(10) A board member shall serve without compensation, but may receive reimbursement for necessary travel and expenses consistent with applicable law and rules and procedures of the civil service commission and department of technology, management, and budget or local road agency policies, subject to available funding. The board may employ a part-time or full-time manager or engineer who shall maintain and report the activities of the local agency wetland mitigation bank fund to the board, work with local road agencies, engineers, and environmental consultants to implement this section and promote efficiency and economy in the operations of the local agency wetland mitigation bank program, exercise general oversight of construction to ensure that environmental laws and regulations, plans, and specifications are followed, and perform other duties as directed by the board.

(11) The business that the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(12) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(13) The 2 nonvoting members of the board, the department, and the department of environmental quality shall provide qualified administrative staff and qualified technical assistance to the board as necessary.

(14) The local agency wetland mitigation bank program shall provide grants to local road agencies for 1 or more of the following:

(a) Complete engineering and design for a wetland mitigation bank.

(b) Purchase of land for a wetland mitigation bank.

(c) Construction of a wetland mitigation bank.

(d) Monitoring and maintenance necessary to ensure that the performance standards are or will be met.

(e) Funding for a wetland mitigation bank established before the effective date of the amendatory act that added this section.

(15) Not more than 20% of a wetland mitigation bank may be sold to the private sector, and any revenues generated from that sale shall be deposited into the local agency wetland bank program fund.

(16) The board may approve the use of grant funds for other activities needed to establish a wetland mitigation bank upon a demonstrated need by a local road agency.

(17) An application for a grant from the local agency wetland mitigation bank program shall be made on a form approved by the board and shall contain the information required by the board. A grant application may be made at any time.

(18) The board shall establish a review process for considering grant applications under this section. No later than 90 days after receiving a grant application under this section, the board shall notify the applicant in writing whether the grant is approved or rejected. If the board fails to notify an applicant in writing whether a grant is approved or rejected within 90 days after receiving the grant application, the grant shall be considered

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approved. Prior to releasing grant funds, the board shall enter into a grant agreement with the grant recipient.

(19) For each year in which the board receives grant applications, the board shall report by October 1 to the standing committees of the senate and the house of representatives with primary jurisdiction over issues pertaining to transportation and natural resources and the environment and to the senate and house of representatives appropriations committees on the utilization of funds from the local agency wetland mitigation bank fund. The report shall include, at a minimum, all of the following:

(a) The number of grant applications received under this section.

(b) The name of each local road agency applying for a grant, and whether each application was approved or denied.

(c) The amount of local match for each grant awarded.

(d) The individual and annual cumulative amount of grant funds awarded, including an identification of the purpose of each grant awarded.

History: Add. 2016, Act 246, Eff. Sept. 22, 2016.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.662 Return to county treasurers of amount distributed to county road commissions; manner, purposes, terms, and conditions; statewide purchasing pools; expenditures; urban routes; certification concerning average annual debt service requirements for bonds or notes; representation of charter county in certain transactions; expenditure for administrative expenses; conduct of performance audits; pavement warranties.

Sec. 12. (1) The amount distributed to the county road commissions shall be returned to the county treasurers in the manner, for the purposes, and under the terms and conditions specified in this section. The department and the county road association of Michigan shall jointly develop incentives for counties to establish statewide purchasing pools for the more efficient use of Michigan transportation funds.

(2) Each county road commission shall be reimbursed in an amount up to $10,000.00 per year for the sum paid to a licensed professional engineer employed or retained by the county road commission in the previous year. The sum shall be returned to each county road commission certified by the department as complying with this subsection regarding the employment of an engineer.

(3) An amount equal to 1% of the total amount returned to the county road commissions from the Michigan transportation fund during the prior calendar year shall be withheld annually from the counties' November monthly distribution provided for in section 17, and the amount shall be returned to the county road commissions for snow removal purposes as provided in section 12a.

(4) An amount equal to 10% of the total amount returned to the county road commissions from the Michigan transportation fund shall be returned to each county road commission having county primary, or county local road, or both, mileage in the urban areas as determined pursuant to section 12b. This sum shall be distributed pursuant to section 12b. The return shall be in addition to the amounts provided in subsections (6) and (7) and for the purposes stated in those subsections.

(5) An amount equal to 4% of the total amount returned to the county road commissions from the Michigan transportation fund shall be returned to the county road commissions in the same percentages as provided in subsection (7). All money returned to the county road commissions as provided in this subsection shall be expended by the county road commissions for the preservation, construction, acquisition, and extension of county local road systems and shall be in addition to the amounts provided in subsection (7).

(6) Seventy-five percent of the remainder of the total amount to be returned to the counties shall be expended by each county road commission for the preservation, construction, acquisition, and extension of the county primary road system, including the acquisition of a necessary right of way for the system, work incidental to the system, and a roadside park or motor parkway appurtenant to the system, and shall be returned to the counties as follows:

(a) Three-fourths of the amount in proportion to the amount received within the respective county during the 12 months next preceding the date of each monthly distribution, as specific taxes upon registered motor vehicles under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(b) One-tenth of the amount in the same proportion that the total mileage in the county primary road system of each county bears to the total mileage in all of the county primary road systems of this state.

(c) One eighty-third of the remaining 15% of the amount to each county.

(7) The balance of the remainder of the total amount to be returned to counties shall be expended by each county road commission for the preservation, construction, acquisition, and extension of the county local road system as defined by this act, including the acquisition of a necessary right of way for the system, work

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incidental to the system, and a roadside park or motor parkway appurtenant to the system, and shall be returned to the counties as follows:

(a) Sixty-five percent of the amount in the same proportion that the total mileage in the county local road system of each county bears to the total mileage in all of the county local road systems of the state.

(b) Thirty-five percent of the amount in the same proportion that the total population outside of incorporated municipalities in each county bears to the total population outside of incorporated municipalities in all of the counties of the state, according to the most recent statewide federal census as certified at the beginning of the state fiscal year.

(8) Money deposited in, or becoming a part of the county road funds of a board of county road commissioners shall be expended first for the payment of principal and interest on the bonds, for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of contractual contributions pledged for the payment of bonds, and for debt service requirements for the payment of notes and loans in the following order of priority:

(a) For the payment of contributions required to be made by a board of county road commissioners under a contract entered into under 1941 PA 205, MCL 252.51 to 252.64, that have been pledged for the payment of the principal and interest on bonds issued under that act, or for the payment of total debt service requirements upon notes issued by a board of county road commissioners under 1943 PA 143, MCL 141.251 to 141.254.

(b) For the payment of principal and interest upon bonds issued under section 18c, and the payment of contributions of a board of county road commissioners made pursuant to contracts entered into under section 18d that are pledged to the payment of principal and interest on bonds issued after June 30, 1957, under the authorization of section 18c and contracts executed pursuant to section 18c.

(c) For the payment of principal and interest upon loans received pursuant to section 11(5), to the extent other funds have not been made available for that payment.

(9) Beginning November 1, 2008, no more than 50% per year of the amount returned to a county for use on the county primary road system may be expended, with or without matching, on the county local road system of that county. Except as otherwise provided in this subsection, beginning September 30, 2010, no more than 30% per year of the amount returned to a county for use on the county primary road system may be expended, with or without matching, on the county local road system of that county. An additional amount, not to exceed 20% per year of the amount returned to a county for use on the county primary road system, may be expended on the county local road system of that county if there is an emergency or if the county road commission determines that an additional 20% may be expended on the county local road system. The county road commission may attach any conditions to its determination if the determination is for nonemergency purposes, including, but not limited to, a requirement that the additional 20% expended on the county local road system only be used to supplement money from other sources. No more than 15% per year of the amount returned to a county for expenditure on the county local road system may be used, with or without matching, on the county primary road system of that county, and not to exceed an additional 15% per year of the amount returned to a county for expenditure on the county local road system, may, in case of an emergency or with the approval of the county road commission, be expended, with or without matching, on the county primary road system of that county. An amount returned to a county for and on account of county local roads under this section that is in excess of the total amount paid into the county treasury each year by all of the townships of that county for and on account of the county local roads pursuant to section 14(6) may be transferred to and expended on the county primary road system of that county.

(10) Not less than 20% per year of the money returned to a county by this section shall be expended for snow and ice removal, the construction or reconstruction of a new highway or existing highway, and the acquisition of a necessary right of way for those highways, and work incidental to those highways, or for the servicing of bonds issued by the county for these purposes. A county may expend surplus money for the development, construction, or repair of an off-street parking facility.

(11) Not more than 5% per year of the money returned to a county for the county primary road system and the county local road system shall be expended for the maintenance, improvement, or acquisition of appurtenant roadside parks and motor parkways.

(12) Money returned to a county shall be expended by the county road commission for the purposes provided in this section and shall be deposited by the county treasurer in a designated county depository, in a separate account to the credit of the county road fund, and shall be paid out only upon the order of the county road commission, and interest accruing on the money shall become a part of, and be deposited with the county road fund.

(13) In a county to which money is returned under this section, the function of the county road commission is limited to the formation of policy and the performance of the official duties imposed by law and delegated by the county board of commissioners. A member of the county road commission shall not be employed

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individually in any other capacity for other duties with the county road commission.

(14) A county road commission may enter into an agreement with a county road commission of an adjacent county and with a city or village to perform work on a highway, road, or street, and with the department with respect to a state trunk line highway and connecting links of the state trunk line highway within the limits of the county or adjacent to the county. The agreement may provide for the performance by each contracting party of the work contemplated by the contract including engineering services and the acquisition of rights of way in connection with the work contemplated, by purchase or condemnation, by any of the contracting parties in its own name and the agreement may provide for joint participation in the costs.

(15) Money distributed from the Michigan transportation fund may be expended for construction purposes on county local roads only to the extent matched by money from other sources. However, Michigan transportation funds may be expended for the construction of bridges on the county local roads in an amount not to exceed 75% of the cost of the construction of local road bridges.

(16) Notwithstanding any other provision of this act, at least 90% of the state revenue returned annually to the county road commission from the Michigan transportation fund less the amounts described in subdivisions (a) to (e) shall be expended annually by the county road commission for the preservation of highways, roads, streets, and bridges, and for the payment of contractual contributions pledged for the payment of bonds or portions of bonds, debt service requirements for the payment of bonds or portions of bonds, and debt service requirements for the payment of notes and loans or portions of notes and loans issued or received after July 1, 1983, for the purpose of providing money for the preservation of highways, roads, streets, and bridges. If an appropriate certificate is filed under subsection (18) but only to the extent necessary, this subsection does not prohibit the use of any amount of state revenue returned annually to the county road commissions for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of bonds, and for debt service requirements for the payment of notes or loans, whenever issued or received, as specified under subsection (8). The amounts that are deducted from the state revenue returned to a county road commission from the Michigan transportation fund, for the purpose of the calculation required by this subsection are as follows:

(a) Amounts expended for the purposes described in subsection (8) for bonds, notes, loans, or other obligations issued or received before July 2, 1983.

(b) Amounts expended for the administrative costs of the county road commission.

(c) Amounts expended for capital outlay projects for equipment and buildings, and for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of bonds, and for debt service requirements for the payment of notes and loans issued or received after July 1, 1983, for the purpose of providing funds for capital outlay projects for equipment and buildings.

(d) Amounts expended for projects vital to the economy of the local area or the safety of the public in the local area. Before these amounts can be deducted, the governing body over the county road commission or the county road commission, as applicable, shall pass a resolution approving these projects. This resolution shall state which projects will be funded and the cost of each project. A copy of each approved resolution shall be forwarded immediately to the department.

(e) Amounts expended in urban areas as determined pursuant to section 12b.

(17) As used in this subsection, "urban routes" means those portions of 2-lane county primary roads within an urban area that have average daily traffic in excess of 15,000. Notwithstanding any other provision of this act, except as provided in this subsection, a county road commission shall annually expend at least 90% of the federal revenue distributed to the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for purposes other than preservation and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the preservation of highways, roads, streets, and bridges. A county road commission may expend in 1 year less than 90% of the federal revenue distributed to the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for purposes other than preservation and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the preservation of highways, roads, streets, and bridges, if that year is part of a 3-year period in which at least 90% of the total federal revenue distributed in the 3-year period to the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for purposes other than preservation purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is expended on the preservation of highways, roads, streets, and bridges. If a county road commission expends in 1 year less than 90% of the federal revenue distributed to the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for purposes other than preservation and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the preservation of highways, roads, streets, and bridges and that year is not a part of a 3-year period in which at least 90% of the total federal revenue distributed in the 3-year period to the county road commission for

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highways, roads, streets, and bridges, less the amount expended on urban routes for purposes other than preservation and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is expended on the preservation of highways, roads, streets, and bridges, the county road commission shall expend in each year subsequent to the 3-year period 100%, or less in 1 year if sufficient for the purposes of this subsection, of the federal revenue distributed to the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for purposes other than preservation and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the preservation of highways, roads, streets, and bridges until the average percentage spent on the preservation of highways, roads, streets, and bridges in the 3-year period and the subsequent years, less the amount expended on urban routes for purposes other than preservation and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is at least 90%. A year may be included in only one 3-year period for the purposes of this subsection. The requirements of this subsection shall be waived if compliance would cause the county road commission to be ineligible for federal revenue under federal law, but only to the extent necessary to make the county road commission eligible for that revenue under federal law. For the purpose of the calculations required by this subsection, the amount expended on urban routes by a county road commission for purposes other than preservation and the amount expended for hard-surfacing of gravel roads on the federal-aid system shall be deducted from the total federal revenue distributed to the use of the county road commission.

(18) A county road commission shall certify to the department on or before the issuance of any bonds or notes issued after July 1, 1983, pursuant to 1943 PA 143, MCL 141.251 to 141.254, 1941 PA 205, MCL 252.51 to 252.64, or section 18c or 18d, for purposes other than the preservation of highways, roads, streets, and bridges and purposes other than the purposes specified in subsection (16)(c) that its average annual debt service requirements for all bonds and notes or portions of bonds and notes issued after July 1, 1983, for purposes other than the preservation of highways, roads, streets, and bridges and other than for the purposes specified in subsection (16)(c), including the bond or note to be issued does not exceed 10% of the money returned to the county road commission pursuant to this act, less the amounts specified in subsection (16)(a), (b), and (c) during the last completed fiscal year of the county road commission. If the purpose for which the bonds or notes are issued is changed after the issuance of the notes or bonds, the change shall be made in a manner that maintains compliance with the certification required by this subsection, as of the date the certificate was originally issued, but no such change shall invalidate or otherwise affect the bonds or notes with respect to which the certificate was issued or the obligation to pay debt service on the bonds or notes. A certification under this subsection is conclusive as to the matters stated in the certification for purposes of the validity of bonds and notes.

(19) In each charter county to which funds are returned under this section, the responsibility for road improvement, preservation, and traffic operation work, and the development, construction, or repair of off-road parking facilities and construction or repair of road lighting shall be coordinated by a single administrator designated by the county executive who shall be responsible for and shall represent the charter county in transactions with the department pursuant to this act.

(20) Not more than 10% per year of all of the money received by and returned to a county from any source for the purposes of this section may be expended for administrative expenses. A county that expends more than 10% for administrative expenses in a year is subject to section 14(5) unless a waiver is granted by the department of treasury. As used in this subsection, "administrative expenses" means those expenses that are not assigned including, but not limited to, specific road construction or preservation projects and are often referred to as general or supportive services. Administrative expenses do not include net equipment expense, net capital outlay, debt service principal and interest, and payments to other state or local offices that are assigned, but not limited to, specific road construction projects or preservation activities.

(21) In addition to the financial compliance audits required by law, the department may conduct performance audits and make investigations of the disposition of all state money received by county road commissions, county boards of commissioners, or any other county governmental agency acting as the county road authority, for transportation purposes to determine compliance with the terms and conditions of this act. Performance audits shall be conducted according to government auditing standards issued by the United States General Accounting Office. The department shall develop performance audit procedures and reporting requirements sufficient to determine whether money expended under this section was expended in compliance with this act by September 1, 2012 and shall report to the transportation committees of the senate and house of representatives no later than October 1, 2012 on the additional audit procedures and reporting requirements. The department shall provide notice to the county road commission, county board of commissioners, or any other county governmental agency acting as the county road authority, as applicable, of the standards to be used for audits performed under this subsection. The notice shall be provided 6 months prior to the fiscal year in which the audit is conducted. The department shall notify the county road

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commission, county board of commissioners, or any other county governmental agency acting as the county road authority of any subsequent changes to the standards. County road commissions, county boards of commissioners, or any other county governmental agencies acting as county road authorities, as applicable, shall make available to the department the pertinent records for the audit. Performance audits may be performed at the discretion of the department or upon receiving a request from the speaker of the house of representatives or the senate majority leader.

(22) Of the amounts appropriated for a county primary or local road system under this section, where possible, a county road commission shall secure pavement warranties for full replacement or appropriate repair for contracted construction work on pavement projects whose cost exceeds $2,000,000.00 and projects for new construction or reconstruction undertaken after the effective date of the amendatory act that added this subsection, if allowed by the federal highway administration and the department. A county road commission shall submit a proposed warranty program to the department for approval no later than April 1, 2016. If a proposed warranty program submitted under this subsection is approved by the department, the county road commission shall implement the program no later than 1 year after the approval. A county road commission shall include a list of all warranties that were secured under this subsection and indicate whether any of those warranties were redeemed with the report required under section 14(3), and shall also list all pavement projects whose cost exceeds $2,000,000.00 for which a warranty was not secured. The list shall include, but is not limited to, all of the following information:

(a) The type of project.

(b) The cost or estimated cost of the project.

(c) The expected lifespan of the project.

(d) Whether or not the project met or is currently meeting its expected lifespan.

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

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

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1953, Act 86, Imd. Eff. May 18, 1953;—Am. 1956, Act 28, Eff. Aug. 11, 1956;—Am. 1957, Act 262, Eff. July 1, 1957;—Am. 1967, Act 298, Eff. Jan. 1, 1968;—Am. 1967, Ex. Sess., Act 4, Eff. Jan. 1, 1968;—Am. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1975, Act 239, Imd. Eff. Sept. 2, 1975;—Am. 1976, Act 41, Imd. Eff. Mar. 16, 1976;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1983, Act 82, Imd. Eff. June 15, 1983;—Am. 1984, Act 104, Imd. Eff. May 8, 1984;—Am. 1985, Act 124, Imd. Eff. July 31, 1985;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 1992, Act 224, Imd. Eff. Oct. 15, 1992;—Am. 1993, Act 294, Imd. Eff. Dec. 28, 1993;—Am. 1997, Act 79, Eff. July 28, 1997;—Am. 2002, Act 498, Imd. Eff. July 3, 2002;—Am. 2010, Act 143, Imd. Eff. Aug. 4, 2010 ;—Am. 2012, Act 298, Imd. Eff. Aug. 23, 2012;—Am. 2015, Act 175, Eff. Apr. 1, 2016.

Compiler's note: Enacting section 1 of Act 473 of 2014 provides:

"Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 473 of 2014 does not go into effect.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.662a Snow removal; distribution of amount returned to county road commission.

Sec. 12a. (1) The amount withheld from the counties' November monthly distribution as specified in section 12(3) shall be returned to the county road commission of each county for snow removal purposes, including the purchase and maintenance of equipment for snow removal and shall be distributed among the counties on the basis of each respective county's average percentage share of the total amount returned annually to all counties in the state in each of the 14 calendar years before 1987.

(2) Before November 30 of each year, the state transportation department shall certify to the department of management and budget its determination of the amount to which each county is entitled from the distribution authorized by this section. Before December 15 of each year the department of management and budget shall cause to be paid to the county treasurer of each county entitled to money for snow removal purposes the amount to be returned to the county for snow removal purposes under this section and the amount returned shall be deposited to the credit of the county road fund.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

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247.662b County urban system; distribution of amounts returned; urban area boundaries.

Sec. 12b. (1) The amounts returned to the counties for the county urban system as provided in section 12(4) shall be distributed on the basis of the county road mileage contained within the urban area boundaries as established pursuant to this section.

(2) On January 3, 1973, the department of transportation shall establish urban area boundaries which shall be reviewed and corrected periodically and which shall be in conformance with the federal-aid urban area definition as published by the federal highway administration of the United States department of transportation and in effect July 1, 1971.

(3) The amounts returned to the county road commissions qualifying under this section shall be in the same proportion that the total urban local road mileage, plus 6 times the urban primary road mileage of each county bears to the total mileage in all the urban local road systems of the state, plus 6 times the total mileage in all the urban primary road systems of the state.

(4) All amounts returned to the county road commissions on the basis of the urban primary road mileage of each county are for use on the county primary road system and are subject to the same provisions of this act as other amounts for expenditure on the county primary road system.

(5) All amounts returned to the county road commissions on the basis of the urban local road mileage of each county are for expenditure on the county local road system and are subject to the same provisions of this act as other amounts for expenditure on the county local road systems.

History: Add. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.662c Placing county primary road under jurisdiction of city or village; request; response by county road commission; appeal; hearing; determination.

Sec. 12c. (1) A city or village which desires to have a county primary road, which is under the jurisdiction of a county road commission and which lies within the corporate limits of the city or village, placed under the jurisdiction of the city or village, shall present a resolution of its governing body to the appropriate county road commission requesting that the county primary road be placed under the jurisdiction of the city or village. The county road commission shall respond to the request, in writing, within 90 days after its receipt of the request.

(2) If the county road commission rejects the request within 90 days after its receipt of the request, the city or village, by resolution of its governing body, not sooner than 30 days after, nor later than 90 days after, the decision of the county road commission, may appeal the decision of the county road commission to the state transportation commission.

(3) If the county road commission does not respond, in writing, within 90 days after its receipt of the request, the city or village, by resolution of its governing body, not sooner than 30 days after, nor later than 90 days after, the expiration of the 90-day period for a response, may petition the state transportation commission for a hearing on the request.

(4) The state transportation commission, after notice and an opportunity for a hearing on the appeal under subsection (2) or the petition under subsection (3), shall review the merits of the request. The state transportation commission in its determination as to whether the county primary road shall be placed under the jurisdiction of the city or village, shall consider all of the following:

(a) The benefits of the requested transfer to the city or village making the request.

(b) The benefits of the requested transfer to the users of the county primary road.

(c) The benefits of the requested transfer to the county with respect to the maintenance of a county road arterial network.

History: Add. 1982, Act 438, Eff. Jan. 1, 1983.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.663 Return of distribution to city and village treasurers; manner, purpose, and conditions; audits; pavement warranties; definitions.

Sec. 13. (1) The amount distributed to cities and villages shall be returned to the treasurers of the cities and villages in the manner, for the purposes, and under the terms and conditions specified in this section. The amount received by a newly incorporated municipality shall be in place of any other direct distribution of money from the Michigan transportation fund. The population of a newly incorporated municipality as determined under this section shall be added to the total population of all incorporated cities and villages in

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the state in computing the amounts to be returned under this section to each municipality in the state. Major street mileage, local street mileage, and equivalent major mileage, if applicable, shall be determined by the department before the next month for which distribution is made following the effective date of incorporation of a newly incorporated municipality.

(2) From the amount available for distribution to cities and villages during each December, an amount equal to 0.7% of the total amount returned to all cities and villages under subsections (3) and (4) during the previous calendar year shall be withheld. The amount withheld shall be used to partially reimburse cities and villages located in counties that are eligible for snow removal funds pursuant to section 12a and that have costs for winter maintenance on major and local streets that are greater than the statewide average. The distributions shall be made annually during February and shall be calculated separately for the major and local street systems but may be paid in a combined warrant. The distribution to a city or village shall be equal to 1/2 of its winter maintenance expenditures after deducting the product of its total earnings under subsections (3) and (4) multiplied by 2 times the average municipal winter maintenance factor. Winter maintenance expenditures shall be determined from the street financial reports for the most current fiscal years ending before July 1. A city or village that does not submit a street financial report for the fiscal year ending before July 1 by the subsequent December 31 is ineligible for the winter maintenance payment that is to be based on that street financial report. The department shall determine the average municipal winter maintenance factor annually by dividing the total expenditures of all cities and villages on winter maintenance of streets and highways by the total amount earned by all cities and villages under subsections (3) and (4) during the 12 months. If the sum of the distributions to be made under this subsection exceeds the amount withheld, the distributions to each eligible city and village shall be reduced proportionately. If the sum is less than the amount withheld, the balance shall be added to the amount available for distribution under subsections (3) and (4) during the next month. The distributions shall be for use on the major and local street systems respectively and shall be subject to the same provisions as money returned under subsections (3) and (4).

(3) Seventy-five percent of the remaining amount to be returned to the cities and villages, after deducting the amounts withheld pursuant to subsection (2), shall be returned 60% in the same proportion that the population of each bears to the total population of all cities and villages, and 40% in the same proportion that the equivalent major mileage in each bears to the total equivalent major mileage in all cities and villages. The amount returned under this subsection shall be used by each city and village for the following purposes in the following order of priority:

(a) For the payment of contributions required to be made by a city or village under the provisions of contracts previously entered into under 1941 PA 205, MCL 252.51 to 252.64, that have been previously pledged for the payment of the principal and interest on bonds issued under that act; or for the payment of the principal and interest upon bonds issued by a city or village pursuant to 1952 PA 175, MCL 247.701 to 247.707.

(b) Payment of obligations of the city or village on highway projects undertaken by the city or village jointly with the department.

(c) For the payment of principal and interest upon loans received pursuant to section 11(5), to the extent other money has not been made available for that payment.

(d) For the preservation, construction, acquisition, and extension of the major street system as defined by this act including the acquisition of a necessary right of way for the system, work incidental to the system, and an appurtenant roadside park or motor parkway, of the city or village and for the payment of the principal and interest on that portion of the city's or village's general obligation bonds that are attributable to the construction or reconstruction of the city's or village's major street system. Not more than 5% per year of the money returned to a city or village by this subsection shall be expended for the preservation or acquisition of appurtenant roadside parks and motor parkways. Surplus money may be expended for the development, construction, or repair of off-street parking facilities, the construction or repair of street lighting, and transfer to the local street system under subsection (6).

(e) For capital outlay projects for equipment and buildings, contributions pledged for the payment of loans and for the payment of contractual debt service requirements for the payment of bonds for the purpose of providing money for capital outlay projects for equipment and buildings necessary to the development and maintenance of the road system so long as amounts allocated under this subdivision are used for transportation purposes.

(4) The remaining amount to be returned to incorporated cities and villages shall be expended in each city or village for the preservation, construction, acquisition, and extension of the local street system of the city or village, including the acquisition of a necessary right of way for the system, work incidental to the system, and subject to subsection (5), for the payment of the principal and interest on the portion of the city's or village's general obligation bonds that are attributable to the construction or reconstruction of the city's or

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village's local street system. The amount returned under this subsection shall be returned to the cities and villages 60% in the same proportion that the population of each bears to the total population of all incorporated cities and villages in the state, and 40% in the same proportion that the total mileage of the local street system of each bears to the total mileage in the local street systems of all cities and villages of the state. The payment of the principal and interest upon bonds issued by a city or village pursuant to 1952 PA 175, MCL 247.701 to 247.707, and after that payment, the payment of debt service on loans received under section 11(5), shall have priority in the expenditure of money returned under this subsection.

(5) Money distributed to each city and village for the maintenance and preservation of its local street system under this act represents the total responsibility of the state for local street system support. Money distributed from the Michigan transportation fund shall not be expended for construction purposes on city and village local streets except to the extent matched from local revenues including other money returned to a city or village by this state under the state constitution of 1963 and statutes of this state, from money that can be raised by taxation in cities and villages for street purposes within the limitations of the state constitution of 1963 and statutes of this state, from special assessments, or from any other source.

(6) Money returned under this section to a city or village shall be expended on the major and local street systems of that city or village. However, the first priority is the major street system. Money returned for expenditure on the major street system shall be expended in the priority order provided in subsection (3) except that surplus money may be transferred for preservation of the local street system. Major street money transferred for use on the local street system shall not be used for construction but may be used for preservation. A city or village shall not transfer more than 50% of its annual major street funding for the local street system unless it has adopted and is following an asset management process for its major and local street systems and adopts a resolution with a copy to the department setting forth all of the following:

(a) A list of the major streets in that city or village.

(b) A statement that the city or village is adequately maintaining its major streets.

(c) The dollar amount of the transfer.

(d) The local streets to be funded with the transfer.

(e) A statement that the city or village is following an asset management process for its major and local street systems.

(7) A city or village that has not adopted an asset management plan shall obtain the concurrence of the department to transfer more than 50% of its major street funding to its local street system. The department may provide for pilot projects that would allow a city or village that has adopted an asset management plan under subsection (6) to combine their local and major street funds into 1 street fund and to submit a single report to the department on the expenditure of money on the local and major street systems.

(8) Not more than 10% per year of all of the money returned to a city or village from any source for the purposes of this section may be expended for administrative expenses. A city or village that expends more than 10% for administrative expenses in a year is subject to section 14(5).

(9) In each city and village to which money is returned under this section, the responsibility for street preservation and the development, construction, or repair of off-street parking facilities and construction or repair of street lighting shall be coordinated by a single administrator designated by the governing body who shall be responsible for and shall represent the municipality in transactions with the department pursuant to this act.

(10) Cities and villages may provide for consolidated street administration. A city or a village may enter into an agreement with other cities or villages, the county road commission, or with the state transportation commission for the performance of street or highway work on a road or street within the limits of the city or village or adjacent to the city or village. The agreement may provide for any of the contracting parties to perform the work contemplated by the contracts including services and acquisition of rights of way, by purchase or condemnation in its own name. The agreement may provide for joint participation in the costs if appropriate.

(11) Interest earned on money returned to a city or a village for purposes provided in this section shall be credited to the appropriate street fund.

(12) In addition to the financial compliance audits required by law, the department may conduct performance audits and make investigations of the disposition of all state money received by cities and villages for transportation purposes to determine compliance with the terms and conditions of this act. Performance audits shall be conducted according to government auditing standards issued by the United States General Accounting Office. The department shall develop all performance audit procedures and reporting requirements sufficient to determine whether money expended under this section was expended in compliance with this act by September 1, 2012 and shall report to the transportation committees of the senate and house of representatives no later than October 1, 2012 on the additional audit procedures and reporting

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requirements. The audit procedures shall include a review of the road fund balance of the city or village. The cities and villages shall report their road fund balances by fund balance component. The department shall assist cities and villages to ensure that road fund balances are consistently classified and are in compliance with the audit and reporting requirements of this section. The department shall provide notice to cities and villages of the standards to be used for audits under this subsection prior to the fiscal year in which the audit is conducted. The department shall notify cities and villages of any subsequent changes to the standards. Cities and villages shall make available to the department the pertinent records for the audit. Performance audits may be performed at the discretion of the department or upon receiving a request from the speaker of the house of representatives or the senate majority leader.

(13) Of the amounts appropriated for a city or village major or local street system under this section, where possible, a city or village shall secure pavement warranties for full replacement or appropriate repair for contracted construction work on pavement projects whose cost exceeds $2,000,000.00 and projects for new construction or reconstruction undertaken after the effective date of the amendatory act that added this subsection if allowed by the federal highway administration and the department. A city or village shall submit a proposed warranty program to the department for approval no later than February 1, 2017. If a proposed warranty program submitted under this subsection is approved by the department, the city or village shall implement the program no later than 1 year after the approval. A city or village shall include a list of all warranties that were secured under this subsection and indicate whether any of those warranties were redeemed with the report required under section 14(3), and shall also list all pavement projects whose cost exceeds $2,000,000.00 for which a warranty was not secured. The list shall include, but is not limited to, all of the following information:

(a) The type of project.

(b) The cost or estimated cost of the project.

(c) The expected lifespan of the project.

(d) Whether or not the project met or is currently meeting its expected lifespan.

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

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

(14) With the approval of the director of the department, a city may use up to 20% of the amount received by that city under this section for public transit purposes if more than 10,000,000 passengers used public transit within that city during the previous fiscal year.

(15) As used in this section:

(a) "Administrative expenses" means expenses that are not assigned under this section, including, but not limited to, specific road construction or maintenance projects, and are often referred to as general or supportive services. Administrative expenses do not include net equipment expense, net capital outlay, debt service principal and interest, or payments to other state or local offices that are assigned, but not limited to, specific road construction projects or maintenance activities.

(b) "Equivalent major mileage" means the sum of 2 times the state trunk line mileage certified by the department as of March 31 of each year, as being within the boundaries of each city and village having a population of 25,000 or more, plus the major street mileage in each city and village, multiplied by the following factor:

(*i*) 1.0 for cities and villages of 2,000 or less population.

(*ii*) 1.1 for cities and villages from 2,001 to 10,000 population.

(*iii*) 1.2 for cities and villages from 10,001 to 20,000 population.

(*iv*) 1.3 for cities and villages from 20,001 to 30,000 population.

(*v*) 1.4 for cities and villages from 30,001 to 40,000 population.

(*vi*) 1.5 for cities and villages from 40,001 to 50,000 population.

(*vii*) 1.6 for cities and villages from 50,001 to 65,000 population.

(*viii*) 1.7 for cities and villages from 65,001 to 80,000 population.

(*ix*) 1.8 for cities and villages from 80,001 to 95,000 population.

(*x*) 1.9 for cities and villages from 95,001 to 160,000 population.

(*xi*) 2.0 for cities and villages from 160,001 to 320,000 population.

(*xii*) For cities over 320,000 population, a factor of 2.1 increased successively by 0.1 for each 160,000 population increment over 320,000.

(c) "Population" means the population according to the most recent statewide federal census as certified at the beginning of the state fiscal year, except that, if a municipality has been newly incorporated since completion of the census, the population of the municipality for purposes of the distribution of money before completion of the next census shall be the population as determined by special federal census, if there is a

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special federal census, and if not, by the population as determined by the official census in connection with the incorporation, if there is such a census and, if not, by a special state census to be taken at the expense of the municipality by the secretary of state pursuant to section 6 of the home rule city act, 1909 PA 279, MCL 117.6.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1957, Act 262, Eff. July 1, 1957;—Am. 1967, Act 298, Eff. Jan. 1, 1968;—Am. 1967, Ex. Sess., Act 4, Eff. Jan. 1, 1968;—Am. 1972, Act 327, Imd. Eff. Jan. 3, 1973;—Am. 1976, Act 41, Imd. Eff. Mar. 16, 1976;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1982, Act 436, Imd. Eff. Dec. 29, 1982;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1983, Act 82, Imd. Eff. June 15, 1983;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 1992, Act 82, Imd. Eff. June 2, 1992;—Am. 1993, Act 294, Imd. Eff. Dec. 28, 1993;—Am. 1997, Act 79, Eff. July 28, 1997;—Am. 1999, Act 54, Imd. Eff. June 15, 1999;—Am. 2004, Act 9, Imd. Eff. Feb. 26, 2004;—Am. 2006, Act 338, Imd. Eff. Aug. 15, 2006;—Am. 2010, Act 261, Imd. Eff. Dec. 14, 2010;—Am. 2012, Act 298, Imd. Eff. Aug. 23, 2012;—Am. 2015, Act 175, Eff. Apr. 1, 2016.

Compiler's note: Enacting section 1 of Act 473 of 2014 provides:

"Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 473 of 2014 does not go into effect.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.663a Acquisition of private property within right of way of highway project; expenditure of revenue.

Sec. 13a. The state transportation commission, the county road commissions, and the cities and villages of the state, acting individually or jointly in accordance with a contract, may acquire by purchase or condemnation, in advance of actual construction programming, private property situated within the right of way of a highway project planned for future construction by the governmental unit, and may expend for the advance acquisition of right of way money received by the governmental unit from the Michigan transportation fund. Revenue received from a rental or lease of property so acquired or from the disposition of an improvement on that property or the proceeds of the sale of excess parcels of property so acquired shall be expended by the governmental unit for highway purposes in accordance with this act.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.663b Contracts between county road commissions for purchase or use of equipment or machinery.

Sec. 13b. A county road commission may contract with other county road commissions for the purchase and use of equipment or machinery necessary for the construction, maintenance, or operation of a road or highway.

History: Add. 1976, Act 41, Imd. Eff. Mar. 16, 1976.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.664 Biennial primary road and major street programs; separate accounts; records; annual report; expenditures for administration, engineering, and record keeping; noncompliance; responsibility of state for local county road support; additional funds.

Sec. 14. (1) Each county road commission and city and village of the state shall prepare biennial primary road and major street programs, based on long-range plans, and shall make the programs available for review by the public.

(2) Separate accounts shall be kept by cities, villages, and county road commissions of all money returned from the Michigan transportation fund. This subsection does not prevent the combining of accounts on which separate bookkeeping records are kept into a single deposit account.

(3) All county road commissions and cities and villages shall keep accurate and uniform records on all road and street work and funds, and shall annually report to the department at the time, in the manner, and on forms prescribed by the department the mileage of each road system under their jurisdiction and the receipts and disbursements of road and street funds. In the annual report, each county road commission shall report on its compliance in the preceding year with the requirements of section 12(16) and (17). The report shall also specify, with respect to section 12(17), the total dollar amount expended for other than maintenance purposes which would not have been permissible without the deduction of certain urban route expenditures as

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permitted under section 12(17). The report shall also specify the justification for a waiver of the requirement of section 12(17), if that requirement was waived. A county road commission, city, or village shall post the report required by this subsection on its website, if the county road commission, city, or village has a website.

(4) The county road commissions and the cities and villages are authorized to expend adequate amounts from funds returned by this act to cover the cost of administration, engineering, and record keeping, and expenditures for those purposes shall be reported separately by each county road commission, city, and village to the department.

(5) All distributions and returns of funds provided for in this act shall be withheld from the department, eligible authorities, county road commissions, cities, villages, or other eligible governmental agencies for failure to comply with any of the requirements of this act, and the withholding shall continue for the period of noncompliance.

(6) Money distributed to county road commissions for the maintenance and improvement of county local road systems pursuant to section 12 represents the total responsibility of this state for local county road support. Additional funds required for the support of county local road systems may be supplied from other money returned to the township governments by this state under the state constitution of 1963 and statutes of this state, or from funds that can be raised by taxation in the townships or counties for road purposes within the limitations of the state constitution of 1963 and statutes of this state.

History: Add. 1976, Act 297, Eff. Nov. 15, 1976;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1984, Act 104, Imd. Eff. May 8, 1984;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 2015, Act 175, Eff. Apr. 1, 2016.

Compiler's note: Former MCL 247.664, pertaining to administration and use of funds, was repealed by Act 296 of 1976.

Compiler's note: Enacting section 1 of Act 473 of 2014 provides:

"Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend the constitution was not approved by the voters and Act 473 of 2014 does not go into effect.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.664a Expenditures to pay cost of drain assessments; rules.

Sec. 14a. Expenditure of funds allocated by this act to the department of state highways or to a county road commission to pay the cost of drain assessments under Act No. 40 of the Public Acts of 1956, as amended, being sections 280.1 to 280.623 of the Compiled Laws of 1948, imposed after the effective date of rules promulgated under this section, shall be made only if all apportionments of benefits of any nature or kind determined or made for the drainage of county roads or state highways are made in accordance with rules jointly promulgated by the department of state highways and the department of agriculture. The department of state highways and the department of agriculture jointly shall promulgate rules in accordance with and subject to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Compiled Laws of 1948, to provide for an engineering determination of benefits based on the pro rata share of storm water runoff from the county roads or state highways within the drainage district in direct proportion to the total storm water runoff in the entire drainage district. Fifty percent of the cost of a drain assessment against the county for the drainage of county roads shall be paid by the county road commission from county road funds. Expenditures for such purposes shall be reported separately by each county road commission to the state highway commission. Section 16 applies to expenditures made pursuant to this section.

History: Add. 1972, Act 327, Imd. Eff. Jan. 3, 1973.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

Administrative rules: R 280.1 et seq. of the Michigan Administrative Code.

247.665 Reports showing disposition of funds appropriated, apportioned, or allocated; other information.

Sec. 15. (1) Before May 2 of each year, each county road commission or the county executive or other agency acting as the county road commission shall file with the director of the state transportation department, each township in the county, and the clerk of the county, on forms to be provided by the director, a report showing the disposition of funds appropriated, apportioned, or allocated under this act to the county road commission or the county executive or other agency acting as the county road commission including the funds expended for road construction and heavy maintenance in each township in the county on the form provided by the department in the annual county financial report instruction and forms booklet prepared by

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the department, except funds appropriated under section 10b.

(2) In addition to the general information required under subsection (1), the report filed by the county road commission or the county executive or other agency acting as the county road commission under subsection (1) shall also include the following specific information:

(a) The number of miles of local roads outside of incorporated municipalities in each township in the county and the amount of funds received for each of those miles by the county under the formula described in section 12(7)(a).

(b) The number of miles of primary roads outside of incorporated municipalities in each township in the county and the amount of funds received for each of those miles by the county under the formula described in section 12(4) and (6)(b).

(c) The total population outside of incorporated municipalities in each township in the county and the per capita amount of funds received for each person on the basis of population according to the formula described in section 12(7)(b).

(d) The amount of funds received by the county road commission or the county executive or other agency acting as the county road commission directly from each township in the county for the purposes of this act.

(3) Beginning with municipal fiscal years ending after April 15, 1976, each city and village shall file with the director of the state transportation department, not more than 120 days after the end of its fiscal year, on forms provided by the director, a report showing the disposition of funds appropriated, apportioned, or allocated under this act to the city or village, except funds appropriated under section 10b.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1976, Act 161, Imd. Eff. June 18, 1976;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1999, Act 50, Imd. Eff. June 15, 1999.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.665a Intergovernmental highway corridor planning preservation committees.

Sec. 15a. County road commissions and cities and villages shall establish, where applicable, intergovernmental highway corridor planning preservation committees for the purpose of developing corridor plans in order to provide a stable economic environment for businesses in the corridor and to eliminate duplicative services at the local government level.

History: Add. 1997, Act 79, Eff. July 28, 1997.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.665b Mowing right-of-way of public road.

Sec. 15b. (1) Road authorities shall mow the right-of-way of a public road in accordance with the requirements prescribed in this section, subject to the following:

(a) This section does not apply within the limits of a city or village.

(b) This section is not mandatory with respect to public road rights-of-way within designated federal aid urban boundaries.

(c) Property owners may mow public road rights-of-way immediately in front of their residences, schools, or businesses.

(2) Mowing shall be 12 feet or to the leading edge of the ditch, whichever is less, adjacent to both shoulders of the roadway to any height at any time. The area between the ditch bottom and the back slopes of the rights-of-way shall be protected from mowing between September 1 and the following July 15 except as permitted in this subsection. Spraying shall be limited to the control of noxious weeds and brush within this area. From July 16 through August 31, mowing may be through the entire right-of-way if needed, including through the ditch bottom, while maintaining not less than 12 inches of grass height from the back of the ditch to the back of the right-of-way and within the median. Between July 16 and the following March 1, mechanical brush and woody stem control may be completed to whatever height is needed to provide control and safety. Up to 50% of all roads shall be designated annually for brush control that includes mowing and may include herbicide treatment during the next growing season.

(3) The mowing standards prescribed in this section shall apply to all medians 70 feet wide or more. Medians 70 feet wide or more shall be maintained as brush-free as possible and with a grass height of at least 12 inches. Twenty-five percent of the medians within a region shall be annually designated for removal or spot spray treatment of unwanted brush and trees. It is the intent of the legislature that the mowing standards prescribed in this section apply to medians 50 or more feet wide 3 years after the effective date of the amendatory act that added this subsection.

(4) All mowing of the back slope and wide median areas beyond the 12-foot width from the road edge

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shall be performed so as to ensure a minimum of 12 inches of grass remains by September 1 each year, except in those zones designated for brush control. Areas of brush within the right-of-way shall be mowed back to prevent brush from becoming established within the right-of-way. Brush or tree stumps shall be spot treated with herbicide, as needed, for long-term control.

(5) A right-of-way may be mowed as necessary to maintain public health and safety.

(6) The road authority shall not provide compensation for any mowing or spraying that does not comply with this section.

History: Add. 1997, Act 79, Eff. July 28, 1997;—Am. 1999, Act 174, Imd. Eff. Nov. 16, 1999.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.666 Forfeiture of funds.

Sec. 16. The failure of a county road commission, city, or village to apply money returned pursuant to this act, to the purposes prescribed in this act, shall result in the forfeiture by the county road commission, city, or village of funds to which it may have been entitled under this act for a period of 1 year from and after the failure to apply the money for the purposes prescribed, and funds forfeited shall then be apportioned and distributed among the other county road commissions and cities and villages in the same manner and proportion as provided in section 10 for the distribution of the Michigan transportation fund.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.667 Certifications required; warrants; checks; mandamus; report.

Sec. 17. (1) At the end of each month, the secretary of state shall certify to the state transportation department and the director of the department of management and budget the amounts received from the counties for motor vehicle taxes during the preceding month pursuant to the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, as amended, being sections 257.1 to 257.923 of the Michigan Compiled Laws, and also the total amount deposited in the Michigan transportation fund pursuant to this act during the preceding month, after deducting the amount appropriated for the payment of the necessary expenses incurred in the enforcement of Act No. 150 of the Public Acts of 1927, as amended, being sections 207.101 to 207.202 of the Michigan Compiled Laws, and sections 801 to 810 of Act No. 300 of the Public Acts of 1949, as amended, being sections 257.801 to 257.810 of the Michigan Compiled Laws. The state transportation department shall certify to the director of the department of management and budget the amounts to be returned to the state transportation department from the Michigan transportation fund monthly, and the amounts to be returned to each county road commission and each city and village of the state monthly, pursuant to this act, and the director of the department of management and budget shall certify these amounts to the state treasurer, who shall draw a warrant monthly for the net amounts as are due the state transportation department, the county road commissions, and the cities and villages of the state under this act. The state treasurer shall issue checks for the amounts due, within 30 days after the end of each month, to the state transportation department, the county road commissions, and the cities and villages. If the amount due is not returned to a county road commission, city, or village within 30 days after the end of each month, the county road commission, city, or village may bring an action in the nature of mandamus to compel the various officials to perform their duties in connection with the return as provided in this section.

(2) The state transportation department, within 120 days after the close of each fiscal year of the state shall furnish to the legislature and the governor a detailed report of revenues credited to the Michigan transportation fund and distributions under this act and a detailed report of the interest earnings and allocations of each fund created or appropriated money under this act, showing the amounts distributed to each county road commission, city, and village and the purposes for which those amounts were expended.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1952, Act 141, Eff. Sept. 18, 1952;—Am. 1957, Act 262, Eff. July 1, 1957;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1983, Act 84, Imd. Eff. June 16, 1983;—Am. 1987, Act 234, Imd. Eff. Dec. 28, 1987;—Am. 1993, Act 294, Imd. Eff. Dec. 28, 1993.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.667a Office of audit; creation; head; duties, functions, and responsibilities.

Sec. 17a. There is hereby established the office of audit within the department to conduct financial and performance audits. The office shall be headed by an individual appointed by, and serving at the pleasure of,

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the state transportation commission. The duties, functions, and responsibilities of the office shall be as determined by the state transportation commission.

History: Add. 1982, Act 438, Eff. Jan. 1, 1983.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668 Repealed. 1957, Act 262, Eff. July 1, 1957.

Compiler's note: The repealed section pertained to cancelled installments of special assessments.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668a Michigan transportation fund; payment of notes, bonds, or other indebtedness; notes and bonds not general obligations of state.

Sec. 18a. Subject to the provisions and the limitations set forth in this act, money in the Michigan transportation fund, distributed as provided in this act, may be expended for the payment of the principal and interest on notes and bonds issued or other indebtedness incurred by a governmental unit for transportation purposes as defined by law. Except as otherwise provided by law, the notes or bonds shall be payable solely from the proceeds of taxes restricted to use for the purposes described in section 9 of article 9 of the state constitution of 1963, which are deposited in the state treasury to the credit of the Michigan transportation fund and are distributed pursuant to this act. The notes and bonds shall not be general obligations of this state, which shall be specifically stated on the face of each note or bond sold.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668b State transportation commission; bonds and notes.

Sec. 18b. (1) The state transportation commission may borrow money and issue notes or bonds for the following purposes:

(a) To pay all or any portion of or to make loans, grants, or contract payments to pay all or any portion of any capital costs for the purposes described in section 9 of article IX of the state constitution of 1963.

(b) To pay the principal or the principal and interest on notes and, if the state transportation commission considers refunding to be expedient, to refund bonds payable from money in the state trunk line fund or the comprehensive transportation fund or received or to be received from the motor vehicle highway fund or the Michigan transportation fund regardless of when the refunded bonds were issued, by the issuance of new bonds, whether or not the bonds to be refunded have matured or are subject to prior redemption or are to be paid, redeemed, or surrendered at the time of issuance of the refunding bonds; and to issue new bonds partly to refund bonds or pay notes then outstanding and partly for any other transportation purpose authorized by this act.

(c) To pay all costs relating to the issuance of the bonds or notes described in this section, including, but not limited to, legal, engineering, accounting, and consulting services, interest on bonds or notes for such period as determined by the state transportation commission in the resolution authorizing the bonds or notes and a reserve for payment of principal, interest, and redemption premiums on the bonds or notes in an amount determined by the state transportation commission in the resolution authorizing the bonds or notes.

(2) The refunding bonds described in subsection (1)(b) shall be sold and the proceeds and the earnings or profits from the investment of those proceeds applied in whole or in part to the purchase, redemption, or payment of the principal or the principal and interest of the bonds to be refunded and the refunding bonds issued by the state transportation commission under subsection (1)(b) and the costs described in subsection (1)(c). Refunding notes or bonds shall be considered to be issued for the same purpose or purposes for which the notes or bonds to be refunded were issued.

(3) The notes or bonds authorized by this section shall be issued only after authorization by resolution of the state transportation commission, which resolution shall contain the following:

(a) An irrevocable pledge providing for the payment of the principal and interest on the notes or bonds from money which is restricted as to use by section 9 of article IX of the state constitution of 1963 and which is deposited or to be deposited in the comprehensive transportation fund, in the case of bonds or notes issued for comprehensive transportation purposes as defined by law, or in the state trunk line fund, in the case of bonds or notes issued for transportation purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963, or in the case of notes or bonds, if the resolution authorizing the notes or

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bonds provides, from money received or to be received by the state transportation department from the proceeds of bonds or renewal notes to be issued after the date of the resolution or from money received or to be received from the proceeds of the grants described in subsection (9). If the resolution authorizing the bonds or notes so provides, a portion of the principal or interest on the bonds or notes may be secured by an irrevocable pledge of money deposited in the comprehensive transportation fund or the state trunk line fund, and the balance of the principal and interest secured by an irrevocable pledge of the proceeds of bonds or renewal notes or money received or to be received from the proceeds of the grants described in subsection (9).

(b) A brief statement describing the projects for which the notes or bonds are to be issued and in the case of notes or bonds to pay notes or refund bonds, a description of the notes or bonds to be paid or refunded. For purposes of this section and section 18k, in connection with bonds issued to fund the loan program established under section 11(6) to (11), the loan program shall constitute the project, and it shall not be necessary to specify the particular item or costs of a particular item to be financed from any particular loan made under the loan program.

(c) The estimated cost of the projects or refunding or refinancing.

(d) The detail of the notes or bonds including the date of issue, maturity date or dates of the bonds or notes, the maximum interest rate, the dates of payment of interest, the paying agents, the transfer agent or agents, the provisions for registration, the redemption provisions, and the manner of execution or, as provided in subsection (11)(d), the limitations within which such detail may be determined by the person designated by the commission.

(4) If after the issuance of notes or bonds, the state transportation commission determines that a project for which the notes or bonds are to be issued should be changed, the state transportation commission, by resolution, adopted after the 30 days' notice of intention to adopt the resolution has been given to the appropriations committees of the senate and the house of representatives, shall amend the resolution authorizing the bonds or notes to change the description of the project or projects or to substitute a different project or projects for the project for which the notes or bonds were issued and shall make other revisions in the resolution authorizing the notes or bonds with respect to cost as may be necessary to permit the change in or substitution of a project or projects.

(5) Before October 1, 1979, the total amount of bonds and notes issued pursuant to this section for comprehensive transportation purposes as defined by law shall not exceed an amount as will be serviced as to maximum principal and interest requirements by a sum equal to the amount deposited to the credit of the general transportation fund for the fiscal year ending September 30, 1977. After September 30, 1979, the total amount of bonds and notes issued pursuant to this section for comprehensive transportation purposes as defined by law shall not exceed an amount as will be serviced, out of state funds only, as to maximum annual principal and interest requirements by an amount equal to 50% of the total amount of money from taxes, the use of which money is restricted by section 9 of article IX of the state constitution of 1963, and which money is deposited in the state treasury to the credit of the comprehensive transportation fund during the state fiscal year immediately preceding the issuance of the bonds or notes.

(6) The total amount of bonds and notes issued pursuant to this section for transportation purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963 shall not exceed an amount as will be serviced as to the maximum principal and interest requirements by a sum equal to 50% of the total of the amount of money received from taxes, the use of which is restricted by section 9 of article IX of the state constitution of 1963 and which is deposited in the state treasury to the credit of the state trunk line fund during the state fiscal year immediately preceding the issuance of the bonds or notes.

(7) The principal or principal and interest or the portion of principal or interest of bonds or notes which are issued in anticipation of the issuance of bonds or renewal notes or of federal grants as provided in subsection (9) and which do not pledge for their payment money in the state trunk line fund or the comprehensive transportation fund or money received or to be received by the state transportation department from the Michigan transportation fund or the motor vehicle highway fund shall not be considered to be principal and interest requirements subject to the limitation set forth in subsections (5) and (6). The principal of and interest on notes or bonds refunded or for the refunding of which refunding bonds have been sold, whether the bonds to be refunded are to be retired at the time of delivery of the refunding bonds or not, shall not be considered to be principal and interest requirements subject to the limitation set forth in subsections (5) and (6).

(8) In computing the maximum annual principal and interest requirements under subsection (6), the total outstanding maximum annual contributions required to be made by the state highway commission and the state transportation commission pursuant to contracts entered into under the authorization of section 18d, which contributions are pledged to the payment of bonds issued under section 18d, shall be included in the amount.

(9) The state transportation commission may borrow money and issue notes or bonds in anticipation of the

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receipt of grants from the United States of America or any agency or instrumentality thereof and may pledge for the payment of the principal, interest, and redemption premiums on such notes or bonds 1 or more of the following:

(a) The proceeds of any grant and any investment earnings or gain on the grant.

(b) If deemed advisable by the state transportation commission, money which is restricted as to use by section 9 of article IX of the state constitution of 1963, and which is deposited or to be deposited in the comprehensive transportation fund, in the case of bonds or notes issued for comprehensive transportation purposes as defined by law, or in the state trunk line fund, in the case of bonds or notes issued for transportation purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963.

(c) If deemed advisable by the state transportation commission, money received or to be received by the state from the sale of the bonds or notes described in this section to be issued after the issuance of the notes or bonds described in this subsection and any investment earnings or gain thereon.

(10) Bonds or notes may be issued under this section as separate issues or series with different dates of issuance, but the aggregate of the bonds or notes shall be subject to the limitations set forth in this section.

(11) The state transportation commission in determining to issue bonds or notes may do 1 or more of the following:

(a) Authorize and enter into insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase obligations, remarketing agreements, reimbursement agreements, and any other transactions to provide security to assure timely payment of any bonds or notes.

(b) Authorize payment from the proceeds of the bonds or notes or other funds available, of the cost of issuance, including, but not limited to, fees for placement, fees or charges for insurance, letters of credit, lines of credit, remarketing agreements, reimbursement agreements, or purchase or sales agreements or commitments, or other agreements to provide security to assure timely payment of bonds or notes.

(c) Authorize principal and interest to be payable from 1 or more of the following:

(*i*) Money described in subsection (3)(a).

(*ii*) Proceeds of bonds or notes.

(*iii*) Earning on proceeds of bonds or notes or other funds held for payment of bonds or notes.

(*iv*) Proceeds of any other security provided to assure timely payment of the bonds or notes.

(*v*) Proceeds of federal grants and other money described in subsection (9).

(*vi*) Any combination of the sources described in subparagraphs (*i*) to (*v*).

(d) Authorize or provide for a person designated by the state transportation commission, but only within limitations which shall be contained in the authorization resolution of the state transportation commission, to do 1 or more of the following:

(*i*) Sell and deliver and receive payment for bonds or notes.

(*ii*) Refund bonds or notes by the delivery of new bonds or notes, whether or not the bonds or notes to be refunded have matured or are subject to redemption prior to maturity on the date of delivery of the refunding bonds or notes.

(*iii*) Deliver bonds or notes partly to refund bonds or notes and partly for any other authorized purposes.

(*iv*) Buy, hold without cancellation, or sell bonds or notes so issued.

(*v*) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, optional or mandatory redemption or tender rights and obligations to be exercised by the state transportation commission or the holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

(e) In connection with outstanding bonds, notes, or other obligations issued under this act, or in connection with the issuance or proposed issuance of bonds, notes, or other indebtedness, the state transportation commission may authorize by resolution the execution and delivery of agreements providing for interest rate exchanges or swaps, hedges, or similar agreements. The obligations of this state under the agreements, including termination payments, may be made payable from and secured by a pledge of the same sources of funds as the bonds, notes, or other obligations in connection with which the agreements are entered into, or from any other sources of funds available as a payment source of bonds, notes, or other obligations issued under this act. In calculating debt service on bonds, notes, and other obligations, the payments and receipts under the agreements authorized by this subsection, without regard to termination payments, and the payment obligations under the bonds, notes, or other obligations in connection with which the agreements are entered into, shall be aggregated and treated as a single obligation.

(f) Bonds and notes issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(g) The issuance of bonds and notes under this section is subject to the agency financing reporting act.

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If additionally secured as provided in this subsection, the bonds or notes, notwithstanding other provisions of this act, may be made payable or subject to purchase on demand or prior to maturity at the option of the holder at the time and in the manner as determined by the state transportation commission or the designated person as provided in the resolution authorizing the bonds or notes. Any bonds or notes authorized by this section may bear no interest or interest at a rate or rates which may be variable but which shall be subject to the limitations provided in section 18e as provided in the resolution authorizing the obligations. If bonds or notes are subject to payment or purchase on demand or prior to maturity at the option of the holder, and the obligation of the state to make payment or effect purchases on demand or prior to maturity, at the option of the holder is limited to the proceeds of 1 or more of the additional security devices described in this subsection and is not payable from constitutionally restricted funds deposited in the comprehensive transportation fund or the state trunk line fund, for purposes of computing maximum annual principal and interest requirements under subsections (5) and (6), the principal and interest on the bonds or notes subject to payment or purchase on demand or prior redemption at the option of the holder shall be disregarded and the maximum annual principal and interest requirements which would arise with respect to the repayment of the proceeds of the additional security device shall be substituted therefor.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 1983, Act 82, Imd. Eff. June 15, 1983;—Am. 1985, Act 201, Imd. Eff. Dec. 27, 1985;—Am. 2002, Act 467, Imd. Eff. June 21, 2002;—Am. 2002, Act 498, Imd. Eff. July 3, 2002.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668c Counties; bonds.

Sec. 18c. (1) A county may borrow money and issue bonds to pay all or any portion of the cost of the construction or reconstruction of highways, including limited access highways, which by law a county road commission is authorized to construct or reconstruct, or participate with any other county road commission, city, or village in the construction or reconstruction of, including the construction or the enlargement, reconstruction, or relocation of existing highways and the acquisition of necessary rights-of-way for those highways, and all work incidental to the construction or reconstruction, which bonds shall be issued only upon the written recommendation or approval of the county road commission, and the adoption of a resolution by a majority vote of the county board of commissioners of the county. The resolution shall briefly describe the contemplated highway construction project, the estimated cost of the project, and the amount, maximum rate of interest, and maturity dates of the bonds to be issued and the form of the bonds. The resolution shall contain an irrevocable appropriation providing for the payment of the principal and interest of the bonds from the money received or to be received by the county road commission from the Michigan transportation fund, except to the extent the money has been pledged by contract in accordance with 1941 PA 205, MCL 252.51 to 252.64, before July 1, 1957, for the construction or financing of limited access highways, and except to the extent the moneys have been pledged before July 1, 1957, for the payment of notes issued under 1943 PA 143, MCL 141.251 to 141.254. A contractual pledge made before July 1, 1957, in accordance with the provisions of 1941 PA 205, MCL 252.51 to 252.64, and a pledge made before July 1, 1957, for the payment of promissory notes under 1943 PA 143, MCL 141.251 to 141.254, shall have and retain its priority of lien or charge against the money distributed by law to the county road commission from the Michigan transportation fund, as contemplated by those acts, and as provided in the contract or resolution authorizing the issuance of bonds or notes under those acts. A pledge made after June 30, 1957, by a county road commission under 1941 PA 205, MCL 252.51 to 252.64, or 1943 PA 143, MCL 141.251 to 141.254, shall have equal standing and priority with a pledge made after June 30, 1957, by the county road commission under this act. The total aggregate amount of bonds that may be issued by a county under this section shall not exceed the amount that will be serviced as to their maximum annual principal and interest requirements by an amount equal to 20% of the moneys received by the county road commission of the county from the Michigan transportation fund during the fiscal year immediately preceding the issuance of the bonds. Bonds may be issued under this section as separate issues or series with different dates of issuance but the aggregate of the bonds shall be subject to the limitations set forth in this act. As additional security for the payment of the bonds, a county, upon adoption of a resolution by a majority of the members of its county board of commissioners, may agree on behalf of the county that if the funds pledged for the payment of the bonds are at any time insufficient to pay the principal and interest on the bonds as the same become due, the county treasurer shall be obligated to advance sufficient money from the general fund of the county to make up the deficiency, and reimbursement shall be made from the first subsequent revenues received by the county road commission from the Michigan transportation fund not pledged or required to be set aside and used for the payment of the principal and interest on bonds, notes, or other evidences of indebtedness.

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(2) The total annual amount that may be pledged by a county road commission for the payment of principal and interest on bonds issued pursuant to this section, or the payment of contributions as required by a contract entered into in accordance with section 18d, which contributions are pledged for the payment of bonds, together with total maximum debt service requirements for payment of notes issued under 1943 PA 143, MCL 141.251 to 141.254, shall not exceed 50% of the total amount received by the county road commission from the Michigan transportation fund during the last completed fiscal year ending on June 30 before the issuance of a bond or note or the execution of a contract.

(3) Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 2002, Act 451, Imd. Eff. June 21, 2002.

Compiler's note: The following communication was sent to Governor John Engler on December 9, 2002:

"December 9, 2002
The Honorable John Engler
Capitol Building
Lansing, MI 48913
Subject: PA 451 of 2002
Dear Governor Engler:

This is to inform you that an error has been discovered in Enrolled Senate Bill No. 1265, which was assigned Public Act No. 451 of 2002. The enrolled bill was presented to you on June 7, 2002, and it did not accurately reflect what was agreed to by both houses of the Legislature. Specifically, Section 18c(3) incorrectly stated:

'(3) Bonds issued under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.'

The language agreed to by both houses should read as follows:

'(3) Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.'

Therefore, we are presenting a correct Enrolled Senate Bill No. 1265 for your signature and filing with the Secretary of State. Upon filing, the defective Enrolled Senate Bill No. 1265 will be replaced with the correct Enrolled Senate Bill No. 1265 and assigned the same public act number. The inaccurate enrolled bill was signed by you on June 21, 2002, and filed with the Secretary of State on June 21, 2002. The effective date of Public Act No. 451 of 2002 will remain June 21, 2002.

This procedure ensures that the bill as passed by both houses in the Legislature is accurately filed and effective, while this document will provide notification to the public. We apologize for any inconvenience this may have caused you and the citizens of the state of Michigan.

If you have any questions, please feel free to contact us.

Sincerely,
Carol Morey Viventi Gary L. Randall
Secretary of the Senate Clerk of the House of Representatives"

On December 9, 2002, a corrected version of Enrolled Senate Bill No. 1265, signed by the Governor and dated June 21, 2002, was filed with the Secretary of State. The corrected version of Enrolled Senate Bill No. 1265 was assigned the same filing date (June 21, 2002) and Public Act number (451) as the defective enrolled bill.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668d Contracts between governmental units for construction or reconstruction of highways; contributions; pledges; bonds; applicability of revised municipal finance act and agency financing reporting act.

Sec. 18d. (1) The state transportation commission, county road commission, and a city or village may enter into a contract providing for the construction or reconstruction of highways, including limited access highways, under the jurisdiction and control of 1 of the contracting parties to the extent that the contracting parties are otherwise authorized by law to expend moneys on the highways, roads, or streets, which contract shall provide for allocation of the share of the cost of the construction or reconstruction to be borne by the department or a county road commission, city, or village in annual installments for a period not to exceed 30 years. The contract shall designate the department or a county road commission, city, or village to carry on, in whole or in part, the engineering, construction, or reconstruction work required by the contract, which may include the construction or enlargement, reconstruction, or relocation of existing highways and work incidental to the engineering, construction, or reconstruction work. The contract shall designate the department or a county road commission, city, or village to undertake the acquisition of rights of way required for the highways, which rights of way may be acquired by purchase or condemnation by the department or a county road commission, city, or village in its own name for the purposes of the construction or reconstruction. The department or a county road commission, city, or village may make a contribution to the cost of its highway construction and reconstruction projects as are provided for in contracts authorized in this section. A governmental unit may make irrevocable pledges of its Michigan transportation fund receipts to meet its annual obligations pursuant to the contracts. A governmental unit that is a party to a contract may make an additional irrevocable pledge of a contribution or funds received, or to be received, by the department or a county road commission, city, or village from the federal government or 1 of its agencies or

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from any other source for or in aid of the highway construction or reconstruction projects provided for in the contracts. A governmental unit that is a party to the contracts may borrow money and issue bonds in accordance with this act for the purpose of providing funds for the immediate construction or reconstruction of the highway projects contemplated by the contracts. The bonds shall be secured by an irrevocable pledge of the annual contributions required to be made by the department or a county road commission, city, or village that is a party to the contracts. Before the issuance of the bonds by a governmental unit, the issuance of the bonds shall be approved by a resolution of the state administrative board and by a resolution of the county road commission of each county and the governing body of each city or village that is a party to the contracts. The annual contribution required by the contracts shall be paid to the governmental unit issuing the bonds. A governmental unit that is a party to the contracts, at any time, may pay all or part of the unpaid annual contributions undertaken by it in a contract, and may raise money for that payment by the issuance of bonds in accordance with and subject to this act. A contract executed under this section may authorize the governmental unit issuing the bonds pursuant to the contract to receive bids for the bonds, accept the best bid, and issue and deliver the bonds for and on behalf of all the parties to the contract.

(2) The aggregate amount of annual contributions from the Michigan transportation fund that may be made by a county, city, or village under this section and pledged for the payment of principal and interest on bonds issued pursuant to a contract, shall not exceed 40% of the total amount received by it from the Michigan transportation fund during the last completed fiscal year ending on the June 30 before the execution of a contract. The amount of an annual contribution made by the state transportation department and pledged for the payment of bonds pursuant to this section shall be included in computing the bonding limit set forth in section 18b. The total aggregate amount that may be pledged by a city or village for the payment of principal and interest on bonds issued pursuant to a contract entered into in accordance with this section and 1952 PA 175, MCL 247.701 to 247.707, shall not exceed 50% of the total amount received by the city or village from the Michigan transportation fund and the highway construction fund during the last completed fiscal year ending on June 30 before the issuance of the bonds.

(3) Bonds issued and contracts entered into under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(4) The issuance of bonds under this section is subject to the agency financing reporting act.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1979, Act 58, Imd. Eff. July 18, 1979;—Am. 2002, Act 557, Imd. Eff. July 26, 2002.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668e Bonds of governmental unit; maturities; interest; measuring maximum annual principal and interest requirements; certification of state transportation commission concerning average annual debt service requirements for certain obligations; "preservation" defined.

Sec. 18e. Except for bonds issued under section 18c, bonds issued by a governmental unit under this act shall be serial bonds with periodic maturities, or term bonds, with mandatory redemption requirements, or both serial and term bonds, the aggregate of which shall not exceed 30 years, the first of which shall fall due not more than 5 years from the date of issuance. Maturities shall be as established by the resolution or ordinance authorizing the bonds or notes, without regard to the useful lives of the projects financed from the proceeds of the bonds or notes. The bonds shall bear interest, taking into account any discount or premium on the sale of the bonds, at a rate not exceeding the maximum rate permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, may be made redeemable before maturity on those terms and conditions, and with the premium as shall be provided by the proceedings authorizing their issuance. Outstanding and authorized bonds issued pursuant to this act may be treated as a single issue for the purpose of fixing maturities. If pursuant to 1952 PA 175, MCL 247.701 to 247.707, or in 1943 PA 143, MCL 141.251 to 141.254, the maximum annual principal and interest requirements on bonds issued by governmental units are required to be measured by reference to amounts received from the motor vehicle highway fund, the requirements shall be measured by the receipts from the motor vehicle highway fund, the Michigan transportation fund, or both funds, and if pursuant to this act the maximum annual principal and interest requirements on bonds or notes issued by governmental units are required to be measured by reference to amounts received from the Michigan transportation fund, the requirements shall be measured by the receipts from the motor vehicle highway fund, the Michigan transportation fund, or both funds. The state transportation commission shall certify, which certification shall, for purposes of the validity of bonds, notes, and other obligations, be conclusive as to the matters stated in the certification, to the state treasury on or

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before the issuance of any bonds, notes, or other obligations payable from and secured by a lien on the state trunk line fund, issued after July 1, 1983, pursuant to section 18b or 18d for purposes other than the preservation of highways, roads, streets, and bridges and for purposes other than the purposes specified in section 11(2)(b), (c), (d), (g), (h), and (i) that its average annual debt service requirements payable from and secured by a lien on the state trunk line fund for all bonds, notes, and other obligations, or portions of bonds, notes, and other obligations issued after July 1, 1983, for purposes other than the preservation of highways, roads, streets, and bridges and other than for the purposes specified in section 11(2)(b), (c), (d), (g), (h), and (i), including the bonds, notes, or other obligations to be issued does not exceed 10% of the state revenue appropriated to the state trunk line fund, less the amounts described in section 11(2)(a) to (i) during the last completed state fiscal year. The state transportation commission shall certify, which certification shall, for purposes of the validity of bonds, notes, or other certification, to the state treasury on or before the issuance of any bonds, notes, or other obligations issued after December 31, 2001, pursuant to section 18b(9) in anticipation of the receipt of grants from the United States or any agency or instrumentality of the United States for distributions to the credit of the state trunk line fund, and not payable from taxes deposited in the state trunk line fund, for purposes other than the preservation of highways, roads, streets, and bridges and for purposes other than the purposes specified in section 11(2)(b), (c), (f), and (i), that its average annual debt service requirements for all bonds, notes, and other obligations, or portions of bonds, notes, or other obligations issued after December 31, 2001, pursuant to section 18b(9) and not payable from taxes deposited in the state trunk line fund, for purposes other than the preservation of highways, roads, streets, and bridges and other than the purposes specified in section 11(2)(b), (c), (f), and (i), including the bonds, notes, or other obligations to be issued, do not exceed 10% of the federal revenue distributed to the credit of the state trunk line fund during the last completed state fiscal year. If the purpose for which the bonds, notes, or other obligations is issued is changed after the issuance of the bonds, notes, or other obligations, the change shall be made in a manner to maintain compliance with the certification required by the preceding sentence, as of the date the certificate was originally issued, but no change shall invalidate or otherwise affect the bonds, notes, or other obligations with respect to which the certificate was issued, or the obligation to pay debt service on the bonds, notes, or other obligations. As used in this section, “preservation” means preservation as defined in section 10c.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1973, Act 72, Imd. Eff. July 23, 1973;—Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978;—Am. 1983, Act 82, Imd. Eff. June 15, 1983;—Am. 1985, Act 201, Imd. Eff. Dec. 27, 1985;—Am. 2002, Act 493, Imd. Eff. July 3, 2002;—Am. 2002, Act 498, Imd. Eff. July 3, 2002.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668f Approval of construction; sale price of bonds.

Sec. 18f. If the aggregate maturities of the bonds exceed 15 years, the bonds shall not be issued until the state transportation department has approved the construction to be financed by the proceeds of the bonds. The sale price of the bonds shall not be less than the minimum price specified in the proceedings authorizing their issuance.

History: Add. 1957, Act 262, Eff. July 1, 1957;—Am. 1983, Act 82, Imd. Eff. June 15, 1983;—Am. 2002, Act 448, Imd. Eff. June 17, 2002.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668g Bonds; protection of outstanding bonds.

Sec. 18g. Nothing contained in this act shall be construed in such manner as to violate or impair any substantive rights existing in the holders of any outstanding bonds, notes or other evidences of indebtedness issued under the provisions of Act No. 205 of the Public Acts of 1941, as amended, Act No. 87 of the Public Acts of 1955, as amended, Act No. 143 of the Public Acts of 1943, as amended, or Act No. 175 of the Public Acts of 1952. It is hereby declared to be the determination and intent of the legislature that adequate and complete provision has been made in this act for the protection and preservation of the rights and security of the bonds issued and outstanding under the provisions of the laws.

History: Add. 1957, Act 262, Eff. July 1, 1957.

Compiler's note: Act 87 of 1955, referred to in this section, was repealed by Act 1 of 1956, Ex. Sess., Act 263 of 1957, and Act 6 of 1967, Ex. Sess.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

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247.668h Bonds; negotiability; payment, exemption from taxation.

Sec. 18h. Any bonds issued under the provisions of this act shall have all the qualities of negotiable instruments under the law merchant and the negotiable instruments law. Any bonds and interest coupons shall be made payable in lawful money of the United States of America, and shall be exempt from any and all taxation whatsoever by the state or by any taxing authority within the state.

History: Add. 1957, Act 262, Eff. July 1, 1957.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668i Cumulative authority of act.

Sec. 18i. The provisions of this act shall be construed as cumulative authority for the exercise of the bonding powers herein granted and shall not be construed to repeal any existing laws with respect thereto, it being the purpose and intention of this act to create full and complete additional and alternate methods and means for the exercise of such powers. The powers conferred by this act shall not be affected or limited by any other statute or by any charter, except as otherwise herein provided.

History: Add. 1957, Act 262, Eff. July 1, 1957.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668j Annual certification that certain employee-related conditions met; failure to make certification; withholding distributions to local road agency; website.

Sec. 18j. (1) Beginning September 30, 2015, each local road agency shall annually certify to the department that it satisfies 1 of the following conditions with respect to employees:

(a) The local road agency has developed and publicized an employee compensation plan that the local road agency intends to implement with any new, modified, or extended contract or employment agreements for employees not covered under contract or employment agreement. The employee compensation plan that each local road agency plans to achieve shall be posted on a publicly accessible internet site and shall be submitted to the department. At a minimum, the employee compensation plan shall include all of the following:

(*i*) New employee hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.

(*ii*) For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, if postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, if postemployment health care is not provided, the maximum multiplier shall be 3.0%. This subparagraph does not apply to years of service accrued prior to September 30, 2013, or to contracts entered into prior to September 30, 2013.

(*iii*) For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee. This subparagraph does not apply to years of service accrued prior to September 30, 2013, or to contracts entered into prior to September 30, 2013.

(*iv*) Health care premium costs for new employee hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per-employee basis.

(b) The local road agency complies with 1 of the following:

(*i*) A local road agency that offers medical benefits to its employees or elected public officials shall certify to the department by September 30, 2015 that it is in compliance with the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.561 to 15.569. For purposes of this subparagraph, dental and vision coverages are not considered medical benefits. The department shall develop a certification process and method for local road agencies to follow. A local road agency shall indicate in a certification under this subparagraph whether it has exempted itself from the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.561 to 15.569, as provided in section 8 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.568.

(*ii*) A local road agency that does not offer medical benefits to its employees or elected public officials shall certify to the department by September 30, 2015 that it does not offer medical benefits to its employees

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or elected public officials. For purposes of this subparagraph, dental and vision coverages are not considered medical benefits. The department shall develop a certification process and method for local road agencies to follow.

(2) If a local road agency does not make the certification required under subsection (1), the department may withhold all or part of the distributions to the local road agency from the Michigan transportation fund under this act. A withholding under this subsection shall continue for the period of noncompliance with subsection (1) by the local road agency.

(3) A county road commission shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Current fiscal year budget.

(b) The number of active employees of the county road commission by job classification and wage rate.

(c) A financial performance dashboard that contains information on revenues, expenditures, and unfunded liabilities. The county road commission may link to financial information provided by the Michigan transportation asset management council.

(d) The names and contact information for the governing body of the county road commission.

(e) A copy of the certification required by subsection (1).

(4) The department shall maintain a searchable website accessible by the public at no cost. A website maintained by the department under this subsection shall include, but is not limited to, the following:

(a) Current fiscal year budget.

(b) The number of active employees of the department by job classification and wage rate.

(c) A financial performance dashboard that contains information on revenues, expenditures, and unfunded liabilities. The department may link to financial information provided by the Michigan transportation asset management council.

(d) The names and contact information for the governing body of the department.

(5) A county road commission may develop and operate its own website to provide the information required under subsection (3), or the county road commission may reference this state's central transparency website as the source for the information required under subsection (3). If a county road commission does not have a website, the county road commission may post the information required under subsection (3) on the website for the county within which the county road commission is located or on the website of a statewide road association of which the county road commission is a member.

History: Add. 2012, Act 506, Imd. Eff. Dec. 28, 2012;—Am. 2014, Act 301, Imd. Eff. Oct. 9, 2014.

Compiler's note: Former MCL 247.668j, which pertained to pledge for annual debt service requirements and to successive borrowings, was repealed by Act 234 of 1987, Imd. Eff. Dec. 28, 1987.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668k List of projects for which notes or bonds to be issued.

Sec. 18k. If the state transportation commission, by resolution, after January 1, 1983, authorizes the issuance of notes or bonds, the state transportation commission shall provide the appropriations committees of the senate and the house of representatives with a list of the projects for which the notes or bonds are to be issued. The list shall be provided at least 30 days before the notes or bonds are issued.

History: Add. 1982, Act 438, Eff. Jan. 1, 1983;—Am. 1983, Act 82, Imd. Eff. June 15, 1983.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.668*l* Borrowing money and issuing notes or bonds in anticipation of federal funds.

Sec. 18*l*. (1) In order to provide a more immediate economic impact and the creation of job opportunities by accelerating vital transportation projects as part of an infrastructure investment program, the state transportation commission, as soon as possible after the effective date of this section, may borrow money and issue notes or bonds in anticipation of the receipt of the additional approximately $1,200,000,000.00 in increased funds from the federal government pursuant to the intermodal surface transportation efficiency act of 1991, Public Law 102-240 and any other appropriate federal funding sources available to the department as the respective funds become available, and may pledge for the payment of the principal, interest, and redemption premiums on such notes or bonds sufficient funds from the funds received each fiscal year beginning with the fiscal year ending September 30, 1993 and through the fiscal year ending September 30, 1997 from the federal government pursuant to the intermodal surface transportation efficiency act of 1991, Public Law 102-240 or any other appropriate revenues available consistent with federal and state law as the

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respective funds become available each year in order to repay the notes or bonds and the debt service on the notes or bonds.

(2) The bonds or notes issued pursuant to subsection (1) shall be issued by the commission to fund projects for any purpose for which federal funds received through the intermodal surface transportation efficiency act of 1991 may be used to fulfill the requirements of that act and for any other purpose consistent with state and federal law.

(3) The notes or bonds authorized by this section shall be issued by resolution of the state transportation commission consistent with the requirements of section 18b.

History: Add. 1992, Act 224, Imd. Eff. Oct. 15, 1992.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.669 Roads, streets, and alleys taken over as county roads.

Sec. 19. The board of county road commissioners in each of the several counties shall, within 1 year from the effective date of this act, complete the taking over as county roads of all roads, streets and alleys heretofore required to be taken over as county roads by the provisions of Act No. 130 of the Public Acts of 1931, as amended, being sections 247.1 to 247.13, inclusive, of the Compiled Laws of 1948. Said board of county road commissioners in each of the several counties shall take over as county roads all streets and alleys lying outside the limits of incorporated cities and villages and dedicated to the public in recorded plats approved by said board of county road commissioners, within 30 days after the recording of the plat or the effective date of this act, whichever may be the later. Such dedicated streets and alleys, when taken over by the county road commission, shall be county roads in all respects and for all purposes and shall be classified as county primary roads or county local roads pursuant to the provisions of this act.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.670 Unexpended balances of township funds; appropriation for local road maintenance or improvement; additional powers; snow removal in Marquette county townships.

Sec. 20. Notwithstanding any other provisions of this act the township board of any township may appropriate any unexpended balances in the contingent or general fund of the township without submitting the question to the electors of said township, or raise money by the issuance of bonds of the township in the same manner and to the same extent as provided in sections 8 to 18 of chapter 14 of Act No. 283 of the Public Acts of 1909, being sections 234.8 to 234.18, inclusive, of the Compiled Laws of 1948, and to pay any sum so appropriated or raised into the county road fund of the county for the maintenance and/or improvement of county roads within the townships, or for the widening of state trunk line highways beyond the width required for state trunk line traffic in unincorporated areas of such township, pursuant to an agreement between the township and the county road commission. Where funds are to be used for the widening of a state trunk line highway, the county road commission shall enter into agreement with the state highway commissioner for the work. Notwithstanding any other provisions of this act the township board of any township may also levy a property tax of not to exceed 3 mills on each dollar of assessed valuation of the township in any year for the maintenance or improvement of county roads within the township or for the widening of state trunk line highways, as aforesaid, without submitting the question to the electors of said township, and pay any sum so raised into the county road fund of the county for the aforesaid purposes pursuant to an agreement with the county road commission: Provided, That in addition to the foregoing powers any township may, when authorized by a vote of the electorate, levy a property tax of not to exceed 6 mills on each dollar of assessed valuation of the township in any year for the maintenance or improvement of county roads or for the widening of state trunk line highways beyond the width required for state trunk line traffic in unincorporated areas of the township and pay any sum so raised into the county road fund of the county for the maintenance and/or improvement of county roads within such township or the widening of state trunk line highways, as aforesaid, pursuant to an agreement between the township and the county road commission. Where funds are to be used for the widening of a state trunk line highway, the county road commission shall enter into agreement with the state highway commissioner for such work. Notwithstanding any other provisions of this act the township board of any township in the county of Marquette, out of any unexpended balances in the contingent or general fund of the township, after first submitting the question to the electors of the township, and a majority of those voting thereon approve of such expenditure, may purchase and operate snow removal equipment.

History: 1951, Act 51, Eff. June 1, 1951;—Am. 1953, Act 86, Imd. Eff. May 18, 1953;—Am. 1954, Act 102, Imd. Eff. Apr. 14, 1954

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;—Am. 1956, Act 58, Imd. Eff. Apr. 2, 1956;—Am. 1957, Act 153, Eff. Sept. 27, 1957.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.670a Contract for preservation of county local road system within township.

Sec. 20a. A board of county road commissioners in a county and the township board of a township with a population of 15,000 or more, and which in the prior year and the contract year will have levied a property tax of not less than 1 mill on each dollar of assessed valuation of the township for the improvement or preservation of county roads within the township, may exercise the provisions of this section only by entering into a written contract of not more than 1 year providing for the preservation by the township of all or any part of the county local road system within that township, subject to, at a minimum, the following conditions:

(a) The contract shall specify the total amount of money that shall be annually expended by the contracting township for the preservation of all or part of the local road system. The contracting road commission may pay not more than 90% of the amount specified in the contract to the contracting township annually. The contracting road commission shall not pay more than 66% of an amount equal to the average annual amount of funds expended by the county road commission on the local road system located within the contracting township for construction and preservation purposes over the previous 5-year period from local road funds received by the county under this act. The contracting township shall match any funds expended by the contracting road commission on the local road system located within the contracting township in excess of 66%. The amount paid to the contracting township shall not directly or indirectly include money transferred from the primary fund allocation to the county under section 12(8).

(b) The contracting township shall keep separate accounts and accurate and uniform records on all road preservation work and funds, and shall file with the state transportation commission and the contracting county road commission on or before April 1 of each year, on forms provided by the state transportation commission, a report showing the disposition of funds received and expended for road purposes.

(c) The contract shall require the contracting township to provide insurance covering the contracting road commission's liability for failure to preserve the local roads specified in the contract.

(d) The contracting road commission shall determine and specify the equipment and personnel necessary to provide the preservation as set forth in the contract, and the contract shall not take effect until the contracting township has acquired the necessary equipment and personnel specified in the contract.

(e) As used in this section, "preservation" means that term as defined in section 10c unless the contracting parties specify a different meaning in the contract.

History: Add. 1974, Act 74, Imd. Eff. Apr. 4, 1974;—Am. 2002, Act 498, Imd. Eff. July 3, 2002;—Am. 2005, Act 5, Imd. Eff. Apr. 7, 2005;—Am. 2010, Act 257, Imd. Eff. Dec. 14, 2010;—Am. 2012, Act 298, Imd. Eff. Aug. 23, 2012.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.671 Repeal.

Sec. 21. All acts and parts of acts inconsistent with the provisions of this act, and the following acts and parts of acts, are hereby repealed, viz: sections 19, 19a, 19b, 19e and 19f of Act No. 150 of the Public Acts of 1927, being sections 207.119, 207.119a, 207.119b, 207.119e and 207.119f, respectively, of the Compiled Laws of 1948; Act No. 130 of the Public Acts of 1931, as amended, being sections 247.1 to 247.13, inclusive, of the Compiled Laws of 1948; Act No. 1 of the Public Acts of the Extra Session of 1937, being sections 247.21 to 247.25, inclusive, of the Compiled Laws of 1948; and section 805 of Act No. 300 of the Public Acts of 1949, being section 257.805 of the Compiled Laws of 1948.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.672 Effective date of act.

Sec. 22. This act shall become effective June 1, 1951.

History: 1951, Act 51, Eff. June 1, 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.673 Effective upon passage of certain act.

Sec. 23. This act shall not take effect unless Senate Bill No. 41 of the 1951 session of the legislature, relative to increase in the privilege tax for the use of the public highways by owners and drivers of motor

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vehicles is enacted into law and becomes effective.

History: 1951, Act 51, Eff. June 1, 1951.

Compiler's note: Senate Bill No. 41 of 1951, referred to in this section, became Act 54 of 1951.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.674 Refunding bonds or advance refunding bonds.

Sec. 24. The state transportation commission may issue refunding bonds or advance refunding bonds for the purpose of refunding notes or bonds issued under this act before the effective date of this section. Those refunding bonds or advance refunding bonds shall be issued in accordance with section 18b.

History: Add. 1978, Act 444, Imd. Eff. Oct. 10, 1978.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

247.675 Truck safety fund and Michigan truck safety commission; establishment; administration of fund; duty of commission; appointment, qualifications, and terms of commission members; election of chairperson; vacancy; meetings; notice; quorum; expenditure of fund; annual report.

Sec. 25. (1) The truck safety fund is established and shall be maintained in the state treasury. The truck safety fund shall be administered by the office of highway safety planning within the department of state police.

(2) The Michigan truck safety commission is established in the office of highway safety planning within the department of state police. The commission shall control the expenditures of the truck safety fund. The commission shall consist of the following members:

(a) A member of the state transportation commission, or his or her authorized representative who is a member of the state transportation commission.

(b) The director of the office of highway safety planning, within the department of state police.

(c) The secretary of state.

(d) The commanding officer of the motor carrier division within the department of state police.

(e) Seven individuals appointed by the governor with the advice and consent of the senate as follows:

(*i*) One individual representing Michigan community colleges.

(*ii*) One individual representing 4-year colleges or universities.

(*iii*) One individual representing the Michigan trucking association.

(*iv*) One individual representing private motor carriers.

(*v*) One individual representing organized labor.

(*vi*) Two individuals representing the general public.

(3) The appointed members of the Michigan truck safety commission shall be appointed for 2-year terms. The chairperson of the Michigan truck safety commission shall be elected by a majority of the members serving on the Michigan truck safety commission. A vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment. The business which the Michigan truck safety commission shall perform shall be conducted at a quarterly meeting held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the meeting shall be given in the manner required under Act No. 267 of the Public Acts of 1976. A majority of the commission members serving shall be required to constitute a quorum.

(4) The truck safety fund shall be expended in the following order of priority and in the following manner:

(a) Not more than 5% but not more than $100,000.00 of the money deposited in the truck safety fund shall be expended for the fund's administrative expenses. The office of highway safety planning may employ not more than 2 persons to assist in the administration of the fund.

(b) Not less than 30%, but not less than $1,000,000.00 of the balance of the money deposited in the truck safety fund shall be expended for the following purposes:

(*i*) Establishing truck driver safety education programs.

(*ii*) Encouraging, coordinating, and administering grants for research and demonstration projects to develop the application of new ideas and concepts in truck driver safety education as applied to state, as opposed to nationwide, problems.

(*iii*) Applying for, receiving, and accepting any grant, gift, contribution, loan, or other assistance in the form of money, property, labor, and any other form from a public or private source for the enhancement of truck driver safety education, including matching funds and other assistance from an agency or

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instrumentality of the United States and doing each thing as is necessary to apply for, receive, and administer that assistance in accordance with the laws of this state.

(c) Not less than $750,000.00 of the balance of the money deposited in the truck safety fund shall be expended for the establishment of special transportation enforcement team operations within the motor carrier division of the department of state police and any expenses incurred by the special transportation enforcement team including, but not limited to, required equipment. The motor carrier division of the department of state police shall submit an annual report of the activities of the special transportation enforcement team operations and expenditures of the fund for those operations provided by this subdivision.

(d) The balance of the money deposited in the truck safety fund, if any, shall be expended for the following purposes:

(*i*) Investigating, performing data collection and analysis, and making recommendations on truck accidents within this state.

(*ii*) Investigating and making recommendations on the truck safety enforcement procedures of local law enforcement agencies.

(*iii*) Performing other functions considered necessary by the Michigan truck safety commission for the enhancement of truck and truck driver safety within this state.

(5) The commission shall make an annual report to the chairpersons of the house transportation and senate transportation and tourism committees on the status of the fund. The report shall be submitted within 45 days after the end of the fiscal year and shall include the year end balance of the fund and the disbursements made from the fund during the previous fiscal year.

History: Add. 1988, Act 348, Imd. Eff. Oct. 25, 1988;—Am. 1993, Act 20, Imd. Eff. Apr. 14, 1993.

Popular name: McNitt Act

Popular name: Michigan Transportation Fund Act

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