

SUBSTITUTE FOR

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the state transportation
4 department for the fiscal year ending September 30, 2017, from the
5 following funds:

6 STATE TRANSPORTATION DEPARTMENT

7 APPROPRIATION SUMMARY

8	Full-time equated unclassified positions.....	6.0
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9 Full-time equated classified positions..... 2,912.3

1	GROSS APPROPRIATION.....	\$ 4,125,203,600
2	Total interdepartmental grants and intradepartmental	
3	transfers	4,013,400
4	ADJUSTED GROSS APPROPRIATION.....	\$ 4,121,190,200
5	Total federal revenues.....	1,314,744,000
6	Special revenue funds:	
7	Local revenues.....	50,418,500
8	Private revenues.....	100,000
9	Total local and private revenues.....	50,518,500
10	Blue Water Bridge fund.....	42,450,200
11	Comprehensive transportation fund.....	320,500,700
12	Economic development fund.....	55,675,000
13	IRS debt service rebate.....	7,011,800
14	Intercity bus equipment fund.....	100,000
15	Local bridge fund.....	29,875,100
16	Michigan transportation fund.....	1,333,620,100
17	Qualified airport fund.....	8,775,000
18	Rail freight fund.....	6,000,000
19	State aeronautics fund.....	20,238,200
20	State trunkline fund.....	921,281,600
21	Total other state restricted revenues.....	2,745,527,700
22	State general fund/general purpose.....	\$ 10,400,000
23	State general fund/general purpose schedule:	
24	Ongoing state general fund/general	
25	purpose	0
26	One-time state general fund/general	
27	purpose	10,400,000

1	Sec. 102. DEBT SERVICE		
2	State trunkline.....	\$	194,076,400
3	Economic development.....		11,612,200
4	Local bridge fund.....		2,406,500
5	Blue Water Bridge fund.....		6,963,900
6	Airport safety and protection plan.....		4,616,400
7	Comprehensive transportation.....		<u>18,249,900</u>
8	GROSS APPROPRIATION.....	\$	237,925,300
9	Appropriated from:		
10	Federal revenues:		
11	Federal aid - transportation programs.....		45,767,900
12	Special revenue funds:		
13	Blue Water Bridge fund.....		6,963,900
14	Comprehensive transportation fund.....		18,249,900
15	Economic development fund.....		11,612,200
16	Local bridge fund.....		2,406,500
17	IRS debt service rebate.....		7,011,800
18	State aeronautics fund.....		4,616,400
19	State trunkline fund.....		141,296,700
20	State general fund/general purpose.....	\$	0
21	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY		
22	SUPPORT SERVICES		
23	MTF grant to department of environmental quality.....	\$	1,335,100
24	MTF grant to department of state for collection of		
25	revenue and fees		20,000,000
26	MTF grant to department of treasury.....		2,684,100
27	MTF grant to legislative auditor general.....		315,800

1	STF grant to department of attorney general	2,429,200
2	STF grant to civil service commission	5,847,000
3	STF grant to department of technology, management,	
4	and budget	1,226,000
5	STF grant to department of state police	11,627,600
6	STF grant to department of treasury	157,900
7	STF grant to legislative auditor general	733,500
8	SAF grant to department of attorney general	177,600
9	SAF grant to civil service commission	150,000
10	SAF grant to department of technology, management,	
11	and budget	33,500
12	SAF grant to department of treasury	73,900
13	SAF grant to legislative auditor general	30,300
14	CTF grant to department of attorney general	204,500
15	CTF grant to civil service commission	200,000
16	CTF grant to department of technology, management,	
17	and budget	42,200
18	CTF grant to department of treasury	13,500
19	CTF grant to legislative auditor general	<u>39,000</u>
20	GROSS APPROPRIATION	\$ 47,320,700
21	Appropriated from:	
22	Special revenue funds:	
23	Comprehensive transportation fund	499,200
24	Michigan transportation fund	24,335,000
25	State aeronautics fund	465,300
26	State trunkline fund	22,021,200
27	State general fund/general purpose	\$ 0

1	Sec. 104. EXECUTIVE DIRECTION		
2	Full-time equated unclassified positions.....	6.0	
3	Full-time equated classified positions.....	29.3	
4	Unclassified salaries--6.0 FTE positions.....	\$	754,000
5	Asset management council.....		1,626,400
6	Commission support and audit--29.3 FTE positions.....		<u>3,335,900</u>
7	GROSS APPROPRIATION.....	\$	5,716,300
8	Appropriated from:		
9	Special revenue funds:		
10	Michigan transportation fund.....		1,626,400
11	State trunkline fund.....		4,089,900
12	State general fund/general purpose.....	\$	0
13	Sec. 105. BUSINESS SUPPORT		
14	Full-time equated classified positions.....	54.0	
15	Business support services--44.0 FTE positions.....	\$	6,756,100
16	Economic development and enhancement programs--10.0		
17	FTE positions		1,633,200
18	Property management.....		7,112,200
19	Worker's compensation.....		<u>1,711,200</u>
20	GROSS APPROPRIATION.....	\$	17,212,700
21	Appropriated from:		
22	Special revenue funds:		
23	Comprehensive transportation fund.....		1,835,100
24	Economic development fund.....		378,100
25	Michigan transportation fund.....		801,100
26	State aeronautics fund.....		752,100
27	State trunkline fund.....		13,446,300

1	State general fund/general purpose	\$	0
2	Sec. 106. INFORMATION TECHNOLOGY		
3	Information technology services and projects	\$	<u>32,364,500</u>
4	GROSS APPROPRIATION	\$	32,364,500
5	Appropriated from:		
6	Federal revenues:		
7	Federal aid - transportation programs		520,500
8	Special revenue funds:		
9	Blue Water Bridge fund		55,100
10	Comprehensive transportation fund		224,400
11	Economic development fund		37,200
12	Michigan transportation fund		293,300
13	State aeronautics fund		175,100
14	State trunkline fund		31,058,900
15	State general fund/general purpose	\$	0
16	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES		
17	Full-time equated classified positions		186.0
18	Finance, contracts, and support services--186.0 FTE		
19	positions	\$	<u>21,791,700</u>
20	GROSS APPROPRIATION	\$	21,791,700
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG for accounting service center user charges		4,013,400
24	Special revenue funds:		
25	Michigan transportation fund		1,621,700
26	State trunkline fund		16,156,600
27	State general fund/general purpose	\$	0

1	Sec. 108. TRANSPORTATION PLANNING		
2	Full-time equated classified positions.....	140.0	
3	Transportation planning--140.0 FTE positions	\$	38,481,100
4	Grants to regional planning councils		<u>488,800</u>
5	GROSS APPROPRIATION.....	\$	38,969,900
6	Appropriated from:		
7	Federal revenues:		
8	Federal aid - transportation programs		19,250,000
9	Special revenue funds:		
10	Comprehensive transportation fund.....		610,500
11	Michigan transportation fund.....		9,571,400
12	State aeronautics fund.....		15,000
13	State trunkline fund.....		9,523,000
14	State general fund/general purpose	\$	0
15	Sec. 109. DESIGN AND ENGINEERING SERVICES		
16	Full-time equated classified positions.....	1,589.3	
17	Program development, delivery, and system		
18	operations--1,539.3 FTE positions.....	\$	166,199,900
19	Welcome center operations--50.0 FTE positions		<u>4,532,800</u>
20	GROSS APPROPRIATION.....	\$	170,732,700
21	Appropriated from:		
22	Federal revenues:		
23	Federal aid - transportation programs		23,529,800
24	Special revenue funds:		
25	Michigan transportation fund.....		12,246,000
26	State trunkline fund.....		134,956,900
27	State general fund/general purpose	\$	0

1	Sec. 110. HIGHWAY MAINTENANCE		
2	Full-time equated classified positions.....	743.7	
3	State trunkline operations--743.7 FTE positions	\$	<u>303,948,000</u>
4	GROSS APPROPRIATION.....	\$	303,948,000
5	Appropriated from:		
6	Special revenue funds:		
7	State trunkline fund.....		303,948,000
8	State general fund/general purpose	\$	0
9	Sec. 111. ROAD AND BRIDGE PROGRAMS		
10	State trunkline federal aid and road and bridge		
11	construction	\$	1,057,776,900
12	Local federal aid and road and bridge construction...		272,511,000
13	Grants to local programs.....		33,000,000
14	Rail grade crossing - surface improvements		3,000,000
15	Rail grade crossing.....		3,000,000
16	Local bridge program.....		27,468,600
17	County road commissioners.....		797,470,600
18	Cities and villages.....		<u>444,625,500</u>
19	GROSS APPROPRIATION.....	\$	2,638,852,600
20	Appropriated from:		
21	Federal revenues:		
22	Federal aid - transportation programs		1,030,225,800
23	Special revenue funds:		
24	Local funds.....		30,000,000
25	Blue Water Bridge fund.....		28,998,100
26	Local bridge fund.....		27,468,600
27	Michigan transportation fund.....		1,281,096,100

1	State trunkline fund.....	241,064,000
2	State general fund/general purpose.....	\$ 0
3	Sec. 112. BLUE WATER BRIDGE	
4	Full-time equated classified positions.....	41.0
5	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>6,433,100</u>
6	GROSS APPROPRIATION.....	\$ 6,433,100
7	Appropriated from:	
8	Special revenue funds:	
9	Blue Water Bridge fund.....	6,433,100
10	State general fund/general purpose.....	\$ 0
11	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT	
12	Forest roads.....	\$ 5,000,000
13	Rural county urban system.....	2,500,000
14	Target industries/economic development.....	19,823,700
15	Urban county congestion.....	8,161,900
16	Rural county primary.....	<u>8,161,900</u>
17	GROSS APPROPRIATION.....	\$ 43,647,500
18	Appropriated from:	
19	Special revenue funds:	
20	Economic development fund.....	43,647,500
21	State general fund/general purpose.....	\$ 0
22	Sec. 114. AERONAUTICS SERVICES	
23	Full-time equated classified positions.....	54.0
24	Aeronautics services--54.0 FTE positions.....	\$ 7,648,800
25	Air service program.....	<u>250,000</u>
26	GROSS APPROPRIATION.....	\$ 7,898,800
27	Appropriated from:	

1	Special revenue funds:	
2	State aeronautics fund.....	7,898,800
3	State general fund/general purpose.....	\$ 0
4	Sec. 115. PUBLIC TRANSPORTATION SERVICES	
5	Full-time equated classified positions.....	36.0
6	Passenger transportation services--36.0 FTE positions	\$ <u>5,740,500</u>
7	GROSS APPROPRIATION.....	\$ 5,740,500
8	Appropriated from:	
9	Federal revenues:	
10	Federal aid - transportation programs.....	972,100
11	Special revenue funds:	
12	Comprehensive transportation fund.....	4,768,400
13	State general fund/general purpose.....	\$ 0
14	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
15	Local bus operating.....	\$ 180,000,000
16	Nonurban operating/capital.....	<u>26,027,900</u>
17	GROSS APPROPRIATION.....	\$ 206,027,900
18	Appropriated from:	
19	Federal revenues:	
20	Federal aid - transportation programs.....	24,027,900
21	Special revenue funds:	
22	Comprehensive transportation fund.....	180,000,000
23	Local funds.....	2,000,000
24	State general fund/general purpose.....	\$ 0
25	Sec. 117. INTERCITY PASSENGER	
26	Full-time equated classified positions.....	39.0
27	Office of rail--39.0 FTE positions.....	\$ 6,427,700

1	Freight property management.....	1,000,000
2	Detroit/Wayne County Port Authority.....	468,200
3	Intercity services.....	6,250,000
4	Rail operations and infrastructure.....	118,894,800
5	Marine passenger service.....	400,000
6	Terminal development.....	<u>300,000</u>
7	GROSS APPROPRIATION.....	\$ 133,740,700
8	Appropriated from:	
9	Federal revenues:	
10	Federal aid - transportation programs.....	64,600,000
11	Special revenue funds:	
12	Local funds.....	150,000
13	Private funds.....	100,000
14	Comprehensive transportation fund.....	60,043,000
15	Intercity bus equipment fund.....	100,000
16	Rail freight fund.....	6,000,000
17	Michigan transportation fund.....	2,029,100
18	State trunkline fund.....	718,600
19	State general fund/general purpose.....	\$ 0
20	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
21	Specialized services.....	\$ 17,938,900
22	Municipal credit program.....	2,000,000
23	Transit capital.....	60,157,100
24	Van pooling.....	195,000
25	Service initiatives.....	2,889,200
26	Transportation to work.....	<u>3,700,000</u>
27	GROSS APPROPRIATION.....	\$ 86,880,200

1	Appropriated from:	
2	Federal revenues:	
3	Federal aid - transportation programs	26,850,000
4	Special revenue funds:	
5	Local funds	5,760,000
6	Comprehensive transportation fund	54,270,200
7	State general fund/general purpose	\$ 0
8	Sec. 119. CAPITAL OUTLAY	
9	(1) BUILDINGS AND FACILITIES	
10	Special maintenance, remodeling, and additions	\$ <u>3,001,500</u>
11	GROSS APPROPRIATION	\$ 3,001,500
12	Appropriated from:	
13	Special revenue funds:	
14	State trunkline fund	3,001,500
15	State general fund/general purpose	\$ 0
16	(2) AIRPORT IMPROVEMENT PROGRAMS	
17	Airport safety, protection and improvement program ...	\$ 97,824,000
18	Detroit Metropolitan Wayne County airport	<u>8,775,000</u>
19	GROSS APPROPRIATION	\$ 106,599,000
20	Appropriated from:	
21	Federal revenues:	
22	Federal aid - transportation programs	79,000,000
23	Special revenue funds:	
24	Local funds	12,508,500
25	State aeronautics fund	6,315,500
26	Qualified airport fund	8,775,000
27	State general fund/general purpose	\$ 0

Sec. 120. ONE-TIME BASIS ONLY

State trunkline road and bridge construction	\$	<u>10,400,000</u>
GROSS APPROPRIATION	\$	10,400,000
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	10,400,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is \$2,755,927,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$1,583,461,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

STATE TRANSPORTATION DEPARTMENT

Grants to regional planning councils.....	\$	488,800
Grants to local programs.....		33,000,000
Rail grade crossing.....		3,000,000
Rail grade crossing-surface improvements.....		3,000,000
Local bridge program.....		27,468,600
Grants to county road commissions.....		797,470,600
Grants to cities and villages.....		444,625,500

1	Economic development fund.....	23,823,800
2	Air service program.....	250,000
3	Local bus operating.....	180,000,000
4	Detroit/Wayne County Port Authority.....	468,200
5	Marine passenger service.....	400,000
6	Terminal development.....	300,000
7	Specialized services.....	3,853,900
8	Municipal credit program.....	2,000,000
9	Transit capital.....	43,607,100
10	Service initiatives.....	914,200
11	Transportation to work.....	3,700,000
12	Airport safety, protection, and improvement	
13	program.....	6,315,500
14	Detroit Metropolitan Wayne County airport.....	<u>8,775,000</u>
15	Total payments to local units of government.....	\$ 1,583,461,200

16 Sec. 202. The appropriations authorized under this part and
17 part 1 are subject to the management and budget act, 1984 PA 431,
18 MCL 18.1101 to 18.1594.

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

20 (a) "Amtrak" means the National Railroad Passenger
21 Corporation.

22 (b) "CTF" means comprehensive transportation fund.

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

24 (d) "Director" means the director of the department.

25 (e) "DOT" means the United States Department of
26 Transportation.

27 (f) "DOT-FHWA" means DOT, Federal Highway Administration.

1 (g) "FTE" means full-time equated.

2 (h) "IDG" means interdepartmental grant.

3 (i) "IRS" means the Internal Revenue Service.

4 (j) "MTF" means Michigan transportation fund.

5 (k) "SAF" means state aeronautics fund.

6 (l) "STF" means state trunkline fund.

7 Sec. 204. In addition to the metrics required under section
8 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for
9 each new program or program enhancement for which funds in excess
10 of \$500,000.00 are appropriated in part 1, the department shall
11 provide not later than November 1, 2016 a list of program-specific
12 metrics intended to measure its performance based on a return on
13 taxpayer investment. The department shall deliver the program-
14 specific metrics to members of the senate and house subcommittees
15 that have subject matter jurisdiction for this budget, fiscal
16 agencies, and the state budget director. The department shall
17 provide an update on its progress in tracking program-specific
18 metrics and the status of program success at an appropriations
19 subcommittee meeting called for by the subcommittee chair.

20 Sec. 205. The department shall provide notice to the speaker
21 of the house, the house minority leader, the senate majority
22 leader, the senate minority leader, the house and senate standing
23 committees on transportation, the appropriate house and senate
24 appropriations subcommittees on transportation, and the house and
25 senate fiscal agencies on proposed federal rule changes related to
26 the department that would require amendments to the laws of this
27 state. The notice shall be given within 30 business days of the

1 proposed federal rule being posted to the federal register and
2 shall include a description of the proposed federal rule, the
3 publication date, the date when public comment closes, the document
4 citation, and a description of the statutory changes needed when
5 the rule is finalized.

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

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

22 (a) The dates of each travel occurrence.

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

1 Sec. 208. The departments and agencies receiving
2 appropriations in part 1 shall use the Internet to fulfill the
3 reporting requirements of this part. This requirement may include
4 transmission of reports via electronic mail to the recipients
5 identified for each reporting requirement, or it may include
6 placement of reports on an Internet or Intranet site.

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

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

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

1 act, 1984 PA 431, MCL 18.1393.

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

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

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

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

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

20 (c) Fiscal year-to-date payments to a selected vendor,
21 including the vendor name, payment date, payment amount, and
22 payment description.

23 (d) The number of active department employees by job
24 classification.

25 (e) Job specifications and wage rates.

26 Sec. 212. Within 14 days after the release of the executive
27 budget recommendation, the department shall cooperate with the

1 state budget office to provide the senate and house appropriations
2 chairs, the senate and house appropriations subcommittees on
3 transportation, respectively, and the senate and house fiscal
4 agencies with an annual report on estimated state restricted fund
5 balances, state restricted fund projected revenues, and state
6 restricted fund expenditures for the fiscal years ending September
7 30, 2016 and September 30, 2017.

8 Sec. 213. The department shall maintain, on a publicly
9 accessible website, a department scorecard that identifies, tracks,
10 and regularly updates key metrics that are used to monitor and
11 improve the agency's performance.

12 Sec. 214. Total authorized appropriations from all sources
13 under part 1 for legacy costs for the fiscal year ending September
14 30, 2017 are \$70,450,500.00. From this amount, total agency
15 appropriations for pension-related legacy costs are estimated at
16 \$39,063,000.00. Total agency appropriations for retiree health care
17 legacy costs are estimated at \$31,387,500.00.

18 Sec. 215. A department shall not take disciplinary action
19 against an employee for communicating with a member of the
20 legislature or his or her staff.

21 Sec. 228. Not later than November 30, the state budget office
22 shall prepare and transmit a report that provides for estimates of
23 the total general fund/general purpose appropriation lapses at the
24 close of the prior fiscal year. This report shall summarize the
25 projected year-end general fund/general purpose appropriation
26 lapses by major departmental program or program areas. The report
27 shall be transmitted to the chairpersons of the senate and house of

1 representatives standing committees on appropriations and the
2 senate and house fiscal agencies.

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

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

15 **DEPARTMENTAL SECTIONS**

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

23 (2) A bridge authority shall hold 3 public hearings on an
24 increase in any toll charged by the authority at least 30 days
25 before the toll change will become effective. Two of the hearings
26 shall be held within 5 miles of the bridge over which the bridge

1 authority has jurisdiction. One hearing shall be held in Lansing.
2 Public hearings held under this section shall be conducted in
3 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
4 15.275, and shall be conducted so as to provide a reasonable
5 opportunity for public comment, including both spoken and written
6 comments.

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

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

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

23 Sec. 306. (1) The amounts appropriated in part 1 to support
24 tax and fee collection, law enforcement, and other program services
25 provided to the department and to transportation funds by other
26 state departments shall be expended from transportation funds
27 pursuant to annual contracts between the department and those other

1 state departments. The contracts shall be executed prior to the
2 expenditure or obligation of those funds. The contracts shall
3 provide, but are not limited to, the following data applicable to
4 each state department:

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

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

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

11 (2) Not later than 2 months after publication of the state of
12 Michigan comprehensive annual financial report, each state
13 department receiving funding pursuant to an interdepartment
14 contract with the department shall submit a written report to the
15 department, the state budget director, and the house and senate
16 fiscal agencies stating by spending authorization account the
17 amount of estimated funds contracted with the department, the
18 amount of funds expended, the amount of funds returned to the
19 transportation funds, and any unreimbursed transportation-related
20 costs incurred but not billed to transportation funds. A copy of
21 the report shall be submitted to the auditor general, and the
22 report shall be subject to audit by the auditor general as provided
23 in subsection (3).

24 (3) Biennially, in each even-numbered fiscal year, the auditor
25 general shall conduct an audit of charges to transportation funds
26 by state departments for the 2 preceding fiscal years. The audit
27 shall include both charges governed by interdepartmental contracts

1 as well as miscellaneous charges from other state departments not
2 governed by contracts. The auditor general shall prepare a detailed
3 report, with recommendations and conclusions, including a summary
4 of charges and related services to transportation funds by
5 department, the appropriateness of those charges, the cost
6 allocation methodologies used in determining the level of funding,
7 and any unreimbursed transportation-related costs, if any. The
8 report shall be provided to the senate and house of representatives
9 committees on appropriations, the senate and house fiscal agencies,
10 and the state budget director 9 months after publication of the
11 state of Michigan comprehensive annual financial report.

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

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

23 Sec. 313. (1) From funds appropriated in part 1, the
24 department may increase a state infrastructure bank program and
25 grant or loan funds in accordance with regulations of the state
26 infrastructure bank program of the United States Department of
27 Transportation. The state infrastructure bank is to be administered

1 by the department for the purpose of providing a revolving, self-
2 sustaining resource for financing transportation infrastructure
3 projects.

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

14 (3) The department shall submit a report to the state budget
15 director, the house and senate appropriations subcommittees on
16 transportation, and the house and senate fiscal agencies on the
17 status of the state infrastructure bank. The report shall be
18 submitted on or before December 1, 2016. The report shall include
19 all of the following:

20 (a) The balance in the state infrastructure bank at September
21 30, 2016, including a breakdown of the balance by cash and cash
22 equivalents, outstanding loans, and balance available for loan to
23 local agencies.

24 (b) A breakdown of the state infrastructure loan balance by
25 amounts designated as originating from federal sources and the
26 amounts originating from nonfederal sources.

27 (c) A list of outstanding loans by agency, original loan

1 amount, project description, loan term, and amount outstanding.

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

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

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

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

22 Sec. 376. The department shall not spend funds appropriated in
23 part 1 for the purpose of examining the potential association
24 between commercial signs, outdoor advertising signs, billboards,
25 digital billboards, or commercial electronic variable message signs
26 and motor vehicle activity or motor vehicle driver behavior.

27 Sec. 381. The department shall require as a condition of each

1 contract or subcontract for construction, maintenance, or
2 engineering services that the prequalified contractor or
3 prequalified subcontractor agree to use the E-Verify system to
4 verify that all persons hired during the contract term by the
5 contractor or subcontractor are legally present and authorized to
6 work in the United States. The department may verify this
7 information directly or may require contractors and subcontractors
8 to verify the information and submit a certification to the
9 department. The department shall report to the house and senate
10 appropriations committees and the house and senate fiscal agencies
11 by March 1 of each year describing the processes it has developed
12 and implemented under provisions of this section. As used in this
13 section, "E-Verify" means an Internet-based system operated by the
14 Department of Homeland Security, U.S. Citizenship and Immigration
15 Services in partnership with the Social Security Administration.

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

23 Sec. 383. (1) The department shall prepare a report on use of
24 department-owned aircraft during the fiscal year ending September
25 30, 2015. With respect to each department-owned aircraft, the
26 report shall include all of the following:

27 (a) Total hours of usage.

1 (b) Description of specific flights including dates of travel,
2 names of passengers including state agency, university, or local
3 government affiliation, travel origin and destination, and total
4 estimated costs associated with the air travel.

5 (2) The report shall be submitted to the senate and house
6 appropriations subcommittees on transportation and the house and
7 senate fiscal agencies no later than February 1, 2017.

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

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

17 (5) It is the intent of the legislature that the department
18 work with the Michigan state police to establish a reciprocal
19 agreement on employing fixed-wing aircraft with specifically
20 designed equipment for use by the Michigan state police when
21 conducting operations. The department shall submit a report
22 regarding the status of a reciprocal agreement to the senate and
23 house appropriations subcommittees on transportation and the house
24 and senate fiscal agencies no later than February 1, 2017.

25 Sec. 384. (1) Except as otherwise provided in subsection (2),
26 the department shall not obligate the state to expend any state
27 transportation revenue for construction planning or construction of

1 the Detroit River International Crossing or a renamed successor. In
2 addition, except as provided in subsection (2), the department
3 shall not commit the state to any new contract related to the
4 construction planning or construction of the Detroit River
5 International Crossing or a renamed successor that would obligate
6 the state to expend any state transportation revenue. An
7 expenditure for staff resources used in connection with project
8 activities, which expenditure is subject to full and prompt
9 reimbursement from Canada, shall not be considered an expenditure
10 of state transportation revenue.

11 (2) If the legislature enacts specific enabling legislation
12 for the construction of the Detroit River International Crossing or
13 a renamed successor, subsection (1) does not apply once the
14 enabling legislation goes into effect.

15 Sec. 385. (1) The department shall submit reports to the state
16 budget director, the speaker of the house, the house minority
17 leader, the senate majority leader, the senate minority leader, the
18 house and senate appropriations subcommittees on transportation,
19 and the house and senate fiscal agencies on department activities
20 related to all nonconstruction or construction planning activities
21 related to the Detroit River International Crossing or a renamed
22 successor. The initial report shall be submitted on or before
23 December 1, 2016 and shall cover the fiscal year ending September
24 30, 2016.

25 (2) The initial report shall include, at a minimum, all of the
26 following:

27 (a) Department costs incurred in the fiscal year ending

1 September 30, 2016, including employee salaries, wages, benefits,
2 travel, and contractual services, and what activities those costs
3 were related to.

4 (b) Costs of other executive branch agencies incurred in the
5 fiscal year ending September 30, 2016, including employee salaries,
6 wages, benefits, travel, and contractual services, and what
7 activities those costs were related to.

8 (c) A breakdown of the source of funds used for the activities
9 described in subdivisions (a) and (b).

10 (d) A breakdown of reimbursements made by Canada under section
11 384(1) to the state for expenditures for staff resources used in
12 connection with project activities.

13 (e) A narrative description of the status of the Detroit River
14 International Crossing or a renamed successor, including efforts
15 undertaken to implement provisions of the crossing agreement
16 executed June 15, 2012 by representatives of the Canadian
17 government and this state.

18 (3) After submission of the initial report, a subsequent
19 report shall be submitted on March 1, 2017, June 1, 2017, and
20 September 1, 2017 and shall include the same information described
21 in subsection (2) for the applicable previous fiscal quarter.

22 Sec. 393. (1) The department shall promote best practices for
23 public transportation services in this state, including, but not
24 limited to, the following:

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

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

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

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

13 (2) The department shall report on efforts taken to implement
14 this section as well as section 393 of article XVII of 2011 PA 63.
15 The department shall complete and submit the report to the state
16 budget director, the house and senate appropriations subcommittees
17 on transportation, and the house and senate fiscal agencies on or
18 before March 1, 2017.

19 Sec. 394. The department and local road agencies shall make
20 the preservation of their existing road networks a funding
21 priority.

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

FEDERAL

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to this state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

MICHIGAN TRANSPORTATION FUND

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

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

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the

1 respective funds and shall be allocated to the respective programs
2 based on actual interest earned at the end of each fiscal year.

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

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

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

21 Sec. 505. If roads innovation funds are not released by a 1-
22 time concurrent resolution under section 1j(5) of 1951 PA 51, MCL
23 247.651j, on or before October 1, 2016, the department shall
24 prepare a report that specifies the portions of total Michigan
25 transportation fund distributions to be withheld from the state
26 trunkline fund and each local road agency. The department shall
27 present the report to the state budget director, the senate and

1 house appropriations subcommittees on transportation, the senate
2 and house standing committees on transportation, and the senate and
3 house fiscal agencies on or before November 1, 2016.

4 **STATE TRUNKLINE FUND**

5 Sec. 601. (1) The department shall work with the road
6 construction industry and engineering consulting community to
7 develop a warranty program for capital road and bridge
8 construction, reconstruction, and rehabilitation projects. In
9 developing the warranty program, the department shall consider all
10 of the following:

11 (a) Scope of warranties, including warranties on materials and
12 workmanship, pavement or bridge performance criteria, and the
13 application of warranties to design/build projects.

14 (b) Length of warranty.

15 (c) Costs and benefits associated with scope of warranty and
16 various warranty provisions, including length of warranty.

17 (d) Any other relevant factors that might determine the use of
18 warranties, scope of warranty, or length of warranty.

19 (e) Use of warranties on local agency projects administered by
20 the department.

21 (f) Other measures used to identify premature failure of road
22 pavement or bridge elements and the related cause of those
23 failures.

24 (2) The department shall report on March 1 of each year to the
25 house of representatives and senate appropriations subcommittees on
26 transportation and the house and senate fiscal agencies on

1 provisions of the department's warrant program described under
2 subsection (1). The department shall timely inspect warrantied
3 projects prior to the expiration of any associated warranty.

4 (3) The department shall report to the legislature all of the
5 following with regard to road and bridge construction projects:

6 (a) An update on procedures involving the attorney general's
7 office regarding nonresponsive contractors that had received notice
8 but failed to fulfill the terms of a warranty.

9 (b) An update on any upgrades and improvements to the
10 statewide warranty administrative database.

11 (c) The number of active road and bridge construction
12 warranties.

13 (d) The number of road and bridge project warranties that
14 required corrective action, and the date or dates of any corrective
15 action.

16 (e) The number of warrantied projects that required corrective
17 action but expired prior to the contractor receiving notice and the
18 total cost of each of those projects.

19 (f) The number of instances where a contractor was notified of
20 the need for corrective action more than 60 days after the
21 associated warranty period.

22 (g) The number of unresolved corrective actions outstanding
23 beyond 15 months, and the department's findings and any changes to
24 existing policies and procedures as required in subsection (5).

25 (4) The report required under subsection (3) is due on March 1
26 of each calendar year, shall reflect the prior 12-month period, and
27 shall be transmitted to the house of representatives and senate

1 appropriations subcommittees on transportation, the state budget
2 director, and the house and senate fiscal agencies.

3 (5) The department shall maintain documentation to support
4 initial acceptance of warrantied projects, interim and final
5 inspections, and notifications to contractors that the warranty
6 period had expired. The department also shall review and evaluate
7 consultant evaluation requirements or recommendations and update
8 existing policies and procedures accordingly.

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

18 Sec. 604. At the close of the fiscal year, any unencumbered
19 and unexpended balance in the state trunkline fund shall remain in
20 the state trunkline fund and shall carry forward and is
21 appropriated for federal aid road and bridge programs for projects
22 contained in the annual state transportation program.

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

1 are available, away from the traveled portion and shoulder of state
2 highways.

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

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

22 (2) The department shall evaluate the use of a bituminous mix
23 which incorporates crumb rubber from scrap tires.

24 (3) The department shall report on efforts taken to implement
25 this section. The report shall include descriptions of specific
26 materials evaluated, evaluation methods, and results of specific
27 field or laboratory tests. The department shall complete and submit

1 the report to the state budget director, the house and senate
2 appropriations subcommittees on transportation, and the house and
3 senate fiscal agencies on or before March 1 of each year.

4 **TRANSIT AND RAIL RELATED FUNDS**

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

25 Sec. 702. Money that is received by this state as repayment
26 for loans made for rail or water freight capital projects, and as a

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

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

15 Sec. 704. From the funds appropriated in part 1, the
16 department shall prepare and transmit a report that provides detail
17 regarding the department's expenditures for programs funded under
18 the appropriation in part 1 for rail operations and infrastructure.
19 The report shall include a breakdown of the appropriation by
20 program, year-to-date expenditures under each program itemized by
21 project, and an estimate of future expenditures under each program
22 itemized by project for the remainder of the fiscal year. The
23 initial report shall be submitted to the senate and house
24 appropriations subcommittees on transportation, and the senate and
25 house fiscal agencies, on or before October 30. The department also
26 shall update and resubmit the report on or before February 1.

27 Sec. 705. It is the intent of the legislature that the

1 department will provide assistance, whether administrative or
2 otherwise, to the city of Woodhaven so that the city may meet
3 funding needs for a rail and street separation project.

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

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

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

20 (a) Passenger counts for the preceding fiscal year for each of
21 the 3 Amtrak routes in Michigan.

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

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

25 (d) A discussion of major factors affecting route costs and
26 revenue and net state costs in the preceding fiscal year, and
27 factors affecting route costs and revenue and net state costs

1 anticipated in the current and future fiscal years.

2 Sec. 735. For the fiscal year ending September 30, 2017, the
3 appropriation to a street railway pursuant to section 10e(22) of
4 1951 PA 51, MCL 247.660e, is \$0.

5 **AERONAUTICS FUND**

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

13 Sec. 802. The legislature encourages the department to find
14 private entities or local public agencies to assume ownership and
15 operating responsibility for airports currently owned by the
16 department.

17 Sec. 803. Not later than December 1, 2016, the department, in
18 cooperation with the department of technology, management, and
19 budget, shall release a request for proposal seeking competitive
20 bids for the award of a contract for third party management and
21 sale of the department's aging aircraft. Third party management
22 shall include, but not be limited to: aircraft transportation
23 services, aircraft, aircraft personnel including pilots and
24 technicians, aircraft maintenance, aircraft facilities, and
25 aircraft fuel.

1 CAPITAL OUTLAY

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

10 (2) Political entities and subdivisions shall provide not less
11 than 5% of the cost of any project under this section, unless a
12 total nonfederal share greater than 10% is otherwise specified in
13 federal law. State money shall not be allocated until local money
14 is allocated. State money for any 1 project shall not exceed 1/3 of
15 the total appropriation in part 1 from state funds for airport
16 improvement programs.

17 (3) The Michigan aeronautics commission may take those steps
18 necessary to match federal money available for airport construction
19 and improvement within this state and to meet the matching
20 requirements of the federal government. Whether acting alone or
21 jointly with another political subdivision or public agency or with
22 this state, a political subdivision or public agency of this state
23 shall not submit to any agency of the federal government a project
24 application for airport planning or development unless it is
25 authorized in this part and part 1 and the project application is
26 approved by the governing body of each political subdivision or
27 public agency making the application and by the Michigan

1 aeronautics commission.

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

6 PART 2A
7 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
8 FOR FISCAL YEAR 2017-2018

9 GENERAL SECTIONS

10 Sec. 1201. It is the intent of the legislature to provide
11 appropriations for the fiscal year ending on September 30, 2018 for
12 the line items listed in part 1. The fiscal year 2017-2018
13 appropriations are anticipated to be the same as those for fiscal
14 year 2016-2017, except that the line items will be adjusted for
15 changes in caseload and related costs, federal fund match rates,
16 economic factors, and available revenue. These adjustments will be
17 determined after the January 2017 consensus revenue estimating
18 conference.