

Act No. 133
Public Acts of 1995
Approved by the Governor
July 9, 1995
Filed with the Secretary of State
July 10, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Senators Gast and DeGrow

ENROLLED SENATE BILL No. 304

AN ACT to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 1996; to provide for the imposition of fees; to provide for reports; to create certain funds; to prescribe certain powers and duties of certain state departments and officials; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 1996, from the following funds:

**STATE TRANSPORTATION DEPARTMENT
APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	3,632.4	
GROSS APPROPRIATION		\$ 1,873,577,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 1,873,577,100
Federal revenues:		
Total federal revenues		411,292,800
Special revenue funds:		
Total local revenues		5,250,000
Total private revenues		0
Total other state restricted revenues		1,457,034,300
State general fund/general purpose		\$ 0

DEBT SERVICE

State trunkline	\$ 48,481,600
Trunkline bonds, series 1989A-EDF (\$100,000,000)	8,202,500
Critical bridge	3,000,000
Comprehensive transportation	23,138,800
GROSS APPROPRIATION	\$ 82,822,900

For Fiscal Year
Ending Sept. 30,
1996

Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund	\$ 23,138,800
Michigan transportation fund	11,202,500
State trunkline fund	48,481,600
State general fund/general purpose	\$ 0
EXECUTIVE DIRECTION	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	35.1
Members of the state transportation commission (per diem payments)	\$ 60,000
Unclassified salaries	431,800
Commission Audit—35.1 FTE positions	2,940,600
GROSS APPROPRIATION	\$ 3,432,400
Appropriated from:	
Special revenue funds:	
State trunkline fund	3,432,400
State general fund/general purpose	\$ 0
ADMINISTRATIVE SERVICES	
Full-time equated classified positions	127.6
Administration and data center—81.4 FTE positions	\$ 23,700,700
Building occupancy charges-property management	4,229,000
Human resources—41.2 FTE positions	2,906,200
Economic development administration—5.0 FTE positions	537,800
Rent	1,940,000
Worker's compensation	2,381,100
GROSS APPROPRIATION	\$ 35,694,800
Appropriated from:	
Special revenue funds:	
General fund restricted purpose	130,000
State aeronautics fund	577,300
Comprehensive transportation fund	1,579,700
Michigan transportation fund	401,000
State trunkline fund	33,006,800
State general fund/general purpose	\$ 0
BUREAU OF FINANCE AND ADMINISTRATION	
Full-time equated classified positions	271.9
Administration—271.9 FTE positions	\$ 19,765,300
Vehicle inspection and maintenance program	2,500,000
GROSS APPROPRIATION	\$ 22,265,300
Appropriated from:	
Special revenue funds:	
Michigan transportation fund	469,400
Vehicle inspection and maintenance fees	2,500,000
State trunkline fund	19,295,900
State general fund/general purpose	\$ 0
BUREAU OF TRANSPORTATION PLANNING	
Full-time equated classified positions	201.1
Administration—201.1 FTE positions	\$ 15,985,200
Grants to regional planning councils	488,800
Federal contingency funds	20,000,000
State restricted contingency funds	69,000,000
Local and private contingency funds	250,000
GROSS APPROPRIATION	\$ 105,724,000

For Fiscal Year
Ending Sept. 30,
1996

Appropriated from:	
Federal revenues:	
DOT-FHWA Highway research, planning, and construction.....	\$ 6,000,000
Federal funds	20,000,000
Special revenue funds:	
Local funds.....	250,000
State aeronautics fund	226,700
Comprehensive transportation fund	1,618,500
Michigan transportation fund	4,788,400
State trunkline fund	3,840,400
State restricted funds	69,000,000
State general fund/general purpose	\$ 0

BUREAU OF HIGHWAYS

Full-time equated classified positions.....	1,925.9
Engineering operations—980.9 FTE positions	\$ 36,290,000
Maintenance operations—85.0 FTE positions	10,052,500
Program services—860.0 FTE positions	38,338,100
Testing services	(11,000,000)
GROSS APPROPRIATION	\$ 73,680,600

Appropriated from:	
Federal revenues:	
DOT-FHWA Highway research, planning, and construction.....	2,000,000
DOT-NHTSA, State and community highway safety.....	146,800
Special revenue funds:	
Michigan transportation fund	2,058,600
State trunkline fund	69,475,200
State general fund/general purpose	\$ 0

HIGHWAY MAINTENANCE

Full-time equated classified positions.....	888.6
State operations—888.6 FTE positions	\$ 87,573,400
Equipment rental.....	(18,000,000)
Sign and signal	(1,500,000)
Contract operations.....	114,487,900
GROSS APPROPRIATION	\$ 182,561,300

Appropriated from:	
Special revenue funds:	
State trunkline fund	182,561,300
State general fund/general purpose	\$ 0

ROAD AND BRIDGE PROGRAMS

Federal aid and road and bridge	\$ 426,862,200
Grants to local programs.....	33,000,000
Rail grade crossing.....	3,000,000
Critical bridge program.....	5,250,000
County road commissions.....	417,722,000
Cities and villages.....	232,898,800
GROSS APPROPRIATION	\$ 1,118,733,000

Appropriated from:	
Federal revenues:	
DOT-FHWA Highway research, planning, and construction.....	350,000,000
Special revenue funds:	
Local funds.....	5,000,000
Michigan transportation fund	691,620,800
State trunkline fund	72,112,200
State general fund/general purpose	\$ 0

For Fiscal Year
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TRANSPORTATION ECONOMIC DEVELOPMENT FUND

Forest roads	\$	5,000,000
Rural county urban system		2,500,000
Target industries/economic redevelopment		14,666,100
Urban county congestion.....		11,434,300
Rural county primary		11,434,300
GROSS APPROPRIATION	\$	45,034,700
Appropriated from:		
Special revenue funds:		
General fund restricted purpose.....		12,870,000
Michigan transportation fund.....		28,204,700
State trunkline fund		3,960,000
State general fund/general purpose	\$	0

BUREAU OF AERONAUTICS

Full-time equated classified positions.....	62.7	
Administration—62.7 FTE positions	\$	6,271,300
Air service program.....		1,000,000
GROSS APPROPRIATION	\$	7,271,300
Appropriated from:		
Special revenue funds:		
State aeronautics fund		7,271,300
State general fund/general purpose	\$	0

BUREAU OF URBAN & PUBLIC TRANSPORTATION

Full-time equated classified positions.....	119.5	
Administration—119.5 FTE positions	\$	9,303,100
GROSS APPROPRIATION	\$	9,303,100
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		8,098,900
Michigan transportation fund.....		1,204,200
State general fund/general purpose	\$	0

BUS TRANSIT DIVISION: STATUTORY OPERATING

Local bus operating.....	\$	107,000,400
Nonurban operating/capital		6,546,000
GROSS APPROPRIATION	\$	113,546,400
Appropriated from:		
Federal revenues:		
DOT-Federal transit act.....		6,546,000
Special revenue funds:		
Comprehensive transportation fund		107,000,400
State general fund/general purpose	\$	0

INTERCITY PASSENGER AND FREIGHT

Freight property management.....	\$	2,600,000
Detroit/Wayne county port authority		301,900
Intercity bus equipment.....		50,000
Rail passenger service		1,750,000
Freight preservation and development.....		7,200,000
Intercity bus service development		1,950,000
Marine passenger services		1,000,000
Terminal development		650,000
Intercity passenger and freight discretionary		3,833,900
GROSS APPROPRIATION	\$	19,335,800

For Fiscal Year
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1996

Appropriated from:	
Federal revenues:	
DOT-Federal transit act.....	\$ 1,000,000
DOT-FRA, Local rail service assistance	2,000,000
Special revenue funds:	
Rail preservation fund.....	1,000,000
Intercity bus equipment fund.....	50,000
Comprehensive transportation fund	15,285,800
State general fund/general purpose	\$ 0
PUBLIC TRANSPORTATION DEVELOPMENT	
Specialized services.....	\$ 3,100,000
Local share bonus.....	1,000,000
Effective service bonus	1,000,000
Municipal credit program.....	1,000,000
Bus capital.....	24,900,000
Technical studies.....	835,000
Ride sharing	262,500
Van pooling	125,000
Bus property management	225,000
Service development and new technology	1,460,000
Planning grants	50,000
Public transportation development discretionary	20,214,000
GROSS APPROPRIATION.....	\$ 54,171,500
Appropriated from:	
Federal revenues:	
DOT-Federal transit act.....	23,600,000
Special revenue funds:	
Comprehensive transportation fund	30,571,500
State general fund/general purpose	\$ 0

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this bill is \$1,457,034,300.00 and state spending to units of local government is as follows:

For Fiscal Year
Ending Sept. 30,
1996

Department of Transportation	
Michigan transportation fund	
Local grant program	\$ 33,000,000
Economic development fund.....	30,368,600
Grants to cities and villages	232,898,800
Grants to county road commissions.....	417,722,000
Critical bridge program.....	5,000,000
State trunkline fund	
Grants to regional planning councils.....	488,800
Critical bridge program interest.....	250,000
Comprehensive transportation fund	
Local bus operating.....	107,000,400
Bus capital.....	2,600,000
Marine passenger service.....	1,000,000
Detroit/Wayne County port authority	301,900
Local ride sharing operating grants.....	262,500
Planning grants	50,000
Local share bonus.....	1,000,000

		For Fiscal Year Ending Sept. 30, 1996
Effective service bonus	\$	1,000,000
Municipal credit program		1,000,000
Specialized services		3,100,000
Total payments to local units of government	\$	837,043,000

(2) When it appears to the principal executive officer of each department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 203. As used in this act:

- (a) "Department" means the department of transportation.
- (b) "DOT" means the United States department of transportation.
- (c) "DOT-FHA" means DOT-federal highway administration.
- (d) "DOT-FRA" means DOT-federal railroad administration.
- (e) "DOT-FTA" means DOT-federal transit administration.
- (f) "DOT-NHTSA" means DOT-national highway traffic safety administration.
- (g) "FTE" means full-time equated.
- (h) "IDG" means interdepartmental grant.

Sec. 205. (1) Beginning October 1, 1995, there is a hiring freeze imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees or prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in the state department or agency being unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exclusions to the hiring freeze approved during the previous month and the justification for the exclusion.

Sec. 206. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 208. The amounts appropriated from 1 fund to another fund shall be authorized pursuant to annual appropriations within the department responsible for each fund's appropriation.

Sec. 209. A program for which money is appropriated under section 101 shall utilize each eligibility requirement and benefit level established for the program that was in effect on May 1, 1995, unless the legislature has enacted a modification.

Sec. 210. Federal funds that become available after the effective date of this act and that are intended to replace federal money that had previously funded a program for which money is appropriated under section 101 shall be expended to continue that program. The continuation of a program and its funding under this section may occur by a transfer that complies with section 393 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

Sec. 211. If after the effective date of this act the federal government appropriates money to this state that is not designated for deposit into a specified fund or designated to implement a specified state or federal program, the money

shall be deposited in the state's general fund. All federal money deposited into the general fund under this section shall be appropriated from the state treasury in accordance with section 17 of article IX of the state constitution of 1963.

DEPARTMENTAL SECTIONS

Sec. 301. The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for which fees are not otherwise stipulated by law. A bridge authority shall hold 3 public hearings on a change in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge that the bridge authority has jurisdiction over. One hearing shall be held in Lansing.

Sec. 302. The department shall prepare an official transportation map that shall be distributed without charge. Each legislator shall receive a quantity of maps as determined by the legislative council.

Sec. 303. On request, the state treasurer shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. (1) The department shall comply with the state's affirmative action policy and shall establish and maintain an affirmative action program based on the guidelines developed by the Michigan equal employment and business opportunity council established pursuant to Executive Order No. 1994-16.

(2) The department shall programmatically insure that minority owned and women owned businesses be given equal participation opportunities in all aspects of the department's activities and with all governmental units with which the department deals.

Sec. 305. The department shall present to the house and senate appropriations transportation subcommittees an updated revenue report as the report becomes available from the office of revenue and tax analysis of the department of treasury.

Sec. 307. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. However, the department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 308. The department may permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department may require that revenue from the tenants be placed in an account to be used to pay the costs to maintain and improve the property.

Sec. 309. From the funds appropriated in section 101, the auditor general shall conduct an audit of charges to transportation funds by state departments. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a list of services charged to transportation funds, the appropriateness of those charges, and the cost allocation methodologies used in determining the level of funding, and provide the report, upon request, to any member of the senate and house of representatives and to the senate and house fiscal agencies by January 15, 1996.

Sec. 310. Before January 1, 1996, the department will provide to the legislature a listing by county or by county road commission of all highway construction projects for the fiscal year and a list of expected projects for the ensuing fiscal year.

Sec. 311. Funds appropriated in section 101 shall not be used for the purchase of foreign goods or services, or both, if competitively priced American goods or services, or both, of comparable quality are available.

Sec. 312. The department shall aggressively pursue compliance with contract specifications for construction of state highways. The department shall identify contractors who fail to meet minimum standards and will actively pursue remuneration efforts. Collections shall be deposited into the appropriate fund accounts.

Sec. 313. The department shall continue its efforts to privatize functions that can be efficiently and effectively performed by the private sector. Efforts shall include, but not be limited to, airports, roads, bridges, maintenance, rest areas, and other areas that would result in a savings to the state. The department shall also develop a strategy for

privatizing ownership of limited access highways. The department shall provide a written report to the house and senate appropriations subcommittees on transportation by February 1, 1996, listing functions that have been reviewed for privatization and estimated savings.

Sec. 314. The department shall submit an annual report on the cost of compliance with state and federal environmental regulations to the members of the house and senate subcommittees on transportation and to the house and senate fiscal agencies. This report shall include a cost-benefit analysis of these regulations, and an analysis of the benefits of a cleaner environment.

Sec. 315. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects. The department shall develop a plan to reduce the ratio of administrative costs to construction by a minimum of 1%. The plan shall be submitted to the house and senate appropriations subcommittees on transportation on or before December 31, 1995.

Sec. 316. The department shall prepare a report regarding the state takeover of the Davison freeway. The report shall include the progress of reconstruction, estimated costs, and construction dates. The report shall be submitted to the house and senate appropriations subcommittees on transportation no later than October 1, 1995.

Sec. 317. (1) In addition to amounts appropriated by section 101, there is appropriated from the motor vehicle emissions testing program fund established by the motor vehicle emissions testing program act, Act No. 232 of the Public Acts of 1993, being sections 257.2001 to 257.2042 of the Michigan Compiled Laws, and from the motor vehicle emissions inspection and maintenance program fund established by the motor vehicle emissions inspection and maintenance program act, Act No. 234 of the Public Acts of 1993, being sections 257.2051 to 257.2076 of the Michigan Compiled Laws, amounts sufficient to pay any services and requirements that may exist regarding the establishment and operation of mandatory motor vehicle emissions inspection and maintenance programs in this state in accordance with Act No. 232 of the Public Acts of 1993 and Act No. 234 of the Public Acts of 1993.

(2) Funds appropriated pursuant to subsection (1) shall only be used to administer plans in conformance with requirements of the United States environmental protection agency that result from that agency's findings concerning air quality attainment status for southeast Michigan and west Michigan.

(3) Funds appropriated pursuant to subsection (1) are allotted for expenditure by the department for administration and oversight. Interdepartmental transfers are authorized to the department of agriculture for gasoline inspection and testing and the department of state for enforcement of the motor vehicle emissions testing program through the vehicle registration process.

Sec. 318. To promote more effective management of employees within the bureau of highways, the director of the department may temporarily transfer positions between appropriation units within and between the highway engineering and highway maintenance programs to cover functions that the director considers to be critical due to seasonal fluctuations and emergency situations. The department shall report at the end of the fiscal year to the department of management and budget on the temporary cross-divisional transfers of positions pursuant to this section.

Sec. 319. The department shall provide copies of the approved minutes of monthly transportation commission meetings to the members of the house and senate subcommittees on transportation and to the house and senate fiscal agencies.

Sec. 320. At the close of the fiscal year ending September 30, 1996, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall be used for federal aid and road and bridge programs pursuant to section 11(1)(d) of Act No. 51 of the Public Acts of 1951, being section 247.661 of the Michigan Compiled Laws, for projects contained in an annual state transportation program approved by the legislature.

Sec. 321. The department shall work with the federal government regarding the development of a 4-lane limited access highway connecting south-central Michigan with Ohio.

FEDERAL

Sec. 401. (1) The projected apportionment for this state for the fiscal year ending September 30, 1996, from the intermodal surface transportation efficiency act of 1991, is \$485,556,500.00. The \$485,556,500.00 is projected to be broken down into the following categories (programs) of highway assistance:

Interstate construction	\$	14,494,200
Interstate resurfacing, restoration, rehabilitation, and reconstruction		88,096,300

National highway system.....	\$ 92,149,000
Surface transportation.....	95,178,100
Bridge.....	60,080,600
Congestion mitigation and air quality.....	28,154,900
Donor state bonus.....	32,508,500
Minimum allocation.....	51,727,900
Metropolitan planning.....	4,830,400
Highway research planning and construction.....	7,901,100
Federal forest.....	1,435,500
Total apportionment.....	\$ 485,556,500

(2) When the department receives authorization from the federal highway administration to commit funds from the federal government pursuant to 23 U.S.C. 157, it shall present to the senate and house appropriations transportation subcommittees the department’s recommendation for distribution of these funds. If a recommendation or recommendations are not disapproved within 30 business days by the senate and house appropriations transportation subcommittees, then the recommendation or recommendations shall be considered as approved.

Sec. 402. Funds appropriated in section 101 in line items identified as “federal contingency funds”, “state restricted contingency funds”, or “local and private contingency funds” shall not be available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, Act No. 254 of the Public Acts of 1933, being sections 475.1 to 479.43 of the Michigan Compiled Laws, and not appropriated to the department of commerce or the department of state police, is deposited in the Michigan transportation fund.

Sec. 502. The state treasurer shall perform audits and make investigations of the disposition of all state funds received by county road commissions and cities and villages for transportation purposes to determine compliance with the terms and conditions of Act No. 51 of the Public Acts of 1951, being sections 247.651 to 247.675 of the Michigan Compiled Laws. The county road commissions shall make available to the state treasurer the pertinent records for the audit.

Sec. 503. If a county road commission has entered into a contract with the department to eliminate or cut roadside weeds and if the weeds were eliminated or cut by a city or township after the city or township had requested the county to perform its contractual obligation, then the department shall reimburse the city or township and shall deduct that amount from the funds appropriated to the county involved. This action shall require prior approval of the department. The department shall consult with the department of agriculture prior to use of plant growth retardant on freeway or highway rights-of-way.

Sec. 504. (1) The funds appropriated in section 101 for the economic development 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 Act No. 231 of the Public Acts of 1987, being sections 247.901 to 247.914 of the Michigan Compiled Laws.

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

(3) The department of transportation economic development fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the fund in addition to funds appropriated in section 101.

Sec. 505. (1) Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreational improvement fund (RIF), and the state trunkline fund (STF), in accordance with Act No. 51 of 1951, being sections 247.651 to 247.675 of the Michigan Compiled Laws, and Act No. 221 of 1987, being sections 318.531 to 318.541 of the Michigan Compiled Laws, in amounts not to exceed \$128,285,100.00, \$36,775,000.00, \$12,973,200.00, and \$428,681,600.00 respectively, and may only be used as specified in Act No. 51 of 1951 and Act No. 221 of 1987.

(2) Appropriations of state restricted transportation funds have been made to the following departments and agencies in respective appropriation acts. The amounts appropriated to these departments and agencies are limited to the amounts listed below:

Department of attorney general.....	\$ 2,517,600.00
Department of civil service.....	4,193,700.00
Department of commerce (Washington office).....	29,100.00
Department of management and budget.....	1,027,300.00
Department of natural resources.....	794,300.00
Department of state.....	81,646,500.00
Department of state police.....	6,580,200.00
Department of treasury.....	6,421,600.00
Legislative auditor general.....	517,700.00

(3) The amounts appropriated and transferred to various state agencies from section 101 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee collection and other services applicable to transportation funds. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

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

(b) Description of services financed with transportation funds.

(4) If the spending authorization accounts also are to be used for financing other than transportation fund services, the agency shall submit cost allocation methods and rationale for the portion of costs allocated to transportation funds.

(5) At the close of each fiscal year and before April 1, each state agency shall submit a written report to the department of management and budget stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, and the amount of funds returned to the transportation funds. A copy of the report shall be submitted to the auditor general and the report shall be subject to audit by the auditor general.

(6) The department and the state agencies with which the department contracts in the manner provided in subsection (3) shall work together to explore methods of minimizing lapses or shortfalls in grants from transportation funds.

Sec. 506. The department, in conjunction with the department of state, shall issue an annual report on the costs of collecting all sources of Michigan transportation fund revenues and a plan for reducing the costs of collecting Michigan transportation fund revenues. This report shall be submitted to the house and senate subcommittees on transportation and the house and senate fiscal agencies.

Sec. 507. Of the amount appropriated in section 101 from the Michigan transportation fund to the department of state, \$186,600.00 represents the additional cost of issuing specialized license plates for veterans and national guard members, as included in Act Nos. 16, 17, 18, and 19 of the Public Acts of 1989. The department of state shall prepare an annual report on the number of and the additional costs associated with the veteran license plates to the department of transportation and the chairpersons of the house and senate appropriations subcommittees on transportation. Any unspent funds based on these annual reports shall lapse to the Michigan transportation fund and be distributed in accordance with Act No. 51 of the Public Acts of 1951, being sections 247.651 to 247.675 of the Michigan Compiled Laws.

Sec. 508. (1) Of the amount appropriated in section 101 from the Michigan transportation fund to the department of state, \$187,600.00 represents the additional cost of issuing generic license plates for nonprofit fraternal or public service organizations, as included in section 803m of the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being section 257.803m of the Michigan Compiled Laws.

(2) The department of state shall prepare an annual report on the number of, and the additional costs associated with, the generic license plates to the state transportation department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

(3) Any unspent funds based on these annual reports shall lapse to the Michigan transportation fund to be distributed in accordance with Act No. 51 of the Public Acts of 1951, being sections 247.651 to 247.675 of the Michigan Compiled Laws.

STATE TRUNKLINE FUND

Sec. 601. Pursuant to section 11 of Act No. 286 of the Public Acts of 1964, being section 247.811 of the Michigan Compiled Laws, the amount appropriated in section 101 for the state transportation commission may be expended for

per diem payments at the rate of \$75.00 per day, not to exceed \$10,000.00 in the fiscal year, for each member of the state transportation commission.

Sec. 602. (1) From the amount appropriated in section 101 for urban center maintenance, funds shall be expended to provide summer jobs for youths throughout this state.

(2) Payments made through the summer jobs for youth program to recipients of public assistance who are not a head of a household are considered to be county training program incentives.

(3) Following termination of income from this program and upon application by the recipient, the department of social services shall process the application according to procedures designed to reinstate with a minimum of delay the cash grants of persons determined eligible.

Sec. 604. From the funds appropriated in section 101, the department shall allocate sufficient revenue to construct an indoor restroom facility with full plumbing at the rest area on US-2 between Escanaba and Powers.

Sec. 605. From the funds appropriated in section 101, the department shall allocate sufficient state trunkline fund revenue to upgrade 3 roadside parks in the Upper Peninsula to downsize rest areas that shall remain open year round. The rest areas shall be located on M-28 between Munising and Newberry, on M-28 between Baraga and Marquette and on US-2 at Watersmeet.

COMPREHENSIVE TRANSPORTATION FUND

Sec. 701. Money that is returned to the state as repayment for a loan for intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of Act No. 51 of the Public Acts of 1951, being section 247.660b of the Michigan Compiled Laws, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, Act No. 295 of the Public Acts of 1976, being section 474.67 of the Michigan Compiled Laws.

Sec. 703. Entities that operate railroads and receive appropriations under section 101 shall expend those appropriations for goods and services of manufacturers, suppliers, and service companies located in this state, whenever practicable, if the goods and services are comparably priced and reasonably available.

Sec. 704. (1) The discretionary accounts in section 101 shall be used for programs and projects as determined by the department. The department shall inform the house and senate appropriations committees of the manner in which the funds in these accounts will be expended not less than 30 days before expenditure.

(2) If a situation arises that is considered to be an emergency by the director of the department, the requirement to inform the house and senate appropriations committees shall be waived. The director shall inform those committees of this action within 5 days of the action.

(3) If the department intends to alter a program after approval, the department shall follow the requirements of subsection (1).

Sec. 705. (1) The departments of mental health, public health, social services, and transportation, and the office of services to the aging within the department of management and budget shall develop a system to identify and collect the following information annually for each county:

(a) All operational and capital costs of services provided, contracted for, or purchased, to transport clients or program participants within the county, including all other funds received and expended for those purposes by the state department.

(b) Population groups that utilize transportation services by a percentage of the total number of persons who utilize the services.

(c) Services accessed through transportation provided by percentages of the total dollar amount expended for the services.

(d) All funding sources for transportation and amounts from each source.

(e) If known, provide the existence of interagency or countywide transportation planning or coordination, and the extent to which each state department participates.

(2) On an annual basis a model form shall be obtained from the department of management and budget to provide the information required in subsection (1).

(3) On or before December 31 of each year, the department shall report to the house and senate appropriations subcommittees on transportation on the development of the system required in subsection (1).

(4) The information collected for the fiscal year shall be submitted by each department on or before December 31 of the immediately following fiscal year to the respective house and senate appropriations subcommittees on transportation and the department of management and budget.

Sec. 706. The department shall use funding appropriated in section 101 to effect changes and improvements to rail infrastructure and to develop and implement a high speed rail program that serves passenger service in Michigan. Efforts shall include improving rail grade crossings, crossing signalization, and state owned rights-of-way. The department shall also actively pursue available federal funding for high speed rail projects.

Sec. 707. (1) From the funds appropriated in section 101, the department of transportation shall allocate sufficient comprehensive transportation fund revenue to continue 4-day rail passenger service from Grand Rapids to Chicago.

(2) The department shall work with Amtrak and local interests on increasing marketing efforts to promote awareness of rail passenger service and to increase ridership. The department shall also work with Amtrak to reduce the operating cost and to maximize the revenue of its rail passenger lines in Michigan including, but not limited to, privatization of food services aboard the train and selling of advertising space aboard the train.

Sec. 708. (1) The following rail lines are designated as an essential corridor in Michigan and shall receive priority in matters concerning operation, maintenance, and rehabilitation:

ANN ARBOR RAILROAD SYSTEM:

Toledo to north of Ann Arbor (Osmer).

Pittsfield Junction to Saline.

STATE OF MICHIGAN OWNED RAIL LINES (ACTIVE):

North of Ann Arbor (Osmer) to Durand, Durand to Owosso via Central Michigan Railway trackage rights, and then

Owosso to Ashley to Cadillac to Thompsonville.

(Tuscola and Saginaw Bay Railway)

Owosso north to Swan Creek. (TSB)

Cadillac north to Petoskey via Walton Junction. (TSB)

Walton Junction to Traverse City. (TSB)

Grawn via Traverse City to Williamsburg. (TSB)

Millington to Vassar to Munger. (TSB)

Vassar to Caro to Colling. (TSB)

Iron Mountain to Ontonagon via Channing. (Escanaba and Lake Superior Railroad)

Hillsdale to Indiana State Line via Reading. (Hillsdale County Railway)

Hillsdale to east of Quincy via Jonesville. (HCRC)

Jonesville to Litchfield. (HCRC)

Linwood to Sallings via West Branch and Grayling. (Detroit and Mackinac Railway)

Riga to west of Adrian. (Adrian and Blissfield Railroad)

Grosvenor to River Raisin. (A&B)

STATE OF MICHIGAN OWNED RAIL LINES (INACTIVE):

Weston to Morenci. (Inactive)

Arnheim to Lake Linden. (Inactive)

Thompsonville to Frankfort. (Inactive)

TUSCOLA AND SAGINAW BAY RAILWAY:

Middleton to Ashley.

HURON AND EASTERN RAILWAY:

Denmark Junction to Harger (Saginaw).

Saginaw to Bad Axe.

Bad Axe to Kinde.

Bad Axe to Croswell.
Palms to Harbor Beach.
Poland to Sandusky.

NORFOLK SOUTHERN RAILWAY COMPANY:

Detroit to Ohio State Line via Milan.

CSX TRANSPORTATION:

Ohio State Line to Saginaw via Plymouth and Flint.
Detroit to Grand Rapids via Plymouth and Lansing.
Grand Rapids to Indiana State Line via Holland and St. Joseph.
Holland to Montague via Muskegon.
Holland to Hamilton.
Berry to Fremont.
Saginaw to Brown City.
Saginaw to Midland.
Saginaw to Bay City to Essexville.
Saginaw to Paines.
Grand Rapids to Baldwin via Newaygo.
Baldwin to Ludington via Walhalla.
Walhalla to Manistee/Filer City.
Port Huron to Marine City.

MID-MICHIGAN RAILROAD:

Paines to Elwell via Alma.
Elmdale to Greenville.

COE RAIL, INC.:

Wixom to east of Walled Lake.

GRAND TRUNK WESTERN RAILROAD (CN NORTH AMERICA):

Port Huron to Indiana State Line via Flint, Durand, Lansing, Battle Creek, and Cassopolis.
Durand to Detroit via Pontiac.
Dearborn to Ohio State Line via Flat Rock and Dundee.
Port Huron to Detroit.
Richmond to Pontiac.
Pontiac to Lake Orion.
Detroit to Ohio State Line via Monroe.
Pavilion to Kalamazoo.

WISCONSIN CENTRAL LIMITED:

Canadian International Boundary at Sault Ste. Marie to Wisconsin State Line via Trout Lake and Gladstone.
Trout Lake to Baraga via Munising Junction and Marquette.
Munising to Munising Junction.
Baraga to Arnheim.
White Pine to Wisconsin State Line via Bergland.

ESCANABA AND LAKE SUPERIOR RAILROAD:

Escanaba/Wells to Channing.
Channing to Republic.
Iron Mountain to Wisconsin State Line.
At Menominee.

CHICAGO AND NORTH WESTERN TRANSPORTATION CO.:

Wisconsin State Line at Menominee to Escanaba via Powers.
Powers to Iron Mountain (Antoine).
Quinnesec to Wisconsin State Line.
Escanaba to Ishpeming.

LAKE SUPERIOR AND ISHPEMING RAILROAD:

Marquette to Republic Mine via Eagle Mills and Ishpeming.
Eagle Mills to Tilden Mine.

DETROIT AND MACKINAC RAILWAY:

Bay City to Linwood.
Pinconning to Hawks via Tawas City and Alpena.
Alabaster Junction to Alabaster.

Alpena to Paxton.
Posen to Rogers City.
Sallings to Cheboygan via Gaylord.

CENTRAL MICHIGAN RAILWAY:

Durand to Bay City via Saginaw.
Bay City to Midland.
Durand to Marne via Owosso and Ionia.

CONSOLIDATED RAIL CORPORATION:

Detroit to Kalamazoo via Jackson and Battle Creek.
Jackson to Lansing.
Detroit to Toledo.
Detroit to Carleton.
Detroit to Utica.
Jackson to Ackerson Lake.
Ottawa Lake to Ohio State Line.
Grand Rapids to Indiana State Line via Kalamazoo.
White Pigeon Junction to Sturgis.
Kalamazoo to Portage (Upjohn).
Plainwell to Otsego.
Grand Rapids to Kentwood (44 Street).

NATIONAL RAILROAD PASSENGER CORPORATION:

Kalamazoo to Indiana State Line via Niles.

CANADIAN NATIONAL RAILWAYS:

Detroit River Tunnel.
St. Clair River Tunnel.

DELRAY CONNECTING RAILROAD:

At Detroit.

KALAMAZOO, LAKE SHORE AND CHICAGO RAILWAY:

Hartford to Paw Paw.

LEELANAU TRANSIT CO.:

Hatch's Crossing to Suttons Bay.

LUDINGTON AND NORTHERN RAILWAY:

Ludington to North Epworth.

BRANCH AND ST. JOSEPH COUNTIES RAIL USERS ASSOCIATION:

Sturgis to east of Quincy.

MICHIGAN SHORE RAILROAD:

At Muskegon.

IRON CLIFFS RAILWAY COMPANY:

At Ishpeming.

(2) Any changes to the essential corridor list in subsection (1), including sales of state owned rights-of-way, shall be approved by the house and senate appropriations subcommittees on transportation.

(3) After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, Act No. 295 of the Public Acts of 1976, being section 474.58 of the Michigan Compiled Laws, the department shall immediately notify the house and senate appropriations subcommittees on transportation that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 709. (1) The appropriation in section 101 for van pooling shall be administered by the bureau of transportation planning of the department through grants to eligible authorities and eligible governmental agencies to insure coordination between van and car pooling programs and the transit systems operated by the eligible authorities and eligible governmental agencies.

(2) The department shall utilize competitive bidding for each grant awarded under subsection (1).

AERONAUTICS FUND

Sec. 801. At the close of the fiscal year ending September 30, 1996, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, Act No. 327 of the Public Acts of 1945,

being sections 259.1 to 259.208 of the Michigan Compiled Laws, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 802. Rates charged by the department for use of state aircraft shall be sufficient to cover the cost of maintenance, operation, repair, and replacement of the aircraft.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.