

HOUSE BILL No. 4364

February 9, 1995, Introduced by Reps. Mathieu, Geiger, DeLange, Dalman, Voorhees, Sikkema, Baade, LaForge, Agee and Hanley and referred to the Committee on Transportation.

A bill to amend sections 10c, 10e, and 10g of Act No. 51 of the Public Acts of 1951, entitled as amended

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, and comprehensive transportation fund; to provide for the deposits in the state trunk line fund, critical

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bridge fund, and comprehensive transportation fund of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal certain acts and parts of acts,"

sections 10c and 10e as amended by Act No. 73 of the Public Acts of 1990, being sections 247.660c, 247.660e, and 247.660g of the Michigan Compiled Laws; and to add section 10f.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Section 1. Sections 10c, 10e, and 10g of Act No. 51 of the
- 2 Public Acts of 1951, sections 10c and 10e as amended by Act
- 3 No. 73 of the Public Acts of 1990, being sections 247.660c,
- 4 247.660e, and 247.660g of the Michigan Compiled Laws, are amended
- 5 and section 10f is added to read as follows:
- 6 Sec. 10c. As used in this act:
- 7 (a) "Urban or rural area" means a contiguous developed area,
- 8 including the immediate surrounding area, where transportation
- 9 services should reasonably be provided presently or in the
- 10 future; the area within the jurisdiction of an eligible authori-
- 11 ty; or for the purpose of receiving funds for public transporta-
- 12 tion, a contiguous developed area having a population of less
- 13 than 50,000 population that has an urban public transportation
- 14 program approved by the state transportation department and for

- 1 which the state transportation commission determines that public 2 transportation services should reasonably be provided presently 3 or in the future.
- (b) "Eligible authority" means an authority organized pursu-5 ant to the metropolitan transportation authorities act of 1967, 6 Act No. 204 of the Public Acts of 1967, as amended, being sec-7 tions 124.401 to 124.426 of the Michigan Compiled Laws.
- (c) "Eligible governmental agency" means a county, city, or yvillage or an authority created pursuant to Act No. 55 of the 10 Public Acts of 1963, as amended, being sections 124.351 to 11 124.359 of the Michigan Compiled Laws; the urban cooperation act 12 of 1967, Act No. 7 of the Public Acts of the Extra Session of 13 1967, being sections 124.501 to 124.512 of the Michigan Compiled 14 Laws; Act No. 8 of the Public Acts of the Extra Session of 1967, 15 being sections 124.531 to 124.536 of the Michigan Compiled Laws; 16 Act No. 35 of the Public Acts of 1951, as amended, being sections 17 124.1 to 124.13 of the Michigan Compiled Laws; the public trans-18 portation authority act, Act No. 196 of the Public Acts of 1986, 19 being sections 124.451 to 124.479 of the Michigan Compiled Laws; 20 or the revenue bond act of 1933, Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.140 of the 22 Michigan Compiled Laws.
- 23 (d) "Transit vehicle" means a bus, rapid transit vehicle, 24 railroad car, water vehicle, taxicab, or other type of public 25 transportation vehicle or individual unit, whether operated 26 singly or in a group which provides public transportation.

- (e) "Transit vehicle mile," means a transit vehicle operated
- 2 for 1 mile in public transportation service including demand
- 3 actuated and line-haul vehicle miles.
- 4 (f) "Demand actuated vehicle" means a bus or smaller transit
- 5 vehicle operated for providing group rides to members of the gen-
- 6 eral public paying fares individually, and on demand rather than
- 7 in regularly scheduled route service.
- 8 (g) "Demand actuated vehicle mile" means a demand actuated
- 9 vehicle operated for 1 mile in service to the general public.
- (h) "Public transportation", "comprehensive transportation",
- 11 "public transportation service", "comprehensive transportation
- 12 service", "public transportation purpose", or "comprehensive
- 13 transportation purpose" means the movement of people and goods by
- 14 publicly or privately owned water vehicle, bus, railroad car,
- 15 aircraft, rapid transit vehicle, taxicab, or other conveyance
- 16 which provides general or special service to the public, but not
- 17 including charter or sightseeing service or transportation which
- 18 is exclusively for school purposes. Public transportation,
- 19 public transportation services, or public transportation pur-
- 20 poses; and comprehensive transportation, comprehensive transpor-
- 21 tation services, or comprehensive transportation purposes as
- 22 defined in this subdivision are declared by law to be transporta-
- 23 tion purposes within the meaning of section 9 of article IX of
- 24 the state constitution of 1963.
- (i) "State transportation commission" means the state trans-
- 26 portation commission or the state highway commission as

- established in section 28 of article V of the state constitution of 1963.
- (j) "Governmental unit" means the state transportation
 4 department, state highway commission or the state transportation
 5 commission, or a county road commission.
- 6 (k) "Department" or "department of transportation" means the 7 state transportation department, which may be referred to admin-8 istratively as the department of transportation.
- 9 (1) "LOCAL OPERATING FUNDS" MEANS ALL MONEY NOT PROVIDED BY
 10 THE STATE OR FEDERAL GOVERNMENT USED BY AN ELIGIBLE AUTHORITY OR
 11 ELIGIBLE GOVERNMENTAL AGENCY TO FUND ELIGIBLE OPERATING EXPENSES.
- Sec. 10e. (1) The comprehensive transportation fund is 13 appropriated for each fiscal year in the following order of 14 priority.
- (2) The first priority is to pay, but only from money

 16 restricted as to use by section 9 of article IX of the state con
 17 stitution of 1963, the principal and interest on bonds or notes

 18 issued under section 18b for comprehensive transportation pur
 19 poses as defined by law. A sufficient portion of the comprehen
 20 sive transportation fund is irrevocably appropriated to pay, when

 21 due, the principal and interest on those bonds and notes. THE

 22 COST OF BOND INTEREST SHALL BE ALLOCATED TO EACH TRANSPORTATION

 23 PROGRAM THAT RECEIVES A DISTRIBUTION UNDER SUBSECTIONS (4), (9),

 24 AND (10) FOR REIMBURSEMENT TO THE COMPREHENSIVE TRANSPORTATION

 25 FUND BEFORE A DISTRIBUTION IS MADE TO THAT TRANSPORTATION PROGRAM

 26 UNDER SUBSECTIONS (4), (9), AND (10).

- 1 (3) After making or setting aside payments required by
- 2 subsection (2), the second priority of the comprehensive
- 3 transportation fund is the payment of the department's cost in
- 4 administering the comprehensive transportation fund. The amount
- 5 to be expended pursuant to this subsection shall not exceed the
- 6 costs appropriated for the administration of the fund in the
- 7 fiscal year ending September 30, 1987, as adjusted annually on
- 8 October 1, by the change for the preceding 12 months in the
- 9 Detroit consumer price index for urban wage earners and shall be
- 10 appropriated annually by the legislature.
- (4) After making or setting aside payments required by sub-
- 12 sections (2) and (3), the balance of the comprehensive transpor-
- 13 tation fund beginning October 1, -1987 1995, shall be expended
- 14 each fiscal year as appropriated annually by the legislature pur-
- 15 suant to the state transportation program approved by the commis-
- 16 sion as follows: (a) 65% for the fiscal year ending September
- 17 30, 1988, and 70% for each fiscal year thereafter, ACCORDING TO
- 18 THE REQUIREMENTS OF THIS SUBSECTION AND SUBSECTIONS (9) AND
- 19 (10). EIGHTY PERCENT OF THE BALANCE FOR EACH FISCAL YEAR BEGIN-
- 20 NING WITH THE FISCAL YEAR ENDING SEPTEMBER 30, 1995 shall be dis-
- 21 tributed FOR USE as BOTH operating grants AND ROUTINE CAPITAL
- 22 GRANTS to eligible authorities and eligible governmental agencies
- 23 according to the following formulations and subject to the fol-
- 24 lowing requirements:
- 25 (i) For the fiscal year ending September 30, 1988, each
- 26 eligible authority and eligible governmental agency which
- 27 receives in those years grants under section 9 of the urban mass

1 transportation act of 1964, 49 U.S.C. 1607a, shall receive from 1 the funds distributed pursuant to this subparagraph a grant up to 3 50% of the difference between the eligible operating expenses of 4 the eligible governmental agency or eligible authority and the 5 amount of operating grants received by that agency or authority 6 pursuant to section 9 of the urban mass transportation act of 7 1964, 49 U.S.C. 1607a. For the fiscal year ending September 30, 8 1989, and for each fiscal year thereafter, each eligible author 9 ity and eligible governmental agency which provides public trans 10 portation services in urbanized areas under the provisions of 11 section 9 of the urban mass transportation act of 1964, 49 12 U.S.C. 1607a, except as provided in subparagraph (vi), shall 13 receive a grant of up to 40% of their eligible operating expenses 14 as defined by the state transportation department. Funds not 15 obligated at the end of the fiscal year shall be used for the 16 local share and effective bonus assistance programs described in 17 subdivision (d)(i). (ii) For the fiscal year ending September 30, 1988, each 18 19 eligible authority and eligible governmental agency which 20 receives in that year grants from the federal government under 21 section 18 of the urban mass transportation act of 1964, 49 22 U.S.C. 1614, shall receive from the funds distributed pursuant to 23 this subparagraph a grant up to 60% of the difference between the 24 eligible operating expenses of the eligible governmental agency 25 or eliqible authority and the amount of operating grants received 26 by that agency or authority under section 18 of the urban mass

27 transportation act of 1964, 49 U.S.C. 1614. For the fiscal year

- 1 ending September 30, 1989, and each fiscal year thereafter, each
- 2 eligible authority and eligible governmental agency which pro-
- 3 vides public transportation services in nonurbanized areas under
- 4 the provisions of section 10 of the urban mass transportation act
- 5 of 1964, 49 U.S.C. 1614, except as provided in subparagraph (vi),
- 6 shall receive a grant of up to 50% of their eligible operating
- 7 expenses as defined by the state transportation department.
- 8 Funds remaining at the end of the fiscal year shall be used for
- 9 the local share and effective bonus assistance programs described
- 10 in subdivision (d)(i).
- 11 (A) SIXTY PERCENT OF THIS AMOUNT SHALL BE DISTRIBUTED TO THE
- 12 REGIONAL TRANSIT COORDINATING COUNCIL CREATED IN SECTION 4A OF
- 13 THE METROPOLITAN TRANSPORTATION AUTHORITIES ACT OF 1967, ACT
- 14 NO. 204 OF THE PUBLIC ACTS OF 1967, BEING SECTION 124.404A OF THE
- 15 MICHIGAN COMPILED LAWS, WITH A SERVICE AREA CONTAINING MORE THAN
- 16 1,000,000 PERSONS FOR ALLOCATION TO THE ELIGIBLE AUTHORITIES AND
- 17 ELIGIBLE GOVERNMENTAL AGENCIES COORDINATED BY THE COUNCIL.
- 18 (B) THE REMAINING 40% OF THIS AMOUNT SHALL BE DIVIDED INTO 2
- 19 AMOUNTS BASED UPON THEIR RESPECTIVE SHARES OF THE TOTAL POPULA-
- 20 TION AND TOTAL MILES OF SERVICE IN THIS STATE FOR ALLOCATION TO
- 21 THOSE ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERNMENTAL AGENCIES
- 22 THAT PROVIDE PUBLIC TRANSPORTATION SERVICES IN URBANIZED AREAS
- 23 UNDER SECTION 9 OF THE URBAN MASS TRANSPORTATION ACT OF 1964, 49
- 24 U.S.C. 1607a, AND THOSE ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERN-
- 25 MENTAL AGENCIES THAT PROVIDE PUBLIC TRANSPORTATION SERVICES IN
- 26 NONURBANIZED AREAS UNDER SECTION 18 OF THE URBAN MASS
- 27 TRANSPORTATION ACT OF 1964, 49 U.S.C. 1614.

- | EACH ELIGIBLE AUTHORITY AND ELIGIBLE GOVERNMENTAL AGENCY SERVING
- 2 AN URBANIZED AREA SHALL RECEIVE A DISTRIBUTION THAT IS THE
- 3 GREATER OF 50% OF THE MOST RECENT AUDITED YEAR ELIGIBLE EXPENSES
- 4 OR THAT IS BASED UPON THE FOLLOWING WEIGHTED FACTORS:
- (i) 50% ON THE POPULATION OF THE SERVICE AREA.
- 6 (ii) 25% ON SERVICE MILES WITHIN THE SERVICE AREA.
- (iii) 25% ON THE AMOUNT OF LOCAL FUNDING PROVIDED.
- 8 IF THE ELIGIBLE AUTHORITY OR ELIGIBLE GOVERNMENTAL AGENCY SERVING
- 9 AN URBANIZED AREA HAS SUFFICIENT FUNDS TO MEET ITS CAPITAL NEEDS
- 10 AS DETERMINED ACCORDING TO ITS 3-YEAR PLAN, THE 50% MAXIMUM LIMI-
- 11 TATION PROVIDED FOR ELIGIBLE EXPENSES SHALL BE INCREASED TO 55%
- 12 FOR THAT YEAR.
- 13 EACH ELIGIBLE AUTHORITY AND ELIGIBLE GOVERNMENTAL AGENCY SERVING
- 14 A NONURBANIZED AREA SHALL RECEIVE A DISTRIBUTION THAT IS THE
- 15 GREATER OF 90% OF THE MOST RECENT AUDITED YEAR ELIGIBLE EXPENSES
- 16 OR THAT IS BASED ON THE FOLLOWING WEIGHTED FACTORS:
- 17 (iv) 50% ON THE POPULATION OF THE SERVICE AREA.
- 18 (ν) 25% ON SERVICE MILES WITHIN THE SERVICE AREA.
- 19 (vi) 25% ON THE AMOUNT OF LOCAL FUNDING PROVIDED.
- 20 IF THE ELIGIBLE AUTHORITY OR ELIGIBLE GOVERNMENTAL AGENCY SERVING
- 21 A NONURBANIZED AREA HAS SUFFICIENT FUNDS TO MEET ITS CAPITAL
- 22 NEEDS AS DETERMINED ACCORDING TO ITS 3-YEAR PLAN, NOT MORE THAN
- 23 60% OF THE AMOUNT OF THE DISTRIBUTION MAY BE USED FOR OPERATING
- 24 EXPENSES.
- 25 (C) A DISTRIBUTION UNDER SUBDIVISION (B) SHALL NOT EXCEED
- 26 THE MAXIMUM ESTABLISHED FOR AN ELIGIBLE AUTHORITY OR ELIGIBLE
- 27 GOVERNMENTAL AGENCY PLUS ITS ANTICIPATED CAPITAL NEEDS AS

- 1 ESTABLISHED IN THE 3-YEAR PLAN REQUIRED BY THIS SECTION. IF IT
- 2 IS SUBSEQUENTLY DETERMINED THAT A DISTRIBUTION HAS EXCEEDED THIS
- 3 MAXIMUM PLUS THE ANTICIPATED CAPITAL NEEDS, THE AMOUNT OF THE
- 4 EXCESS SHALL FIRST BE USED TO ENSURE THAT EACH ELIGIBLE AUTHORITY
- 5 AND EACH GOVERNMENTAL AGENCY RECEIVES THE MAXIMUM DISTRIBUTION
- 6 PERMITTED UNDER THIS SECTION. ANY AMOUNT REMAINING SHALL REVERT
- 7 TO THE DEPARTMENT AND SHALL BE INCLUDED IN THE DISTRIBUTION FOR
- 8 PUBLIC TRANSPORTATION PURPOSES UNDER SUBSECTION (10) FOR PROJECTS
- 9 FOR ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERNMENTAL AGENCIES SERV-
- 10 ING URBANIZED AND NONURBANIZED AREAS.
- 11 (D) IF THERE ARE INSUFFICIENT FUNDS TO MAKE THE DISTRIBUTION
- 12 IN SUBDIVISION (B) TO ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERN-
- 13 MENTAL AGENCIES SERVING URBANIZED AREAS, THEN EACH ELIGIBLE
- 14 AUTHORITY AND ELIGIBLE GOVERNMENTAL AGENCY SERVING AN URBANIZED
- 15 AREA WHOSE TOTAL DISTRIBUTION EXCEEDS THE MAXIMUM PERCENTAGE OF
- 16 ELIGIBLE EXPENSES, BEGINNING WITH THE ELIGIBLE AUTHORITY OR ELI-
- 17 GIBLE GOVERNMENTAL AGENCY SERVING AN URBANIZED AREA THAT RECEIVED
- 18 THE HIGHEST DISTRIBUTION UNDER SUBDIVISION (B), SHALL HAVE THEIR
- 19 DISTRIBUTION REDUCED IN THE FOLLOWING MANNER UNTIL THE DEFICIT IN
- 20 THE FUNDS TO BE DISTRIBUTED IS ELIMINATED:
- 21 (i) THE ELIGIBLE AUTHORITY OR ELIGIBLE GOVERNMENTAL AGENCY
- 22 SERVING AN URBANIZED AREA THAT RECEIVED THE HIGHEST PERCENTAGE OF
- 23 ELIGIBLE EXPENSES SHALL BE REDUCED TO EQUAL THE SECOND HIGHEST
- 24 PERCENTAGE RECEIVED BY AN ELIGIBLE AUTHORITY OR ELIGIBLE GOVERN-
- 25 MENTAL AGENCY SERVING AN URBANIZED AREA.
- 26 (ii) THE PROCESS DESCRIBED IN SUBPARAGRAPH (i) SHALL BE
- 27 REPEATED UNTIL ALL ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERNMENTAL

- 1 AGENCIES SERVING URBANIZED AREAS HAVE BEEN REDUCED TO THE MAXIMUM
- 2 PERCENTAGE OF ELIGIBLE EXPENSES, OR THE DEFICIT IN THE FUNDS TO
- 3 BE DISTRIBUTED IS ELIMINATED, WHICHEVER OCCURS FIRST.
- 4 IF SUBPARAGRAPHS (i) AND (ii) DO NOT COMPLETELY ELIMINATE A DEFI-
- 5 CIT IN THE FUNDS TO BE DISTRIBUTED, THEN EACH ELIGIBLE AUTHORITY
- 6 AND ELIGIBLE GOVERNMENTAL AGENCY SERVING AN URBANIZED AREA, AFTER
- 7 THE APPLICATION OF SUBPARAGRAPHS (i) AND (ii), SHALL HAVE ITS
- 8 DISTRIBUTION REDUCED PROPORTIONALLY BASED UPON THEIR RESPECTIVE
- 9 SHARES OF THE TOTAL DISTRIBUTION TO ALL ELIGIBLE AUTHORITIES AND
- 10 ELIGIBLE GOVERNMENTAL AGENCIES SERVING URBANIZED AREAS UNTIL THE
- 11 DEFICIT IN THE FUNDS TO BE DISTRIBUTED IS ELIMINATED.
- (E) IF THERE ARE INSUFFICIENT FUNDS TO MAKE THE DISTRIBUTION
- 13 IN SUBDIVISION (B) TO ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERN-
- 14 MENTAL AGENCIES SERVING NONURBANIZED AREAS, THEN EACH ELIGIBLE
- 15 AUTHORITY AND ELIGIBLE GOVERNMENTAL AGENCY SERVING A NONURBANIZED
- 16 AREA WHOSE TOTAL DISTRIBUTION EXCEEDS THE MAXIMUM PERCENTAGE OF
- 17 ELIGIBLE EXPENSES, BEGINNING WITH THE ELIGIBLE AUTHORITY OR ELI-
- 18 GIBLE GOVERNMENTAL AGENCY SERVING A NONURBANIZED AREA THAT
- 19 RECEIVED THE HIGHEST DISTRIBUTION UNDER SUBDIVISION (B), SHALL
- 20 HAVE THEIR DISTRIBUTION REDUCED IN THE FOLLOWING MANNER UNTIL THE
- 21 DEFICIT IN THE FUNDS TO BE DISTRIBUTED IS ELIMINATED:
- 22 (i) THE ELIGIBLE AUTHORITY OR ELIGIBLE GOVERNMENTAL AGENCY
- 23 SERVING A NONURBANIZED AREA THAT RECEIVED THE HIGHEST PERCENTAGE
- 24 OF ELIGIBLE EXPENSES SHALL BE REDUCED TO EQUAL THE SECOND HIGHEST
- 25 PERCENTAGE RECEIVED BY AN ELIGIBLE AUTHORITY OR ELIGIBLE GOVERN-
- 26 MENTAL AGENCY SERVING A NONURBANIZED AREA.

- 1 (ii) THE PROCESS DESCRIBED IN SUBPARAGRAPH (i) SHALL BE
- 2 REPEATED UNTIL ALL ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERNMENTAL
- 3 AGENCIES SERVING NONURBANIZED AREAS HAVE BEEN REDUCED TO THE MAX-
- 4 IMUM PERCENTAGE OF ELIGIBLE EXPENSES, OR THE DEFICIT IN THE FUNDS
- 5 TO BE DISTRIBUTED IS ELIMINATED, WHICHEVER OCCURS FIRST.
- 6 IF SUBPARAGRAPHS (i) AND (ii) DO NOT COMPLETELY ELIMINATE A DEFI-
- 7 CIT IN THE FUNDS TO BE DISTRIBUTED, THEN EACH ELIGIBLE AUTHORITY
- 8 AND ELIGIBLE GOVERNMENTAL AGENCY SERVING A NONURBANIZED AREA,
- 9 AFTER THE APPLICATION OF SUBPARAGRAPHS (i) AND (ii), SHALL HAVE
- 10 ITS DISTRIBUTION REDUCED PROPORTIONALLY BASED UPON THEIR RESPEC-
- 11 TIVE SHARES OF THE TOTAL DISTRIBUTION TO ALL ELIGIBLE AUTHORITIES
- 12 AND ELIGIBLE GOVERNMENTAL AGENCIES SERVING NONURBANIZED AREAS
- 13 UNTIL THE DEFICIT IN THE FUNDS TO BE DISTRIBUTED IS ELIMINATED.
- 14 (F) A DISTRIBUTION UNDER THIS SUBSECTION SHALL BE AVAILABLE
- 15 FOR EXPENDITURE FOR OPERATING EXPENSES FOR 1 YEAR AND FOR CAPITAL
- 16 EXPENSES FOR 3 YEARS.
- (5) -(iii) Funds shall not be distributed to an eligible
- 18 authority or eligible governmental agency under this act unless
- 19 the eligible authority or eligible governmental agency provides
- 20 or agrees to provide preferential fares for public transportation
- 21 services to persons 65 years of age or over or handicappers
- 22 riding in off peak periods of service. As used in this section,
- 23 "handicapper" means a handicapped person as that term is defined
- 24 by the United States department of transportation in 49 C.F.R.
- 25 part 27. The preferential fares shall not be higher than 50% of
- 26 the regular 1-way single fare.

- (6) -(iv) Eligible authorities and eligible governmental agencies shall not engage in charter service using vehicles, facilities, or equipment funded under this act except on an incidental basis as defined by 49 C.F.R. part 604.
- (7) (v) Notwithstanding any other provision of this subsec-6 tion, for the fiscal years ending September 30, 1989, 1990, and 7 1991, each eligible authority and eligible governmental agency 8 shall receive a distribution from the comprehensive transporta 9 tion fund not less than the distribution received for eligible 10 operating expenses for the fiscal year ending September 30, 11 1987. Beginning with the fiscal year ending September 30, 1992 12 and each fiscal year thereafter, each eligible authority and eli-13 gible governmental agency shall receive a distribution from the 14 comprehensive transportation fund for eligible operating expenses 15 not less than the distribution received for the fiscal year 16 ending September 30, 1989 1991. As it relates to this subsec-17 tion the ratio between comprehensive transportation funds and 18 local funds in the base years shall be maintained for all fiscal 19 years by the eligible authority and eligible governmental 20 agency. Reductions in this ratio shall require a proportionate 21 reduction in the comprehensive transportation funds provided for 22 any fiscal year. THE DISTRIBUTION LEVEL OF AN ELIGIBLE AUTHORITY 23 OR AN ELIGIBLE GOVERNMENTAL AGENCY PROVIDING PUBLIC TRANSPORTA-24 TION SERVICES RECEIVING A DISTRIBUTION UNDER SUBSECTION (4)(B) 25 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1991 MAY BE ADJUSTED FOR

26 THE PURPOSE OF THIS SUBSECTION DUE TO A LOWER LEVEL OF CAPITAL

27 EXPENDITURES FOR THAT FISCAL YEAR.

- 1 (vi) Notwithstanding any other provision of this
- 2 subsection, operating grants to eligible authorities and eligible
- 3 governmental agencies shall not increase from I fiscal year to
- 4 the next fiscal year by an amount greater than the percentage
- 5 change between the comprehensive transportation fund revenues
- 6 appropriated for the purposes of this subdivision in the preced-
- 7 ing fiscal year, except for the fiscal year ending September 30,
- 8 1989, in which case the fiscal year ending September 30, 1987
- 9 shall be used, and the estimated comprehensive transportation
- 10 fund revenues to be appropriated for the purposes of this subdi-
- 11 vision for the fiscal year for which grants are authorized under
- 12 this subsection. Any funds remaining under this subdivision
- 13 after this determination is made are hereby authorized to be used
- 14 for the purposes of subdivision (d)(i). The department shall
- 15 make this determination by March I of each year.
- 16 (8) (vii) Each eligible authority and eligible governmen-
- 17 tal agency receiving comprehensive transportation funds shall
- 18 prepare and submit to the department a quarterly report of the
- 19 progress made in carrying out its local transportation program
- 20 within 40 days after the end of each fiscal year quarter. The
- 21 progress report shall be made on forms authorized by the United
- 22 States Department DEPARTMENT of transportation under the provi-
- 23 sions of -public law +00 +7 SECTION 15 OF THE URBAN MASS TRANS-
- 24 PORTATION ACT OF 1964, 49 U.S.C. 1611.
- 25 (viii) The department may periodically adjust or redistrib
- 26 ute comprehensive transportation funds previously distributed
- 27 under this subdivision.

(b) 35% for the fiscal year ending September 30, 1988, shall 2 be distributed by the department for public transportation 3 purposes. Funds distributed under this subdivision shall be A expended pursuant to specific line item appropriation for, but 5 are not limited to, the following public transportation 6 purposes: (i) Not less than \$850,000.00 in each fiscal year for oper 8 ating assistance grants for specialized services. As used in 9 this subparagraph, "specialized services" means public transpor 10 tation services primarily designed for persons who are handicap-11 pers or who are 65 years of age or older. (ii) Operating and capital grants to eligible authorities 12 13 and eligible governmental agencies for new small bus service. (iii) Intercity passenger transportation purposes: 14 (iv) Intercity freight transportation purposes. 15 (v) Bus capital expenditure matching funds. 16 (vi) Supplemental operating assistance to eligible authori-17 18 ties and eligible governmental agencies. (vii) Not more than \$1,000,000.00 in each fiscal year for 19 20 the credit program created under section 10%. (viii) Public transportation development. 21 (9) -(c)- Not less than 10% for the fiscal year ending 22 23 September 30, 1989, and each fiscal year thereafter, shall be 24 distributed by the department for intercity passenger and inter-25 city freight transportation purposes. (10) -(d) 20% TEN PERCENT for the fiscal year ending

27 September 30, -1989- 1995, and each fiscal year thereafter, shall

- 1 be distributed by the department for public transportation
- 2 purposes. Funds distributed under this subdivision SUBSECTION
- 3 shall be expended pursuant to specific line item appropriation
- 4 for, but are not limited to, the following public transportation
- 5 purposes:
- 6 (i) Beginning with the fiscal year ending September 30,
- 7 1989, the local share and effective bonus assistance programs.
- 8 The local share and effective bonus assistance programs shall
- 9 each be funded with not less than \$1,000,000.00 from funds dis-
- 10 tributed under this subdivision. Eligible authorities and eligi-
- 11 ble governmental agencies shall receive local share and effective
- 12 bonus assistance funds according to guidelines developed by the
- 13 department. Any undistributed funds from subdivision (a) may
- 14 also be used for the purpose of this program.
- 15 (A) $\frac{(ii)}{(ii)}$ Beginning with the fiscal year ending
- 16 September 30, 1989, the specialized services assistance program.
- 17 The specialized services assistance program shall be funded with
- 18 not less than \$2,000,000.00 from funds distributed under this
- 19 subdivision SUBSECTION. Funds shall be distributed according
- 20 to guidelines developed by the department based upon the follow-
- 21 ing considerations:
- 22 (i) $\overline{\text{(A)}}$ Proposals for coordinated specialized services
- 23 assistance funding shall be developed jointly between existing
- 24 eligible authorities or eligible governmental agencies that pro-
- 25 vide public transportation services and the area agencies on
- 26 aging or any other organization representing specialized services
- 27 interests, as defined in this subdivision. Plans shall be

- reviewed and approved by the bureau of urban and public transportation of the department. Upon approval, the department shall release the funds to the eligible authority or eligible governmental agency which shall then allocate the funds to the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision, for the purchase of services as approved in the plan by the department.
- (ii) —(B)— If an eligible authority or eligible governmental 10 agency does not exist to provide public transportation service in 11 a county, coordinated proposals for specialized services assist—12 ance funding may be submitted by the area agency on aging or any 13 other organization representing specialized services interests, 14 as defined in this subdivision. The proposals shall be reviewed 15 and approved by the bureau of urban and public transportation of 16 the department. Upon approval, the department shall release the 17 funds to the area agency on aging or any other organization rep-18 resenting specialized services interests, as defined in this 19 subdivision, for the purchase of services as approved in the plan 20 by the department.
- 21 (iii) -(C) For the purposes of this program, "specialized 22 services" means -public transportation primarily designed for 23 persons who are handicappers or who are 65 years of age or 24 older.
- 25 (B) NONROUTINE CAPITAL PROJECTS AS CONTAINED IN THE 3-YEAR
 26 PLAN REQUIRED BY THIS SECTION AND SUBJECT TO REVIEW BY THE STATE
 27 TRANSPORTATION DEPARTMENT AS PROVIDED IN SUBSECTION (14).

- 1 (C) (tii) Local bus capital.
- 2 (D) -(iv) Local bus new services.
- 3 (E) -(v) Not more than \$1,000,000.00 in each fiscal year
- 4 for the credit program established under section -101 10%.
- 5 (F) $\frac{(vi)}{(vi)}$ Public transportation development.
- (G) -(vii) Other public transportation programs approved by
 the commission.
- 8 (11) -(e) The unappropriated and unencumbered balance of
- 9 the comprehensive transportation fund REMAINING ON SEPTEMBER 30.
- 10 1995 lapses at the end of each fiscal year and reverts to the
- 11 comprehensive transportation fund for appropriation in the fol-
- 12 lowing fiscal year UNDER THE REVISED FORMULA PROVIDED BY THE 1995
- 13 AMENDATORY ACT THAT AMENDED THIS SECTION. BEGINNING OCTOBER 1,
- 14 1995, THE UNAPPROPRIATED AND UNENCUMBERED BALANCE OF THE COMPRE-
- 15 HENSIVE TRANSPORTATION FUND LAPSES AT THE END OF EACH FISCAL YEAR
- 16 AND REVERTS BACK TO THE FUND FOR APPROPRIATION IN THE FOLLOWING
- 17 FISCAL YEAR IN THE MANNER PROVIDED IN THIS SECTION.
- 18 (12) (5) Eligible authorities and eligible governmental
- 19 agencies shall receive capital grants each fiscal year by the
- 20 annual process described in this section. Amounts received by an
- 21 eligible authority or eligible governmental agency pursuant to
- 22 this subsection shall be expended by that authority or agency
- 23 solely for capital projects which have been approved by the state
- 24 transportation commission. Any funds approved by distribution to
- 25 an eligible authority or eligible governmental agency pursuant to
- 26 this section which have not been encumbered by that agency or
- 27 authority for an approved capital project by the end of the

- following fiscal year in which the funds were approved shall not be expended by the authority or agency and be available for distribution from the comprehensive transportation fund for the purposes described in this section.
- (13) (6) The department, in carrying out the policy of the 6 state transportation commission, shall annually prepare and dis-7 tribute by December I, instructions to eligible governmental 8 agencies, eligible authorities, and intercity carriers to enable 9 the preparation of a local transportation program. Eligible gov-10 ernmental agencies, eligible authorities, and intercity carriers 11 shall give public notice of their intent to apply for money in 12 the comprehensive transportation fund to the residents of the 13 counties, townships, villages, and cities affected by the local 14 transportation program and shall make their application available 15 for a period of 30 days. All comments received by the eligible 16 governmental agency, eligible authority, or intercity carrier 17 shall be transmitted to the department.
- (14) (7)— On or before March 1 of each year, each intercity 19 carrier, eligible authority, and eligible governmental agency 20 shall submit to the department its local transportation program 21 for the next 3 succeeding fiscal year. The format for each 22 local transportation program shall be as prescribed by the fed 23 eral transportation improvement program insofar as practical and 24 YEARS. EACH LOCAL TRANSPORTATION PROGRAM shall include project 25 descriptions, funding sources, and justification for each line 26 item, and summary budgets based on distributions anticipated 27 under subsection (4)— THIS SECTION. The program shall contain

- 1 at a minimum the contemplated routes, hours of service, estimated
- 2 transit vehicle miles, costs of public transportation services,
- 3 and projected capital improvements or projects as exclusively
- 4 determined by the eligible authority or eligible governmental
- 5 agency. The -costs of service and capital improvements or
- 6 projects shall be in sufficient detail to permit the state
- 7 transportation department to evaluate and approve the annual
- 8 SHALL REVIEW LOCAL public transportation -program PROGRAMS
- 9 SOLELY FOR THE PURPOSE OF DETERMINING WHETHER THE PROPOSED EXPEN-
- 10 DITURES OF THE CARRIER, AUTHORITY, OR AGENCY ARE ELIGIBLE EXPEN-
- 11 DITURES AND WHETHER THE EXPENDITURES PROVIDE SUFFICIENT RESOURCES
- 12 TO OPERATE THE EQUIPMENT AND FACILITIES PROPOSED IN THE PLAN.
- 13 Determination of individual projects to be included in the local
- 14 transportation programs other than those provided in this subsec-
- 15 tion shall be made by the governing body of the eligible author-
- 16 ity or eligible governmental agency.
- 17 (15) -(8) On or before March 1 of each year, the department
- 18 shall prepare and file for public inspection and review the
- 19 department transportation program. The department transportation
- 20 program shall be prepared on similar format to the local trans
- 21 portation programs, and shall include a summary description of
- 22 projects, with funding sources and project justifications for
- 23 each line item for the fiscal year immediately succeeding the
- 24 fiscal year in which the program is submitted. In addition, the
- 25 department transportation program shall include summary, nonde-
- 26 tailed budget and project descriptions and justifications
- 27 excluding projects contained in a local transportation program.

- 1 (16) —(9)— On or before April 1 of each year, the department 2 shall prepare and file with the commission the proposed state 3 transportation program for the next succeeding fiscal year. The 4 proposed state transportation program shall contain the local 5 transportation programs of each intercity carrier, eligible 6 authority and eligible governmental agency, the department trans-7 portation program, and the programs for the expenditure of the 8 state trunk line fund as they may have been supplemented, 9 amended, or modified since their original filing. The state 10 transportation program shall include the estimated amount of 11 money in the funds described in this subsection by revenue 12 source, project justifications, project descriptions funding 13 sources, and budget summaries.
- (17) (10) On or before May 1 of each year, the state

 15 transportation commission shall act on the state transportation

 16 program for the fiscal year commencing on the following

 17 October 1. In considering approval of the proposed projects of

 18 each intercity carrier, eligible authority, or eligible govern
 19 mental agency, other than projects which are to be funded pursu
 20 ant to subsection (5) (12), the state transportation commission

 21 shall consider whether the projects comply with state law, are

 22 within funds allocated in this section, whether they may be

 23 funded within the approved budgets, AND whether there are inter
 24 city carriers, eligible authorities, and eligible governmental

 25 agencies responsible to implement the projects. —, and the recom
 26 mendations of the department on individual projects. Upon making

 27 those determinations, the state transportation commission shall

- 1 approve the projects which best meet the criteria of this
- 2 subsection.
- 3 (18) -(++) By October 1, the department and each intercity
- 4 carrier, eligible authority, or eligible governmental agency
- 5 shall enter into a contractual agreement or standardized grant
- 6 memorandum of agreement, which may cover 1 or more projects to be
- 7 made from this section in the applicable fiscal year to the
- 8 intercity carrier, eligible authority, or eligible governmental
- 9 agency from the comprehensive transportation fund.
- 10 (19) -(+2) After IN THE CASE OF A DISTRIBUTION OF A GRANT
- 11 TO AN ELIGIBLE AUTHORITY OR AN ELIGIBLE GOVERNMENTAL AGENCY UNDER
- 12 SUBSECTION (4), AFTER a multiyear public transportation program
- 13 is approved by the state transportation commission, the state
- 14 transportation department -may SHALL enter into a grant-in-aid
- 15 instrument with an eligible authority, intercity carrier, or eli-
- 16 gible governmental agency obligating the state to a minimum level
- 17 of funding for approved projects to be available over the multi-
- 18 year period of the program. This obligation shall be binding
- 19 upon the state transportation department as long as the provi-
- 20 sions and conditions of the state transportation commission
- 21 approved program are carried out as agreed.
- 22 (20) $\frac{(+3)}{(+3)}$ Contracts and grant memorandum agreements may be
- 23 audited by the state transportation commission's office of com-
- 24 mission audits using rules promulgated by the United States gen-
- 25 eral accounting office and the terms and conditions of the
- 26 respective contracts and agreements. Third party agreements are
- 27 subject to the review and approval of the department.

(21) - (14) Funds distributed by the department may pay 100% 2 of the portion of the cost not eligible for reimbursement by the 3 federal government for eligible capital projects authorized by 4 the state transportation commission using comprehensive transpor-5 tation funds or the proceeds of notes and bonds issued under sec-6 tion 18b. Priority for funding obligation shall be given to cap-7 ital projects for which federal funds have been authorized. -(15) All approved local bus new services initiated by eli 4 gible authorities and eligible governmental agencies not in their 10 fourth year or beyond of funding on October 1, 1988, shall be 11 funded from subsection (4)(d)(iv). Local bus new services shall 12 be funded under subsection (4)(d)(iv) in the following percen-13 tages of eligible operating expenses as determined by the 14 department: (a) Startup 100%. 15 16 (b) First year 90%. (c) Second year 80%. 17 (d) Third year 70%. 18 (e) Fourth year and each year thereafter, up to 40% if such 19 20 service is provided within an urbanized area, up to 50% if such 21 service is provided within a nonurbanized area. 22 The balance of eligible operating expenses shall be met from 23 local revenue sources including farebox. The department shall 24 pay up to 100% of eligible capital expenses during the startup 25 and first 3 years of service, after the third year, the depart 26 ment shall participate in eligible capital expenses in the same 27 percentage as for other eligible authorities and eligible

- 1 governmental agencies. For the purposes of this subsection,
- 2 eliqible operating and capital expenses means those expenses
- 3 determined by the department as applicable to existing eliqible
- 4 authorities and eligible governmental agencies. The department
- 5 shall prioritize annually all requests for comprehensive trans-
- 6 portation funds to institute new services under this subsection.
- 7 First priority shall be given to eligible authorities and eligi-
- 8 ble governmental agencies who have not completed their first 3
- 9 years of service by October 1, 1988. New services initiated by
- 10 eligible authorities and eligible governmental agencies under
- 11 this subsection shall meet all of the requirements of section
- 12 +0.
- 13 (22) -(+6)— The department shall pay up to 80% of the por-
- 14 tion of the cost not eligible for reimbursement by the federal
- 15 government for intercity passenger operating assistance projects
- 16 authorized by the commission for the first 2 years of new
- 17 services. For the third year, eligible costs shall be reimbursed
- 18 at up to 60% of the portion of the cost not eligible for reim-
- 19 bursement by the federal government. After the third year, eli-
- 20 gible costs shall be reimbursed at up to 50% of the portion of
- 21 the cost not eligible for reimbursement by the federal
- 22 government. Eligible costs of services provided as of September
- 23 30, 1981, shall be reimbursed at up to 50% of the portion of the
- 24 cost not eligible for reimbursement by the federal government.
- 25 However, the amount of funds from the comprehensive transporta-
- 26 tion fund when added to federal funds and local funds shall not
- 27 exceed the total operating assistance project cost.

- (23) (17) A vehicle purchased, leased, or rented after November 15, 1976, by an eligible authority or eligible governmental agency with funds made available under this act, which funds were not already committed under a contract in existence on November 15, 1976, shall not be used to provide service on a fixed schedule and fixed route for which a passenger fee is charged unless the vehicle is accessible to a person using a wheelchair from a roadway level or curb level, and has accommodations in which 1 or more wheelchairs can be secured.
- (24) (18)— A vehicle shall not be purchased, leased, or it rented by an eligible authority or eligible governmental agency 2 after October 1, 1978, with funds made available under this act 3 which vehicle is used to provide demand actuated service unless 4 the eligible authority or eligible governmental agency has sub-15 mitted a plan to the state transportation department describing 16 the service to be provided by the demand actuated service to per-17 sons 65 years of age or older and handicappers within the appli-18 cable service area and that plan has been approved by the 19 department. The department shall approve the plan as submitted 20 or modified or shall reject the plan within 60 days after the 21 plan is submitted. A plan which describes the service to be pro-22 vided by the demand actuated service shall not be approved by the 23 department unless that plan provides the following:
- (a) That demand actuated service will be provided to persons
 25 65 years of age or older and handicappers residing in the entire
 26 service area subject to the plan.

- 1 (b) That as a minimum, demand actuated service will be
- 2 provided to persons 65 years of age or older and handicappers
- ${f 3}$ during the same hours as service is provided to all other persons
- 4 in the service area subject to the plan.
- 5 (c) That the average time period required for demand actu-
- 6 ated service to persons 65 years of age or older and handicappers
- 7 from the initiation of a service request to arrival at the desti-
- 8 nation is equal to the average time period required for demand
- 9 actuated service provided to all other persons in the service
- 10 area subject to the plan.
- (d) That the eligible authority or eligible governmental
- 12 agency submitting the plan has established a local advisory coun-
- 13 cil with not less than 50% of its membership representing persons
- 14 65 years of age or older and handicappers within the service area
- 15 subject to the plan and that the local advisory council has had
- 16 an opportunity to review and comment upon the plan before its
- 17 submission to the department. Each eligible authority or eligi-
- 18 ble governmental agency jointly with the area agency on aging
- 19 shall approve at least 1 or the equivalent of 12% of the member-
- 20 ship of the local advisory council. Each advisory council com-
- 21 ment shall be included in the plan when submitted to the
- 22 department.
- 23 (25) -(19) Notwithstanding subsection -(18) (24), a plan
- 24 required by subsection -(+8)- (24) which is not approved or
- 25 rejected by the state transportation department within 60 days
- 26 after submission shall be considered approved as submitted.

- (26) (20) Subsections (17), (18), and (19) (23), (24), 2 AND (25) shall not apply to vehicles or facilities used to 3 transport persons by rail, air, or water or to vehicles of common 4 carriers licensed by the state transportation department.
- 5 (27) -(2+) Beginning January 1, 1979, the department shall 6 submit an annual report to the legislature detailing the service 7 provided in the prior year for persons 65 years of age or older 8 and handicappers by fixed route service and demand actuated 9 service. This report shall include a record of passenger usage 10 and shall be submitted by April 1 of each year.
- (22) The commission shall request a formal opinion from the attorney general regarding the question of whether reducing the age of persons entitled to specialized services from 65 to 60 would constitute a state mandated cost on units of local government thus requiring the state to reimburse those units for the increased costs of services. If the attorney general concludes that reducing the age of persons entitled to specialized services from 65 to 60 would not constitute a state mandated cost, the legislature shall reduce the age from 65 to 60 within 2 years after the effective date of this subsection.
- SEC. 10F. (1) AN ELIGIBLE AUTHORITY OR ELIGIBLE GOVERNMEN22 TAL AGENCY MAY CONDUCT A SPECIAL CENSUS OF THE POPULATION OF ITS
 23 SERVICE AREA USING POPULATION ESTIMATES OR SPECIAL CENSUS DATA OR
 24 OTHER POPULATION FIGURES AS DESCRIBED IN THIS SECTION. THE
 25 ENTIRE COST OF THE CENSUS SHALL BE BORNE BY THE ELIGIBLE AUTHOR26 ITY OR ELIGIBLE GOVERNMENTAL AGENCY. THE RESULTS OF THE SPECIAL
 27 CENSUS SHALL BE CERTIFIED TO THE DEPARTMENT. AN ELIGIBLE

- 1 AUTHORITY OR ELIGIBLE GOVERNMENTAL AGENCY MAY USE ESTIMATED
- 2 POPULATION FIGURES COMPILED BY THE DEPARTMENT OF MANAGEMENT AND
- 3 BUDGET OR SPECIAL CENSUS DATA OR OTHER POPULATION FIGURES COM-
- 4 PILED BY THE UNITS OF GOVERNMENT WITHIN ITS SERVICE AREA TO COM-
- 5 PILE THE REVISED CENSUS PERMITTED BY THIS SECTION.
- 6 (2) THE RESULTS OF THE SPECIAL CENSUS AS CERTIFIED IN SUB-
- 7 SECTION (1) SHALL BE UTILIZED FOR THE PURPOSE OF MAKING THE DIS-
- 8 TRIBUTIONS OF FUNDS UNDER SECTION 10E(4) STARTING WITH THE PAY-
- 9 MENT IN THE MONTH NEXT FOLLOWING THE MONTH IN WHICH CERTIFICATION
- 10 OF THE RESULTS ARE MADE TO THE DEPARTMENT. ONLY 1 SPECIAL CENSUS
- 11 MAY BE UTILIZED BETWEEN 2 STATEWIDE FEDERAL CENSUSES. THE ENU-
- 12 MERATION DATE OF A SPECIAL CENSUS UTILIZED UNDER THIS ACT SHALL
- 13 NOT BE LESS THAN 5 YEARS FROM THE ENUMERATION DATE OF A REGULAR
- 14 STATEWIDE FEDERAL DECENNIAL CENSUS.
- 15 Sec. 10q. (1) The state transportation department shall
- 16 promulgate rules for the implementation and administration of the
- 17 comprehensive transportation fund pursuant to Act No. 306 of the
- 18 Public Acts of 1969, as amended BEING SECTIONS 24.201 TO 24.328
- 19 OF THE MICHIGAN COMPILED LAWS.
- 20 (2) AN ELIGIBLE AUTHORITY OR AN ELIGIBLE GOVERNMENTAL AGENCY
- 21 AGGRIEVED BY A FINAL DECISION OR DETERMINATION MADE BY THE
- 22 DEPARTMENT UNDER THE AUTHORITY OF THIS ACT MAY SEEK JUDICIAL
- 23 REVIEW IN THE MANNER PROVIDED FOR IN CHAPTER 6 OF THE ADMINISTRA-
- 24 TIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF
- 25 1969, BEING SECTIONS 24.301 TO 24.306 OF THE MICHIGAN COMPILED
- 26 LAWS.

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