

Act No. 152
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**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Reps. Wakeman, Bellino, Mueller, Miller, O'Malley, Meerman, Howell, Eisen and Sheppard

ENROLLED HOUSE BILL No. 4965

AN ACT to amend 1951 PA 51, entitled "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; to investigate and study the tolling of roads, streets, highways, or bridges; and to repeal acts and parts of acts," by amending sections 11h, 12, 14, and 15 (MCL 247.661h, 247.662, 247.664, and 247.665), section 11h as amended by 2018 PA 471, sections 12 and 14 as amended by 2015 PA 175, and section 15 as amended by 1999 PA 50.

The People of the State of Michigan enact:

Sec. 11h. (1) The local agency wetland mitigation board 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 board fund and the interest accruing to that fund must be expended for the local agency wetland mitigation board program. The balance of the fund must not exceed \$8,000,000.00 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 board 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 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 environment, Great Lakes, and energy.

(4) Beginning on March 27, 2019, the local agency wetland mitigation advisory board is created and shall consist of the following 7 members:

(a) Four voting members from road agencies appointed jointly by the County Road Association of Michigan and the Michigan Municipal League.

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

(c) Two nonvoting members appointed by the department and the department of environment, Great Lakes, and energy.

(5) The members first appointed to the local agency wetland mitigation bank advisory board under subsection (3) shall be appointed no later than October 1, 2015. The members first appointed to the local agency wetland mitigation advisory board under subsection (4) shall be appointed no later than April 1, 2019.

(6) Members of the board shall serve for terms of 2 years or until a successor is appointed, whichever is later.

(7) 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.

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

(9) The first meeting of the board must be called by the member appointed by the department under subsection (4)(c). 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.

(10) 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.

(11) 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 or contract with a person or firm to perform professional, technical, or administrative assistance or legal counsel. The board shall determine the duties of a person or firm employed under this subsection, and shall require the manager and the board to retain insurances.

(12) The business that the board may perform must 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.

(13) 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.

(14) The 2 nonvoting members of the board, the department, and the department of environment, Great Lakes, and energy shall provide qualified administrative staff and qualified technical assistance to the board as necessary.

(15) The local agency wetland mitigation program must provide funds to local road agencies for 1 or more of the following:

- (a) Complete engineering and design for a wetland mitigation site.
- (b) Purchase of land for a wetland mitigation site.
- (c) Construction of a wetland mitigation site.
- (d) Monitoring and maintenance necessary to ensure that the performance standards are or will be met.
- (e) Obtaining conservation easements in perpetuity and maintenance of endowment funds to manage wetland mitigation sites.
- (f) Funding for a wetland mitigation site established before September 22, 2016.
- (g) Purchasing wetland mitigation bank credits from an established wetland mitigation bank approved by the department of environment, Great Lakes, and energy to meet a local agency's wetland mitigation permit requirements.

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

(17) The board may approve the use of local agency wetland mitigation funds for other activities needed to establish a wetland mitigation site, a pre-mitigation wetland area or wetland preservation site, or other mitigation as permitted by law on a demonstrated need by a local road agency.

(18) An application for funds from the local agency wetland mitigation program must be made on a form approved by the board and must contain the information required by the board. An application for funds under this section may be made at any time determined by the board.

(19) The board shall establish a review process for considering funding applications under this section. No later than 180 days after receiving a funding application under this section, the board shall notify the applicant in writing whether the application is approved or rejected. If the board fails to notify an applicant in writing whether an application is approved or rejected within 180 days after receiving the funding application, the application is approved. Prior to releasing local agency wetland mitigation program funds, the board shall enter into an agreement with the funding recipient.

(20) For each year in which the board receives funding 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 board fund. The report must include, at a minimum, all of the following:

- (a) The number of funding applications received under this section.
- (b) The name of each local road agency applying for funding, and whether each application was approved or denied.
- (c) The amount of local match for each award under this section.
- (d) The individual and annual cumulative amount of funds awarded, including an identification of the purpose of all funds awarded.

(21) Beginning on April 2, 2019, the local agency wetland mitigation bank advisory board created in subsection (3) is dissolved.

Sec. 12. (1) The amount distributed to the county road commissions must 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 must 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 must be withheld annually from the counties' November monthly distribution provided for in section 17, and the amount must 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 must be returned to each county road commission having county primary, or county local road, or both, mileage in the urban areas as determined under section 12b. This sum shall be distributed as provided in section 12b. The return must 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 must be returned to the county road commissions in the same percentages under subsection (7). All money returned to the county road commissions as provided in this subsection must be expended by the county road commissions for the preservation, construction, acquisition, and extension of county local road systems and is in addition to the amounts provided in subsection (7).

(6) Except as otherwise provided in subsection (23), 75% of the remainder of the total amount to be returned to the counties must 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 must 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) Except as otherwise provided in subsection (23), the balance of the remainder of the total amount to be returned to counties must 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 incidental to the system, and a roadside park or motor parkway appurtenant to the system, and must 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 this 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 this 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 must 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 on bonds issued under section 18c, and the payment of contributions of a board of county road commissioners made under 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 under section 18c.

(c) For the payment of principal and interest upon loans received under 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 must be expended for snow and ice removal, the reconstruction of an existing highway if not in conflict with its asset management plan as provided in section 9a, 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 road system must be expended for the maintenance, improvement, or acquisition of appurtenant roadside parks and motor parkways.

(12) Money returned to a county must be expended by the county road commission for the purposes provided in this section and must be deposited by the county treasurer in a designated county depository, in a separate account to the credit of the county road fund, and must be paid out only on the order of the county road commission, and interest accruing on the money must 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 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. The match may exceed 75% of the cost of construction in the case of a public emergency.

(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) must 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 must state the projects that will be funded and the cost of each project. A copy of each approved resolution must be forwarded immediately to the department.

(e) Amounts expended in urban areas as determined under 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 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 are 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 must 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, under 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 under 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 must 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 the change does not 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 must 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 under 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 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 must 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 must be provided 6 months prior to the fiscal year in which the audit is conducted. The department shall notify the county road 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 on 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 April 1, 2016, 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 must 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.

(23) Once the asset management plan for a county as described in section 9a has been approved, amounts distributed to a county under this section shall be expended toward attainment of the condition goals in the asset management plan and as otherwise required by this act.

(24) A county road commission may use a portion of the amount returned to the county under this section for the payment of debt service on bonds, notes, or other obligations.

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 must 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 must 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 permitted under section 12(17). The report must 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 must 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 must 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 must 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.

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 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) must 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).

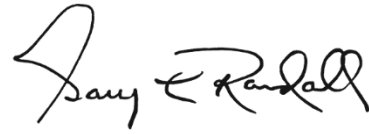
(b) The number of miles of primary roads outside of incorporated municipalities in each township in the county and the amount of funds received for each of those miles by the county under the formula described in section 12(4) and (6)(b).

(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).

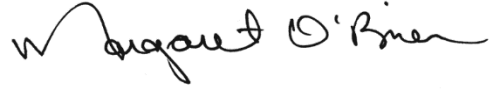
(d) The amount of funds received by the county road commission or the county executive or other agency acting as the county road commission directly from each township in the county for the purposes of this act.

(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.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor