

**SUBSTITUTE FOR
HOUSE BILL NO. 4246**

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2020; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2020, from the following funds:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
Full-time equated classified positions	2,818.3

House Bill No. 4246 as amended June 17, 2019

1	GROSS APPROPRIATION.....	\$ [5,408,738,300]
2	Total interdepartmental grants and intradepartmental	
3	transfers	3,974,300
4	ADJUSTED GROSS APPROPRIATION.....	\$ [5,404,764,000]
5	Federal revenues:	
6	Federal aid - transportation programs.....	1,341,650,100
7	Total federal revenues.....	1,341,650,100
8	Special revenue funds:	
9	Local revenues.....	50,532,000
10	Private revenues.....	900,000
11	Total local and private revenues.....	51,432,000
12	Blue Water Bridge fund.....	24,879,600
13	Comprehensive transportation fund.....	[351,465,500]
14	Economic development fund.....	56,329,000
15	Intercity bus equipment and facility fund.....	100,000
16	Local bridge fund.....	31,458,500
17	Michigan transportation fund.....	2,101,306,500
18	Qualified airport fund.....	5,850,000
19	Rail freight fund.....	6,000,000
20	State aeronautics fund.....	15,693,100
21	State trunkline fund.....	1,418,599,700
22	Total other state restricted revenues.....	[4,011,681,900]
23	State general fund/general purpose.....	\$ 0
24	Sec. 102. DEBT SERVICE	
25	Airport safety and protection plan.....	\$ 3,435,800
26	Blue Water Bridge fund.....	6,886,400
27	Comprehensive transportation.....	10,896,000

1	Economic development.....	11,638,000
2	Local bridge fund.....	2,380,700
3	State trunkline.....	\$ <u>178,660,600</u>
4	GROSS APPROPRIATION.....	213,897,500
5	Appropriated from:	
6	Federal revenues:	
7	Federal aid - transportation programs.....	81,155,000
8	Special revenue funds:	
9	Blue Water Bridge fund.....	6,886,400
10	Comprehensive transportation fund.....	10,896,000
11	Economic development fund.....	11,638,000
12	Local bridge fund.....	2,380,700
13	State aeronautics fund.....	3,435,800
14	State trunkline fund.....	97,505,600
15	State general fund/general purpose.....	\$ 0
16	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY	
17	SUPPORT SERVICES	
18	CTF grant to civil service commission.....	\$ 250,000
19	CTF grant to department of attorney general.....	106,400
20	CTF grant to department of treasury.....	33,100
21	CTF grant to legislative auditor general.....	39,800
22	CTF grant to department of technology, management, and	
23	budget	50,900
24	MTF grant to department of environmental quality.....	1,383,000
25	MTF grant to department of treasury.....	2,754,800
26	MTF grant to legislative auditor general.....	322,100
27	MTF grant to department of state for collection of	

1	revenue and fees	20,000,000
2	SAF grant to civil service commission.....	150,000
3	SAF grant to department of attorney general.....	185,100
4	SAF grant to department of treasury.....	73,500
5	SAF grant to legislative auditor general.....	31,000
6	SAF grant to department of technology, management, and	
7	budget	38,300
8	STF grant to civil service commission.....	6,321,000
9	STF grant to department of attorney general.....	2,076,800
10	STF grant to department of state police.....	11,903,300
11	STF grant to department of treasury.....	149,700
12	STF grant to legislative auditor general.....	748,200
13	STF grant to department of technology, management, and	
14	budget	<u>1,460,000</u>
15	GROSS APPROPRIATION.....	\$ 48,077,000
16	Appropriated from:	
17	Special revenue funds:	
18	Comprehensive transportation fund.....	480,200
19	Michigan transportation fund.....	24,459,900
20	State aeronautics fund.....	477,900
21	State trunkline fund.....	22,659,000
22	State general fund/general purpose.....	\$ 0
23	Sec. 104. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
24	Full-time equated unclassified positions6.0	
25	Full-time equated classified positions252.3	
26	Unclassified salaries--6.0 FTE positions.....	\$ 770,500
27	Asset management council.....	1,876,400

1	Business support services--42.0 FTE positions.....	6,310,700
2	Commission audit and support services--29.3 FTE	
3	positions	3,255,100
4	Economic development and enhancement programs--10.0	
5	FTE positions	1,590,800
6	Finance, contracts, and support services--171.0 FTE	
7	positions	20,545,100
8	Property management.....	7,254,400
9	Worker's compensation.....	<u>1,874,300</u>
10	GROSS APPROPRIATION.....	\$ 43,477,300
11	Appropriated from:	
12	IDG for accounting service center user charges.....	3,974,300
13	Special revenue funds:	
14	Comprehensive transportation fund.....	1,588,000
15	Economic development fund.....	394,400
16	Michigan transportation fund.....	4,332,900
17	State aeronautics fund.....	717,200
18	State trunkline fund.....	32,470,500
19	State general fund/general purpose.....	\$ 0
20	Sec. 105. INFORMATION TECHNOLOGY	
21	Information technology services and projects.....	<u>\$ 29,276,200</u>
22	GROSS APPROPRIATION.....	\$ 29,276,200
23	Appropriated from:	
24	Federal revenues:	
25	Federal aid - transportation programs.....	520,500
26	Special revenue funds:	
27	Blue Water Bridge fund.....	56,300

1	Comprehensive transportation fund.....	228,900
2	Economic development fund.....	37,800
3	Michigan transportation fund.....	299,100
4	State aeronautics fund.....	178,500
5	State trunkline fund.....	27,955,100
6	State general fund/general purpose.....	\$ 0
7	Sec. 106. TRANSPORTATION PLANNING	
8	Full-time equated classified positions	137.0
9	Planning services--137.0 FTE positions.....	\$ 37,438,800
10	Grants to regional planning councils.....	<u>488,800</u>
11	GROSS APPROPRIATION.....	\$ 37,927,600
12	Appropriated from:	
13	Federal revenues:	
14	Federal aid - transportation programs.....	22,000,000
15	Special revenue funds:	
16	Comprehensive transportation fund.....	615,500
17	Michigan transportation fund.....	9,703,400
18	State aeronautics fund.....	15,200
19	State trunkline fund.....	5,593,500
20	State general fund/general purpose.....	\$ 0
21	Sec. 107. DESIGN AND ENGINEERING SERVICES	
22	Full-time equated classified positions	1,506.3
23	Program development, delivery, and system operations--	
24	1,506.3 FTE positions	\$ <u>154,062,700</u>
25	GROSS APPROPRIATION.....	\$ 154,062,700
26	Appropriated from:	
27	Federal revenues:	

1	Federal aid - transportation programs.....	23,529,800
2	Special revenue funds:	
3	Comprehensive transportation fund.....	187,100
4	Michigan transportation fund.....	13,013,900
5	State aeronautics fund.....	160,300
6	State trunkline fund.....	117,171,600
7	State general fund/general purpose.....	\$ 0
8	Sec. 108. HIGHWAY MAINTENANCE	
9	Full-time equated classified positions760.7	
10	State trunkline operations--760.7 FTE positions.....	\$ <u>405,641,800</u>
11	GROSS APPROPRIATION.....	\$ 405,641,800
12	Appropriated from:	
13	Special revenue funds:	
14	State trunkline fund.....	405,641,800
15	State general fund/general purpose.....	\$ 0
16	Sec. 109. ROAD AND BRIDGE PROGRAMS	
17	Cities and villages.....	\$ 716,312,100
18	County road commissions.....	1,284,761,600
19	Grants to local programs.....	33,000,000
20	Local bridge program.....	29,077,800
21	Local federal aid and road and bridge construction....	278,400,300
22	Local agency wetland mitigation bank fund.....	2,000,000
23	Movable bridge.....	5,337,300
24	Rail grade crossing.....	3,000,000
25	Rail grade crossing - surface improvements.....	3,000,000
26	State trunkline federal aid and road and bridge	
27	construction	<u>1,531,379,500</u>

1	GROSS APPROPRIATION.....	\$ 3,886,268,600
2	Appropriated from:	
3	Federal revenues:	
4	Federal aid - transportation programs.....	1,065,094,800
5	Special revenue funds:	
6	Local funds.....	30,003,500
7	Blue Water Bridge fund.....	11,341,100
8	Local bridge fund.....	29,077,800
9	Michigan transportation fund.....	2,047,411,000
10	State trunkline fund.....	703,340,400
11	State general fund/general purpose.....	\$ 0
12	Sec. 110. BLUE WATER BRIDGE	
13	Full-time equated classified positions41.0	
14	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>6,595,800</u>
15	GROSS APPROPRIATION.....	\$ 6,595,800
16	Appropriated from:	
17	Special revenue funds:	
18	Blue Water Bridge fund.....	6,595,800
19	State general fund/general purpose.....	\$ 0
20	Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT	
21	Forest roads.....	\$ 5,000,000
22	Rural county primary.....	8,314,700
23	Rural county urban system.....	2,500,000
24	Target industries/economic redevelopment.....	17,129,400
25	Urban county congestion.....	8,314,700
26	Community service infrastructure fund.....	<u>3,000,000</u>
27	GROSS APPROPRIATION.....	\$ 44,258,800

House Bill No. 4246 as amended June 13, 2019

1 Appropriated from:
 2 Special revenue funds:
 3 Economic development fund..... 44,258,800
 4 State general fund/general purpose..... \$ 0

5 **Sec. 112. AERONAUTICS SERVICES**

6 Full-time equated classified positions46.0
 7 Air service program..... \$ 250,000
 8 Air fleet operations and maintenance--8.0 FTE
 9 positions 1,341,800
 10 Aviation services--38.0 FTE positions..... 5,147,600
 11 GROSS APPROPRIATION..... \$ 6,739,400

12 Appropriated from:
 13 Special revenue funds:
 14 State aeronautics fund..... 6,739,400
 15 State general fund/general purpose..... \$ 0

16 **Sec. 113. PUBLIC TRANSPORTATION SERVICES**

17 Full-time equated classified positions36.0
 18 Passenger transportation services--36.0 FTE positions. \$ 5,666,200
 19 GROSS APPROPRIATION..... \$ 5,666,200

20 Appropriated from:
 21 Federal revenues:
 22 Federal aid - transportation programs..... 972,100
 23 Special revenue funds:
 24 Comprehensive transportation fund..... 4,694,100
 25 State general fund/general purpose..... \$ 0

26 **Sec. 114. LOCAL BUS TRANSIT**

27 Local bus operating..... \$ [196,750,000]

House Bill No. 4246 as amended June 13, 2019

1	[]
2	Nonurban operating/capital.....		<u>30,027,900</u>
3	GROSS APPROPRIATION.....	\$	[226,777,900]
4	Appropriated from:		
5	Federal revenues:		
6	Federal aid - transportation programs.....		28,027,900
7	Special revenue funds:		
8	Local funds.....		2,000,000
9	Comprehensive transportation fund.....		[196,750,000]
10	State general fund/general purpose.....	\$	0
11	Sec. 115. INTERCITY PASSENGER AND FREIGHT		
12	Full-time equated classified positions	39.0	
13	Detroit/Wayne County Port Authority.....	\$	418,200
14	Freight property management.....		1,000,000
15	Intercity services.....		9,860,000
16	Marine passenger service.....		200,000
17	Office of rail--39.0 FTE positions.....		5,990,800
18	Rail freight economic development.....		62,758,000
19	Rail passenger.....		<u>18,000,000</u>
20	GROSS APPROPRIATION.....	\$	98,227,000
21	Appropriated from:		
22	Federal revenues:		
23	Federal aid - transportation programs.....		14,500,000
24	Special revenue funds:		
25	Local funds.....		260,000
26	Private funds.....		900,000
27	Comprehensive transportation fund.....		73,620,000

1	Intercity bus equipment and facility fund.....		100,000
2	Michigan transportation fund.....		2,086,300
3	Rail freight fund.....		6,000,000
4	State trunkline fund.....		760,700
5	State general fund/general purpose.....	\$	0
6	Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT		
7	Municipal credit program.....	\$	2,000,000
8	Service initiatives.....		3,900,800
9	Specialized services.....		15,248,100
10	Transit capital - Urban.....		28,049,500
11	Transit capital - Non-urban.....		28,571,200
12	Incentive challenge fund.....		13,952,400
13	Transportation to work.....		<u>3,293,700</u>
14	GROSS APPROPRIATION.....	\$	95,015,700
15	Appropriated from:		
16	Federal revenues:		
17	Federal aid - transportation programs.....		26,850,000
18	Special revenue funds:		
19	Local funds.....		5,760,000
20	Comprehensive transportation fund.....		62,405,700
21	State general fund/general purpose.....	\$	0
22	Sec. 117. CAPITAL OUTLAY		
23	(1) BUILDINGS AND FACILITIES		
24	Salt storage buildings and containment control.....	\$	2,500,000
25	Special maintenance, remodeling, and additions.....		<u>3,001,500</u>
26	GROSS APPROPRIATION.....	\$	5,501,500
27	Appropriated from:		

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1	State trunkline fund.....		5,501,500
2	State general fund/general purpose.....	\$	0
3	(2) AIRPORT IMPROVEMENT PROGRAMS		
4	Airport safety, protection, and improvement program...	\$	95,477,300
5	Detroit Metropolitan Wayne County Airport.....		<u>5,850,000</u>
6	GROSS APPROPRIATION.....	\$	101,327,300
7	Appropriated from:		
8	Federal revenues:		
9	Federal aid - transportation programs.....		79,000,000
10	Special revenue funds:		
11	Local funds.....		12,508,500
12	Qualified airport fund.....		5,850,000
13	State aeronautics fund.....		3,968,800
14	State general fund/general purpose.....	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2019-2020

GENERAL SECTIONS

19 Sec. 201. Pursuant to section 30 of article IX of the state
20 constitution of 1963, total state spending from state sources under
21 part 1 for fiscal year 2019-2020 is [\$4,011,681,900.00] and state
22 spending from state sources to be paid to local units of government
23 for fiscal year 2019-2020 is [\$2,369,723,600.00]. The itemized
24 statement below identifies appropriations from which spending to
25 local units of government will occur:

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1	STATE TRANSPORTATION DEPARTMENT	
2	Grants to regional planning council.....	\$ 488,800
3	Cities and villages.....	716,312,100
4	County road commissions.....	1,284,761,600
5	Grants to local programs.....	33,000,000
6	Local bridge program.....	29,077,800
7	Local agency wetland mitigation.....	2,000,000
8	Movable bridge.....	2,611,200
9	Rail grade crossing.....	1,500,000
10	Rail grade surface crossing improvements.....	3,000,000
11	Transportation economic development.....	27,129,400
12	Air service program.....	250,000
13	Local bus operating.....	[196,750,000]
14	[]
15	Detroit/Wayne County Port Authority.....	418,200
16	Marine passenger service.....	200,000
17	Municipal credit program.....	2,000,000
18	Service initiatives.....	1,925,800
19	Specialized services.....	1,163,100
20	Transit capital.....	40,070,700
21	Transportation to work.....	3,293,700
22	Incentive challenge fund.....	13,952,400
23	Airport safety, protection, and improvement program...	3,968,800
24	Detroit Metropolitan Wayne County Airport.....	<u>5,850,000</u>
25	Total payments to local units of government.....	\$ [2,369,723,600]

26 Sec. 202. The appropriations authorized under this part and
 27 part 1 are subject to the management and budget act, 1984 PA 431,

1 MCL 18.1101 to 18.1594.

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

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

4 (b) "Department" means the state transportation department.

5 (c) "Director" means the director of the department.

6 (d) "DOT" means the United States Department of
7 Transportation.

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

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

10 (g) "IDG" means interdepartmental grant.

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

12 (i) "SAF" means state aeronautics fund.

13 (j) "STF" means state trunkline fund.

14 Sec. 204. The departments and agencies receiving
15 appropriations in part 1 shall use the internet to fulfill the
16 reporting requirements of this part. This requirement may include
17 transmission of reports via electronic mail to the recipients
18 identified for each reporting requirement, or it may include
19 placement of reports on an internet or intranet site.

20 Sec. 205. Funds appropriated in part 1 shall not be used for
21 the purchase of foreign goods or services, or both, if
22 competitively priced and of comparable quality American goods or
23 services, or both, are available. Preference shall be given to
24 goods or services, or both, manufactured or provided by Michigan
25 businesses, if they are competitively priced and of comparable
26 quality. In addition, preference shall be given to goods or
27 services, or both, that are manufactured or provided by Michigan

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

3 Sec. 206. The director shall take all reasonable steps to
4 ensure businesses in deprived and depressed communities compete for
5 and perform contracts to provide services or supplies, or both.
6 Each director shall strongly encourage firms with which the
7 department contracts to subcontract with certified businesses in
8 depressed and deprived communities for services, supplies, or both.

9 Sec. 207. The departments and agencies receiving
10 appropriations in part 1 shall prepare a report on out-of-state
11 travel expenses not later than January 1 of each year. The travel
12 report shall be a listing of all travel by classified and
13 unclassified employees outside this state in the immediately
14 preceding fiscal year that was funded in whole or in part with
15 funds appropriated in the department's budget. The report shall be
16 submitted to the senate and house appropriations committees, the
17 house and senate fiscal agencies, and the state budget director.
18 The report shall include the following information:

19 (a) The dates of each travel occurrence.

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

25 Sec. 208. Funds appropriated in part 1 shall not be used by a
26 principal executive department, state agency, or authority to hire
27 a person to provide legal services that are the responsibility of

1 the attorney general. This prohibition does not apply to legal
2 services for bonding activities and for those activities that the
3 attorney general authorizes.

4 Sec. 209. Not later than November 30, the state budget office
5 shall prepare and transmit a report that provides for estimates of
6 the total general fund/general purpose appropriation lapses at the
7 close of the prior fiscal year. This report shall summarize the
8 projected year-end general fund/general purpose appropriation
9 lapses by major departmental program or program areas. The report
10 shall be transmitted to the chairpersons of the senate and house of
11 representatives standing committees on appropriations and the
12 senate and house fiscal agencies.

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

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

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

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

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

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

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

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

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

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

21 (e) Job specifications and wage rates.

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

1 projected revenues, and state restricted fund expenditures for the
2 fiscal years ending September 30, 2019 and September 30, 2020.

3 Sec. 213. The department shall maintain, on a publicly
4 accessible website, a department scorecard that identifies, tracks,
5 and regularly updates key metrics that are used to monitor and
6 improve the department's performance.

7 Sec. 214. Total authorized appropriations from all sources
8 under part 1 for legacy costs for the fiscal year ending September
9 30, 2020 are \$63,863,700.00. From this amount, total agency
10 appropriations for pension-related legacy costs are estimated at
11 \$31,045,600.00. Total agency appropriations for retiree health care
12 legacy costs are estimated at \$32,818,100.00.

13 Sec. 215. A department shall not take disciplinary action
14 against an employee for communicating with a member of the
15 legislature or his or her staff. The department shall not require
16 state employees of the department to report communications with a
17 legislator or legislative staff.

18 Sec. 217. The department shall provide notice to the speaker
19 of the house, the house minority leader, the senate majority
20 leader, the senate minority leader, the house and senate standing
21 committees on transportation, the appropriate house and senate
22 appropriations subcommittees on transportation, and the house and
23 senate fiscal agencies on proposed federal rule changes related to
24 the department that would require amendments to the laws of this
25 state. The notice shall be given within 15 business days of the
26 proposed federal rule being posted to the federal register and
27 shall include a description of the proposed federal rule, the

1 publication date, the date when public comment closes, the document
2 citation, and a description of the statutory changes needed when
3 the rule is finalized.

4 Sec. 270. In order to reduce costs and maintain quality, it is
5 the intent of the legislature that, excluding the fleet of motor
6 vehicles for the department of state police, the department will
7 prioritize the utilization of remanufactured parts as the primary
8 means of maintenance and repair for the state of Michigan's fleet
9 of motor vehicles.

10 **DEPARTMENT ADMINISTRATION AND SUPPORT**

11 Sec. 301. (1) The department may establish a fee schedule and
12 collect fees sufficient to cover the costs to issue the permits
13 that the department is authorized by law to issue upon request,
14 unless otherwise stipulated by law. All permit fees are
15 nonrefundable application fees and shall be credited to the
16 appropriate fund to recover the direct and indirect costs of
17 receiving, reviewing, and processing the requests.

18 (2) A bridge authority shall hold 3 public hearings on an
19 increase in any toll charged by the authority at least 30 days
20 before the toll change will become effective. Two of the hearings
21 shall be held within 5 miles of the bridge over which the bridge
22 authority has jurisdiction. One hearing shall be held in Lansing.
23 Public hearings held under this section shall be conducted in
24 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
25 15.275, and shall be conducted so as to provide a reasonable
26 opportunity for public comment, including both spoken and written

1 comments. Public hearings under this section shall allow for
2 participation by the public through electronic formats, including
3 the opportunity to view the public hearing through internet
4 broadcast and to submit comments by digital means.

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

13 Sec. 305. (1) The department may permit space on public
14 passenger transportation properties to be occupied by public or
15 private tenants on a competitive market rate basis. The department
16 shall require that revenue from the tenants be placed in an account
17 to be used to pay the costs to maintain and improve the property.

18 (2) The department shall charge public transit agencies and
19 intercity bus carriers equal rates per square foot for leasing
20 space in state-owned intermodal facilities.

21 (3) From funds appropriated in part 1, the department shall
22 research 3 options for the relocation of its 3 highest rent
23 operations to an area within the state located in a unit of
24 government that is an enterprise zone under the enterprise zone
25 act, 1985 PA 224, MCL 125.2101 to 125.2123, and not within 150
26 miles of the state capitol. The department shall report to each
27 house of the legislature on its activities and findings under this

1 section.

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

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

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

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

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

1 report shall be subject to audit.

2 (3) The auditor general shall use a risk-based approach in
3 developing an audit program for the use of transportation funds.

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

10 Sec. 308. By January 15, 2020, the department must provide a
11 report to the legislature that includes all of the following:

12 (a) A list of all real estate owned or held by the department.

13 (b) The current market value of any real estate owned or held
14 by the department.

15 (c) The amount paid for any real estate owned or held by the
16 department.

17 (d) A list of any real estate sold by the department during
18 the prior fiscal year, along with the amount of the sale and the
19 names of the purchasers of the real estate.

20 Sec. 309. No later than 90 days before the close of the fiscal
21 year, the department shall compile and issue a report to the
22 legislature regarding the use of employee accountability systems,
23 including electronic monitoring of FTEs, contractors, part-time
24 workers, and vendors. The report must include, but not be limited
25 to, all of the following:

26 (a) The number of individuals being monitored during the
27 fiscal year.

1 (b) The standards used to assess individual performance.

2 (c) Any general findings from the accountability systems.

3 (d) Any specific findings from the accountability systems.

4 (e) A list of any corrective measures taken as a result of any
5 findings from the accountability systems.

6 (f) The standards by which the department applied personnel
7 corrective measures.

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

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

21 (2) In addition to funds provided in subsection (1), money
22 received by the state as federal grants, repayment of state
23 infrastructure bank loans, or other reimbursement or revenue
24 received by the state as a result of projects funded by the program
25 and interest earned on that money shall be deposited in the
26 revolving state infrastructure bank fund and shall be available for
27 transportation infrastructure projects. At the close of the fiscal

1 year, any unencumbered funds remaining in the state infrastructure
2 bank fund shall remain in the fund and be carried forward into the
3 succeeding fiscal year.

4 (3) The department shall submit a report to the state budget
5 director, the house and senate appropriations subcommittees on
6 transportation, and the house and senate fiscal agencies on the
7 status of the state infrastructure bank. The report shall be
8 submitted on or before December 1, 2019. The report shall include
9 all of the following:

10 (a) The balance in the state infrastructure bank at September
11 30, 2019, including a breakdown of the balance by cash and cash
12 equivalents, outstanding loans, and balance available for loan to
13 local agencies.

14 (b) A breakdown of the state infrastructure loan balance by
15 amounts designated as originating from federal sources and the
16 amounts originating from nonfederal sources.

17 (c) A list of outstanding loans by agency, original loan
18 amount, project description, loan term, and amount outstanding.

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

24 Sec. 320. From the funds appropriated in part 1, all payments
25 by the department to counties, cities, villages, and transit
26 agencies or authorities must be accompanied by a statement that
27 includes all of the following:

- 1 (a) The amount of the current payment.
2 (b) The date and estimated amount for the next payment.
3 (c) The dates and estimated payments for the next 12 months.
4 (d) The amount of any money being withheld by the department
5 and the date by which the money can be fully recovered.

6 Sec. 321. From the funds appropriated in part 1, the
7 department shall take all actions needed to develop a solicitation
8 for proposals for the sale of the state's interest in the Blue
9 Water Bridge and shall solicit those proposals on or before March
10 1, 2020.

11 Sec. 322. From the funds appropriated in part 1, the
12 department shall take all actions needed to develop a solicitation
13 for proposals for the sale of welcome centers at all of the
14 following locations:

- 15 (a) Menominee.
16 (b) St. Ignace.
17 (c) Marquette.
18 (d) Clare.
19 (e) Coldwater.
20 (f) Dundee.
21 (g) Port Huron.
22 (h) Detroit/Mexicantown.

23 Sec. 323. From the funds appropriated in part 1, the
24 department shall take all actions needed to develop a solicitation
25 for proposals for the sale of department-owned rail property
26 between Grayling and Gaylord by September 30, 2020.

27 Sec. 324. (1) From the funds appropriated in part 1, the

1 department shall take all actions needed to develop a solicitation
2 for proposals for the sale of the following state-owned airports in
3 this state by September 30, 2020:

4 (a) Romeo State Airport.

5 (b) Linden (Price's Airport).

6 (2) In developing solicitations for proposals under this
7 section, the department may include an option for the sale of all
8 state-owned airports in this state.

9 (3) Money from the sale of state-owned airports shall be used
10 to offset any costs associated with the sale, including costs
11 related to contract termination.

12 Sec. 325. (1) The department shall withhold the payment of
13 funds from the part 1 appropriation to cities and villages to a
14 city or village that is not in compliance with section 9a of 1951
15 PA 51, MCL 247.659a.

16 (2) The department shall withhold the payment of funds from
17 the part 1 appropriation to county road commissions to a county
18 road commission that is not in compliance with section 9a of 1951
19 PA 51, MCL 247.659a.

20 Sec. 326. At the close of the fiscal year, unencumbered and
21 unexpended balances in the state trunkline fund, the comprehensive
22 transportation fund, and the transportation economic development
23 fund shall be credited to an escrow account to be used for the
24 retirement of debt secured with state restricted transportation
25 funds.

26 Sec. 327. (1) In order to provide for economical,
27 nondiscriminatory, neutral, and efficient procurement of

1 construction-related goods and services by this state and political
2 subdivisions of this state, in awarding contracts from funds
3 appropriated in part 1, the department shall comply with this
4 section.

5 (2) The department shall not award any contract using funds
6 appropriated in part 1, for the construction, repair, remodeling,
7 or demolition of a project to a prime contractor who, as a
8 condition of awarding or not awarding a contract to a
9 subcontractor, does either of the following:

10 (a) Requires or prohibits a subcontractor in the performance
11 of work to comply with any rates, terms or conditions, or fringe
12 benefit contributions of a collective bargaining agreement.

13 (b) Requires or prohibits a subcontractor with employees to
14 pay into any health, welfare, educational, or retirement benefit
15 fund in which their employees do not participate.

16 (3) As used in the section, "project" means any actual
17 physical improvement to real property owned or leased by the
18 department, including, but not limited to, roads, bridges, runways,
19 rails, or a building or structure including the building's or
20 structure's grounds, approaches, services, and appurtenances.

21 Sec. 328. Not later than 90 days before the close of the
22 fiscal year, the department shall issue a report to each house of
23 the legislature regarding freedom of information act compliance by
24 the department that includes all of the following:

25 (a) The estimated cost and number of staff hours spent by the
26 department to comply with the freedom of information act during the
27 reporting period.

1 (b) The estimated number of freedom of information act
2 requests to the department, listed by subject area, during the
3 reporting period.

4 (c) A copy of each freedom of information act request to the
5 department during the reporting period.

6 (d) A copy of each freedom of information act response by the
7 department to the requester during the reporting period.

8 (e) Any documents relating to an appeal or contested case
9 involving a freedom of information act request to the department
10 during the reporting period.

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

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

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

26 Sec. 376. The department shall not spend funds appropriated in
27 part 1 for the purpose of examining the potential association

House Bill No. 4246 as amended June 13, 2019

1 between commercial signs, outdoor advertising signs, billboards,

2 digital billboards, or commercial electronic variable message signs

3 and motor vehicle activity or motor vehicle driver behavior.

["Sec. 379. (1) From funds appropriated in part 1, the department shall perform a study of the feasibility of tolling in this state. The study shall include an analysis of all of the following:

(a) The use of tolling in other states.

(b) Federal regulations related to tolling.

(c) Opportunities for tolling in Michigan.

(d) The process for establishing tolled road and bridge facilities in this state.

(e) The timeline for establishing tolled road and bridge facilities in this state.

(f) Costs associated with establishing tolled road and bridge facilities in this state.

(2) The department shall submit the study to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1, 2020.]

4 Sec. 381. The department shall require as a condition of each
5 contract or subcontract for construction, maintenance, or
6 engineering services that the prequalified contractor or
7 prequalified subcontractor agree to use the E-Verify system to
8 verify that all persons hired during the contract term by the
9 contractor or subcontractor are legally present and authorized to
10 work in the United States. The department may verify this
11 information directly or may require contractors and subcontractors
12 to verify the information and submit a certification to the
13 department. The department shall report to the house and senate
14 appropriations committees and the house and senate fiscal agencies

15 by March 1 of each year describing the processes it has developed
16 and implemented under provisions of this section. As used in this
17 section, "E-Verify" means an internet-based system operated by the
18 Department of Homeland Security, U.S. Citizenship and Immigration
19 Services in partnership with the Social Security Administration.

20 Sec. 382. In administering a contract with a county road
21 commission, city, or village that allocates costs of construction
22 or reconstruction of highways, roads, and streets as provided in
23 section 18d of 1951 PA 51, MCL 247.668d, the department shall
24 submit the final cost-sharing bill to the county road commission,
25 city, or village not later than 2 years after the date of the final
26 contract payment to the construction contractor.

27 Sec. 383. (1) The department shall prepare a report on use of
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1 department-owned aircraft during the fiscal year ending September
2 30, 2019. With respect to each department-owned aircraft, the
3 report shall include all of the following:

4 (a) Total hours of usage.

5 (b) Description of specific flights including dates of travel,
6 names of passengers including state agency, university, or local
7 government affiliation, travel origin and destination, and total
8 estimated costs associated with the air travel.

9 (2) The report shall be submitted to the senate and house
10 appropriations subcommittees on transportation and the house and
11 senate fiscal agencies no later than February 1, 2020.

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

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

21 Sec. 384. (1) Except as otherwise provided in subsection (2),
22 the department shall not obligate the state to expend any state
23 transportation revenue for construction planning or construction of
24 the Gordie Howe International Crossing or a renamed successor. In
25 addition, except as provided in subsection (2), the department
26 shall not commit the state to any new contract related to the
27 construction planning or construction of the Gordie Howe

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1 International Crossing or a renamed successor that would obligate
2 the state to expend any state transportation revenue. [An expenditure for
staff resources used in connection with project activities, which
expenditure is subject to full and prompt reimbursement from Canada,
shall not be considered an expenditure of state transportation revenue.]

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

7 [Sec. 385. (1) The department shall submit monthly reports to the
8 state budget director, the speaker of the house of representatives, the
9 house of representatives minority leader, the senate majority leader, the
10 senate minority leader, the house and senate appropriations subcommittees
11 on transportation, and the house and senate fiscal agencies on all of the
12 following:

13 (a) All expenditures made by the state related to the Gordie Howe
14 Bridge.
15 (b) All reimbursements made by Canada under section 384(1) of this
16 part to the state for expenditures for staff resources used in
17 connection with project activities.

18 (2) The reports required under subsection (1) shall be submitted on
19 or before December 1, 2019. The initial report shall cover the
20 fiscal year ending September 30, 2019.]
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Sec. 386. (1) On or before May 1 of each year, the department shall submit a report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on its toll credit program. The report shall include the following information:

(a) The amount of toll credits earned and certified by the DOT-FHWA in the prior fiscal year.

(b) The value of toll credits used by programs and projects in the previous fiscal year.

(c) The balance of available toll credits at the end of the prior fiscal year.

(d) A discussion of the department's strategy for using toll credits.

(2) The department shall use toll credits to match grants from

1 federal funds in the following order of priority:

2 (a) State trunkline and local agency road and bridge
3 construction and preservation projects.

4 (b) Transit capital grants.

5 (c) Rail infrastructure projects.

6 (d) Aeronautics capital grants.

7 (e) Any other eligible projects.

8 (f) Bike paths.

9 Sec. 387. (1) Within 60 days of completion of any formal
10 traffic study, formal traffic control study, or formal traffic
11 mitigation study, the department shall post the results of the
12 study on the department's website.

13 (2) As used in this section, the terms "traffic study",
14 "traffic control study", and "traffic mitigation study" include,
15 but are not limited to, investigations into the need for traffic
16 lights, reviews of traffic speeds and related recommendations
17 regarding speed limits, and ways to improve traffic flow during
18 peak travel times.

19 Sec. 389. Within 30 days of entering into a long-term
20 agreement with a private contractor, a public agency, or a
21 partnership between 1 or more private contractors or public
22 agencies, the department shall notify the state budget director,
23 the house and senate appropriations subcommittees on
24 transportation, and the house and senate fiscal agencies of the
25 agreement, including the subject of the agreement, the term of the
26 agreement, and financial obligations under the agreement. As used
27 in this section, "long-term agreement" means an agreement that

1 obligates the department for a period of 5 years or more and that
2 actually or contingently obligates the department to make payments
3 over the contract period of \$5,000,000.00 or more.

4 Sec. 390. (1) Within 14 days after the release of the
5 executive budget recommendation, the department shall report on
6 prior fiscal year revenues, expenditures, and ending balances,
7 including a description of obligations or restrictions in ending
8 balances, for the following funds and accounts:

9 (a) The moveable bridge fund.

10 (b) The rail grade crossing account.

11 (c) The transportation economic development fund.

12 (d) The roads and risks reserve fund.

13 (e) Any unencumbered general fund revenue.

14 (f) Any unexpended federal earmarks.

15 (2) The department shall transmit the reports required under
16 this section to the state budget director, the house and senate
17 appropriations subcommittees on transportation, and the house and
18 senate fiscal agencies.

19 Sec. 391. The department shall not use any funds from the
20 appropriations in part 1 to perform, or to assist any other state
21 department in performing, inspections or testing of motor fuel
22 quality.

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

26 (a) Transit vehicle rehabilitation to reduce life-cycle cost
27 of public transportation through midlife rehabilitation of transit

1 buses.

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

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

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

14 Sec. 394. The department and local road agencies shall make
15 the preservation of their existing road networks a funding
16 priority.

17 Sec. 395. From the funds appropriated in part 1 for state
18 trunkline federal aid road and bridge construction, the department
19 may expend up to \$10,000,000.00 on highway maintenance activities
20 to support safety-related, high-priority, and other deferred
21 routine maintenance needs on Michigan's state trunkline network.

22 Sec. 396. In soliciting proposals for contractual services,
23 other than construction contracts, the department shall obtain
24 assurance that the respondents have the financial capability,
25 equipment, work force, and prior work experience sufficient to
26 perform the proposed services.

27 Sec. 398. The department shall continue to work to eliminate

1 fatalities and serious injuries on Michigan's trunkline and shall
2 maintain the Toward Zero Deaths statewide safety campaign. The
3 department shall prioritize additional median cable guardrail
4 installation when appropriate to address trunkline locations with a
5 history of correctable fatal and serious injury crashes.

6 Sec. 399. From the funds appropriated in part 1 for the
7 community service infrastructure fund, \$3,000,000.00 shall be used
8 to establish a local matching grant program for cities and villages
9 with a population of 10,000 or less. The program shall be
10 administered by the office of economic development. The office of
11 economic development may expend up to \$100,000.00 for costs of
12 program administration. The office of economic development shall
13 provide matching grants up to \$250,000.00 for construction or
14 preservation of city and village streets, including, but not
15 limited to, reconstruction, replacement, rehabilitation, and
16 capital prevention maintenance. Grantees will be required to
17 provide a dollar-for-dollar cash match. It is the intent of the
18 legislature that the community service infrastructure fund be
19 supported with ongoing appropriations of not less than
20 \$3,000,000.00 each subsequent fiscal year.

21 **FEDERAL**

22 Sec. 402. A portion of the federal DOT-FHWA highway research,
23 planning, and construction funds made available to this state shall
24 be allocated to transportation programs administered by local
25 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
26 247.660o. A local road agency, with respect to a project approved

1 for federal aid funding in a state transportation improvement
2 program, may enter into a voluntary buyout agreement with the
3 department or with another local road agency to exchange the
4 federal aid with state restricted transportation funds as agreed to
5 by the respective parties. The state restricted transportation
6 funds received in exchange for federal aid funds shall be used for
7 the same purpose as the federal aid funds were originally intended.

8 Sec. 403. After meeting the capital needs of existing section
9 5310 subrecipients, the department shall include in its grant
10 application to the Federal Transit Administration replacement buses
11 for rural transit agencies to the maximum extent possible based on
12 the federal regulations that govern the section 5310 program.

13 **MICHIGAN TRANSPORTATION FUND**

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

18 Sec. 503. (1) The funds appropriated in part 1 for the
19 economic development and local bridge programs shall not lapse at
20 the end of the fiscal year but shall carry forward each fiscal year
21 for the purposes for which appropriated in accordance with 1987 PA
22 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
23 247.660.

24 (2) Interest earned in the department of transportation
25 economic development fund and local bridge fund shall remain in the
26 respective funds and shall be allocated to the respective programs

1 based on actual interest earned at the end of each fiscal year.

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

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

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

20 **STATE TRUNKLINE FUND**

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

1 Sec. 604. At the close of the fiscal year, any unencumbered
2 and unexpended balance in the state trunkline fund shall remain in
3 the state trunkline fund and shall carry forward and is
4 appropriated for federal aid road and bridge programs for projects
5 contained in the annual state transportation program.

6 Sec. 605. (1) From the increased funds appropriated in part 1
7 for highway maintenance, the department shall expand highway
8 maintenance activities in the current fiscal year to support
9 flooding mitigation-related activities on limited-access state
10 trunklines in Wayne, Oakland, and Macomb Counties, as well as other
11 safety-related, high-priority, and deferred routine maintenance
12 needs on Michigan's state trunkline network.

13 (2) The department shall report on specific outcomes and
14 performance measures, including, but not limited to, the following:

15 (a) The number of drainage catch basins cleaned on limited-
16 access state trunklines in Wayne, Oakland, and Macomb Counties
17 during the fiscal year ending September 30, 2020.

18 (b) The number of flooding-related closures on limited-access
19 state trunklines in Wayne, Oakland, and Macomb Counties during the
20 fiscal year ending September 30, 2020.

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

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

16 Sec. 613. (1) On or before February 1 of each year, the
17 department shall prepare a report on all capital federal aid
18 participating construction projects completed in the prior fiscal
19 year. The report shall include the following information:

- 20 (a) Location of the project.
21 (b) General description of the project.
22 (c) As-bid cost of the project.
23 (d) As-built cost of the project.
24 (e) Estimated completion date.
25 (f) Actual completion date.
26 (g) Whether design engineering was performed by department
27 staff or contract engineering consultants, and if performed by

1 contract engineering consultants, the name of the contract
2 engineering consultant firm or firms.

3 (h) Design engineering costs.

4 (i) Whether construction engineering was performed by
5 department staff or contract engineering consultants, and if
6 performed by contract engineering consultants, the name of the
7 contract engineering consultant firm or firms.

8 (j) Construction engineering costs.

9 (k) Design life.

10 (2) The report shall include a discussion of design
11 engineering and construction engineering costs as a proportion of
12 total project costs and in comparison with other state
13 transportation agencies. The report shall also include a discussion
14 of relative efficiency and effectiveness of work performed by
15 department staff and work performed by contract engineering
16 consultants.

17 (3) The report described in this section shall be provided to
18 the senate and house appropriations subcommittees on
19 transportation, the senate and house standing committees on
20 transportation, and the senate and house fiscal agencies.

21 Sec. 660. (1) The legislature encourages the department to
22 examine the use of alternative road surface materials, including
23 recycled materials, and to develop criteria and specifications for
24 their use in both department-managed and contracted projects.

25 (2) The department shall report on efforts taken to implement
26 this section. The report shall include descriptions of specific
27 materials evaluated, evaluation methods, and results of specific

1 field or laboratory tests. The department shall complete and submit
2 the report to the state budget director, the house and senate
3 appropriations subcommittees on transportation, and the house and
4 senate fiscal agencies on or before March 1 of each year.

5 **TRANSIT AND RAIL RELATED FUNDS**

6 Sec. 701. The department shall establish an intercity bus
7 equipment and facility fund as a subsidiary fund within the
8 comprehensive transportation fund created under section 10b of 1951
9 PA 51, MCL 247.660b. Proceeds received by this state from the sale
10 of state-owned intercity bus equipment shall be credited to the
11 intercity bus equipment and facility fund for the purchase and
12 repair of intercity bus equipment, as appropriated. Security
13 deposits not returned to a lessee of state-owned intercity bus
14 equipment under terms of the lease agreement shall be credited to
15 the intercity bus equipment and facility fund for the repair of
16 intercity bus equipment, as appropriated. Money received by the
17 department from lease payments for state-owned intercity bus
18 equipment, and facility maintenance charges under terms of leases
19 of state-owned intercity facilities, shall be credited to the
20 intercity bus equipment and facility fund for the purchase and
21 repair of intercity bus equipment or for the maintenance and
22 rehabilitation of state-owned intercity facilities, as
23 appropriated. At the close of the fiscal year, any funds remaining
24 in the intercity bus equipment and facility fund shall remain in
25 the fund and be carried forward into the succeeding fiscal year.

26 Sec. 702. Money that is received by this state as repayment

1 for loans made for rail or water freight capital projects, and as a
2 result of the sale of property or equipment used or projected to be
3 used for rail or water freight projects shall be deposited in the
4 rail freight fund created by section 17 of the state transportation
5 preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of
6 the fiscal year, any funds remaining in the rail freight fund shall
7 remain in the fund and be carried forward into the succeeding
8 fiscal year.

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

16 Sec. 704. From the funds appropriated in part 1, the
17 department shall prepare and transmit a report that provides detail
18 regarding the department's obligations for programs funded under
19 the appropriation in part 1 for rail operations and infrastructure.
20 The report shall include a breakdown of the appropriation by
21 program, year-to-date obligations under each program itemized by
22 project, and an estimate of future obligations under each program
23 itemized by project for the remainder of the fiscal year. The
24 initial report shall be submitted to the senate and house
25 appropriations subcommittees on transportation, the state budget
26 director, and the senate and house fiscal agencies, on or before
27 February 1, 2020. The department also shall update and resubmit the

1 final report on or before November 1, 2020.

2 Sec. 705. No state funds from the appropriation in part 1 may
3 be expended for the improvement of the state-owned rail line
4 between Dearborn and Kalamazoo except as necessary to maintain the
5 line in its current condition.

6 Sec. 706. The Detroit/Wayne County Port Authority shall issue
7 a complete operations assessment and a financial disclosure
8 statement. The operations assessment shall include operational
9 goals for the next 5 years and recommendations to improve land
10 acquisition and development efficiency. The report shall be
11 completed and submitted to the house of representatives and senate
12 appropriations subcommittees on transportation, the state budget
13 director, and the house and senate fiscal agencies by June 30 of
14 each fiscal year for the prior fiscal year.

15 Sec. 711. (1) As prescribed in subsection (2), the department
16 shall submit reports to the state budget director, the house and
17 senate appropriations subcommittees on transportation, and the
18 house and senate fiscal agencies on rail passenger service provided
19 by Amtrak under a contractual agreement with the department. The
20 report shall be submitted on or before May 1 of each year.

21 (2) The report shall include all of the following:

22 (a) Passenger counts for the preceding fiscal year for each
23 Amtrak service route in Michigan.

24 (b) Revenue and operating expenses by Amtrak route.

25 (c) Total state operating payments to Amtrak in the preceding
26 fiscal year by Amtrak route.

27 (d) A discussion of major factors affecting route costs and

1 revenue and net state costs in the preceding fiscal year, and
2 factors affecting route costs and revenue and net state costs
3 anticipated in the current and future fiscal years.

4 (e) Fare revenue by route and fare revenue as a percentage of
5 route operating expense.

6 Sec. 712. From the funds appropriated in part 1, the
7 department shall take all actions needed to develop a solicitation
8 for proposals for the delivery of daily round-trip rail passenger
9 service between Grand Rapids and Chicago, Illinois by September 30,
10 2020.

11 Sec. 714. (1) The part 1 appropriation incentive challenge
12 fund shall be distributed to transit service providers that submit
13 5-year plans describing the transit service providers' efforts to
14 develop programs that do all of the following:

15 (a) Work with ride-sharing providers.

16 (b) Coordinate with nonemergency medical providers.

17 (c) Coordinate with local school districts.

18 (d) Recover not less than 20% of eligible operating expenses
19 from farebox revenue.

20 (2) The department shall require a transit service provider to
21 submit a 5-year plan under subsection (1) as part of the transit
22 service provider's application for grants from the incentive
23 challenge fund.

24 (3) As used in this section, "transit service provider" means
25 a qualified eligible authority or eligible governmental agency as
26 defined under section 10c of 1951 PA 51, MCL 247.660c, or other
27 agency eligible to receive grants under section 10e of 1951 PA 51,

1 MCL 247.660e.

2 Sec. 717. (1) From the funds appropriated in part 1, on or
3 before September 30, 2020 the department shall submit a report to
4 the house and senate appropriations subcommittees on transportation
5 and the fiscal agencies on the use of public transportation in this
6 state. The report must include all of the following:

7 (a) Total usage.

8 (b) Usage by county.

9 (c) Usage by service provider.

10 (d) A cost-per-rider calculation for each participating
11 transit system.

12 (e) Estimated miles traveled per method.

13 (2) As used in this section, "public transportation" means air
14 travel, train travel, bus travel, or any transportation service
15 supported in whole or in part with state appropriations.

16 Sec. 719. It is the intent of the legislature that by
17 September 30, 2020, each subsidized elderly and medical transit
18 system must determine the system's estimated cost per rider. It is
19 the intent of the legislature that during the fiscal year, each
20 system must issue requests for proposals from ride-sharing
21 companies for 100% of the system's anticipated service, and any
22 remaining service not covered by ride-sharing companies must be
23 provided by the transit system.

24 Sec. 735. For the fiscal year ending September 30, 2020, the
25 appropriation to a street railway pursuant to section 10e(22) of
26 1951 PA 51, MCL 247.660e, is \$0.00.

1 **AERONAUTICS FUND**

2 Sec. 801. Except as otherwise provided in section 903 of this
3 part for capital outlay, at the close of the fiscal year, any
4 unobligated and unexpended balance in the state aeronautics fund
5 created in the aeronautics code of the state of Michigan, 1945 PA
6 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics
7 fund and be appropriated by the legislature in the immediately
8 succeeding fiscal year.

9 Sec. 802. The legislature encourages the department to find
10 private entities or local public agencies to assume ownership and
11 operating responsibility for airports currently owned by the
12 department.

13 Sec. 804. The department shall not expend funds from the
14 appropriation in part 1, air fleet operations and maintenance, if
15 the department owns 3 or more aircraft. The department shall notify
16 the state budget director, the house and senate appropriations
17 subcommittees on transportation, and the house and senate fiscal
18 agencies when it owns 2 aircraft or fewer.

19 Sec. 806. (1) From the funds appropriated in part 1 for
20 aviation services, the department shall review the information and
21 forms on the department's office of aeronautics website to ensure
22 that the terminology used on the website is consistent with the
23 terminology and definitions used in the aeronautics code of the
24 state of Michigan, 1945 PA 327, MCL 259.1 to 259.208. In addition,
25 the department shall review the aeronautics code of the state of
26 Michigan, 1945 PA 327, MCL 259.1 to 259.208, to identify
27 definitions or provisions that are unclear, out-of-date, or

1 otherwise no longer consistent with current practice.

2 (2) On or before December 1, 2019, the department shall submit
3 a report to the house and senate appropriations subcommittees on
4 transportation and the house and senate fiscal agencies describing
5 its activities under subsection (1). The report must include a list
6 of terminology, definitions, and provisions of the aeronautics code
7 of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, the
8 department has identified as unclear, out-of-date, or no longer
9 consistent with current practice. The department shall include in
10 the report any recommended changes to the aeronautics code of the
11 state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, and the
12 reasons for any proposed changes.

13 **CAPITAL OUTLAY**

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

22 (2) Political entities and subdivisions shall provide not less
23 than 5% of the cost of any project under this section, unless a
24 total nonfederal share less than 10% is otherwise specified in
25 federal law. State money shall not be allocated until local money
26 is allocated. State money for any 1 project shall not exceed 1/3 of

1 the total appropriation in part 1 from state funds for airport
2 improvement programs.

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

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