

# SENATE BILL NO. 137

February 16, 2021, Introduced by Senator SCHMIDT and referred to the Committee on Transportation and Infrastructure.

A bill to amend 1976 PA 295, entitled  
"State transportation preservation act of 1976,"  
(MCL 474.51 to 474.70) by adding section 15b.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 15b. (1) The office of rail shall create and operate a  
2 freight railroad preservation and development grant program for the  
3 maintenance, development, and improvement of the freight railroad  
4 transportation system in this state.

5           (2) The grant program must provide 70% of the cost of a  
6 freight railroad project funded under this section. A freight

1 railroad project funded under this section must include a 30% cash  
2 or in-kind matching contribution from a private or other source,  
3 which may include a railroad, a regional authority, a private  
4 industry, a local government source, or a combination of these  
5 sources.

6 (3) The office of rail shall establish a detailed application,  
7 approval, compliance, and grant distribution process and publish it  
8 on the department's website.

9 (4) The freight railroad preservation and development grant  
10 fund is created within the state treasury.

11 (5) The state treasurer may receive money or other assets from  
12 any source for deposit into the fund. The state treasurer shall  
13 direct the investment of the fund. The state treasurer shall credit  
14 to the fund interest and earnings from fund investments.

15 (6) Money in the fund at the close of the fiscal year remains  
16 in the fund and does not lapse to the general fund.

17 (7) The department is the administrator of the fund for  
18 auditing purposes.

19 (8) The department shall expend money from the fund, upon  
20 appropriation, only to fund the grant program created in subsection  
21 (1).

22 (9) The director of the office of rail may consult with other  
23 agencies or the agencies' designated representatives concerning  
24 freight rail projects to be undertaken under this section.

25 (10) As used in this section:

26 (a) "Freight railroad preservation and development grant fund"  
27 or "fund" means the freight railroad preservation and development  
28 grant fund created in subsection (4).

29 (b) "Freight railroad preservation and development grant

1 program" or "grant program" means the freight railroad preservation  
2 and development grant program created in subsection (1).

3 (c) "Office of rail" means the office of rail within the  
4 department.