

SUBSTITUTE FOR

SENATE BILL NO. 148

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2018; 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, 2018, 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.....	\$ 4,347,443,000
2	Total interdepartmental grants and intradepartmental	
3	transfers	4,039,300
4	ADJUSTED GROSS APPROPRIATION.....	\$ 4,343,403,700
5	Federal revenues:	
6	Federal aid - transportation programs.....	1,340,301,200
7	Total federal revenues.....	1,340,301,200
8	Special revenue funds:	
9	Local revenues.....	50,532,000
10	Private revenues.....	100,000
11	Total local and private revenues.....	50,632,000
12	Blue Water Bridge fund.....	23,432,600
13	Comprehensive transportation fund.....	335,482,700
14	Economic development fund.....	54,085,000
15	IRS debt service rebate.....	7,004,300
16	Intercity bus equipment fund.....	100,000
17	Local bridge fund.....	30,598,300
18	Michigan transportation fund.....	1,470,983,700
19	Qualified airport fund.....	6,500,000
20	Rail freight fund.....	6,000,000
21	State aeronautics fund.....	16,418,600
22	State trunkline fund.....	1,001,865,300
23	Total other state restricted revenues.....	2,952,470,500
24	State general fund/general purpose.....	\$ 0
25	Sec. 102. DEBT SERVICE	
26	State trunkline.....	\$ 185,109,100
27	Economic development.....	11,548,300

1	Local bridge fund.....	2,315,400
2	Blue Water Bridge fund.....	7,105,100
3	Airport safety and protection plan.....	4,617,000
4	Comprehensive transportation.....	<u>18,244,500</u>
5	GROSS APPROPRIATION.....	\$ 228,939,400
6	Appropriated from:	
7	Federal revenues:	
8	Federal aid - transportation programs.....	37,783,300
9	Special revenue funds:	
10	Blue Water Bridge fund.....	7,105,100
11	Comprehensive transportation fund.....	18,244,500
12	Economic development fund.....	11,548,300
13	Local bridge fund.....	2,315,400
14	IRS debt service rebate.....	7,004,300
15	State aeronautics fund.....	4,617,000
16	State trunkline fund.....	140,321,500
17	State general fund/general purpose.....	\$ 0
18	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY	
19	SUPPORT SERVICES	
20	MTF grant to department of environmental quality.....	\$ 1,345,900
21	MTF grant to department of state for collection of	
22	revenue and fees	20,000,000
23	MTF grant to department of treasury.....	2,701,700
24	MTF grant to legislative auditor general.....	315,800
25	STF grant to department of attorney general.....	2,447,600
26	STF grant to civil service commission.....	5,847,000
27	STF grant to department of technology, management,	

1	and budget	1,199,300
2	STF grant to department of state police	11,697,900
3	STF grant to department of treasury	169,800
4	STF grant to legislative auditor general	733,500
5	SAF grant to department of attorney general	179,400
6	SAF grant to civil service commission	150,000
7	SAF grant to department of technology, management,	
8	and budget	34,600
9	SAF grant to department of treasury	73,400
10	SAF grant to legislative auditor general	30,300
11	CTF grant to department of attorney general	205,000
12	CTF grant to civil service commission	200,000
13	CTF grant to department of technology, management,	
14	and budget	45,500
15	CTF grant to department of treasury	12,700
16	CTF grant to legislative auditor general	<u>39,000</u>
17	GROSS APPROPRIATION	\$ 47,428,400
18	Appropriated from:	
19	Special revenue funds:	
20	Comprehensive transportation fund	502,200
21	Michigan transportation fund	24,363,400
22	State aeronautics fund	467,700
23	State trunkline fund	22,095,100
24	State general fund/general purpose	\$ 0
25	Sec. 104. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
26	Full-time equated unclassified positions	6.0
27	Full-time equated classified positions	\$ 269.3

1	Unclassified salaries--6.0 FTE positions.....	776,600
2	Property management.....	7,103,500
3	Worker's compensation.....	1,619,000
4	Asset management council.....	1,876,400
5	Business support services--44.0 FTE positions.....	6,805,600
6	Commission audit--29.3 FTE positions.....	3,367,500
7	Economic development and enhancement programs--10.0	
8	FTE positions	1,643,500
9	Finance, contracts, and support services--186.0 FTE	
10	positions	<u>21,993,200</u>
11	GROSS APPROPRIATION.....	\$ 45,185,300
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG for accounting service center user charges	4,039,300
15	Special revenue funds:	
16	Comprehensive transportation fund.....	1,551,300
17	Economic development fund.....	380,400
18	Michigan transportation fund.....	4,217,100
19	State aeronautics fund.....	702,400
20	State trunkline fund.....	34,294,800
21	State general fund/general purpose.....	\$ 0
22	Sec. 105. INFORMATION TECHNOLOGY	
23	Information technology services and projects	\$ <u>33,465,900</u>
24	GROSS APPROPRIATION.....	\$ 33,465,900
25	Appropriated from:	
26	Federal revenues:	
27	Federal aid - transportation programs	520,500

1	Special revenue funds:		
2	Blue Water Bridge fund.....	55,300	
3	Comprehensive transportation fund.....	225,100	
4	Economic development fund.....	37,200	
5	Michigan transportation fund.....	294,300	
6	State aeronautics fund.....	175,600	
7	State trunkline fund.....	32,157,900	
8	State general fund/general purpose.....	\$ 0	
9	Sec. 106. TRANSPORTATION PLANNING		
10	Full-time equated classified positions.....	140.0	
11	Transportation planning--140.0 FTE positions.....	\$ 38,560,200	
12	Grants to regional planning councils.....	<u>488,800</u>	
13	GROSS APPROPRIATION.....	\$ 39,049,000	
14	Appropriated from:		
15	Federal revenues:		
16	Federal aid - transportation programs.....	19,250,000	
17	Special revenue funds:		
18	Comprehensive transportation fund.....	610,500	
19	Michigan transportation fund.....	9,580,800	
20	State aeronautics fund.....	15,000	
21	State trunkline fund.....	9,592,700	
22	State general fund/general purpose.....	\$ 0	
23	Sec. 107. DESIGN AND ENGINEERING SERVICES		
24	Full-time equated classified positions.....	1,540.3	
25	Program development, delivery, and system		
26	operations--1,540.3 FTE positions.....	\$ <u>167,288,100</u>	
27	GROSS APPROPRIATION.....	\$ 167,288,100	

1	Appropriated from:	
2	Federal revenues:	
3	Federal aid - transportation programs	23,529,800
4	Special revenue funds:	
5	Comprehensive transportation fund	187,100
6	Michigan transportation fund	12,281,400
7	State aeronautics fund	160,300
8	State trunkline fund	131,129,500
9	State general fund/general purpose	\$ 0
10	Sec. 108. HIGHWAY MAINTENANCE	
11	Full-time equated classified positions	793.7
12	State trunkline operations--793.7 FTE positions	\$ <u>317,593,400</u>
13	GROSS APPROPRIATION	\$ 317,593,400
14	Appropriated from:	
15	Special revenue funds:	
16	State trunkline fund	317,593,400
17	State general fund/general purpose	\$ 0
18	Sec. 109. ROAD AND BRIDGE PROGRAMS	
19	State trunkline federal aid and road and bridge	
20	construction	\$ 1,131,621,800
21	Local federal aid and road and bridge construction ...	278,400,300
22	Grants to local programs	33,000,000
23	Rail grade crossing - surface improvements	3,000,000
24	Rail grade crossing	3,000,000
25	Local bridge program	28,282,900
26	County road commissioners	880,938,200
27	Cities and villages	491,162,500

1	Local agency wetland mitigation bank fund.....	2,000,000
2	Movable bridge fund.....	<u>5,110,000</u>
3	GROSS APPROPRIATION.....	\$ 2,856,515,700
4	Appropriated from:	
5	Federal revenues:	
6	Federal aid - transportation programs.....	1,061,767,600
7	Special revenue funds:	
8	Local funds.....	30,003,500
9	Blue Water Bridge fund.....	9,800,800
10	Local bridge fund.....	28,282,900
11	Michigan transportation fund.....	1,418,210,700
12	State trunkline fund.....	308,450,200
13	State general fund/general purpose.....	\$ 0
14	Sec. 110. BLUE WATER BRIDGE	
15	Full-time equated classified positions..... 41.0	
16	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>6,471,400</u>
17	GROSS APPROPRIATION.....	\$ 6,471,400
18	Appropriated from:	
19	Special revenue funds:	
20	Blue Water Bridge fund.....	6,471,400
21	State general fund/general purpose.....	\$ 0
22	Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT	
23	Forest roads.....	\$ 5,000,000
24	Rural county urban system.....	2,500,000
25	Target industries/economic development.....	19,059,500
26	Urban county congestion.....	7,779,800
27	Rural county primary.....	<u>7,779,800</u>

1	GROSS APPROPRIATION.....	\$	42,119,100
2	Appropriated from:		
3	Special revenue funds:		
4	Economic development fund.....		42,119,100
5	State general fund/general purpose.....	\$	0
6	Sec. 112. AERONAUTICS SERVICES		
7	Full-time equated classified positions.....		53.0
8	Aviation services--53.0 FTE positions.....	\$	7,596,100
9	Air service program.....		<u>250,000</u>
10	GROSS APPROPRIATION.....	\$	7,846,100
11	Appropriated from:		
12	State aeronautics fund.....		7,846,100
13	State general fund/general purpose.....	\$	0
14	Sec. 113. PUBLIC TRANSPORTATION SERVICES		
15	Full-time equated classified positions.....		36.0
16	Passenger transportation services--36.0 FTE positions	\$	<u>5,789,100</u>
17	GROSS APPROPRIATION.....	\$	5,789,100
18	Appropriated from:		
19	Federal revenues:		
20	Federal aid - transportation programs.....		972,100
21	Special revenue funds:		
22	Comprehensive transportation fund.....		4,817,000
23	State general fund/general purpose.....	\$	0
24	Sec. 114. LOCAL BUS TRANSIT		
25	Local bus operating.....	\$	187,250,000
26	Nonurban operating/capital.....		<u>28,027,900</u>
27	GROSS APPROPRIATION.....	\$	215,277,900

1	Appropriated from:	
2	Federal revenues:	
3	Federal aid - transportation programs	26,027,900
4	Special revenue funds:	
5	Comprehensive transportation fund	187,250,000
6	Local funds	2,000,000
7	State general fund/general purpose	\$ 0
8	Sec. 115. INTERCITY PASSENGER	
9	Full-time equated classified positions	39.0
10	Office of rail--39.0 FTE positions	\$ 6,483,400
11	Freight property management	1,000,000
12	Detroit/Wayne County port authority	468,200
13	Intercity services	8,060,000
14	Rail operations and infrastructure	125,491,500
15	Marine passenger service	<u>400,000</u>
16	GROSS APPROPRIATION	\$ 141,903,100
17	Appropriated from:	
18	Federal revenues:	
19	Federal aid - transportation programs	64,600,000
20	Special revenue funds:	
21	Local funds	260,000
22	Private funds	100,000
23	Comprehensive transportation fund	68,078,400
24	Intercity bus equipment fund	100,000
25	Rail freight fund	6,000,000
26	Michigan transportation fund	2,036,000
27	State trunkline fund	728,700

1	State general fund/general purpose	\$	0
2	Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT		
3	Specialized services	\$	17,938,900
4	Municipal credit program		2,000,000
5	Transit capital		59,403,500
6	Van pooling		195,000
7	Service initiatives		3,389,200
8	Transportation to work		<u>3,700,000</u>
9	GROSS APPROPRIATION	\$	86,626,600
10	Appropriated from:		
11	Federal revenues:		
12	Federal aid - transportation programs		26,850,000
13	Special revenue funds:		
14	Local funds		5,760,000
15	Comprehensive transportation fund		54,016,600
16	State general fund/general purpose	\$	0
17	Sec. 117. CAPITAL OUTLAY		
18	(1) BUILDINGS AND FACILITIES		
19	Salt storage buildings and containment control	\$	2,500,000
20	Special maintenance, remodeling, and additions		<u>3,001,500</u>
21	GROSS APPROPRIATION	\$	5,501,500
22	Appropriated from:		
23	Special revenue funds:		
24	State trunkline fund		5,501,500
25	State general fund/general purpose	\$	0
26	(2) AIRPORT IMPROVEMENT PROGRAMS		
27	Airport safety, protection, and improvement program ..	\$	93,943,000

1	Detroit Metropolitan Wayne County airport	<u>6,500,000</u>
2	GROSS APPROPRIATION	\$ 100,443,000
3	Appropriated from:	
4	Federal revenues:	
5	Federal aid - transportation programs	79,000,000
6	Special revenue funds:	
7	Local funds	12,508,500
8	State aeronautics fund	2,434,500
9	Qualified airport fund	6,500,000
10	State general fund/general purpose	\$ 0
11	Sec. 118. ONE-TIME BASIS ONLY	
12	GROSS APPROPRIATION	\$ 0
13	Appropriated from:	
14	State general fund/general purpose	\$ 0

15 PART 2

16 PROVISIONS CONCERNING APPROPRIATIONS

17 FOR FISCAL YEAR 2017-2018

18 **GENERAL SECTIONS**

19 Sec. 201. Pursuant to section 30 of article IX of the state
 20 constitution of 1963, total state spending from state resources
 21 under part 1 for fiscal year 2017-2018 is \$2,952,470,500.00 and
 22 state spending from state resources to be paid to local units of
 23 government for fiscal year 2017-2018 is \$1,715,980,300.00. The
 24 itemized statement below identifies appropriations from which
 25 spending to local units of government will occur:

1	STATE TRANSPORTATION DEPARTMENT	
2	Rail grade crossing - surface improvements	\$ 3,000,000
3	Urban county congestion	7,779,800
4	Local bridge program	28,282,900
5	Service initiatives	1,283,200
6	Transit capital	42,853,500
7	Rural county primary	7,779,800
8	Cities and villages	491,162,500
9	Grants to local programs	33,000,000
10	Local bus operating	187,250,000
11	Detroit/Wayne County Port Authority	468,200
12	Airport safety, protection, and improvement program ..	2,434,500
13	Forest roads	5,000,000
14	Grants to regional planning councils	488,800
15	Movable Bridge	2,555,000
16	Air service program	250,000
17	Local agency wetlands mitigation	2,000,000
18	Rail grade crossing	1,500,000
19	Transportation to work	3,700,000
20	Marine passenger service	400,000
21	Municipal credit program	2,000,000
22	Rural county urban system	2,500,000
23	Specialized services	3,853,900
24	Detroit Metropolitan Wayne County Airport	6,500,000
25	County road commissions	<u>880,938,200</u>
26	TOTAL	\$ 1,716,980,300
27	Sec. 202. The appropriations authorized under this part and	

1 part 1 are subject to the management and budget act, 1984 PA 431,
2 MCL 18.1101 to 18.1594.

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

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

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

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

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

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

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

11 (g) "IDG" means interdepartmental grant.

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

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

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

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

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

1 services, or both, that are manufactured or provided by Michigan
2 businesses owned and operated by veterans, if they are
3 competitively priced and of comparable quality.

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

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

20 (a) The dates of each travel occurrence.

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

26 Sec. 208. Funds appropriated in part 1 shall not be used by a
27 principal executive department, state agency, or authority to hire

1 a person to provide legal services that are the responsibility of
2 the attorney general. This prohibition does not apply to legal
3 services for bonding activities and for those activities that the
4 attorney general authorizes.

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

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

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

26 (3) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$1,000,000.00 for local

1 contingency funds. These funds are not available for expenditure
2 until they have been transferred to another line item in part 1
3 pursuant to section 393(2) of the management and budget act, 1984
4 PA 431, MCL 18.1393.

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

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

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

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

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

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

22 (e) Job specifications and wage rates.

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

1 estimated state restricted fund balances, state restricted fund
2 projected revenues, and state restricted fund expenditures for the
3 fiscal years ending September 30, 2017 and September 30, 2018.

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

8 Sec. 214. Total authorized appropriations from all sources
9 under part 1 for legacy costs for the fiscal year ending September
10 30, 2018 are \$63,943,300.00. From this amount, total agency
11 appropriations for pension-related legacy costs are estimated at
12 \$32,905,600.00. Total agency appropriations for retiree health care
13 legacy costs are estimated at \$31,037,700.00.

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

17 Sec. 217. The department shall provide notice to the speaker
18 of the house, the house minority leader, the senate majority
19 leader, the senate minority leader, the house and senate standing
20 committees on transportation, the appropriate house and senate
21 appropriations subcommittees on transportation, and the house and
22 senate fiscal agencies on proposed federal rule changes related to
23 the department that would require amendments to the laws of this
24 state. The notice shall be given within 30 business days of the
25 proposed federal rule being posted to the federal register and
26 shall include a description of the proposed federal rule, the
27 publication date, the date when public comment closes, the document

1 citation, and a description of the statutory changes needed when
2 the rule is finalized.

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

9 **DEPARTMENTAL SECTIONS**

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

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

1 Sec. 302. From the funds appropriated in part 1, the
2 department shall conduct a pilot program to cycle test concrete
3 pavement segments treated with a cement hydration catalyst and
4 sealant. The test shall simulate a longer design life on simulated
5 state trunkline roads. The department shall, in accordance with
6 1951 PA 51 and the department's new materials evaluation program,
7 conduct a cement hydration catalyst and sealant pilot program of
8 sufficient length of reconstructed or newly constructed state
9 trunkline, and test the quality and durability of the road
10 segments. Upon completing the testing, the department shall issue a
11 report to the legislature on or before September 30, 2018 on the
12 relative durability and quality of the treated pavement segments.

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

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

26 (2) The department shall charge public transit agencies and
27 intercity bus carriers equal rates per square foot for leasing

1 space in state-owned intermodal facilities.

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

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

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

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

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

1 report shall be subject to audit.

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

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

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

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

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

1 revolving state infrastructure bank fund and shall be available for
2 transportation infrastructure projects. At the close of the fiscal
3 year, any unencumbered funds remaining in the state infrastructure
4 bank fund shall remain in the fund and be carried forward into the
5 succeeding fiscal year.

6 (3) The department shall submit a report to the state budget
7 director, the house and senate appropriations subcommittees on
8 transportation, and the house and senate fiscal agencies on the
9 status of the state infrastructure bank. The report shall be
10 submitted on or before December 1, 2017. The report shall include
11 all of the following:

12 (a) The balance in the state infrastructure bank at September
13 30, 2017, including a breakdown of the balance by cash and cash
14 equivalents, outstanding loans, and balance available for loan to
15 local agencies.

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

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

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

26 Sec. 353. The department shall review its contractor payment
27 process and ensure that all prime contractors are paid promptly.

1 The department shall ensure that prime contractors are in
2 compliance with special provision 109.10 regarding the prompt
3 payment of subcontractors.

4 Sec. 357. When presented with complete local federal aid
5 project submittals, the department shall complete all necessary
6 reviews and inspections required to let local federal aid projects
7 within 120 days of receipt. The department shall implement a system
8 for monitoring the local federal aid project review process.

9 Sec. 375. The department is prohibited from reimbursing
10 contractors or consultants for costs associated with groundbreaking
11 ceremonies, receptions, open houses, or press conferences related
12 to transportation projects funded, in whole or in part, by revenue
13 appropriated in part 1.

14 Sec. 376. The department shall not spend funds appropriated in
15 part 1 for the purpose of examining the potential association
16 between commercial signs, outdoor advertising signs, billboards,
17 digital billboards, or commercial electronic variable message signs
18 and motor vehicle activity or motor vehicle driver behavior.

19 Sec. 381. The department shall require as a condition of each
20 contract or subcontract for construction, maintenance, or
21 engineering services that the prequalified contractor or
22 prequalified subcontractor agree to use the E-Verify system to
23 verify that all persons hired during the contract term by the
24 contractor or subcontractor are legally present and authorized to
25 work in the United States. The department may verify this
26 information directly or may require contractors and subcontractors
27 to verify the information and submit a certification to the

1 department. The department shall report to the house and senate
2 appropriations committees and the house and senate fiscal agencies
3 by March 1 of each year describing the processes it has developed
4 and implemented under provisions of this section. As used in this
5 section, "E-Verify" means an Internet-based system operated by the
6 Department of Homeland Security, U.S. Citizenship and Immigration
7 Services in partnership with the Social Security Administration.

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

15 Sec. 383. (1) The department shall prepare a report on use of
16 department-owned aircraft during the fiscal year ending September
17 30, 2017. With respect to each department-owned aircraft, the
18 report shall include all of the following:

19 (a) Total hours of usage.

20 (b) Description of specific flights including dates of travel,
21 names of passengers including state agency, university, or local
22 government affiliation, travel origin and destination, and total
23 estimated costs associated with the air travel.

24 (2) The report shall be submitted to the senate and house
25 appropriations subcommittees on transportation and the house and
26 senate fiscal agencies no later than February 1, 2018.

27 (3) The department shall maintain a system for recovering the

1 cost of operating department-owned aircraft through charges to
2 aircraft users.

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

9 Sec. 384. (1) Except as otherwise provided in subsection (2),
10 the department shall not obligate the state to expend any state
11 transportation revenue for construction planning or construction of
12 the Detroit River International Crossing or a renamed successor. In
13 addition, except as provided in subsection (2), the department
14 shall not commit the state to any new contract related to the
15 construction planning or construction of the Detroit River
16 International Crossing or a renamed successor that would obligate
17 the state to expend any state transportation revenue. An
18 expenditure for staff resources used in connection with project
19 activities, which expenditure is subject to full and prompt
20 reimbursement from Canada, shall not be considered an expenditure
21 of state transportation revenue.

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

26 Sec. 385. (1) The department shall submit reports to the state
27 budget director, the speaker of the house, the house minority

1 leader, the senate majority leader, the senate minority leader, the
2 house and senate appropriations subcommittees on transportation,
3 and the house and senate fiscal agencies on department activities
4 related to all nonconstruction or construction planning activities
5 related to the Detroit River International Crossing or a renamed
6 successor. The initial report shall be submitted on or before
7 December 1, 2017 and shall cover the fiscal year ending September
8 30, 2017.

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

11 (a) Department costs incurred in the fiscal year ending
12 September 30, 2017, including employee salaries, wages, benefits,
13 travel, and contractual services, and what activities those costs
14 were related to.

15 (b) Costs of other executive branch agencies incurred in the
16 fiscal year ending September 30, 2017, including employee salaries,
17 wages, benefits, travel, and contractual services, and what
18 activities those costs were related to.

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

21 (d) A breakdown of reimbursements made by Canada under section
22 384(1) to the state for expenditures for staff resources used in
23 connection with project activities.

24 (e) A narrative description of the status of the Detroit River
25 International Crossing or a renamed successor, including efforts
26 undertaken to implement provisions of the crossing agreement
27 executed June 15, 2012 by representatives of the Canadian

1 government and this state.

2 (3) After submission of the initial report, a subsequent
3 report shall be submitted on March 1, 2018, June 1, 2018, and
4 September 1, 2018 and shall include the same information described
5 in subsection (2) for the applicable previous fiscal quarter.

6 Sec. 386. The department shall use available toll credits, as
7 provided by private toll facilities in this state and certified by
8 the Federal Highway Administration, to secure federal funds to
9 fulfill expenses for limited access highway repairs and
10 reconstruction projects exceeding \$250,000.00 assessed to cities
11 prior to December 31, 2016 while in receivership under 2012 PA 436
12 and that did not receive approval from the transition advisory
13 board to enter into the project agreement provided by the
14 department.

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

18 (a) Transit vehicle rehabilitation to reduce life-cycle cost
19 of public transportation through midlife rehabilitation of transit
20 buses.

21 (b) Cooperation between entities using transit, including
22 school districts, cities, townships, and counties with a view to
23 promoting cost savings through joint purchasing of fuel and other
24 procurements.

25 (c) Coordination of transportation dollars among state
26 departments which provide transit-related services, including the
27 department of health and human services. Priority should be given

1 to use of public transportation services where available.

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

6 Sec. 394. The department and local road agencies shall make
7 the preservation of their existing road networks a funding
8 priority.

9 Sec. 395. (1) From the funds appropriated in part 1 for state
10 trunkline federal aid road and bridge construction, the department
11 may expend up to \$6,900,000.00 on highway maintenance activities to
12 support safety-related, high-priority, and other deferred routine
13 maintenance needs on Michigan's state trunkline network.

14 (2) From the funds appropriated in part 1 for state trunkline
15 federal aid road and bridge construction, the department shall
16 spend no less than \$3,100,000.00 to establish a grant program to
17 assist small villages with resurfacing costs. The program shall be
18 managed by the asset management council, which may deduct
19 administrative costs from the program not to exceed \$100,000.00.
20 The asset management council shall provide grants equal to 75% of
21 individual project costs to villages with a population of 2,000 or
22 less for resurfacing projects located within the jurisdiction of
23 those villages. The grants may not exceed \$250,000.00. When
24 awarding grants, the asset management council shall prioritize
25 project applications with the greatest return on total
26 infrastructure value.

27 Sec. 396. In soliciting proposals for contractual services,

1 other than construction contracts, the department shall obtain
2 assurance that the respondents have the financial capability,
3 equipment, work force, and prior work experience sufficient to
4 perform the proposed services.

5 Sec. 397. The department shall report annually to the house
6 and senate appropriations subcommittees and the house and senate
7 fiscal agencies all work project balances and all federal earmarks
8 not expended for the preceding fiscal year. The initial report
9 shall be submitted on or before February 1, 2018.

10 Sec. 398. The department shall continue to work to eliminate
11 fatalities and serious injuries on Michigan's trunkline and shall
12 maintain the Toward Zero Deaths (TZD) statewide safety campaign.
13 The department shall prioritize additional median cable guardrail
14 installation when appropriate to address trunkline locations with a
15 history of correctable fatal and serious injury crashes.

16 **FEDERAL**

17 Sec. 402. A portion of the federal DOT-FHWA highway research,
18 planning, and construction funds made available to this state shall
19 be allocated to transportation programs administered by local
20 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
21 247.660o. A local road agency, with respect to a project approved
22 for federal aid funding in a state transportation improvement
23 program, may enter into a voluntary buyout agreement with the
24 department or with another local road agency to exchange the
25 federal aid with state restricted transportation funds as agreed to
26 by the respective parties. The state restricted transportation

1 funds received in exchange for federal aid funds shall be used for
2 the same purpose as the federal aid funds were originally intended.

3 Sec. 403. After funding capital needs of existing 5310 program
4 recipients, the department shall fund replacement buses for rural
5 public transit systems that are indirect recipients under the 5310
6 program. Funding shall be prioritized by the percentage of senior
7 and disabled passengers of each rural public transit system until
8 funding is maximized.

9 **MICHIGAN TRANSPORTATION FUND**

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

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

20 (2) Interest earned in the department of transportation
21 economic development fund and local bridge fund shall remain in the
22 respective funds and shall be allocated to the respective programs
23 based on actual interest earned at the end of each fiscal year.

24 (3) In addition to the funds appropriated in part 1, the
25 department of transportation economic development fund and local
26 bridge fund may receive federal, local, or private funds or

1 restricted source funds such as interest earnings. These funds are
2 appropriated for projects that are consistent with the purposes of
3 the respective funds.

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

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

16 **STATE TRUNKLINE FUND**

17 Sec. 601. (1) The department shall work with the road
18 construction industry and engineering consulting community to
19 develop a warranty program for capital road and bridge
20 construction, reconstruction, and rehabilitation projects. In
21 developing the warranty program, the department shall consider all
22 of the following:

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

26 (b) Length of warranty.

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

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

5 (e) Use of warranties on local agency projects administered by
6 the department.

7 (f) Other measures used to identify premature failure of road
8 pavement or bridge elements and the related cause of those
9 failures.

10 (2) The department shall report on March 1 of each year to the
11 house of representatives and senate appropriations subcommittees on
12 transportation and the house and senate fiscal agencies on
13 provisions of the department's warrant program described under
14 subsection (1). The department shall timely inspect warrantied
15 projects prior to the expiration of any associated warranty.

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

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

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

23 (c) The number of active road and bridge construction
24 warranties.

25 (d) The number of road and bridge project warranties that
26 required corrective action, and the date or dates of any corrective
27 action.

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

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

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

10 (4) The report required under subsection (3) is due on March 1
11 of each calendar year, shall reflect the prior 12-month period, and
12 shall be transmitted to the house of representatives and senate
13 appropriations subcommittees on transportation, the state budget
14 director, and the house and senate fiscal agencies.

15 (5) The department shall maintain documentation to support
16 initial acceptance of warrantied projects, interim and final
17 inspections, and notifications to contractors that the warranty
18 period had expired. The department also shall review and evaluate
19 consultant evaluation requirements or recommendations and update
20 existing policies and procedures accordingly.

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

26 Sec. 605. (1) From the increased funds appropriated in part 1
27 for highway maintenance, the department shall expand highway

1 maintenance activities in the current fiscal year to support
2 flooding mitigation-related activities on limited access state
3 trunklines in Wayne, Oakland, and Macomb Counties, as well as other
4 safety-related, high-priority, and deferred routine maintenance
5 needs on Michigan's state trunkline network.

6 (2) The department shall identify specific outcomes and
7 performance measures, including, but not limited to, the following:

8 (a) Number of drainage catch basins cleaned on limited-access
9 state trunklines in Wayne, Oakland, and Macomb Counties during the
10 fiscal year ending September 30, 2018.

11 (b) Number of flooding-related closures on limited-access
12 state trunklines in Wayne, Oakland, and Macomb Counties during the
13 fiscal year ending September 30, 2018.

14 Sec. 606. From the funds appropriated in part 1 for highway
15 maintenance, the department shall expend \$5,000,000.00 for the
16 engineering and design of a rebuilding and modernization project on
17 I-94 between M-60 and Sargent Road in Jackson County. The
18 engineering and design work shall prepare the project for the
19 receipt of any future federal funds, if and when they become
20 available.

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

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

16 Sec. 670. (1) The department shall investigate, by way of bid
17 solicitation and all other practical means, the complete
18 refurbishment of all department winter maintenance trucks scheduled
19 for sale or retirement in the fiscal year ending September 30,
20 2018.

21 (2) On or before November 1, 2018, the department shall submit
22 to the house of representatives and senate appropriations
23 subcommittees and the house and senate fiscal agencies a final
24 report. The final report must include an analysis illustrating the
25 costs and benefits of the complete refurbishment of winter
26 maintenance trucks compared to the sale and purchase of new
27 equipment.

1 **TRANSIT AND RAIL RELATED FUNDS**

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

22 Sec. 702. Money that is received by this state as repayment
23 for loans made for rail or water freight capital projects, and as a
24 result of the sale of property or equipment used or projected to be
25 used for rail or water freight projects shall be deposited in the
26 rail freight fund created by section 17 of the state transportation
27 preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of

1 the fiscal year, any funds remaining in the rail freight fund shall
2 remain in the fund and be carried forward into the succeeding
3 fiscal year.

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

11 Sec. 704. From the funds appropriated in part 1, the
12 department shall prepare and transmit a report that provides detail
13 regarding the department's obligations for programs funded under
14 the appropriation in part 1 for rail operations and infrastructure.
15 The report shall include a breakdown of the appropriation by
16 program, year-to-date obligations under each program itemized by
17 project, and an estimate of future obligations under each program
18 itemized by project for the remainder of the fiscal year. The
19 initial report shall be submitted to the senate and house
20 appropriations subcommittees on transportation, the state budget
21 director, and the senate and house fiscal agencies, on or before
22 February 1, 2018. The department also shall update and resubmit the
23 final report on or before November 1, 2018. The department also
24 shall update and resubmit the final report for the 2016-2017 fiscal
25 year on or before November 1, 2017.

26 Sec. 706. The Detroit/Wayne County Port Authority shall issue
27 a complete operations assessment and a financial disclosure

1 statement. The operations assessment shall include operational
2 goals for the next 5 years and recommendations to improve land
3 acquisition and development efficiency. The report shall be
4 completed and submitted to the house of representatives and senate
5 appropriations subcommittees on transportation, the state budget
6 director, and the house and senate fiscal agencies by June 30 of
7 each fiscal year for the prior fiscal year.

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

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

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

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

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

20 (d) A discussion of major factors affecting route costs and
21 revenue and net state costs in the preceding fiscal year, and
22 factors affecting route costs and revenue and net state costs
23 anticipated in the current and future fiscal years.

24 Sec. 735. For the fiscal year ending September 30, 2018, the
25 appropriation to a street railway pursuant to section 10e(22) of
26 1951 PA 51, MCL 247.660e, is \$0.

27 Sec. 750. From the funds appropriated in part 1 for rail

1 operations and infrastructure, the department must expend at least
2 \$2,500,000.00 on freight economic development.

3 **AERONAUTICS FUND**

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

11 Sec. 803. Not later than November 1, 2017, the department, in
12 cooperation with the department of technology, management, and
13 budget, shall release a request for proposal seeking competitive
14 bids for the award of a contract for third party management and
15 sale of the department's aging aircraft. Third party management
16 shall include, but not be limited to: aircraft transportation
17 services, aircraft, aircraft personnel including pilots and
18 technicians, aircraft maintenance, aircraft facilities, and
19 aircraft fuel.

20 **CAPITAL OUTLAY**

21 Sec. 901. (1) From federal-state-local project appropriations
22 contained in part 1 for the purpose of assisting political entities
23 and subdivisions of this state in the construction and improvement
24 of publicly used airports and landing fields within this state, the
25 state transportation department may permit the award of contracts

1 on behalf of units of local government for the authorized locations
2 not to exceed the indicated amounts, of which the state allocated
3 portion shall not exceed the amount appropriated in part 1.

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

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

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